

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

LOK SABHA

**UNSTARRED QUESTION NO. 1350.
TO BE ANSWERED ON MONDAY, THE 25TH JULY, 2016.**

FUND OF FUNDS FOR START UPS

**1350. SHRIMATI SANTOSH AHLAWAT:
SHRIMATI POONAMBEN MAADAM:
SHRI SUMEDHANAND SARSWATI:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government has approved setting up of 'Fund of Funds for Startups' with a corpus of Rs. 10,000 crores at Small Industries Development Bank;
- (b) if so, the details thereof along with its key features and the time by which the said fund is likely to be set up;
- (c) whether this fund is expected to create a large number of jobs and if so, the details thereof along with the timeframe fixed for creating these jobs;
- (d) the details of the amount provided to the corpus of the Fund of Funds for start ups in 2015-16 along with the number of jobs generated therefrom; and
- (e) whether there is any mechanism to monitor and review the performance linked to the implementation of the action plan to enable execution as per project timeline and deliverables and if so, the details thereof?

ANSWER

**वाणिज्य एवं उद्योग राज्यमंत्री (स्वतंत्र प्रभार)(श्रीमती निर्मला सीतारमण)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)**

- (a):** Government has approved the establishment of "Fund of Funds for Startups" (FFS). The corpus of FFS is of INR 10,000 crore over a period of 4 years (i.e. INR 2500 crore per year) which shall be released subject to progress of the scheme and availability of funds.
- (b):** Rs. 500 crore was released to Small Industries Development Bank of India (SIDBI) as first tranche in March 2016. Rs. 600 crore has been provided in

the budget for the current financial year. Applications received from various Alternative Investment Funds (AIFs) for FFS support are under various stages of processing and approval. Key features of FFS are annexed.

(c) & (d): An amount of Rs. 500 crore has been provided to the corpus of FFS in 2015-16. No such data is maintained centrally for assessing the impact of funds provided through FFS. However, such a provision of funds supplements the domestic capital of startups and has a multiplier effect in stimulating economic growth leading to increased production and employment generation.

(e): A Monitoring Committee comprising of Department of Industrial Policy and Promotion, Department of Revenue, NITI Aayog, Ministry of Micro, Small and Medium Enterprises, Department of Science and Technology, Department of Bio-technology, Department of Electronics and Information Technology, Department of Higher Education and Small Industries Development Board of India to monitor implementation of the Action Plan of Start-up India initiative has been constituted by this Department.

The Committee shall have the following roles:

1. Review the progress of Action Plan
2. Evaluate the quality and effectiveness of work done
3. Strategic and operational planning for implementation of various measures
4. Ensure that initiatives meet the needs of beneficiaries
5. Ensure that the initiative is able to demonstrate its impact in full measure
6. All measures taken comply with the law and are within the policy framework.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 1350 FOR ANSWER ON 25.07.2016.

Key Features of FFS

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| Name of Fund | Fund of Funds for Startups |
| Fund Manager | Small Industries Development Bank of India (SIDBI) |
| Fund size | Rs. 10,000 crore. The proposed corpus of Rs. 10,000 crore would be built up over the 14 th and 15 th Finance Commission cycles. |
| Investment Focus | The Fund shall be sector agnostic and ensure support to a broad mix of sectors such as manufacturing agriculture, health, education etc. |
| Purpose | The FFS shall contribute to the corpus of Alternative Investment Funds (AIFs). AIFs supported under FFS would in turn take up equity in various Start-ups at early stage, seed stage and growth stage (as defined under Startup Action Plan notified on January 16, 2016, as modified by Government of India from time to time) |
