



The Start Up India Fund

According to data available with the SIDBI, **the Startup India fund has allocated Rs 2,265 crore** to Venture Capital (VC) funds at the end of **March 2019**, falling short of its capital allocation target by around Rs 1,000-1,200 crore.

- Also known as '**Funds of Funds for Startups**', it had a **disbursal target of Rs 3,300-3,500 crore** to venture capital (VC) firms at the end of the financial year ending March 2019.
- It was launched in the **year 2016** with the **corpus of Rs.10,000 crore**, to be built over 14th and [15th Finance Commission](#) cycles. SIDBI manages the fund.
- The government launched this fund to help startups get funding in early stages. The fund **does not directly invest in startups, instead, it allocates money to VC funds**, which are **required to invest at least twice** the amount of contributions received from the government.
- **A venture capital (VC) fund** is a sum of money that investors commit for investment in early-stage companies.

Startup India

- It is a flagship initiative of the Government of India, intended to catalyse startup culture and build a strong and inclusive ecosystem for innovation and entrepreneurship in India.
- Since the launch of the initiative on **16th January, 2016**, Startup India has rolled out several programs with the objective of supporting entrepreneurs, and transforming India into a country of job creators instead of job seekers.
- **A startup** is an enterprise that is initiated by its founders around an idea or a problem with a potential for significant business opportunity and impact.

SIDBI

Small Industries Development Bank of India (SIDBI), set up on **2nd April 1990**, under an Act of Indian Parliament, acts as the principal financial institution **for promotion, financing and development** of the [Micro, Small and Medium Enterprise \(MSME\)](#) sector as well as for coordination of functions of institutions engaged in similar activities.