

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 586
TO BE ANSWERED ON: 22.07.2026

**MODIFIED PROGRAMME FOR DEVELOPMENT OF SEMICONDUCTOR AND
DISPLAY MANUFACTURING ECOSYSTEM**

586. THIRU THANGA TAMILSELVAN:

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

- (a) whether it is true that the Union Government is on the process of setting up of one semiconductor fabrication unit, nine manufacturing facilities and thirty design firms under the Modified Programme for Development of Semiconductor and Display Manufacturing Ecosystem in the country;
- (b) if so, the details thereof;
- (c) the details of total budget estimate for the above programme and total amount released during this financial year; and
- (d) the details of places which have been identified along with the objectives to set up these units?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI JITIN PRASADA)

(a) to (d): Inspired by the Hon'ble Prime Minister's vision of AtmaNirbhar Bharat, Government adopted structured and targeted policy initiatives for the development of electronics manufacturing across the entire value chain including semiconductors.

India's success in electronics manufacturing:

Since 2014, Government of India has undertaken series of initiatives to promote electronics manufacturing in the country. These include FDI reforms, tax reforms, labour reforms, Production Linked Incentive schemes, etc.

As a result, India now has emerged as one of the major electronics manufacturing ecosystems as seen below:

#	2014-15	2025-26	Remarks
Production of electronics goods (₹)	~1.9 Lakh Cr	~13.11 Lakh Cr	Increased 7 times
Export of electronics goods (₹)	~38 thousand Cr	~4.24 Lakh Cr	Increased 11 times
Production of mobile phones (₹)	~18 thousand Cr	~6.27 Lakh Cr	Increased 33 times
Export of mobile phones (₹)	~1500 Cr	~ 2.59 Lakh Cr	Increased 165 times

India now manufactures around 99.2% of the total mobile phones sold in the country. Mobile phones have emerged as the single largest exported item. Industry estimates that electronics manufacturing now provides employment to nearly 25 Lakh people.

Semicon India Programme:

The semiconductor industry is a foundational industry. All sectors of the economy such as industrial, consumer, defence, telecommunication and automotive etc depend on semiconductors. This sector offers transformative capabilities by driving technological innovation, economic growth, and strategic self-reliance.

Recognising the importance of Semiconductors, the Government launched Semicon India Programme in January 2022 with an outlay of ₹ 76,000 crore for setting up of semiconductor fabs, display fabs semiconductor packaging and also for promotion of Indian designed chips. Under Semicon India Programme, Government has approved 12 manufacturing projects spanning across 6 states namely Andhra Pradesh, Assam, Gujarat, Punjab, Odisha and Uttar Pradesh with total investment commitments of about ₹1.64 lakh crore. Out of these 12 projects, commercial production has already commenced from three plants.

Semicon India programme is designed to leave the choice of location with the investors. Investors evaluate the location based on various factors. Government encourages distributed manufacturing. Because of this approach, semiconductor plants are today located in six states across the country.

Union Cabinet has also approved Semicon2.0 on 15.07.2026 with an outlay of ₹1.275 lakh crore. Semicon 2.0 focuses on the following six pillars:

	Pillars	Segment
1	Design of Chips	Strategic & commercial chips
2	Machines and materials	Equipment, chemicals, gases, materials
3	Setting up more Fabs	Silicon, display, compound etc.
4	Further strengthening the ATMP/OSAT industry	Advanced & legacy packaging
5	Research & Development	Advanced technologies
6	Talent Development	Design & manufacturing talent

Semiconductor design:

Semiconductor design plays a prominent role in defining the "architecture" of a chip to achieve a specific function or application. Since chip design is an extremely R&D, engineering, and IP intensive process, Government is providing financial as well as infrastructure support (including free access to Design tools) to Startups and MSMEs through Design Linked Incentive (DLI) Scheme within the Semicon India Programme.

Further, Twenty-four (24) semiconductor design projects have also been approved for financial support and 105 startups/MSMEs for EDA tool support under DLI Scheme. The details of the projects are available at <https://chips-dli.gov.in/DLI/HomePage>
