

Idea/ Pre-Seed Stage Funding

Under this, subsistence grant of a maximum of Rs. 5 lakhs will be provided to interns who have successfully completed the initial two months of agripreneurship orientation programme and are aspiring to convert their innovative idea based on technology, service, business platforms etc. into a prototype/ product.

Startups supported for idea/pre-seed stage funding will be eligible for obtaining next stage of Seed Stage Funding after evaluation.

Objectives

- a. To develop an innovative idea based on technology, service, business platforms etc. into prototype/ product, services/ platforms etc. and launching of a business based on that.
- b. To provide an opportunity to budding agripreneurs/students for venturing into the agribusiness arena as well as for minimizing risks involved in businesses based on innovation;
- c. To attract and retain a large number of enthusiastic and skilled youth in agriculture;
- d. To create a pipeline of innovative startups for incubators.

Eligibility Criteria

- a. After successful completion of the initial two months of the agripreneurship orientation programme, interns will qualify for getting Idea/Pre-Seed Stage Funding.
- b. The recipient should be registered for the incubation programme at the R-ABI for the entire duration of Idea/ Pre-Seed Stage Funding.
- c. The recipient will register his/her company before the release of the grant or he/she has to be an Indian start-up as per DIPP notification.

Selection Process of Startups for Idea/ Pre-Seed Stage Funding

- a. After successful completion of the initial two months of the agripreneurship orientation programme, the interested interns will make a presentation before RIC of their respective R-ABI. The RIC will evaluate interns on the basis of progress made on their innovative idea in the two months of agripreneurship orientation programme and recommend the interns to RC for their final evaluation.
- b. The RC will evaluate and recommend the interns for Idea Stage Funding.
- c. On the recommendation of RC, the first instalment of the grant-in-aid will be released by the Nodal Division to incubatees through the respective R-ABI.
- d. The R-ABI would execute a legal agreement with the incubatee who is selected for the seed support and this agreement should be signed before the release of the first instalment of seed fund to the Incubatees. The terms of agreement with the incubatee startup should be framed by the R-ABI linking the progress milestones, monitoring norms etc.
- e. Subsequent disbursement schedules should be linked to the achievement of milestones by the incubatees.

Pattern of Funding Support and Release of Funds

- a. Under this component of the scheme, it is proposed to support around 500 startups during the scheme period. A maximum of 20 idea stage startups per R-ABI will be supported under this scheme. Each selected startup will be provided a maximum limit of Rs 5 lakh as grant in aid under the scheme for working on their idea to convert it into a marketable product. The amount of Rs. 5 lakh is the upper limit of the seed fund assistance. The applicant incubatees would be provided funds as per their genuine requirements and as per appraisal/evaluation of their business plans by the RC and the decision of the RC in this regard will be final. The RC will not be bound to give any reason in case an application for seed loan is rejected. In case, the incubatee is already receiving grant/financial support from any other source, he should disclose the same and the issue of grant under RKVY-RAFTAAR will be decided on a case to case basis by RC based on recommendation of the RIC.

- b. For ensuring the incubatee / private participation in the programme, 10 percent of the project cost on a proportionate basis will be borne by the incubatee. The remaining 90 percent of the project cost on a proportionate basis up to a maximum of Rs. 5 lakhs will be borne under the RKVY- RAFTAAR scheme which will be released in two instalments as mentioned below:
 - i. The first instalment of 60 % of the amount of the sanctioned project for support under Idea Stage Funding will be released after signing of the agreement between the incubator/ R-ABI and the incubatee.
 - ii. The final instalment of 40% will be released to the Incubatees by the Nodal Division through R-ABIs after recommendation of RIC and RC based on their performance and milestone achieved as well as after utilization of 80% of previously released amount and receipt of provisional UC of 80% of already released funds.

Broad Activities to be supported under Idea/ Pre-Seed Stage Funding

Expenses for the following broad activities would be supported under Idea/ Pre-Stage Funding:

- a. Development of prototype/ product
- b. Expenses on data generation/ Data acquisition for ideas working on IT side/AI side
- c. Fees for technology commercialization and IP issues
- d. Manpower for day to day operations
- e. Day to day operational expenses like electricity bill, incubation charges etc.
- f. Any other area/activity as deemed necessary and recommended by the RIC of R-ABIs.