

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

ITE&C Department – Promotion Wing – Andhra Pradesh Electronics Component Manufacturing Policy (4.0) 2025-30 – Orders –Issued.

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS
(PROMOTION WING) DEPARTMENT

G.O.Ms.No:30

Date:01.08.2025

Read the following:

1. G.O. Ms. No. 5, IT, E&C (Promotions) Department, dated:30.10.2024
2. G.O. Ms. No. 7, IT, E&C (Promotions) Department, dated:14.11.2024
3. e-File No. ITC01-ELEC0ELEC(RMAT)/3/2025-PROMOTIONS from ITE&C (Promotion Wing) Department, Government of Andhra Pradesh.

ORDER:

In the reference 1 and reference 2, the Government of Andhra Pradesh has notified the “Andhra Pradesh Electronics Manufacturing Policy (4.0) 2024-29” and the “Andhra Pradesh Semiconductor and Display Fab Policy (4.0) 2024-29” to boost manufacturing capacities in the electronics sector and to build a robust semiconductor and display fabrication ecosystem in the state. Andhra Pradesh has already begun attracting significant investments from leading firms in the electronics manufacturing space.

2. Now, the state aims to capitalize on opportunities in electronic component manufacturing and address the challenges through the launch of the “Electronics Component Manufacturing Policy (4.0) 2025-30” (ECMP 4.0). This policy is aligned with the vision of the recently launched Government of India’s Electronics Component Manufacturing Scheme (ECMS).

3. Accordingly, the IT, E&C Department conducted consultation meetings with Electronics components industrial associations, mega industries, and departments at the state level to solicit feedback from stakeholders and after multiple rounds of review and revisions with relevant departments and officials, a new Andhra Pradesh Electronic Components Manufacturing Policy (4.0) 2025-30 has been submitted.

4. The finance department accorded concurrence and approval for the Andhra Pradesh Electronics Component Manufacturing Policy (4.0) 2025-30.

5. Hence, the Government, after careful examination of the proposal, hereby accords the approval for the Andhra Pradesh Electronics Component

(P.T.O)

Manufacturing Policy (4.0) 2025-30, which is placed as Annexure to this order. This policy further aims to build an electronics component manufacturing ecosystem that significantly contributes to the economic development of the State. The policy aims to integrate Andhra Pradesh-based companies with the Global Value Chains of the electronics sector and increase the value addition of Andhra Pradesh-based companies in the electronics supply chain significantly.

6. This Policy shall be valid for a period of 5 years from the date of the policy notification, or till a new Policy is announced, whichever is later. The policy may be amended and modified during implementation; however, all such amendments and modifications shall be applied prospectively and shall not curtail any benefit or concession already granted under the policy. The Government of Andhra Pradesh may extend the period of this Policy as required.

7. The Incentives mentioned in the policy will be extended to eligible companies as per the operational guidelines to be notified separately. The IT, E&C Department shall take necessary action for implementing the operating guidelines for this Policy.

8. This order is issued with the remarks and concurrence of the Finance (U.O.No. FIN01-FMU0PC(IC)/ 18/2025 (Computer No. 2850553)).

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

**BHASKAR KATAMNENI
SECRETARY TO GOVERNMENT**

To:

All the Departments of Secretariat.

The Secretary to Govt., Industries & Commerce Department, Govt. of AP

The Commissioner and I.G., Stamps and Registration

The Vice Chairman and Managing Director, APIIC, Mangalagiri

The Director, Industries & Commerce, Andhra Pradesh

The Commissioner, Information and Public Relations, Andhra Pradesh

The Member Secretary, A.P. Pollution Control Board, Andhra Pradesh

The Chairman & MD, AP TRANSCO

The Managing Director, APCPDCL/EPCPDCL /SPCPDCL

The Commissioner, Labour, Andhra Pradesh

The Vice Chairman, VUDA/TUDA/VGTMUDA

All the District Collectors & Magistrates, Andhra Pradesh

All the Municipal Commissioners, Andhra Pradesh

The Managing Director, APTS, Vijayawada

The Development Commissioner, VSEZ, Visakhapatnam

The Director, STPI, Andhra Pradesh

The Chief Executive Officer, APEDB

Copy to:

The Secretary, Ministry of Electronics & Information Technology (MeitY), Govt. of India

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The Chief Minister's Office, Government of Andhra Pradesh
The PS to Chief Secretary to Government of Andhra Pradesh
The PS to Prl. Finance Secretary, Government of Andhra Pradesh
The OSD to Minister for HRD, IT, E&C, RTGs, Government of Andhra Pradesh
The PS to Minister for Finance, Government of Andhra Pradesh
The PS to Minister for Revenue, Government of Andhra Pradesh
The PS to Minister for MA&UD, Government of Andhra Pradesh
The PS to Minister for Energy, Government of Andhra Pradesh
The PS to Minister for Labour, Government of Andhra Pradesh
The PS to Secretary, Planning Department, Government of Andhra Pradesh
The P.S. to Secretary to Government & CIP
The P.S. to Secretary/Special Secretary to Government, IT, E&C Department
SC/SF

//FORWARDED::BY ORDER//

SECTION OFFICER

Annexure

(Annexure to G.O.Ms.No.30, ITE&C (Prom Wing) Dept., dated: 01.08.2025)



Andhra Pradesh Electronics Components Manufacturing Policy (4.0) 2025-30

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1. Introduction

India's electronics industry has seen a sharp upward trajectory in recent years. A major contributor to this growth has been the mobile phone segment, which now makes up nearly half of all electronics production. That said, the sector still faces a critical challenge: a heavy dependence on imported components, which leaves it exposed to global supply chain shocks and geopolitical uncertainties.

Andhra Pradesh is positioned well to cater to this emerging opportunity. Thanks to its strategic coastal location, established electronics manufacturing ecosystem, well-developed infrastructure, diverse industrial manufacturing base, and business-friendly governance, the state is uniquely placed to emerge as a key player in electronics component manufacturing. With access to major ports, industrial corridors, and a skilled talent pool, Andhra Pradesh offers the right ingredients to build a more resilient and self-sustaining electronics ecosystem.

2. Need for a Policy

Electronic components represent a critical cost driver in the electronics value chain, accounting for over 60% of the Bill of Materials (BoM) in most products. However, India's continued reliance on imports creates a strategic vulnerability that undermines its goal of becoming a global manufacturing hub.

NITI Aayog's July 2024 report, "Global Value Chains: Accelerating India's *Integration*," emphasizes that India's ability to scale its presence in global value chains (GVCs) hinges on strengthening domestic manufacturing capabilities, particularly in high-value, high-tech components. With 75% of electronics exports linked to GVCs, India needs to move beyond final assembly and begin capturing more value upstream in the supply chain.

To achieve this, India needs to take several strategic imperatives, including developing a robust local supplier base, investing in advanced manufacturing technologies, and fostering innovation through R&D.

In alignment with this vision, the Ministry of Electronics and Information Technology (MeitY) launched the **Electronics Component Manufacturing Scheme (ECMS)** in April 2025. The scheme is designed to catalyze large-scale investments—both domestic and global—into the

electronics component's ecosystem. It offers a mix of **turnover-linked, capital expenditure-based, and hybrid incentives** across key segments such as sub-assemblies, bare components, and capital equipment. ECMS represents a strategic policy shift aimed at reducing import dependency and fostering a globally competitive components base. This policy, combined with targeted infrastructure and R&D support, could be a game-changer in positioning India as a serious player in the global electronics manufacturing landscape.

Andhra Pradesh has notified “Andhra Pradesh Electronics Manufacturing Policy 4.0” and “Andhra Pradesh Semiconductor and Display Fab Policy 4.0” to boost manufacturing capacities for electronics manufacturing as well as build a semiconductor and display fab ecosystem. The state is already host to majors such as Daikin, Panasonic, Foxconn and Dixon as well as recently attracted a slew of large scale investments in the sector under the recently notified policies.

However, given the need to penetrate deeper into the sector, Andhra Pradesh wishes to capitalize the opportunity in the electronics components manufacturing sector and aims to address the following challenges through the released of Electronics component manufacturing policy 4.0 (ECMP 4.0):

- a. Reducing cost disabilities faced by component manufacturers.
- b. Enabling speed of doing business
- c. Establishing plug-and-play manufacturing ecosystems.
- d. Attracting global contract manufacturers and Tier-1 suppliers.
- e. Integration with large scale assembly and sub-assembly operations
- f. Creating vast pool of highly trained talent.

3. Focus Areas

3.1. Specialized Component Manufacturing Clusters (CMCs) with shared facilities

The state will develop CMCs in strategic locations such as Tirupati, Anantapur, Visakhapatnam, Koppurthy and Nellore. These clusters will:

- a. Focus on specializing on specific components such as PCBs, Display, Optoelectronics, passive components etc.
- b. Leverage local industrial presence in these areas including
 - a. White goods
 - b. Mobile

- c. Display
- d. Aerospace & Defence
- e. Space
- f. Medical Devices
- g. Drones
- h. 5G systems
- c. Co-location with top academic and training Institutions to:
 - a. Ensure steady flow of high-quality talent
 - b. Facilitate R&D commercialization
- d. Common clean rooms, testing and calibration labs, reliability and failure analysis centers, and prototyping facilities
- e. Shared logistics, warehousing, and customs clearance infrastructure to reduce costs and speed up operations

3.2. Infrastructure Development

Help increase speed of doing business and reduce cost of doing business with infrastructure creation, including:

- a. Fast-track Land Allotment & facilitate rapid development
- b. Provide ready-built factory shells and plug-and-play infrastructure.
- c. Have enhanced connectivity to ports, dry ports, highways, and skill development centers.
- d. Be powered by reliable, uninterrupted electricity connection, with seamless access to green energy.

3.3. Anchor Investments in Component Manufacturing

- a. Attract global anchor firms in key component segments with specialized focus and tailor-made support packages.
- b. Attract supply chain partners to build CMCs
- c. Identify high-import components (e.g., MLCCs, ICs, sensors) and incentivize their domestic production
- d. Support domestic firms transitioning from assembly to component manufacturing.

3.4. Skilling and Talent Development

Recognizing the specialized skills required in component manufacturing, Andhra Pradesh will work towards creating a future-ready skilled workforce. To ensure this, the state will:

- a. Partner with institutions like IIT Tirupati, IIIT Sri City, and local training institutes to create component-specific skilling programs.

- b. Align the curriculum of the training programs to industry needs, offering hands-on training on SMT, micro-assembly, and component testing equipment
- c. Launch apprenticeship programs with anchor firms to ensure a steady pipeline of skilled technicians and engineers.

4. Scope of the policy & Applicability

All the investments approved under ECMS as notified by MeitY will be eligible to receive incentives under this policy. This includes current sub-segments listed below as well as new segments notified by MeitY from time to time.

- a. Sub-assemblies
- b. Bare Components
- c. Selected Bare Components
- d. Supply Chain and Capital Equipment

5. Incentives

5.1 Any One of the following Incentives for firms qualifying under ECMS from GOI

- a. **Option 1: Early Bird Offer:** First 10 projects, with a minimum committed investment of 250 Cr. over 5 years, will be eligible to get Capital subsidy of 50% of eligible investment, to be paid in 2 equal annual installments.
- b. **Option 2: Matching Subsidy:** 100% subsidy matching the subsidy amount approved and released by Government of India under the ECMS. This incentive will be disbursed within 6 months from the time GOI releases the corresponding incentive under ECMS, in the corresponding proportion applicable under this policy. Firms getting early bird incentive are not eligible for this incentive.

5.2 Interim Incentives:

- a. For firms choosing option 2: In any given year, in case the firm is able to reach only 50% of all the 3 targets under turnover, investment and employment, regardless of subsidy released by GOI, Government of Andhra Pradesh (GoAP) will grant subsidy in line with the percentages notified for that particular year in the ECMS from GOI. The same will be disbursed in 2 equal annual instalments.

5.3 Infrastructure Incentive:

- a. Land Incentive
 - 1. 75% of land cost Discount on APIIC land or Government land for companies approved under the ECMS from GOI. **(OR)**
 - 2. 50% rental waiver for first 3 Years for ready built factory building built by APIIC.
- b. Electricity Duty: 100% exemption on electricity duty for 6 years from notification of this policy.

5.4 Other incentives such as power cost reimbursement, Net SGST reimbursement, Stamp duty Reimbursement, Recruitment assistance will be provided as per Andhra Pradesh Electronics Policy 4.0 or its subsequent revisions notified from time to time.

5.5 The cumulative incentive granted to any firm by GoAP will be capped at 75% of the investment made by the firm in the state.

5.6 Tailor made incentives and concessions for Mega projects

- a. Projects with a proposed investment of more than INR 1,000 Crores or creating a minimum of 1,000 employment, over committed investment period of 5 years, are classified as Mega projects.
- b. These projects will be eligible for tailor made incentives
- c. Firm has to submit a detailed project report, which upon review by APEDB, will be put up to CCITEI, SIPC and SIPB for due consideration and approval, on a case-to-case basis.

5.7 Firms can alternatively choose to apply directly under the Andhra Pradesh Electronics Policy 4.0. (2024-29). Firms can apply under any one policy only.

6. Policy Implementation

6.1 State Investment Promotion Board (SIPB)

- a. For creating an enabling structure to expedite decision making pertaining to investments, SIPB has been constituted with the Chief Minister as the Chairman and the Chief Secretary to the Government as Member Convener.
- b. The SIPB shall meet regularly for taking final decision on investments/promotion activities and for approval of Mega projects.

6.2 State Investment Promotion Committee (SIPC)

- a. On case-to-case basis, SIPC shall advice SIPB on any changes, amendments, recommendations for tailor made incentives for eligible investment proposals. However, the final decision to approve any change will rest with SIPB.
- b. On case-to-case basis, SIPC shall advice SIPB on any changes and amendments.

6.3 Consultative Committee for Information Technology & Electronics Investments (CCITEI)

- a. The CCITEI will consist of representatives from both Government as well as Industry, which will enable faster decision making and rapid disbursement of incentives.
- b. On case-to-case basis, CCITEI shall put up special approvals for mega projects or amendments to the policy to SIPC for its review

6.4 Andhra Pradesh Economic Development Board (APEDB)

- a. APEDB will be the nodal agency to implement this policy.

7. Operating Guidelines

The operating guidelines for this policy will be issued separately detailing the definitions of various terminologies and procedures for availing of incentives under this policy.

BHASKAR KATAMNENI
SECRETARY TO GOVERNMENT