# GOVERNMENT OF INDIA MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY

#### LOK SABHA

## **UNSTARRED QUESTION NO. 178**

TO BE ANSWERED ON 07.12.2022

## PROMOTION OF SPECS

## 178. SHRI RAJU BISTA:

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

- (a) the details of the progress on the Scheme for Promotion of Manufacturing of Electronic Components and Semiconductor (SPECS);
- (b) the details of the projects applied for and sanctioned so far under this scheme;
- (c) the steps taken by the Government to attract further investment in the Electronic Components and semiconductors sector;
- (d) whether the Government has set a deadline by which the projects sanctioned under SPECS will start production; and
- (e) if so, the details thereof and if not, the reasons therefor?

#### **ANSWER**

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

(a) and (b): Government of India's goal is to make India a significant Electronic System Design and Manufacturing hub in Global Value chain for Electronics as part of its AtmaNirbhar Bharat Economic policies.

As part of this, Government is broadening and deepening the electronics manufacturing ecosystem in the country. To establish India as a global leader in electronics manufacturing, Government of India has launched many flagship schemes which are aimed at "Atmanirbhar Bharat – A self-reliant India" under the aegis of National Policy on Electronics 2019 (NPE 2019). The **Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)** is a step in this direction. It was notified on April 01, 2020 and provides financial incentive of 25% on capital expenditure for the identified list of electronic goods that comprise downstream value chain of electronic products, i.e., electronic components, semiconductor / display fabrication units, ATMP units, specialized sub-assemblies and capital goods for manufacture of aforesaid goods. The scheme is open to receive applications till 31.03.2023. As on November 30, 2022, thirty two (32) applications with total project cost of Rs.11,130 crore. The total employment generation potential of the approved applications is 32,457 (Thirty two thousand Four hundred and Fifty Seven). The details are attached at Annexure.

- (c): Government of India has taken strategic steps and initiatives to broaden and deepen the country's electronic manufacturing ecosystem. At this juncture, National Policy on Electronics 2019 (NPE 2019) envisions positioning India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally. Apart from SPECS, Government of India has launched many flagship schemes, the details of which are given below:
- (i) Production Linked Incentive (PLI) Scheme for Large Scale Electronics Manufacturing was notified on 1st April, 2020. The Scheme extends an incentive of 6%

to 4% on incremental sales (over base year) of goods under target segments that are manufactured in India to eligible companies, for a period of five (5) years.

Sixteen (16) companies have been approved under the first round of PLI Scheme for Large Scale Electronics Manufacturing.

After the success of the First Round of PLI Scheme in attracting investments in mobile phone and electronic components manufacturing, Second Round of the PLI Scheme for Large Scale Electronics Manufacturing was launched on 11.03.2021 for incentivising Electronic Components. Under the Second Round, incentives of 5% to 3% shall be extended on incremental sales (over base year i.e., FY 2019-20) of goods manufactured in India and covered under the target segment, to eligible companies, for a period of four (4) years. Sixteen (16) companies have been approved under the second round of PLI Scheme for Large Scale Electronics Manufacturing.

- (ii) In furtherance of the vision of AatmaNirbhar Bharat, the Cabinet approved the comprehensive program for the development of a sustainable semiconductor and display ecosystem in the country with an outlay of ₹ 76,000 crore (>10 billion USD). The program will usher in a new era in electronics manufacturing by providing a globally competitive incentive package to companies in semiconductors and display manufacturing as well as design. Under the aforesaid program, following four schemes have been introduced:
- (i) Modified Scheme for setting up of Semiconductor Fabs in India The Scheme extends a fiscal support of 50% of the project cost for setting up of Silicon CMOS based Semiconductor Fab in India.
- (ii) Modified Scheme for setting up of Display Fabs in India- Scheme extends fiscal support of up to 50% of Project Cost 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 The scheme extends a fiscal support of 50% of the Capital Expenditure
- (iv) Design Linked Incentive (DLI) Scheme 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.
- (d) and (e): As laid down in the scheme guidelines the incentive will be available to the approved projects under the scheme for investment made within 5 years from the date of acknowledgement of the application subject to capital expenditure meeting the minimum threshold value and commencement of commercial production, and compliance to other terms and conditions stipulated in Scheme / Guidelines / Approval Letter.

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Sl. No.	NAME	Segment	State
1	Tata Electronics Private Limited	Electronic	Tamil Nadu
		Component	Tanin Nadu
2	Samsung Display Noida Private	Electronic	Uttar Pradesh
	Limited	Component	
3	Salcomp Technologies India	Electronic	Tamil Nadu
	Private Limited-II	Component	Tallili Nadu
4	Salcomp Technologies India	Electronic	Tamil Nadu
	Private Limited-I	Component	Tamm Nadu
5	Te Connectivity India Private	Electronic	Maharashtra
	Limited	Component	Tytutuuusittu
6	Sahasra Semiconductors Private	Electronic	Rajasthan
	Limited	Component	110000000000000000000000000000000000000
7	Ifb Industries Ltd.	Electronic	Karnataka
		Component	
8	Idemia Syscom India Private	Electronic	Uttar Pradesh
	Limited	Component	
9	Molex (India) Private Limited	Electronic	Karnataka
10		Component	
10	Circuit Systems India Limited	Electronic	Gujarat
1.1	I ICI' D ' II	Component	<u> </u>
11	Ind Sphinx Precision Ltd	Electronic	Himachal Pradesh
12	Cosmo Ferrites Ltd	Component Electronic	
12	Cosmo Ferrites Ltd		Himachal Pradesh
13	Fci Oen Connectors Ltd	Component Electronic	
13	FCI Gen Connectors Ltd		Kerala
14	Continental Device India Pvt	Component Electronic	
14	Limited	Component	Punjab
15	Miyama Electric India Private	Electronic	
13	Limited	Component	Andhra Pradesh
16	Deki Electronics Ltd	Electronic	
10	Dem Electronies Eta	Component	Uttar Pradesh
17	Signum Electro Private Limited	Electronic	Himachal Pradesh
	8	Component	
18	Tibrewala Electronics Limited	Electronic	m 1
		Component	Telangana
19	Epitome Components Private	Electronic	N/slama latura
	Limited	Component	Maharashtra
20	Picl (India) Private Limited	Electronic	Натуара
		Component	Haryana
21	Alcon Electronics Pvt. Ltd.	Electronic	Maharashtra
		Component	ivianarasiiu a
22	Tara Relays Private Limited	Electronic	Maharashtra
		Component	171UHULUSHUU
23	Indtech Capacitors India	Electronic	Uttar Pradesh
		Component	
24	Hical Technologies Private Limited	Electronic	Karnataka
2.5		Component	
25	Panacea Medical Technologies Pvt	Electronic	Karnataka
2.5	Ltd	Component	
26	Protectron Electromech Private	Electronic	Karnataka
27	Limited	Component	
27	Nidec India Private Limited	Electronic	Rajasthan
20	High Tasky also size Poisson, Links 1	Component	
28	Hical Technologies Private Limited	Electronic	Karnataka
		Component	

29	Shivalik Bimetal Controls Ltd.	Electronic Component	Himachal Pradesh
30	Meena Circuits Private Limited	Electronic Component	Gujarat
31	Atomberg Technologies Private Limited	Electronic Component	Maharashtra
32	Globe Capacitors Private limited	Electronic Component	Haryana

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