

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

**UNSTARRED QUESTION NO. 1545.
TO BE ANSWERED ON TUESDAY, THE 28TH JULY, 2026.**

NON-AVAILABILITY OF FUNDS FOR STARTUPS

1545. SHRI RAJKUMAR ROAT:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the applications of many recognised startups are rejected at the incubator level on the ground of "non-availability of funds" or for other reasons under the Startup India Seed Fund Scheme and other Central Startup Schemes, if so, the year and State-wise details of applications received, approved and rejected during the last five years, along with the reasons for such rejections;
- (b) whether the incubators do not provide detailed reasons for rejection of applications or any effective mechanism for appeal or grievance redressal in many cases, if so, the action taken by the Government in this regard; and
- (c) whether the Government has any proposals to develop a transparent online system to provide information on the status of applications, availability of funds, reasons for rejection, facility for appeal and time-bound disposal of grievances, so as to ensure that startups, particularly those belonging to Scheduled Tribes and remote areas are able to avail the benefits of these schemes, if so, the details thereof?

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) & (b):** Under the Startup India Seed Fund Scheme (SISFS), financial assistance to eligible startups is provided through selected incubators. The Experts Advisory Committee (EAC) of SISFS evaluates and selects incubators for allocation of funds. Each selected incubator under the Scheme constitutes an Incubator Seed Management Committee (ISMC), that evaluates and selects startups for seed support. ISMC determines the quantum and kind of funding (in accordance with the guidelines of SISFS) to eligible startups. Therefore, any grievances raised by startups, including those related to evaluation of applications and disbursement, are examined by the concerned incubator selected under SISFS by the EAC.

The guidelines of the SISFS are available online at:

<https://www.dpiit.gov.in/static/uploads/2025/07/eaf3e3bdae9f4d657117f18f6c91780a.pdf>

As on 30th June 2026, approved incubators have selected a total of 4,245 startups for support under the Scheme with a total approved funding of Rs. 706.33 crore. The State/Union Territory (UT)-wise details of startups supported by selected incubators under the Scheme in the last five years viz. 2021, 2022, 2023, 2024, and 2025 are placed as **Annexure-I**.

Further, other Central Startup Schemes supporting incubation, such as TIDE 2.0 (Technology Incubation and Development of Entrepreneurs) Scheme, GENESIS (Gen-Next Support for Innovative Startups) Scheme, Atal Innovation Mission (AIM), National Initiative for Developing and Harnessing Innovations (NIDHI) programmes, A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE), Biotechnology Industry Research Assistance Council (BIRAC) programmes, and Innovation and Agri-Entrepreneurship Development programme, have specific operational guidelines and framework for evaluation and selection of startups by incubators.

Grievances related to SISFS, and other schemes raised through the Centralized Public Grievance Redress and Monitoring System (CPGRAMS) are also examined and appropriate actions are taken as per extant processes/guidelines of CPGRAMS.

- (c): All programs and Schemes under the Startup India initiative, are implemented on a pan- India basis with multiple specific outreach and awareness measures undertaken to expand coverage. As detailed in part (a)&(b), Schemes have structured frameworks, digital platforms, operational guidelines, and grievance redressal mechanisms to ensure startups from across the country can avail benefits.

Specifically for incubation, under SISFS, applicants can apply for seed fund from any three incubators selected as disbursing partners for the Scheme in order of their preference, irrespective of the location of the incubator.

The Government has also developed a dedicated digital portal for end-to-end implementation of SISFS, providing a common online platform for application processing, fund management and monitoring across the country. Benefits under the Scheme are further disseminated through various outreach and social media initiatives.

Capacity-building workshops and handholding support for incubators are undertaken to promote effective implementation. Efforts are also undertaken to assist incubators and startups, particularly from non-metropolitan regions, in navigating the application process. In addition, specific initiatives for regional awareness and outreach of benefits under Startup India initiative including SISFS are undertaken through the States' Startup Ranking exercise, Innovation Week and TEJAS (Transforming Entrepreneurial Journeys Across States & Districts).

ANNEXURE-I**ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 1545 FOR ANSWER ON 28.07.2026.**

The State/UT-wise details of number of startups supported and funding approved to startups by selected incubators under the Scheme during the last five years viz. 2021, 2022, 2023, 2024 and 2025 are as under:

State/UT	Number of startups Supported by selected incubators	Funds approved to startups by selected incubators (in Rs. crore)
Andaman and Nicobar Islands	1	0.04
Andhra Pradesh	59	12.17
Arunachal Pradesh	2	0.30
Assam	43	6.63
Bihar	49	8.78
Chandigarh	17	3.17
Chhattisgarh	24	2.88
Delhi	218	43.18
Goa	24	3.43
Gujarat	223	42.00
Haryana	149	28.71
Himachal Pradesh	23	3.48
Jammu and Kashmir	14	2.36
Jharkhand	17	3.60
Karnataka	404	89.37
Kerala	71	13.86
Madhya Pradesh	129	20.27
Maharashtra	533	105.33
Odisha	112	15.10
Puducherry	6	0.90
Punjab	50	8.50
Rajasthan	129	22.20
Sikkim	2	0.20
Tamil Nadu	316	54.71
Telangana	200	42.34
Uttar Pradesh	244	38.51
Uttarakhand	23	4.84
West Bengal	52	8.19
