MGU INNOVATION FOUNDATION

MAHATMA GANDHI UNIVERSITY CAMPUS

Priyadarsini Hills PO, Kottayam-686560

NOTIFICATION FOR SEED FUNDING

About the Scheme

MGU Innovation Foundation (MGUIF) is a nonprofit Section 8 company established under the Companies Act, 2013, (a Special Purpose Vehicle) on December 19, 2019. Our mission is to serve as a dynamic business innovation ecosystem affiliated with Mahatma Gandhi University. The organization is functioning under the guidance of the RUSA 2.0 project of Ministry of Education, Government of India.

Under the RUSA guidelines, MGUIF has formulated a SEED Funding scheme for startups and the details are given below.

How to Apply

Interested startups may send in their application to submit their proposal by visiting www.mguif.com .

Please contact 0481-2992684 or email incubation.manager@mguif.com for any clarifications.

Last date for receiving application – 15/07/2024.

Decision on funding will be made within 2 months from the last date. The final decision shall be made by the expert committee established by MGUIF.

The SEED Funding supports the startups on the following:

- Product Development
- Testing and Trials
- Marketing
- IPR related expenses
- Operational expenses (Working Capital)

Applications are invited from startups for the SEED Funding Scheme as per the details given below:

1. **Company Structure and Affiliation:**

(i) The company applying for seed funding must be registered as a Private Limited entity. Else, the startup shall be converted into a Private limited company to accept funding.

(ii) It must be affiliated with a recognized Incubator (MGUIF) for at least 6 months.
(iii) Startups must provide a valid lease agreement for co-working space or virtual office arrangement with MGUIF.
(iv) For companies not incubated in MGUIF, please refer to Clause 3 (Nomination Process for outside companies).

2. Eligibility Criteria:

(i) The startup must possess a business idea aimed at developing a product or service with a demonstrable market fit, viable commercialization strategy, and scope of scaling.
(ii) A startup recognized by DPIIT, incorporated not more than 5 years prior to the time of application.
(iii) The startup should integrate technology into its core product, service, business model, distribution model, or methodology to address the targeted problem effectively.
(iv) Startups showcasing innovation in their solutions, processes, or approaches will receive preference, encouraging creativity and differentiation in the market.
(v) A private limited company must be incorporated before the release of funds to ensure legal and regulatory compliance.

3. Nomination Process for Outside Companies:

(i) Companies from outside MGUIF must be nominated by a government-approved incubator.
(ii) Only one Company per incubator can apply, ensuring a manageable number of applications.

4. Application Process:

(i) Eligible candidates are expected to prepare a proposal in the specified format, outlining the objectives, milestones, and expenditure details.
(ii) Proposals must be submitted to MGUIF during the designated period.
(iii) The Technical Review Committee will evaluate the submitted proposals based on predefined criteria.
(iv) Shortlisted candidates will be invited to present their proposals to the Technical Committee for further assessment.
(v) The Technical Committee will assess the innovative nature of the proposal and its potential for commercialization and market viability.
(vi) Proposals deemed to have significant innovation and market potential will be accepted by MGUIF.

5. **Funding Allocation**:

(i) The seed funding allocation ranges from a minimum of 2 lakh to a maximum of 10 lakh for eligible startups.
(ii) Criteria for determining the funding amount include the stage of development, market potential, and capital requirements of the startup.
(iii) Funds will be released in three installments. After each disbursal our expert committee will evaluate if the fund is utilised for the intended purpose and the next stage of funding will be released after a satisfactory report from them.

6. **Equity Stake:**

(i) Seed funding shall be provided in return for the issuance of Compulsory Convertible Debentures (CCDs).
(ii) The incubator will claim an equity stake in the startup's ownership, capped at a maximum of 9.5% through the CCDs.

7. **Compliance:**

(i) General compliance with government regulations is mandatory for eligibility.

8. **Age Limit**:

(i) The company should not be older than 5 years, ensuring support for early-stage ventures.

9. **Focus Areas**:

(i) Companies that apply for SEED funding shall be primarily focused on:

- Data Science/ AI/ IOT etc.
- Renewable Energy
- Tourism
- Sustainable Agriculture using technology
- Nano-technology.
- Healthcare Innovation
- Edutech solutions, including ERP systems for colleges
- E-commerce platforms.
- Drone technology.

10. **Financial Documentation**:

(i) Submission of company's balance sheet, Profit and Loss (P&L) statement, and bank statements may be required for evaluation.

11. Decision-Making Body:

(i) A committee (Approval Committee) comprising multifunctional experts shall be responsible for assessing and deciding on fund allocation.

12. Progress Monitoring:

(i) Regular monitoring of the company's progress in utilizing the funds shall be conducted to ensure accountability and efficiency.

13. Evaluation Criteria:

(i) Evaluation of the firm's potential for growth, innovation, market viability, and alignment with the fund's objectives shall be considered.

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Chairman & Managing Director

MGU Innovation Foundation