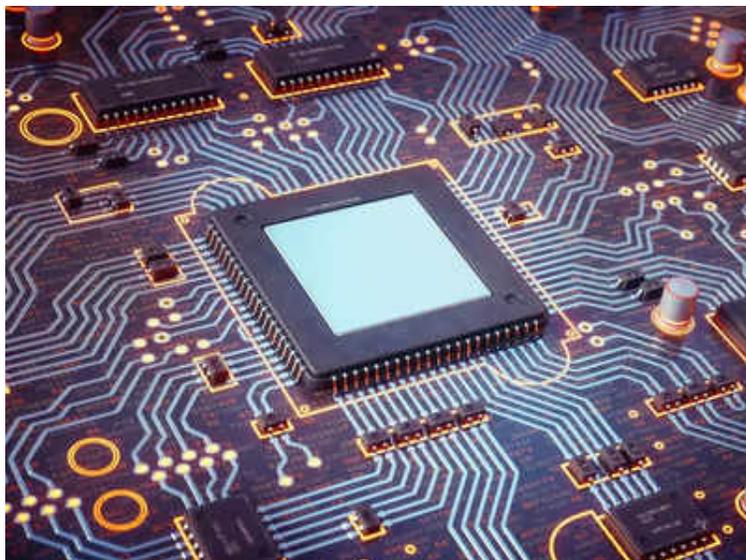


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Make in India semiconductors: Key points of Rs 1.54 lakh cr Vedanta-Foxconn venture

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A joint venture of the Indian conglomerate Vedanta and Taiwanese electronics manufacturing giant Foxconn signed a Memorandum of Understanding with the Gujarat government to set up a semiconductor and display manufacturing unit in the state. Mining giant Vedanta has presence in electronics and technology business through group companies Avanstrate Inc and Sterlite Technologies. Hon Hai Technology Group (Foxconn) is the world's largest electronics manufacturer. Hon Hai is also the leading technology solution provider. Prime Minister Narendra Modi in a tweet said this MoU is an important step in accelerating India's semiconductor manufacturing ambition.

What is the JV about

Vedanta Displays Limited will setup a Display Fab Unit in the state at an investment of Rs 94,500 crore, while Vedanta semi-conductors Limited will set up an integrated semi-conductor Fab Unit and OSAT (Outsourced Semi-conductor Assembly and Test) with an investment of Rs 60,000 crore. The proposed semi-conductor manufacturing fab unit will operate on the 28nm technology nodes with wafer size 300mm; and the display manufacturing unit will produce generation 8 displays catering to small, medium and large applications. The Centre would also provide incentives for the project under its India Semiconductor Mission.

What will be the role of Vedanata and Foxconn in the JV

Foxconn is acting as the technical partner, while Vedanta is financing the project as it looks to diversify into chip manufacturing. Vedanta will hold 60% of the equity in the JV while Foxconn will own 40%.

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Where will the facility be located

The two companies plan to build separate units for semiconductor and display production near Ahmedabad.

Expected to generate around 1 lakh new employment opportunities

The setting up of the semiconductor plant will generate around 1 lakh new employment opportunities in the state, said the government in a statement. "The project will attract electronics ecosystem players across the value chain entailing manufacturers of highly sophisticated and sensitive equipment, materials (high purity Gases, chemicals, wafers, photomasks), equipment service providers etc.," it added.

This is the third chip plant in India

Vedanta is the third - and the last - applicant to decide its investment destination under the central government's Rs 78,000 crore semiconductor manufacturing incentive scheme to create a semiconductor ecosystem in the country. International consortium ISMC and Singapore-based IGSS Ventures are the other two setting up in the states of Karnataka and Tamil Nadu, respectively. The semiconductor manufacturing scheme has triggered intense competition among the rival states, each sending large teams regularly to meet with company representatives and lobby for their states. Semiconductor chips, used in cars, mobile phones and other electronics devices, are not manufactured in India at present.