

Startup India Seed Fund Scheme- For StartupsAre you sure you want to sign out?CancelSign OutEngEnglish/à¸à¸à¸à¸à¸à¸Sign InBackDetailsBenefitsEligibilityApplication ProcessDocuments RequiredFrequently Asked QuestionsSources And ReferencesFeedbackSomething went wrong. Please try again later.OkYou need to sign in before applying for schemesCancelSign InSomething went wrong. Please try again later.OkIt seems you have already initiated your application earlier.To know more please visit CancelApply NowCheck EligibilityMinistry Of Commerce And IndustryStartup India Seed Fund Scheme- For StartupsFinancial AssistanceGrantIncubatorSeed FundStartupDetailsThe scheme ‘Startup India Seed Fund Scheme (SISFS)’ was launched by the Department for Promotion of Industry and Internal Trade (DPIIT) on 19th April 2021 with an outlay of INR 945 Crore to provide financial assistance to startups for Proof of Concept, prototype development, product trials, market-entry, and commercialization. Eligible startups can apply for the scheme on the Startup India portal. The Seed Fund will be disbursed to selected startups through eligible incubators across India.Objective Of The Scheme:Startup India Seed Fund Scheme (SISFS) aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market-entry, and commercialization. This would enable these startups to graduate to a level where they will be able to raise investments from angel investors or venture capitalists or seek loans from commercial banks or financial institutions.Features:‘Year-round ‘Call for Applications’™ for Incubators and Startups’ ‘Sector-agnostic’ ‘No mandatory physical incubation’ ‘PAN-India startup programme’ ‘Startups can apply to 3 incubators simultaneouslyBenefitsSeed Funds to an eligible startup by the incubator shall be disbursed as follows:Up to ‘120 Lakhs as a grant for validation of Proof of Concept, prototype development, or product trials. The grant shall be disbursed in milestone-based installments. These milestones can be related to the development of prototypes, product testing, building a product ready for market launch, etc.Up to ‘150 Lakhs of investment for market entry, commercialization, or scaling up through convertible debentures or debt or debt-linked instruments.Seed funds shall strictly not be used by startups for the creation of any facilities and shall be utilized for the purpose it has been granted for.Note 01: Not more than 20% of the total grant to an incubator shall be given as grants to start-ups by the incubator. The rate of interest (as defined under GFR) on unutilized funds available with the incubator would also be taken into account and adjusted at the time of the next release by DPIIT.Note 02: For startups being supported through convertible debentures or debt, or debt-linked instruments, funds shall be provided at a rate of interest of not more than the prevailing repo rate. The tenure should be fixed at the time of sanctioning the loan by the incubator, which shall be not more than 60 months (5 years). A moratorium of up to 12 months may be provided for the startups. Because of the early stage of the startups, this shall be unsecured and no guarantee from the promoter or third party will be required.Note 03: The incubator shall execute a legal agreement with the selected startups before the release of the first installment. The incubators shall ensure that the necessary terms and conditions, including milestones, related to the Seed Fund are detailed in the agreement.Note 04: Subsequent disbursement would be linked to the achievement of previously specified milestones as per agreement between the startup and incubator.Note 05: Startups will receive the funds in their company bank accounts.Note 06: For grants, the first installment to any selected startup shall be released not more than 60 days from receipt of the application from the startup. The startup shall submit the interim progress update and utilization certificate to initiate the release of subsequent installments of the grant.Note 07: Startup shall submit a final report and audited utilization certificate at the end of the project duration. For failed ventures, the entrepreneur will share his/her learnings and the reasons for failure in the report and submit this along with the utilization certificate for the fund amount.Note 08: The incubator or any of its staff members shall not charge any fee in cash or in kind from applicants or beneficiaries under the scheme for any process of selection, disbursement, incubation, or monitoring.Note 09: A grievance cell shall be set up at DPIIT for the scheme to address issues of applicants, such as delayed evaluation of applications, delayed disbursements by incubators, etc.EligibilityThe eligibility criteria for a startup to apply under the Startup India Seed Fund Scheme shall be as follows:A startup, recognized by DPIIT, incorporated not more than 2 years ago at the time of application.Startups must have a business idea to develop a product or a service with market fit, viable commercialization, and scope of scaling.A startup should be using technology in its core product or service, or business model, or distribution model, or methodology to solve the problem being targeted.Preference would be given to startups creating innovative solutions in sectors such as social impact, waste management, water management, financial inclusion, education, agriculture, food processing, biotechnology, healthcare, energy, mobility, defense, space, railways, oil and gas, textiles, etc.The startup should not have received more than ‘110 lakhs of monetary support under any other Central or State Government scheme. This does not include prize money from competitions and grand challenges, subsidized working space, founder monthly allowance, access to labs, or access to a prototyping facility.Shareholding by Indian promoters in the startup should be at least 51% at the time of application to the incubator for the scheme, as per the Companies Act, 2013 and SEBI (ICDR) Regulations, 2018.A startup applicant can avail seed support in the form of grants and debt/convertible debentures each once as per the guidelines of the scheme.Application ProcessOnlineApplication Procedure:Step 01: An online call for applications shall be hosted on an ongoing basis on the Startup India portal.Step 02: The DPIIT-recognized startup can apply through the official Startup India Portal (https://seedfund.startupindia.gov.in/).Step 03: On the home page, click on the ‘Apply Now’ button and proceed with ‘Apply Now’™ for startups.Step 04: The startup can login using the credentials used during the startup recognition process to apply for the scheme and submit the application form.Step 05: Applicants can apply for seed funds to any three incubators selected as disbursing partners for this scheme in order of their preference.Note 01: The application submission is completely online, and no physical submission of documents is required. Note 02: All applications received will be shared online with respective incubators for further evaluation.Note 03: The applicant may be asked to submit details on the team profile, problem statement, product/service overview, business model, customer profile, market size, quantum of funds needed, projected utilization plan for funds, etc.Note 04: There are no application fees for the scheme. Even after the selection of a startup by an incubator for assistance under this scheme, the startup shall not be charged any fees. The incubator or any of its staff members shall not charge any fee in cash or in kind from applicants or beneficiaries under the scheme for any process of selection, disbursement, incubation, or monitoring. Selection of Startups:1. Each of the incubators applying for the Startup India Seed Fund Scheme will constitute a committee called the Incubator Seed Management Committee (ISMC), consisting of experts who can evaluate and select startups for seed support. The composition of ISMC would be as follows:‘Nominee of Incubator (Chairman)’ ‘Representative from the State Government’ ‘Startups Nodal Team’ ‘Representative of a Venture Capital Fund or Angel Network’ ‘A domain expert from Industry’ ‘A domain expert from academia’ ‘Two Successful Entrepreneurs’ ‘Any other relevant StakeholderThe final composition and members of ISMC of each incubator shall be approved by EAC and will be a critical parameter in the selection of incubators2. The startups shall be selected through an open, transparent, and fair process, comprising, inter-alia:a) Eligible applications will be evaluated by ISMC using the following criteria:‘Need for this Idea: Market size, market gap filling, solving a real-world problem’ ‘Feasibility: Feasibility and reasonability of the technical claims, methodology used/ to be used for PoC and validation, and roadmap for product development.’ ‘Potential Impact: Customer demographic & the technology’™s effect on these, national importance (if any)’ ‘Novelty: USP of the technology, associated IP’ ‘Team: Strength of the team, Technical and business expertise’ ‘Fund Utilization Plan: Roadmap of money utilization’ ‘Additional Parameters: Any additional parameters considered appropriate by the incubator’ ‘Presentation: Overall assessmentb) The incubator may shortlist applicants based on their evaluation for a presentation before ISMCc) ISMC shall evaluate

applicants based on their submissions and presentations and select startups for Seed Fund within 45 days of receipt of the application)

All incubators shall provide information about the progress of the evaluation of startups in real-time to the Startup India portale) Selected startups shall receive seed funding under the respective incubator that selects them as beneficiaries as per their preference shared during application (for example, if incubators at Preference 1 and Preference 2 both select a startup, the funding shall be given by Preference 1 incubator. If the Preference 1 incubator rejects and the Preference 2 incubator selects, the funding shall be given by the incubator at Preference 2, and so on.)f) All applicants will be able to track the progress of their application on the Startup India portal on a real-time basisg) Applicants who are rejected will also be notified through emailh) An applicant, if rejected once, may apply afreshDocuments Required1. Board resolution/Authorization Letter/PoA2. PAN Card3. GST number4. Aadhaar Card5. Bank account details6. Certificate of incorporation/ partnership deed7. Financial statements 8. A video about your startup describing your product, service or business model9. Any other relevant documents, as required.Frequently Asked QuestionsWhat is Startup India Seed Fund Scheme?Startup India Seed Fund Scheme (SISFS) provides financial assistance to startups for proof of concept, prototype development, product trials, market-entry, and commercialization. Eligible startups can apply for the scheme on the Startup India portal. The Seed Fund will be disbursed to selected startups through eligible incubators across India.Who can apply to SISFS?A startup, recognized by DPIIT, incorporated not more than 2 years ago at the time of application is invited to apply for the scheme.How much seed funding can a startup receive under the scheme?Seed Funds to an eligible startup by the incubator shall be disbursed as follows: 1. Up to â, '20 Lakhs as a grant for validation of Proof of Concept, or prototype development, or product trials. The grant shall be disbursed in milestone-based installments. These milestones can be related to the development of prototypes, product testing, building a product ready for market launch, etc. 2. Up to â, '50 Lakhs of investment for market entry, commercialization, or scaling up through convertible debentures or debt or debt-linked instruments 3. A startup applicant can avail seed support in the form of grants and debt/convertible debentures each once as per the guidelines of the schemeCan I apply for the scheme as an individual entrepreneur, or do I need a team?No, individual entrepreneurs are not eligible to apply for support under the scheme. Only DPIIT recognized startups can apply for the SISFS.Does the scheme support startups from specific sectors?SISFS is a sector agnostic scheme, which means that startups from any sector can apply for the scheme. However, preference would be given to startups creating innovative solutions in sectors such as social impact, waste management, water management, financial inclusion, education, agriculture, food processing, biotechnology, healthcare, energy, mobility, defense, space, railways, oil and gas, textiles, etc. This list of sectors is indicative and not exhaustive.Are there any minimum education qualification criteria for founders to apply for SISFS?There is no minimum education qualification required for founders to apply for SISFS.Are there any exemptions to any of the eligibility criteria?No, there are no exemptions to any of the eligibility criteria. All the criteria must be met on the date of application submission.What is a DPIIT-recognized startup?An entity shall be considered a "Startup" 1. If itâ€™s incorporated as either Private Limited Company or Registered Partnership Firm or Limited Liability Partnership. A sole proprietorship or a public limited company is not eligible as startup. 2. If it is up to 10 years from the date of its incorporation/ registration. 3. If its turnover for any of the financial years has not exceeded INR 100 crore. 4. If it is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation. 5. Should not have been formed by splitting up or reconstruction of a business already in existence.What all can I use the seed fund for?Seed fund shall strictly not be used by startups for creation of any facilities and shall be utilized for the purpose it has been granted for. A grant can be used for validation of Proof of Concept, or prototype development, or product trials. A debt/ convertible debenture can be used for Market entry, Commercialization, or Scaling up.How can I apply to SISFS?An online call for applications is hosted on an ongoing basis on the Startup India portal will be opened soon. DPIIT-recognized startups can login using the credentials used during the startup recognition process to apply for the scheme.Is the SISFS application process completely online?The application submission is completely online, and no physical submission of documents is required.Is there a fee for applying to this scheme?There are no application fees for the scheme. Even after the selection of a startup by an incubator for assistance under this scheme, the startup shall not be charged any fees. The incubator or any of its staff members shall not charge any fee in cash or in kind from applicants or beneficiaries under the scheme for any process of selection, disbursement, incubation, or monitoring.Why is the application form allowing me to apply to 3 incubators?The scheme aims to maximize the chances of each startup applicant getting supported through seed funds. It also aims to give startups an opportunity to get supported by a relevant incubator that can give the necessary guidance to them. Thus, we give startups an option to apply to 3 different incubators according to their preference. For example, if incubators at Preference 1 and Preference 2 both select a startup, the funding shall be given by Preference 1 incubator. If Preference 1 incubator rejects and Preference 2 incubator selects, the funding shall be given by incubator at Preference 2, and so on.How do I choose the incubators to apply to?The incubator preference should be filled at the startup applicantsâ€™ discretion. Applicants can choose incubators basis their sector, stage, business needs, and strategic goals. Details of the incubators which are part of the scheme will be available on Seed Fund Portal soon.Is the information provided by me in the application form kept confidential?We maintain confidentiality of all the proposals we receive under the scheme. Your application is only shared with the incubators you apply to for the purpose of evaluation, and with the EAC for the purpose of monitoring.Do I need to be physically present at an incubatorâ€™s premises to avail seed funds under this scheme?To apply for the scheme, it is not mandatory to be physically present at the incubatorâ€™s location. For startups being monitored virtually by the incubator, it is required for both parties to touch base every 30 days. This is to ensure that an incubator will be able to keep a check on the progress of the startup and a startup will be able to take guidance for their business from the incubator.Can I apply to the Startup India Seed Fund Scheme again after receiving a rejection?Yes, you can apply to the SISFS again after 3 months of receiving a rejection. This buffer time is given to ensure that you have worked on the feedback received from incubators and are ready to be considered again.Who is going to review my application?Application of each startup will be reviewed by an Incubator Seed Management Committee (ISMC) formed by the incubators you apply to. The committee will also be responsible for future assessment of the performance of the startup and disbursement of further tranches. Each ISMC constitutes of the following members: 1. Nominee of Incubator (Chairman) 2. A representative from the State Governmentâ€™s Startup Nodal Team 3. A representative of a Venture Capital Fund or Angel Network 4. A domain expert from Industry 5. A domain expert from academia 6. Two successful Entrepreneurs 7. Any other relevant StakeholderHow much time will it take for my application to get processed?After the receipt of the application, each Incubator shall evaluate applicants based on their submissions and presentations and select startups for Seed Fund within 45 days.How can I track the status of my application?Once the startup has submitted its seed fund scheme application, a dashboard can be accessed using their login credential to check the real-time application status.I had filled an order of preference for incubators while applying. Can I change this preference order after application?Applications once filled and submitted are final. The preference order of the incubator cannot be changed at a later stage.I need to hire a legal or financial consultant for my seed fund discussions with the incubator. Who will bear the cost of these services?The startup shall bear the cost of any consultants required to guide them through documentation, negotiations with incubator, signing of agreement with incubator, reporting progress after approval of seed fund, etc. Hiring such an external consultant is not mandatory at all, and shall be at the discretion of the startup.I have been selected for seed fund. Is it mandatory to sign a legal agreement with the incubator?Yes, it is mandatory to sign a legal agreement with the incubator to avail the seed fund you

have been granted. I had applied for a certain amount of seed fund, but the approved amount is lower/higher. Can I negotiate this? The applicant can discuss the quantum of seed fund and the milestones associated with the tranches to be disbursed with the Incubator Seed Management Committee. The decision of the Committee shall be final. Will my living expenses be borne if I want to be physically incubated at the incubator that is funding me? The selected incubator shall provide physical infrastructure to the selected startups for regular functioning, support for testing and validating ideas, mentoring for prototype or product development or commercialization, and developing capacities in finance, human resources, legal compliances, and other functions. They are also expected to provide networking with investors and opportunities for showcasing in various national and international events. Any other expenses, including living expenses, shall be borne by the startup. How much time will it take for the first installment of the seed fund to be released to me? For grants, the first installment to any selected startup shall be released not more than 60 days from receipt of application from the startup. The startup shall submit the interim progress update and utilization certificate to initiate the release of subsequent installment of grant. For debt or convertible debentures, a similar timeline will be aimed but it is understood that due diligence and documentation in these cases can be sometimes time-consuming. Where can I receive the seed funds? Startups will receive the funds in their company bank accounts. How often do I have to report back my progress after receiving seed fund? Each startup will be required to touch base with the incubator team and share updates with them at least once in 15 days via videoconferences or physical meetings. These updates should be shared on the scheme dashboard at least on a monthly basis. In case of milestone-based disbursements, startup shall submit the interim progress update and utilisation certificate to initiate the release of subsequent installment of grant. Startup shall also submit final report and audited utilisation certificate at the end of the project duration. I have been selected for seed fund, but I would not like to take the process forward. What do I do? A startup can choose to not avail the support being offered to them under the scheme. The procedure for the same depends on the stage of the startup in the application process. 1. If the startup has been selected and the seed funding has been approved, they will be required to write a short letter mentioning the reason to pull out of the process. Post the acknowledgment of the letter, they will find a cancel application button on the application tracker tab of their dashboard which will allow them to cancel their application. 2. If the startup has already received any seed fund, it will be required to write a short letter mentioning the reason to pull out of the process. Post acknowledgment of the letter, they will be required to return the fund within 15 days. Post the acknowledgment of refund, they will find a cancel application button on the application tracker tab of their dashboard. What if my startup fails after receiving the seed fund? Will there be any liability on me or my company? It is understood that every startup cannot be successful. The legal agreement that you sign with the incubator will have provisions related to failure of startups supported under the scheme. For failed ventures, the entrepreneur shall share his/her learnings and the reasons for failure in the report and submit this along with the utilization certificate for the fund amount. Sources And References Official Website Startup India Portal DPIIT Website Guidelines- English Guidelines- Hindi Operational Guidelines For Fund Of Funds For Startups Ok Was this helpful? News and Updates No new news and updates available Share Something went wrong. Please try again later. Ok You need to sign in before applying for schemes Cancel Sign In Something went wrong. Please try again later. Ok It seems you have already initiated your application earlier. To know more please visit Cancel Apply Now Check Eligibility Ministry Of Commerce And Industry Startup India Seed Fund Scheme- For Startups Financial Assistance Grant Incubator Seed Fund Startup Details Benefits Eligibility Application Process Documents Required Frequently Asked Questions The scheme "Startup India Seed Fund Scheme (SISFS)" was launched by the Department for Promotion of Industry and Internal Trade (DPIIT) on 19th April 2021 with an outlay of INR 945 Crore to provide financial assistance to startups for Proof of Concept, prototype development, product trials, market-entry, and commercialization. Eligible startups can apply for the scheme on the Startup India portal. The Seed Fund will be disbursed to selected startups through eligible incubators across India. Objective Of The Scheme: Startup India Seed Fund Scheme (SISFS) aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market-entry, and commercialization. This would enable these startups to graduate to a level where they will be able to raise investments from angel investors or venture capitalists or seek loans from commercial banks or financial institutions. Features: "Year-round "Call for Applications"™ for Incubators and Startups" "Sector-agnostic" "No mandatory physical incubation" "PAN-India startup programme" "Startups can apply to 3 incubators simultaneously" Ok Was this helpful? Share News and Updates No new news and updates available ©2024 Powered by Digital India Corporation (DIC) Ministry of Electronics & IT (MeitY) Government of India @ Quick Links About Us Contact Us Screen Reader Accessibility Statement Frequently Asked Questions Disclaimer Terms & Conditions Useful Links Get in touch 4th Floor, NeGD, Electronics Niketan, 6 CGO Complex, Lodhi Road, New Delhi - 110003, India support-myscheme[at]digitalindia[dot]gov[dot]in (011) 24303714 Last Updated On : 28/03/2024 | v-2.1.1