

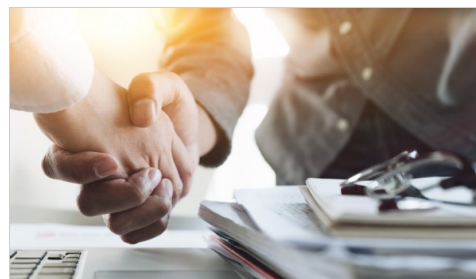
L&T Semiconductor to sign contracts with 6 automotive companies by September – report

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The company will sign three Indian automobile companies within two weeks and three European companies in the sector by the end of September

According to a report published by Business Standard on Aug. 13, L&T Semiconductor Technologies, a subsidiary of India's leading infrastructure giant Larsen and Toubro, is set to sign contracts with six automobile companies by the end of September, marking a significant milestone as its first clients. The total value of these contracts is projected to be \$150 million annually, CEO Sandeep Kumar revealed in an interview with Reuters.



Source: Getty Images Plus/ Natee Meepian

The chip-design unit, established in November 2023 with a \$100 million investment from Larsen and Toubro, currently does not generate revenue. However, the forthcoming contracts are expected to change that, positioning the company for substantial growth in the competitive semiconductor market.

"We consciously focused on automotive first... the big plus on automotive is once you're in, generally that business will start in three years and go on for another ten years," Kumar explained. This strategic focus on the automotive sector underscores the company's long-term vision and commitment to establishing a stable revenue stream.

Kumar disclosed that L&T Semiconductor Technologies will sign contracts with three Indian automobile companies within the next two weeks and three European companies by the end of September. However, he refrained from naming the clients, citing planned joint announcements.

Competing with industry giants like Qualcomm and NXP Semiconductors, L&T Semiconductor designs chips for various vehicle functions, including car body operations such as windows, air conditioning, and power delivery. This specialization is expected to provide a competitive edge in the burgeoning automotive semiconductor market.

L&T Semiconductor does not currently manufacture the chips it designs but has ambitious plans to build a factory in the future. "When we have line of sight to \$1 billion in sales, we will start building a factory to build our products," Kumar stated. He anticipates reaching \$1 billion in annual revenue within seven years. "We need to have enough products in our pipeline that we can build in that factory and secure enough customers," he added.

This announcement comes at a time when India's semiconductor industry is gaining momentum. Earlier this year, Tata Group-owned Tata Electronics began setting up the country's first semiconductor fabrication facility in Gujarat, signaling a significant step forward for India's tech manufacturing capabilities.

The successful execution of these contracts and the eventual establishment of a manufacturing facility could significantly bolster India's position in the global semiconductor market, driving economic growth and technological advancement in the region.

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