

# Vedanta charts \$8 billion chip manufacturing plan via Foxconn JV

## Synopsis

The company will target smartphones and electronics with the 28-nanometre (nm) fab and look at 70-80% domestic market, while the rest will be exported.

Agencies

Anil Agarwal's [Vedanta group](#) plans to invest \$8.4 billion in a [chip manufacturing](#) unit in partnership with Hon Hai Technology Group ([Foxconn](#)), a top executive told ET. The company has already applied for the government's incentive scheme and is hoping to ready the manufacturing facility by 2024, Akarsh Hebbar, global managing director of Vedanta Group's



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display and semiconductor business, said. The company will target smartphones and electronics with the 28-nanometre (nm) fab and look at 70-80% domestic market, while the rest will be exported.

Hebbar also said that Foxconn, though with no prior manufacturing experience in [semiconductors](#), was the perfect partner for the project owing to its global footprint in electronics manufacturing. "The total project cost for 28 nanometres is around \$7-\$8 billion," Hebbar said. "We want to make sure that the plant comes on board by 2024. We are looking at the site, equity structure and more. Foxconn is investing around \$118-\$120 million."

He said Vedanta was looking to invest \$15 billion phase-wise as a combination of debt and equity, of which around \$5 billion will be for semiconductors and \$10 billion for displays. With 28 nm chips, Vedanta is eyeing the mobile phone and consumer electronics space but will eventually explore a foray into automobiles where it will be 28 nm or less.

**CHIPS IS A HOT BIZ**

Co plans chip unit with 28 nanometer tech partnering Foxconn

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Vedanta will hold the majority of the equity in the JV, while Foxconn will be the minority shareholder

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AKARSHHEBBAR, Global MD, Vedanta Group's Display and Semiconductor Business



"We want to focus on the domestic market and want to sell around 70-80% locally and export value can come in accordingly depending on the cycle to around 30-20%," Hebbar said. "We are very hopeful that the government approval will come in the next 3-4 months."

Hebbar said the company was not fazed by Foxconn's lack of experience in semiconductor manufacturing as it believed that the Taiwanese assembler for Apple Inc had the "right technology" owing to its vast understanding of the global electronics manufacturing industry.

"It is a \$200 billion market cap company, they themselves use \$30-\$42 billion worth of semiconductors chips and they have the right technology," he said. "They are no stranger to semiconductor chips. Foxconn is yet to manufacture the 28 nanometre chips, they have started it in 7-8 factories globally but the experience they have is good. Foxconn has the right engineers to build this."