

GOVERNMENT OF INDIA  
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 2645**  
TO BE ANSWERED ON: 25.03.2022

**MANUFACTURE OF MICROPROCESSORS**

**2645. SHRI K. J. ALPHONS:**

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) the status of applications received under Productivity Linked Incentives (PLI) scheme for manufacturing microprocessors in the country;
- (b) by which time period would manufacturing start; and
- (c) the expected quantum of production by 2025?

**ANSWER**

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY (SHRI  
RAJEEV CHANDRASEKHAR)

(a): Government has notified Production Linked Incentive schemes for Large Scale Electronics Manufacturing and IT Hardware which do not cover manufacturing of microprocessors.

However, Government is focused on its important objective of building the overall semiconductor ecosystem and ensure that, it in-turn catalyses India's rapidly expanding electronics manufacturing and innovation ecosystem. This vision of AtmaNirbhar Bharat in electronics & semiconductors was given further momentum by the Union Cabinet, chaired by the Hon'ble Prime Minister, approving the Semicon India programme with a total outlay of INR 76,000 crore for the development of semiconductor and display manufacturing ecosystem in our country. The programme aims to provide financial support to companies investing in semiconductors, display manufacturing and design ecosystem. This will serve to pave the way for India's growing presence in the global electronics value chains.

Following four schemes have been introduced under the aforesaid programme:

- I. Scheme for setting up of Semiconductor Fabs in India** provides fiscal support to eligible applicants for setting up of Semiconductor Fabs which is aimed at attracting large investments for setting up semiconductor wafer fabrication facilities in the country. Following fiscal support has been approved under the scheme:
  - 28nm or Lower - Up to 50% of the Project Cost

- Above 28 nm to 45nm - Up to 40% of the Project Cost
- Above 45 nm to 65nm - Up to 30% of the Project Cost

**II. Scheme for setting up of Display Fabs in India** provides fiscal support to eligible applicants for setting up of Display Fabs which is aimed at attracting large investments for setting up TFT LCD / AMOLED based display fabrication facilities in the country. The Scheme provides fiscal support of up to 50% of Project Cost subject to a ceiling of INR 12,000 crore per Fab.

**III. Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / OSAT facilities in India:** The Scheme provides a fiscal support of 30% of the Capital Expenditure to the eligible applicants for setting up of Compound Semiconductors / Silicon Photonics (SiPh) / Sensors (including MEMS) Fab and Semiconductor ATMP / OSAT facilities in India.

**IV. Design Linked Incentive (DLI) Scheme** offers financial incentives, design infrastructure support across various stages of development and deployment of semiconductor design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design. The scheme provides “Product Design Linked Incentive” of up to 50% of the eligible expenditure subject to a ceiling of ₹15 Crore per application and “Deployment Linked Incentive” of 6% to 4% of net sales turnover over 5 years subject to a ceiling of ₹30 Crore per application.

In addition to the above schemes, Government has also approved modernisation of Semiconductor Laboratory, Mohali as a brownfield Fab.

Government has received three applications under Semicon India Programme for setting up of Semiconductor Fabs in India for manufacturing of semiconductor chips, including microprocessors chips. Incentive may be extended upto two eligible applicants with approval of the Union Cabinet.

(b) and (c): The applications received under the Semicon India Programme for manufacturing of chips are yet to be approved subject to the recommendation of India Semiconductor Mission (ISM). Further, Semiconductors manufacturing is a very complex and technology-intensive sector with huge capital investments, high risk, long gestation and payback periods, and rapid changes in technology which require significant and sustained investments. Presently, India is at formative stage of developing its semiconductor supply chain ecosystem. The manufacturing of semiconductor chips, including microprocessors in semiconductor fab units will depend on technology, capacity and availability of semiconductor supply chain ecosystem.

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