

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 62
TO BE ANSWERED ON: 02.02.2022

DLI SCHEME

62 SHRI SANJAY SADASHIVRAO MANDLIK
SHRI SHRIRANG APPA BARNE
SHRI RAVI KISHAN
SHRI RAVINDRA KUSHWAHA
SHRI SUDHEER GUPTA
SHRI PRATAPRAO JADHAV
SHRI MANOJ TIWARI
SHRI SUBRAT PATHAK
SHRI BIDYUT BARAN MAHATO

Will the Minister of Electronics and Information Technology be pleased to state:-

- (a) whether the Government has sought / invited applications recently from indigenous companies, start-ups and various MSME units for its Design Linked Incentive (DLI) Scheme to develop semiconductor chip in the country.
- (b) if so, the details thereof and the response received by the Government in this regard;
- (c) the details of the aims and objectives of the Design Linked Incentive Scheme;
- (d) the details of facilities likely to be provided by the Government to domestic companies involved in manufacturing of integrated circuits, chipsets, system on chips, systems and IP cores and semiconductor like design;
- (e) whether the government also proposes to provide any financial assistance to such domestic companies and if so, the details thereof, and
- (f) the details of eligible criteria set by the Government for the domestic companies involved in semiconductor manufacturing to avail the incentives and benefits under the abovesaid scheme?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAJEEV CHANDRASEKHAR)

(a): Yes, Sir. MeitY has announced the Design Linked Incentive (DLI) Scheme and invited applications under the Scheme from the domestic companies, start-ups and MSMEs to develop semiconductor chips in the country

(b) and (c): The DLI Scheme aims to offer the fiscal support as well as design infrastructure support across various stages of development and deployment of semiconductor design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design over a period of 5 years with the objectives of:

- (i) Nurturing 100 domestic companies of semiconductor design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design and facilitating the growth of not less than 20 such companies to achieve turnover of more than ₹1500 Crore in the next 5 years.
- (ii) Achieving significant indigenization in semiconductor and electronic products and IPs deployed in the country, thereby facilitating import substitution and value addition in electronics sector in the next 5 years.
- (iii) Strengthening the design infrastructure through incubators for semiconductor design and facilitating access to Startups and MSMEs.

A dedicated DLI web-portal www.chips-dli.gov.in has been developed for inviting application from 01st January 2022 onwards. The applications will be initially invited till 31st December 2024.

Total 41 applicants from domestic companies, Startups and MSMEs have registered on the DLI web-portal and are at different stages of submitting the complete applications.

(d) and (e): The DLI Scheme aims to offer fiscal support as well as design infrastructure support to the approved applicants across various stages of development and deployment of their semiconductor designs as per the following details:

Fiscal support:

- (i) **Product Design Linked Incentive-** Reimbursement of up to 50% of the eligible expenditure subject to a ceiling of ₹15 Crore per application will be provided as fiscal support to the approved applicants for their semiconductor designs that can be demonstrated in an operational environment and are ready for volume production.
- (ii) **Deployment Linked Incentive-** Reimbursement of 6% to 4% of net sales turnover over 5 years subject to a ceiling of ₹30 Crore per application will be provided to approved applicants whose semiconductor designs are deployed in electronic products.

Design Infrastructure support: C-DAC (Centre for Development of Advanced Computing), a scientific society, operating under the Ministry of Electronics and Information Technology, will facilitate an access of design infrastructure to the approved applicants for designing their semiconductor chips. The design infrastructure will include – EDA Tools, IP Cores and support for prototyping the designs in MPW (Multi Project Wafer) manner at semiconductor foundries and post-silicon validation support.

(f): The fiscal support under the DLI Scheme will be extended to the domestic companies, startups and MSMEs engaged in semiconductor design, wherein;

- (i) Domestic companies shall be defined as those which are owned by resident Indian citizens as defined in the FDI Policy Circular of 2017 or extant norms.
- (ii) MSMEs shall be defined as per the Gazette Notification by Ministry of Micro, Small and Medium Enterprises, dated 1st June 2020 or extant norms.
- (iii) Startups shall be defined as per the DPIIT notification dated 19th February 2019 or extant norms.
