

F.No. W-38/6/2021-IPHW
Government of India
Ministry of Electronics and Information Technology
(IPHW Division)

16.03.2021

**EXPRESSION OF INTEREST FOR SETTING UP DISPLAY FABRICATION UNITS
(FABs) IN INDIA**

1. Introduction

1.1 Electronics permeates all sectors of the economy and the electronics industry has cross-cutting economic and strategic importance. Currently valued at around USD 2 trillion, the global electronics market is expected to grow significantly given the increasing penetration of emerging technologies. India's share in global electronics manufacturing has grown from 1.3% in 2012 to 3.6% in 2019. Domestic electronics manufacturing has increased substantially from INR 1,90,366 crore in 2014-15 to INR 5,33,550 crore in 2019-20 at a CAGR of 23%.

1.2 Displays constitute a significant portion of the total Bill of Materials (BoM) in electronic products. For instance, displays account for over 25% of the BoM in case of smartphones and over 50% in case of LCD / LED TVs. India's display panel market is estimated to be ~USD 7 Bn and is expected to grow to ~USD 15 Bn by 2025. Current requirements are met exclusively through imports.

1.3 As per estimates from ELCINA, the electronic components manufacturing sector suffers from a disability of around 10% due to the lack of adequate infrastructure, domestic supply chain and logistics; high cost of finance; inadequate availability of quality power; limited design capabilities and focus on R&D by the industry; and inadequacies in skill development. Given this and the capital-intensive nature of display manufacturing, there is a need to incentivize the industry to set up Display FAB facilities in India.

1.4 Accordingly, the notice inviting Expression of Interest (Eoi) is issued for setting up LCD / OLED / AMOLED / QLED based Display Fabrication Units (FABs) in India.

2. Notice Inviting Expression of Interest (Eoi)

2.1 The Ministry of Electronics and Information Technology (MeitY) invites Expression of Interest (Eoi) from companies / consortia desirous of setting up LCD / OLED / AMOLED / QLED based Display Fabrication Units (FABs) in India.

2.2 The information received in response of this Eoi may be utilized to formulate a Scheme for setting up Display Fabrication Units (FABs) in India.

2.3 The Expression of Interest (Eoi) is to be submitted within stipulated timeline at the following address:

Shri Saurabh Gaur

Joint Secretary

Ministry of Electronics and Information Technology (MeitY)

Room No. 4016, Electronics Niketan

6, CGO Complex, Lodi Road, New Delhi . 110003

Tel: +91-11-24301210; +91-11-24363071

Email: *fab.eoi-dit@meity.gov.in*

2.4 Submission of a proposal in response to this notice inviting Eoi shall be deemed to have been done after careful study and examination of this document with full understanding of its terms, conditions, and implications.

2.5

S. No.	Information	Details
1.	Eoi No. and Date	W-38/6/2021-IPHW Dated 16.03.2021
2.	Last date for submission of Eoi proposal	30.04.2021

3. Eligibility Criteria

Companies / Consortium / Joint Ventures meeting following eligibility criteria are eligible to submit the response to this EoI:

	Eligibility Criteria
Technology	<p>An applicant must possess relevant IP and technology for setting up and operating a Display FAB. In case of a consortium / joint venture, this criterion may be satisfied by one or more partner companies.</p> <p>OR</p> <p>An applicant must have entered / show an intent to enter into ToT / purchase agreement(s) with an entity(ies) which possesses relevant IP and technology for setting up and operating a Display FAB.</p>
Operational Experience	<p>An applicant should have at least five (5) years of experience in running a commercial Display FAB facility. In case of a consortium / joint venture, this criterion may be satisfied by one or more partner companies.</p> <p>OR</p> <p>An applicant must have entered / show an intent to enter into ToT / purchase agreement(s) with an entity(ies) which has five (5) years or more experience in running a commercial Display FAB.</p>

4. Submission of Expression of Interest proposal: The EoI proposal may be submitted in the form of a *Preliminary Project Report (PPR)* detailing out the following:

- 4.1 Proposed Location(s)
- 4.2 Land, Water and Power requirement
- 4.3 **Technology Specifications** including proposed process technology(ies) like LCD / OLED / AMOLED / QLED, Generation of the proposed Display FAB.
- 4.4 **Operational Details** including proposed Panel manufacturing capacity/month, ramp-up timeline, and management structure.
- 4.5 **Financial Details** including proposed investment, sources of funding and ownership structure; projected P&L Statement, and key financial

indicators (IRR, ROI, ROCE, EBIDTA and NPV with and without expected government support).

4.6 Support desired from the Government of India, including Grant-in-Aid (GIA), Viability Gap Funding (VGF) in the form of Equity and / or Long-Term Interest Free Loan (LIFL), tax incentives, infrastructure support, requirement of regulatory waivers etc.

4.7 Support desired from State Government in terms of capital subsidy support, extent, value, and nature of land; availability and cost of provisioning water; and power tariff.

4.8 Human Resources: Requirement of trained manpower and feasibility / potential modalities / support for development of talent leveraging Indian Universities.

4.9 Capital Goods: Requirement of New / Refurbished Capital Goods (Plant, Machinery, Utilities, etc.)

4.10 Raw Material: Details regarding sourcing of Raw Materials with a road map for developing the raw material manufacturing ecosystem in India.

4.11 R&D Support: Desired support for R&D and proposed mechanisms; Possible Indian R&D Counterpart or prospective agencies / organizations for research (if any).

4.12 Market Feasibility: Availability of market for Display FAB output, proposal for keeping the display fab loaded to work at optimum capacity to serve the market.

5. EoI Proposal Preparation Costs and Related Issues

5.1 The applicant is responsible for all costs incurred in connection with participation in this process, including, but not limited to, costs incurred in preparation of proposal, participation in meetings / discussions. MeitY in no case will be responsible or liable for these costs, regardless of the conduct or outcome of the EoI process.

5.2 This EoI does not commit MeitY to award a contract or to engage in negotiations or further discussions. Further, no reimbursable cost may be incurred in anticipation of award or for preparing this EoI.

5.3 All materials submitted by the Applicants in response to this EoI will become the property of MeitY under mutually agreeable confidentiality agreement.

6. General Terms

6.1 In case of a consortium of partners, details need to be provided for each partner. An entity which owns the technology (process and product being proposed) can be termed as the Principal Technology Partner in such a consortium.

7. Supporting Documents: The following documents need to be submitted to support the Expression of Interest:

7.1 Covering letter

7.2 Preliminary Project Report (PPR) as detailed in paragraph 4 of this Notice

7.3 Documentation exhibiting the eligibility under EoI, formation / intent of formation of the consortium (LoI / MoU / Any other documentation such as a letter from the authorized signatory of all the partners to form the consortium for purpose of this project is also acceptable)

7.4 Company Background including business profile, geographies of operations

7.5 The documents as listed above shall be submitted to the address provided in this notice as a physical copy or through email
