

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
RAJYA SABHA**

**UNSTARRED QUESTION NO. 529.
TO BE ANSWERED ON FRIDAY, THE 26TH JULY, 2024.**

STARTUP FUNDING / GRANTS GIVEN UNDER VARIOUS INITIATIVES

529 SMT. SUMITRA BALMIK:

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) the different initiatives/schemes/programmes under which the Government gives funding support/grants to startups in the country, if so, the details of the schemes/initiatives/programmes;
- (b) the details of eligibility criteria for startups under each of the initiatives, maximum funding support under each, number of startups funded, total funding given, year-wise for the last three years, including 2024; and
- (c) the details of Angel Funds, Venture Capital (VC) funds, equity funds registered in the country and Assets Under Management (AUM) under each fund?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI JITIN PRASADA)**

(a) & (b): The Government, with the objective of building a strong ecosystem for nurturing innovation, startups and encouraging investments in the startup ecosystem of the country, launched the Startup India initiative on 16th January 2016.

Under the Startup India initiative, the Government is implementing three flagship Schemes, namely, Fund of Funds for Startups (FFS), Startup India Seed Fund Scheme (SISFS) and Credit Guarantee Scheme for Startups (CGSS) to support startups at various stages of their business cycle. The details of eligibility criteria each of the Schemes are provided in their respective operational guidelines placed as **Annexure-I**.

SISFS provides financial assistance to seed stage startups through incubators. SISFS has a corpus of Rs. 945 crore. SISFS is being implemented from 1st April 2021.

FFS has been established 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 Alternative Investment Funds (AIFs) which in turn invest in startups.

CGSS is implemented for enabling collateral free loans to startups through eligible financial institutions [Member Institutes (MIs)]. CGSS is operationalized by the National Credit Guarantee Trustee Company (NCGTC) Limited and has been operationalized from 1st April 2023.

The details of the support provided to startups under the three schemes viz. SISFS, FFS and CGSS in the past 3 years viz 2021, 2022, 2023, and 2024 is placed below:

S.No.	Details	2021	2022	2023	2024 (as on 30 th June 2024)
Startup India Seed Fund Scheme					
1.	Total number of startups selected by the incubators	146	569	1025	592
2.	Total amount approved to startups by incubators (in Rs. Crore)	20.86	99.38	186.19	90.52
Fund of Funds for Startups					
1.	Total number of startups supported by the AIFs	164	251	148	96
2.	Total amount invested in the startups by supported AIFs (in Rs. Crore)	3,491	5,973.74	3,366.48	805.86
Credit Guarantee Scheme for Startups					
1.	Total number of loans guaranteed to startup borrowers	Implemented with effect from 1 st April 2023		107	75
2.	Total amount of loans guaranteed by MIs (in Rs. Crore)			271.49	154.60

- (c): With respect to details of Angel Funds, Venture Capital Funds (VCF) and equity funds registered in India, the Securities and Exchange Board of India (SEBI) maintains information with respect to the SEBI registered investors viz. Alternative Investment Funds (AIFs).

Category I AIFs include Venture Capital Funds (VCF) and Angel Funds. As per SEBI, there are 153 Category-I AIFs-VCFs registered with SEBI as on 31st March 2024, which have cumulatively raised commitments of Rs. 46,301 crore, out of which funds of Rs. 25,880 crore have been raised and investments of Rs.21,584 crore have been made. Further, there are 82 Angel Funds registered with SEBI as on 31st March 2024, which have cumulatively raised commitments of Rs. 7,053 crore, out of which funds of Rs. 3,829 crore have been raised and investments of Rs. 3,343 crore have been made.

Category II AIFs include private equity funds. As per SEBI, Category II-AIFs have invested Rs 9,151 crore in startups, as on 31st March 2024.

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE RAJYA SABHA UNSTARRED QUESTION NO. 529 FOR ANSWER ON 26.07.2024.

The details of the three flagship Schemes implemented under Startup India initiative along with operational guidelines are as follows:

- 1. Startup India Seed Fund Scheme (SISFS):**The Startup India Seed Fund Scheme has been approved for the period of 4 years starting from 2021-22 with a corpus of Rs. 945 crore. The Scheme aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry and commercialization. The Scheme is implemented from 1st April 2021. The Experts Advisory Committee (EAC), under SISFS, is responsible for the overall execution and monitoring of SISFS. The EAC evaluates and selects incubators for allocation of funds under the Scheme. As per provisions of the Scheme, the selected incubators shortlist startups based on parameters outlined in Scheme guidelines. The operational guidelines of the Scheme is accessible at: [https://dpiit.gov.in/sites/default/files/Guidelines-FundScheme-Startup 29January2021.pdf](https://dpiit.gov.in/sites/default/files/Guidelines-FundScheme-Startup%20January2021.pdf)
- 2. Fund of Funds for Startups (FFS) Scheme:** The Fund of Funds for Startups Scheme was approved and established in June 2016 with a corpus of Rs 10,000 crore, with contribution spread over the 14th and 15th Finance Commission cycle based on progress of implementation, to provide much-needed boost to the Indian startup ecosystem and enable access to domestic capital. The Scheme is operationalized by Small Industries Development Bank of India (SIDBI). Under FFS, the Scheme does not directly invest in startups, instead provides capital to SEBI-registered Alternative Investment Funds (AIFs), known as daughter funds, who in turn invest money in growing Indian startups through equity and equity linked instruments. SIDBI has been given the mandate of operating this Fund through selection of suitable daughter funds and overseeing the disbursement of committed capital. AIFs supported under FFS are required to invest at least 2 times of the amount committed under FFS in startups. The operational guidelines for FFS is accessible at: https://dpiit.gov.in/sites/default/files/Guidelines_FFS_07January2022.pdf
- 3. Credit Guarantee Scheme for Startups (CGSS):** The Government has established the Credit Guarantee Scheme for Startups for providing credit guarantees to loans extended to DPIIT recognized startups by Scheduled Commercial Banks, Non-Banking Financial Companies (NBFCs) and Venture Debt Funds (VDFs) under SEBI registered Alternative Investment Funds. CGSS is aimed at providing credit guarantee up to a specified limit against loans extended by Member Institutions (MIs) to finance eligible borrowers viz. DPIIT recognised startups. CGSS is operationalized by the National Credit Guarantee Trustee Company Limited (NCGTC). The operational guidelines for CGSS is accessible at: [https://www.ncgtc.in/en/product-details/CGSS/Credit-Guarantee-Scheme-for-Start-ups-\(CGSS\)](https://www.ncgtc.in/en/product-details/CGSS/Credit-Guarantee-Scheme-for-Start-ups-(CGSS)).
