

GOVERNMENT OF INDIA  
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1221**  
TO BE ANSWERED ON: 16.12.2022

**PROMOTION OF SEMICONDUCTOR INDUSTRY**

**1221. DR. K. LAXMAN:**

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

(a) whether Government is considering any plan to promote semiconductor chip manufacturing industry in the country to cater to the global supply demand issues of the semiconductor chip, if so, the details thereof;

(b) the details of Government schemes/subsidies to help the exiting manufacturers in the country in order to increase the production of the semiconductor chip; and

(c) whether Government is considering any action plan to establish the research and development hub in collaboration with international organizations and if so, the details thereof?

**ANSWER**

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

(a): Yes, Sir. Government is very focused on its important objective of building the overall semiconductor ecosystem and ensure that, it in-turn catalyses India's rapidly expanding electronics manufacturing and innovation ecosystem. Government has approved the Semicon India programme with a total outlay of INR 76,000 crore for the development of semiconductor and display manufacturing ecosystem in the country. The programme has further been modified in view of the aggressive incentives offered by countries already having established semiconductor ecosystem and limited number of companies owning the advanced node technologies. The modified programme aims to provide financial support to companies investing in semiconductors, display manufacturing and design ecosystem. This will serve to pave the way for India's growing presence in the global electronics value chains.

(b): Following schemes have been introduced under the aforesaid programme to provide financial support to new business unit or expansion of capacity / modernization and / or diversification of an existing unit in India:

- i. **'Modified Scheme for setting up of Semiconductor Fabs in India'** for attracting large investments for setting up semiconductor wafer fabrication facilities in the country to strengthen the electronics manufacturing ecosystem and help establish a trusted value chain. The Scheme extends a fiscal support of 50% of the project cost on *pari-passu* basis for setting up of Silicon CMOS based Semiconductor Fab in India.
- ii. **'Modified Scheme for setting up of Display Fabs in India'** for attracting large investments for manufacturing TFT LCD or AMOLED based display panels in the country to strengthen the electronics manufacturing ecosystem. Scheme extends fiscal support of 50% of Project Cost on *pari-passu* basis for setting up of Display Fabs in India.
- iii. **'Modified Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab / Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / OSAT facilities in India'** extends a fiscal support of 50% of the Capital Expenditure on *Pari-passu* basis for

setting up of Compound Semiconductors / Silicon Photonics (SiPh) / Sensors (including MEMS) Fab/ Discrete Semiconductor Fab and Semiconductor ATMP / OSAT facilities in India.

- iv. **‘Semicon India Future Design: Design Linked Incentive (DLI) Scheme’** offers financial incentives, design infrastructure support across various stages of development and deployment of semiconductor design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design. The scheme provides “Product Design Linked Incentive” of up to 50% of the eligible expenditure subject to a ceiling of ₹15 Crore per application and “Deployment Linked Incentive” of 6% to 4% of net sales turnover over 5 years subject to a ceiling of ₹30 Crore per application.

In addition to the above schemes, Government has also approved modernisation of Semi-Conductor Laboratory, Mohali as a brownfield Fab.

(c): Government is fully cognizant of the importance of R&D in semiconductors. Government has already established R&D and Incubator Centres in Semiconductors. Currently, following organisations are having facilities for R&D: Semi-Conductor Laboratory (SCL) Mohali, Gallium Arsenide Enabling Technology Centre (GAETEC), Hyderabad and Society for Integrated Circuit Technology and Applied Research (SITAR), Bengaluru. Additionally, Government has funded for Establishment of Gallium Nitride (GaN) Ecosystem Enabling Centre and Incubator for High Power and High Frequency Electronics at IISc, Bengaluru.

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