



Ministry of Electronics & IT



Applications invited under the Design Linked Incentive (DLI) Scheme from domestic semiconductor chip design firms

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With an overall vision to create a vibrant ecosystem for Semiconductor Chip Design in the country, the Ministry of Electronics and Information (MeitY) is seeking applications from 100 domestic companies, start-ups and MSMEs under its Design Linked Incentive (DLI) Scheme.

Under the DLI Scheme, which was announced by MeitY in December, financial incentives and design infrastructure support will be extended to domestic companies, startups and MSMEs 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 for over a period of 5 years.

The scheme, which was a part of ₹76,000 crore (\$10 billion) package that the government announced in December, aims to nurture at least 20 domestic companies involved in semiconductor design and facilitating them to achieve turnover of more than ₹1500 Crore in the next 5 years.

C-DAC (Centre for Development of Advanced Computing), a scientific society operating under MeitY, will serve as the nodal agency for implementation of the DLI scheme.

The scheme has three components – Chip Design infrastructure support, Product Design Linked Incentive and Deployment Linked Incentive.

Under the Chip Design infrastructure support, C-DAC will setup the India Chip Centre to host the state-of-the-art design infrastructure (viz. EDA Tools, IP Cores and support for MPW (Multi Project Wafer fabrication) & post-silicon validation) and facilitate its access to supported companies.

Under the Product Design Linked Incentive component, a 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 who are engaged in semiconductor design.

Under the Deployment Linked Incentive component, an incentive 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 design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design are deployed in electronic products.

The approved applicants that claim incentives under the scheme will be encouraged to retain their domestic status (i.e., more than 50% of the capital in it is beneficially owned by resident Indian citizens and/ or Indian companies, which are ultimately owned and controlled by resident Indian

citizens) for a period of three years after claiming incentives under the scheme.

f An applicant must meet the Threshold and Ceiling Limits to be eligible for disbursement of incentives under the Scheme.

t A dedicated portal has been made available – www.chips-dli.gov.in - for inviting Online applications from January 1, 2022 to December 31, 2024. The applicants can find the guidelines of the DLI

o Scheme on the portal and register themselves for availing support under the scheme.

e The DLI Scheme will also take a graded and pre-emptive approach to Identify the Products of national priorities and implement strategies for their complete or near complete indigenisation & deployment thereby taking steps towards the import substitution & value addition in strategic & societal sectors.

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