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Cabinet approves Research Development and Innovation (RDI) scheme with corpus of Rs 1 lakh crore

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RDI Scheme fosters self-reliance and global competitiveness



In a transformative step to bolster India's research and innovation ecosystem, the Union Cabinet, chaired by Prime Minister Narendra Modi, has approved the Research Development and Innovation (RDI) Scheme with a corpus of Rs one lakh crore.

Recognising the critical role that the private sector plays in driving innovation and commercialising research the RDI Scheme aims to provide long-term financing or refinancing with long tenors at low or nil interest rates to spur private sector investment in RDI.

The scheme has been designed to overcome the constraints and challenges in funding of private sector and seeks to provide growth & risk capital to sunrise and strategic sectors to facilitate innovation, promote adoption of technology and enhance competitiveness.

Key objectives of the Scheme are as follows:

a) Encourage the private sector to scale up research, development, and innovation (RDI) in sunrise domains and in other sectors relevant for economic security, strategic purpose, and self-reliance

b) Finance transformative projects at higher levels of Technology Readiness Levels (TRL)

c) Support acquisition of technologies which are critical or of high strategic importance

d) Facilitate setting up of a Deep-Tech Fund of Funds

The Governing Board of Anusandhan National Research Foundation (ANRF), chaired by the Prime Minister, will provide overarching strategic direction to the RDI Scheme. The Executive Council (EC) of ANRF will approve the Scheme's guidelines, and recommend 2nd level fund managers and scope and type of projects in sunrise sectors. An Empowered Group of Secretaries (EGoS) led by the Cabinet Secretary, will be responsible for approving scheme changes, sectors and types of projects as well as second-level fund managers besides reviewing the performance of the Scheme. The Department of Science and Technology (DST) will serve as the nodal department for implementation of RDI Scheme.

The RDI Scheme will have a two-tiered funding mechanism. At the first level, there will be a Special Purpose Fund (SPF) established within the ANRF, which will act as the custodian of funds. From the SPF funds shall be allocated to a variety of 2nd level fund managers. This will be mainly in the form of long-term concessional loans. The funding to R&D projects by the 2nd level fund managers would normally be in the form of long-term loan at low or nil interest rates. Financing in the form of equity may also be done, especially in case of startups. Contribution to Deep-Tech Fund of Funds (FoF) or any other FoF meant for RDI may also be considered.