

Centre to give 50% incentive for semiconductor production

Our Bureau
New Delhi

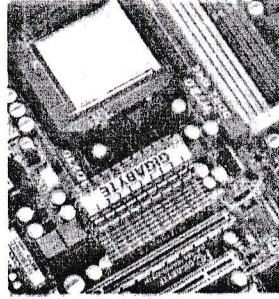
The Cabinet, on Wednesday, approved modifications to the scheme for semiconductors and display manufacturing ecosystem, with a uniform fiscal support of 50 per cent of the project cost for all technology nodes and setting up of display fabs.

"Fiscal support of 50 per cent of capital expenditure on pari-passu basis under scheme for setting up of compound semiconductors, silicon photonics, sensors fab and semiconductor ATMP facilities in India," said a government statement.

'TO RAISE CAPACITIES'

According to Anurag Thakur, I&B Minister, the modifications will strengthen the semiconductor scheme and raise capacities within the country, encourage investments and create employment opportunities.

The Minister said due to supply-chain disruptions, many countries have announced financial incentives for semiconductor manufacture. Therefore, the government has



tweaked the existing scheme to attract companies. "India's consumption remains high and almost the entire requirement is imported. Earlier, PLI benefits were between 30-50 per cent of the project cost, depending on categories. Now, it is a uniform fiscal support of 50 per cent across categories of the scheme," said Thakur.

The programme has attracted many global semiconductor players for setting up fabs in India. The modified programme will expedite investments in semiconductor and display manufacturing in the country.

On the basis of discussion with potential investors, it is expected that the work on setting up the first semiconductor facility will commence soon, the release added.