

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Industries & Commerce Department - Andhra Pradesh Leather & Footwear Policy (4.0) - 2025-30- Orders - Issued.

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INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.MS.No. 89

Dated:27.05.2025

Read:

e- file No. INC01/140/2024-P-I ((Computer No.2665379)

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ORDER:

Government of India making efforts towards sustainable development of Leather and footwear sector and to improve the prospects of the domestic leather industry and its speedy expansion through the "Indian Leather Development Programme" (ILDPA) and other GoI schemes, to bridge the critical gaps in infrastructure for integrated development of the leather industry. Government of India and the Council for Leather Exports have set an ambitious target of achieving a \$50 billion turnover for the Indian leather industry by 2030.

2. Towards the vision of Government of India, Government of Andhra Pradesh strives to address the needs to augment raw material base, enhance capacity, address environmental concerns, human resource development, and attract investment and global marketing in the leather industry.

3. The Director of Industries, A.P has informed that the domestic leather industry has managed to attract mere Rs 2.68 billion since 2000, which constitutes a tiny 0.04 per cent of the total FDI inflows received by India. The convergence of technology and sustainability is giving rise to a new generation of leather products and boast advanced features and functionalities.

4. To encourage new innovations in leather and footwear industry, preserve the rich heritage of leather craftsmanship and to create microcosms that encourage circularity in the value chain, Government of Andhra Pradesh, with a view to provide favorable environment, that can attract global players bring technology and take advantage of the domestic resources to meet the global demand in a more sustainable and environment friendly manner, has decided to bring a new AP Leather and Footwear Policy. Government of Andhra Pradesh, through multi sectoral policy, approach has considered the requests of multiple stakeholders to create a strong industrial ecosystem.

5. Government after careful examination of the proposal, hereby introduce the New Andhra Pradesh Leather & Footwear Policy (4.0) - 2025-30. The detailed policy document is appended at Annexure-I.

(p.t.o.)

6. The Andhra Pradesh Leather & Footwear Policy (4.0) - 2025-30 is valid for a period of 5 years from the date of issue of the policy or till a new Policy is announced. The Policy may be amended and modified from time to time, during implementation period to keep the policy in tune with evolving developments in the leather and footwear sector. However, all such amendments and modifications shall be applied prospectively and shall not curtail any benefit or concession already granted under the policy.

7. This orders issued with the concurrence of Finance (FMU-I&I, Energy and I&C) Department vide their U.O.No. FIN01-FMU0PC(IC)/39/2024-FMU-IC-IIE dt:21.02.2025 (Computer No.2666702).

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N.YUVARAJ  
SECRETARY TO GOVERNMENT

To

The Director of Industries, A.P., Mangalagiri.  
The Vice Chairman & Managing Director, LIDCAP, Guntur.  
The Vice Chairman & Managing Director, APIIC, Mangalagiri.  
The Special CS/Principal Secretary/Secretary of the concerned Dept.,viz,  
The Social Welfare Department,  
The Revenue (Land, Registration and Stamps) Department,  
The Finance Department,  
The PR&RD Department,  
The MA&UD Department,  
The EFS&T Department,  
The Energy Department,  
The Water Resource Department,  
The Transport, Roads and Buildings Department,  
The Skill Development Department,  
The Infrastructure and Investment Department,  
The Industry and Commerce (Mines-III) Department  
The Collector & District Magistrate, Anakapalli District., Anakapalli.

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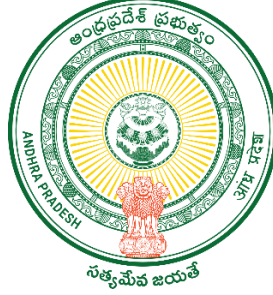
The Finance (FMU-I&I, Energy and I&C) Department.  
The Revenue (CT) Department.  
The Law (H) Department  
The Accountant General, Andhra Pradesh.  
The Chief Commissioner of State Taxes.  
The P.S. to Secretary to Chief Minister.  
The P.S. to Hon'ble Minister (Ind. &Comm. Food Processing).  
The P.S. to Chief Secretary to Government of Andhra Pradesh.  
The P.S. to Secretary to Government Industries & Commerce Department.  
The G.A. (Cabinet.I) Department.  
SC/SF. (Comp.No.2665379)

//FORWARDED::BY ORDER//

  
SECTION OFFICER  


# ANNEXURE – I

G.O.Ms.No., Ind. & Com. (P&I) Dept., Dt. 05.2025



## Andhra Pradesh

### Leather & Footwear Policy 4.0

2025-30

**Department of Industries & Commerce**  
**Government of Andhra Pradesh**

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## **1. Background**

With a significant global presence, India accounts for 13% of worldwide leather production, while also ranking as the second-largest producer and consumer of leather footwear. Furthermore, the country has established itself as a prominent exporter, holding the second, third, and fourth positions globally for leather garments, saddlery and harnesses, and leather goods, respectively.

Towards sustainable development of Leather and footwear sector, the National government has been making efforts to improve the prospects of the domestic leather industry and its speedy expansion through the “Indian Leather Development Programme” (ILDPA), mainly to bridge the critical gaps in infrastructure for integrated development of the leather industry.

As a part of the liberalization measures, most of the items of manufacture in the leather sector have been de-licensed. Further, 100% Foreign Direct Investment and Joint Ventures are permitted through the automatic route.

Government of India and the Council for Leather Exports have set an ambitious target of achieving a \$50 billion turnover for the Indian leather industry by 2030.

Through the policy, Government of Andhra Pradesh is trying to contribute towards the stated vision of Government of India, trying to address the need to augment raw material base, enhance capacity, address environmental concerns, human resource development, and attract investment and global marketing in the leather industry.

## **2. Need for the Policy**

The domestic leather industry has managed to attract mere Rs 2.68 billion since 2000. This constitutes a tiny 0.04 per cent of the total FDI inflows received by India. Absence of huge capacities to cater to volume markets like USA, which account for nearly 1/4th of total world imports of leather & leather products, is one of the factors hampering the growth of this sector.

The convergence of technology and sustainability is giving rise to a new generation of leather products that are not only environmentally friendly but also boast advanced features and functionalities. From self-healing leather to interactive materials that respond to touch and movement, the possibilities are endless. As consumers increasingly demand products that combine style, comfort, and sustainability, the leather and footwear industries are poised to revolutionize the way we experience and interact with these essential products.

To encourage new innovations in leather and footwear industry, preserve the rich heritage of leather craftsmanship and to create microcosms that encourage circularity in the value chain, there needs a collective will and strong impetus for overall development of the sector. Government of Andhra Pradesh, believes that the policy provides favorable environment, that can attract global players bring technology and take advantage of the domestic resources to meet the global demand in a more sustainable and environment friendly manner.

### **3. Sector Overview and Potential**

#### **3.1. Leather Sector**

Global Leather Goods Market was valued at USD 282.7 Billion in 2024 and is expected to reach USD 552.9 Billion by 2033, at a CAGR of 6.74% from 2024 to 2033<sup>1</sup>. Asia Pacific emerges as the leading region in the global leather goods market, as this region encompasses key manufacturing hubs like China, India, and Bangladesh, which are major producers of leather goods.

The abundant availability of raw materials, skilled labor, and relatively lower production costs compared to other regions contribute significantly to the dominance of Asia Pacific in this market. Moreover, countries in this region are experiencing rapid urbanization and rising disposable incomes, leading to increased demand for luxury and fashion products, including leather goods.

As consumers increasingly demand eco-friendly products, manufacturers are turning to cutting-edge solutions, from plant-based alternatives and advanced tanning techniques to lab-grown cultured leather and innovative production methods. Leather waste recycling and repurposing are emerging as key areas of innovation.

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<sup>1</sup>[Global Leather Goods Market Size, Trends, Share 2033 - CMI](#)

Companies are finding creative ways to utilize offcuts and scraps from the production process. These initiatives not only reduce waste but also create additional revenue streams for the industry. This seismic shift is not only reducing the industry's environmental footprint but also unlocking new possibilities for design, functionality, and responsible production.

The leather industry is undergoing a transformative shift, driven by the dual forces of sustainability and technological innovation. Leather craftsmanship has a rich heritage, and preserving this tradition is important for maintaining the quality and authenticity of leather products. However, the industry must also embrace modernization to stay competitive and meet the evolving demands of consumers and the market.

### **3.2. Footwear Sector**

The footwear market size was valued at \$358 billion in 2023 and the market will grow at a CAGR of more than 3% during 2023-2027<sup>2</sup>. In 2023, Asia-Pacific was the leading regional segment of the footwear market driven by Hong Kong, which had the greatest increase globally due to enhanced tourism and improved consumer confidence. India is the second largest consumer of footwear in the world and its leather products and footwear market is estimated to be about USD 12 billion.

Global Leather goods market is segmented into Footwear, Accessories, Luggage and Purses, apparel, and Others. Among all these segments Footwear held the highest market share in 2023 due to its universal demand across various demographics and regions. Leather goods are second, followed by clothing, and furniture.

The footwear market is heavily influenced by fashion trends and consumer preferences, with consumers seeking shoes that align with their personal style, comfort needs, and lifestyle choices. The growing popularity of sports and fitness activities has also driven demand for athletic footwear that offers comfort, support, and enhanced performance.

The footwear industry is embracing technological advancements to enhance performance, comfort, and health. Modern high-tech shoes now incorporate advanced materials, smart sensors, and AI-driven features. As the footwear industry continues to push the boundaries of innovation, the leather industry is also witnessing a parallel transformation.

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<sup>2</sup>[Footwear Market Size, Share and Trend Analysis and Forecast 2027](#)

## 4. Policy Validity & Applicability

The Policy may be called Andhra Pradesh Leather & Footwear Policy (LEAF) 4.0. The policy is valid for a period of 5 years from the date of issue of GO for the policy or till a new Policy is announced.

The policy shall be applicable to industries in Leather and Footwear sectors. All New, Expansion, Diversification projects having DCP within the policy operative period shall be eligible for incentives under this Policy.

## 5. Policy Vision

The vision of the LEAF 4.0 policy is as stated below -

“Empowering Andhra Pradesh to emerge as a global hub for sustainable and innovative leather and footwear manufacturing, driving economic growth, creating livelihood opportunities for local craftsmen, and contributing to India's \$50 billion leather industry target by 2030.”

## 6. Guiding Principles

1. **High value Manufacturing** - Encourage tech-enabled and environmentally responsible footwear and leather goods and accessory manufacturing.
2. **Upskilling local talent** - Train and upskill local workforce to cater to the resourcing demand of high-end Leather & Footwear industries.
3. **Circularity in Value chain** - Promote circularity in leather & footwear value chain (promoting leather and leather-like products with or without animal hides).
4. **Create Domestic brands** - Collaborate with Central Agencies, design institutes, industry councils/associations to enable creation of domestic brands.
5. **Self-sustaining Parks** - Creation of IALA enabled parks for strategic development and management of Integrated Leather & footwear Parks.
6. **Encourage product traceability** - Encourage manufacturers to focus on product traceability to prove authenticity & ethical credentials along the value chain.



## 7. Ecosystem development approach

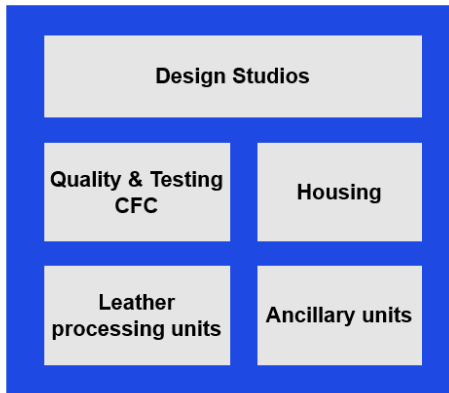
The policy aligns state interventions with Government of India scheme of activities for promotion of Leather and footwear industry. Andhra Pradesh is strategically located on east coast, offering land banks along nationally notified Industrial corridors.

Government of Andhra Pradesh through multi sectoral policy approach is incentivizing multiple stakeholders to create a strong industrial ecosystem -

1. Food Processing Policy 4.0 - is incentivizing abattoirs and tertiary food processing units, which can be a rich supply source for Integrated Leather & Footwear Parks.
2. Private Parks Policy 4.0 – is incentivizing private developers to participate in development, of land parcels including maintenance & management for industrial parks.
3. Textiles, Apparel & Garments Policy 4.0 – is incentivizing high value technical textiles manufacturers.
4. Electronics Policy 4.0 – is incentivizing manufacturers of electronics components and developing three Electronics Manufacturing Clusters.

The manufacturing activity supported through various sectoral policies, can create a closely knit network of ancillary units for Leather and Footwear industries in the State.

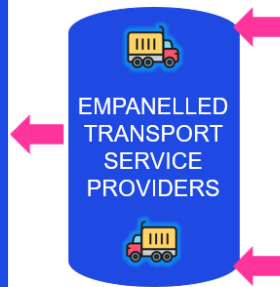
### Integrated Footwear & Leather Park



### Animal hide Tannery Park – *along coastal lands*



### Faux leather Park



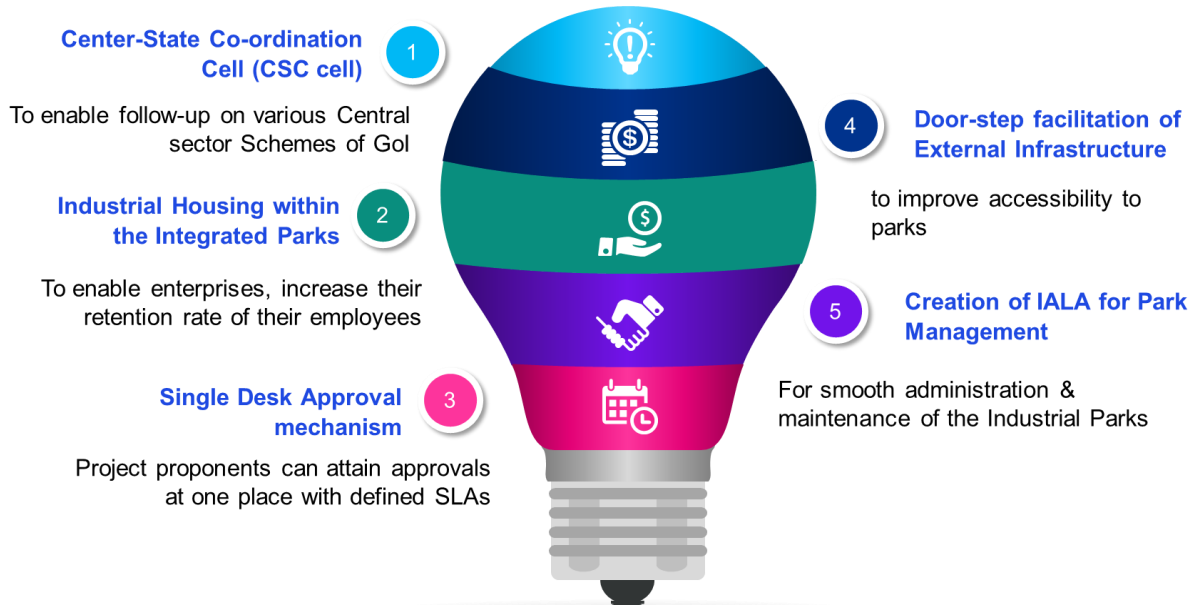
For promotion of Leather & Footwear industry in the state, the land banks along the coast shall be identified for promotion of Integrated leather and faux leathertannery complex, to be developed and managed by leather associations formed as SPVs. State envisions that the tannery parks shall be the primary source of supply for Leather & footwear industries setting up in the state.

Government will facilitate Special Purpose vehicles constituted for such purpose to tap funds from various schemes including Indian Footwear and Leather Development Programme (IFLDP) of Government of India.

For targeting value added manufacturers of Leather and Footwear Integrated Leather & Footwear Parks shall be developed with connectivity to the tannery complex. The Integrated Leather & Footwear Parks shall be developed in PPP model and developers are encouraged to avail incentives under AP Private Parks Policy 4.0 (2024-29).

To enable safe and hygienic transportation of leather hides from tanneries to the parks, government in-coordination with various departments shall provide transport vehicles at subsidized rates and empanel transportation service providers with Integrated Leather and Footwear Park Authorities.

## 8. Non- Financial Interventions



### 8.1.Center-StateCo-ordination Cell (CSC cell)

To enable submission of proposals and follow-up on approvals and sanctions to various Central sector Schemes of Gol, there shall be a center-state co-ordination cell, facilitated by the nodal agency.

### 8.2.Industrial Housingnear Integrated Parks

To enable enterprises, increase their retention rate of their employees, provisions for industrial housing, with common amenities shall be encouraged at the time of layout approvals for the parks.

### 8.3.Single Desk Approval mechanism

Andhra Pradesh has been a consistent top performer in Ease of Doing Business rankings. The state has robust single desk portal, where project proponents can attain approvals at one place with defined SLAs.

The Large & Mega investors are assigned to liaison officers for providing handholding services and assist in tracking of approvals status.

#### 8.4. Door-step External Infrastructure facilitation

The state shall facilitate in providing external infrastructure facilities including roads, utilities such as power, water etc to the doorstep of the Parks, to improve accessibility to parks.

#### 8.5. Creation of IALA for Park Management

Promoting the practice of self-governance in the Industrial Parks, Andhra Pradesh has been following concept of Service Societies and Industrial Area Local Authorities (IALA), where industrial units located in the Industrial Parks participate in all decisions which concern them pertaining to development aspects within the IALA area.

Service societies help in bringing transparency in development activities in the IALA area, as well as help in smooth administration of the Industrial Parks.

### 9. Financial Incentives

#### 9.1. Definitions

Investors have been differentiated based on Investments made in the state as under

**Micro, Small and Medium Enterprises (MSMEs)** refer to Industry/enterprise in which investment and turnover are as defined by the Government of India from time to time.

Micro	Small	Medium
Investment in Plant and Machinery or Equipment: Not more than Rs.2.5 crore  and  Annual Turnover not more than Rs. 10 crores	Investment in Plant and Machinery or Equipment: Not more than Rs.25 crore  and  Annual Turnover not more than Rs. 100 crores	Investment in Plant and Machinery or Equipment: Not more than Rs.125 crore  and  Annual Turnover not more than Rs. 250 crores

- a) **Large Projects** refer to projects with investment above Rs.125 crores and not exceeding 500 crores. The standard investment period from the date of CFE shall be within 2 years.
- b) **Mega Projects** refer to projects with Investment above Rs.500 crores.The Government will extend tailor-made incentives to Projects with an investment of more than Rs. 500 crores on a case-to-case basis based on the pioneering nature of the project, value addition, strategic importance, the project's importance to the state's textile sector growth and its ability to generate large-scale employment.
- c) **Eligible Fixed Capital Investment** – means investment made in Land, Building, Plant, Machinery and Equipment for MSMEs, whilein case of Large and Above investments, Land & Building cost is excluded. The definition of eFCI shall be considered for the purpose of Incentive calculation.

## 9.2.Incentives for MSME Manufacturers

The MSMEenterprises with line of activity in leatherfootwear and leather-based products(including faux leather), non-leather footwear and alsotannery units existing in clusterswill be eligible for following package of incentives –

- a) **Investment subsidy**– for new projects35% of eFCIupto maximum of **INR 12 Cr**, disbursed over a period of 4 years from DCP.
- b) **Technology Upgradation or Modernization Subsidy** – for expansion and diversification projects30% of eFCIupto maximum of **INR 10 Cr**, disbursed over a period of 4 years from DCP.
- c) **Power Cost Reimbursement** –For new, expansion and diversification
  - Tannery activities– Reimbursement at INR 1.5 per unit upto**INR 20 lakh** per annum for 5 years from DCP
  - Other activities – reimbursement of INR 1 per unit upto**INR 15 lakh** per annum for 5 yearsfrom DCP
- d) **Branding & Marketing Assistance**– To encourage MSMEs to obtain trademarks, GI tags, cover marketing collaterals, participation in trade summits for promotion of their leather and footwear products, the MSMEs can avail 25% of cost incurred for said activities per annumupto INR 1 Cr for 3 yrs from DCP.

- e) Quality Certification cost subsidy** -Projects obtaining certifications like ISO, ISI, BIS, FPO, BEE, AGMARK, and ECOMARK or any other national or international certification shall be eligible for a subsidy of 50% of the total cost incurred for obtaining the certification, as certified by the Chartered Accountant, limited to Rs. 1 crore for the period of investment
- f) Skill Development Assistance** –To enable local craftsmen in leather and footwear to upskill, designated institutions shall be notified by the nodal agency. MSMEs availing training certificate from the designated institutes shall be supported with 50% of training cost upto maximum of INR 3 lakh per enterprise.
- g) Energy & Water Audit cost Reimbursement –**  
To encourage MSMEs move towards more cleaner production measures, government is incentivizing units to get water and energy audits, for effective utilization of power and water sources.

Quantum of incentive that can be claimed by MSME enterprises in the form of Energy/Water cost subsidy is tabulated below

- 75% of cost of Water audit, capped at INR 1 Lakh
  - 75% of cost of energy audit, capped at INR 2 Lakhs, during policy period.
  - 25% of cost of equipment as per auditing, Capped at INR 50 Lakhs
- h) Land cost Rebate** - 75% of land cost limited to Rs.25.00 Lakh will be reimbursed to the SC/STled Enterprises located in Industrial Parks developed by APIIC.
- i) Stamp Duty reimbursement** - 100% stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use will be reimbursed.
- 100% stamp duty for lease of land/shed/buildings, mortgages and hypothecations will be reimbursed.
  - Stamp duty will be reimbursed only one time on the land. Stamp duty will not be reimbursed on subsequent transactions on the same land.
- j) Land conversion charges** - 100% fee charged for land conversion will be reimbursed.

### 9.3. Incentives for Large Enterprises

The Large enterprises with FCI above INR 125 Cr with line of activity in leather footwear and leather-based products (leather with or without animal skin), non-leather footwear and tannery units existing in clusters will be eligible for following package of incentives –

#### 9.3.1. Investment Subsidy

- a) New/Expansion/Diversification projects will be able to avail investment subsidy on the eligible Fixed Capital Investment (eFCI) as per the limits indicated below:

Activity	Subsidy	Max. Cap
Footwear & Leather Products	25% of eFCI	INR 50 Cr
Semi-processed Leather, wet blues (leather with or without animal skin)	30% of eFCI	INR 60 Cr

- b) Incentive shall be disbursed in 5 annual installments from the DCP.

#### 9.3.2. Early Bird Incentive

- a) The Manufacturers are eligible to avail incentive under early Bird scheme of AP Industrial Development Policy 4.0, provided all conditions to qualify as an early bird applicant under AP IDP 4.0 are met.
- b) Leather products with **IoT integration and Faux leather products** shall qualify as Category I projects under early bird scheme of AP IDP 4.0 with maximum cap of INR 60 Cr.
- c) Under the Early Bird scheme of IDP 4.0, first 200 early applicants (across all sectors) obtaining CFE within 18 months from effective date of the policy, shall be eligible to claim investment subsidy of 30% of eFCI and for category II projects receiving CFE within 24 months shall be eligible for 40% of eFCI.
- d) The investment subsidy availed through early bird subsidy of AP IDP 4.0, if applicable, shall override the investment subsidy under AP LEAF 4.0 Policy.

#### 9.3.3. Employment Subsidy

- a) To incentivize higher employment creation, policy extends additional benefit in the form of employment subsidy.

- b) Quantum of Employment subsidy shall be based on the E/I ratio, where “E” is Employment created & “I” is investment made in INR Cr. The employment subsidy for various E/I ratios is tabulated below.

Employment to Investment (E/I) ratio	Eligible incentive (% of FCI)
5 and above	10% of FCI
> = 3 and < 5	9% of FCI
> = 1 and < 3	8% of FCI
Less than 1	NIL

- c) The eligible incentive will be disbursed in equal annual instalments of 5 years from DCP.

#### **9.3.4. Local Procurement Subsidy**

- a) To enable domestic sourcing of raw material from units operating within the state the policy is incentivizing Large units with Local Procurement Subsidy.
- b) Eligible units
- i. Anchor units in the integrated Footwear & Leather Parks with commitment to bring min 10 ancillaries with cumulative min. investment from ancillaries of INR 100 Cr
  - ii. Standalone units with having line of activity as finished Footwear or Leather products, meeting min. 60% of their input requirements from local ancillaries shall be eligible for local procurement subsidy.
- c) Such eligible enterprises shall be able to claim 1% of annual turnover for 3 years (upto INR 10 Cr), as local procurement subsidy.

#### **9.3.5. Internship/Apprenticeship Assistance**

- a) Internship/apprenticeship assistance shall be given to enterprises, to onboard and enable local craftsmen in leather and footwear clusters upskill, through on-job training.
- b) Incentive of INR 1.5 Lakh per individual can be claimed by the enterprise upto a maximum of INR 30 Lakh for creating internship/apprenticeship opportunities created for individuals recruited from Footwear and Leather clusters in the state.
- c) Apprenticeship shall be for a minimum period of 1 year and internship shall be for a minimum period of 3 months.

## **Quality Certification Cost Subsidy**

- a) Projects obtaining certifications like ISO, ISI, BIS, FPO, BEE, AGMARK, and ECOMARK or any other national or international certification shall be eligible for a subsidy of 50% of the total cost incurred for obtaining the certification, as certified by the Chartered Accountant, limited to Rs. 1 crore for the period of investment.

### **9.3.6. Traceability enablement assistance**

- a) In order to support establishing an end-to-end system that enhances traceability by capturing information on provenance, authenticity, ethical credentials, and quality, 50% of the expenditure incurred on the purchase of a specialized software license for Traceability Systems or implementing the Traceability, shall be reimbursed subject to a ceiling of Rs. 25 lakhs.

### **9.3.7. Net SGST Reimbursement**

- a) 100% net SGST payable on the sale of final products manufactured and sold in the State, will be reimbursed for a period of 5 years from the date of commercial production.

### **9.3.8. Reimbursement of Power Cost**

- a) Fixed power cost reimbursement at INR 1 per unit for 2 years from the date of commencement of commercial production.
- b) Maximum cap on the incentive is INR 30 Lakh for 2 years.
- c) It is encouraged that units to invest in energy, water efficient or pollution or waste minimizing machinery to avail De-carbonization subsidy.

### **9.3.9. Reimbursement of Stamp Duty & Transfer Duty**

- a) 100% stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use will be reimbursed for standalone units setting outside the industrial parks.
- b) 100% stamp duty for lease of land/shed/buildings, mortgages and hypothecations will be reimbursed.
- c) Stamp duty will be reimbursed only one time on the land. Stamp duty will not be reimbursed on subsequent transactions on the same land.

### 9.3.10. Reimbursement of Land Conversion Charges

- a) 100% fee charged for land conversion will be reimbursed for standalone units setting outside the industrial parks.

## 9.4. Incentives to Ecosystem Enablers

### 9.4.1. De-carbonization Subsidy for Common Infrastructure Facilities

- a) Enterprise investing in creation of common infrastructure facilities including but not limited to CETPs, waste & odor management, secure landfills in the Leather Tannery Complexes shall be eligible for Decarbonization Subsidy of 20% of project cost (upto INR 50 Cr)
- b) Incentive shall be disbursed in 5 annual installments from DCP.

### 9.4.2. Transport Subsidy for Goods Carriers

- a) For those transport service providers registered with Industrial Park Authorities (IALA) and adhering to service contract terms of IALA, will be eligible for investment subsidy of 30% of vehicle cost.
- b) Maximum cost of vehicle that will be considered for the subsidy is tabulated below

Vehicle type	Max Ex-showroom price	
	(ICE vehicle)	E Vehicle
Light commercial vehicle (3.5T to 7T gross weight)	INR 12 Lakh	INR 15 Lakh
Medium commercial vehicle (7T to 19T gross weight)	INR 25 Lakh	INR 30 Lakh

- c) Maximum vehicles an enterprise can take benefit under Transport Subsidy will be limited to two vehicles.

### 9.4.3. Investment Subsidy for Integrated Park Developers

- a) Given the increasing number of proposals for development of industries, the GoAP to support and encourage the development of private Industrial Parks in the state, by enabling the creation of a framework to increase participation of potential developers, has notified "AP Policy for establishment of Private Industrial Parks with 'Plug and Play' Industrial Infrastructure (4.0) 2024-29" vide G.O.Ms.No.67, dt.26.10.2024.
- b) The Department of Industries & Commerce, Government of Andhra Pradesh or any other agency authorized by it, is the executing agency for the policy.
- c) Incentives for park developers under the state policy is as under

Nano and MSME park developers	Large & Mega Industrial Park developers
Capital Subsidy of upto Rs. 5 lakhs per acre	Capital Subsidy of upto Rs. 3 lakhs per acre
100% exemption of <ul style="list-style-type: none"> <li>– Conversion Charges applicable in case of conversion of Agricultural land to Non-Agricultural land</li> <li>– charges for Change of Land Use in the Master Plan notified</li> <li>– Layout Approval cost</li> <li>– Stamp Duty and Registration Charges for pooling the lands for the Industrial Parks</li> </ul>	

#### **9.4.4. Top-upsubsidy for Design Studios**

- a) Institutions encouraging setup of Design studios for -Design Support, Technical assistance and advancement, opportunities for employment and business, Dovetailing contemporary designs with artisans' skills, incubation facilities, Assisting in certification, shall be eligible for investment subsidy.
- b) Such institutes which qualify for Gol scheme for Leather & Footwear Development Program, shall receive an investment subsidy of 25% of project cost (upto INR 5 Cr) over and above Gol assistance.

## **10. Operational Guidelines**

The operating guidelines for AP LEAF 4.0 policy, will be in alignment with Guidelines issued for IDP 4.0, MEDP 4.0, FPP 4.0 issued by the Department of Industries & Commerce vide GO Ms. No 28 dt: 25-02-2025. Any specific forms required for claiming incentives and clarifications on definitions under LEAF 4.0, if not available under GOMs No 28, will be notified separately by Department of Industries & Commerce.

**N.YUVARAJ**  
**SECRETARY TO GOVERNMENT**