

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY
LOK SABHA
UNSTARRED QUESTION NO. 3226
ANSWERED ON 16.03.2021

NON AVAILABILITY OF SEMICONDUCTOR

3226. SHRI K. NAVASKANI:

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

- (a) whether the car production is less than the demand due to non availability of semiconductor;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken by the Government to provide semiconductor?

ANSWER

**THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES
(SHRI ARJUN RAM MEGHWAL)**

(a) & (b): The automobile industry has been facing shortage of semiconductors.

(c): 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
- iii) Financial incentive of 25% on capital expenditure under the scheme for promotion of Manufacturing of Electronic Components and semiconductors (SPECS).
