WRITTEN ANSWERS TO STARRED QUESTIONS

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
STARRED QUESTION NO. *361
TO BE ANSWERED ON: 04.04.2025

ELECTRONICS MANUFACTURING UNITS ESTABLISHED UNDER PLI SCHEME

***361. SHRI P. WILSON:**

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

(a) the details of electronics manufacturing units established in the country under Production Linked Incentive (PLI) Scheme in the last three years, year-wise, State-wise;
(b) the total funds allocated, disbursed, and utilized under the PLI Scheme in the last three years, State-wise and the details of initiatives undertaken to promote electronics manufacturing in Tamil Nadu; and
(c) whether any electronics clusters have been identified in Tamil Nadu under the Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme, if so, the details and locations thereof?

ANSWER

MINISTER FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI ASHWINI VAISHNAW)

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN THE REPLY TO RAJYA SABHA STARRED QUESTION NO. *361 FOR 04.04.2025 REGARDING ELECTRONICS MANUFACTURING UNITS ESTABLISHED UNDER PLI SCHEME

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(a) to (c): In the last 10 years, electronics manufacturing has grown significantly.

- Total electronics production has increased nearly five times to INR 9.5 Lakh Cr.
- Industry estimates suggest that the sector now provides employment to about 25 Lakh people.
- From negligible production in 2014, mobile manufacturing has increased to about INR 4.2 Lakh Cr. in FY 2023-24. In last four years, it has grown at a CAGR of 24%.
- Bharat is now among the three largest mobile manufacturing countries in the world.
- About 99% of India's mobile demand is now met through domestic manufacturing.

This has been made possible due to the policy initiatives undertaken by the Government. These initiatives are detailed as follows:

Process reforms:

- **100% FDI:** As per extant Foreign Direct Investment (FDI) policy, FDI up-to 100% under the automatic route is permitted for electronics manufacturing, subject to applicable laws / regulations; security and other conditions.
- **Rationalisation of Tariff Structure:** Tariff structure has been rationalized to promote domestic manufacturing of electronic goods, including, inter-alia, cellular mobile phones, televisions, electronic components, set top boxes for TV, LED products and medical electronics equipment.
- **Taxation reforms:** Notified capital goods for manufacture of specified electronic goods are permitted for import at "NIL" Basic Customs Duty.

Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing:

- Notified on 1st April 2020 to provide an incentive of 3% to 6% to eligible companies on incremental sales.
- Total of 32 applications were approved for manufacturing of mobile phones and manufacturing of specified electronic components, including Assembly, Testing, Marking and Packaging (ATMP) units.
- Achievements till February 2025:
  - Cumulative investment of INR 10,905 Cr
  - Cumulative production of INR 7,15,823 Cr
  - Cumulative exports of INR 3,90,387 Cr
  - and additional employment of 1,39,670 (Direct jobs)
  - As per industry estimates, Cumulative GST of INR 1.82 Lakh Cr has been collected from mobile manufacturing companies between FY 2020-21 and 2023-24.

- The budget outlay for the PLI scheme for LSEM is INR 34,193 Cr. Till Mar'2025, total incentive of INR 11,603 Cr has been utilized.

PLI for IT Hardware 2.0:

- PLI for IT Hardware was notified in 2021 to provide 1% to 4% incentives on net incremental sales of laptops, tablets, All-in-one PCs and servers for four years.

- In may 2023, PLI Scheme 2.0 for IT Hardware was notified to provide an average 5% incentive on net incremental sales of laptops, tablets, All-in-one PCs, servers and ultra small form factor devices for six years. Total 27 applications have been approved already.
- Achievements till February 2025:
    - Cumulative production of INR 10,365 Cr
    - Cumulative investment of INR 522 Cr
    - Employment for 5,132 (direct jobs)
- The budget outlay for the PLI Scheme 2.0 for IT Hardware is INR 17,000 Cr. Till Mar'2025, utilization of INR 70.83 Cr has been done under PLI Schemes for IT Hardware.

Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS):

- Notified on 1st April 2020 to provide financial incentive of 25% on capital expenditure for the identified list of electronic goods that comprise downstream value chain of electronic products, i.e., electronic components, semiconductor / display fabrication units, ATMP units, specialized sub-assemblies and capital goods for manufacture of aforesaid goods.
- Achievements till February 2025:
    - Cumulative investment of INR 10,723 Cr
    - Cumulative production of INR 27,429 Cr
    - Employment for 38,206 persons

The applications under these schemes are invited on pan-India basis. Companies may have manufacturing facilities at multiple locations across various states.

Electronics Manufacturing Clusters (2.0):

- Modified EMC 2.0 was notified on 1st April 2020.
- Goal is to provide support for creation of world class infrastructure along with common facilities and amenities, including Ready Built Factory (RBF) sheds / Plug and Play facilities for attracting major global electronics manufacturers along with their supply chain to set up units in the country.
- Achievements till February 2025:
    - Cumulative investment of INR 10,044 Cr
    - Employment for 9,557 persons
- Under the scheme, total 9 EMC and 1 CFC projects are approved out of which 2 projects with project cost of INR 1,012.02 crore have been approved in the state of Tamil Nadu.

Modified Special Incentive Package Scheme (M-SIPS):

- In 2015, the scope and period of the scheme was expanded.
- The scheme provides support for capital expenditure - 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs. The incentives are available for 44 categories / verticals of electronic products and components covering entire electronics manufacturing value chain.
- Achievements till February 2025:
    - Cumulative investment of INR 48,437 Cr
    - Cumulative production of INR 13,98,184 Cr
    - Employment for 1,52,039 persons.

Semicon India Program:

- To widen and deepen electronics manufacturing, the Union Cabinet approved a comprehensive program with an outlay of INR 76,000 crore for the development of Semiconductors and Display manufacturing ecosystem which provides:
    - Fiscal support of 50% of the project cost on *pari-passu* basis for setting up of Silicon Complementary Metal-Oxide-Semiconductor (CMOS) based Semiconductor Fabs in India.
    - Fiscal support of 50% of Project Cost on *pari-passu* basis for setting up of Display Fabs in India.
    - Fiscal support of 50% of the Capital Expenditure on *pari-passu* basis for setting up of Compound Semiconductors / Silicon Photonics (SiPh) / Sensors (including Micro-Electro-Mechanical Systems) Fab/ Discrete Semiconductor Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / Outsourced Semiconductor Assembly and Test (OSAT) facilities in India.
    - Financial incentives for semiconductor design, design infrastructure support across various stages of development and deployment of semiconductor design for ICs, Chipsets, SoCs, Systems & IP Cores and semiconductor linked design. The scheme provides both "Product Design Linked Incentive" and "Deployment Linked Incentive".

- **Modernization of Semi-Conductor Laboratory:** Government has also approved modernization of Semi-Conductor Laboratory, Mohali to enhance efficiency and cycle time

Government has also undertaken following initiatives for development of semiconductor ecosystem in the country:

- **Global cooperation:** MoU for cooperation in development of semiconductor ecosystem have been signed with Singapore, USA, European Union and Japan.
- **Strengthening design ecosystem:** 17 semiconductor design companies are being supported under the Design Linked Incentive Scheme.
- **Developing skills:** Additionally, 325 organisations including 265 academic intuitions and 68 semiconductor design companies have been approved for access of the EDA tools made available by National EDA Tool Grid setup at ChipIN Centre at C-DAC Bengaluru.

Industry is contributing to further deepening the semiconductor ecosystem:

- Applied Materials has set up a collaborative engineering centre in Bengaluru with an investment of 400 million dollars over 4 years. This engineering centre is focused on development and commercialisation of technologies for semiconductor manufacturing equipment.
- AMD has established its largest global design center, AMD Technostar, in Bengaluru. This centre is focused on the design and development of semiconductor technology including 3D stacking, artificial intelligence, and machine learning.

India is well on its path to create a robust semiconductor ecosystem in the country. 5 semiconductor units with cumulative investment of Rs 1.52 Lakh Crore have been approved under the Semicon India Programme. The approved projects are under various phases of implementation and are expected to be completed in 4–6-year timeframe.

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