GOVERNMENT OF INDIA
MINISTRY OF SCIENCE AND TECHNOLOGY
DEPARTMENT OF SCIENCE AND TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 706
ANSWERED ON 04/02/2026

CORPUS FUND FOR FUNDING R&D IN PRIVATE SECTOR

706. SHRI T R BAALU:

Will the Minister of SCIENCE AND TECHNOLOGY be pleased to state:

(a) the details of the huge corpus fund to be established for funding Research and Development in private sector specially the time horizon of the Scheme, current year budget allocation, sunrise sectors identified for acquisition and development of indigenous Technologist;

(b) the industry wise targets set for R&D promotion industry wise and the time for realization of targets; and

(c) the details of economic and financial gains likely to accrue nation expected from providing of financial support to private sector?

ANSWER
MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF SCIENCE AND TECHNOLOGY AND EARTH SCIENCES (DR. JITENDRA SINGH)

(a) The Union Cabinet has approved the Research, Development and Innovation (RDI) Scheme on 01 July 2025 to promote enhanced participation of the private sector in research and development. The Scheme envisages a corpus of ₹1 lakh crore over a period of six years. Financial support under the Scheme will be provided primarily through long-tenor, low interest financing which is expected to be unsecured. Equity financing will also be considered specially for startups. The scheme will also contribute to Deep Tech Funds of Fund. The scheme will facilitate long-term investments in high-risk and high-impact R&D.

An allocation of ₹20,000 crore has been made in the Union Budget for FY 2025–26 for implementation of the Scheme.

The Scheme will follow a two-tiered funding mechanism, wherein the second level of implementation will be undertaken through appropriate Second Level Fund Managers (SLFMs), which may include Alternate Investment Funds (AIFs), Development Finance Institutions (DFIs), Non-Banking Financial Companies (NBFCs), and Focused Research Organisations (FROs) such as the Technology Development Board (TDB), Biotechnology Industry Research Assistance Council (BIRAC), IIT Research Parks, and other similar institutions, in accordance with approved guidelines.

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.

(b) The RDI Scheme adopts a demand-driven and outcome-oriented approach, wherein projects will be supported based on their technological merit, strategic relevance, and potential economic impact. The time frame for realization of outcomes will vary depending on the sector, technology maturity, and level of innovation, with a focus on projects at Technology Readiness Level (TRL) 4 and above. Progress and outcomes will be monitored through appropriate institutional mechanisms during the Scheme period.

(c) By enabling greater private sector investment in R&D, the Scheme aims to enhance domestic technological capabilities, reduce import dependence, strengthen supply chain resilience, and improve global competitiveness of Indian industry.

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