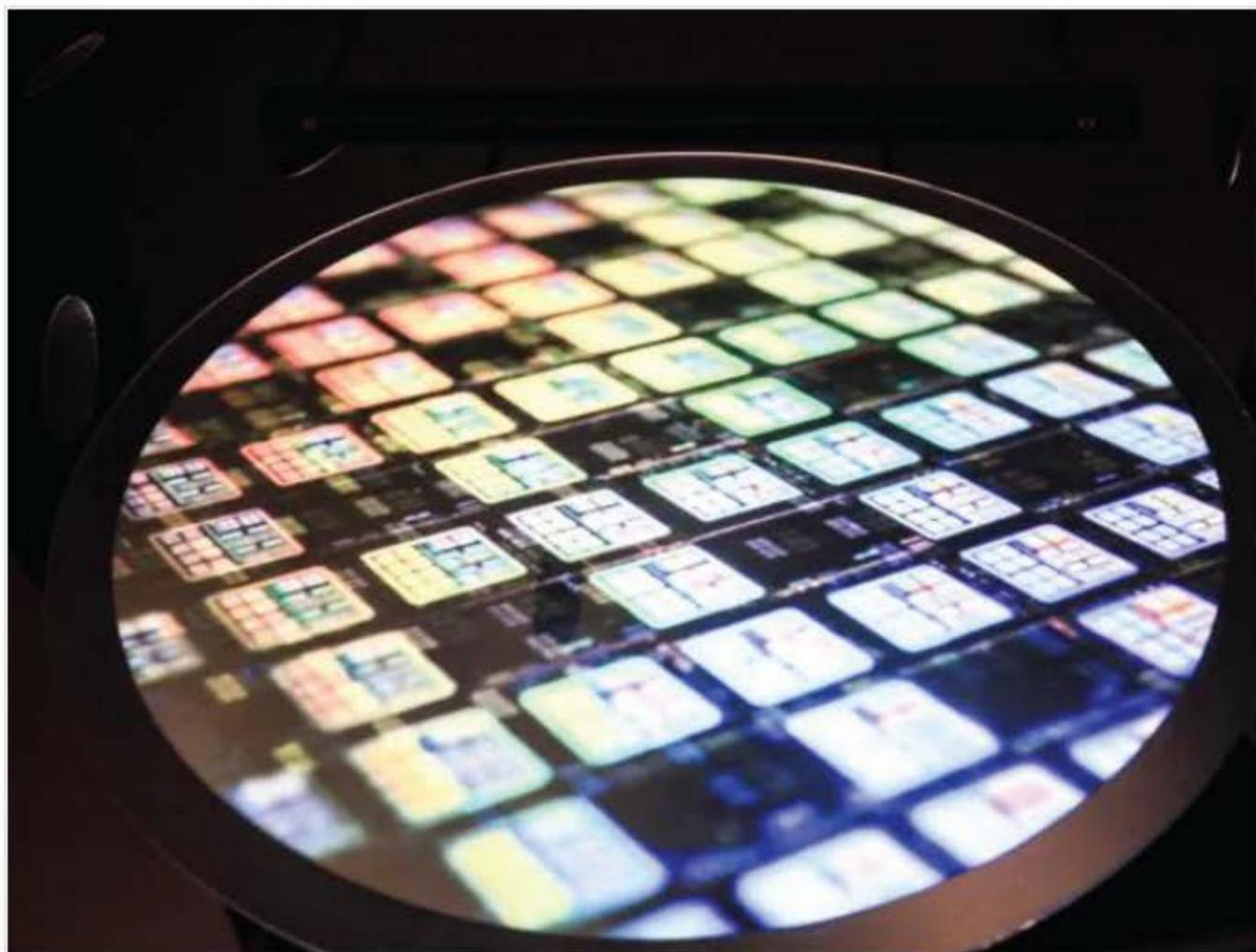


5 firms submit Rs 1.5-trn proposals to set up semiconductor, display plants

Vedanta-Foxconn JV, IGSS Ventures, ISMC propose to set up electronic chip manufacturing plants with \$13.6-bn investment

Press Trust of India | New Delhi February 19, 2022 Last Updated at 18:35 IST



chip industry. (Photo: Bloomberg)

The government has received proposals from five companies for setting up electronic chip and display manufacturing plants with investment of Rs 1.53 trillion, an official statement said on Saturday.

Vedanta Foxconn JV, IGSS Ventures, ISMC propose to set-up electronic chip manufacturing plants with \$13.6 billion investment and have sought support of \$5.6 billion from the Centre under the Rs 76,000 crore Semicon India Programme.

"The applications have been received for setting up 28 nanometer (nm) to 65 nm semiconductor fabs with capacity of approximately 120,000 wafers per month," the statement said. The government is providing financial support of up to 40 per cent for chips above 28 nm to 45 nm and up to 30 per cent for setting up manufacturing units for 45 nm to 65 nm wafers.

Vedanta and Elest have proposed to set up display manufacturing units -- used in mobile phones, laptops etc -- with projected investment of \$6.7 billion. They have sought support of \$2.7 billion from the Centre under the scheme for setting up of display fabs in India, the statement said.

"Indian semiconductor market stands at \$15 Bn in 2020 and is estimated to reach \$63 billion by 2026. The semiconductor manufacturing process is a complex, capital and technology intensive process of fabricating semiconductor wafers.

"India Semiconductor Mission, which has been set up as a dedicated institution for Semicon India Programme, has received 5 applications for Semiconductor and Display Fabs with total investment to the tune of \$20.5 Bn (INR 153,750 crore),"

the statement said.

The government closed the first round of application window for the Semicon Programme on February 15 but will start another round based on interest from the industry.

The government expects investments of around Rs 1.7 trillion and 1.35 lakh jobs to be created in the next four years under the incentive scheme for semiconductors approved by the Cabinet.

Besides electronic chip and display plants, four companies -- SPEL Semiconductor, HCL, Syrma Technology and Valenkani Electronics -- have registered for semiconductor packaging. Ruttonsha International Rectifier has registered for compound semiconductors.

Three companies -- Terminus Circuits, Trispace Technologies and Curie Microelectronics -- have submitted applications under the Design Linked Incentive Scheme.

"India Semiconductor Mission (ISM) will coordinate with the applicant companies who have also reached out to states to provide access to world class infrastructure.

"It will work closely with the state governments to establish high-tech clusters with 300 - 500 acres of developed land, 100 KVA Power, 50 MLD (millions of liter per day) water, availability of natural gases and common facility centres for testing and certification," the statement said.

The government will negotiate the structure and quantum of fiscal support with the applicants. The fiscal support under the scheme shall be provided on pari-passu basis for a period of six years from the date of approval.

Apart from fiscal support, semiconductor fabs set up in India will be supported through purchase preference in procurement of electronic products by the government under the Public Procurement (Preference to Make in India) Order.