



**KAMARAJ IAS ACADEMY**  
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# India Semiconductor Mission (ISM)

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## Why in news?

With the **objective to develop a vibrant semiconductor ecosystem**, the Union Cabinet approved the proposal of Kaynes Semicon Pvt Ltd to **setup a semiconductor unit in Sanand, Gujarat**.

## About India Semiconductor Mission (ISM)

- The ISM was **launched in 2021** with **a financial commitment of Rs 76,000 crore**.
- It is designed to *support the development of a robust semiconductor and display manufacturing ecosystem in India*.
- The **mission aims to provide financial support to companies investing in semiconductor manufacturing, display fabrication**, and the design ecosystem.
- The mission is **aspecialized and independent Business Division within the Digital India Corporation**.
- It aims to build a vibrant semiconductor and display ecosystem to enable India's emergence as a global hub for electronics manufacturing and design.

## Components of the India Semiconductor Mission

### Scheme for Setting Up Semiconductor Fabs in India:

- The Scheme for setting up of Semiconductor Fabs in India shall extend **fiscal support of up to 50% of project cost** on pari-passu basis to the approved applicants.
- Support under the scheme shall be provided for a **period of six years**.

### Scheme for Setting Up Display Fabs in India:

- The Scheme for **setting up of Display Fabs in India** shall extend **fiscal support of up to 50% of project cost** on pari-passu basis to the approved applicants.
- Support under the scheme shall be provided for a **period of six years**.
- The focus is on attracting investments to establish facilities for **TFT LCD** (Thin-Film Transistor Liquid Crystal Display) and **AMOLED** (Active Matrix Organic Light Emitting Diodes) based display fabrication, which are critical components in modern electronic devices.

### Scheme for Setting Up Compound Semiconductors/Silicon Photonics/Sensors Fab and Semiconductor Assembly, Testing, Marking, and Packaging (ATMP)/Outsourced Semiconductor Assembly and Test (OSAT) Facilities in India:

- The Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors (including MEMS) Fabs / Discrete Semiconductors Fab and Semiconductor ATMP / OSAT facilities in India shall extend fiscal support of 50% of capital expenditure to Compound Semiconductors / Silicon Photonics / Sensors (including MEMS) Fabs and Semiconductor Packaging (ATMP / OSAT) units.
- Support under the scheme shall be provided for a period of six years

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### **Design Linked Incentive (DLI) Scheme:**

- It **supports the design and development of Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores, and semiconductor-linked design**, fostering innovation in the semiconductor sector.
- Support under the scheme shall be provided for a period of six years.