

## **Technology Development Board (TDB) - Seed Support System**

KIIT-TBI recently received approval under the scheme "Seed Support System for Start-ups in Incubators" of the Technology Development Board, Department of Science & Technology to host a seed fund with a corpus of Rs 1 crore.

The purpose of the seed fund is to provide a technology driven startup with the much-needed early stage financial support for deserving ideas/technologies requiring up-scaling and related work.

Incubatees of KIIT-TBI are encouraged to contact for further information.

Quantum of financial assistance to the incubated entrepreneur

- Minimum: Rs. 1 lakh
- Maximum: Rs. 25 lakhs

The disbursement is normally linked to benchmarks / milestones. Broad Areas to be covered under the financial assistance include:

- Product development
- Testing and trials
- Test Marketing
- Mentoring
- Professional consultancy to engage Professors / experts with small firms
- Filing of Indian/International patents
- Man power for day to day operations
- Any other area as deemed necessary and recommended by the Management Committee.

Here is a list of make/break criteria for applicants:

- There must be at-least one dedicated entrepreneur involved in the venture
- There must be a formal business plan
- The venture and the team must have high ethical & professional standards
- The venture must have a strong technology/knowledge component
- Key Proof-of-Concept must be demonstrated & must be reproducible
- The venture must be registered as a private limited company, or must be in the process of registration
- The amount of funding requested should be for a maximum amount of Rs 25 lakh
- The entrepreneur(s) must be willing to share equity in the venture
- The seed funds requested must be for activities such as product development, prototyping, scale-up, developing IP portfolio, test marketing, trials, certification, testing etc.
- Reporting: Bi-annual presentation / report to seed committee + Quarterly financial details

Applications for the seed fund will be reviewed based on criteria such as (but not limited to):

- Is amount of funding requested enough to reach critical milestone?
- Does the venture have a clear, potentially significant/singular value proposition
- How big/fast growing is the potential market?
- Are target customers clearly identified?
- How credible is the technology?
- What are the sources of sustainable competitive advantage (eg. novelty, patentability, etc.)?
- What is the quality of the business plan (revenue model, product roadmap, market segments, etc.)?

**Typical terms for seed funding:**

1. TBI would enter into a proper agreement with the start-up unit before providing Financial Support (by way of Soft Loan)
2. The Seed will be disbursed as a combination of Soft Loan and Equity. Accordingly 80% of the Seed Fund will be disbursed as a Soft loan bearing 6% interest rate and the remaining 20% of the funds will be disbursed against equity shares.
3. The Seed fund should be disbursed in 3 installments over a period of 6 months and the disbursement should be based on benchmarks/ milestones proposed by the TBI.
4. The repayment will start after one and half year from the date of contract with the applicant..

[Application form can be downloaded here](#)

For more information, please contact

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