GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO. 2307
TO BE ANSWERED ON: 07.08.2026

IMPLEMENTATION OF DESIGN LINKED INCENTIVE (DLI) SCHEME

2307. SHRI SUKHENDU SEKHAR RAY:
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Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

(a) the number of applications received, approved, rejected and pending under the Design Linked Incentive (DLI) Scheme, year-wise, since its launch;
(b) whether the Ministry has identified market access challenges faced by startups supported under the DLI Scheme;
(c) if so, the details thereof; and
(d) the steps being taken to connect entities supported by DLI with electronics manufacturers and global semiconductor supply chains?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI JITIN PRASADA)

(a) to (d): **Semicon India program:**
In 2022, the Government launched the Semicon India program. It was based on Prime Minister Narendra Modi's vision of Atmanirbhar Bharat and Make in India. Clear policy proposals and steadfast execution of the Semicon India program have given historic success. The Design Linked Incentive (DLI) Scheme, launched under the Semicon India Programme, supports domestic companies, startups and MSMEs engaged in designing semiconductor chips.

Under the DLI Scheme:
- 105 chip design companies approved for advanced chip design tools. Applications for EDA tools are invited on a rolling basis and continue to be received and processed.
- Of these, 24 projects were approved for financial support. No application is pending to be processed for financial support.

The year-wise status of applications under the DLI Scheme is given below:

Component	Financial Year	Applications Received	Approved	Rejected	Under Scrutiny
	2022-23	32	3	4	25

Applications for Financial support	2023-24	9	8	14	12
	2024-25	74	11	39	36
	2025-26	0	2	34	0
	Total	115	24	91	0
Applications for EDA tools support	2023-24	15	15	0	0
	2024-25	54	51	3	0
	2025-26	56	33	22	1
	2026-27	19	6	5	9
	Total	144	105	30	0

Market challenges in semiconductor design industry

To provide preference to local suppliers in Government procurement, the Ministry notifies products under the Public Procurement (Preference to Make in India) Order, 2017 and Compulsory Registration Order (CRO), wherever appropriate. For instance- notification of CCTV/Video Surveillance Systems.

To understand other market access challenges faced by startups, the Ministry regularly engages with design ecosystem stakeholders (viz. startups, global companies, electronics manufacturers, foundries, packaging partners and VCs) through stakeholder consultations, buyer-seller interactions and the annual SEMICON India Conference.

The challenges faced by startups, inter alia, include:

(i) Limited access to seed capital and scale-up capital required for the transition from design completion to commercial-scale manufacturing;

(ii) Limited opportunities for showcasing indigenous semiconductor products and establishing business linkages with potential domestic and global customers; and

(iii) Requirement for product qualification, certification and customer validation prior to commercial deployment.

The engagements facilitated by the Ministry have resulted into:

(i) Raising of venture capital (VC) investment by DLI-supported companies amounting to more than four times (4×) the financial assistance disbursed under the DLI Scheme. This reflects confidence of investors in the technological capabilities and commercial potential of these companies.

Globally, VC plays an important role in the growth of startups by facilitating customer engagements and business development & partnerships required for scaling innovations into commercially successful products.

(ii) Collaborations and agreements of DLI-supported companies with other ecosystem stakeholders (viz. electronics manufacturers, foundries, packaging industry), thereby strengthening their integration into domestic and global semiconductor value chains. This has resulted in successful tapeout of 25 designs across multiple foundries.

These achievements demonstrate that the Government's interventions under the DLI Scheme are effectively addressing the key challenges faced by semiconductor startups.

Semicon 2.0

To build upon the successful implementation of the first phase, the Union Cabinet approved Semicon 2.0 on 15.07.2026 with a fiscal outlay of ₹1,27,500 crore. The programme adopts a holistic approach to strengthen the entire semiconductor value chain through six strategic pillars: Design of chips; Machines & Materials; Setting up more Fabs; Further Strengthening the ATMP/OSAT industry; Research & Development (R&D); and Talent Development.

The programme provides enhanced capital support for semiconductor design, expands support to domestic companies beyond startups and MSMEs, and enables participation by companies owned and controlled by Overseas Citizens of India (OCIs), thereby further strengthening India's integration with global semiconductor supply chains.

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