

Vedanta ropes in Foxconn for chip plant

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MUMBAI: Taiwan's Foxconn and Anil Agarwal's Vedanta will form a joint venture (JV) to manufacture semiconductors in India, a move that could help ease the global chip shortage that has rattled automobile and electronics manufacturers.

Foxconn, the world's largest contract electronics manufacturer and a major Apple supplier, will invest \$119 million (Rs 899 crore) in the JV, which will be majority owned by Vedanta and will be chaired by Agarwal.

Foxconn will own 40% in the JV, which would be a "significant boost to domestic manufacturing of electronics in India", Foxconn said. Last year, the Taiwanese company formed a partnership with Yageo Corp to make semiconductor chips.

1ST IN PLI SCHEME

➤ Vedanta is the first co to announce an investment in semiconductor manufacturing after the govt announced a ₹76,000-crore scheme to boost chip and display ecosystem

➤ It is the second attempt of metals & mining co Vedanta to enter the chip space after its earlier plans to set up a display unit could not take off

➤ JV partner Foxconn will be the minority shareholder and Vedanta chief **Anil Agarwal** will be the chairman of the JV



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Discussions are currently ongoing with a few state governments to finalise the location of the plant in India, Vedanta said. This is the first major JV announcement after India announced a special incentive scheme to boost investment, production and jobs. India does not have a chip manufacturing ecosystem, despite being a large consumption market for semiconductor-led industries, and depends solely on expensive imports.

Under the special incentive scheme, India will extend fiscal support of up to 50% of the project cost to eligible applicants. Several global companies — including US chipset giant Intel, Taiwan Semiconductor Manufacturing Company and United Microelectronics Corporation — are exploring setting up a semiconductor facility in India.

Last December, Agarwal said Vedanta would invest Rs 60,000 crore to establish a chip and manufacturing ecosystem over a three-year period. In 2017, it had acquired AvanStrate, a Tokyo-based maker of the special glass used in LCD panels, from Carlyle. It had recently won the bid to acquire the bankrupt consumer electronics maker Videocon Industries but this has hit a regulatory roadblock.

Vedanta is India's largest aluminium producer, a leading supplier of oil and gas and also has interests in telecom.