MEITY

Semicon 2.0 applications for fabs and ATMP open for three years

MeitY's guidelines for Semicon 2.0 Pillars 2, 3 and 4 set a three-year online window, a non-refundable INR 10 lakh fee plus GST, and Union Cabinet approval.

THE MINISTRY OF Electronics and Information Technology (MeitY), IPHW Division, issued guidelines for implementing three pillars of Semicon 2.0: Machines and Materials (Pillar 2), Setting up more Fabs (Pillar 3) and Further Strengthening the ATMP/OSAT Industry (Pillar 4). They are dated September 16, 2026, under file number W-38/6/2025-IPHW. The scheme, "Semicon 2.0 - Scheme for development of Semiconductor Design and Manufacturing Ecosystem in India", was notified by Gazette notification CG-DL-E-31082026-275860 dated August 31, 2026, and the guidelines are issued under its paragraph 10. Where the two differ, the scheme notification prevails. The India Semiconductor Mission (ISM), an independent business division within the Digital India Corporation, MeitY, is the Nodal Agency. The copy carries no signature.

KEY FACTS

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Guidelines for implementing Machines and Materials, Fabs, and ATMP/OSAT pillars under Semicon 2.0, W-38/6/2025-IPHW

Semicon 2.0 applications for fabs and ATMP open for three years

MeitY · September 16, 2026

The Ministry of Electronics and Information Technology (MeitY), IPHW Division, issued guidelines for implementing three pillars of Semicon 2.0: Machines and Materials (Pillar 2), Setting up more Fabs (Pillar 3) and Further Strengthening the ATMP/OSAT Industry (Pillar 4). They are dated September 16, 2026, under file number W-38/6/2025-IPHW. The scheme, "Semicon 2.0 - Scheme for development of Semiconductor Design and Manufacturing Ecosystem in India", was notified by Gazette notification CG-DL-E-31082026-275860 dated August 31, 2026, and the guidelines are issued under its paragraph 10. Where the two differ, the scheme notification prevails. The India Semiconductor Mission (ISM), an independent business division within the Digital India Corporation, MeitY, is the Nodal Agency. The copy carries no signature.

An applicant is a private or public limited company. Support goes only to the Project Company that meets the eligibility criteria in paragraphs 3.4 to 3.8 of the scheme; in a consortium or joint venture, the criteria must be met by one or more group companies. The guidelines do not mention foreign applicants. The application form asks for the applicant company's date and country of incorporation and, separately, for a Project Company, "Company incorporated in India for the Scheme". The applicant, its promoter or group must hold at least 51% of the Project Company's equity, with equivalent voting rights, at all times during the term of the Fiscal Support Agreement, including three years of operation after the commercial operation date. The guidelines set no minimum investment or revenue of their own; where one application covers a fab and an ATMP unit, the higher thresholds apply.

Applications are made online only, on ISM's portal, after registering there, in the format in Annexure-1; no physical, mailed or manual submission is accepted. The scheme is initially open for applications for 3 years from the date the guidelines were issued. The application fee is INR 10,00,000 plus GST, as applicable, and is non-refundable. ISM screens each application and issues an acknowledgement, preferably within 45 days, which is not acceptance or approval. It then carries out a technical and financial appraisal, preferably within six months of the acknowledgement letter, and forwards the applications it recommends to MeitY. MeitY places the selected applications before the Union Cabinet, the Competent Authority, and ISM tells the applicants.

Support is assessed on eligible capital expenditure. This covers buildings, clean rooms, plant, machinery, equipment and associated utilities; tools, dies, molds, jigs and fixtures used in manufacturing; and their packaging, freight, insurance, erection and commissioning. Used, second-hand or refurbished plant, machinery and equipment must have at least 5 years of residual life. Land and its development, temporary structures, technology transfer, interest during construction and R&D cost are excluded, and so is anything spent before the acknowledgement date; a company may start investing after acknowledgement at its own risk. The Project Company opens a No-Lien Account with a scheduled commercial bank in India. Support is paid

pari-passu: each pro rata payment is released after the company deposits its corresponding share, along with other sources, in that account, which may be used only for eligible capital expenditure. Safeguards such as a charge on assets or guarantees apply.

Approved companies file fortnightly progress reports and quarterly review reports until commercial production of the whole project starts, then reports every six months. Units must stay in commercial production for at least 3 years from that start. Excess support paid during disbursement is recovered from later payments; after the project is complete, it is refunded with interest at the 3-year SBI MCLR, compounded annually. State government support comes on top of the scheme's. An application for an integrated fab and packaging unit needs a separate cost break-up; module manufacturing alone and display module manufacturing are not eligible, and epitaxial wafer plants count as compound semiconductor fabs. The guidelines do not state the support rates or the portal's address.

Issued by	Ministry of Electronics and Information Technology (MeitY), IPHW Division
Document	Guidelines for implementing Machines and Materials, Fabs, and ATMP/OSAT pillars under Semicon 2.0, W-38/6/2025-IPHW
Dated	September 16, 2026
Scheme notified by	Notification F. No. W-38/6/2025-IPHW of August 31, 2026, Gazette of India, Extraordinary, Part I, Section 1, No. 235 (CG-DL-E-31082026-275860), which divides Semicon 2.0 into 6 pillars and 10 categories
Applies to	Private and public limited companies seeking support under Pillar 2 (Machines and Materials), Pillar 3 (Setting up more Fabs) and Pillar 4 (ATMP/OSAT), through a Project Company incorporated in India
Nodal Agency	India Semiconductor Mission (ISM), Digital India Corporation, MeitY
Application window	Initially 3 years from the date the guidelines were issued; online only
Application fee	INR 10,00,000 plus GST, as applicable; non-refundable
Acknowledgement	Preferably within 45 days
Appraisal	Preferably within six months of the acknowledgement letter
Approved by	The Union Cabinet
Payment	Pari-passu, against eligible capital expenditure, through a No-Lien Account
Shareholding	Applicant, promoter or group holds at least 51% of the Project Company
Projects	New units and expansions of existing units

Minimum operation	3 years of commercial production of the whole project

Application and approval steps

Step	Who	Timeline in the guidelines
Register on the portal and apply in the Annexure-1 format, with the fee	Applicant	Within 3 years of the guidelines' issue
Screening and acknowledgement of a complete application	India Semiconductor Mission (Nodal Agency)	Preferably within 45 days
Eligible capital expenditure may start, at the company's own risk	Project Company	After the acknowledgement date
Technical and financial appraisal	India Semiconductor Mission	Preferably within six months of the acknowledgement letter
Recommended applications forwarded	India Semiconductor Mission, to MeitY	Not stated
Approval	Union Cabinet, on MeitY's proposal	Not stated
Approval letter	India Semiconductor Mission	Not stated

The scheme guidelines (PDF, 389 KB)

Source: MeitY's own copy.

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