

Vedanta to finalize \$20 billion Indian chip, display unit site by mid-June, says Chairman Anil Agarwal

Synopsis

Oil-to-metals conglomerate Vedanta said in February it will diversify into chip manufacturing and announced plans to form a joint venture with Taiwan's Foxconn to support Prime Minister Narendra Modi's drive to make India a semiconductor manufacturing hub.



[Vedanta](#) NSE -0.38 % will finalize a location for its \$20 billion semiconductor and display plants in [India](#) by mid-June and will have the first chip product ready in two years, its Chairman [Anil Agarwal](#) said on Wednesday.

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Vedanta has a total planned investment outlay of \$20 billion for two separate units for chip and display manufacturing.

"Foxconn is our technical partner. We may not take equity partner for the fab," Agarwal told Reuters in an interview in Davos, adding that the Apple contract manufacturer will have technical responsibility for the operation, from providing the tech to making semiconductors.

Vedanta is seeking incentives from Modi's government and is also in talks with several Indian states on the unit's location.

Agarwal said on the sidelines of the annual World Economic Forum the first phase of Vedanta's project will entail an investment of \$2 billion.

Private equity wants to be part of India's semiconductor expansion and there was no shortage of funds, he said, while adding that Vedanta was yet to hold talks with PE firms.

India estimates its semiconductor market will reach \$63 billion by 2026, compared with \$15 billion in 2020.

"You have to create another Taiwan in India," Agarwal said, noting that India will have to focus on bringing the entire semiconductor ecosystem locally for it to be a global powerhouse.

The Indian government has said it will expand incentives beyond an initial \$10-billion plan for those investing in semiconductor manufacturing, as it aims to become a key player in the global supply chain for chips.