

Govt approves Second Fund of Funds worth Rs 10,000 Cr to boost deep-tech and early-stage innovation

05 April 2025 | News

Significant portion of the fund to be reserved for seed funding of small startups



On the concluding day of Startup Mahakumbh 2025 in New Delhi, on 5 April 2025, Union Minister of Commerce & Industry Piyush Goyal announced that the Second Fund of Funds for Startups (FFS) with a corpus of Rs 10,000 crore, has been approved by Prime Minister Narendra Modi.

This year, Rs 2,000 crore will be disbursed to Small Industries Development Bank of India (SIDBI) as the first installment. A significant portion of the fund will be reserved for seed funding of small startups and to support deep-tech innovation.

“Through this fund, we aim to foster the development of cutting-edge technologies like AI, robotics, quantum computing, machine learning, precision manufacturing and biotech,” he stated.

The objective is to provide early-stage financial support to budding entrepreneurs who often face challenges in accessing traditional forms of capital. This allocation will empower startups working on disruptive technologies by enabling them to scale prototypes, undertake research and development, and accelerate go-to-market strategies.

The fund will especially focus on startups operating in cutting-edge domains such as artificial intelligence, machine learning, quantum computing, robotics, precision manufacturing, biotech, and semiconductor design, where long gestation periods and

high capital requirements often pose hurdles.

By mobilising patient capital, the government aims to build a strong pipeline of indigenous technology solutions that can address national priorities and position India as a global innovation leader.

Announcing a key initiative, Goyal revealed that a dedicated Startup India Desk will be set up in the Ministry of Commerce & Industry to serve as a helpline for startups across India, accessible via a simple 4-digit toll-free number in regional languages.