

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 2367
TO BE ANSWERED ON: 16.03.2022

PCB MANUFACTURING

2367. SHRIMATI RAKSHA NIKHIL KHADSE:
SHRI MANOJ KOTAK:

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

- (a) whether the Government proposes to manufacture and expand activities in manufacturing of Semi-Conductors and Printed Circuit Board (PCB) having very large usage in the electronics industries to curb the large quantity imports;
- (b) if so, the details thereof;
- (c) whether the Government also proposes to inhouse manufacture of Lithium-Ion Batteries to large scale; and
- (d) if so, the detailed plan and road map in this regard?

ANSWER

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

(a): Yes, Sir. Government of India's goal is to make India a significant design and manufacturing hub in the Global Value Chain for Electronics as part of its AtmaNirbhar Bharat economic policies. As part of this, we are broadening and deepening our electronic manufacturing ecosystem including components like Printed Circuit Boards(PCBs) . Global companies are looking to diversify their manufacturing locations to mitigate the supply chain risks.

National Policy on Electronics 2019 (NPE 2019) envisions positioning India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components and creating an enabling environment for the industry to compete globally.

Government is also very focussed 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 AtmaNirbharta 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 Semicon India 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 was 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, following schemes of Government of India, incentivise Electronics Manufacturing including PCB manufacturing:

- (i) **Production Linked Incentive Scheme (PLI)** for Large Scale Electronics Manufacturing was notified on 1st April, 2020. PLI Scheme extends an incentive of 6% to 4% on incremental sales (over base year) of goods under target segments (Mobile Phones and Specified Electronic Components) that are manufactured in India to eligible companies, for a period of five (5) years subsequent to the base year (FY 2019-20). Incentives are applicable under the scheme from 01.08.2020. Further, Second Round of the PLI Scheme with the target segment of Specified Electronic Components was launched on 11.03.2021 incentivizing 5% to 3% on incremental sales to eligible companies, for a period of four (4) years.

Printed Circuit Board (PCB) are covered under the specified electronic components. 22 applicants have been approved under the Target Segment – Specified Electronic Components. 8 out of 22 applicants have proposed to manufacture PCBs.

- (ii) **Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)** was notified on April 01, 2020 provides financial incentive of 25% on capital expenditure for the identified list of electronic goods that comprise downstream value chain of electronic products, i.e., electronic components, semiconductor/ display fabrication units, ATMP units, specialized sub-assemblies and capital goods for manufacture of aforesaid goods. The scheme is open to receive applications till 31.03.2023. Under this scheme, 2 applications with proposed investment worth ₹ 48.32 crore have been approved for manufacturing of PCBs.
- (iii) **Modified Special Incentive Package Scheme (MSIPS)** - In order to promote large scale manufacturing in the country, MSIPS was announced by the Government in July 2012. It has been amended twice – in August, 2015 and in January, 2017, and mainly provide Capex subsidy of 20-25%. It has been closed on 31st December, 2018

to receive new applications. Under MSIPS, 16 applications have been approved for manufacturing of PCB with proposed investment of INR 1376.96 crore.

(c): Yes, Sir. Government of India intends to incentivize potential investors, both domestic and overseas, to set-up Giga-scale Advance Chemistry Cell (ACC) manufacturing facilities with emphasis on maximum value addition, quality output, and achieving pre-committed capacity level.

(d): Government of India approved the 'National Programme on Advanced Chemistry Cell (ACC) Battery Storage' to promote Make in India and to attract global investments into setting-up of 'Gigafactories' in India for manufacturing of Advance Chemistry Cells (ACC) in the country vide Notification dated 12th May, 2021. The total outlay of the scheme is Rs. 18,100 crore for a period of 5 years. The scheme envisages establishing a competitive ACC battery manufacturing set up in the country with a targeted capacity of 50 GWh. Additionally, 5GWh of niche ACC technologies is also covered under the scheme. The scheme proposes a Production Linked Incentive based on applicable subsidy per KWh and percentage of value addition achieved on actual sales made by the manufacturers who set up production units.

Government released a Request for Proposal for inviting proposals under the PLI scheme for setting up of manufacturing facilities for National Programme on ACC Battery Storage in India, wherein Government has received bids to the tune of 2.6 times the manufacturing capacity to be awarded i.e. 50 GWh.
