GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
**RAJYA SABHA**
**UNSTARRED QUESTION NO. 1190**
TO BE ANSWERED ON: 29.07.2021

## SEMICONDUCTOR FABRICATION CAPABILITIES IN THE COUNTRY

**1190. SHRI JOHN BRITTAS:**

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether government has taken any steps to promote the semiconductor fabrication capabilities in the country;
(b) if so, the details thereof; and
(c) the total number of such semiconductor fabrication companies currently in the country and a state-wise break up thereof?

**ANSWER**

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAJEEV CHANDRASEKHAR)

(a) and (b): Government has a clear strategic plan to transform India into a global electronics manufacturing hub. The plan includes Original Equipment Manufacturers (OEMs), Devices, Components as well as semiconductor design and manufacturing capabilities.

Following incentives are available to companies for setting up of Semiconductor Fabrication (FAB) facilities in India:
(i) A financial incentive of 25% on capital expenditure for setting up of semiconductor fabrication units under the Scheme for Promotion of manufacturing of Electronic Components and Semiconductors (SPECS).
(ii) Exemption from Basic Custom Duty (BCD) for Capital goods for setting up of Semiconductor FAB.
(iii) Investment linked deduction under Section 35AD of the Income-tax Act.
(iv) Deduction of expenditure on research and development as admissible under Section 35(2AB) of the Income-tax Act.
(v) New domestic companies making fresh investment in manufacturing and starting operations before March 31, 2023 have an option to pay corporate income tax at reduced rate of 15%. Such companies will also not be liable to pay Minimum Alternate Tax (MAT).

Government has approved the following projects in the area of semiconductors keeping in view the strategic nature of this sector and leading to semiconductor fabrication in the country:

i. The project for "Establishment of Gallium Nitride (GaN) Ecosystem Enabling Centre and Incubator for High Power and High Frequency Electronics" to be implemented by Society for Innovation and Development (SID), under the auspices of Indian Institute of Science (IISc) at Centre for Nano Science and Engineering (CeNSE), Bengaluru at the total project cost of Rs. 298.66 crore.

ii. A project for setting up of Assembly, Testing, Marking and Packaging (ATMP) of NAND Flash memory has been approved under the Production Linked Incentive (PLI) Scheme for large scale electronic components manufacturing.

iii. A project for discrete semiconductor devices, including transistors, diodes, thyristors, etc. and System in Package (SIP) has been approved under the Production Linked Incentive (PLI) Scheme for large scale electronic components manufacturing.

(c): Semi-Conductor Laboratory (SCL), Mohali and Gallium Arsenide (GaAs) Enabling Technology Centre (GAETEC), Hyderabad have facilities for Design, Development and Fabrication of CMOS based semiconductor chips and GaAs based Integrated Circuits, respectively. Semiconductor Technology and Applied Research Centre (STARC) Bengaluru is a pilot scale Micro Electro Mechanical Systems (MEMS) Foundry.

*******