

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO. 2799
TO BE ANSWERED ON: 24.03.2023

ENCOURAGEMENT TO MANUFACTURING OF SEMI-CONDUCTOR CHIPS

2799. SMT. SANGEETA YADAV:

Will the Minister of Electronics and information Technology be pleased to state:

- (a) the manner in which Government is planning to facilitate private companies involved in the manufacturing of semi-conductor chips;
- (b) whether Government is proposing to bring changes in the trade policy for the purpose of tying up with friendly countries in the semi-conductor industry; and
- (c) if so, the details thereof?

ANSWER

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

(a): 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. 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 Semiconductor Laboratory, Mohali as a brownfield Fab.

India Semiconductor Mission (ISM) has been setup as an Independent Business Division within Digital India Corporation having administrative and financial autonomy to formulate and drive India’s long-term strategies for developing semiconductors and display manufacturing facilities and semiconductor design ecosystem. Envisioned to be led by global experts in the Semiconductor and Display industry, ISM is serving as the nodal agency for efficient, coherent and smooth implementation of the programme for development of semiconductor and manufacturing ecosystem in India.

(b): No, Sir.

(c): Does not arise.
