

## **Analog Semiconductor Fabrication [FAB] Investment Policy 2015**

### **Vision**

This policy aims to develop Analog Semiconductor Fabrication & Micro and Nano Manufacturing Technology as a vibrant Industry for inclusive growth and creating employment opportunities for people in the state.

### **Objectives**

1. To increase the flow of investments in the state towards making India and the State self sufficient in electronics manufacturing.
2. To maximize direct and indirect employment generation opportunities for the youth in the State.
3. To promote establishment of FAB units in the State.

### **Strategy**

1. Providing land for establishment of FAB units in the State.
2. Providing state of the art infrastructure conforming to the international standards for the FAB units.
3. Facilitating transportation of raw material and finished goods efficiently by providing transport, warehousing and allied infrastructure.
4. Facilitating housing and related social infrastructure for the employees of the FAB units.
5. Making available power, water etc. at par with rates available to FAB units internationally.
6. Facilitating interested FAB units in availing all the benefits from Govt. of India and other sources to promote electronics manufacturing in the country.

## **Course of Action**

The State Government is committed to overall development of the FAB industry in the state with special focus on chips manufacturing sector for the development and promotion of electronics manufacturing. To attract FAB industry and development of Semiconductor Fabrication and other Micro and Nano Technology Investment Area, following will be the course of action:

1. An Analog Semiconductor Wafer Fabrication facility with a minimum investment of Rs.3000 crore will qualify as FAB unit for the purpose of availing incentives/concessions/subsidies under this policy.
2. An area of land and/or building constructed/proposed to be constructed for the purpose of housing FAB Industry units, subject to the provisions of this Policy will qualify as FAB Investment Area.
3. Such Investment Area will be eligible for benefits/incentives under this policy.
4. Land parcels admeasuring approximately 200 acres will be earmarked by the State for FAB Investment Area, preferably within or nearby city limits.
5. To avail the incentives available under the policy, both the applicant FAB unit and such other units as are essential for undertaking FAB operation would be required to be also certified as FAB Unit and unit essential for a FAB Unit respectively by an Authorized Agency appointed by the State Government.

## **Offered Incentives**

1. Contiguous land measuring up to 75 acres, as per the actual requirement of the FAB unit assessed by the Authorized Agency, will be provided free of cost on a 50 year renewable lease.
2. Stamp duty payable, if any, by any Unit located in the FAB investment Area on mortgage/ hypothecation with banks/ financial institutions will be exempted provided such unit is certified to be a FAB Unit by the Authorized Agency.
3. Stamp duty and registration fee exemption will be applicable on Sale/lease by Financial Institution/Government Agencies/ Pvt. Sector

which acquires space/premises in a FAB Investment Area for subsequent lease to FAB units provided such unit is certified to be a FAB Unit by the Authorized Agency.

4. The State Government will reimburse the cost of construction of the building shell used for housing the FAB unit after deducting any other subsidy available to the Unit from Govt. of India or any other source.
5. Electricity as per requirement of the Unit will be provided at the site of the Unit from two grids. The State Govt. will reimburse the cost, if any, paid by the Unit for electricity charges including duties over and above 7.5 US¢ per KWH up to a period of ten years from the date of start of production.
6. The State Government will provide uninterrupted, adequate water supply for the FAB facility. The State Government will reimburse the cost paid by the Unit for Water over and above US\$ 0.50 per cubic meter up to a period of 10 years from the date of start of production.
7. The State Government will provide sewerage infrastructure of adequate capacity to handle the effluent from the FAB Investment Area.
8. The State Government will provide quality roads between the FAB Unit and the closest airport for meeting the necessary transportation needs of the Wafer FAB Facility.
9. The State Government will facilitate setting up of a Free Trade Zone at the concerned Airport in collaboration with Govt. of India, which will remain open 24x7 hours.
10. The State Government will provide a Fire Station with chemical fire-fighting capability in close proximity of the Unit.
11. The State Government will reimburse the cost of internal training and expatriate mentoring up to US\$ 10 million per annum or the actual expenditure whichever is less after deducting any other subsidy available to the Unit from Govt. of India or any other source, for a period of 5 years from the date of start of production.
12. The State Government will facilitate development of housing and related infrastructure in the vicinity of the Unit for the employees of the Units.
13. Wafer FAB Facility will be covered under the Essential Services Act.



14. Units necessary for FAB operation (Like Ultra Pure Gas Plant) will be treated as a part of FAB unit and will be entitled for the benefits under this policy.
15. The total value of incentives paid under this policy to any unit will be limited to 15% of total capital investment of the unit. The cost of land provided free of cost and the exemptions in Stamp duty will not be included in this limit of 15%.
16. The State Government will also grant appropriate incentives available under IT Investment Policy 2012 (as amended in 2014) and Industrial Promotion Policy 2014 to FAB Units and these too will not be included in the limit of 15%.
17. The State Government will provide assistance in obtaining the various incentives/subsidies from Govt. of India and other sources on best effort basis.
18. This policy will remain in force up to December 2016 or till announcement of a new policy superseding this policy, whichever is earlier.

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