GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 2200
TO BE ANSWERED ON: 12.03.2025

IMPACT OF US EXPORT RESTRICTIONS ON AI CHIPS

2200: MS. PRANITI SUSHILKUMAR SHINDE:
DR. KALYAN VAIJINATHRAO KALE:

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Government has assessed the impact of US export restrictions on AI chips on India's AI development including its effects on access to GPUs and associated procurement costs;
(b) if so, the details thereof and if not, the reasons therefor;
(c) the measures being implemented under the National AI Mission to address challenges in scaling AI infrastructure particularly the target of deploying 10,000 GPUs through public-private partnerships;
(d) the steps being taken to support domestic design and production of AI and semiconductor chips including initiatives under the India Semiconductor Mission's (ISM) Design Linked Incentive (DLI) policy;
(e) whether the Government proposes to expand funding under the DLI to include Indian corporates, MSMEs, startups and exporters and if so, the details of proposed timelines and allocation; and
(f) the manner in which the Government intends to collaborate with global technology leaders to strengthen India's AI infrastructure and mitigate potential risks from international regulations?

ANSWER

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

(a) to f):The Government of India emphasizes the concept of 'AI for All,' aligning with the Hon'blePrime Minister's vision to democratize use of technology. This initiative aims to ensure that AIbenefits all sectors of society, driving innovation and growth.

The government's approach focuses on leveraging AI for economic growth and development while fostering a robust AI ecosystem. In this regard, Union Cabinet led by Hon'ble Prime Minister has approved the IndiaAI Mission on 7th March 2024, a strategic initiative to establish a robust and inclusive AI ecosystem that aligns with the country's development goals. This mission is driven by a vision to position India as a global leader in artificial intelligence by focusing on seven foundational pillars.

One of the key pillars of the IndiaAI Mission is IndiaAI Compute, which aims to deliver Compute as a Service to address India's dedicated AI computing needs across various sectors. The ecosystem comprises AI compute infrastructure of 10,000 or more GPUs.

Towards this, IndiaAI Independent Business Division (IBD) published a Request for Empanelment (RFE) on August 16, 2024, to empanel AI services on cloud including GPUs. 19 bidders had submitted proposals to empanel their AI cloud services, out of which 10 bidders have been empaneled.

Against the target of 10,000 GPUs outlined in the IndiaAI compute pillar, empaneled bidders have offered 14,517 GPUs at an average rate of Rs. 115 perGPU hour with Government

support of upto 40%. Further, an IndiaAI Compute Portal has been developed for accessing and leveraging the empaneled AI services on cloud.

Towards domestic design and production efforts, the Government has approved Semicon India Programme with a total outlay of Rs 76,000 crore for the development of semiconductor and display manufacturing ecosystem in the country. The Programme was subsequently modified by the Cabinet, which provides:

i. Fiscal support of 50% of the project cost on *pari-passu* basis for setting up of Silicon Complementary Metal-Oxide-Semiconductor (CMOS) based Semiconductor Fabs in India.
ii. Fiscal support of 50% of Project Cost on *pari-passu* basis for setting up of Display Fabs in India.
iii. Fiscal support of 50% of the Capital Expenditure on *pari-passu* basis for setting up of Compound Semiconductors / Silicon Photonics (SiPh) / Sensors (including Micro-Electro-Mechanical Systems) Fab/ Discrete Semiconductor Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / Outsourced Semiconductor Assembly and Test (OSAT) facilities in India.
iv. Product Design Linked Incentive (DLI) of up to 50% of the eligible expenditure subject to a ceiling of ₹15 Crore per application and also "Deployment Linked Incentive" of 6% to 4% of net sales turnover over 5 years subject to a ceiling of ₹30 Crore per application for incentivizing chip design.

Further, the Design Linked Incentive (DLI) Scheme offers support across various stages of development & deployment of semiconductor design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design.
The DLI scheme provides the following categories of support to domestic companies, start-ups and MSMEs – (a) Semiconductor chip design infrastructure support (viz. Electronic Design Automation (EDA) Tools, IP Cores etc), (b) Financial incentives for 'Product Design Linked Incentive (P-DLI)' of up to 50% of the eligible expenditure subject to a ceiling of ₹15 Crore per application and 'Deployment Linked Incentive' of 6% to 4% of net sales turnover over 5 years subject to a ceiling of ₹30 Crore per application.

So far, 60 design companies (including start-ups and MSMEs) have been approved for semiconductor chip design infrastructure support under the DLI Scheme. Out of these, 17 companies have also been approved for P-DLI for developing semiconductor chip/ SoCs for applications in sectors such as automotive, mobility, computing, communications etc. These companies are developing semiconductor IP cores, chips, SoCs, and systems to serve the Indian market as an import substitute and for export to international markets.

Towards the industry collaboration, IndiaAI has signed MoU with Global technology partners like Meta, IBM, Microsoft in the field of AI & Emerging Technologies.

Further, India is a founding member of the Global Partnership on Artificial Intelligence (GPAI) and has contributed significantly to its vision of advancing Safe, Secure, and Trustworthy AI globally. India was elected as the Incoming Council Chair for 2023, Lead Chair for 2024, and Outgoing Chair for 2025. As the Incoming Council Chair, India hosted the Annual GPAI Summit in December, 2023 which was a landmark event attended by 22000+ participants. As Lead Chair, India hosted the "Global India AI Summit' and midyear GPAI Summit in July 2024, in New Delhi where the 6th GPAI Ministerial Council was held and the event was attended by 12000+ participants. Under the GPAI New Delhi Declaration 2024, GPAI members came to a consensus about the future of the GPAI and announced a renewed vision for GPAI through an integrated partnership with OECD bringing together all current OECD members & GPAI countries on equal footing, under the GPAI brand.

France and India co-chaired the Artificial Intelligence Action Summit, gathering Heads of State and Government, leaders of international organizations, small and large enterprises, representatives of academia, non-governmental organizations, artists and members of civil

society, in order to build on the important milestones reached during the Bletchley Park (November 2023) and Seoul (May 2024) summits.

In addition, the Indian Computer Emergency Response Team (CERT-In) is one of the international partners to co-sign the joint high-level risk analysis report on Artificial Intelligence (AI) entitled "Building trust in AI through a cyber-risk-based approach," published by the National Cybersecurity Agency for France (ANSSI) in February 2025. The report advocates for a risk-based approach to support trusted AI systems and secure AI value chains and calls for discussions on AI-related cyber risks and how to mitigate them to foster trusted AI development.

CERT-In conducts joint cyber security training programs in collaboration with Industry partners to upskill the cyber security workforce in Government, public and private organizations with the latest skills.

The Certified Security Professional in Artificial Intelligence (CSPAI) program launched by CERT-In and SISA in September 2024. The certification is approved by the ANSI National Accreditation Board (ANAB) by meeting the ISO/IEC 17024 standard. The program aims to address the growing need for Secure and Responsible AI integration into business applications and processes. The CSPAI program equips cybersecurity professionals with the skills to secure AI systems, proactively address AI-related threats, and ensure trustworthy AI deployment in business environments.

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