

4 Evaluate the performance of DHI scheme for semiconductors 9

India imported semiconductor devices worth of \$5.3 billion in 2021 ~~but~~ making it seventh largest in the world. In order to reduce import dependence and improve supply chain Design linked Incentive scheme was launched.

The DHI scheme

The scheme aims to provide financial support and design infrastructure support to eligible startups to develop semi-conductor designs for integrated circuits and chips among others.

The scheme aims to nurture 20 ~~start~~ companies to achieve ₹1500 crore turnover in five years.

Performance Evaluation

① Support guaranteed : The scheme has approved only seven startups over

the course of inception and pledged to approve at least hundred. Delay in approval can prolong the course of the scheme.

② Access to funds - The scheme mandates domestic status for three years after claiming incentives under the scheme. This reduces the foreign direct investment as companies cannot get more than 50%.

③ Regulator : The Centre for Development of Advanced Computing's role as implementing agency and market player generates conflict of interest.

Way forward

As gestation is long for semi conductor mission, investors shy away. Handholding with requisite funding and regulator on the line of Karnataka Fabless acceleration lab can increase the uptake of the scheme.