

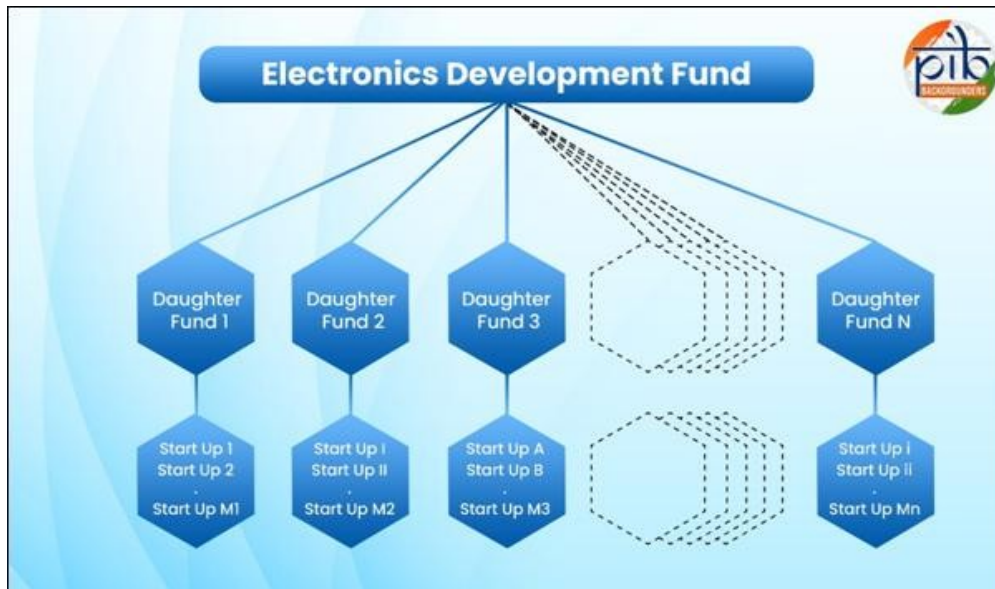
## Electronics Development Fund (EDF)

*Prelims: Current events of national and international relations | Economy*

### Why in news?

*With Rs. 257.77 crore invested, Electronics Development Fund supported 128 Indian startups nationwide.*

- **Launched in** - 2016.
- **Nodal Ministry** - Ministry of Electronics and Information Technology (MeitY).
- **Aim** - To promote research, development, and entrepreneurship in the fields of **electronics, nanoelectronics, and information technology**.
- **Objectives** -
  - Promote innovation in electronics, nanoelectronics, and information technology.
  - Support startups and SMEs in the Electronics System Design and Manufacturing (ESDM) sector.
  - Enable indigenous design and development to reduce import dependence.
  - Facilitate acquisition of foreign technologies and companies to strengthen domestic capabilities.
- **Operational Features** -
  - **Anchor Investor** - Ministry of Electronics and Information Technology (MeitY), Government of India.
  - **Trustee & Sponsor** - Canara Bank (Public Sector Bank).
  - **Investment Manager** - Canbank Venture Capital Funds Ltd. (CVCFL), a 100% subsidiary of Canara Bank.



- **Features -**

- **Fund of Funds model** - EDF does not invest directly in startups but in professionally managed Daughter Funds, which provide risk capital to early-stage startups and companies developing new technologies.

*Daughter Funds are **SEBI registered** professionally managed venture capital or angel funds that receive financial support from the EDF to invest in startups and innovation-driven enterprises in the electronics and IT sectors.*

- **Minority stake** - EDF typically holds a minority share, encouraging private investment and professional fund management.
- **Flexible corpus allocation** - EDF's share is based on market needs and the Investment Manager's capacity.
- **Autonomy for Investment Managers** - Freedom to raise corpus, select investments, and monitor performance.
  - Final fund selection follows rigorous due diligence.
- **Comprehensive coverage** - EDF supports ventures across the entire electronics and IT value chain, ensuring strategic depth and sectoral inclusivity.

## Reference

[PIB | Electronics Development Fund](#)



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