



Design Linked Incentive (DLI) Scheme

Published On: 05-01-2026

- **Context:** The DLI Scheme is a key component of the **Semicon India Program**, aimed at making India a global hub for semiconductor design.
- **Mechanism:** It offers financial incentives (reimbursement of up to 50% of eligible expenditure) and design infrastructure support (EDA tools, IP cores) to domestic startups and MSMEs.
- **Strategic Importance:** * **Value Chain:** Chip design is the "brain" of the semiconductor industry and is more value-intensive than mere assembly or testing.
- **IP Creation:** The scheme encourages "Tape-outs" (the final stage of design before manufacturing) and the filing of patents, ensuring India owns the Intellectual Property (IP) of the chips it uses in telecommunications, defense, and IoT.
- **Latest Progress:** As of 2026, 16 chip design tape-outs have been completed and 24 projects are underway in strategic sectors like satellite communication and drone detection.