

PARLIAMENT QUESTION: SCHEME TO INCENTIVISE R&D IN PRIVATE SECTOR

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On July 1, the Union Cabinet approved the Research, Development, and Innovation (RDI) Scheme to incentivize private sector participation in research and development (R&D).

The Government of India is already actively implementing a range of Flagship initiatives such as the Atal Innovation Mission, the National Supercomputing Mission, and the India Semiconductor Mission laid the early groundwork for a robust innovation ecosystem for manufacturing and advanced technology development. Building on this foundation, newer programs like the National Quantum Mission, the India AI Mission, and the National Green Hydrogen Mission reflect the government's strategic intent to lead in next-generation technologies.

A new RDI scheme has a total outlay of ₹1 lakh crore over 6 years. Technology sectors of strategic importance have been identified under the RDI Scheme. These include energy security, climate action, and deep technologies such as quantum computing, artificial intelligence, biotechnology, and the digital economy. The scheme also covers sectors critical for strategic and economic security, with the flexibility to include additional sectors based on approval from the Empowered Group of Secretaries (EGoS). The nature of financing under this scheme includes long-term loans (at low or no interest), equity financing, and contributions to the Deep-Tech Fund of Funds. Grant financing and short-term loans are not envisaged under the scheme.

A Special Purpose Fund (SPF) under the Anusandhan National Research Foundation (ANRF) will serve as the Level 1 Fund Custodian. Implementation will be carried out by Second-Level Fund Managers (SLFMs), including Alternate Investment Funds (AIFs), Development Finance Institutions (DFIs), Non-Banking Financial Companies (NBFCs), and Focused Research Organizations (FROs), such as BIRAC, TDB, and IIT Research Parks, with approval from the Empowered Group of Secretaries (EGoS).

The scheme is intended to finance RDI projects with transformative potential at TRLs 4 and above, avoid overlap with the ANRF, and allow for the acquisition of strategically important technologies. However, the financing excludes next-generation R&D labs, RDI financing for government entities, and short-term loans. Financing will be limited to a maximum of 50% of the project's assessed cost, with the remaining funds arranged by the project proponent. In exceptional types of projects/sectors, the financial limit for government share in financing can be relaxed with the approval of the EGoS.

The Department of Science & Technology is the nodal agency for the scheme. Oversight and governance are provided by the Governing Board of ANRF, while the EGoS, Executive Council (EC), and Investment Committees (ICs) are responsible for sector approvals, fund manager selection, project evaluation, and overall performance review.

The Department of Science and Technology (DST) held extensive consultations with over 10,000 stakeholders, including experts from academia, industry, start-ups, and the research community during the Post-Budget Webinar. Subsequently, several follow-up meetings were conducted with industry personnel, financial institutions, and subject-matter experts to deepen the deliberations and incorporate sector-specific inputs. These consultations were aimed at gathering diverse perspectives to inform the formulation and implementation process. A report has also been prepared based on the recommendations received during the Post-Budget Webinar. Furthermore, inter-ministerial coordination and discussions were undertaken in consultation with the Department of Economic Affairs (DEA).

The relevant guidelines are currently under formulation and will be finalized in consultation with the

Department of Economic Affairs (DEA) and the Department of Expenditure (DoE).

A total amount of ₹20,000 crore has been allocated for the Financial Year 2025–26.

This information was given by Dr. Jitendra Singh, Union Minister of State (Independent Charge) for Science and Technology, Earth Sciences, MoS PMO, MoS Personnel, Public Grievances & Pensions, Department of Atomic Energy and Department of Space, in a written reply in the Lok Sabha today.

NKR/PSM

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