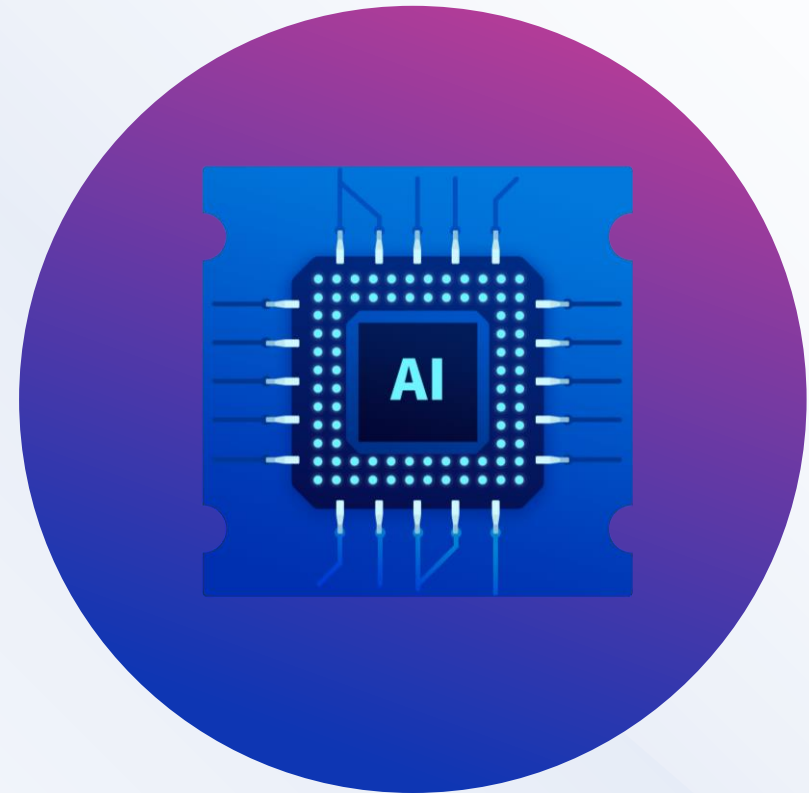


Design Linked Incentive Scheme

Background

- Semi-Conductors are at the heart of all electronic products and constitute a significant share in the Bill of Material.
- The program will give an impetus to **semiconductor & display manufacturing** by facilitating capital support and technological collaborations. The program will also setup a specialized and independent “India Semiconductor Mission”.
- To envisage the aim of National Policy on Electronics 2019 and **to position India as a global hub** for Electronic System Design and Manufacturing (ESDM) MoEIT has announced Design Linked Incentive scheme.



01

Primary Objective

- Support companies/consortia engaged in Semiconductor / Display Fabrication.
- Semiconductor manufacturing & Packaging,
- Semiconductor Design.

02

Quantum of Incentive

Varied incentives based on different segment - fiscal support 30% - 50% of project cost with sales linked incentive for certain segment

03

Total Incentive Outlay

INR 76K crores
(>10 Bn USD)

Objectives

- Nurturing and facilitating the growth of the domestic companies, startups and MSMEs.
- Achieving significant indigenization in semiconductor content and IPs involved in the electronic products deployed in the country.
- facilitating import substitution and value addition in electronics sector.
- Strengthening and facilitating access to semiconductor design infrastructure for the startups and MSMEs.

Eligibility

Scheme benefits will be extended to

- Domestic companies
- Startups and MSMEs

1

Who are engaged in semiconductor design or semiconductor linked design.

2

The approved applicants that claim incentives under the scheme shall retain their domestic status for a period of three years after claiming incentives under the scheme.

3

An applicant must meet the Threshold and Ceiling Limit to be eligible for disbursement of incentive as indicated.

Tenure of the Scheme

Scheme Tenure

In accordance with Para 4 of the Scheme, the Application Window shall be initially three (3) years from 01-01-2022



Target Segments

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

Nodal Agency of the Scheme



Compliances under the scheme

Application Categories under the Scheme

Category 1	Category 2	Category 3
Design Infrastructure support	Product Design Linked Incentive (P-DLI)	Deployment Linked Incentive (DLI)
Application under this category can be submitted by Startup or MSME	Application under this category can be submitted by Startup or MSME	Application under this category can be submitted by Domestic Company, Startup or MSME
Reimbursement of up to ₹30 Lakh per application for MPW fabrication of design and post-silicon validation activities.	Reimbursement of 50% of the eligible expenditure subject to a ceiling of ₹15 Crore incentive per application.	Reimbursement of 6% to 4% of net sales over 5 years subject to a ceiling of ₹30 Crore incentive per application.
Disbursement of Incentives Benefits and support can be claimed by the applicant after receiving the approval letter from Nodal Agency.	Disbursement of Incentives Claim under this category may be submitted after meeting the linked milestone as indicated in the approval letter from Nodal Agency.	Disbursement of Incentives The claim under this category may be submitted as early as the end of the quarter in which the threshold criteria for the year in consideration have been met.
Facilities available are (i) National EDA Grid (ii) IP Core Repository (iii) Prototyping (iv) Post Silicon Validation	Eligible Expenditure include: - <ul style="list-style-type: none"> • Manpower cost subject to ceiling of 50% of approved incentive amount. • Capital Investments in specialized equipment. • Software Ips and Licenses. • IPR registration fees. • Field Trials • Production costs 	Net sales means: Gross Sales (-) Credit Notes, Discounts Taxes applicable Expenses on advertisement and sales promotion Brand Royalty

Compliances:

- **Periodic reviews and Impact Assessment** will be undertaken of approved applicants by Nodal Agency of their Investments, Production, Employment generation and value addition.
- Furnish self-certified **Quarterly Review Reports (QRRs)** till five years or till the time the fiscal support is being drawn, whichever is earlier.
- Mid-term appraisal of the Scheme will be carried out after two years.

Threshold amount

Threshold amount of Net Sales to be made by Applicant	Rate of incentive on Net Sales
▪ ₹1 Crore from Year 1 to Year 5 for Startup & MSME.	Year 1: 6% Year 2: 6%
▪ ₹5 Crore from Year 1 to Year 5 for domestic companies other than Startup & MSME	Year 3: 5% Year 4: 5% Year 5: 4%

Documents to be submitted during Application Form



Category	Documents Required
Company Information	(i) Brief Business Profile (ii) Certificate of incorporation
Company Structure	(i) Certified copy of the memorandum and articles of association or equivalent registration document. (ii) Shareholding pattern (latest submitted with ROC and certified by Company Secretary
Details of Authorised Signatory	Letter of Authorization by Board of Directors or Managing Director or equivalent.
Credit History	Certificate from Company Secretary/ Board of Directors for Defaulter's List.
Financial Information of the company of last 5 years or from the date of registration, whichever is later	Audited financial statements for each of these financial years as mentioned above
Company's Experience completed/ Go-Live in the last 5 financial years from the date of submitting applications	Work Order/ Purchase Order/ Contract/ VC financing round + Project/ Phase Completion Certificates from the client/ Statutory Auditor.

Detailed Project Report

DPR to be submitted covering following details

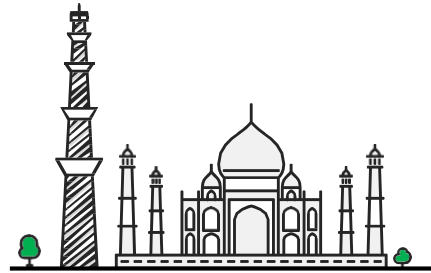


Contact us



HYDERABAD

Suite 5, Level 3, Reliance Cyber Ville,, Madhapur, Hitech City, Hyderabad – 500081



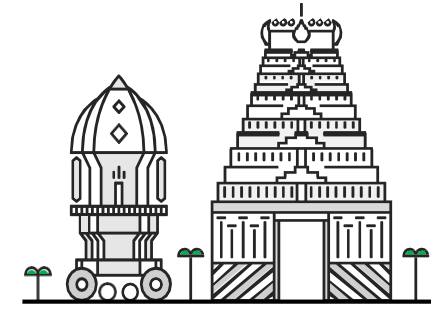
DELHI

C- 699A, 1st Floor, Sector-7, Palam Extn., Dwarka, New Delhi, Delhi 110075



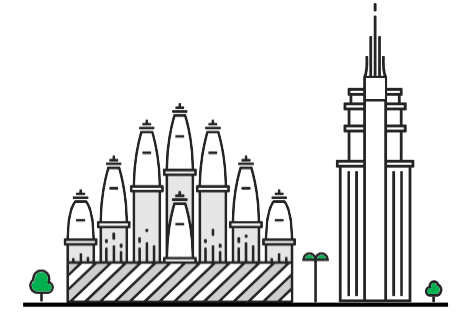
MUMBAI

Flat no.3, Plot no.226/227, Sion East, Mumbai - 400022



CHENNAI

Old no 19, New no 13B, New Bangaru colony first Street, KK Nagar West, Chennai 600078



BANGALORE

90/1, 3rd Floor, Pasha South Square, Rathavilas Road, Basavangudi, Bangalore - 560004

Vizag: Level 3, Kupilli Arcade, Akkayyapalem, Visakhapatnam 530016, Andhra Pradesh

Vijayawada: # 56-11-3, Sri Devi Complex, Y.V.R Street, MG Road, Patamata, Vijayawada, Andhra Pradesh

Tirupati: H. No: 6-154/1, Syamala Nilayam, Near Water Tank, Akkarampalli, Tirupathi, Andhra Pradesh

Kurnool: #21, Top Floor, Skandanshi Vyapaar, New Bus Stand Road, Kurnool 518 003, Andhra Pradesh



UAE Address: 2103, Bayswater Tower, Business Bay, Dubai, UAE



USA Address: SBC LLC, 8 The Green, Suite A in the City of Dover, Delaware - 19901

Thank You



www.steadfastconsultants.in