

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 4515
TO BE ANSWERED ON: 30.03.2022

MODERNISATION AND UPGRADATION OF PRE-EXISTING SCL

4515. SHRI P.P.CHAUDHARY:
SHRI RAJENDRA AGRAWAL:

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

- (a) the details of the initiatives taken up by the Government under India Semiconductor Mission to make India a manufacturing hub for Semiconductors;
- (b) the details of the steps taken up by the Government for modernisation and upgradation of pre-existing Semiconductor Laboratory (SCL);
- (c) the details of the amount of expenditure to be incurred for setting up of Compound semiconductors and Semiconductor ATMP/OSAT facilities in the country;
- (d) the details of the locations that have been identified for setting up of the aforesaid facilities;
- (e) whether the Government is planning to set up any aforesaid facility in the state of Rajasthan; and
- (f) if so, the details thereof?

ANSWER

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

(a): 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. The vision of Atmanirbhar 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 order to drive the long-term strategies for developing a sustainable semiconductors and display ecosystem, a specialized and independent “India Semiconductor Mission (ISM)” has been set up. The India Semiconductor Mission will be led by global experts in semiconductor and display industry. It will act as the nodal agency for efficient and smooth implementation of the schemes for setting up of Semiconductor and Display Fabs.

(b): Government has approved for modernization and commercialization of Semi-conductor Laboratory (SCL), Mohali. SCL, has been brought under the administrative control of Ministry of Electronics and Information Technology for exploring the possibility for the Joint Venture of SCL with a commercial fab partner to modernize the brownfield fab facility.

(c): The Semicon India Programme also includes the Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / OSAT facilities in India. The total fiscal outlay of the theSemicon India Programme is upto ₹76,000 crore (Rupees Seventy-Six Thousand Crore Only). The distribution of incentives among various schemes is fungible across different schemes,

including the scheme for setting up of Compound semiconductors and Semiconductor ATMP/OSAT facilities in the country.

(d), (e) and (f): States such as Karnataka, Telangana, Tamil Nadu, Andhra Pradesh, Madhya Pradesh, Odisha, Tripura, Punjab and UT of Dadra and Nagar Haveli and Daman & Diu have shown interest in facilitating setting up of semiconductor chip manufacturing facilities. These States have also indicated the availability of stable power supply and sufficient water supply for chip manufacturing facilities. However, the decision regarding the location of chip manufacturing facility lies with companies proposing to setup such facilities based on various other parameters including availability of stable power supply and sufficient water supply.
