

FAQs

1. What is the DLI Scheme?

Consequent to the approval of Union Cabinet in respect of MeitY's proposal of "Development of Semiconductors and Display Manufacturing Ecosystem in India", the DLI Scheme has been notified in Gazette of India vide notification # CG-DL-E-21122021-232049 dated 21st December 2021.

2. What are the objectives of the DLI Scheme?

The Design Linked Incentive (DLI) Scheme aims to offer financial incentives 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 overall objectives of:

- (i) Nurturing domestic companies of semiconductor design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design and facilitating their growth.
- (ii) Achieving significant indigenization in semiconductor content and IPs involved in the electronic products deployed in the country, thereby facilitating import substitution and value addition in electronics sector.
- (iii) Strengthening the design infrastructure for semiconductor design and facilitating access to startups and MSMEs.

3. Who is the Nodal Agency of the DLI Scheme?

C-DAC (Centre for Development of Advanced Computing), a scientific society, operating under the Ministry of Electronics and Information Technology is the Nodal Agency of the DLI Scheme.

4. Who can apply for availing support and incentives under the DLI Scheme?

Domestic companies, startups and MSMEs are eligible to apply under the DLI Scheme for the financial incentives and design infrastructure support as per the following details:

- (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. A company is considered as 'Owned' by resident Indian citizens if 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.
- (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.

5. What are the thrust areas/ target segment under the DLI Scheme?

Semiconductor design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design.

6. What kind of support is offered under the DLI Scheme?

Following are the categories of support offered under the DLI Scheme:

(i) Financial Incentives:

- (a) **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 to the approved applicants who are engaged in semiconductor design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design. The applicants should submit their proposals for development of semiconductor design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design that can be demonstrated in an operational environment and are ready for volume production.
- (b) **Deployment Linked Incentive** - 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.

(ii) Design Infrastructure support:

C-DAC will establish the India Chip Centre (ICC) under the DLI Scheme to facilitate the access of the following to approved applicants:

- (a) **National EDA Tool Grid:** Remote access to the centralized facility of EDA tools for chip design activities will be provided to start-ups and MSMEs.
- (b) **IP Core repository:** Flexible access to the repository of IP Cores for SoC design activities.
- (c) **MPW Prototyping support:** Fiscal support for fabricating the design in MPW manner at semiconductor foundries.
- (d) **Post-silicon validation support:** Fiscal support for testing and validation of the fabricated ASIC and silicon bring-up activities.

7. What are the terms of providing fiscal support under the DLI Scheme?

The fiscal support under the DLI Scheme will be provided on reimbursement basis subject to meeting the milestones as indicated in the approval letter to be released to an approved applicant by C-DAC.

8. What is the procedure for applying for support under the DLI Scheme?

Applicants may submit an online application after paying a registration fee of Rs. 10,000/- at the DLI Scheme web portal available at www.dli-chips.gov.in, which involves providing following details:

- (i) Application Fee Details
- (ii) Applicant Details
- (iii) Detailed Project Report (DPR)

9. Is there any limit on number of applications which can be submitted by an applicant?

An applicant may submit another application in case the earlier application has been approved, rejected, or closed by C-DAC post examination. Eligibility under DLI Scheme shall not affect eligibility under any other Scheme and vice versa.

10. What is the process of disbursement of claim under the DLI Scheme?

The disbursement under the Scheme will be made by C-DAC after verifying the eligibility and assessing incentive payable to an applicant based on the method laid down in these Guidelines and the approval letter issued to the applicant.