

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO. 712
TO BE ANSWERED ON: 24.07.2026

INITIATIVE PROPOSED UNDER ISM 2.0

712. SHRI KARTIKEYA SHARMA:

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

- (a) the salient features of India Semiconductor Mission (ISM) 2.0, including the major initiatives proposed to strengthen India's semiconductor ecosystem beyond fabrication;
- (b) the details of the progress made under ISM 1.0, including semiconductor fabrication, Assembly, Testing, Marking, and Packaging/ Outsourced Semiconductor Assembly and Test (ATMP/OSAT) facilities, design ecosystem, investments mobilised and employment generated; and
- (c) whether Government has identified priority areas such as semiconductor equipment, materials, design IP, research infrastructure and skilled workforce development under ISM 2.0, if so, the details thereof?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI JITIN PRASADA)

(a) to (c): India's success in electronics manufacturing:

Inspired by the Hon'ble Prime Minister's vision of AtmaNirbhar Bharat and making India a global electronics manufacturing hub, Government adopted structured and targeted policy initiatives for the development of electronics manufacturing across the entire value chain including semiconductors.

As a result, India now has emerged as one of the major electronics manufacturing ecosystems as seen below:

#	2014-15	2025-26	Remarks
Production of electronics goods (₹)	~1.9 Lakh Cr	~13.11 Lakh Cr	Increased 7 times
Export of electronics goods (₹)	~38 thousand Cr	~4.24 Lakh Cr	Increased 11 times
Production of mobile phones (₹)	~18 thousand Cr	~6.27 Lakh Cr	Increased 33 times
Export of mobile phones (₹)	~1500 Cr	~ 2.59 Lakh Cr	Increased 165 times

India now manufactures around 99.2% of the total mobile phones sold in the country. Mobile phones have emerged as the single largest exported item. Industry estimates that electronics manufacturing now provides employment to nearly 25 Lakh people.

The semiconductor industry is a foundational industry. All sectors of the economy such as industrial, consumer, defence, telecommunication and automotive etc depend on semiconductors. This sector offers transformative advantages by driving technological innovation, economic growth, and strategic self-reliance.

Semicon India Programme:

Recognising the importance of Semiconductors, the Government launched a dedicated programme (Semicon India Programme) in January 2022. This programme covered semiconductor fabs, display fabs semiconductor packaging. It also included a dedicated scheme for semiconductor design.

Under Semicon India Programme, Government has approved 12 manufacturing projects with total investment commitments of about Rs. 1.64 lakh crore. These units have the potential to generate more than 32,000 employment opportunities depending on the level of factory automation. Out of these 12 projects, commercial production has already commenced from following three plants:

- Micron Semiconductor Technology India Pvt. Ltd
- Kaynes Semicon Pvt. Ltd
- CG Semi Pvt. Ltd.

Further, Twenty-four (24) semiconductor design projects have also been approved for financial support. These projects are in the areas of designing chips and SoCs for a range of strategic and commercial applications, including satellite communications, drones, surveillance cameras, Internet of Things (IoT) devices, LED drivers, AI systems, telecom equipment, and smart meters.

Additionally, 105 start-ups/MSMEs have been granted access to industry-standard Electronic Design Automation (EDA) tools.

Semicon 2.0:

Building on the success of Semicon India 1.0, the Union Cabinet approved Semicon 2.0 on July 15, 2026, with an outlay of ₹1.275 lakh crore. This initiative aims to establish a self-reliant, globally competitive semiconductor design and manufacturing ecosystem. Semicon 2.0 is built on following six pillars.

S. No.	Pillars	Segment
1	Design of Chips	Strategic & commercial chips
2	Machines and materials	Equipment, chemicals, gases, materials
3	Setting up more Fabs	Silicon, display, compound etc.
4	Further strengthening the ATMP/OSAT industry	Advanced & legacy packaging
5	Research & Development	Advanced technologies
6	Talent Development	Design & manufacturing talent

The Semicon2.0 has dedicated pillars for development of supply chain (Equipment, chemicals, gases, materials etc). Further, the approved applicants can tie up with various global and local supply chain partners to ensure long term supply of the chemicals, gases and other raw materials.

Government has also signed MoUs with the USA, EU, Japan, Singapore, Netherlands, and Germany which provides an enabling platform for B2B collaborations for securing supply chain partnerships of such approved companies.
