

Suchi Semicon looks to churn out 3-4 million chips per day

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Gujarat-based semiconductor-packaging company Suchi Semicon is aiming to produce and package 150,000 chips per day in its phase of commercial production, which begins this month, according to Managing Director Ashok Mehta.

The company, headquartered in Surat, has set a target of packaging and producing up to 3-4 million chips per day after three-four months, when the plant receives new, upgraded machinery, Mehta said.

“After we achieve the target of 3-4

million, we will decide whether to go for forward or backward integration. If it is forward integration, we will opt for manufacturing PCBs (printed circuit boards),” Mehta said.

Though the company has started production without waiting for an incentive from the government’s “India Semiconductor Mission” (ISM), Mehta is confident Suchi Semicon will receive the requisite approvals and incentives from the central government.

The ₹76,000 crore ISM incentive plan, which aimed to kickstart semiconductor chip manufacturing and packaging in the country, has tasted success and five applications

under the plan have been approved. Four of these are chip-packaging units while Tata Electronics is the sole chip fabrication unit so far.

The Tata group’s Dholera semiconductor unit is India’s first chip-fabrication facility approved by the central government — on February 29, 2024 — under the ISM. The plant is expected to start operations by 2027

and may employ close to 2,000 people. The unit is coming up at a cost of more than ₹91,000 crore.

Suchi Semicon is planning to invest up to ₹850 crore to set up the OSAT facility, he said. The company has already invested



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close to ₹100 crore in setting up the pilot line and started sending chips for testing to its partners in the United States, Mehta said.

The company has entered into a technology-transfer agreement with Philippines-based semiconductor company Fastech. Under that the latter will provide technology and knowledge support for the next three years, he said.

The company is hiring executives from Malaysia. Apart from this, the company has taken on executives to give training on semiconductor production and packaging in Indian universities it has tied up with, Mehta said.