



CG Power and Industrial Solutions Limited, Renesas, and Stars Microelectronics, to Jointly Build Outsourced Semiconductor Assembly and Test Facility in India

MUMBAI, India, March 1, 2024: CG Power and Industrial Solutions Limited (“CG”), a part of Tube Investments of India Limited and the Murugappa Group; Renesas Electronics Corporation (TSE: 6723, “Renesas”), a premier supplier of advanced semiconductor solutions; and Stars Microelectronics (Thailand) Public Co. Ltd (“Stars Microelectronics”), a Thailand-based Outsourced Semiconductor Assembly and Test (OSAT) provider; had recently signed a Joint Venture Agreement (JVA) to establish a Joint Venture (JV) to build and operate an OSAT facility in India. The Union Cabinet, chaired by Prime Minister Shri Narendra Modi, approved the project of the JV under India’s Semiconductor scheme on February 29, 2024.

The JV brings together unique capabilities of the partners with a vision to “Make in India for the World.” CG, with around 86 years of manufacturing expertise, is keen to build semiconductor capabilities and ecosystem in India. Renesas, a leading semiconductor company headquartered in Japan, will provide advanced semiconductor technology and expertise. Stars Microelectronics, a Thai based OSAT, will provide both technology for legacy packages and training and enablement.

The JV will be 92.3% owned by CG, with Renesas and Stars Microelectronics each holding equity capital of approximately 6.8% and 0.9%, respectively. The JV plans to invest INR 7,600 crores over a five-year period, which will be financed through a mix of subsidies, equity, and potential bank borrowings as required.

The JV will set up a state-of-the-art manufacturing facility in Sanand, Gujarat, with a capacity that will ramp up to 15 million units per day. The JV will manufacture a wide range of products – ranging from legacy packages such as QFN and QFP to advanced packages such as FC BGA, and FC CSP. The JV will cater to industries such as automotive, consumer, industrial, 5G, to name a few.

Commenting on this new venture, Mr. S. Vellayan, Chairman, CG Power and Industrial Solutions Limited, said, *“CG’s entry into the semiconductor manufacturing marks a strategic diversification for us. Our partners, Renesas and Stars Microelectronics, will make our learning curves steeper and help us focus on innovation and excellence.*

This is a very exciting phase for the entire nation, and we are very keen to build out India’s semiconductor capability and ecosystem.”

Mr. Natarajan Srinivasan, Managing Director, CG Power and Industrial Solutions Limited, added, *“It is a matter of great pride for CG to implement this project of National importance.”*

Commenting on the partnership, Mr. Hidetoshi Shibata, CEO of Renesas said, *“India is a critical part of Renesas’ business. We value its innovative landscape and robust potential growth and are committed to accelerating our investment in India. By partnering with the Murugappa Group and Stars Microelectronics, we will bolster*

India's semiconductor ecosystem and address the growing semiconductor demand for the customers worldwide."

Mr Prompong Chaikul, Chairman of Executive Committee of Stars Microelectronics (Thailand) Public Co., Ltd added, *"We are deeply honored to join forces in this thrilling venture. Leveraging our expertise and experience in OSAT, we are committed to providing robust support to ensure the success of this project in India."*

About CG Power and Industrial Solutions Limited

CG Power and Industrial Solutions Limited is an engineering conglomerate headquartered in Mumbai, India. The Company is a leader in the Electrical Engineering Industry and has two business lines—Industrial Systems and Power Systems. It manufactures Traction Motors, Propulsion systems, Signaling Relays etc., for the Indian Railways, and wide range of Induction Motors, Drives, Transformers, Switchgears, and other allied products for the Industrial and Power sectors. Recently, the Company also made a foray into the business of Consumer Appliances such as Fans, Pumps and Water Heaters.

The Company has world-class manufacturing plants across 9 locations in India and one in Sweden, and a Pan India network of 4 Regional and 15 Branch offices, with around 3000 employees. The Company's consolidated revenue for FY23 was Rs 6,973 crores (USD 838 million).

The Company continues to excel and maintain its leadership position across its businesses, backed by its outstanding expertise, customer-centric approach, and enhanced focus on innovation and sustainability.

Since November 2020, the Company has become a part of the renowned Murugappa Group.

About Murugappa Group

A 123-year-old conglomerate with presence across India and the world, the INR 742 billion Murugappa Group has diverse businesses in agriculture, engineering, financial services and more.

The Group has 9 listed companies under its umbrella — Carborundum Universal Limited, CG Power & Industrial Solutions Limited, Cholamandalam Financial Holdings Limited, Cholamandalam Investment & Finance Company Limited, Cholamandalam MS General Insurance Company Limited, Coromandel International Limited, EID Parry (India) Limited, Shanthi Gears Limited, Tube Investments of India Limited and Wendt India Limited. Brands such as Ajax, Hercules, BSA, Montra, Montra Electric, Mach City, Gromor, Paramfos, Parry's are part of the Group's illustrious stable.

Abrasives, technical ceramics, electro minerals, electric vehicles, auto components, fans, transformers, signaling equipment for railways, bicycles, fertilizers, sugar, tea and several other products make up the Group's business interests.

Guided by the five lights — integrity, passion, quality, respect and responsibility — and a culture of professionalism, the Group has a workforce of over 73,000 employees.

For more details, visit <https://www.murugappa.com/>

About Renesas Electronics Corporation

Renesas Electronics Corporation ([TSE: 6723](#)) empowers a safer, smarter and more sustainable future where technology helps make our lives easier. The leading global provider of microcontrollers, Renesas combines our expertise in embedded processing, analog, power and connectivity to deliver complete semiconductor solutions. These Winning Combinations accelerate time to market for automotive, industrial, infrastructure and IoT applications, enabling billions of connected, intelligent devices that enhance the way people work and live. Learn more at [renesas.com](https://www.renesas.com). Follow us on [LinkedIn](#), [Facebook](#), [X](#), [YouTube](#), and [Instagram](#).

About Stars Microelectronics

Stars Microelectronics, is a total electronic solution provider of Outsource Semiconductor Assembly and Test (OSAT) and electronics manufacturing services (EMS). It is headquartered in Thailand with sales representatives in all key regions of the world including USA, Europe, and Japan. With world-class facilities, experienced professional and strategic infrastructure, Stars provides quality products at competitive cost.

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