**Overview**

The Andhra Pradesh Semiconductor and Display Fab Policy (4.0) 2024-29 is a strategic initiative by the Government of Andhra Pradesh to establish the state as a global hub for semiconductor and display manufacturing. The policy aims to attract significant investments, foster innovation, and create a robust ecosystem for semiconductor fabrication, display fabs, and related industries, aligning with national initiatives like the India Semiconductor Mission (ISM).

**Key Takeaways**

* **Purpose**: Build a comprehensive semiconductor and display manufacturing ecosystem to position Andhra Pradesh as a leader in next-generation technology.
* **Vision**: Attract USD 10 billion in investments and create 2 lakh jobs by 2029, establishing Andhra Pradesh as a premier semiconductor hub.
* **Targets**: Achieve USD 10 billion (INR 84,000 crores) in investments and generate 2 lakh direct and indirect jobs by 2029.
* **Validity**: Effective from November 14, 2024, to May 13, 2030, or until amended.

**Policy Alignment**

* **Integration**: Complements the Andhra Pradesh Industrial Development Policy (4.0) 2024-29 and AP Electronics Manufacturing Policy (4.0) to create a cohesive industrial ecosystem.
* **Impact**: Enhances Andhra Pradesh’s competitiveness in the global semiconductor market, supporting national initiatives like ISM and Production Linked Incentive (PLI) schemes.

**Objectives**

* Attract significant investments in semiconductor and display fabrication.
* Develop world-class infrastructure, including clean rooms and advanced machinery.
* Upskill the local workforce to meet industry demands.
* Foster research and development (R&D) for technological innovation.
* Promote collaboration between industry, academia, and government to build a robust ecosystem.

**Strategic Advantages of Andhra Pradesh**

**Location Benefits**

* **Coastal Advantage**: 1,053 km coastline provides access to ports, enhancing export and logistics efficiency.
* **Industrial Corridors**: Proximity to the Visakhapatnam-Chennai Industrial Corridor (VCIC) improves connectivity and trade.
* **Manufacturing Hubs**: Dedicated clusters in Visakhapatnam, Tirupati, Sricity, and other key locations.

**Infrastructure and Workforce**

* **Power Reliability**: Surplus power generation ensures uninterrupted supply for high-tech manufacturing.
* **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**: November 14, 2024, to May 13, 2030, or until a new policy is announced.
* **Scope**: Applies to greenfield and brownfield projects in semiconductor fabs, display fabs, compound semiconductors, silicon photonics, sensors, discrete semiconductors, and ATMP/OSAT facilities commencing commercial production within the policy period.
* **Amendments**: Possible during the policy period, applied prospectively.

**Financial Incentives**

**Standard Incentives (ISM-Approved Projects)**

* **Capital Subsidy**: 60% of the incentive amount approved by the Government of India (GoI), up to 30% of the total approved project cost, disbursed on a pari-passu basis post-GoI disbursement.
* **Training Subsidy**: INR 10,000 per person per month for 6 months, disbursed post-date of commercial production (DCP).

**Incentives for Non-ISM Projects**

* **Standard Incentives**: Eligible for incentives under Andhra Pradesh Industrial Development Policy (4.0) or AP Electronics Manufacturing Policy (4.0), as applicable.
* **Power Cost Subsidy**: INR 3 per unit on energy consumption for 5 years post-DCP.

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

* **Eligibility**:
  + **Mega**: Fixed capital investment (FCI) between INR 1,001 Crore and INR 5,000 Crore.
  + **Ultra Mega**: FCI above INR 5,001 Crore.
* **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 semiconductor fabrication, display fabrication, compound semiconductors, silicon photonics, sensors, discrete semiconductors, and ATMP/OSAT facilities.
* Includes projects approved under ISM schemes and other related activities approved by CCITEI or notified under national schemes.

**Implementation Framework**

* **Nodal Agency**: Andhra Pradesh Economic Development Board (APEDB).
* **Approval Mechanism**: CCITEI evaluates and approves incentives, with recommendations to the State Investment Promotion Committee (SIPC) and State Investment Promotion Board (SIPB) for final approval.
* **Online Portal**: Applications and claims must be filed through the Andhra Pradesh Single Desk Portal within stipulated timelines (e.g., 6 months from GoI filing for ISM projects).
* **Inspection and Monitoring**: Regular inspections by APEDB or empaneled agencies to verify claims, production, and compliance.

**Conditions and Penalties**

* **Continuous Production**: Enterprises must maintain commercial production for at least 3 years from DCP.
* **Ineligibility**: Projects with misrepresentation, false documentation, or non-compliance are ineligible for incentives.
* **Recovery**: Incentives may be recovered for fraud, premature closure, or non-compliance, with penalties under the A.P. Revenue Recovery Act, 1864.
* **Change Management**: Changes in project location, shareholding, or management require prior approval from CCITEI or SIPC/SIPB.