

L&T arm chalks out plan for \$300-mn fabless chip project

Seeks subsidy for larger firms too in chip designing

FE BUREAU
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L&T SEMICONDUCTOR TECHNOLOGIES, a subsidiary of engineering and construction major L&T, will invest about \$300 million (₹2,500 crore) over the next three years in setting up fabless semiconductor project.

This means that the company will get into designing the chips and make it production ready, which can then be outsourced to the semiconductor fabs.

The company is looking at 15 such chip design products by the end of this year and start sales in 2027, Sandeep Kumar, head of L&T Semiconductor Technologies, said on Monday in a media

SECTOR IN FOCUS



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interaction.

L&T's investment may seem modest compared with outlays by leading fabless chipmakers such as Nvidia and Advanced Micro Devices, but it is targeting products such as power chips, radio-frequency semiconductors and mixed-signal integrated circuits, rather than areas such as AI-enabling graphics

processing units.

Lately, L&T acquired a 100% stake in semiconductor design startup SiliConch Systems for ₹183 crore. The acquisition would help it strengthen its expertise in the fabless chip manufacturing space.

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company is looking to double the same by the end of 2024, Kumar said. "Automotive, industrial and energy are the sectors we have picked as they are going through very heavy transformation," he said.

In February, FE had reported that L&T Semiconductor is building a 400-500 strong global team purely focused on chip design and scouting for talent from the US, Europe, Japan, ASEAN, and India.

Design has been a major focus of the government in its ₹76,000-crore incentive scheme, but it is limited to startup firms. Lately, about 13 chip design startups have received approval for subsidy under the India Semiconductor Mission's design linked scheme.

Kumar said that L&T has urged the government for similar subsidies for large companies also who are into designing chips.