Andhra Pradesh amends fab policy; 5,000-acre chip park at Tirupati

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News

Andhra Pradesh notified on Monday, 16 November 2026 (announced on 18 November) a Government Order amending its 'Semiconductor and Display Fab Policy 4.0' to align with Semicon 2.0, the second phase of the India Semiconductor Mission (Business Standard). An 'Andhra Pradesh Semiconductor Park' of about 5,000 acres will be set up at Tirupati as a manufacturing and supplier cluster. A public–private park company with an investor-led board will run it, offering shared cleanrooms, ultrapure water, high-voltage power, specialty gases and testing labs. Silicon fabs will get combined support of 80% of eligible capital cost (40% Centre + 40% State) – higher than Odisha and Tamil Nadu (65%) and Gujarat (56%), the release said. Compound semiconductor, photonics, sensor, discrete and display fabs and advanced packaging units will get 70%, and legacy packaging 50%; for ATMP/OSAT units the State matches 100% of the Centre's capital assistance. An AP Semiconductor Growth and Innovation Council (APSGIC) will be the single point of contact for investors, and the AP Semiconductor Research & Innovation Centre (AP-SRIC) will start at IIT Tirupati before moving to the park, with photonics as its first focus, said IT Minister Nara Lokesh.

Key facts for the exam

Point	Details
Announced	18 November 2026 – Govt of Andhra Pradesh

Point	Details
Policy	Semiconductor and Display Fab Policy 4.0 (amended)
Aligned with	India Semiconductor Mission – Semicon 2.0
Park	Tirupati, about 5,000 acres
Silicon fab support	80% (Centre 40% + State 40%)
Other fabs	compound, photonics, display – 70%
Training subsidy	₹10,000 per trainee per month, 6 months
Minister	Nara Lokesh (HRD, IT & Electronics)

Background

- Semiconductors have conductivity between that of conductors and insulators. Adding phosphorus to pure silicon gives an n-type and boron a p-type semiconductor (doping). In chip-making, 'photolithography' uses light to print circuit patterns on the wafer.
- 'Moore's law' – the number of transistors on a chip doubles about every two years – is named after Intel co-founder Gordon Moore. The India Semiconductor Mission (ISM) works as a specialised division under the Digital India Corporation of MeitY.
- Geography: Tirupati lies at the foot of the sacred Tirupati hills of the Eastern Ghats. The new Tirupati district was formed on 4 April 2022 when Andhra Pradesh's districts were reorganised; Tamil Nadu borders it to the south (Tirupati district website).
- Economy: fabs need huge capital, uninterrupted power and large volumes of ultrapure water, so States compete by adding their own subsidies to central support.

Tamil Nadu link: Tamil Nadu competes for the same fabs: the AP release puts Tamil Nadu's combined support for silicon fabs at 65% (Odisha 65%, Uttar Pradesh 60%, Madhya Pradesh 60%, Gujarat 56%) (Business Standard). Tamil Nadu has its own Tamil Nadu Semiconductor Mission 2030, and in October 2026 CM Vijay released the Tamil Nadu Semiconductor Ecosystem Scheme. Another AP link: Krishna water from the Kandaleru reservoir comes through the Telugu Ganga canal and enters Tamil Nadu at the 'zero point' at Uthukottai, Tiruvallur district (DT Next); since September 1996 it has been stored first in the Poondi (Sathyamurthy Sagar) reservoir (The Hindu).

Frequently asked questions

What is this news about?

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What are the key facts to remember for the exam?

Announced: 18 November 2026 – Govt of Andhra Pradesh; Policy: Semiconductor and Display Fab Policy 4.0 (amended); Aligned with: India Semiconductor Mission – Semicon 2.0; Park: Tirupati, about 5,000 acres.

What is the background to this news?

Semiconductors have conductivity between that of conductors and insulators. Adding phosphorus to pure silicon gives an n-type and boron a p-type semiconductor (doping).

Practice questions (with answers)

1. Krishna water released by Andhra Pradesh under the Telugu Ganga project is first stored in which Tamil Nadu reservoir?

A) Chembarambakkam

B) Puzhal

C) Veeranam

D) Poondi

Answer: D – Explanation: Poondi (Sathyamurthy Sagar), Tiruvallur district; water then goes on to Puzhal and Chembarambakkam. Veeranam is in Cuddalore district.

2. The India Semiconductor Mission (ISM), with which AP's policy is aligned, works as a specialised division under which body?

A) NITI Aayog

B) DPIIT

C) C-DAC

D) Digital India Corp.

Answer: D – Explanation: Digital India Corporation under MeitY. C-DAC (Pune) is a computing and electronics R&D body; DPIIT is under the Commerce Ministry.

3. In chip-making, which process uses light to transfer a circuit pattern from a mask onto a silicon wafer?

A) Electroplating

B) Photolithography

C) Galvanising

D) Distillation

Answer: B – Explanation: Photolithography – UV light is shone on a light-sensitive coating. The tiniest chips need EUV (extreme ultraviolet) machines.

4. 'Moore's law' – transistors on a chip double about every two years – is named after a co-founder of which company?

A) Intel

B) IBM

C) Texas Instruments

D) Bell Labs

Answer: A – Explanation: Gordon Moore – 1965 paper (revised in 1975 to 'every two years'); he co-founded Intel in 1968. The transistor was invented at Bell Labs in 1947.

5. Adding a small amount of a pentavalent element such as phosphorus to pure silicon gives what?

A) p-type semiconductor

B) Intrinsic semiconductor

C) n-type semiconductor

D) Insulator

Answer: C – Explanation: n-type – extra electrons are the majority carriers. A trivalent element such as boron gives p-type, rich in 'holes'.

Sources: Business Standard, 18 Nov 2026; IANS, 18 Nov 2026; Govt of Andhra Pradesh – ITE&C Department (apit.ap.gov.in); DT Next (Poondi); The Hindu (Sathyamurthy Sagar); Tirupati district – tirupati.ap.gov.in; Digital India Corporation (ISM). © Shanmugam IAS Academy.