

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

**UNSTARRED QUESTION NO. 1403.  
TO BE ANSWERED ON TUESDAY, THE 29<sup>TH</sup> JULY, 2025.**

**FUNDS FOR STARTUPS**

**1403. SMT. SANGEETA KUMARI SINGH DEO:**

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

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether the Government has taken cognizance of the underutilisation of the Funds for Startups (FFS), with only Rs. 4,552 crore disbursed out of Rs. 10,229 crore committed as of early 2024 and if so, the reasons for the disbursement lag despite a growing demand for capital support;
- (b) whether geographical distribution data is maintained to address regional disparities in startup funding, if so, the details thereof along with the number of startups from Odisha supported under the FFS scheme till date;
- (c) whether any assessments have been conducted on the barriers to e-commerce adoption among MSMEs in States like Odisha, especially in districts such as Khordha and if so, the details thereof; and
- (d) the steps taken to enhance digital infrastructure, provide training and improve logistics support to enable wider e-commerce participation by MSMEs in Odisha and similarly placed regions?

**ANSWER**

**वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)**

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

- (a):** Under the Startup India initiative, the Fund of Funds for Startups (FFS), has been established to catalyze venture capital investments for startups. It 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.

AIFs are pooled investment vehicles which raise funds from investors/ contributors and invest, inter-alia, in securities of unlisted companies such as startups. As per SEBI regulations, the AIFs indicate at the initial stage details such as the term of the AIF including period of fund raise, and the period for which investments will be made. In general, the life of an AIF is about 10 years with provision for extension by 2 years. The initial 5-6 years of the AIF's term/ life is earmarked for raising capital/commitments from other sources and thereon making investments.

AIFs evaluate startups for investments and once the investment is approved and agreements are executed, the investment by AIFs in startups takes place in tranches, over a period. **Accordingly, AIFs also draw amount from contributors**

**including FFS in tranches over a period for making investments.** Thereafter, the assisted investee companies of AIFs are mentored, nurtured and matured before exit/sale of investments.

Therefore, while the commitment is made up front to an AIF under FFS, the drawdown happens based upon demand/investments by the AIFs over the period when it makes investments in startups in tranches.

As on 30<sup>th</sup> June 2025, net commitments of Rs. 9,994 crore have been made to AIFs under the Scheme. Of these commitments, Rs. 6,221 crore has been disbursed.

- (b) :** The Government maintains State/UT-wise data of startups supported by selected AIFs under FFS and the same is placed as **Annexure-I**. Specifically from the State of Odisha, AIFs under FFS have supported 7 startups with an investment of about Rs. 35 crore as on 30<sup>th</sup> June 2025.

FFS is also playing a key role in addressing funding requirements for startups across the country, including in regions beyond metros. For instance, AIFs from Guwahati and Jaipur, and startups from Agartala, Jorhat, Patna, Puducherry, Palakkad, Shivpuri, amongst others are being supported under the Scheme. Specifically from the State of Odisha, startups from Cuttack, Khorda, Rourkela, and Ganjam are being supported under the Scheme.

Various capacity building and handholding, outreach and awareness activities are undertaken across the country to promote uptake of the FFS. For instance, online pitching sessions, venture capital fundraising and mentorship workshops, panel discussions, as well as bootcamps have been held in locations such as Bhubaneswar, Guwahati, Shillong, Coimbatore, Jaipur, Kanpur, Surat, Ranchi, Patna, Lucknow, Roorkee, Indore, Ahmedabad, Jammu, etc. Further, FFS has been supporting first-time fund managers and encouraging them to identify startups from non-metro locations for support.

- (c) &(d) :** Recognising the need to promote e-commerce adoption among MSMEs, the Government has taken various measures such as enhancing digital infrastructure, providing training and improving logistics across the country, including in the State of Odisha. The details of the initiatives are placed as **Annexure-II**.

\*\*\*\*\*

**ANNEXURE REFERRED TO IN REPLY TO PART (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 1403 FOR ANSWER ON 29.07.2025.**

**State/UT-wise details of startups supported by selected AIFs under FFS:**

State/UT	No. of Startups selected by AIFs	Amount Invested (in Rs. Crore)
Karnataka	396	7,348
Maharashtra	265	5,606
Delhi	203	3,689
Haryana	102	2,056
Tamil Nadu	57	1,336
Gujarat	29	721
Uttar Pradesh	46	659
Telangana	37	600
Rajasthan	27	365
Kerala	21	321
Madhya Pradesh	17	175
Bihar	4	163
West Bengal	15	140
Goa	2	124
Punjab	3	87
Chhattisgarh	3	54
Jammu & Kashmir	1	50
Assam	21	41
Andhra Pradesh	2	36
Odisha	7	35
Jharkhand	1	31
Chandigarh	3	17
Uttarakhand	3	8
Manipur	6	6
Puducherry	2	6
Arunachal Pradesh	2	1
Meghalaya	3	1
Tripura	2	1
Nagaland	2	1
<b>Total</b>	<b>1,282</b>	<b>23,679</b>

**ANNEXURE REFERRED TO IN REPLY TO PARTS (c) & (d) OF THE LOK SABHA UNSTARRED QUESTION NO. 1403 FOR ANSWER ON 29.07.2025.**

The Government launched the Open Network for Digital Commerce (ONDC) with the aim to promote open networks for all aspects of the exchange of goods and services over digital or electronic networks.

Various measures are being undertaken by the Government across Ministries and Departments to enable market access for small businesses under a whole-of-government approach to open commerce across the country, including the State of Odisha. These are as follows:

- i. The Ministry of Micro, Small and Medium Enterprises (MSME) has launched Trade Enablement and Marketing (TEAM) scheme, which aims at facilitating micro and small enterprises for onboarding onto ONDC by providing financial assistance to Seller Network participants (SNPs) for onboarding, cataloguing, account management, logistics, packaging material and design.
- ii. eSaras.in, the e-commerce platform under National Rural Livelihood Mission (NRLM) of Ministry of Rural Development, is live on ONDC – with operations through a central warehouse in Delhi-NCR. e-Saras is integrated with ONDC with around 800+ handcrafted products made by Self Help Groups (SHGs) now available online. Further, the Himlra brand, under Himachal Pradesh State Rural Livelihood Mission (HP SRLM), is also live on the network, showcasing rural and SHGs products nationwide.
- iii. The Ministry of Agriculture and Small Farmers Agribusiness Consortium (SFAC) are driving onboarding of Farmer Producer Organisations (FPOs) onto the ONDC network. Currently, over 7000 FPOs are live on the ONDC network. Additionally, the electronic National Agriculture Market (eNAM) is being integrated to ONDC in a phased manner to connect FPOs and small farmers to a broader digital marketplace.

ONDC is also conducting targeted training programs, workshops, and digital literacy programs, helping sellers acquire the necessary skills to succeed online. The Digital Readiness Assessment Tool, developed with the Quality Council of India (QCI), helps assess and enhance the digital capabilities of MSMEs, to prepare them for sustainable digital commerce participation.

As per inputs from Ministry of Electronics and Information Technology (MeitY), to enhance Digital infrastructure, Government has developed several digital platforms such as Aadhaar, DigiLocker, Unified Payment Interface, Unified Mobile Application for New-age Governance (UMANG), e-Sign, e-Hospital, e-Sanjeevani, Myscheme, Aarogya Setu, etc.

Further, the Government has taken various steps to address the issue of high logistics costs and improve infrastructure such as:

- i. PM (Pradhan Mantri) Gati Shakti National Master Plan enabling comprehensive and integrated planning for multimodal logistics.
- ii. National Logistics Policy (NLP), which aims to drive economic growth and business competitiveness of the country through cost-effective logistics network.
- iii. National Industrial Corridor Development Programme to create quality infrastructure