GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
STARRED QUESTION NO. *377
TO BE ANSWERED ON: 18.03.2026

OBJECTIVES OF ISM 2.0

*** 377. DR. HEMANG JOSHI:**
SHRI JANARDAN MISHRA:

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

(a) the primary objectives of the India Semiconductor Mission (ISM) 2.0 launched in Budget for the Financial Year 2026-27 and the manner in which it is different from the initial phase;
(b) whether any semiconductor ecosystem proposals have been received from Karnataka including Dakshina Kannada district;
(c) the details of allocation made under the Electronics Component Manufacturing Scheme (ECMS);
(d) whether the allocation has resulted in an increase in domestic value addition in smartphone manufacturing and if so, the details thereof including the manufacturing units located in Karnataka;
(e) the manner in which the Government is supporting the 24 semiconductor design startups currently under the Design Linked Incentive (DLI) scheme to reach global market;
(f) whether the Government has identified new States including Karnataka particularly Dakshina Kannada district for setting up semiconductor clusters following the successful approvals in Odisha, Gujarat and Maharashtra and if so, the details thereof and if not, the reasons therefor;
(g) whether there is DRAM shortage in manufacturing of mobile phones in the country; and
(h) if so, the details thereof including the measures taken to reduce the price surge in mobile phones as a result of this shortage?

ANSWER

MINISTER FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI ASHWINI VAISHNAW)

(a) to (h): A Statement is laid on the Table of the House

STATEMENT REFERRED TO IN THE REPLY TO LOK SABHA STARRED QUESTION NO. *377 FOR 18.03.2026, REGARDING OBJECTIVES OF ISM 2.0

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(a) to (h): India's electronic manufacturing strategy is driven by the Hon'ble Prime Minister's vision of AtmaNirbhar Bharat and Making India a global manufacturing hub. The Government adopted a structured and targeted policy for electronics manufacturing across the entire value chain including semiconductors.

As a result of these policies, electronics manufacturing in India has expanded significantly in the last 11 years. It can be seen from the following statistics:

#	**2014-15**	**2024-25**	**Remarks**
Production of electronics goods (Rs.)	~1.9 Lakh Cr	~12 Lakh Cr	Increased 6 times
Export of electronics goods (Rs.)	38 thousand Cr	~3.3 Lakh Cr	Increased 8 times
Production of mobile phones (Rs.)	18 thousand Cr	5.45 Lakh Cr	Increased 28 times
Export of mobile phones (Rs.)	1,500 Cr.	2 Lakh Cr	Increased 127 times
Mobile Phone imported (units)	75% of the total demand	0.02% of the total demand	

Semicon India Programme

Semiconductors is a foundational and strategic industry. Semiconductor chips are used in almost every device. To promote the development of its manufacturing ecosystem in India, the Government launched Semicon India Programme in January 2022.

In a short span of four years, the Government has approved 10 projects with investment commitments of about ₹1.6 lakh crore. Commercial production from one of the plants (Micron) has commenced along with pilot production underway in 3 more plants.

Design Linked Incentive Scheme

24 projects have been approved for the design of semiconductor chips & SoCs, with a total project value of Rs. 900 crore. These projects cover chips relating to various critical sectors

such as video surveillance, drone detection, energy metering, microprocessors, satellite communications, broadband and IoT SoCs.

Government is providing support to these companies in the form of:

1. "Product Design Linked Incentive" of up to 50% of the eligible expenditure subject to a ceiling of ₹15 Crore per application
2. "Deployment Linked Incentive" of 6% to 4% of net sales turnover over 5 years subject to a ceiling of ₹30 Crore per application.

This includes 11 projects in the state of Karnataka. The list of these projects is at **Annex-I**.

Chip to Startup (C2S) Programme

In addition, the Government is also providing infrastructure support for chip design to eligible applicants, including access to EDA tools, IP cores, and fabrication facilities. These advanced designing tools are now available to students of 315 universities/institutes. So far, their usage has exceeded 185 lakh hours.

This includes 34 universities/institutions/startups in the State of Karnataka (list at **Annex-II)**. Using the EDA tools and IPs, 146 chips designs have been taped out by 49 institutions across India out of which SCL, Mohali has successfully fabricated and packaged 94 student-designed chips.

India Semiconductor Mission 2.0

Building on the success of Semicon India Programme, India Semiconductor Mission 2.0 was announced in the Union Budget 2026-27, to produce equipment and materials, design full stack, Indian IP and fortify supply chains.

Electronics Components Manufacturing Scheme (ECMS)

Government launched ECMS to further deepen the supply chain ecosystem and develop robust electronics component ecosystem in the country.

It aims to attract investments across key components such as Printed Circuit Boards (PCBs), passive components, electro-mechanical components, sub-assemblies, camera modules, optical transceivers, and capital goods required for electronics manufacturing.

The goal is increase domestic value addition (DVA) in electronics product and ultimately increase India's exports share in global electronic trade by integrating with the Global Value Chains (GVCs).

The scheme has received overwhelming response from industry so far. Against the investment target of Rs 59,350 crores, investment commitments of Rs 1.15 lakh crores have been received. Taking cognizance of the strong industry response, in Budget 2026, the Government enhanced the budgetary outlay of the scheme from Rs 22,919 crores to Rs 40,000 crores.

Till date, 46 applications have been approved across 11 states under the ECMS scheme.

Out of these approved applications, 9 applicants have proposed their manufacturing facility in Karnataka. The list of approved projects in the state of Karnataka with their locations is **Annex-III**.

The production of these components would not only cater to the domestic demand, thereby reducing import dependency but also enhance export capability for many of these components.
Because of this conducive policy environment comprising of schemes such as PLI schemes for mobile manufacturing and ECMS, the production and export of smartphones in Bharat has witnessed a significant growth.

Smartphones emerged as the top most category in the exported goods in Calendar Year 2025.

#	HS Code	Item	Export value (in USD)
1	85171300	Smartphones	30.13 Billion
2	27101944	Automotive diesel fuel, not containing biodiesel, conforming to standard is 1460	16.34 Billion
3	71023910	Diamond (other than industrial diamond) cut or otherwise worked but not mounted or set	12.47 Billion

(Source: Directorate General of Commercial Intelligence and Statistics)

Industry assessments indicate that the rapid expansion of AI applications has led to a sharp increase in demand for high-performance memory used in AI servers and data centres. As a result, a larger share of global memory output is being directed towards AI infrastructure.

This may have temporarily tightened the availability for other digital applications, including smartphones. Smartphone manufacturers are responding to the scenario through portfolio rationalisation, optimisation of hardware specifications and adjustments in product mix.

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Annex-I

List of Projects approved under DLI in the State of Karnataka

S. No.	Company Name	Project Name
1	Fermionic Design Pvt. Ltd.	A 4-channel Mux-Demux Gain Phase Shifter for Hybrid Beamformer in 8-12GHz for satellite communication and 5G Antenna Array systems
2	Morphing Machines Pvt. Ltd.	SoC, IP and Accelerator card powered by REDEFINE architecture and Ecosystem
3	Calligo Technologies Pvt. Ltd.	SoC with RISC V and POSIT Coprocessor based Accelerator Card with Software Ecosystem
4	Sensesemi Technologies Pvt. Ltd.	SenseSoC-200 SoC for IOT and Medical Applications
5	Saankhya Labs Pvt. Ltd.	SoC for Baseband Processing for 5G Telecom infrastructure
6	Aryabhata Circuits and Research Labs Pvt. Ltd.	Next Generation IC for Advanced Tire Monitoring System (TMS)
7	BigEndian Semiconductors Pvt. Ltd.	SoC for Video Audio Surveillance Unit, Design and Development
8	C2i Semiconductors Pvt. Ltd.	A Digital Multiphase Controller IC for Enterprise Server Power
9	MMRFIC Technology Pvt. Ltd.	Indigenous Ka-Band Beamformer RADAR Chip
10	Sophrosyne Technologies Pvt. Ltd.	High-precision, Ultra-low-power SoC for real-time monitoring of cardiac activity and other vital health parameters
11	Aagyavision Pvt. Ltd.	Radar RF chips for edge applications

Annex-II

List of Universities / Institutions / Startups approved under C2S Programme for access to Design Infrastructure

S. No.	Institute
1	Indian Institute of Science Bangalore
2	Cambridge Institute of Technology, Bengaluru
3	BMS College of Engineering, Bengaluru
4	REVA University, Bengaluru
5	PES University, Bengaluru
6	Acropotis Technology & Research
7	KLE Technological University, Hubballi
8	International Institute of Information Technology Bangalore
9	Indian Institute of Technology Dharwad
10	M/s Morphing Machines Pvt. Ltd
11	M/s TSilicon Design Pvt. Ltd
12	M/s Chipspirit Technologies Pvt. Ltd
13	M/s Sandlogic Technologies Pvt. Ltd
14	M/s IntSemi Technologies Pvt. Ltd
15	M/s Semi-Ksha Semiconductor India Pvt. Ltd.
16	Amrita School of Engineering Bengaluru
17	NIT Surathkal
18	New Horizon College of Engineering, Bengaluru
19	IIIT, Dharwad
20	Sri Krishna Institute of Technology, Bangalore
21	Acharya Institute of Technology, Bangalore
22	Dayananda Sagar Academy of Technology & Management, Bangalore
23	S J C Institute of Technology, Chickballapur
24	Dayananda Sagar College of Engineering (DSCE), Bangalore
25	School of Engineering and Technology, Christ University, Kengeri Campus, Bangalore
26	Alliance University, Bangalore
27	RV College of Engineering, Bengaluru
28	Siddaganga Institute of Technology, Tumakuru
29	Akshaya Institute of Technology, Tumkur
30	Ramaiah University of Applied Sciences, Bangalore
31	Shri Madhwa Vadiraja Institute of Technology and Management, Udupi
32	MVJ College of Engineering, Bangalore
33	B M S Institute of Technology and Management, Bengaluru
34	Moodlakatte Institute of Technology, Kundapura (MITK)

Annex-III

List of approved projects in the state of Karnataka under ECMS

S. No.	Company	Product Segment	Location
1.	Aequs Consumer Products Private Limited	Enclosures for Mobile, IT Hardware products and related devices	Dharwad, Karnataka
2.	Amphenol High Speed Technology India Private Limited	Connectors	Bengaluru, Karnataka
3.	AT & S India Private Limited	HDI PCB	Mysore, Karnataka
4.	AT & S India Private Limited	Multi-layer PCB	Mysore, Karnataka
5.	BPL Limited	Multi-layer PCB	Bengaluru, Karnataka
6.	Ehoome IOT Private Limited	Multi-layer PCB	Mysore, Karnataka
7.	Micropack Private Limited	Multi-layer PCB	Bengaluru, Karnataka
8.	Rakon India Private Limited	Oscillators	Bengaluru, Karnataka
9.	Wipro Global Engineering and Electronic Materials Private Limited	Laminate	Bengaluru, Karnataka

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