

₹2-TRN INVESTMENT SEEN IN 2 YRS

# Govt sweetens sops for global chip companies

**Offers uniform 50% fiscal support to units across all categories**

**FE BUREAU**  
New Delhi, September 21

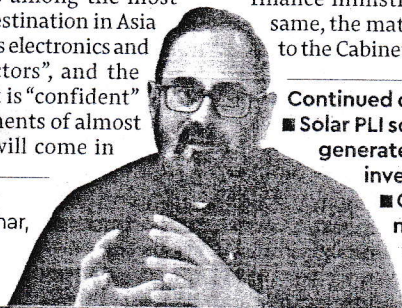
**NINE MONTHS AFTER** announcing a ₹76,000-crore incentive scheme for development of semiconductors and display manufacturing ecosystem in the country, the Union Cabinet on Wednesday sweetened it further by making the fiscal support of 50% of project cost uniform across all technology nodes for setting up of semiconductor fabs.

When the government had first announced the scheme in December 2021, it had extended financial support of up to 50% of project cost for at least two semiconductor and two display fabs for a minimum of six years. For others, like compound semiconductors, sensor fabs etc, fiscal support of 30% was to be offered.

Minister of state for IT Rajeev Chandrasekhar said the total outlay for the package will remain the same but harmonisation of incentives to 50% will make the policy "extremely competitive" and attract investment across spectrum of opportunities, namely silicon and compound fabs, packaging units, display fabs, and design and innovation ecosystem.

Global companies, he said, are examining exploring India as a viable investment destination for semiconductors. India is positioning itself as among the most attractive destination in Asia for "all things electronics and semiconductors", and the government is "confident" that investments of almost ₹2 trillion will come in

Rajeev Chandrasekhar, MoS for IT



## CHIPPING IN

■ Fiscal support of 50% of project cost made uniform across all technology nodes

■ Earlier, 50% support was only for semiconductor and display fab units; for others, like compound semiconductors and sensor fabs, 30% support was offered

■ Vedanta-Foxconn JV, Dubai's NextOrbit & Israel's Tower Semiconductor, and Singapore's IGSS Venture have so far signed MoUs for fab projects



over the next two years. "We believe this move will further increase the interest and create additional proposals that have been in discussions with us over the last 4-5 months," the minister told reporters.

Sources told FE that the modifications were sought by the ministry of electronics and IT after receiving industry feedback. Once the finance ministry approved the same, the matter was referred to the Cabinet.

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■ Solar PLI scheme may generate ₹94,000-cr investments, P2

■ Cabinet clears national logistics policy, P2