

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION No. 19
TO BE ANSWERED ON: 07.12.2022

VEDANTA FOXCONN SEMICONDUCTOR PLANT

**19. DR. MOHAMMAD JAWED:
SHRI BALUBHAU ALIAS SURESH NARAYAN DHANORKAR:**

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

- (a) whether the government is aware that Vedanta Foxconn was in an advanced stage of signing the deal for the construction of a semiconductor plant with Maharashtra Government and if so, the details thereof;
- (b) the reasons for not selecting Maharashtra for the final deal in this regard;
- (c) whether the Government has enlisted another mega investment project for Maharashtra;
- (d) if so, the details thereof including the name of the companies involved, project information and investment cost; and
- (e) the details of incentives offered by both Gujarat and Maharashtra State Governments to Vedanta Foxconn?

ANSWER

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

(a): Vedanta Semiconductors Ltd., a Joint Venture between Vedanta and Foxconn is an applicant under the Scheme for setting up of semiconductor Fabs in India. As per their application, Telangana, Gujarat and Maharashtra, were proposed as possible locations. However, the applicants in their final submissions have informed that they had decided Dholera Industrial City, Gujarat as final location for their proposal, and have submitted definitive agreement and Government orders from the Government of Gujarat stating the details of support from the State.

(b): The Schemes under Programme for Development of Semiconductor and Display Ecosystem in India are Central Government Schemes. Any eligible applicant may submit the application for setting up of semiconductor Fab in any State/ UT in India. Finalization of location is between State Government and applicant based on infrastructure requirements like availability of land, water, power etc., and fiscal support offered by the State Government.

(c) and (d): Under Modified Electronics Manufacturing Clusters (EMC 2.0) scheme, Government has accorded approval to M/s. Maharashtra Industrial Development Corporation (MIDC) on 31st October, 2022 for establishment of an Electronics Manufacturing Cluster (EMC) over an area of 297.11 acres at Ranjangaon Industrial area (Phase-III), Pune, Maharashtra with a project cost of INR 492.85 Crore including Central Grant-in-aid of INR 207.98 Crore to address the industrial infrastructure requirement of electronics industry in the region. This EMC is projected to attract an investment of about INR 2,000 Crore and having potential to generate over 5,000 employment opportunities in coming years after fully operationalized.

(e): Details of incentives offered to Vedanta-Foxconn by the Government of Gujarat are as under:

S.No.	Parameter	Subsidy
1.	Capital Subsidy	40% of the support provided by the Government of India
2.	Power Tariff	Rupee 2/unit for 10 years from the date of start of commercial production
3.	Electric Duty	Exemption from paying electricity duty as per the provisions laid down under Gujarat Electricity Duty Act, 1958.
4.	Water Subsidy	Rs.12/m ³ for a period of 5 years starting from the date of start of commercial operations. The water tariff will be increased at the rate of 10% on a year-on-year basis for the subsequent 5 years. Additionally, to build a desalination plant in the initial five years, the Government will provide a capital subsidy of 50% of the plant cost, excluding the cost of land, for the captive desalination plant.
5.	Land Subsidy	75% subsidy on the first 200 Acres of land required for the Semiconductor fab project. Any additional land, required for the core activities of the project, will be available at 50% subsidy.
6.	Stamp Duty and Registration Fee	One-time reimbursement of 100% stamp duty and registration fee paid to the Government for lease/sale/transfer of the land for the purpose of the project.

The applicant has not provided any definitive agreement w.r.t the support offered by the Government of Maharashtra.
