† O.I.H

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 1703
TO BE ANSWERED ON: 30.07.2025

DLI POLICY OF ISM

†1703. SHRI IMRAN MASOOD:

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

(a) the details of assessment made by the Government on impact of US export restrictions on availability and procurement cost of Artificial Intelligence (AI) chips Graphic Processing Units (GPUs) on India's AI development;
(b) the details of the steps being taken by the Government through Public Private Partnerships (PPP) to strengthen the AI infrastructure under the National AI Mission;
(c) the efforts being made by the Government under the Design Linked Incentive (DLI) policy of the India Semiconductor Mission (ISM) to develop design and to promote production of AI and semiconductor chips;
(d) whether the Government has any plan to enhance funding for Indian corporates, MSMEs, startups and exporters under the DLI Policy;
(e) if so, the time by which it is likely to be enhanced and the details of the funds allocation; and
(f) the manner in which the collaboration is being made by the Government with global technology leaders to strengthen India's AI infrastructure?

ANSWER

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

(a), (b) and (f): On 15th January 2025, United States Department of Commerce issued AI Diffusion Rules which provided for export control and licensing regulations. On 13th May, 2025 the rule was rescinded. On 23rd July, 2025, United States has published its AI Action Plan under which there are no export restrictions imposed that can impact India's AI development.

In line with Prime Minister Shri Narendra Modi's vision, the Government is making technology accessible to all. The focus is on democratizing the development and use of Artificial Intelligence (AI) for real-world problems, ultimately improving lives across various sectors.

India's AI strategy:

India's AI strategy aims to position India as a global leader in artificial intelligence. Government launched IndiaAI mission in March 2024. It is a strategic initiative to establish a robust and inclusive AI ecosystem aligned with India's development goals.

The IndiaAI Mission comprises of the following 7 key pillars:

- **IndiaAI Compute Capacity:** It aims to provide high-end compute power (GPUs) to all, including MSMEs and startups, at an affordable cost.

Aspect	Details
Total GPUs Provisioned	34,381 GPUs through the IndiaAI Compute Portal
Beneficiaries	Academia, MSMEs, startups, research community, government bodies, etc
Pricing Support	GPUs provided at discounted rates with 40% cost supported by the Government
Average Price on Portal	Around ₹67 per GPU-hour (less than 1 USD), which is one-third of the global average
Types of GPUs Available	Nvidia H100, H200, B200; Intel Gaudi 2 & 3; AMD MI300X, etc

- **IndiaAI Foundation Models:** To develop India's own Large Multimodal Models (LMMs) trained on Indian datasets and languages. This is to ensure sovereign capability and global competitiveness in generative AI.
- **AIKosh:** To develop large datasets for training AI models. AIKosh is a unified data platform integrating datasets from government and non-government sources.
- **IndiaAI Application Development Initiative:** This pillar aims to develop AI applications for India specific challenges in sectors such as climate change and disaster management, healthcare, agriculture, governance, and assistive technologies for learning disabilities.
- **IndiaAI FutureSkills:** To develop AI skilled professionals in India by increasing the number of graduates, post-graduate and PhDs in AI domain. It also envisions setting up Data and AI Labs in Tier 2 and Tier 3 cities across India.
- **IndiaAI Startup Financing:** To provide financial assistance to AI start-ups.
- **Safe & Trusted AI:** To balance innovation with strong governance frameworks to ensure responsible AI adoption.

<u>Shaping global debate on AI:</u>

- India is actively participating in shaping global debate on development, usage and safety of AI.
- India was the founder chair of Global Partnership on Artificial Intelligence (GPAI).
- India was able to carve out consensus on AI during the G20 communique.
- India is poised to host the AI Impact Summit in February 2026. It will bring governments, international institutions, start-ups, private sector companies and academia on one platform.

(c) to (e): The Government has approved the **'Semicon India programme'** with a total outlay of ₹76,000 crore for the development of semiconductor and display manufacturing ecosystem in the country. The **'Design Linked Incentive (DLI) Scheme'** has been approved as part of the 'Semicon India programme' to support domestic companies, startups and MSMEs.

Designing and commercializing a semiconductor product involves high entry barriers, long development timelines, and global competition.

To address these challenges, the DLI Scheme provides design infrastructure support, such as Electronic Design Automation (EDA) tools and Intellectual Property (IP) cores, to help with early prototyping of designs. The scheme also provides financial incentives of up to 50% of eligible costs, with a ceiling of ₹15 Crore per application for design prototyping, scaling-up and volume production. To enable companies to deploy and commercialize their Intellectual Property (IP) cores, chips, and System-on-Chip (SoC) solutions, the scheme offers financial incentives ranging from 6% to 4% of net sales turnover, up to ₹30 Crore per application over five years.

72 domestic companies have been approved under the DLI Scheme for access to state-of-the-art Electronic Design Automation (EDA) tools. These companies are at different stages of developing semiconductor designs for various applications. Out of these, **23 companies** have also been approved for financial support for developing SoCs for surveillance camera, energy meter, microprocessor IPs, networking applications etc.

Ten (10) companies have raised venture company (VC) funding for scaling-up their design prototypes for commercialization. **Six (6) companies** have successfully taped out their prototype designs at advanced and mature technology nodes of various semiconductor foundries. Further, funds under the DLI Scheme are released to the companies on regular basis on meeting specific milestones.

The DLI Scheme is being implemented in close consultation with stakeholders and beneficiary companies. Any modifications required will be made as and when necessary.

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