SEMICONDUCTOR INDUSTRY

3463. SHRI CHANDRA SEKHAR BELLANA:

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

(a) whether the Government has provided the required fiscal support to increase manufacturing capacities in the potentially rich semiconductor industry;
(b) if so, the details thereof and if not, the reasons therefor;
(c) whether the Government has taken steps to deal with lack of fabrication (fab) capacities in the semiconductor industry; and
(d) if so, the details thereof and if not, the reasons therefor?

ANSWER

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

(a), (b), (c) and (d): 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. Government 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 the country. The programme has further been modified in view of the aggressive incentives offered by countries already having established semiconductor ecosystem and limited number of companies owning the advanced node technologies. The modified 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. **'Modified Scheme for setting up of Semiconductor Fabs in India'** for attracting large investments for setting up semiconductor wafer fabrication facilities in the country to strengthen the electronics manufacturing ecosystem and help establish a trusted value chain. The Scheme extends a fiscal support of 50% of the project cost on *pari-passu* basis for setting up of Silicon CMOS based Semiconductor Fab in India.

ii. **'Modified Scheme for setting up of Display Fabs in India'** for attracting large investments for manufacturing TFT LCD or AMOLED based display panels in the country to strengthen the electronics manufacturing ecosystem. Scheme extends fiscal support of 50% of Project Cost on *pari-passu* basis for setting up of Display Fabs in India.

iii. **'Modified Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab / Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / OSAT facilities in India'** shall extends a fiscal support of 50% of the Capital Expenditure on Pari-passu basis for setting up of Compound Semiconductors / Silicon Photonics (SiPh) / Sensors

(including MEMS) Fab/ Discrete Semiconductor Fab and Semiconductor ATMP / OSAT facilities in India.

iv. **'Semicon India Future Design: 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.
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In addition to the above schemes, Government has also approved modernisation of Semi-Conductor Laboratory, Mohali as a brownfield Fab.

India Semiconductor Mission (ISM) has been set up 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. ISM serves as the nodal agency for efficient, coherent and smooth implementation of the schemes.

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