

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

**UNSTARRED QUESTION NO. 535.
TO BE ANSWERED ON WEDNESDAY, THE 06th DECEMBER, 2023.**

STARTUP INDIA PROGRAMME

535. SHRI RAMDAS C. TADAS:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government has achieved the goals and objectives set under the Startup India programme;
- (b) if so, whether the Government proposes to launch some schemes under the Startup India programme; and
- (c) if so, the details of the said schemes including the terms and conditions thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सोम प्रकाश)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI SOM PARKASH)**

(a) to (c): The Startup India initiative was launched by the Government on 16th January 2016 to build a strong ecosystem for nurturing innovation, startups and encouraging investments in the startup ecosystem of the country.

In order to meet these objectives, the Government unveiled an Action Plan for startups comprising of schemes and incentives envisaged to create a vibrant startup ecosystem in the country. The Action Plan comprises of 19 action items spanning across areas such as "Simplification and hand holding", "Funding support and incentives" and "Industry-academia partnership and incubation".

For attaining specific objectives, various programs are implemented by the Government under the Startup India initiative. As a result of sustained efforts, the Government has recognised 1,14,902 entities as startups as on 31st October 2023.

Realising the action items of the Startup India Action Plan, the Government is implementing flagship Schemes under Startup India initiative 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 to enable startups to graduate to a level where they are able to raise investments or seek loans. The brief of each of these three Schemes along with link to their operational guidelines is placed at **Annexure-I**.

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) to (c) OF THE LOK SABHA UNSTARRED QUESTION NO. 535 FOR ANSWER ON 06.12.2023.

The brief of each of the three flagship Schemes implemented under Startup India initiative:

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

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/sites/default/files/cgss-_notification.pdf