

Beyond ₹76k-cr: Govt to scale up semiconductor package

New Plan May Surpass Earlier One | Preliminary Work Underway

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New Delhi: Govt is looking at rolling out a fresh multi-billion-dollar incentive package for semiconductor companies after nearly exhausting the Rs 76,000-crore plan that was launched in Dec 2021 for supporting investing companies, top sources told **TOI**.

Preliminary work on the new package, which is “in all likelihood be much bigger than the previous one”, has already begun, even though announcements in this regard will be made only once the new govt takes charge post the national elections, they said.

“The new package would be one of the key agendas for the new govt and will be taken up on a priority basis,” one of the sources said, pointing out that new proposals that are coming in for semiconductors necessitate a fresh package.

FRESH INCENTIVES IN PIPELINE

₹76,000-crore | Incentive package for semiconductor companies launched in Dec 2021



➤ This has almost been exhausted after the spate of investments

KEY PROJECTS

₹22,500cr | Micron's testing and packaging unit in Gujarat

₹91,000cr | Tata Electronics's first semiconductor fab unit with Taiwanese Powerchip Semiconductor Manufacturing Corp at Dholera in Gujarat



₹27,000cr | Semiconductor Assembly and Test unit by Tata in Morigaon, Assam

₹7,600cr | CG Power project with Japanese Renesas Electronics and Stars Microelectronics of Thailand

“The matter would be tabled before the new Cabinet as some of the proposals are at an advanced stage and would require immediate assurances from the state in terms of incentives,” the source said.

Success of Dec 2021 package is prompting the govt to work out a new one, especially in view of the aggressive stance of countries such as the US

and China, which have announced much bigger packages for companies that are investing in semiconductors.

Under the current plan, govt extends fiscal support of up to 50% of a project's cost to eligible display and semiconductor fabricators. This has been almost exhausted after the spate of investments that came in.

Following govt's efforts led by communications & IT minister Ashwini Vaishnaw, India — which had previously failed to get any credible proposals for semiconductor manufacturing— finally managed to score big after American Micron emerged as the first major player to enter the space with a Rs 22,500-crore testing and packaging unit in Gujarat in June last year.

This was followed up with approval to three proposals worth nearly Rs 1.3 lakh crore in Feb this year. These comprise: Rs 91,000-crore project of Tata Electronics to set up India's first semiconductor fab unit with Taiwanese Powerchip Semiconductor Manufacturing; Rs 27,000-crore Semiconductor Assembly and Test (TSAT) unit by Tata; and Rs 7,600-crore project of CG Power with Japanese Renesas Electronics and Stars Microelectronics of Thailand.