

## 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 \(FFS\)](#)

