

Ministry of Electronics & IT



DLI Scheme-Backed Chip Design Startups Continue to Attract Interest from Leading Investors

C2i Semiconductors Raises \$15 Million Series A Led by Peak XV Partners - Largest Funding Round by an Indian Semiconductor Startup

C2i Designing Intelligent Power-Management Chip for Energy Efficient and Reliable High-performance Computing Systems

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India's semiconductor chip design ecosystem is steadily strengthening, with startups supported under the Design Linked Incentive (DLI) Scheme drawing growing interest from both investors and the user community. Semiconductor ventures traditionally involve long development timelines, substantial R&D investment and higher technical risk before revenues begin, often making early-stage investors cautious — and consequently, prior to 2021, venture capital investment in this sector in India remained limited.

The Government of India's DLI Scheme, announced in 2022, addresses this challenge by reducing upfront risk through financial support, access to advanced EDA tools, IP cores etc. and greater ecosystem awareness of semiconductor chip design. Startups are onboarded through a rigorous screening and evaluation process by a competent expert committee comprising technical and industry specialists, ensuring support to credible deep-tech companies. This structured intervention continues to improve investor confidence and commercial viability, leading to investors actively evaluating DLI-supported startups.

C2i Semiconductors

Incorporated in Bengaluru on 5 June 2024 by a founding team with decades of experience at global leaders such as Texas Instruments, National Semiconductor and Maxim Integrated. C2i Semiconductors was subsequently approved w.e.f. 1 November 2024 for financial support and access to advanced chip design tools under the DLI Scheme.

With semicon industry veteran Ganapathy Subramanyam, Founding Managing Partner, Yali Capital on its Board, C2i is developing power-management semiconductor solutions for next-generation AI data centres and cloud infrastructure.

With its engineering team quickly ramped up to 65 engineers, C2i has become one of the top three users amongst 100 companies of the centralized EDA tools in recent months, provided through the centralized EDA tool grid at the ChipIN Centre under the DLI Scheme.

The Challenge — Power Becomes the Limiting Factor in Modern Data Centres: As AI workloads grow modern data centres require very large and highly stable power supply. Older power systems were not designed for continuous high-density computing which leads to energy loss excess heat reliability challenges and difficulty in scaling infrastructure.

The Innovation — Rethinking Power from Grid to Core

C2i Semiconductors is redesigning how electricity flows inside a server from the incoming power source to the processor chip using a grid to core approach. Instead of improving individual components the company is developing a smart configurable power platform that automatically manages and optimizes power delivery in real time. The technology provides stable power even for heavy AI workloads, improves energy efficiency, reduces heat and failures, extends equipment life, simplifies server design, enables faster deployment and supports large scale data centre expansion.

In Simple Terms — An Intelligent Power Brain for AI Infrastructure

C2i technology works as an intelligent power control system for data centres, helping high-performance AI systems operate reliably, efficiently and continuously for next-generation digital infrastructure. C2i expects its first silicon designs to return from fabrication by mid-year, after which it plans to validate performance.

Investor Confidence — Backing Deep-Tech Innovation from India

Recognising the potential of C2i's breakthrough solution, Peak XV Partners (formerly Sequoia Capital India & SEA) has led a \$15 million investment round to accelerate the development of next-generation, high-density and ultra-reliable system-level power delivery solutions. This follows a \$4 million funding round led by Yali Capital in 2024, taking the cumulative investment raised to approximately ₹170 crore to date, in addition to the support received under the DLI Scheme.

Rajan Anandan, Managing Director at Peak XV, noted that C2i's approach to power management can significantly extend GPU lifespan and unlock billions of dollars in industry savings.

Policy Alignment — Supporting India's Design-Led Semiconductor Vision

The confidence of leading investment firm aligns with the vision articulated by Union Minister Shri Ashwini Vaishnaw that India's semiconductor programme is built to strengthen both design and manufacturing, with a strong focus on creating domestic intellectual property and globally competitive product companies. He has emphasised that India already has a strong chip design talent base and the Government's role is to support startups through design incentives, advance design tools, IPs and ecosystem support so that they can scale into global technology leaders and make India a trusted semiconductor partner to the world.

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