

PARLIAMENT QUESTION: OPERATIONALISATION OF DEEP TECH FUND OF FUNDS

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The Union Cabinet approved the **Research, Development and Innovation (RDI) Scheme** on **01 July 2025** with the objective of enhancing private sector participation in research and development and strengthening financing support for high-risk, high-impact innovation, including **deep-tech startups**. The Scheme envisages a **corpus of ₹1 lakh crore over a period of six years** and includes provisions for supporting **Deep-Tech Funds of Funds**.

The RDI Scheme was **launched on 03 November 2025** by the Hon'ble Prime Minister. Subsequently, the implementation framework was operationalised through preparation and approval of the **Scheme Implementation Guidelines, Special Financial Rules**, and issuance of **Notices Inviting Applications**.

Under the Scheme, **Technology Development Board (TDB)** and **Biotechnology Industry Research Assistance Council (BIRAC)** have been approved as Second Level Fund Managers (SLFMs) on a nomination basis, as per the Cabinet approval. Further, a call inviting applications from additional SLFMs was issued, which closed on 31 January 2026, and the selection process is currently underway. TDB has also launched its first call for project proposals under the RDI Scheme on 04 February 2026.

The RDI Scheme, including the proposed Deep-Tech Fund of Funds, is not **city- or State-specific**, and projects are supported across the country based on a **demand-driven and outcome-oriented approach**. Proposals are evaluated on the basis of **technological merit, strategic relevance, and potential economic impact**.

The overall corpus of the RDI Scheme is **₹1 lakh crore for six years**, with an allocation of **₹20,000 crore provided in the Union Budget for FY 2025–26** for its implementation. The **corpus earmarked specifically for the Deep-Tech Fund of Funds is not pre-fixed** and will be determined based on demand, quality of proposals, and outcomes achieved during the implementation period. The utilisation of funds will be aligned with the phased roll-out of the Scheme over the six-year timeframe.

The sunrise sectors identified under the RDI Scheme include energy security and energy transition including climate action; deep technologies such as quantum computing, robotics and space technologies; artificial intelligence and its applications in agriculture, health and education; biotechnology, biomanufacturing, synthetic biology, pharmaceuticals and medical devices; and the digital economy including digital agriculture. The Scheme will also support technologies critical for strategic requirements, economic security and Atmanirbharta, as well as any other sector or technology considered necessary in public interest.

A **transparent and competitive mechanism** has been put in place for the engagement of **Second Level Fund Managers (SLFMs)**, including **Alternate Investment Funds (AIFs), Development Finance Institutions (DFIs)** and other eligible fund managers, for deployment of capital under the **Research,**

Development and Innovation (RDI) Scheme.

Accordingly, a **Notice Inviting Applications (NIA)** has been published in line with the approvals contained in the **Cabinet Note**, inviting applications from eligible entities. The NIA clearly lays down the Quality and Cost Based Selection (QCBS) methodology, along with detailed eligibility conditions, evaluation parameters, weightages, and selection criteria to ensure transparency and objectivity in the selection process.

Applications received pursuant to the NIA are being evaluated as per the prescribed QCBS framework. Based on the evaluation, the Executive Council (EC) will recommend suitable SLFMs to the Empowered Group of Secretaries (EGoS) for final approval. This structured selection mechanism ensures fairness, transparency, and alignment with the objectives of the RDI Scheme in mobilising and deploying capital for deep-tech and high-impact R&D initiatives.

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