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|---|---------------------------|---|---------|
| 5 | टीम | टीम की ताकत, तकनीकी और व्यावसायिकी विशेषता | टी |
| 6 | निधि के इस्तेमाल की योजना | राशि के इस्तेमाल की रूपरेखा | यू |
| 7 | अतिरिक्त मानदंड | इन्क्यूबेटर द्वारा उपयुक्त समझा गया कोई अतिरिक्त मानदंड | वी |
| 8 | प्रस्तुतीकरण | समग्र आकलन | डब्ल्यू |
| | | | 100% |
| मानदंड के लिए भारिता (पी, क्यू, आर, एस, टी, यू, वी, डब्ल्यू) प्रत्येक इन्क्यूबेटर द्वारा अलग-अलग तय की जा सकती है | | | |

- vii. इन्क्यूबेटर आईएसएमसी के समक्ष प्रस्तुतीकरण के लिए आवेदकों के मूल्यांकन के आधार पर उनका चयन कर सकता है।
- viii. आईएसएमसी आवेदकों द्वारा प्रस्तुत आवेदन तथा प्रस्तुतीकरण के आधार पर आवेदकों का मूल्यांकन करेगा और आवेदन की प्राप्ति के 45 दिनों के भीतर सीड फंड के लिए स्टार्टअप का चयन करेगा
- ix. सभी इन्क्यूबेटर स्टार्टअप इंडिया पोर्टल पर वास्तविक समय आधार पर स्टार्टअप्स के मूल्यांकन की प्रगति के बारे में जानकारी उपलब्ध कराएंगे।
- x. चुने गए स्टार्टअप्स संबंधित इन्क्यूबेटर के तहत प्रारंभिक निधीयन प्राप्त करेंगे जो आवेदन के दौरान साझा की गई उनकी प्राथमिकता के अनुसार उनका लाभार्थी के रूप में चयन करता है (उदाहरण के लिए, यदि प्राथमिकता 1 और प्राथमिकता 2 पर मौजूद इन्क्यूबेटर्स ने एक स्टार्टअप का चयन करता है, तो प्राथमिकता 1 इन्क्यूबेटर द्वारा निधीयन किया जाएगा। यदि प्राथमिकता 1 इन्क्यूबेटर अस्वीकार करता है तो प्राथमिकता 2 पर स्थित इन्क्यूबेटर द्वारा निधीयन किए जाएगा तथा यह क्रम इसी प्रकार जारी रहेगा)
- xi. सभी आवेदक स्टार्टअप इंडिया पोर्टल पर वास्तविकसमय आधार पर अपने आवेदन की प्रगति का पता लगा सकेंगे
- xii. जिन आवेदकों को अस्वीकार किया जाएगा उन्हें भी ई-मेल के जरिए सूचित किया जाएगा
- xiii. एक बार अस्वीकार होने के बाद आवेदक नया आवेदन दायर कर सकते हैं
- 11.3 ईएसी स्कीम के तहत इन्क्यूबेटर्स के चयन के लिए समय-समय पर बेहतर दिशानिर्देश बना सकती है
12. यह विभाग विशेष रूप से वित्तीय, सामाजिक और आर्थिक प्रतिफल के संदर्भ में वर्ष 2024-25 के अंत तक इस स्कीम के परिणामों का मूल्यांकन करेगा।

[फा. सं. पी-38015/5/2020-स्टार्टअप इंडिया]

अनिल अग्रवाल, संयुक्त सचिव

MINISTRY OF COMMERCE AND INDUSTRY

(Department for Promotion of Industry and Internal Trade)

(STARTUP INDIA SECTION)

NOTIFICATION

New Delhi, the 21st January, 2021

S.O. 414(E).— The Central Government has approved the 'Startup India Seed Fund Scheme (SISFS)' to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry and commercialization. SISFS shall provide financial assistance to startups via corpus of Rs. 945 Crore that will be disbursed through selected incubators across India in 2021-25.

2. The scheme is sector-agnostic and will support startups across all sectors. The scheme shall have a central common application on Startup India portal for startups and incubators on an ongoing basis.

3. SISFS will be implemented by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

4. The Guidelines of the above-mentioned scheme is available on the website of Startup India at <https://www.startupindia.gov.in/>.

5. Eligibility Criteria for Startups: The eligibility criteria for a startup to apply under the Startup India Seed Fund Scheme shall be as follows:

1. A startup, recognized by DPIIT, 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, defence, space, railways, oil and gas, textiles, etc.
5. Startup should not have received more than Rs 10 lakh 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 prototyping facility
6. Shareholding by Indian promoters in the startup should be at least 51% at the time of application to incubator for the scheme, as per Companies Act, 2013 and SEBI (ICDR) Regulations, 2018
7. Any startup will not receive seed support more than once each as per provisions of guidelines.

6. Eligibility Criteria for Incubators: The 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 legislature
2. Incubator should be operational for at least two years on the date of application to the scheme
3. Incubator must have facilities to seat at least 25 individuals
4. Incubator must have at least 5 startups undergoing incubation physically on the date of application
5. 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 fund to incubatees using funding from any third-party private entity
7. Incubator must have been assisted by Central/State Government(s)
8. In case the incubator has not been assisted by Central or State Government(s):
 - a) 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

9. Any additional criteria as may be decided by the Experts Advisory Committee (EAC).

7. Assistance to Incubators: Experts Advisory Committee (EAC) shall evaluate incubators for grant assistance. A Grant of up to Rs. 5 (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

8. Disbursement of Seed Fund to Startups by Incubators: Seed Fund to an eligible startup by the incubator shall be disbursed as follows:

1. Up to Rs. 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 Rs. 50 Lakhs of investment for market entry, commercialization, or scaling up through convertible debentures or debt or debt-linked instruments
3. 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

9. Constitution of Experts Advisory Committee: An Experts Advisory Committee (EAC) will be constituted by DPIIT, which will be responsible for the overall execution and monitoring of the Startup India Seed Fund Scheme. The EAC will evaluate and select incubators for allotment of Seed Funds, monitor progress, and take all necessary measures for efficient utilization of funds towards fulfilment of objectives of Startup India Seed Fund Scheme. The Experts Advisory Committee (EAC) will comprise of the following members:

1. Chairman, an individual of eminence
2. Financial Advisor, DPIIT or his representative
3. Additional Secretary/ Joint Secretary/ Director/ Deputy Secretary, DPIIT (Convener)
4. Representative of Department of Biotechnology (DBT)
5. Representative of Department of Science & Technology (DST)
6. Representative of Ministry of Electronics and Information Technology (MeiTY)
7. Representative of Indian Council of Agricultural Research (ICAR)
8. Representative of NITI Aayog
9. At least three expert members nominated by Secretary, DPIIT from the startup ecosystem, investors, experts in the domain of R&D, technology development and commercialization, entrepreneurship and other relevant domains.

10. Selection of Incubators:

10.1 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.

Incubators shall be selected on the basis of the following parameters:

- a. Fulfillment of eligibility criteria
- b. Quality of the team of Incubator
- c. Available infrastructure, testing labs etc.
- d. Composition of ISMC (as defined in para 7)
- e. Incubation support provided by incubator in last three years:

- i. No. of startups incubated
- ii. No. of startups graduated, i.e. progressed from one stage of business development cycle to the next
- iii. No. of startups that raised follow on investments
- iv. No. of startups that crossed a revenue of Rs 1 Cr in last 1 year
- v. 2-year survival rate of startups from the date of joining incubator
- f. Funding support extended to incubatees in last three years:
 - i. Investment agreements signed between incubator and startups
 - ii. No. of startups invested in
 - iii. Total corpus allocated to incubatees
 - iv. Total investments raised by incubatees from external sources
- g. Mentoring provided to incubatees in last three years:
 - i. No. of mentors hired
 - ii. Average mentoring hours allocated per startup per month
 - iii. No. of IP (patents, copyrights, designs, and trademarks) registered by incubatees
- h. Other support extended to incubatees in last three years:
 - i. Industry/Corporate connects
 - ii. Events held for stakeholder engagements
 - iii. Participation in other events
- i. Number of startups that the incubator intends to support
- j. Quantum of funds applied for, along with fund deployment plan with timelines
- k. Any other relevant parameters that decided by the EAC

10.2 The Call for Applications for incubators will be open online throughout the year

10.3 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

10.4 EAC shall also monitor progress of incubators against sanctioned funds under the Scheme and take further actions as may be required

10.5 EAC may lay down improved guidelines for selection of incubators under the scheme from time to time

11. Selection of Startups

11.1 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:

- i. Nominee of Incubator (Chairman)
- ii. Representative from State Government's Startup Nodal Team
- iii. Representative of a Venture Capital Fund or Angel Network
- iv. A domain expert from Industry

- v. A domain expert from academia
- vi. Two successful Entrepreneurs
- vii. 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.

11.2 The startups shall be selected through an open, transparent and fair process, comprising, inter-alia:

- i. An online call for applications shall be hosted on an ongoing basis on the Startup India portal
- ii. Applicants can apply for seed fund to any three incubators selected as disbursing partners for this scheme in order of their preference
- iii. All applications received will be shared online with respective incubators for further evaluation
- iv. The applicant may be asked to submit details on team profile, problem statement, product/service overview, business model, customer profile, market size, quantum of funds needed, projected utilization plan for funds, etc.
- v. The incubators shall shortlist applicants as per eligibility criteria given in the guidelines.
- vi. Eligible applications will be evaluated by ISMC using the following criteria:

| | 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) may be assigned by each incubator differently | | | |

- vii. Incubator may shortlist applicants based on their evaluation for a presentation before ISMC
- viii. ISMC shall evaluate applicants based on their submissions and presentations and select startups for Seed Fund within 45 days of receipt of application
- ix. All incubators shall provide information about progress of evaluation of startups real-time to Startup India portal
- x. 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 Preference 1 incubator rejects and Preference 2 incubator selects, the funding shall be given by incubator at Preference 2, and so on.)

- xi. All applicants will be able to track the progress of their application on the Startup India portal on a real-time basis
- xii. Applicants who are rejected will also be notified through email
- xiii. An applicant, if rejected once, may apply afresh

11.3 EAC may lay down improved guidelines for selection of startups under the scheme from time to time

12. The Department shall evaluate the outcome of the scheme by the end of 2024-25, especially with reference to financial, social and economic returns.

[F. No. P-38015/5/2020-STARTUP INDIA]

ANIL AGRAWAL, Jt. Secy.