

[Startup India Seed Fund Scheme- For Incubators](#) Are you sure you want to sign out? Cancel Sign Out Eng English / हिंदी / বাংলা / ગુજરાતી / తెలుగు / தமிழ் / ಕನ್ನಡ / བོད་སྐད་ཡིག་ / ལོ་རྒྱུ་བྲིས།
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 IncubatorsFinancial AssistanceIncubatorSeed 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 simultaneouslyBenefitsA Grant of up to ₹5 (five) crore would be provided to a selected incubator in milestone-based three (or) more installments.A component of Management Fee @ 5% of the Seed Fund grant to the incubator will be provisioned (i.e. if an incubator is granted ₹1 crore of Seed Fund, then by including management fee @ 5%, the total assistance would be ₹1.050 crore).Note 01: The exact quantum of grant and installments for each incubator will be decided by the Experts Advisory Committee (EAC) based on its evaluation.Note 02: Incubators shall use the grant only for disbursement to eligible startups and shall not use the grant for facility creation or any other expenses.Note 03: The Management Fee provisioned for incubators shall not be used by the incubator for facility creation or any other administrative expenses. The Management Fee will be utilized for administrative expenditure, selection and due diligence of startups, and monitoring of the progress of beneficiary startups.Note 04: Installments shall be released to incubators upon submission of proofs of achievement of milestones as decided by EAC. A Proportionate Management fee shall also be released with each installment.Note 05: The quantum of the first installment may be up to 40% of the total approved commitment. When the cash-in-hand of the incubator goes below 10% of the total commitment by EAC, the Incubator may request for the next installment, which shall be released to the incubator within 30 days of submission of proof of achievement of milestones.Note 06: The grant should be utilized fully by the incubator within a period of three years from the date of receipt of the first installment of funds.Note 07: If the Incubator has not utilized at least 50% of the total commitment within the first 2 years, then the Incubator will not be eligible for any further drawdowns. It will return all unutilized funds along with interest.Note 08: Interest earned on all unutilized funds available with incubators shall be taken into account and adjusted at the time of the next release.Note 09: The financing of beneficiaries will be done with efficiency and care. Selected incubators would be responsible for proper management and disbursement of the Seed Fund.Note 10: The selected incubator shall maintain a transparent process of selection, monitoring, and disbursement mechanism for the fund. Seed Fund would be disbursed to selected startups after due diligence by the incubator.Note 11: The incubators shall be responsible for providing 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 at various national and international events. If the selected startup does not want to utilize the physical infrastructure of the incubator, the incubator shall offer all other resources and services to the startup.Note 12: A startup selected by an incubator for assistance under this scheme shall not be charged any fees.EligibilityThe eligibility criteria for an incubator to apply in the Startup India Seed Fund scheme are as follows:
1. Incubator must be a legal entity: a) A society registered under the Societies Registration Act 1860, or b) A Trust registered under the Indian Trusts Act 1882, or c) A Private Limited company registered under the Companies Act 1956 or the Companies Act 2013, or d) A statutory body created through an Act of the legislature.
2. The incubator should be operational for at least two years from the date of application to the scheme.
3. The incubator must have facilities to seat at least 25 individuals.
4. The incubator must have at least 5 startups undergoing incubation physically on the date of application.
5. The incubator must have a full-time Chief Executive Officer, experienced in business development and entrepreneurship, supported by a capable team responsible for mentoring startups in testing and validating ideas, as well as in finance, legal, and human resources functions.
6. Incubator should not be disbursing seed funds to incubatees using funding from any third-party private entity.
7. The incubator must have been assisted by the Central/State Government(s).
8. In case the incubator has not been assisted by Central or State Government(s):
a) The incubator must be operational for at least three years.
b) Must have at least 10 separate startups undergoing incubation in the incubator physically on the date of application.
c) Must present audited annual reports for the last 2 years.
Note: Any additional criteria as may be decided by the Experts Advisory Committee (EAC).Application ProcessOnlineApplication Procedure:Step 01: The Call for Applications for incubators will be open online throughout the year.Step 02: Online Applications will be invited from incubators across India to participate in the scheme on https://www.startupindia.gov.in or any other platform specifically designated for the purpose. (https://seedfund.startupindia.gov.in/)Step 03: Applicants need to register on the Startup India portal, if not registered, using their details.Step 04: After successful registration, the applicant can login and apply under the scheme by selecting “Incubator”™.Note 01: The application submission is completely online, and no physical submission of documents is required. Note 02: 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.Note 03: An incubator can reapply for funds under the Scheme when it has disbursed or committed its entire previously released grant.Selection of Incubators:Incubators shall be selected on the basis of the following parameters:
1. Fulfillment of eligibility criteria
2. Quality of the team of Incubator
3. Available infrastructure, testing labs, etc.
4. Composition of Incubator Seed Management Committee (ISMCI)
5. Incubation support provided by incubator in the last three years:
No. of startups incubated
No. of startups graduated, i.e. progressed from one stage of the business development cycle to the next
No. of startups that raised follow-on investments
No. of startups that crossed revenue of Rs 1 Cr in the last 1 year
2-year survival rate of startups from the date of joining incubator
6. Funding support extended to incubatees in the last three years:
Investment agreements signed between incubators and startups
No. of startups invested in
Total corpus allocated to incubatees
Total investments raised by incubatees from external sources
7. Mentoring provided to incubatees in the last three years:
No. of mentors hired
Average mentoring hours allocated per startup per month
No. of IP (patents, copyrights, designs, and trademarks) registered by incubatees
8. Other support extended to incubatees in the last three years:
Industry/Corporate connects
Events held for stakeholder engagements
Participation in other events
9. Number of startups that the incubator intends to support
10. Quantum of funds applied for, along with fund deployment plan with timelines
11. Any other relevant parameters that decided by the Experts Advisory Committee (EAC).Documents RequiredProof of legal entity IncubatorProof of assistance from Central/State GovernmentIncorporation CertificatePAN Card of legal entityBoard Resolution / Authorisation letter /

PoA Aadhaar Card of authorized signatory Audited Annual Report for last 2 years Agreement between incubator and startup Pictures of facilities CVs of full-time employees Working for the Incubation Center Incubator Pitch deck Self-declaration from authorized signatory of the incubator Any other relevant document Frequently Asked Questions

What 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.

What is the eligibility criteria for incubators to apply for SISFS? Any Indian incubator operational for at least two years (for Government-supported incubators) and for three years (for incubators non-supported by Government) on the date of application can apply to the scheme.

What is the quantum of funds offered by the scheme to a selected incubator? A Grant of up to ₹ 5 (five) crore would be provided to a selected incubator in milestone-based three (or) more installments. The exact quantum of grant and installments for each incubator will be decided by the Experts Advisory Committee (EAC) based on its evaluation.

Is there a Management Fee provisioned in the scheme for selected incubators? Yes, a component of Management Fee @ 5% of Seed Fund grant to the incubator will be provisioned (i.e. if an incubator is granted ₹ 1 crore of Seed Fund, then by including management fee @ 5%, the total assistance would be ₹ 1.050 crore). The Management Fee will be utilized for administrative expenditure, selection and due diligence of startups, and monitoring of progress of beneficiary startups. The Management Fee provisioned for incubators shall not be used by the incubator for facility creation or any other administrative expenses. As Installments of the Grant are released to incubators, proportionate Management fee shall also be released with each installment.

What can the incubator use this Grant of up to ₹ 5 Cr. for? Incubators shall use the grant for disbursement of seed fund to eligible startups as follows:

1. Up to ₹ 20 Lakhs as 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 development of prototype, product testing, building a product ready for market launch, etc.
2. Up to ₹ 50 Lakhs of investment for market entry, commercialization, or scaling up through convertible debentures or debt or debt-linked instruments.
3. Not more than 20% of the total grant to an incubator shall be given as grants to startups by incubator.
4. A startup applicant can avail seed support in the form of grant and debt/convertible debentures each once as per the guidelines of the scheme. Incubators shall not use the grant for facility creation or any other expenses. A component of Management Fee @ 5% of Seed Fund grant to the incubator will be provisioned (i.e. if an incubator is granted ₹ 1 crore of Seed Fund, then by including management fee @ 5%, the total assistance would be ₹ 1.050 crore). The Management Fee will be utilized for administrative expenditure, selection and due diligence of startups, and monitoring of progress of beneficiary startups. The Management Fee provisioned for incubators shall not be used by the incubator for facility creation or any other administrative expenses.

How much time does the incubator have to disburse the entire sanctioned fund to startups? The grant should be utilized fully by the incubator within a period of three years from the date of receipt of the first installment of funds. If the Incubator has not utilized at least 50% of the total commitment within the first 2 years, then the Incubator will not be eligible for any further drawdowns. It will return all unutilized funds along with interest.

What are my responsibilities under this scheme? The incubators shall be responsible for providing 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. If the selected startup does not want to utilize the physical infrastructure of the incubator, the incubator shall offer all other resources and services to the startup.

What is the ISMC? 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:

1. Nominee of Incubator (Chairman)
2. Representative from State Government
3. Startup Nodal Team
4. Representative of a Venture Capital Fund or Angel Network
5. A domain expert from Industry
6. A domain expert from academia
7. Two successful Entrepreneurs
8. Any other relevant Stakeholder

The final composition and members of ISMC of each incubator shall be approved by EAC and will be a critical parameter in selection of incubators.

I am not able to find relevant members for ISMC. Can Startup India or EAC help me find members? Startup India or EAC shall not be directly involved in constituting the members of ISMC at each incubator. It is the responsibility of the selected incubator to constitute the ISMC.

How can I apply to SISFS? An online call for applications is hosted on an ongoing basis on the Startup India portal at <https://www.startupindia.gov.in>

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.

Do I need to have a pool of startups ready to fund when I apply for the scheme? No. A central Call for Applications for startups will be hosted by DPIIT on Startup India portal. Applicants can apply for seed fund to any three incubators selected as disbursing partners for this scheme in order of their preference. All applications received will be shared online with respective incubators for further evaluation.

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 EAC for the purpose of evaluation and monitoring.

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.

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? An Experts Advisory Committee (EAC) has been constituted by DPIIT will evaluate and select incubators for allotment of Seed Funds, monitor progress, and take all necessary measures for efficient utilization of funds towards the fulfilment of objectives of the Startup India Seed Fund Scheme.

What are the evaluation criteria for the SISFS? Incubators shall be selected based on the following parameters:

1. Fulfillment of eligibility criteria
2. Quality of the team of Incubator
3. Available infrastructure, testing labs etc.
4. Composition of ISMC
5. Incubation support provided by incubator in last three years:
 - No. of startups incubated
 - No. of startups graduated, i.e. progressed from one stage of business development cycle to the next
 - No. of startups that raised follow on investments
 - No. of startups that crossed a revenue of Rs 1 Cr in last 1 year
 - 2-year survival rate of startups from the date of joining incubator
6. Funding support extended to incubatees in last three years:
 - Investment agreements signed between incubator and startups
 - No. of startups invested in
 - Total corpus allocated to incubatees
 - Total investments raised by incubatees from external sources
7. Mentoring provided to incubatees in last three years:
 - No. of mentors hired
 - Average mentoring hours allocated per startup per month
 - No. of IP (patents, copyrights, designs, and trademarks) registered by incubatees
8. Other support extended to incubatees in last three years:
 - Industry/Corporate connects
 - Events held for stakeholder engagements
9. Participation in other events
10. Number of startups that the incubator intends to support
11. Quantum of funds applied for, along with fund deployment plan with timelines

Any other relevant parameters that decided by the EAC? What is the process of evaluation? The Call for Applications for incubators will be open online throughout the year. Experts Advisory Committee (EAC) will

convene at least quarterly to: 1. Evaluate the applications received during the period 2. Select incubators for funds under the Scheme 3. Decide the total amount of fund and number of installments in which it is to be allocated to each incubator 4. Specify milestones to be achieved by each incubator for release of installments

How much time will it take for my application to get processed? The Call for Applications for incubators will be open online throughout the year. Experts Advisory Committee (EAC) will convene at least quarterly to evaluate the applications received during the period, select incubators for funds under the Scheme and, decide the total amount of fund and number of installments in which it is to be allocated to each incubator.

How can I track the status of my application? Once the incubator has submitted its seed fund scheme application, they will get access to their respective dashboard. The dashboard can be accessed using their login credential to check the real-time application status.

I have been selected for seed fund, but the terms and conditions being set by the EAC are not agreeable to me. What should I do? Features of the scheme, as mentioned in Guidelines on <https://dipp.gov.in/sites/default/files/Guidelines-FundScheme-Startup-29January2021.pdf>, are non-negotiable. Any other terms, such as quantum of fund, quantum of each tranche, or milestones, are to be negotiated between the EAC and the incubator only. If a selected incubator chooses to not participate in the scheme for any reason, they can communicate the same to DPIIT and the EAC.

What is the process of fund disbursement to be followed by incubators after getting selected by the EAC? After approval by EAC, the following actionables must be completed before release of first instalment:-

- Before issuance of Sanction Order to Incubator from DPIIT (through email):-
1. To open a Trust and Retention Account in any Nationalized Bank by the Incubator and share the ECS mandate form signed by the bank in prescribed format
2. To share details on Public Financial Management System (PFMS) a. For Incubators already registered on PFMS: To share Unique PFMS Agency Code b. For Incubators not registered on PFMS: To share following information -

- i. Type of registration: ii. PAN Number: iii. Agency Name: iv. Act or Registration No: v. Registering Authority: vi. Registering Authority Name: vii. State Of Registration: viii. TIN Number: ix. TAN Number: x. Father/Husband Name: xi. Birth Date: xii. GST Number: xiii. Full Address: xiv. Contact Person: xv. Designation: xvi. Phone Number: xvii. STD Code: xviii. Phone Number: xix. Mobile Number: xx. Email: xxi. Agency Name In Bank: xxii. Bank Name: xxiii. IFSC Code: xxiv. Account Number: 3. To share the ID of registration on Darpan Portal of NITI Aayog (www.ngodarpan.gov.in).

After Issuance of Sanction Order to ensure release of funds:-

- Below mentioned documents need to be shared through email at sis-dipp@gov.in and physical copy through post at the following address: (Startup India Section, Room No.: 435A, DPIIT, Ministry of Commerce & Industry, Udyog Bhawan, New Delhi - 110011)
1. To furnish TRA Agreement signed by the concerned bank and Incubator
2. To send pre-receipt in prescribed format affixing revenue stamp and signing across
3. To send an undertaking that it will comply with all the terms and conditions stipulated in the sanction order, including that the incubator will not avail any funds from any other Ministry/Department of Government of India or State Government for this purpose under SISFS.

How much time will it take for the seed fund to be released to a selected incubator? Experts Advisory Committee (EAC) will convene at least quarterly to evaluate incubator applications and select incubators for funds under the Scheme. The exact quantum of grant and instalments for each incubator will be decided by the Experts Advisory Committee (EAC) based on its evaluation. DPIIT will release the first tranche of funds to the incubator as per the directions of EAC. When the cash-in-hand of the incubator goes below 10% of the total commitment by EAC, the Incubator may request for the next installment, which shall be released to incubator within 30 days of submission of proof of achievement of milestones. The incubator shall submit the interim progress update and utilisation certificate to initiate the release of subsequent installment of grant.

How many tranches with the sanctioned seed fund be released in to the selected incubators? A Grant of up to ₹15 (five) crore would be provided to a selected incubator in milestone-based three (or) more installments. The exact quantum of grant and instalments for each incubator will be decided by the Experts Advisory Committee (EAC) based on its evaluation. The quantum of first installment may be up to 40% of total approved commitment.

Where can selected incubators receive funds? Each selected incubator shall maintain an exclusive, project-specific Trust and Retention Account (TRA) with any nationalized bank.

How often do I have to report back my progress after receiving seed fund?

1. Each Incubator shall provide information on progress of selected startups (see Para 10 of guidelines) real-time to Startup India through their online dashboards and shall present the same to EAC on a quarterly basis
2. Incubator shall also report return on investment for each Startup.
3. Each incubator shall report the funds sanctioned, received, and disbursed to each startup for each financial year
4. Incubators would also submit detailed report on status of utilization of funds and audited expenditure for each financial year

I want to quit the scheme. What are the provisions? An incubator can quit the scheme. The procedure for the same depends on the stage of the incubator in the application process.

1. If the incubator has been selected and the first tranche is 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 incubator has already received the first tranche, 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 obliged to return the fund along with the interest accumulated within 15 days. Post the acknowledgment of refund, they will find a cancel application button

What is the process for selecting startups for seed fund?

1. An online call for applications shall be hosted for startups on an ongoing basis on the Startup India portal
2. Applicants can apply for seed fund to any three incubators selected as disbursing partners for this scheme in order of their preference
3. All applications received will be shared online with respective incubators for further evaluation
4. The incubators shall shortlist applicants as per eligibility criteria
5. Incubator may shortlist applicants based on their evaluation for a presentation before ISMC
6. ISMC shall evaluate applicants based on their submissions and presentations and select startups for Seed Fund within 45 days of receipt of application
7. All incubators shall provide information about progress of evaluation of startups real-time to Startup India portal
8. Selected startups shall receive seed funding under the respective incubator that selects them as beneficiaries as per their preference shared during application
9. Incubator shall conduct due diligence of the startups and sign legal agreement with them
10. For grants, the first installment to any selected startup shall be released not more than 60 days from receipt of application from the startup.

Do incubators need the approval of EAC for selecting or funding a startup? No. The ISMC of each incubator will be responsible for evaluating and selecting startups for seed support under the scheme.

What are the terms and conditions of seed funding through convertible debentures or debt or debt-linked instruments? 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 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 promoter or third-party will be required.

How much seed funding can a startup receive under the scheme? Seed Fund to an eligible startup by the incubator shall be disbursed as follows:

1. Up to ₹20 Lakhs as 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 development of prototype, product testing, building a product ready for market launch, etc.
2. Up to ₹50 Lakhs of investment for market entry, commercialization, or scaling up through convertible debentures or debt or debt-linked instruments.
3. Not more than 20% of the total grant to an incubator shall be given as grants to startups by incubator.
4. A startup applicant can avail seed support in the form of grant and debt/convertible debentures each once as per the guidelines of the scheme.

If the startup requires legal help for finalizing their seed fund engagement with an incubator, who will bear the cost for these services? The startup shall bear the cost of any consultant

hired to guide them finalizing their seed fund engagement with an incubator. Who will be bearing the cost for due diligence of the startups? The Management Fee provisioned to each selected incubator will be utilized for administrative expenditure, selection and due diligence of startups, and monitoring of progress of beneficiary startups. Do incubators need to sign an Agreement with selected startups? 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 clearly detailed in the agreement. Will incubators be provided a sample Agreement to sign with each selected startup? Yes. The incubator can make suitable changes to the sample agreement on the basis of the terms and conditions finalized with each selected startup. However, no mandatory clause of the Guidelines may be changed in this Agreement. Can incubators charge any fee from the selected startups? A startup selected by an incubator for assistance under this scheme 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. How often do incubators have to interact with selected startups? 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. What parameters does an incubator need to track for selected startups? The following shall be tracked and recorded by incubators for all beneficiary startups: 1. Progress of proof of concept 2. Progress of prototype development 3. Progress of product development 4. Progress of field trials 5. Progress of market launch 6. Quantum of loan, angel or VC funding raised 7. Jobs created by startup 8. Turnover of startup 9. Any other appropriate parameter. Selected startups shall furnish details on above parameters to incubator in all progress reports. The incubator shall provide the above information real-time to Startup India through their online dashboards and shall present the same to EAC on a quarterly basis. Incubator shall also report return on investment for each Startup. When can incubators ask DPIIT for the next installment of funds? When the cash-in-hand of the incubator goes below 10% of the total commitment by EAC, the Incubator may request for the next installment, which shall be released to incubator within 30 days of submission of proof of achievement of milestones. We have received a tranche of funds but have not been able to select many startups. What happens to the unutilized funds? Rate of interest (as defined under GFR) on unutilized funds available with incubator shall be taken into account and adjusted at the time of next release. If the Incubator has not utilized at least 50% of the total commitment within the first 2 years, then the Incubator will not be eligible for any further drawdowns. It will return all unutilized funds along with interest. In case of poor performance of any selected incubator, EAC may decide to discontinue seed fund support to the incubator and take further action as may be required. How does an incubator utilize net returns from seed funding into startups? Any net return received from beneficiary startup can be used for further funding in startups as per guidelines of this scheme (net returns shall include principal, interest, and profits). In case of no further funding of startups using this money for three years, this shall be returned to DPIIT. What happens if a startup fails? It is understood that every startup cannot be successful. Can an incubator reapply to the scheme if they successfully disburse funds sanctioned to them? An incubator can reapply for funds under the Scheme when it has disbursed or committed its entire previously released grant. Sources And References DPIIT Website Guidelines - English Guidelines - Hindi Operational Guidelines For Fund Of Funds For Startups Startup India Website Official Website 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 Incubators Financial Assistance 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[in](011) 24303714 Last Updated On : 28/03/2024 | v-2.1.1