**Overview**

The Andhra Pradesh Electronics Manufacturing Policy (4.0) 2024-29 is a strategic initiative by the Government of Andhra Pradesh to bolster the Electronics System Design and Manufacturing (ESDM) sector. The policy aims to position Andhra Pradesh as a global hub for electronics manufacturing by leveraging its strategic location, robust infrastructure, and skilled workforce. It aligns with national initiatives like "Make in India" and the Production Linked Incentive (PLI) scheme to drive economic growth and job creation.

**Key Takeaways**

* **Purpose**: Accelerate growth in the ESDM sector by attracting significant investments and fostering innovation.
* **Vision**: Establish Andhra Pradesh as a premier destination for electronics manufacturing, targeting USD 50 billion in production and USD 10 billion in investments.
* **Targets**: Achieve electronics production worth USD 50 billion (INR 4.2 lakh crores), attract investments of USD 10 billion (INR 84,000 crores), and create 5 lakh first-time jobs by 2029.
* **Validity**: Effective from October 30, 2024, for five years or until a new policy is announced.

**Policy Alignment**

* **Integration**: Complements the Andhra Pradesh Industrial Development Policy (4.0) 2024-29 and other state policies to create a cohesive industrial ecosystem.
* **Impact**: Enhances Andhra Pradesh’s competitiveness in the global ESDM market, supporting national initiatives like the Indian Semiconductor Mission (ISM) and PLI schemes.

**Objectives**

* Attract foreign direct investments to drive capital inflow and local value addition.
* Create large-scale employment opportunities, particularly for first-time job seekers.
* Develop world-class electronics manufacturing clusters in key cities like Visakhapatnam, Tirupati, and Sricity.
* Strengthen supply chain resilience and boost electronics exports.

**Strategic Advantages of Andhra Pradesh**

**Location Benefits**

* **Coastal Advantage**: 1,053 km coastline facilitates access to ports, enhancing export potential and logistics efficiency.
* **Industrial Corridors**: Proximity to the Visakhapatnam-Chennai Industrial Corridor (VCIC) improves connectivity and trade.
* **Manufacturing Clusters**: Dedicated electronics hubs in Visakhapatnam, Tirupati, Nellore, Sricity, Kadapa, and Anantapur.

**Infrastructure and Workforce**

* **Power Reliability**: Surplus power generation ensures uninterrupted supply for manufacturing units.
* **Skilled Workforce**: Access to a large pool of skilled professionals and competitive operational costs.
* **Logistics Network**: Well-connected ports, airports, and road infrastructure support efficient supply chains.

**Policy Details**

**Validity and Applicability**

* **Duration**: Five years from October 30, 2024, to October 29, 2029, or until a new policy is announced.
* **Scope**: Applies to new industrial enterprises, expansion, diversification, and modernization projects commencing commercial production on or after October 30, 2024, within Andhra Pradesh.
* **Amendments**: Possible during the policy period, applied prospectively.

**Financial Incentives**

**Standard Incentives**

* **Investment Subsidy**:
  + Sub-Large: 20% of eligible Fixed Capital Investment (FCI), disbursed over 5 years.
  + Large: 25% of eligible FCI, disbursed over 7 years.
  + Mega: 30% of eligible FCI, disbursed over 10 years.
* **Net SGST Reimbursement**: 100% reimbursement of net SGST for 5 years or until 100% of eligible FCI is realized.
* **Power Cost Subsidy**: INR 1 per unit on energy consumption charges for 5 years.
* **Recruitment Assistance**: INR 4,000/month for male and INR 6,000/month for female first-time employees for 6 months, applicable for 5 years.
* **Stamp Duty Reimbursement**: 100% reimbursement on stamp duty for land/shed/building purchase, one-time.

**Employment and Value Addition Top-Up**

* **Employment Subsidy**:
  + Eligible for enterprises with high Employment-to-Investment (E/I) ratios:
    - Sub-Large: >10
    - Large: >3
    - Mega: >2
  + Incentive: 5% of eligible FCI, claimable once within two years from the standard investment period.
* **Value Addition Subsidy**:
  + Based on percentage of value addition:
    - 8%: 1% of eligible FCI
    - 10%: 2.5% of eligible FCI
    - 15%: 5% of eligible FCI
  + Claimable once within two years from the standard investment period.

**Tailor-Made Incentives for Mega and Ultra Mega Projects**

* **Eligibility**: Projects with fixed capital investment >INR 1,000 Crore (Mega) or >INR 5,000 Crore (Ultra Mega).
* **Benefits**: Customized incentives based on gestation period, technology, employment generation, and economic impact, evaluated case-by-case by the Consultative Committee for Information Technology and Electronics Industry (CCITEI).

**Eligible Activities**

* Covers a wide range of ESDM activities, including:
  + Assembly/sub-assembly of consumer electronics (mobile phones, TVs, laptops, etc.).
  + Manufacturing of LED bulbs, SMT components, PCBs, and semiconductor wafers.
  + Active and passive components, Li-ion batteries, and IoT devices.
  + Medical, automotive, defense, and aerospace electronics.
  + E-waste processing, testing labs, and solar cell/module manufacturing.
  + Any activity approved by CCITEI or notified under national schemes like PLI and SPECS.

**Implementation Framework**

* **Nodal Agency**: Andhra Pradesh Economic Development Board (APEDB).
* **Approval Mechanism**: CCITEI oversees policy implementation, incentive approvals, and dispute resolution.
* **Online Portal**: Claims for incentives must be filed through the ITE&C Department’s online incentive portal within stipulated timelines (e.g., 12 months from Date of Commencement of Production for investment subsidy).
* **Inspection and Monitoring**: Regular inspections by designated officers to verify employment, production, and compliance.

**Conditions and Penalties**

* **Continuous Production**: Enterprises must maintain continuous production for 6 years (MSEs) or 8 years (Medium and above) from DCP.
* **Ineligibility**: Enterprises using leased machinery, >25% secondhand machinery, or ineligible activities are not eligible for incentives.
* **Recovery**: Incentives may be recovered for misrepresentation, non-compliance, or premature closure, with penalties under the A.P. Revenue Recovery Act.
* **Change Management**: Changes in constitution, management, or location require prior approval from CCITEI or DIEPC.