Ministry of Commerce & Industry

Government notifies Startup India Fund of Funds 2.0 with ₹10,000 crore corpus to mobilize capital for startups

Startup India FoF 2.0 to support deep tech, early growth-stage and innovative manufacturing startups

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The Government has notified the Startup India Fund of Funds 2.0 (Startup India FoF 2.0) with a total corpus of ₹10,000 crore for the purpose of mobilizing venture and growth capital for the startup ecosystem of the country.

The Startup India FoF 2.0 builds upon the strong performance of the Fund of Funds for Startups (FFS 1.0), which was launched in 2016 under the Startup India Action Plan to address funding gaps and catalyse the domestic capital for startups.

Startup India FoF 2.0 will have a total corpus of ₹10,000 crore for commitments to eligible Alternative Investment Funds (AIFs) spread across the 16th and 17th Finance Commission cycles.

Investments under Startup India FoF 2.0 will focus on Alternative Investment Funds supporting priority segments including deep tech startups, early growth stage startups supported by smaller AIFs, technology-driven and innovative manufacturing startups, and sector or stage agnostic startups.

Startup India FoF 2.0 will follow a structured selection process for AIFs involving screening by a Venture Capital Investment Committee (VCIC) comprising of veterans from the startup ecosystem, and the Scheme incorporates robust monitoring and oversight mechanisms, while an Empowered Committee (EC) will also be constituted to monitor implementation and performance of the Scheme, and provisions for co-investment by Government and institutional investors under an umbrella framework have been included with appropriate governance safeguards.

The operational guidelines and the composition of VCIC will be issued by the Department for Promotion of Industry and Internal Trade (DPIIT).

Startup India FoF 2.0 is expected to play a critical role in advancing India's innovation-led growth agenda, and by supporting startups that build globally competitive technologies, products, and solutions, the Scheme will contribute to strengthening India's economic resilience, boosting manufacturing capabilities, generating high-quality jobs, and positioning India as a global innovation hub.

The Small Industries Development Bank of India (SIDBI) will commence operationalization of the scheme as the Implementation Agency (IA) with effect from the date of notification, and in addition, another domestic Implementation Agency will also be selected to implement the proposed Scheme.

The Startup India FoF 2.0 will contribute to the corpus of SEBI-registered Alternative Investment Funds (AIFs) for investing in entities recognised as ‘startups’ by the Central Government.

Aligned with the national vision of Viksit Bharat @ 2047, the Fund represents the Government’s continued commitment to empowering entrepreneurs, fostering innovation, and unlocking the full potential of India’s startup ecosystem.

The notification is available at the following link: https://egazette.gov.in/WriteReadData/2026/271764.pdf

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