

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 984
ANSWERED ON 08.02.2022

SEMI-CONDUCTOR INDUSTRIAL POLICY

984. SHRI THIRUNAVUKKARASAR SU:

Will the Minister of HEAVY INDUSTRIES **भारी उद्योग मंत्री** be pleased to state:

- (a) whether the Government has announced Semi-Conductor Industrial Policy;
- (b) if so, the details thereof along with the estimated cost and features of the project thereof; and
- (c) the time by which the new policy is likely to be implemented and the extent to which the new policy would promote employment opportunities in the country?

ANSWER

THE MINISTER OF STATE FOR HEAVY INDUSTRIES
(SHRI KRISHAN PAL GURJAR)

(a) & (c): As per the information received from the Ministry of Electronics and Information Technology, the 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. This vision of Aatmanirbhar 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.

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.
- iii. **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.
- iv. **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 Semi-Conductor Laboratory, Mohali as a brownfield Fab. Further, approval was also granted for the setting up of India Semiconductor Mission (ISM) as an Independent Business Division within Digital India Corporation having administrative and financial autonomy to drive India’s strategies for developing semiconductors and display manufacturing ecosystem. Envisioned to be led by global experts in the Semiconductor and Display industry, ISM will serve as the nodal agency for efficient, coherent and smooth implementation of the schemes.

The Schemes have been notified on 21.12.2021 and are currently available for receiving applications from the eligible applicants. Semiconductor industry is knowledge intensive and requires highly skilled manpower. Semicon India programme shall promote skilling for semiconductors related employment at all levels.
