

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 5541
TO BE ANSWERED ON: 06.04.2022

WAFER FABRICATION PLANT

**5541. SHRI SRIDHAR KOTAGIRI:
SHRIMATI CHINTA ANURADHA:**

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

- (a) whether the Government has undertaken any measures to develop an operational wafer fabrication plant in India;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government is considering to incentivize private players to enter the semiconductor segment considering the high costs involved in indigenous production and the high efficiency required in the production ecosystem;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether the Government has developed any plan which would sustain its import dependence for semiconductors to become atmanirbhar in this regard considering the global shortage of semiconductors following the pandemic; and
- (f) if so, the details thereof?

ANSWER

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

(a): Yes, Sir. Government is very focused on its important objective of building the overall semiconductor ecosystem and ensure that, it in-turn catalyses India's rapidly expanding electronics manufacturing and innovation ecosystem. The vision of Atmanirbhar Bharat in electronics & semiconductors was given further momentum by the Union Cabinet, chaired by the Hon'ble Prime Minister, approving the Semicon India programme with a total outlay of INR 76,000 crore for the development of semiconductor and display manufacturing ecosystem in our country. The programme aims to provide financial support to companies investing in semiconductors, display manufacturing and design ecosystem. This will serve to pave the way for India's growing presence in the global electronics value chains.

(b): Following four schemes have been introduced under the aforesaid programme:

- i. Scheme for setting up of Semiconductor Fabs in India** provides fiscal support to eligible applicants for setting up of Semiconductor Fabs which is aimed at attracting large investments for setting up semiconductor wafer fabrication facilities in the country. Following fiscal support has been approved under the scheme:
 - 28nm or Lower - Up to 50% of the Project Cost
 - Above 28 nm to 45nm - Up to 40% of the Project Cost
 - Above 45 nm to 65nm - Up to 30% of the Project Cost
- ii. Scheme for setting up of Display Fabs in India** provides fiscal support to eligible applicants for setting up of Display Fabs which is aimed at attracting large investments for setting up TFT LCD / AMOLED based display fabrication facilities in the country.

The Scheme provides fiscal support of up to 50% of Project Cost subject to a ceiling of INR 12,000 crore per Fab.

- i. **Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / OSAT facilities in India:** The Scheme provides a fiscal support of 30% of the Capital Expenditure to the eligible applicants for setting up of Compound Semiconductors / Silicon Photonics (SiPh) / Sensors (including MEMS) Fab and Semiconductor ATMP / OSAT facilities in India.
- ii. **Design Linked Incentive (DLI) Scheme** offers financial incentives, design infrastructure support across various stages of development and deployment of semiconductor design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design. 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.

In addition to the above schemes, Government has also approved modernisation of Semiconductor Laboratory, Mohali as a brownfield Fab.

(c) and (d): Government of India is regularly encouraging investments by Global Semiconductor companies under Semicon India Programme for setting up of Semiconductor Fab units in India directly or through joint venture with Indian manufacturers. Setting up of Semiconductor unit requires huge investments and necessitates suitable infrastructure like availability of uninterrupted Power and Clean Water. Global companies are evaluating the possibility to set up facilities in India.

(e) and (f): Government of India has approved the Semicon India programme with a total outlay of INR 76,000 crore for the development of semiconductor and display manufacturing ecosystem in our country. This will serve to pave the way for India’s growing presence in the global electronics value chains and will substantially increase domestic value addition in electronics manufacturing in the country. It will help in reduction of imports, ramp up exports and integrate Indian electronic manufacturing ecosystem with the global supply chains. The Programme also aims to achieve significant indigenization in semiconductor products/ systems and IP cores deployed in the country, thereby facilitating import substitution and value addition in strategic, social & financial sectors.
