

Startup India Fund of Funds 2.0

Prelims: Current events of national and international importance | Government policies and interventions

Why in News?

Recently, the Union Cabinet approved Startup India Fund of Funds 2.0 with a ₹10,000 crore corpus to boost venture capital and support India's startup ecosystem.

- Startup India is a **flagship initiative of the Ministry of Commerce and Industry**.
- **Aim** - To promote bank financing for startup ventures to boost entrepreneurship and encourage job creation.
- **Launched in** - 2016
- **Implementation** - **Department for Promotion of Industry and Internal Trade (DPIIT)**.
- **Objective** - To promote innovation, empower startups with tools for growth and design, generate employment, and foster economic development.
- To make India a nation of job creators rather than job seekers.

The National Startup Day is observed on 16th January in commemoration of the 10th anniversary of the launch of StartUp India.

Fund of Funds for Startups (FFS) 1.0

- **FFS 1.0** - It is a flagship initiative of the **DPIIT** under the Startup India Action Plan.
- **Managed by** - **The Small Industries Development Bank of India (SIDBI)**.
- **Aim** - To address funding gaps and expand domestic risk capital via SEBI-registered Alternative Investment Funds (AIFs) and strengthen India's startup ecosystem.
- **Fund** - A corpus of Rs. 10,000 crores.
 - **Status** - It is committed to 145 AIFs, which have collectively invested over Rs. 25,500 crores in more than 1,370 startups
- **Pivotal role** - Nurturing first-time founders, crowding in private capital, and helping build a strong foundation for India's venture capital ecosystem.

Startup India Fund of Funds 2.0

- **FFS 2.0** - Follows the strong performance of the Fund of Funds for Startups (FFS 1.0) and is designed to take Indian innovation to the next level.
- **Key Features - Priority & Deep Tech** - Targeted funding approach for priority

sectors and focus on deep tech/tech-driven manufacturing.

- **Safety net** - Support early-growth stage startups to reduce failure due to funding gaps.
- **Pan-India & Risk Capital** - National coverage beyond metros and addressing high-risk capital gaps
- **Domestic Capital** - Strengthens India's domestic venture capital base, especially smaller funds
- **Significance** - FFS 2.0 is expected to play a critical role in advancing India's innovation-led growth agenda.
- Firmly aligned with India's Viksit Bharat 2047, combining economic modernisation with inclusive regional uplift.

References

1. [PIB | Startup India Fund of Funds 2.0](#)
2. [PIB | Fund of Funds for Startups \(FFS\)](#)

