

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY
LOK SABHA
UNSTARRED QUESTION NO. 1198
ANSWERED ON 09.02.2021

**SHORTAGE OF SEMICONDUCTORS/MICROPROCESSORS IN AUTOMOBILE
INDUSTRY**

1198. SHRI GNANATHIRAVIAM S.:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES **भारी उद्योग एवं लोक उद्यम मंत्री** be pleased to state:

(a) whether the automobile industry has been facing acute shortage of semiconductors/microprocessors and if so, the details thereof;

(b) whether it is a fact that many plants in the country have been shut down on this account and if so, the details thereof;

(c) whether it is still not clear as to what extent and for how long the shortage of semiconductors will impact vehicle production in the country and if so, the details thereof; and

(d) the steps taken by the Government to make these items available for the manufacturing of vehicles in the country?

ANSWER

**THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
(SHRI PRAKASH JAVADEKAR)**

(a) to (c): The automobile industry has been facing shortage of semiconductors. However, no such shut down of plants have been reported on this account.

(d): It has been intimated by Ministry of Electronics and information Technology that several steps have been taken to make semiconductors available. Following projects have been approved:

- i) Establishment of Gallium Nitride Ecosystem Enabling Center and Incubator for High Power Frequency Electronics.
- ii) Project for setting up of Assembly, Testing, Marking and Packaging (ATMP) of NAND Flash memory under PLI Scheme.
- iii) Project for discrete semiconductor devices including transistors, diode etc. has been approved under Production Linked Incentive (PLI) scheme.

In addition to above, various incentives are available to companies for setting up of semiconductor FAB facilities in India detailed as under:

- i) Capital goods for setting up of semiconductor FAB are exempted from Basic Customer Duty (BCD);
- ii) Investment linked deduction under section 35 D of Income-Tax Act;
- iii) Expenditure on research & development is deductible under Section 35 (2AB) of the Income Tax Act
- iv) Financial incentive of 25% on capital expenditure under the scheme for promotion of Manufacturing of Electronic Components and semiconductors (SPECS).
