NATIONAL INITIATIVE FOR DEVELOPING AND HARNESSING INNOVATIONS (NIDHI)

(NIDHI-ACCELERATOR)

GUIDELINES
AND
PROFORMA FOR SUBMISSION OF PROPOSALS

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Government of India
Ministry of Science & Technology
Department of Science & Technology
National Science & Technology Entrepreneurship Development Board
Technology Bhawan, New Mehrauli Road
New Delhi-110016
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National Initiative for Developing and Harnessing Innovations (NIDHI)

Background

National Initiative for Developing and Harnessing Innovations (NIDHI) is an umbrella programme conceived and developed by the Innovation & Entrepreneurship division, Department of Science & Technology, Government of India, for nurturing ideas and innovations (knowledge-based and technology-driven) into successful startups. The programme would work in line with the national priorities and goals and its focus would be to build an innovation driven entrepreneurial ecosystem with an objective of socio-economic development through wealth and job creation.

NIDHI aims to nurture start-ups through scouting, supporting and scaling of innovations. The key stakeholders of NIDHI includes various departments and ministries of the central government, state governments, academic and R & D institutions, mentors, financial institutions, angel investors, venture capitalists and private sectors. NIDHI is developed keeping in line the new national aspirations and on the basis of DST's experience of three decades, in promoting innovative start-ups.

The key components of NIDHI are –

1. NIDHI-GCC - **G**rand **C**hallenges and **C**ompetitions for scouting innovations;
2. NIDHI-**PR**omotion and **A**cceleration of **Y**oung and **As**piring technology entrepreneurs (NIDHI-PRAYAS) - Support from Idea to Prototype;
3. NIDHI-**E**ntrepreneur **I**n **R**esidence (NIDHI-EIR) - Support system to reduce risk;
4. Startup-NIDHI through Innovation and Entrepreneurship Development Centres (IEDCs) in academic institutions; encouraging Students to promote start-ups;
5. Start-up Centre in collaboration with MHRD; Inculcating a spirit of entrepreneurship in National Institutions of Higher Learning;
6. NIDHI-**T**echnology **B**usiness **I**ncubator (TBI) - Converting Innovations to start-ups;
7. **NIDHI-Accelerator - Fast tracking a start-up through focused intervention;**
8. NIDHI-**S**eed **S**upport **S**ystem (NIDHI-SSS)- Providing early stage investment;
9. NIDHI **C**entres **o**f **E**xcellence (NIDHI-CoE) - A World class facility to help startups go global;

NIDHI-ACCELERATORS

1.0 INTRODUCTION

National Science and Technology Entrepreneurship Development Board (NSTEDB) of the Department of Science and Technology (DST), Govt. of India is supporting Technology Business Incubators primarily in and around academic, technical and management institutions to tap innovations and technologies for venture creation by utilizing expertise and infrastructure already available with the host institution.

Over the last decade, "accelerators" have emerged as successful mechanism to enable fast tracking the seed and early stage start-ups through deep and intensive engagement model. These "accelerators" would be positioned as post incubation initiative linked with the existing incubators to supplement , complement the scaling up of the the start - up value chain.

Accelerator is a typically a 3-6 months' fast track structured program helping ideas get accelerated to the next orbit. An accelerator aims at achieving one or more of the following objectives - introduction to entrepreneurial development to identify business opportunities (real problems that require real solutions), validate product ideas, engage with potential customers, build a scalable business model, build a product demonstration, manage team dynamics and pitch to investors. The Accelerators can be used to boost the Incubator's existing activities to build an attract high quality startups, and have a customer centric validation model which enhances investment readiness as well as worthiness.

Entrepreneurs and startups undergoing an accelerator program discover that their idea and product is just a small part of what makes up a successful, scalable startup. World class Accelerators are typically run for 2- 9 months by renowned faculty, entrepreneurs, mentors and leaders from the world of startups and design. By the end of the accelerator, start-up teams typically arrive at a "go" or "no go" decision and go on to create startups that can scale. Y-Combinator in USA has successfully demonstrated the concept of Accelerator, where the carefully selected startups move to Silicon Valley for 3 months, during which Accelerator works intensively with them to get the company into the best possible shape and refine their pitch to investors. Each cycle culminates in Demo Day, when the startups present their companies to a carefully selected, invite-only audience. In last 10 years, it has funded 1000 start ups which have combined valuation of US$ 65 Billion. It is estimated that India has over 40 private accelerators and Microsoft Accelerator, GSF Accelerator, Zone Startups, TLabs, Start up Centre, Venture Nursery, 91 Springboard are some of the leading and active accelerators in the country.

NSTEDB proposes to encourage the existing TBIs in its network to undertake Accelerator (both sectoral and sector-agnostic, regional and national), which will strengthen the entrepreneurial ecosystem as well as deliver immense value to other Incubation Programs. This would help aspiring entrepreneurs in the country, including the ventures already being incubated in these TBIs, to be guided in a rigorous and more structured manner, through deep mentoring process and access to funding and market networks.

2.0 Objectives of NIDHI-Accelerators

- To fast track the growth of potential start ups through rigorous mentoring and networking support in a short span through existing TBIs
- To attract subject matter experts, mentors, and angel investors get associated with TBIs through the structured accelerator programs
- To build a vibrant startup ecosystem, by establishing a network between academia, financial institutions, industries and other institutions.
- To act as a hub for several incubators in the region, so that high-potential startups can be fast-tracked for increased exposure and validation
- Accelerators should employ a "fail fast" mentality: ideas or prototypes that are not getting traction should be abandoned (or modified) quickly, allowing founders to redeploy resources to other projects or even new companies at a rapid pace.

3.0 Characteristics of NIDHI -Accelerator Programs

It is envisaged that 2 broad types of Accelerator Programs will be supported by NSTEDB under this scheme –

a) **Sectoral Programs** – These are accelerator programs focused specifically on startups focused on a certain sector or theme. For example, accelerators can be focused on a very specific theme like Smart Cities or sector like healthcare. Sector specific programs have the advantage of being able to bring a critical mass of relevant stakeholders (mentors, customers, investors, policy-makers, internal team etc.) under one roof – which can deliver significant value to the startups.

b) **Non-Sectoral Programs** – Non-sectoral accelerator programs are most relevant for locations where critical mass of ventures within a specific sector may not exist and the "batch structure accelerator program" may still be able to deliver significant value to the entrepreneurs, even though they are from diverse sectors.

4.0 Structure & Location of the Program – While the applicant TBI will have flexibility to be creative and propose innovative and new structures for the Accelerators, it should leverage the extensive experience created by accelerators across the world. The Accelerator Program is likely to have the following stages –

a. **Phase 1 –** Outreach & Application- During this phase, the TBI and Accelerator partners will carry out marketing and attract applications through the online portal.

b. **Phase 2** – Evaluation and Shortlisting – During this phase, the applications will be evaluated by experts through an online process and top ones will be chosen out of all the applicants
c. **Phase 3**– Accelerator – During this phase, the selected entrepreneurs will be provided active mentoring support through the "Accelerator" program. Typically, at the end of this program, the TBI may provide access to capital, networks, and customers as a part of the demo-day. They may consider the winners for a grant or seed-investment support as per the design of the program at any stage of acceleration.

The TBI may run the accelerator program within their premise or in another rented or hired location. For the success of the accelerator program, the identified locations must be evaluated to have a presence of reputed and multi-disciplinary academic institutions, startup culture / ecosystem, corporates that can plug into innovation and technologies being spun out, a sound investor ecosystem and an over-arching conducive government policy.

5.0 Targets of NIDHI-Accelerator

It is envisaged that NIDHI-Accelerator will help achieve the following goals in promoting high quality technology based entrepreneurship in India –

a) **Acceleration Support** – Through NIDHI-Accelerator around 200 ideas shall be provided active and structured coaching ,training and mentoring support across 10-15 accelerator programs every year.

b) **Funding & Go-to-Market Access**– It is envisaged that NIDHI-accelerators will produce at least 30-40 **high-impact** ventures every year.

6.0 Guidelines for Applying for NIDHI -Accelerator

a. **Who can apply** - The proposal for running an Accelerator Program may be submitted by a TBI having NSTEDB recognition and experience of running at least one program of national / regional scale of promoting entrepreneurship (including accelerator or entrepreneur development program). NSTEDB will consider support of up to 2 Accelerators every year (with a 2-9-month duration) for every TBI and support upto Rs 1.50 crores per year per TBI. Applicant TBI should specify Types of Accelerators that they propose to run at the time of applying. These Accelerators would coach, mentor and incubate all types of startups irrespective of product, sector, and stage of start-up. Priority would be given to Accelerators supporting innovative solutions for social impact.

b. **Accelerator Partners** – It is desirable that the Accelerators actively involve multiple external stakeholders including corporates, universities, global experts, and industry associations. The Accelerator should also bring on board a panel of

mentors, service providers, and potential investors, who will help the TBI in delivering value to the startups. The applicant TBI shall be required to provide a letter of interest or a commitment letter stating the interest of such partners to engage closely with TBI for each accelerator that they propose to organize. To help develop broader networks, TBIs will be encouraged to engage with multiple partners across different accelerators run by them. To bring world class Accelerator practices to the country and to develop local capacities, it is recommended that the TBIs may even consider engaging with global renowned incubator or a university to support the Accelerator. Similarly, TBIs may also engage with nationally renowned accelerators, agencies, incubators, and start up experts in India for the same.

c. **Structure -** It is desired that the Accelerator may be a mix of on site and virtual engagement, and should have at least 30- 50 hours of mentoring and teaching hours on a monthly basis. It is also desired that the Accelerator may encourage, teams, not individuals to participate.

d. **Evaluation and Mentoring Expertise** – Running an Accelerator program requires operational expertise as well as evaluation and mentoring experience, both in-house as well as externally. At the time of application, TBI will provide a tentative list of internal team members expected to be involved in running the program as well as a list of mentors proposed to be associated with the program.

e. **Technology Platform and access for TBIs** – The TBIs shall be encouraged to call for applications for Accelerator programs on-line via portals i.e NIDHI Portal (www.nidhi.gov.in) and www.nstedb.com approved by the NSTEDB.

f. **Proposed Targets –** The applicant TBIs must detail how the proposed Accelerator Program will help NSTEDB meet its targets proposed in Section 1.5 above. Further, it is hereby clarified that the startups provided Incubation, Acceleration, and/or Seed support by the applicant TBIs (as a part of the Accelerator Program) will be considered as "incubatee" of the relevant TBI.

g. **Budget –**

   i) **Budget -** The Budget shall include manpower, logistics, travel, mentoring, infrastructure, training, seed investment, prototyping grants, and all other costs. The support for prototyping and seed investment would be leveraged through NIDHI-PRAYAS and NIDHI-SSS. The NSTEDB's contribution towards the overall Budget for running accelerators shall not exceed Rs 1.5 crores per year for upto a total of 2 accelerators per year with participation of 10-15 start ups . To clarify, there is no sub-limit to budget for each accelerator program.

7.0 Submission of Proposal

a. Proposal (two hard copies + soft version in MS word document) in the prescribed form which is available at http://www.nstedb.com/ along with the necessary enclosures including consent for Terms & Conditions. The proposal should be forwarded by the Head of the TBIor another authorized signatory along with the endorsement as per the Annexure-I & II. The proposal should be sent to the following address:-

The Member Secretary,
National Science & Technology Entrepreneurship Development Board,
Department of Science & Technology,
Technology Bhawan,
New Mehrauli Road,
New Delhi-110016.

Telefax: +91 11 26517186
E-mail : hk.mittal@nic.in
Website: www.nstedb.com

8.0 Acceptance and Processing of Application

The proposals are received throughout the year, through National Expert Advisory Committee (NEAC) on Innovation, Incubation and Technology Entrepreneurs. Any proposal submitted up to one month before the meeting will be placed before the NEAC.

9.0 Evaluation of Proposal

The proposals shall be evaluated based on the merit and the capability of the TBI in helping achieve the objectives of NIDHI-Accelerator , in efficiently managing the programs, and supporting technology based *startups*. The evaluation is done by the NEAC, and the Department shall take a final decision to support the Accelerator Program based on the recommendation of the NEAC.

The following broad parameters are used for evaluation of the proposals –

a) Design of the program preparedness and experience of the TBI and its team to run the program
b) Quality of the Evaluators and Mentors associated with running the program
c) Strength of the Program Partner (s) to attract and add value to the startups
d) Ability of the Accelerator Program to achieve the overall objectives and targets as stated in Section 1.5 above
e) Experience of the TBI to provide prototyping grants and seed-support, help startups get external funding
f) Case studies of TBI supporting its existing / graduate incubates in acceleration of the startup

10.0 Monitoring

The implementing TBI will be required to provide regular updates to NSTEDB on progress of the program. During and after the program, the TBI will closely track the following parameters and provide monthly report during the program and for a 12-month period from the end of the program –

a) Number of ideas scouted and crystallized through the application process
b) Number of ideas evaluated and provided feedback
c) Number of ideas provided mentoring support
d) Number of ideas provided acceleration support through the program
e) Number of ideas provided prototyping and/or seed-funding support
f) Number of ideas raising external validation / capital

Following the completion of the above mentioned 12-month period, the TBI will continue providing quarterly details of the progress of the startups supported as a part of the Accelerator Program – along with details of other incubatee, required to be provided to NSTEDB on a regular basis as per the norms defined by NSTEDB.

It is hereby clarified that if at any stage the performance of the Accelerator Program is found to be unsatisfactory and not in accordance with the original plans, NSTEDB shall reserve the right to withdraw its support to the Accelerator Program.

TERMS AND CONDITIONS

(i) As per the latest instruction by Controller General of Accounts (CGA), Government of India, the grantee institution is required to register at CGA website (http://pfms.nic.in) to facilitate release of funds.

(ii) All implementing TBIs are required to execute a Bond (in prescribed proforma) on a non-judicial stamp paper before any grants-in-aid are released to them.

(iii) The TBI would put in place a proper mechanism for ensuring proper implementation and execution of Accelerator Programs, and provide timely monitoring report as envisaged earlier in these guidelines.

(iv) The grant being released should be exclusively spent for the specified purpose for which it has been sanctioned within the stipulated time. Any unspent balance out of the amount sanctioned, including interest accrued, would be refunded to the Govt. of India by means of an Account's Payee Demand Draft drawn in favor of Drawing & Disbursing Officer, Department of Science & Technology, payable at New Delhi.

(v) The grantee shall furnish to Department of Science and Technology, utilization certificate and an audited statement of accounts pertaining to the grant as per the prevalent financial rules of Government of India.

(vi) The grantee is required to send two copies each of following to Department of Science and Technology at the end of each financial year as well as at the time of seeking further installments of the grant, if any.

a. Progress report (hard & soft copy);
b. Audited statement of accounts relating to the amount sanctioned; and
c. Utilization certificate, in the prescribed proforma,

(vii) All the assets acquired or created from the grant shall be installed in the premises of the TBI and not in any other department/Division of the host institute, unless specifically approved by the Department of Science and Technology on the recommendation of the NEAC. All returns generated by the TBI out of risk-capital provided to participants of the accelerators as a part of this scheme shall be used by the TBIs at its discretion for supporting future accelerator programs.

(viii) Assets acquired wholly or substantially out of government grant, except those declared as obsolete and unserviceable or condemned in accordance with the procedure laid down in the General Financial Rules (GFR), shall not be disposed off without the prior approval of the Department of Science and Technology.

(ix) TBI would maintain a record of all the capital equipment procured and once these are unserviceable/obsolete/unusable they should be disposed with a prior permission for assets more than Rs.1.00 lakh from the Department of Science and Technology. The fund thus generated from disposal of capital equipment should be flowed back for

TBI activities.

(x) The Controller and Auditor General (CAG) of India at his discretion shall have the right of access to the books of account for the grant received from the Government.

(xi) The grantee will maintain separate audited accounts for the grant. The funds released should be kept in a separate bank account earning interest, the interest earned should be reported to the Department of Science and Technology. The interest thus earned will be treated as a credit to the organization to be adjusted towards further installments of the grant, if any.

(xii) The grantee must not entrust the implementation of the work for which the grant is being sanctioned to another institution and divert the grant receipts as assistance to the latter institution unless approved by the committee. In case the grantee itself is not in a position to execute or complete the project, it may be required to refund forthwith the Department of Science and Technology, the entire amount of grants-in-aid received by it.

(xiii) NSTEDB reserves the right to terminate support to the project at any stage, if it is convinced that the grant is not being utilized properly or that appropriate progress in the project work is not being made.

(xiv) Where support has been provided by NSTEDB under specific conditions accepted by a grantee institution and if it does not comply with these conditions, it will be liable to refund the grant already received in such a manner as may be required by the Government and no further NSTEDB grant will be allowed to such an institution.

(xv) NSTEDB will not have any liability towards the manpower appointed by the grantee institution for implementation of the project.

(xvi) NSTEDB will have no responsibility in case of any loss is caused to any life or property due to accident, fire or any other reasons. The TBI is required to take appropriate safety and insurance measures to safeguard against any loss to human life and property related to the Accelerator Program.

(xvii) The NSTEDB will have no liability on account of any omission or commission of regulatory/statutory requirement by the TBI or its incubatee and their companies, as a part of the Accelerator Program.

(xviii) The Grantee will indemnify, defend and hold harmless the Department of Science and Technology (Grantor) from and against, and in respect to, any and all losses, expenses, costs, obligations, liabilities and damages, including interest, penalties and attorney's fees and expenses, that the Grantor may incur as a result of any negligent or willful acts or omissions of the Grantee.

PROFORMA FOR SUBMISSION OF NIDHI-ACCELERATOR PROGRAM PROPOSAL

The last Date of submitting Application to DST extended till 28th February 2017

Please fill up the proforma completely, incomplete proposals are liable to be rejected. Even if information is not available for a particular point please record that information is not available.

1. **Executive Summary: [Brief Description of the Program]**

2. **Details of the Technology Business Incubator:**

Name :
Address :
Fax :
E-mail :
Website :

3. **Name and type (National / Regional) of the proposed program:**

4. **Focus, duration, timelines and target cohort size of start ups**

5. **Bank Account Details of the TBI:**

Name as given in Account:
Account No.:
IFSC Code
MICR Code:
Name of bank with complete branch address: (Enclose a copy of cancelled cheque)

6. **Program Partner**

I. Names and brief profiles of the proposed Program Partner (s)

II. Details of in-kind and cash commitments being made by the Program Partner (along with letter of intent / commitment letter)

7. **Preparedness to run NIDHI-Accelerator Program**

a. Details of the TBI's experience of running large-scale programs involving scouting, outreach and training support

b. Details of the tentative team proposed to be involved in running the Accelerator Program, including details of the program lead who will spend substantially all time in running the program smoothly.
c. Tentative list of expert evaluators and mentors expected to be involved in running the program.
d. Details of experience of providing seed-fund to startups and success stories
e. Case studies of TBI supporting its existing / graduate incubates in acceleration of the startup (max 5)

8. NIDHI-Accelerator Program Design and Structure

Provide details of different aspects of the program including –

a) Tentative dates and timelines of the program
b) Details of different phases of the program
c) Key Performance Indicators targets expected from the program
    a. Expected number of ideas that will be scouted and crystallized through the application process
    b. Expected number of ideas that will be evaluated and provided feedback
    c. Expected number of ideas that will be provided mentoring support
    d. Expected number of ideas that will be trained through the boot-camp / program
    e. Expected number of ideas that will be provided prototyping and/or seed-funding support
    f. Expected number of ideas that will be absorbed for incubation by other TBIs
    g. Expected number of ideas that will raise external validation / capital

d) Experience of the TBI to run accelerator programs, provide prototyping grants, and seed-support (in case Seed Fund is sought as a part of the application to NSTEDB)

9. Month-wise work plan for the program (a separate time linked activity chart to be provided along with the detailed work plan.

10. Total Budget (including non-NSTEDB contribution) across Phases of the program

(Rs. In Lakhs)

Sl. No.	Item of Expenditure*	Phase 1	Phase 2	Phase 3		Grant / Investments	Total
	Tentative Timeline						
A	**Capex**						
a	Capital expenditure required for implementation of the program (Provide details as annexure)						

	Total A						
B	**Operating Costs****						
1	Manpower						
2	Travel						
3	Utility and maintenance						
4	Marketing, promotion and publicity						
5	Networking and Training programmes						
6	Other Administrative Expenses including consumables, printing, publications, books, journals, etc.						
7	Miscellaneous and Contingencies						
	Total B						
D	**Total A+B**						
E	**Expected NSTEDB contribution**						
F	**% NSTEDB Contribution (E/D)**						

** Budget to be submitted along with the justification of each item and a list indicating cost along with the quotations for the thrust area equipment, office equipment under non-recurring expenditure on a separate sheet.*

*** Budget break-up of Recurring Expenditure- manpower, utility and maintenance, marketing promotion, training programmes and Miscellaneous & contingencies along with the justification to be given on a separate sheet.*

11. Means of Financing:

	Means of Financing	**Amount**
1	Contribution of NSTEDB towards Capex	
2	Contribution of NSTEDB towards Recurring grant	
3	Contribution of Program Partner / TBI towards Capex	
4.	Contribution of Program Partner / TBI towards Operating Costs	
6	Revenue Generation from Accelerator Program (if any)	
Total:		

Name & Signature on behalf of TBI (with seal)

Date:
Place: