

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
STARRED QUESTION NO. *49
TO BE ANSWERED ON: 22.07.2026

REWEIGHTING OF ISM 2.0

***49. DR. T SUMATHY ALIAS THAMIZHACHI THANGAPANDIAN:**

Will the Minister of Electronics and Information Technology be pleased to state:

- (a) whether the Government is aware that no India Semiconductor Mission (ISM) approved fab or display project has been sited in Tamil Nadu as of mid-2026 despite its 2024 semiconductor policy offering upto 50 per cent additional capital subsidy and its established Sriperumbudur base while Gujarat has secured the Tata-ASML anchor fab and Dholera SEZ notification (9 April 2026);
- (b) if so, whether ISM 2.0's reweighting toward equipment, materials and IP announced in Budget 2026-27 structurally disadvantages Tamil Nadu's ATMP/OSAT and design-led pitch;
- (c) if so, the status of pending Central clearances—port capacity, SEZ notification, power allocation—for the proposed Rs.80,000 crore Taiwanese investment evaluating Tirunelveli and Thoothukudi;
- (d) the details of steps taken by the Government to build a sovereign frontier Artificial Intelligence (AI)/Large Language Model (LLM) capacity following the confirmed suspension (12 June) and restoration (1 July 2026) of access to frontier US-AI models under export controls and whether the India-US Bilateral Trade Agreement addresses AI hardware access;
- (e) the details of Tamil Nadu's share of the IndiaAI Mission GPU/compute allocation and Centre of Excellence funding relative to other States; and
- (f) the details of Common Service Centre saturation in Tamil Nadu's rural and hill blocks versus the national average?

ANSWER

MINISTER OF ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI ASHWINI VAISHNAW)

(a) to (f): A Statement is laid on the Table of the House

STATEMENT REFERRED TO IN THE REPLY TO LOK SABHA STARRED QUESTION NO.*49 FOR 22.07.2026, REGARDING ‘REWEIGHTING OF ISM 2.0’

(a): Inspired by the Hon’ble Prime Minister’s vision of AtmaNirbhar Bharat, Government adopted structured and targeted policy initiatives for the development of electronics manufacturing across the entire value chain including semiconductors.

India’s success in electronics manufacturing:

Since 2014, Government of India has undertaken series of initiatives to promote electronics manufacturing in the country. These include FDI reforms, tax reforms, labour reforms, Production Linked Incentive schemes, etc.

As a result, India now has emerged as one of the major electronics manufacturing ecosystems as seen below:

#	2014-15	2025-26	Remarks
Production of electronics goods (₹)	~1.9 Lakh Cr	~13.11 Lakh Cr	Increased 7 times
Export of electronics goods (₹)	~38 thousand Cr	~4.24 Lakh Cr	Increased 11 times
Production of mobile phones (₹)	~18 thousand Cr	~6.27 Lakh Cr	Increased 33 times
Export of mobile phones (₹)	~1500 Cr	~ 2.59 Lakh Cr	Increased 165 times

India now manufactures around 99.2% of the total mobile phones sold in the country. Mobile phones have emerged as the single largest exported item. Industry estimates that electronics manufacturing now provides employment to nearly 25 Lakh people.

Electronics Manufacturing:

Prime Minister Shri Narendra Modi’s vision has benefitted Tamil Nadu. Government of India has supported the setting up of many electronics manufacturing plants in Tamil Nadu as detailed below:

#	District	Number of plants
1	Chengalpattu	4
2	Chennai	6
3	Coimbatore	1
4	Kancheepuram	38
5	Krishnagiri	8
6	Thoothukudi	2
7	Tirunelveli	1
8	Tiruvallur	6
9	Vellore	1

Electronics Manufacturing Clusters (EMC):

Prime Minister Shri Narendra Modi ji has encouraged setting up manufacturing clusters in various sectors like electronics, textiles, defence, chemicals, etc. His vision was translated through the Electronics Manufacturing Cluster (EMC) scheme in electronics sector.

Government has supported the following EMCs in the state of Tamil Nadu:

- i. EMC at Manallur – Spread over an area of 474.3 acres, with a project cost of ₹587.47 crore.
- ii. EMC at Pillapaikkam – Spread over an area of 379.3 acres, with a project cost of ₹424.55 crore.

Semicon India Programme:

The semiconductor industry is a foundational industry. All sectors of the economy such as industrial, consumer, defence, telecommunication and automotive etc depend on semiconductors. This sector offers transformative capabilities by driving technological innovation, economic growth, and strategic self-reliance.

Recognising the importance of Semiconductors, the Government launched Semicon India Programme in January 2022 for setting up of semiconductor fabs, display fabs semiconductor packaging and also for promotion of Indian designed chips.

Under Semicon India Programme, Government has approved 12 manufacturing projects spanning across 6 states namely Andhra Pradesh, Assam, Gujarat, Punjab, Odisha and Uttar Pradesh with total investment commitments of about ₹1.64 lakh crore. Out of these 12 projects, commercial production has already commenced from three plants.

Semicon India programme is designed to leave the choice of location with the investors. Investors evaluate the location based on various factors. Government encourages distributed manufacturing. Because of this approach, semiconductor plants are today located in six states across the country.

Semiconductor design:

Semiconductor design plays a prominent role in defining the "architecture" of a chip to achieve a specific function or application. Since chip design is an extremely R&D, engineering, and IP intensive process, Government is providing financial as well as infrastructure support (including free access to Design tools) to Startups and MSMEs through Design Linked Incentive (DLI) Scheme within the Semicon India Programme.

Further, Twenty-four (24) semiconductor design projects have also been approved for financial support and 105 startups/MSMEs for Electronic Design Automation (EDA) tool support under DLI Scheme

Government of India has encouraged Semiconductor design projects in Tamil Nadu. The following companies are being supported by Government of India, as mentioned below:

#	Name	Location	Support
1	Aheesa Digital Innovations Pvt. Ltd.	Chennai	Grant and EDA tool
2	Mindgrove Technologies Pvt. Ltd.	Chennai	Grant and EDA tool
3	InCore Semiconductors Pvt. Ltd.	Chennai	Grant and EDA tool
4	MBit Wireless Pvt. Ltd.	Chennai	Grant and EDA tool
5	Struent Semiconductors Pvt. Ltd.	Chennai	EDA tool

6	PRSemicon Technologies Pvt. Ltd.	Chennai	EDA tool
7	Sicrest Semiconductors Pvt. Ltd.	Coimbatore	EDA tool

Semiconductor talent development:

Realising the nature of this deep tech industry, Government of India is supporting the design talent development in 315 institutes across the country.

Government of India has supported talent development in following universities in Tamil Nadu:

#	Institute	Location
1.	Dr. Mahalingam College of Engineering and Technology, Coimbatore	Coimbatore
2.	SNS College of Technology, Coimbatore	Coimbatore
3.	National Institute of Technology Tiruchirappalli	Tiruchirappalli
4.	Indian Institute of Information Technology Tiruchirappalli	Tiruchirappalli
5.	Anna University Regional Campus Coimbatore	Coimbatore
6.	Mohamed Sathak Engineering College, Ramanathapuram	Ramanathapuram
7.	Karunya Institute of Technology and Sciences, Coimbatore	Coimbatore
8.	St. Xaviers Catholic College of Engineering, Kanya Kumari	Kanniyakumari
9.	College of Engineering Guindy, Anna University, Chennai	Chennai
10.	Indian Institute of Information Technology Design and Manufacturing Kancheepuram	Chengalpattu
11.	Indian Institute of Technology Madras	Chennai
12.	PSG College of Technology, Coimbatore	Coimbatore
13.	Vellore Institute of Technology (VIT), Vellore	Vellore
14.	Crescent Institute of Science & Technology, Chennai	Chengalpattu
15.	Vellore Institute of Technology (VIT), Chennai	Chengalpattu
16.	Madras Institute of Technology	Chengalpattu
17.	Kongu Engineering College, Perundurai, Tamil Nadu	Erode
18.	SASTRA Deemed University, Tamilnadu	Thanjavur
19.	SRM Institute of Science and Technology, Kattankulathur	Chengalpattu
20.	R.M.K College of Engineering and Technology, Tiruvallur	Tiruvallur
21.	Kalasalingam Academy of Research & Education, Tamilnadu	Virudhunagar
22.	Mohamed Sathak A J College of Engineering, Chennai	Chengalpattu
23.	SSN College of Engineering, Kalavakkam	Chengalpattu
24.	Easwari Engineering College, Chennai	Chennai
25.	Vel Tech, Chennai	Thiruvallur
26.	RMK Engineering College, Kavaraipeitai	Thiruvallur
27.	SRM TRP Engineering College, Trichy	Tiruchirappalli
28.	Sri Eshwar College of Engineering, Coimbatore	Coimbatore
29.	SRM Institute of Science & Technology, Tiruchirappalli	Tiruchirappalli
30.	National Institute of Electronics and Information Technology Chennai	Chennai
31.	SRM Institute of Science & Technology, Chennai	Chennai

32.	Sri Sairam Engineering College, Chennai	Chengalpattu
33.	Chennai Institute of Technology, Chennai	Chengalpattu
34.	Thiagarajar College of Engineering, Madurai	Madurai
35.	J.N.N Institute of Engineering, Chennai	Tiruvallur
36.	Arunachala College of Engineering For Women, TamilNadu	Kanniyakumari
37.	Government College of Technology, Coimbatore	Coimbatore
38.	Sri Shakthi Institute of Engineering and Technology, Coimbatore	Coimbatore
39.	P.S.R. Engineering College, Sivakasi	Virudhunagar
40.	Rajalakshmi Engineering College, Thandalam, Chennai	Kancheepuram
41.	Rajalakshmi Institute of Technology, Chennai	Chennai
42.	Sona College of Technology, Salem	Salem
43.	Hindusthan College of Engineering and Technology, Coimbatore	Coimbatore
44.	K.S.Rangasamy College of Technology (Autonomous), Namakkal, Tamil Nadu	Namakkal
45.	Government College of Engineering, Erode	Erode
46.	Amrita School of Engineering, Amrita Vishwa Vidyapeetham, Coimbatore	Coimbatore
47.	PSG Institute of Technology and Applied Research, Coimbatore, Tamil Nadu	Coimbatore
48.	R.M.D. Engineering College, Kavaraipettai	Thiruvallur
49.	Saveetha Engineering College (Autonomous), Kancheepuram	Chengalpattu
50.	Coimbatore Institute of Engineering and Technology, Coimbatore	Coimbatore
51.	Karpagam Institute of Technology, Coimbatore	Coimbatore
52.	Karpagam College of Engineering (Autonomous), Coimbatore	Coimbatore
53.	Sri Venkateswara College of Engineering, Tamil Nadu	Chengalpattu
54.	Vel Tech Multi Tech Dr. Rangarajan Dr. Sakunthala Engineering College, Chennai	Thiruvallur
55.	St. Joseph's College of Engineering, Chennai	Chengalpattu
56.	Kamaraj College of Engineering and Technology, Madurai	Madurai
57.	Kumaraguru College of Technology, Coimbatore	Coimbatore
58.	Dhirajlal Gandhi College of Technology (Autonomous), Salem	Salem
59.	Velammal Institute of Technology, Thiruvallur	Thiruvallur
60.	Bannari Amman Institute of Technology, Erode, Tamil Nadu	Erode
61.	KIT-Kalaignarkarunanidhi Institute of Technology, Coimbatore	Coimbatore

Therefore, it is clearly evident that Government of India has strongly supported the development of electronics manufacturing and design ecosystem in Tamil Nadu.

(b): Semicon 2.0, approved by Cabinet on 15.07.2026, does not exclude any segment which was earlier covered under Semicon India Programme. As various projects approved under Semicon India Programme has generated demand for upstream supply chain, therefore, Semicon 2.0 is designed to cover complete ecosystem of semiconductors. This would offer more

opportunities to all the states, including Tamilnadu, for attractive investments under Semicon 2.0.

(c): No such application as mentioned in the question has been received in the Ministry so far.

(d) and (e): **IndiaAI Mission:**

India's AI policy is based on Prime Minister Narendra Modi's vision of democratizing technology. It is aimed at creating economic opportunities and employment for youth, while addressing risks associated with it.

India's AI strategy builds on India's vibrant IT sector with annual revenue of 300 billion dollars and 60 Lakh strong workforce. India AI Mission supports India's AI ambitions under seven pillars including development of AI models, applications, datasets, talent development and affordable compute.

AI models:

The Government of India is supporting Indian startups and institutions to develop large language models (LLMs) and Small Language Models (SLMs). 20 indigenous sovereign model proposals have been identified for support, comprising 12 LLMs and 8 SLMs.

Notable successes so far include:

- Sarvam AI's Sarvam 30 billion parameter and 105 billion parameter models
- Gnani.AI's speech-to-speech model
- BharatGen's multilingual foundation models
- Avataar AI's video generation model

In addition, domain-specific SLMs, including specialized models and AI frameworks addressing healthcare, language technologies and agentic AI systems are at various stages of development and deployment.

AI Centres of Excellence:

Government has also approved a scheme for the establishment of 58 Artificial Intelligence Centres of Excellence (AI-CoEs) across States and Union Territories, in collaboration with the respective State/UT Governments and industry partners.

Government of India has approved Two (2) Artificial Intelligence Centres of Excellence (AI-CoEs) in Tamil Nadu.

India US cooperation on AI:

AI is an important component of India-US co-operation. Under the Pax Sillica initiative, India and US intend to work together to enable access to compute and processor for AI and accelerating research and development.

(f): Common Services Centres (CSCs) have been set up under an initiative of the Ministry of Electronics and Information Technology on an entrepreneurship and self-sustainable model. CSC e-Governance Services India Limited (CSC SPV) is the implementing agency for the project. The Project CSC aims to deliver e-services to rural citizens through CSCs in an assisted mode and to expand the CSC network till the Gram Panchayat level. It is a PAN India project. More than 800 citizen centric services are being delivered through these CSC across the country. As on 31.05.2026, the spread of CSCs at National and in the State of Tamil Nadu is as follows:

	Total number of CSCs functional	Number of CSCs functional in Rural Areas (Gram Panchayat or village level)
National Level	5,01,731	3,91,160
Tamil Nadu	18,632	12,379

District wise list of CSCs and list of services are available at www.csc.gov.in.
