

W-38/6/2025-IPHW
Government of India
Ministry of Electronics and Information Technology
(IPHW Division)

Dated: 16th September, 2026

Subject: Guidelines for implementing Machines and Materials, Fabs, and ATMP/OSAT pillars under Semicon 2.0

Background

- 1.1 The “Semicon 2.0 - Scheme for development of Semiconductor Design and Manufacturing Ecosystem in India” (hereinafter referred to as ‘Scheme’) has been notified vide Gazette Notification No. CG-DL-E-31082026-275860 dated 31.08.2026. This Scheme extends fiscal support as per the eligibility criteria mentioned in the Scheme Notification.
- 1.2 These guidelines are being issued in pursuance of para 10 of the Scheme Notification for effective implementation of the following three pillars of the Scheme:
 - a. Pillar 2- Machines and Materials
 - b. Pillar 3- Setting up more Fabs
 - c. Pillar 4- Further Strengthening the ATMP/OSAT Industry
- 1.3 These guidelines shall be read in conjunction with the scheme notification. In the event of any inconsistency between the scheme notification and these guidelines, the provisions of the scheme notification shall prevail.
- 1.4 The Scheme guidelines, inter alia, cover the following:
 - a) Definitions
 - b) Eligibility for Fiscal Support
 - c) Eligible Capital Expenditure / Investment
 - d) Nodal Agency
 - e) Application Process

- f) Approval Process
- g) Submission of Claims for Fiscal Support
- h) Disbursement of Fiscal Support
- i) Related Party Transactions (RPT)
- j) Review and Impact Assessment
- k) Residual

2. Definitions

- 2.1 **Acknowledgement Date:** The date on which the Nodal Agency acknowledges receipt of complete application submitted by the applicant after the initial screening. Such acknowledgement shall not be construed as acceptance or approval of the application under the Scheme.
- 2.2 **Applicant:** Applicant for the Scheme is a legal entity, i.e., Private Limited Company or a Public Limited Company making an application for seeking fiscal support under the Scheme.
- 2.3 **Application:** Application means an application submitted by an applicant on the portal of the Nodal Agency in the Application Form prescribed in **Annexure-1** (as amended from time to time) of the guidelines, containing requisite information, along with the supporting documents and application fee.
- 2.4 **Approval Date:** The date on which the approval letter is issued by the Nodal Agency to the applicant.
- 2.5 **Approved Project / Unit:** Approved Project/Unit means a project submitted by an applicant for which an approval letter is issued by the Nodal Agency.
- 2.6 **Bill of Materials:** Bill of Materials (BoM) means all raw materials, components, sub-assemblies, parts and components required to manufacture or assemble a identified finished product.
- 2.7 **Capital Expenditure:** Capital Expenditure / Investment shall include the expenditure incurred on Building, Plant, Machinery, Clean rooms, Equipment and Associated Utilities. This shall include expenditure on building, clean rooms,

plant, machinery, equipment and associated utilities (including used / second hand / refurbished), as well as tools, dies, moulds, jigs, fixtures (including parts, accessories, components, and spares thereof), etc. used in the manufacturing process under the Scheme. It shall also include expenditure on packaging, freight/transport, insurance, and erection and commissioning of the plant, machinery, equipment and associated utilities. Associated utilities would include captive power and effluent treatment plants, essential equipment required in operations areas such as clean rooms, air curtains, temperature and air quality control systems, compressed air, water & power supply, control systems, storage facilities for upkeep of chemicals, gases, and their distribution system etc. Associated utilities would also include IT and ITES infrastructure related to manufacturing, including servers, software and ERP solutions. Higher cost of equipment on account of additional warranty/ AMC/ consumables etc. shall not be considered as part of the Capital Expenditure.

- 2.8 **Commercial Operation Date (COD):** The date of declaration of commercial production for the entire capacity of the approved project.
- 2.9 **Commercial Production:** “Commercial Production” implies that the production is undertaken for the sale of manufactured goods by the approved Project / Unit as defined in relevant accounting standards issued by ICAI for standard capacity of the project.
- 2.10 **Competent Authority:** The Union Cabinet shall be the Competent Authority for approving fiscal support for an applicant under Machines and Materials, Fabs, and ATMP/OSAT pillars.
- 2.11 **Domestic Sourcing:** Domestic Sourcing means the sourcing of assemblies, sub-assemblies, parts and components manufactured within India, using either domestically sourced or imported raw materials, for use in the manufacturing of an identified finished product.
- 2.12 **Eligible Capital Expenditure / Investment:** The capital expenditure/investment which is considered eligible for fiscal support under the Scheme.

- 2.13 **Fiscal Support Agreement (FSA):** FSA is an agreement to be signed between Nodal Agency, Applicant Company, Project Company and other relevant parties for disbursement of fiscal support.
- 2.14 **Fiscal Support:** Financial support to enhance the viability of the project.
- 2.15 **Force Majeure:** Extraordinary events or circumstances beyond human control such as an event described as an act of God (like a natural calamity) or events such as a war, strike, riots, crimes (but not including negligence or wrongdoing, predictable/seasonal rain and any other events specifically excluded).
- 2.16 **Group Company(ies):** Group Company(ies) shall mean two or more enterprises which, directly or indirectly, are in a position to:
- a) Exercise twenty-six per cent or more of voting rights in other enterprise; or
 - b) Appoint more than fifty per cent of members of the Board of Directors in the other enterprise.
- 2.17 **Joint Venture (JV) Company:** JV company is a business arrangement where two or more parties pool their resources, capital and technical expertise to accomplish a specific project while keeping their separate legal identities.
- 2.18 **Manufacturing:** According to Central Goods and Service Tax (CGST) Act, 2017; manufacturing shall mean processing of raw material or inputs in any manner that results in the emergence of a new product having a distinct name, character and use. The term “manufacturer” shall be construed accordingly.
- 2.19 **Nodal Agency:** “India Semiconductor Mission (ISM)”, an independent business division within the Digital India Corporation, MeitY, is the Nodal Agency for the Scheme and will act as its implementing agency.
- 2.20 **Pari-Passu Payment:** The pro rata payment to be released by Nodal Agency after the corresponding share is mobilised by the applicant / Project Company along with other sources in the No-Lien Account (NLA). The deposits in the No-Lien Account (NLA) shall be utilised only for eligible Capital Expenditure for the approved project.

- 2.21 **Production Grade Technology:** Production grade technology refers to technology that has been successfully demonstrated and is available for use in the commercial production of goods, enabling manufacturing at an industrial or commercial scale.
- 2.22 **Project / Unit:** A Project / Unit under the Scheme would be a new business unit or expansion of capacity of an existing unit in India which an applicant intends to implement as per the application submitted under the Scheme.
- 2.23 **Related Party(ies):** The term related party(ies) would be as defined as per provisions of relevant statutes, such as Companies Act, Income Tax Act and Accounting Standards, as may apply to the applicant / Project Company, as notified by Ministry of Corporate Affairs (MCA) or any other appropriate authority from time to time.
- 2.24 **Successor-in-Interest:** Successor-in-interest shall mean the new or re-organized entity formed after the merger, demerger, acquisition, transfer of business or significant change in ownership of an applicant.

3. Eligibility for Fiscal Support

- 3.1 Fiscal support under the Scheme shall be provided only to the Project Company meeting eligibility criteria as defined under paras 3.4 to 3.8 of the Scheme.
- 3.2 In case of a consortium/joint venture, the criterion must be satisfied by one or more group companies.
- 3.3 The Scheme shall be applicable for investments in new units as well as expansion of capacity of existing units.
- 3.4 If an application is made for a fabrication as well as ATMP unit, then the minimum threshold of capital expenditure/investment as well as revenue criteria applicable for such application shall be the higher of the individual investment and revenue thresholds for each of the category covered under the application.
- 3.5 A Project company, at their own risk, may choose to start the investment after the date of acknowledgement. The Nodal Agency will consider such eligible capital

expenditure for reimbursement of the fiscal support, provided the Project is approved by the competent authority. Any expenditure incurred on the project before the date of acknowledgement shall not be reimbursed.

4. Eligible Capital Expenditure / Investment

- 4.1 Capital expenditure as defined in Para 2.7 of the Guidelines shall be considered for determining eligible capital expenditure/investment under the Scheme. Expenditure incurred on the following shall **not** be considered as eligible capital expenditure/investment under the Scheme:
- a. Expenditure incurred on Land and its development
 - b. Temporary structures, site offices, temporary office space, and other temporary facilities created at the Project Site
 - c. Technology Transfer, Interest During Construction (IDC), and R&D cost
- 4.2 Capital expenditure/investment incurred before the date of acknowledgement of the application under the Scheme shall not be considered for computation of eligible capital expenditure/investment under the Scheme.
- 4.3 Capital expenditure/investment, based on which eligible capital expenditure/investment is being determined, shall be capitalized in the books of accounts of the Project Company.
- 4.4 Building, clean rooms, plant, machinery and equipment (including for associated utilities) shall be purchased/leased in the name of the Project Company.
- 4.5 The capital expenditure incurred for the project shall be verified by the Nodal Agency or its appointed Project Management Consultants (PMC) Company.
- 4.6 The used / second hand / refurbished plant, machinery and equipment (including for associated utilities) allowed under the Scheme shall have a minimum residual life of at least 5 (five) years, at the time of transfer of assets, as per Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, amended vide Ministry of Environment, Forest and Climate Change Notification dated 11.06.2018, and as amended from time to time.

5. Other conditions for Pillar 2, 3 and 4

- 5.1 For the purpose of application for “Setting up R&D facilities for semiconductor equipment” under Machines and Materials pillar, the proposed facility to be setup shall focus on developing, testing and improving the complex equipment and related subsystems which are used for manufacturing, testing, and/ or packaging the semiconductor chips and displays. It can inter-alia involve activities related to product development, process development, parts and systems qualification, testing, reliability and validation engineering, metrology, microscopy and characterization, design and engineering, materials & consumables engineering, prototyping and manufacturing support etc.
- 5.2 Applications may be submitted for integrated facilities, such as Semiconductor Fab and Packaging or Semiconductor Packaging and Module manufacturing. However, for such applications, the applicant shall provide a separate cost break-up for each component in the Detailed Project Report (DPR). The fiscal support shall be calculated on a pro-rata basis, in accordance with the fiscal support specified for the corresponding category under the Scheme.
- 5.3 Integrated applications for Semiconductor packaging and Module manufacturing will also be considered. However, the incentive for module manufacturing will be the incentive applicable to legacy packaging. An application only for module manufacturing shall not be eligible under the Scheme.
- 5.4 Application of Display Module manufacturing shall not be eligible under the Scheme.
- 5.5 Applications for setting up of epitaxial wafer manufacturing facility shall be considered for fiscal support under the category of Compound Semiconductor Fab.

6. Nodal Agency

- 6.1 The Scheme shall be implemented by the Nodal Agency as mentioned in Para 6 of the Scheme. For carrying out various activities related to the implementation of the Scheme, the Nodal Agency would, *inter alia*:

- a. Receive the applications, verify eligibility of the applicants for support under the Scheme, issue acknowledgement preferably within 45 days, carry out technical and financial appraisal, and issue approval letter.
 - b. Empanel agency(ies) or consultants as deemed necessary to carry out technical and financial appraisal of the projects as well as evaluate expertise of the applicants.
 - c. Examine claims eligible for disbursement of fiscal support under the Scheme and disburse the fiscal support as per eligibility.
 - d. Submit periodic reports to Ministry of Electronics and Information Technology (MeitY) regarding the progress and performance of the Scheme.
- 6.2 The Nodal Agency will receive applications and all documents through online portal.
- 6.3 The Nodal Agency or its empaneled agency(ies) shall have the right to carry out physical inspection of the Project Company's manufacturing units and offices with prior intimation for the purpose of verification of claims.

7. Application Process

- 7.1 As provided in para 5 of scheme notification, the scheme shall be initially open for application for a period of 3 years from the date of issuance of the Guidelines. Applications will be accepted only in online mode through the official portal of the Nodal Agency. No physical, mailed, or manual submissions will be considered or processed.
- 7.2 An applicant would need to register itself on the portal of the Nodal Agency before submission of an application. An application shall be made in the format provided in **Annexure-1** of the Guidelines. On receipt of an application in the prescribed format, the nodal agency shall conduct an examination as to whether the application is genuine and prima facie meets the criteria under the Scheme.

- 7.3 The nodal agency shall issue an acknowledgement of receipt of the application preferably within 45 days. This acknowledgement shall not be construed as acceptance or approval under the Scheme.

8. **Approval Process**

- 8.1 **Appraisal of the Applications by Nodal Agency:** The applications will be evaluated by the Nodal Agency through a process of technological and financial appraisal. This shall include technology parameters such as process technologies, project implementation capacity, operations capability, etc. as well as financial parameters such as fiscal support sought from the government, funds available with the company or raised for the project, offtake arrangements etc.
- 8.2 **Recommendations by Nodal Agency:** The application(s) recommended after appraisal shall be forwarded by the Nodal Agency to Ministry of Electronics and Information Technology (MeitY).
- 8.3 **Timeline for Appraisal:** The Nodal Agency shall complete the evaluation and appraisal of the project preferably within six months from the date of issuance of the acknowledgement letter.
- 8.4 **Approval of Application(s) by Union Cabinet:** The selected application(s) will be placed by the Ministry of Electronics and Information Technology (MeitY) for approval by the Union Cabinet. After the approval is accorded by the Union Cabinet, the same will be forwarded by MeitY to the Nodal Agency for communication to the applicant(s).
- 8.5 **Extension of Tenure of the Project:** The tenure of the project including the period of actual fiscal support outflow to the approved units may be extended with the approval of the Minister of Electronics and Information Technology

9. **Submission of Claims for Fiscal Support**

- 9.1 The Project Company shall create a No-Lien Account (NLA) with a Scheduled Commercial Bank in India and provide the details thereof to the Nodal Agency. The Nodal Agency shall enter into an Agreement with the Project Company and the Bank, where the NLA of the Project Company is maintained, for proper

utilization of the fiscal support. In case of State Government support, the State Government shall also be the party to the Agreement.

- 9.2 Claim for fiscal support may be submitted by the Project Company as and when required.
- 9.3 The Nodal Agency may seek any documents, certificates, etc. from the applicant / Project Company during the process of verification.
- 9.4 The quantum of fiscal support payable for the project would be assessed based on the eligible capital expenditure/investment as communicated in the approval letter to the applicant/Project Company by the nodal agency.
- 9.5 The project company must ensure adequate insurance including transit insurance of its project assets.
- 9.6 In case of doubt with respect to the eligibility of any capital expenditure/investment that is mentioned in the claim for fiscal support, the Nodal Agency may refer the matter to the Ministry of Electronics and Information Technology (MeitY) for clarification. The decision of the MeitY shall be final in this regard.
- 9.7 For disbursement claim for Production Linked Incentive (PLI) under Machines and Materials pillar, the project company shall submit a declaration from the domestic manufacturer as per **Annexure-2**. In case the domestic sourcing of components/sub-assemblies are done through contract manufacturer/ supply-chain partner, the applicant shall be responsible for ensuring that the contract manufacturer / supply-chain partner is actually producing the component/ sub-assembly in India.

10. **Disbursement of Fiscal Support**

- 10.1 The disbursement of fiscal support shall be carried out by the Nodal Agency. The conditions must be satisfied before the first disbursement, including execution of FSA, submissions of integrity and correctness undertakings, creation of security/charge on the project assets etc.

- 10.2 Fiscal support on pari-passu basis shall be released to the Project Company subject to safeguards like creation of charge on assets in favour of the Nodal Agency or submission of bank guarantee / corporate guarantee / personal guarantee or combination thereof or any other suitable mechanism as prescribed in the approval letter/Fiscal Support Agreement.
- 10.3 The fiscal support against the eligible capital expenditure/investment shall be released after the approval of the claim for fiscal support by the nodal agency, subject to compliance to other terms and conditions stipulated in the Scheme/ Guidelines /Approval Letter/FSA.
- 10.4 The disbursement of fiscal support shall be made on pari-passu basis. Pro rata payments for the claim shall be released after mobilization of corresponding share and its deposition by the applicant/project company, along with other sources, in the No-Lien Account (NLA) and compliance of other necessary conditions for release of such payments as prescribed in the Scheme Guidelines/Approval Letter/FSA. The same is to be applicable on all the instalments with effect from the first instalment to be released to the applicant. The deposits in the No-Lien Account (NLA) shall be utilized only for Eligible Capital expenditure for the approved project.
- 10.5 Disbursement of fiscal support shall be within the amounts for each item under eligible capital expenditure/investment as per the approval given to the applicant/Project Company by the Nodal Agency. Any variation in expenditure pertaining to approved eligible capital expenditure/investment item due to exchange rate variations, technology upgradation, and change in specifications of Building, Plant, Machinery and Equipment shall be allowed, subject to verification of relevant documents submitted by the applicant, even if it leads to variation of expenditure within individual eligible capital expenditure/investment items, as long as the total actual expenditure is within the overall approved eligible capital expenditure/investment.
- 10.6 Second instalment onwards shall be released on submission of a report mentioning the physical and financial progress of Buildings & Clean Room, Plant, Machinery & Equipment, Associated Utilities, Itemized list of capital

goods/equipment with details of suppliers, purchase orders, invoice, payment, capitalization etc. Copy of the Fixed Assets Register duly certified by the Statutory Auditors of the Project Company and expenditure certificate for the utilised amount to be submitted along with further requirement. A proper justification for further requirement of funds also needs to be submitted with the claim by the Project Company.

- 10.7 During disbursement period, any excess fiscal support provided to the project company shall be recovered /adjusted from the subsequent disbursements. Post completion of the project, any excess fiscal support provided to the project company shall be refunded along with the interest calculated from the date of disbursement of that excess payment at 3 years SBI MCLR compounded annually.
- 10.8 The Nodal Agency shall follow approved system of the Government of India for releasing the fiscal support to approved applicants.
- 10.9 Reimbursement of fiscal support may also be considered under special circumstances to the satisfaction of Nodal Agency.

11. Related Party Transactions (RPT)

- 11.1 For any expenditure forming part of the claim for fiscal support which involves purchase / lease from Group Companies / 'Related' entities, relevant certificate / documents (for domestic and / or international procurement) must be provided by the applicant. This shall be submitted in accordance with the provisions of Companies Act, Income Tax Act and Accounting Standard as applicable and amended from time to time.
- 11.2 In case, any expenditure value is revised based on an assessment done subsequently as per provisions of the acts as cited above, the applicant shall notify and reimburse the Nodal Agency immediately for any incentive amount disbursed over and above the revised value as per subsequent assessment along with the interest calculated at 3 years SBI MCLR (as applicable on the date of disbursement) compounded annually.

12. Review and Impact Assessment

- 12.1 Periodic reviews of approved applicants will be undertaken by the Nodal Agency with respect to their investments, utilization of funds, production, employment generation under the Scheme.
- 12.2 All approved applicants shall be required to furnish self-certified Fortnightly Progress Report within 5 days and self-certified Quarterly Review Reports (QRRs) within 30 days from the end of each quarter till the commencement of commercial production of the entire project. The QRRs submitted by the Project Companies shall be verified by the Nodal Agency (or its appointed agency). Thereafter, self-certified Bi-annual Review Reports shall be submitted within 30 days from the end of every 6 months.
- 12.3 Mid-term appraisal of the Scheme will be carried out after three years of its implementation or as per the recommendation from Ministry of Electronics and Information Technology (MeitY) to assess the impact of the Scheme, off take by the approved applicants and economy in terms of the stated objectives. Based on such impact assessment, a decision may be taken to increase the tenure of the Scheme and change its financial outlay with the approval of the Minister for Electronics and Information Technology.

13. Residual

- 13.1 Any change / deviation in the location of a project / unit, after filing the application and before approval of the same, shall be allowed by the Nodal Agency after assessing its impact on the project.
- 13.2 An applicant shall intimate the Nodal Agency of any change in the shareholding pattern of the Promoters' holding in the Applicant/Project company, including any change in encumbrance, post application till the completion of 3 (three) years from the date of commencement of commercial production for the entire capacity
- 13.3 In case of a successor-in-interest, the capital expenditure/investment undertaken by the applicant and the successor-in-interest, would be considered for determining eligible capital expenditure/investment, subject to recommendation

and compliance with any other condition stipulated by the Nodal Agency, as may be deemed appropriate. The earlier capital expenditure/investment and eligible capital expenditure/investment for the successor-in-interest shall be the same as determined for the applicant to whom approval was accorded under the Scheme.

- 13.4 Units receiving fiscal support under the Scheme shall have to remain in commercial production for a period of at least 3 (three) years from the date of commencement of commercial production of the entire project and provide an undertaking for the same.
- 13.5 Fiscal Support, offered by the State Governments or any of its agencies or local bodies shall be over and above the fiscal support under the Scheme.
- 13.6 The Nodal Agency shall rely upon information submitted by applicant/ project company on self-certification basis. For this purpose, the applicant shall submit an undertaking as per format at **Annexure-3**. To obviate any malpractices in the financial matters where disbursements are made to industry by the Government, it has been decided to provide a deterrent against corrupt practices for promotion of transparency and equity. Therefore, keeping in view the sensitivities involved in the process and taking cue from the instructions of the Central Vigilance Commission regarding adoption of an Integrity Pact in the matter of procurement, the Nodal Agency shall obtain undertaking(s) from applicants under the Scheme as per **Annexure-4**.
- 13.7 If Nodal Agency is satisfied that eligibility under the Scheme for determination of eligible capital expenditure and / or disbursement of incentive have been obtained by fraud of an essential fact pertaining to the Scheme or furnishing of false information or in case of an Insolvency Event pertaining to the Project Company or closure or abandonment of the project or breach of any of the terms under the Scheme, Nodal Agency may ask the Applicant / Project Company to refund the fiscal support along with accrued interest, calculated at 3 years SBI MCLR (as applicable at the date of demand) compounded annually, after allowing the Applicant/Project Company to submit their views in a time bound manner.

- 13.8 The Project Company shall not, without the prior written approval of Nodal Agency, enter into any transaction of merger/demerger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction, on or before 3 (three) years from the COD for the entire capacity.
- 13.9 All clearances including permits, licenses and environmental clearances, third party approvals, etc. necessary to execute the proposed project shall be obtained by the Project Company as per law.
- 13.10 Till declaration of the commercial production of the entire project, the Project Company shall not sell or dispose of the project assets or any part thereof or create thereon any mortgage, lien or charge by way of hypothecation or otherwise, except in the ordinary course of business, without prior approval of Nodal Agency.
- 13.11 The Project Company shall create first charge on Fixed Assets, already created or to be created, in favour of the Central Government or its nominated agency. If the State Government desires, the Project Company shall also create a first-ranking pari-passu charge over the Fixed Assets, already created or to be created, in favour of the State Government or its nominated agency in respect of the pari-passu fiscal support by the State Government. In case of any financing for the project through Banks or Financial Institutions (FIs), the aforesaid charge thus created on the Fixed Assets shall be subservient to the charge or security interest of Banks/FIs. Further, where the Nodal Agency holds the second charge on the Fixed Assets, the Applicant shall additionally provide a corporate guarantee or similar guarantee for the full amount of the fiscal support.
- 13.12 The charge or security interest thus created shall be released after achievement of COD of the entire project.
- 13.13 **Shareholding and Control Requirements:** Applicant/ Promoter or group shall hold at least 51% of the total equity share capital with equivalent voting rights in the Project Company at all times during the Term of the FSA, including its three years of operation after COD. The controlling entity must be identified at the

application stage itself, and its continuity is a condition for continued fiscal support and fulfilment of other conditions as per the FSA. Any change in shareholding must be reported to the Nodal Agency during this period.

- 13.14 **Exchange Rate of Conversion:** All applicants are required to submit DPR in Indian currency. The currency conversion rate considered by the applicants, shall be the rate published by the Reserve Bank of India (RBI). In respect of currencies for which exchange rates are not published by the RBI, the import rate published on the website of the Directorate General of Foreign Trade (DGFT) shall be considered.
- 13.15 In case of supply chain disruption, it is expected that the project company would give preference to meet the need of domestic demand.
- 13.16 The Nodal Agency shall refer day-to-day operational issues to the ISM Committee under the powers delegated by the Board of DIC. The ISM Committee may, if required, refer any matter to the Ministry of Electronics and Information Technology (MeitY) for approval. Any deviation from Guidelines required for their smooth implementation shall be referred to Minister of Electronics and Information Technology for approval.
- 13.17 Supplementary Guidelines may be issued from time to time for the smooth implementation of the Scheme.

Application Form

1. Applicant Company

- 1.1 Date & Country of Incorporation
- 1.2 Registered Address, Corporate Address, Phone, Email, Website
- 1.3 Shareholding Pattern
- 1.4 Profile and contact details of Shareholders
- 1.5 Profile and contact details of Board of Directors
- 1.6 Joint Venture (JV) Agreement/ Other Business Agreements, if applicable
- 1.7 Audited Financial Statements for last 3 years
- 1.8 Credit History – Details of presence in RBI/ CIBIL's Defaulter and Wilful Defaulter Lists, SEBI Debarred List. CIBIL Rating and External Credit Rating, if any. Certificate from Company Secretary/ Board of Directors
- 1.9 Letter of Authorization by Board of Directors or Managing Director or equivalent
- 1.10 Business Profile
- 1.11 Operational Experience of Applicant/ its Promoters/ Group in manufacturing the proposed products
- 1.12 Details of current manufacturing facilities in India and abroad
- 1.13 Integrity Undertaking (Format A)
- 1.14 Proof of submission of non-refundable application fee of INR 10,00,000/- plus GST, as applicable

2. Project Company (Company incorporated in India for the Scheme)

- 2.1 Certificate of Incorporation
- 2.2 Memorandum and Articles of Association
- 2.3 Permanent Account Number (PAN) Card
- 2.4 Goods & Services Tax Registration (GSTN) Certificate
- 2.5 Registered Address, Corporate Address, Phone, Email, Website
- 2.6 Capital Structure
- 2.7 Shareholding Pattern
- 2.8 Profile and contact details of Board of Directors
- 2.9 Joint Venture (JV) Agreement/ Other Business Agreements, if applicable
- 2.10 Audited Financial Statements for last 3 years
- 2.11 Credit History – Details of presence in RBI/ CIBIL's Defaulter and Wilful Defaulter Lists, SEBI Debarred List, Blacklisting by any Government

- Department/ Agency in India. CIBIL Rating and External Credit Rating, if any.
Certificate from Company Secretary/ Board of Directors
- 2.12 Letter of Authorization by Board of Directors or Managing Director or equivalent
- 2.13 Business Profile

3. Project/ Detailed Project Report (DPR)

- 3.1 Project Summary
- 3.2 Bank/ FI Appraisal Note/ Report, if available
- 3.3 Technology Specifications
- 3.3.1 Technology
 - 3.3.2 Target products and applications
 - 3.3.3 ITC/ HS codes for proposed products
 - 3.3.4 Existing and Proposed Installed capacity, number of working days in a year, number of working hours per day
 - 3.3.5 Technology Partnerships – Details of technology partner(s) with relevant documents, Audited Financial Statements for last 3 years
 - 3.3.6 Manufacturing Process
 - 3.3.7 Equity of the technology partner and source of funding
 - 3.3.8 Off-take committed as percentage of total capacity by the technology partner
- 3.4 Proposed Location
- 3.4.1 Complete Address of the proposed manufacturing unit(s)
 - 3.4.2 GPS location
 - 3.4.3 GST Registration (GSTN) Certificate
 - 3.4.4 Registered Sale/ Lease Deed
 - 3.4.5 No-objection certificate (NOC) from owner of land in case of sub-lease
 - 3.4.6 Title Search Report from lawyer including Non-encumbrance certificate
 - 3.4.7 Land area
 - 3.4.8 Describe the locational advantage with respect to supply of raw materials, power, water, fuel and manpower as also with respect to facilities for transportation, effluent disposal and market.
- 3.5 Project Financials

- 3.5.1 Total project cost including working capital requirements and year-wise proposed phasing of investment
- 3.5.2 Sources of fund
 - 3.5.2.1 Board Resolution of Project Company for investing the project cost towards setting up of the project
 - 3.5.2.2 Board Resolution/ Undertaking from equity/ unsecured loan providers
 - 3.5.2.3 Proof of equity/ unsecured loans brought in
 - 3.5.2.4 Sanction letter/ Letter of Intent (LoI) and Term Loan Agreement for Debt
 - 3.5.2.5 Documents showing capability of fund providers (not required for Banks/ FIs)
 - 3.5.2.6 Contact details of fund providers
- 3.5.3 Projected P&L for 20 years
- 3.5.4 Key financial indicators (IRR, ROCE, ROI, EBITDA, NPV)
- 3.5.5 Project cost benchmarking
- 3.6 Operational Details
 - 3.6.1 Water, power and other utility requirements and arrangements for their supply
 - 3.6.2 Ramp-up timelines/ Implementation schedule
 - 3.6.3 Management structure
- 3.7 Human Resources
 - 3.7.1 Leaders profile (CEO, CTOs/CXOs)
 - 3.7.2 Availability and Requirement of trained manpower, plan for training and skill development
 - 3.7.3 Proposed employment generation
- 3.8 Building
 - 3.8.1 Land and Building Layout Plan
 - 3.8.2 Type of construction, Purpose and Built-Up Area of each Building
- 3.9 Capital Goods
 - 3.9.1 Requirement of new/ refurbished capital goods
 - 3.9.2 Itemised list of equipment, number of equipment with details of proposed suppliers and quotations/ purchase orders.
 - 3.9.3 Board-approved Vendor selection process

3.10 Raw Material

3.10.1 Bill of Materials (BOM) - %BOM cost and suppliers

3.10.2 Details regarding sourcing of raw materials, plan for developing the raw material manufacturing ecosystem in India

3.11 Market Assessment of Proposed Products – India and global market

3.12 Off-take arrangements, Letter of commitment/Intent

3.13 Roadmap for Technology Upgradation and continuity of business

3.14 Plan for R&D Collaboration with Indian/global academic institutions

3.15 Regulatory Treatment

3.15.1 Requirement of licenses, permits, clearances and third-party approvals necessary to execute the project.

3.15.2 Proposed timelines for obtaining such licenses, permits, clearances and third-party approvals

***The nodal agency reserves the right to add/ modify the aforesaid requirement of documents/ information during the process of evaluation of applications received under the Scheme**

Declaration from the Component/ Sub-assembly Supplier

Date: Month xx, 202xx

To,

.....

Name of the Project Company

Address

For onward submission to:

India Semiconductor Mission,

Address

Reference:

- (i) Semicon 2.0 - Scheme for development of Semiconductor Design and Manufacturing Ecosystem in India" notified vide Gazette Notification No. CG-DL-E-31082026-275860 dated 31.08.2026, and Guidelines issued thereunder, as amended from time to time (hereinafter referred to the Semicon 2.0)
- (ii) Declaration for Manufacturing and supply of (name of the component) to (name of Project Company) in connection with their incentive claim for Production Linked Incentive (PLI) under Semicon 2.0 for the period from to

Declaration

This declaration is being issued in connection with the Incentive Claim by (name of the Project Company) for the period from to under Production Linked Incentive Scheme (PLI) for sub-verticals mentioned in the clause 3.4.3 (d) of the scheme notification as notified vide notification No. CG-DL-E-31082026-275860 dated 31.08.2026 read with guidelines for Semicon 2.0 dated, as amended from time to time. In this regard, it is confirmed that,

- (i) We (name of the contract manufacturer/ component supplier) are manufacturing and supplying (name of the component/ sub-assembly) to..... (name of the Project Company), which is a product/ component/ sub-assembly to be used in the manufacture of (Product Name) by the(Project Company Name).
- (ii) We are manufacturing this component/ sub-assembly at our manufacturing location situated at

- (iii) The detail of (name of the component/ sub-assembly) manufactured in India by us and sold to (name of the Project Company) is enclosed as **Annexure- 2A and 2B.**
- (iv) The data on consumption of key raw material for manufacturing of (name of the component/ sub-assembly) is also attached at **Annexure- 2C.**
- (v) We also confirm to provide any data, documentation third party certificate or clarification sought by Project Management Agency (PMA)/ ISM or their authorised representative in connection with this declaration.

For Company name

Authorized Signatory

Place:

Date:

Annexure- 2A

Particulars of Component/ Sub- Assembly sold to (Name of Project Company)	Make/ Model No/ Product ID	Total Production	Sales to (name of applicant)	
		from To		
		Units	Units	Value
Total				

Annexure- 2B

Invoice level detail of sales to (name of Project Company) from To

GSTIN/ UIN of Buyer	Buyer's Name	Related Party (Y/N)	Invoice Number	Invoice date	Invoice type (Sales invoice, Dr. note, cr. Note)	Product Description (Model/ Make or Identification Number)	HSN Code	Quantity	Amount
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Annexure- 2C

Description of Raw Material Consumed in production of component/ sub-assembly *	Production of Components	Sales	Consumption of Raw Material	
	Unit	Unit	Consumption per Unit of Component	Unit Total Consumption
Total				

Please give detail of major raw material consumed in production of component.

FORMAT OF UNDERTAKING FOR CORRECTNESS OF APPLICATION

(Undertaking from the Applicant on letterhead)

1. We,, hereby, acknowledge that the incentives that would / may be provided to us under Semicon 2.0 notified on by Ministry of Electronics and Information Technology for setting up of facilities in India, will be provided to us based on, and after relying upon, the information provided by us.
2. We hereby confirm that the information provided by us for availing the said incentives is true, correct, and complete in all respects and that no material fact/information that may have an adverse impact on the information provided by us for availing the said incentives has been concealed. We acknowledge and confirm that the foregoing averment is on an ongoing basis and further undertake to immediately apprise the Nodal Agency about any change in the status of the information provided by us to avail the said incentives.
3. We further undertake that in the event of (i) any of the information provided by us to avail the said incentives being found false, incorrect or incomplete, or (ii) in the event of the undertakings and confirmations stated at para 2 above being found false, incorrect, incomplete or breached; we will (a) refund the entire amount of incentives availed by us along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, for the period between excess payment and date of refund.
4. We acknowledge that the remedies provided in para 3(a) above are not the exclusive remedies available with the Ministry of Electronics and Information Technology and are without prejudice to any legal remedies available with Nodal Agency for events mentioned in Para 3(i) and 3(ii) above.

Subject: Proforma for Integrity Compliance-Initial Undertaking(s)

(To be signed by fulltime Director/CEO/CMD/MD of the company/firm duly depicting the designation and submitted on official stationery of the applicant along-with the authorization to do so)

Undertaking (Format-A)

1. Whereas, the applicant namely (*name of company with address*) has submitted an application under Semicon 2.0 for setting up offacilities in India seeking incentive for the project of manufacturing or expansion of(name of items) at.....(location of plants/factory) with the estimated capital expenditure of INR.....and estimated fiscal support of INR.....
2. Now, therefore, the applicant/ project company, including its officers/representatives, commits and undertakes that he/she will take all measures necessary to prevent corruption. He/ She commits to observe the following principles during his/her association/engagement with Nodal Agency or its agencies or its consultants engaged with the process of appraisal and verification of application for the approval of application and disbursement of incentive under Semicon 2.0 for setting up of facilities in India.
 - 2.1 The applicant/ project company will not directly or through any other person or firm, offer, promise or give to any of the Nodal Agency's officer(s) or consultant or agency representative (appraisal or/and verification agency appointed by Nodal Agency to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he/she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before, during or after the processing of the application for grant of approval or disbursement of fiscal support.
 - 2.2 The applicant/ project company will not commit any offence under the relevant IPC/PC Act. Further, the applicant will not use improperly, for purposes of

competition or personal gain, or pass on to others, any information or document provided by the Nodal Agency.

- 2.3 The applicant/ project company shall disclose the name and address of the duly authorised Agents/Representatives who will be dealing with the Nodal Agency or its agencies and the remuneration of these agents or representatives shall not include any hidden amount or component to get the work done in an undue manner or causing inducement of whatsoever nature whether in cash or kind to influence the normal process or practice of work.
 - 2.4 The applicant/ project company will disclose any and all payments he/she has made, is committed to or intends to make to agents, brokers or any other intermediaries, other than regular employees or officials of the applicant, in connection with the grant of approval or/and disbursement of incentive.
 - 2.5 The applicant/ project company will not offer any illicit gratification to obtain unfair advantage.
 - 2.6 The applicant/ project company will not collude with other parties to impair transparency and fairness.
 - 2.7 The applicant/ project company will not give any advantage to anyone in exchange for unprofessional behavior.
3. The applicant/ project company declares that no previous transgressions occurred in the last 3 years with any other Company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprises /Central or State Government or its any instrumentality in India.
 4. The applicant/ project company agrees that if it is found that the applicant has made any incorrect statement on this subject, the application will be closed or rejected, and the Nodal Agency reserve the right to initiate legal action of whatsoever nature. In case the Nodal Agency has disbursed the fiscal support under Semicon 2.0 for setting up of facilities in India, the amount disbursed to the applicant shall be recoverable along with interest calculated at 3 years SBI MCLR compounded quarterly besides black listing of the applicant and initiation of legal action of whatsoever nature at the discretion of the Nodal Agency.

5. The applicant/ project company shall not hire, engage, appoint, employ, or enter into any consultancy, advisory, professional or other contractual arrangement, whether directly or indirectly, with any employee/personnel of India Semiconductor Mission (ISM) or the Project Appraisal/ Monitoring Agency (PMA/PMC) engaged by ISM, for a period of 2 years after cessation of their engagement/employment with ISM/PMA/PMC.

We acknowledge that any breach of this undertaking may be treated as a material violation of the terms and conditions applicable to us.

The contents of the above undertaking have been gone through and, after understanding the same, is being executed/given on..... day of (Month/Year).

Signature

(Name & designation with address)

CMD/MD/Director/CEO

**Proforma for Undertaking for compliance to be furnished by Project Company
before release of Incentive**

(To be signed by fulltime Director/CEO/CMD/MD of the company/firm duly depicting the designation and submitted on official stationery of the applicant along-with the authorization to do so)

Undertaking (Format-B)

1. Whereas, the project company namely (name of company with address) has submitted an application under Semicon 2.0 for setting up offacilities in India seeking incentive for the project pertaining to manufacturing or expansion of..... (name of items) at.....(location of plants/factory) with the estimated capital expenditure of INR.....and fiscal support of INR.....
2. And whereas, the project company has submitted an undertaking for observance and commitment for Integrity vide Undertaking dated.....given under the signatures/authority of applicants (name and designation) to the Nodal Agency in respect of aforesaid application.
3. And whereas, the project company including its officers/representatives commits and undertake that he/she will take all measures necessary to prevent corruption and that he/she will not directly or through any other person or firm, offer, promise or give to any of the Nodal Agency's officer(s) or consultant or agency representative (appraisal or/and verification agency appointed by Nodal Agency to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he/she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before or during or after the process of the application for grant of approval or disbursement of fiscal support.
4. And whereas, the application submitted by the applicant/ project company has been approved by the Nodal Agency vide its communication no.....dated.....for capital expenditure of INR.....and fiscal support of INR.....after the appraisal process carried out by the Nodal Agency through its agencies.

5. And whereas, the project company has submitted the disbursement application datedto Nodal Agency for claiming incentive of INR.....on the capital expenditure of INR.....
6. And whereas, Nodal Agency has considered the disbursement application and got verified from its agencies and is in the process of disbursement/release of incentive on the disbursement application dated.....
7. Now, therefore, I/We hereby confirm the compliance thereof with the Integrity Undertaking submitted to the Nodal Agency, duly certifying that there is no breach of the same and request that eligible fiscal support be released to the applicant and the amount of incentive be credited in the bank account of the applicant.
8. The contents of the above Undertaking have been gone through and after duly understanding the same, is being executed/given on.....day of.....
(Month/Year).

Signature

(Name & designation with address)
CMD/MD/Director/CEO