

SHRI PIYUSH GOYAL LAUNCHES THE STARTUP INDIA SEED FUND SCHEME;

Relevant for: Developmental Issues | Topic: Government policies & interventions for development in various Sectors and issues arising out of their design & implementation incl. Housing

Minister of Railways, Commerce & Industry, Consumer Affairs and Food & Public Distribution Shri Piyush Goyal today launched the Startup India Seed Fund Scheme (SISFS). The Fund aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry, and commercialization. The Scheme was announced by the Hon'ble Prime Minister, Shri Narendra Modi on 16th January 2021 in his Grand Plenary address of 'Prarambh: Startup India International Summit', marking the five-year anniversary of the Startup India initiative. Rs. 945 Crore corpus will be divided over the next 4 years for providing seed funding to eligible startups through eligible incubators across India. The scheme is expected to support an estimated 3,600 startups through 300 incubators.

Speaking on the occasion, Shri Goyal said that this scheme is being launched within 3 months of its announcement, one of the fastest in the recent times. He said that times are tough, but our resolve is strong, and never before has it become more important for us to empower our startups.

The Minister said that the SISFS will **S**ecure seed funding, **I**nspire innovation, **S**upport transformative ideas, **F**acilitate implementation, and **S**tart startup revolution. He said that this Scheme will create a robust startup ecosystem, particularly in Tier 2 and Tier 3 towns of India, which are often deprived of adequate funding. The Minister said that he would like to especially encourage innovators from rural areas to come forward and benefit from this scheme.

Shri Goyal said that under the guidance of Hon'ble PM Modi, DPIIT has worked tirelessly to bring a tectonic shift in the startup ecosystem in India. He assured that the department has been acting as the Facilitator, with Open door, Open Arms & Open Mind, encouraging largescale youth participation in the innovative activities.

The minister said that there has been change in approach, change in mindset from jobseekers to job providers, which is helping Startups to become the backbone of New India. He said that Startup India Seed Fund Scheme will act as a bridge between ideas and their implementation. Independent & ambitious thinking in the Startup ecosystem will encourage entrepreneurship and create a culture that will recognise innovation

Shri Goyal said that 2020 is testament to the transformative potential of Indian Startup- Startups with their energy & enthusiasm came up with efficient and cost effective solutions which ensured last mile supply of essential commodities across India. He lauded our young entrepreneurs for the ability, agility & dedication. He said that Indian Startups have been inculcating, incubating and innovating not only for the nation but for the humanity.

The minister said that with the motto of Connect, Collaborate & Catalyse, the Government has introduced initiatives like Startup Innovation Challenges, National Startup Awards, Ranking of States, SCO Startup Forum, Prarambh etc.

The online portal created by DPIIT, for the scheme, will allow incubators to apply for funds under it. An Experts Advisory Committee (EAC) has been created by DPIIT to execute and monitor the Startup India Seed Fund Scheme. Grants of upto Rs 5 Crores shall be provided to the eligible

incubators selected by the EAC. The selected incubators shall provide grants of up to Rs 20 lakhs for validation of Proof of Concept, or prototype development, or product trials to startups. Furthermore, investments of up to Rs 50 lakhs shall be provided to the startups for market entry, commercialization, or scaling up through convertible debentures or debt-linked instruments. The detailed guidelines of the Startup India Seed Fund Scheme are provided on the Startup India portal (www.startupindia.gov.in).

The promising startups that are supported at their early stages shall create huge employment opportunities for everyone. The Seed Fund Scheme also envisions to promote virtual incubation for startups by enabling 300 incubators to support startups from all corners of the country. The impact of this will be visible by the spur of innovations in tier 2 and tier 3 regions of India.

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