

## Guidelines for Startup Support Seed Fund (SSS)

### 1. Introduction

Easy availability of capital is essential for entrepreneurs at the early stages of growth of an enterprise. Funding from angel investors and venture capital firms becomes available to startups only after the proof of concept has been provided. Similarly, banks provide loans only to asset-backed applicants. It is essential to provide seed funding to startups with an innovative idea to conduct proof of concept trials.

Startup support Seed Fund (SSS) 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.

The Seed Fund Grant will be disbursed to eligible startups through IIC of the Institute.

### 2. The Requirement

The Institute startup ecosystem suffers from capital inadequacy in the seed and 'Proof of Concept' development stage. The capital required at this stage often presents a make or break situation for startups with good business ideas. Many innovative business ideas fail to take off due to the absence of this critical capital required at an early stage for proof of concept, prototype development, product trials, market entry and commercialization. Seed Fund offered to such promising cases can have a multiplier effect in validation of business ideas of many startups, leading to employment generation.

### 3. Eligibility Criteria:

#### Eligibility Criteria for Startups

The eligibility criteria for a startup to apply under the SSS Scheme shall be as follows:

1. A start-up, recommended by the Department, incorporated not more than 2 years ago at the time of application
2. Startup must have a business idea to develop a product or a service with market fit, viable commercialization, and scope of scaling
3. 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
4. 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.
5. Any startup will not receive seed fund support more than once.
6. The Experts Advisory Committee (EAC) may decide the seed fund

#### 4. Experts Advisory Committee (EAC):

The Institute through IIC will constitute an Experts Advisory Committee (EAC), which will be responsible for the overall execution and monitoring of the Startup support Seed Fund Scheme. The EAC will evaluate for allotment of Seed Funds, monitor progress, and take all necessary measures for efficient utilization of funds towards fulfillment of objectives of Startup Support Seed Fund Scheme.

The Experts Advisory Committee (EAC) will comprise of the following members:

1. Chairman, President IIC
2. Financial Advisor, Institute member or representative (From MBA Dept)
3. IIC Convener
4. EPICS coordinator from ECE/EEE/EIE Department
5. EPICS coordinator from ME/CE Department
6. EPICS coordinator from CSE/IT/MCA Department
7. Representative from NSS (S&H)
8. Start-up coordinator

9. IPR Coordinator

10. EDC Coordinator

11. At least three external expert members nominated by Head of Institute from the startup ecosystem, investors, experts in the domain of R&D, technology development & commercialization, entrepreneurship and other relevant domains.

12. Installments shall be released to Departments upon submission of proofs of achievement of milestones as decided by EAC.

Eligible applications will be evaluated by EAC using the following criteria:

S.No	Criteria	Details	Weightage (%)
1	Is there a need for this Idea?	Market size, what market gap is it filling, does it solve a real-world problem?	p
2	Feasibility	Feasibility and reasonability of the technical claims, methodology used/ to be used for PoC and validation, roadmap for product development	q
3	Potential Impact	Customer demographic & the technology's effect on these, national importance (if any)	r
4	Novelty	USP of the technology, associated IP	s
5	Team	Strength of the team, Technical and business expertise	t
6	Fund Utilization Plan	Roadmap of money utilization	u
7	Additional Parameters	Any additional parameters considered appropriate by incubator	v
8	Presentation	Overall assessment	w
			100%
Weightages for criteria (p, q, r, s, t, u, v, w) will be finalized by the EAC			

## 5. Financial Management:

1. The quantum of first installment may be up to 40% of total approved commitment. When the cash-in-hand of the Department goes below 10% of the total commitment by EAC, the Department may request for the next installment, which shall be released to the department within 30 days of submission of proof of achievement of milestones
2. The grant should be utilized fully by the Department within a period of two years from the date of receipt of the first installment of funds or before completing the program of the student, whichever is earlier will be considered
3. If the Department has not utilized at least 50% of the total commitment within the first 1 year, then the department will not be eligible for any further drawdowns. It will return all unutilized funds.
4. The financing of beneficiaries will be done with efficiency and care. Selected departments would be responsible for proper management and disbursement of the Seed Fund
6. Selected departments shall maintain a transparent process of selection, monitoring, and disbursement mechanism for the fund.
7. The departments 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.
8. If the selected startup does not want to utilize the physical infrastructure of the department, the department shall offer all other resources and services available in the institute/outside to the startup

## 6. Departments of Successful Implementation

The following shall be tracked and recorded by the departments 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 the department in all progress reports

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**Institution's Innovation Council**  
**V.R. Siddhartha Engineering College (Autonomous)**

1. Team Details :

Team Lead Name:

Email:

Contact no.

2. Mentor (if any):

3. Name of the Innovation/Prototype:

4. Theme:

S.No	Criteria	Details	Weightage (%)	Expert marks
1	Is there a need for this Idea?	Market size, what market gap is it filling, does it solve a real-world problem?	5	
2	Recognition	Is there any recognition through external participation	10	
3	Feasibility	Feasibility and reasonability of the technical claims, methodology used/ to be used for PoC and validation, roadmap for product development	10	
4	Usability	Level of acceptance of innovation and its Features among target group	10	
5	Scalability	How your innovation/ prototype will be scalable at market level.	10	
6	Economic sustainability	Explain the potential of innovation/ prototype to become profitable or financially viable.	10	
7	Potential Impact	Customer demographic & the technology's effect on these, national importance (if any)	10	
8	Novelty	How is your proposed product/ process/service being different/ better from a similar product/ process/ service, if any, in the market, associated IP	10	
9	Environment Sustainability:	How your innovation/ prototype is environment friendly or address environmental problems.	5	
10	Team	Strength of the team, Technical and business expertise	5	
11	Fund Utilization Plan	Roadmap of money utilization	5	
12	Additional Parameters	Any additional parameters considered appropriate by Evaluator	5	
13	Presentation	Overall assessment	5	
Total			<b>100</b>	

Recommended amount:

Name of the expert:

Signature with Date:

**Institution's Innovation Council**  
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**Themes:**

1. Healthcare & Biomedical devices.
2. Agriculture & Rural Development.
3. Smart Vehicles/ Electric vehicle/ Electric vehicle motor and battery technology.
4. Food Processing.
5. Robotics and Drones.
6. Waste management.
7. Clean & Potable water.
8. Renewable and affordable Energy.
9. IoT based technologies (e.g. Security & Surveillance systems etc)
10. ICT, cyber physical systems, Block chain, Cognitive computing, Cloud computing, AI & ML.

**9 stages of TRL:**

TRL 0 : Idea. Unproven concept, no testing has been performed.

TRL 1 : Basic research. Principles postulated observed but no experimental proof available.

TRL 2 : Technology formulation. Concept and application have been formulated.

TRL 3 : Applied research. First laboratory tests completed; proof of concept.

TRL 4 : Small scale prototype built in a laboratory environment ("ugly" prototype).

TRL 5 : Large scale prototype tested in intended environment.

TRL 6 : Prototype system tested in intended environment close to expected performance. TRL 7 :

Demonstration system operating in operational environment at pre-commercial scale. TRL 8 : First of a kind commercial system. Manufacturing issues solved.

TRL 9 : Full commercial application, technology available for consumers.