

Start-up NIDHI

(NATIONAL INITIATIVE ON DEVELOPING AND HARNESSING INNOVATIONS)

1.0 Background:

The Indian startup ecosystem has seen a lot of activities in terms of growth of number of startups that emerged and the funding been provided under various institutional mechanisms. It shows a robust ecosystem of Startup culture that is coming up with technology driven payments and consumer web sectors having cornered more than half of the entire funding amount; mobile, e-Commerce and SaaS (Software and Services) companies and others accounted for the other half. Investor money seems to be chasing established e-commerce players but newer e-commerce entrants aren't getting funded as much.

Against this background, the challenge that the young student innovator face is to raise the initial funding for his/her startup. Having reached the stage where he/she has done the technology demonstration and has a working prototype, the innovator is now looking for preparing his/her business plan, product validation and launch of startup.

Product development and validation is the major challenge at this stage. Startup launch, product development and validation require some investment on the part of young innovators. The initial funds needed at this stage usually come from friends, family, Angel investors and HNI who would invest in an early stage startup. However, when technology is untested and market is unsure making returns uncertain, the risk of investment is too high for conventional investors including the Venture Capitalists to pitch in. The funds required at this pre-incubation stage are not a very large fund by volume but it does certainly give the startup and the young innovator a breather in this competitive space.

2.0 Objective:

1. To promote student startups under IEDC/NewGen IEDC and take forward their innovations to commercialization stage
2. To accelerate the journey of idea to prototype by providing initial funding assistance.

3.0 The Programme:

Start-up NIDHI would help only the students with initial / ignition funding and hence is called Startup-NIDHI. It aims to financially support about 20 student startups every year under IEDC/NewGen IEDCs by providing Rs 10.00 lakh to each of the selected teams.

4.0 Essential Features:

1. Only Student Startups will be supported; A student cannot be part of multiple teams and his/her entire focus should be on one startup;
2. Startups have to be from IEDC/ NewGen IEDCs sanctioned by the NSTEDB, Department of Science & Technology;
3. A maximum of 20 student startups would be supported in a year;
4. Startups selection would be through a national level competition

5.0 Activities under Startup NIDHI:

Startup-NIDHI would undertake the following activities –

1. Organize a National Level Competition to shortlist student start-up amongst IEDCs/ NewGen IEDCs;
2. Shortlist about 20 best innovative start-ups with commercial viability;
3. Fund each start-up with maximum up to Rs. 10.00 lakh;
4. Monitor and review their progress;

6.0 Eligibility:

Eligibility for funds disbursement –

1. Any current student/alumni project supported and nominated by IEDCs/NewGen IEDCs
2. The start-up should own the IP fully; the host institution should have transferred or have forgone their rights on the IP;
3. The start-up should have registered as a company/LLP*
4. No student would be part of more than one team

** Note: Not mandatory at the time of making an application. However, it would be needed at the time of funds disbursement to the selected teams.*

7.0 Mechanism:

IEDCs/NewGen IEDCs would nominate their best team(s) for participation in the National Level Competition announced by EDII every year. The jury would shortlist the final 20 start-ups for recommendation of The National Experts Advisory Committee on Entrepreneurship in Education (NEAC). An amount of Rs 10.00 lakh and a certificate would be awarded to each of the winning teams. The host IEDCs/IEDCs of the winning team would also be awarded with a cash prize of Rs 2.00 lakh, a certificate and a trophy.

8.0 Funding:

The funds would be disbursed to student start-ups as per the following:

1. On selection – 70%;
2. On achievement of milestone/pre-defined deliverables - 30%

The IEDCs/ NewGen IEDCs coordinator would supervise the work of the student start-ups on day to day basis, would give the certificate of achievement of milestones and recommend for release of balance 30%.

9.0 Monitoring & Review:

The performance of the startups would be monitored periodically to ensure the progress and also to suggest mid-term correction, if any. The startup will submit its quarterly progress report which the IEDC/NewGen IEDC will duly forward to EDII. The startup can also be called for review meeting(s), if required.

10.0 Closure:

The concerned IEDC/ NewGen IEDCs will take a review of the progress of the startup and recommend the release of balance 30%. On receiving the recommendation of the IEDC/NewGen IEDC for release for final grant, EDII shall release the same. IEDC/NewGen IEDC is expected to support the project for successful commercialization.

Guidelines for Startup NIDHI Award

1. EDII shall call for applications from the student startups of IEDCs and NewGen IEDCs;
2. A subcommittee constituted at EDII shall conduct the initial scrutiny and shortlist the applications on the basis of their completeness and quality of student projects;
3. EDII will organize the National Competition wherein shortlisted student teams will be invited for presentation before the jury;
4. The jury will recommend the selected student teams (maximum 20) to the National Experts Advisory Committee (NEAC) on Entrepreneurship in Education, constituted by DST;
5. EDII will disburse Award Money (70%) as first installment to the selected student teams on completing necessary procedural formalities and documentation.
6. EDII shall obtain the Utilization Certificate from the parent institution on completion of project, as per the timeline projected by student startups, and arrange to release the balance 30%.
7. The host IEDCs/IEDCs of the winning team would also be awarded with a cash prize of Rs 2.00 lakh, a certificate and a trophy.