

Startup leaders hail Union Budget 2025 as FM announces new scheme with Rs 10,000 crore corpus

Union Budget 2025 introduces a new Rs 10,000 crore Fund of Funds to boost budding entrepreneurs, complementing the earlier 2016 initiative. It also allocates Rs 20,000 crore for DeepTech research and development, plus additional measures to enhance healthcare, education, and logistics. These steps aim to foster innovation, entrepreneurship, and improve healthcare access in India.



Union Budget 2025 proposed setting up of a new Fund of Funds Scheme (FFS) with Rs 10,000 crore corpus to promote growth of budding entrepreneurs in the country. In 2016 also, the government had launched a similar scheme, with a corpus of Rs 10,000 crore, with contribution spread over the 14th and 15th Finance Commission cycles. The scheme was set up to catalyze venture capital investments and is operationalized by Small Industries Development Bank of India (SIDBI), which provides capital to Securities and Exchange Board of India (SEBI)-registered AIFs, which in turn invest in startups.

Finance Minister Nirmala Sitharaman said that the Alternate Investment Funds (AIFs) for startups have received commitments of more than Rs 91,000 crore.

These are supported by the Fund of Funds set up with a government contribution of Rs 10,000 crore, she said. "Now, a new Fund of Funds, with expanded scope and a fresh contribution of another Rs 10,000 crore will be set up," the minister added.

Here are quotes from top executives of technology startups in the country.

Kailash Katkar, Founder and MD, Quick Heal Technologies Ltd

The Union Budget 2025-2026 is a bold step toward making India a global leader in digital transformation and AI-driven innovation. The government's strong push for AI Centre's of Excellence, digital infrastructure, and skill development demonstrates a clear commitment to embracing the future. This is not just a budget—it's a statement that India is ready to participate in the global AI race. However, as digital adoption accelerates, so do the risks. With AI-powered advancements, the threat landscape is evolving rapidly, making cybersecurity more critical than ever. Cybercriminals are becoming more sophisticated, and the potential for large-scale cyber threats is higher than ever before. Additionally, the Budget's focus on expanding broadband connectivity in schools, enhancing skill development, and strengthening rural digital infrastructure.

Prashant Sachan, Founder and CEO, AppsForBharat

The renewed ₹10,000 crore commitment for AIFs supporting Indian startups, along with a strong emphasis on upskilling and AI integration in education, marks a significant step toward positioning India as a global innovation hub. It will be exciting to witness these initiatives materialize in the future, driving innovation and advancing our vision of an Atmanirbhar Bharat."

Surjeet Thakur, Founder & CEO of TrioTree Technologies

The 2025 Budget's focus on expanding medical education with 10,000 additional seats and the establishment of Day Care Cancer Centres in all district hospitals marks a crucial step toward improving healthcare accessibility. Also, the commitment to 'Heal in India' and medical tourism promotion is promising. If complemented by robust digital healthcare policies and strategic private-sector collaboration, this could position India as one of the global leaders in healthcare innovation. While these investments are a welcome move, leveraging AI and digital innovations in hospital management, diagnostics, and patient care will be essential to truly modernize India's healthcare system. We look forward to policies that encourage the adoption of AI-driven solutions to complement these infrastructure enhancements, ensuring a more accessible and data-driven healthcare ecosystem for all.

Rahul Agarwalla, Managing Partner at SenseAI Partners

"India's 2025 Budget is a decisive step toward building an AI-powered economy. The ₹10,000 Cr Fund of Funds and ₹20,000 Cr investment in R&D signal that AI and deep tech are now central to India's growth strategy. We see this as a transformational moment—where AI-first startups will go beyond proof-of-concept and scale into global enterprises. The push for AI skilling, research fellowships, and IIT expansion ensures that India isn't just adopting AI but creating the next generation of AI pioneers. As AI reshapes manufacturing, clean energy, and automation, the intersection of policy and innovation will define India's leadership in this space."

Dr Sunil K Shekhawat, CEO, SanchiConnect

"In the Union Budget 2025, Finance Minister Nirmala Sitharaman announced a significant boost for India's DeepTech sector, unveiling a ₹20,000 crore investment to drive private sector-led research, development, and innovation. This initiative aims to foster cutting-edge advancements across various industries, including artificial intelligence, biotechnology, and advanced manufacturing. Additionally, the government plans to explore the creation of a DeepTech Fund to catalyze next-generation startups, further solidifying India's position as a global innovation leader. These measures are expected to enhance the availability of patient capital for DeepTech startups, enabling them to tackle complex challenges and contribute to the nation's economic growth. By prioritising DeepTech development, the budget underscores the government's commitment to nurturing an ecosystem that supports technological breakthroughs and sustainable progress.

Niraj Kumar, CTO, Onix

We welcome the government's continued focus on skilling and education, particularly through global skilling partnerships that will strengthen India's position in global manufacturing. The expansion of IIT infrastructure to support 6,500 additional students is a crucial step in cultivating future talent. The establishment of a ₹500 crore Centre of Excellence for AI in Education marks a transformative investment in our learning ecosystem, reinforcing India's commitment to technological advancement. Additionally, enhanced infrastructure development and initiatives to improve the ease of doing business will accelerate innovation across industries. The proposal to explore a deep tech fund of funds opens up promising avenues for startups and emerging technologies, fostering a dynamic entrepreneurial landscape. Overall, this budget sets a solid foundation for sustained growth, innovation, and global competitiveness.

Dhruvil Sanghvi, CEO of LogiNext

The logistics sector with the announcement to convert India Post into a large public logistics organization. This initiative will significantly enhance our logistics capabilities, streamline operations, and improve service delivery across the nation. Furthermore, the enhanced support for MSMEs, which are vital to our manufacturing and export sectors, underscores the government's commitment to fostering entrepreneurship and innovation. The establishment of a 'Fund of Funds for Startups' will empower diverse groups, including women and marginalized communities, to drive economic growth. As we move forward, we are excited about the opportunities these initiatives present for collaboration and growth within the logistics sector, positioning India as a global leader in logistics and manufacturing.