



Guidelines for setting up of Incubators under Atal Innovation Mission
- 'Atal Incubation Centres'

Government of India
NITI Aayog
Atal Innovation Mission

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NITI AAYOG
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GUIDELINES FOR SETTING UP OF ATAL INCUBATION CENTRES (AICs)

1.0 Background:

The Government of India has setup the Atal Innovation Mission (AIM) at NITI Aayog. The overarching purpose of this Mission is to promote a culture of innovation and entrepreneurship in India. The Government realizes that there is a need¹ to create world class incubation facilities across various parts of India with suitable physical infrastructure in terms of capital equipment and operating facilities, coupled with the availability of sectoral experts for mentoring the start-ups, business planning support, access to seed capital, industry partners, trainings and other relevant components required for encouraging innovative start-ups. Accordingly, AIM supports the establishment of Atal Incubation Centres (AICs) that would nurture innovative start-up businesses in their pursuit to become scalable and sustainable enterprises. The scheme is known as Atal Incubation Centre. The terms and conditions of the scheme are at Annexure I.

In the previous year, AIM has provided support to set up ten AICs. The list of the ten supported AICs can be found here: http://niti.gov.in/writereaddata/files/AIC_website_Final_Round1.pdf.

AIM invites applications for setting up AICs through the online application form provided at this URL - <http://aimapp2.aim.gov.in/aic2.0> format of the application form is also provided at Annexure II to this document.

2.0 Objectives of the Scheme:

- 2.1 The objective of the scheme is to promote and establish world class incubation centres in specific subjects/sectors such as manufacturing, transport, energy, health, education, agriculture, water and sanitation etc. in India. These incubation centres would support and encourage innovative technology-based start-ups that have an application and/or impact in the core sectors of the economy. The incubation centres would provide the start-ups with necessary guidance, tech support, infrastructure, access to investors, networking, and facilitating a host of other resources that may be required for the start-up to survive and scale.

3.0 Expected Functions of the AICs:

- 3.1 Assist the incubatees in creating a sustainable, scalable & profitable business model
- 3.2 Provide physical infrastructure and value-added support services
- 3.3 Create a strong network of mentors who would provide sector specific knowledge & real-world practical guidance
- 3.4 Conduct events and inspirational programs

¹ Turning innovations into enterprises: (<http://www.livemint.com/Opinion/ZEpkDwK0JyGzuS18ODqXTM/Turning-innovations-into-enterprises.html>)

- 3.5 Provide trainings and mentorship to entrepreneurs
- 3.6 Forge partnerships and networks with academia, industry, funding sources, existing incubators and others for the start-ups to leverage.
- 3.7 Enable access to prototyping facilities, test beds, markets, and pilot implementation for the product/services.
- 3.8 Build a strong team with adequate knowledge and experience in guiding start-ups, building business plans, facilitating investments, building networks etc.
- 3.9 An ideal application would be a collaboration between a corporate sector entity and a research oriented / academic institution with aligned areas of focus.

4.0 Features of the Scheme:

- 4.1 Keeping in view the learnings from round 1 of AIC selections in 2016-17, it has been decided to broaden the applicant pool, by inviting a wider category of entities, such as higher educational institutions, R&D institutes, entities from the corporate sector, alternative investment funds registered with SEBI, business accelerators etc.
- 4.2 The applicants must be legal entities which include Societies registered under the Societies Registration Act 1860, Trusts registered under the Indian Trusts Act 1882, Private Limited companies (including Section 8 and Section 25 companies) registered under the Companies Act 1956 or Companies Act 2013, and statutory bodies i.e. entities created through Acts of Parliament, Alternate Investment Funds registered with SEBI.
- 4.3 Short-listed AIC applicants that are not Societies or Trusts will have the option of accepting the Grants-in-aid themselves or alternatively may incorporate a Special Purpose Vehicle (SPV). The process for the setting up of an SPV is set out in Annexure IX of these guidelines. Please note that that shortlisted may use *either* of the options – a.) to implement the AIC through the applicant who has applied to AIM i.e. the existing legal entity, or b.) create a separate SPV to implement the AIC. It is clarified that AIM retains the right at its discretion to require any AIC applicant to form an SPV for implementing the AIC.
- 4.4 If the existing legal entity of the short-listed Applicant is a Trust or a Society, it is required to incorporate a separate SPV to implement the AIC, which shall be a Private Limited Company, and may also be a Section 8 entity.
- 4.5 AICs can be established by one or more collaborating entities. For the purposes of this application, only the entity who will be providing the space for setting up the AIC (as per requirements in para 6.0 on Infrastructure) shall be considered as the applicant (hereinafter referred to as “**Applicant**”).
- 4.6 AICs are encouraged to focus on a limited number of areas, which align with their core strengths. The AIC should have up to a maximum of three primary sectors of focus. An illustrative list of sectors has been provided in the online application form.
- 4.7 A separate book of accounts which is third party auditable would need to be maintained for all expenses and utilization of AIM Grant in funds and required matching funds (where applicable).
- 4.8 Final decision of the nature of the legal entity allowed to be an AIC Incubator would be at the sole discretion of AIM.

5.0 Funding Support:

- 5.1 Successful applicants would be provided grant-in-aid to set up the AIC for a maximum period of 5 years up to Rs. 10 crore to cover the capital and operational expenditures. The exact amount of the grant shall be decided by AIM based on the application and business plan, as per the prevailing scheme. AIM reserves the right to modify the scheme as and when required, without prior notification.
- 5.2 In case the AIC is being implemented through setting up a new SPV, then the Grants-in-Aid shall be disbursed to the new bank account of the SPV. Alternatively, if the AIC is being implemented through the applicant, then each applicant must create a new bank account for the purpose of holding, spending or disbursing funds for the purpose of the AIC. It is clarified that the AIC will open a *separate and exclusive bank account* and also maintain a separate book of accounts for the grant-in-aid received by AIM, NITI Aayog, for setting up and running the incubation facilities. The interest earned should be reported to AIM, NITI Aayog and returned to the Consolidated Fund of India each year. An additional separate account is also required to be opened for the seed funds component of the Grant.
- 5.3 Key aspects of funding AICs in academic / R&D institutes:
- a) Such applicants would be provided grant-in-aid of up to 100% of the total eligible project costs subject to a maximum of Rs.10 crore.
 - b) Cost components mentioned in para 5.8 (given below) shall not be considered as eligible project costs.
 - c) The budget plan presented by the applicant should clearly demarcate all components of the project costs which are not eligible for funding by AIM, including those mentioned in section 5.8.
 - d) In case the applicant forms the SPV to implement the AIC, the Grants-in-Aid will be transferred to the bank account of the SPV. If an SPV is not required to be formed, the Grants-in-Aid shall be transferred to the separate and exclusive bank account of the applicant. No third party / affiliate / sister concern organisation shall be allowed to receive the Grants-in-Aid in any circumstances whatsoever.
- 5.4 Key aspects of funding AICs proposed by applicants other than academic / R&D institutes:
- a) AICs would be provided a Grant-in-aid of up to 50% of the total eligible project cost, subject to a maximum of up to Rs. 10 crore. The rest of the project cost will be borne by funds that the applicant itself is providing, directly from its own bank account/s. It is clarified that under no circumstances can any third party provide funding to the AIC directly. It is further clarified that the funds brought in by the applicant shall be independent of and in addition to the Grants in aid received from AIM.
 - b) Costs mentioned in section 5.8 (given below) shall not be considered as eligible project costs.

- c) The budget plan presented by the applicant should clearly demarcate all components of the project costs which are not eligible for funding by AIM, including those mentioned in section 5.8.
- d) If the short-listed applicant is creating a SPV for the implementation of the AIC, then the rental value of the building as per the registered lease agreement on pro-rata basis for the 10,000 sq. ft space allocated to the AIC **can be considered as the applicant's contribution to the AIC in the eligible project cost subject to submission of the lease documents and the actual rent receipts.** This consideration will be restricted to a maximum of 20% of the matching Grant contribution provided by the AIC applicant. In case, there is a variation, the AIM team has the discretion to allow the limit to which the consideration will be made for the rent. It may also be noted that the rental should be paid to the third party directly and the third party should not be related in anyway with the Host / promoters of the applicant.

If the AIC is being implemented through the applicant itself, the rental value will be considered only if it is being paid out of the new bank account created for the AIC and is being paid to the third party directly. As explained above, it may be noted that the third party should not be related in anyway with the Host/Promoters of the applicant.

In either case, (SPV or not) the rental value shall NOT be considered as host contribution if the space allotted to the AIC is owned by the applicant.

- e) Each tranche of the grant-in-aid shall be disbursed only after the applicant provides proof of matching contribution that is to be brought in by the applicant itself as monetary/cash contribution. In-kind contributions or contributions made in the past, loan or contribution from third parties shall not be considered as matching contribution. The amount of the matching contribution should be equal to or more than the amount of the tranche that is to be disbursed by NITI Aayog.
- f) Each AIC must create a new bank account for the purpose of holding, spending or disbursing funds for the purpose of the AIC. It is clarified that the AIC will open separate bank account and maintain separate books of accounts for the grant-in-aid for setting up the incubation facilities and a separate bank account for the seed fund. The interest earned should be reported to the AIM, NITI Aayog and returned to the Fund of India. Therefore, the matching contribution has to be brought in from the bank account of the applicant to the bank account of the SPV of the AIC or the new bank account of the applicant set up for the AIM funds. This matching contribution cannot be taken as a loan from any other organisation nor can it be contributed by any third party or related party. If the applicant itself is not financially capable of bringing in the pre-requisite matching contribution to the table, it should not apply for the AIC.
- g) Any machinery/infrastructure which was already present with the host institution before receiving the Grants-in-Aid from AIM, NITI Aayog cannot be considered as matching contribution towards setting up the AIC.

5.5 The grant-in-aid shall be disbursed in a phased manner as per the budget plan submitted by the applicant and approved by the AIM directorate.

5.6 AIC Team Guidelines:

- a) The Grants-in-Aid shall be disbursed only after the applicant provides proof of having a full-time and qualified CEO identified and committed to operationalise the AIC.
- b) The selection of the CEO is to be done **in consultation with the AIM team**.
- c) In order to receive the grant, the profile of the short-listed candidate(s) for the CEO position should be submitted to AIM. The shortlist shall require the written approval of AIM team following which the selection can be made. The CEO and the rest of the AIC team has to be in place and engaged on a full-time basis within 30 days of receiving the Grant.
- d) The CEO should have experience as an entrepreneur or in the startup ecosystem and have an understanding of starting companies, early stage investments, raising funds, technology and incubation. S/he should be a dynamic changemaker dedicated to the AIC who has the enthusiasm and energy required to do the leg work that this position requires. The CEO must be a visionary to make the AIC self-sustainable.
- e) In case where the applicants are academic institutions, no in-house faculty members / retired faculty members / blood relatives or related individuals by law of any director(s) or management officials of the applicant institution / officials / external consultant without requisite domain expertise/ any other individual related to the application can take up a key role (including but not limited to CEO/Incubation Manager or equivalent) whether part-time or full-time at the AIC.

5.7 Budget Guidelines:

- a) Expenditure on office furnishings, administration, utility and maintenance, and office expenses should be kept to a minimum.
- b) The larger part of the grant-in-aid should be spent on the core operation activities of the AIC s described in para 3.0 (Expected functions of the AIC).
- c) The total grant-in-aid which can be spent towards sector specific laboratory and seed fund combined should not exceed Rs. 4.5 crores.
- d) The Promoter / Host Institution or the SPV (as the case may be) will be required to submit audited statement of accounts and the Utilization Certificates (UCs) of the grant (i) every six months from the time of receiving the grant, (ii) at the end of each financial year; and, (iii) as well as at the time of seeking further instalments of the grant, if any. The Promoter / Host Institution will also be required to submit a quarterly progress report to NITI Aayog. The proforma of the UC is attached as **Annexure V** to this document.
- e) AIM, NITI Aayog will have the ongoing right to get a financial audit done for the SPV / applicant, if required, as frequently as it considers suitable.

5.8 The following elements shall not be allowed to be included in the project cost itself (irrespective of whether it's the contribution of the applicant or NITI Aayog):

- Cost of purchasing land, construction of building, purchase of vehicles.
- Rental expense in case the applicant is an academic institution and the AIC is located in the premises of the academic institution.
- Notional Rental expense / EMI being paid against the space which is owned by the host institution / promoter (whether academic or not) of the applicant for the AIC.
- Cost of hiring any external agency/consultant for conducting whole or part of the AIC operations. (AIM will assist the AIC in developing the operational model based on global best practices and will provide training to the AIC team).
- Cost of any fee paid to any external agency/individual(s) for the preparation of the application for AIC.
- Expenses such as SPV registration charges, seed money for the bank accounts, and other similar expenses for incorporation of the SPV (in case an SPV is made for the implementation of the AIC).
- Any machinery/infrastructure which was already present with the host institution before receiving the Grants-in-Aid from AIM, NITI Aayog cannot be considered as a part of the project cost for setting up the AIC.
- Monetisation of any notional / opportunity costs.

5.9 The applicant is strongly encouraged to make the AIC self-sustainable in a period of five years and it should clearly reflect in the proposed budget submitted by the applicant.

5.10 The applicant can apply for scale up support at the end of the program subject to fulfilling the objectives and targets and based on the performance of the AIC through a separate program which may be notified in due course of time. Such support will only be granted by AIM at its sole discretion.

6.0 Infrastructure requirements:

6.1 The applicant would have to provide at least 10,000 sq. ft. of **ready-to-use, built-up** space, for the **exclusive use** of the AIC. This means that the civil works must be complete and doors and windows, railings for the staircase, lifts, fire safety/fire-fighting, air-conditioning, lighting etc. should already be in place. The space committed should be ready for use and should not require any civil works / renovations before use.

6.2 The space should be owned or leased by the applicant. In case of a leased space, the period of lease should be minimum of 15 years for academic/ R&D institutions, whereas the corporate sector and individuals should have a minimum lease of 9 years. In case of selection of the applicant for the grant-in-aid, the documents of ownership of the space / lease agreements shall be verified.

6.3 The cost of the land and building shall not be included in the project cost. Only in case of non-academic applicants, the rental value of the building as per fair market value or as per the lease agreement shall be considered as the applicant's contribution to the project cost. However, the rent shall not be paid out of the grant-in-aid.

7.0 Applicants desirous of establishing AICs may submit their application online to the Atal Innovation Mission, NITI Aayog at visit <http://www.niti.gov.in>. The prescribed

application formats are attached at Annexure II-IV. Apart from filling up the online application form, the applicants are required to upload the business plan and budget plan, registration document, letter of declaration and other necessary documents as mentioned in the application form.

8.0 Evaluation of applications:

8.1 The applications would be evaluated by a duly constituted Screening-cum-Selection Committee for this purpose. Selected applicants will be required to enter into a MoA and Bond (Annexure VI and VII respectively) with AIM, NITI Aayog. The indicative criteria that may be used for evaluation of the applications are given in Annexure VIII.

9.0 The above scheme, screening criteria and guidelines are subject to periodic review in consultation with concerned stakeholders.

I. GENERAL CONDITIONS:

1. The purpose of this document is to provide information to the interested applicants for the completion of their application. It is neither an agreement nor an offer made by AIM.
2. AIM does not make any representation or warranty as to the accuracy, reliability or completeness of the information in this document and it is not possible to consider particular needs of each applicant.
3. AIM will not be responsible for any delay in receiving the applications.
4. All applications are to be strictly submitted in the online mode. No hard copies will be accepted. The sample application form is at Annexure II.
5. Applicants can seek clarifications on the guidelines through the email incubator-aim@gov.in.
6. All communications related to the scheme including announcements of shortlisted applicants and final selection of applicants will be published on the NITI Aayog website <http://www.niti.gov.in>.
7. The issue of these guidelines does not imply that AIM is bound to select an Applicant. AIM reserves the right to accept/reject any or all of applications submitted in response to the document at any stage without assigning any reasons whatsoever.
8. AIM's decision will be final and no explanation or justification for any aspect of the selection process shall be given.
9. Applicants shall bear all costs associated with the preparation and submission of their applications, and their participation in the selection process.
10. The applicant would need to upload a copy of the Bank Details and other documents as may be asked for by the AIM Directorate within a stipulated time frame of 30 days from the date of intimation of the short-listing of the applicant from the AIM Directorate to release the funds to the applicant.
11. All grantee institutions except government institutions are required to execute a signed Bond (in prescribed pro-forma- Annexure VII) before any grants-in-aid are released to them.
12. AIM strongly discourages engagement of consultants / external agencies on a paid basis for preparation and submission of the application.
13. AIM, NITI Aayog will have no liability on account of any omission or commission of regulatory/statutory requirement by the AIC or its incubatees and their companies.
14. In case of any dispute, the same shall be subject to the jurisdiction of the courts of Delhi.
15. List of documents to be submitted, duly signed and stamped, within 1 month from the date of the intimation letter but before the release of first instalment:
 - (i) Copy of the Registration Certificate, MoA and AoA of the applicant

- (ii) Registration of the new Bank Account created for the AIM Grants-in-Aid created for the AIC on the Public Financial Management System (PFMS) portal
- (iii) One original copy of the Bond (on Rs. 10 non-judicial stamp paper) signed and stamped by the applicant (in prescribed pro-forma Annexure VII)
- (iv) Proof of availability of at least 10,000 sq. ft built up space along with copy of the lease deed/ownership documents in favour of the applicant, location plan and floor plan (Please note that the entire space needs to be at the single location). It is assumed that the Applicant would continue to provide the space for the AIC beyond the initial lease period.
- (v) Proof of financial closure for the total project cost indicating the source of availability of matching contribution by the Applicant in the form of board decision/commitment by the authorized signatory etc. along with a copy of the balance sheet and ITR for the last three years of the applicant (for non-academic organizations and academic institutions both).
- (vi) Proof of availability of matching contribution equivalent to the first tranche in the bank account created for the AIM grants-in-Aid (for non-academic organizations) The amount disbursed as the first tranche will depend on the proposed and agreed expenditure as per the budget plan submitted by the applicant.
- (vii) CV/ Resume of Full-time of proposed Managing Team (Board, CEO and other officials)
- (viii) List of key mentors along with their designation, qualification and areas of specialization etc.
- (ix) Copy of MOU / Partner Contract between the applicant / SPV and R&D Institutions or Industries or Individuals for technical collaboration for the AIC.
- (x) Annual goals and deliverables document for the AIC for the duration of the project.

Please note that if the applicant is setting up an SPV for the implementation of the AIC than all these documents shall pertain to the SPV and not the applicant.

II. SPECIFIC TERMS AND CONDITIONS:

1. The grant-in-aid is towards financial support to AIC would be provided which would be exclusively spent on the specified purpose within the stipulated time.
2. To receive the grant-in-aid fund, the AIC is required to be registered under PFMS. The instructions will be communicated separately and in due course of time to the selected applicants.
3. The first tranche of the grant-in-aid money will be disbursed to the AIC applicant for setting up of its start-up incubation facilities on receipt of two copies of duly signed Memorandum of Agreement (MoA) and one copy of the Execution of the Bond as per the form enclosed in Annexure VI and Annexure VII respectively. The MoA and the Bond has to be executed by the applicant/SPV as the case may be.
4. The remaining grant-in-aid shall be disbursed to the AIC in the subsequent years, based on satisfactory achievement of the committed goals and deliverables and the compliance of financial requirements.

5. The AIC will open separate bank account and maintain separate books of accounts for the grant-in-aid for setting up the incubation facilities and a separate bank account for the seed fund. The interest earned should be reported to the AIM, NITI Aayog and returned to the Fund of India.
6. The amount of grant-in-aid released should be spent exclusively on the specified purpose for which it has been sanctioned within the stipulated time frame and as per the break-up suggested for fund utilisation.
7. If the AIC is being implemented through the SPV, the applicant is required to immediately start the process of setting up the SPV, the team required to operate the AIC and begin the activities of the AIC and upload a copy of registration certificate along with bank details and other documents as may be asked for by the AIM directorate within a stipulated time frame after receiving the intimation letter from the AIM directorate to release the funds to the SPV.
8. The AIC shall put in place all the requisite physical infrastructure (shared/specific) such as laboratory and workshop facilities, pre-incubation services, networking, mentoring, systems, processes and tools within a period of six months from the date of release of funds for capital and operational expenditure required to achieve the targets arrived at mutually between AIM, NITI Aayog and the AIC, which would form the basis for evaluation of the performance of the AIC.
9. The AIC would also put in place a dedicated full time Chief Executive Officer (CEO) with desired domain and management expertise and other core team/supporting staff for its successful operations within thirty days from the date of release of funds. The applicant will have full freedom to decide the compensation of the CEO as well as the management team of the AIC.
10. The AIC is expected to meet its goals and deliverables on the number of startups, events, infrastructure, mentors and network commitments as per their proposed action plan within the stipulated time frame, which would be monitored at every stage before release of every tranche.
11. It is mandatory for the AIC to attend all workshops and meetings conducted by AIM, NITI Aayog with regard to incubation centres. Intimation for such events will be provided at least a week in advance, and recusal if required, should be obtained by the AIC in writing from AIM, NITI Aayog.
12. The AIC should develop appropriate linkages with other parties to ensure its success. For instance, an AIC in an educational institute should collaborate with the industry and vice versa.
13. The AIC would evolve a transparent system for selection of incubatees. The incubatees would be admitted subject to fulfilling the admission criteria and the AIC would enter into an appropriate agreement with the incubatees.
14. As part of the Grant-in-Aid to the AIC, it is mandatory for the AIC to abide by the AIC monitoring system, details of which will be communicated in due course of time. AIM, NITI Aayog will have the right to evaluate and monitor the activities and working of the

AIC, to ensure that it is in alignment with the vision of AIM, NITI Aayog. The website link for uploading AIC updates and related instructions will be communicated separately.

15. The AIC will be required to submit i) progress report; ii) audited statement of accounts and Balance Sheet; and iii) Utilisation Certificate (UCs) (as per the format in Annexure V) for the grant-in-aid at the end of each financial year as well as at the time of seeking further instalments of the grant-in-aid, if any. Any unspent balance out of the amount sanctioned should be refunded to the Government of India by means of an Account Payee Demand Draft drawn in favour of Drawing and Disbursing Officer, NITI Aayog, payable at New Delhi.
16. All the assets acquired or created out of the grant-in-aid should not be disposed of or encumbered or utilised for the purpose other than those for which the grant-in-aid has been sanctioned without the prior written permission of the AIM, NITI Aayog.
17. Concerned officers of Atal Innovation Mission, NITI Aayog or its authorized representatives may visit the organization/AIC periodically for ascertaining the progress of work and resolving any difficulties that might be encountered in the course of implementation.
18. AIM, NITI Aayog reserves the right to terminate support to the AIC at any stage, if it is convinced that the grant-in-aid is not being utilised for the identified purpose or that appropriate progress is not being made.
19. In case an AIC wishes to wind up its activities, the AIC shall give a notice of at least three months to AIM, NITI Aayog before the closure, and design and implement a closure/succession plan with the written approval of AIM, NITI Aayog as per the established procedures / regulations for winding up.
20. In the event of breach or violation of the MoA terms and conditions, the AIC will be required to refund to the Government on demand, the entire amount or such part thereof as may be determined by the competent authority and mentioned in the demand notice issued by the Government, along with interest thereon at the rate of 11.50% (or as applicable by the GFR rules) compounded annually from the date of the receipt of the grant-in-aid to the date of refund.
21. As per Rule 211(1) of GFR, the accounts of the AIC shall be open to inspection by the sanctioning authority/audit by the C&AG and the institution shall provide all the necessary support to carry out the inspection/audit.
22. AIM, NITI Aayog will have no responsibility in case of any loss caused to life or property due to accident, fire or any other reasons. The AIC is required to take appropriate safety and insurance measures to safeguard against any loss to human life and property related to AIC. The manpower employed by the AIC will be the responsibility and liability of the applicant and AIM, NITI Aayog will not have any responsibility or liability towards them.
23. The AIM, NITI Aayog will have no liability on account of any omission or commission of regulatory/statutory requirement by the AIC or its incubatees and their companies.
24. In case of any dispute, the same shall be subject to the jurisdiction of the courts of Delhi.

APPLICATION FORM**I. BASIC DETAILS**

1. Name of the Institution/ Organisation (not applicable for individuals):
2. Name of the legal entity (as mentioned in the registration document of the entity):
3. Year of establishment:
4. Registered address of the Institution:
5. District:
6. State:
7. Pin Code:
8. Website:
9. Name of the applicant*:
10. Email address:
11. Mobile number:
12. Highest Qualification: Dropdown (Graduate/Post- Graduate/ MPhil/PhD and above)
13. Current Designation:

** The applicant will be the individual OR the person who will be the driver/promoter of AIC initiative within the organisation/ institute and will maintain correspondence in the future at all times if selected*

II. BACKGROUND**A. Type of Applicant Entity:**

- | | |
|---|--|
| <input type="checkbox"/> Higher Educational Institution | <input type="checkbox"/> Public Sector Enterprise (PSU) |
| <input type="checkbox"/> Private entity | <input type="checkbox"/> Public company (listed/unlisted) |
| <input type="checkbox"/> Alternative Investment Fund (Category I) | <input type="checkbox"/> Alternative Investment Fund (Category II) |
| <input type="checkbox"/> R & D Institution | <input type="checkbox"/> Individual |
| <input type="checkbox"/> R & D Institution | <input type="checkbox"/> Other |

A1. For Higher Educational Institution Applicant:

- University College
1. Specify category: (*Radio button*)

<input type="checkbox"/> Central	<input type="checkbox"/> State	<input type="checkbox"/> Private	<input type="checkbox"/> Other (please specify)
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 2. Name of Parent University (for College): (*not mandatory*)
 3. Specialisation of the educational institution (choose those applicable):

<input type="checkbox"/> All	<input type="checkbox"/> Agriculture	<input type="checkbox"/> Medical
<input type="checkbox"/> Marketing	<input type="checkbox"/> E-commerce	<input type="checkbox"/> Health, Biotechnology,
Medical Devices	<input type="checkbox"/> Water and wastewater	<input type="checkbox"/> Science
<input type="checkbox"/> Engineering & Technology	<input type="checkbox"/> Commerce	
<input type="checkbox"/> Arts/ Humanities/ Social Sciences	<input type="checkbox"/> Management	<input type="checkbox"/> Other (please specify)

4. Total number of students enrolled (in academic year 2016-17):
 ___ Diploma ___UG ___PG ___MPhil ___PhD and above
5. Type of college or university:
 Men Women Co-educational
6. Total number of students enrolled (in academic year 2016-17):
 ___ Diploma ___ UG ___ PG ___MPhil ___PhD and above
7. Total number (in academic year 2016-17):
 ___Teaching faculty ___ Teaching faculty with PhD

A2. For Private entity/ Alternative Investment Fund Applicant:

1. Number of Full-time equivalent (FTE) employees in 2016-17:
 01-99 100-999 1000 or more
2. Sector or domain of the business: (*dropdown*)
 Agriculture & allied, Automobile, Aerospace, Biotechnology, Chemicals, Consumer Durables, Pharmaceuticals, Defence, Education, Environment, Electrical & Power, Energy (Oil, Natural gas, Petroleum), Entertainment, Financial Services, Food processing, Healthcare, Hospitality, ICT & Electronics, Infrastructure, Manufacturing, Materials, Medical, Mining, Mass Media, Legal, Telecommunication, Transport, Water, Other.
3. Non-interest revenue (EBIT) of the business in 2016-2017 (in Rs. Crores):
 0-5 6-50 51-100 more than 100
4. Nature of business (50 words):

A3. For R&D Applicant:

1. Management of the institution:
 Government Private PPP
2. Total number:
 ___Researchers ___ Researchers with PhD
3. Type of lab at the institution:
 Dry Lab Wet Lab Both None
4. Focus area for scientific research: (*Same as Q A2.3*)
 Agriculture & allied, Automobile, Aerospace, Biotechnology, Chemicals, Consumer Durables, Pharmaceuticals, Defence, Education, Environment, Electrical & Power, Energy (Oil, Natural gas, Petroleum), Food processing, Healthcare, ICT & Electronics, Infrastructure, Manufacturing, Materials, Medical, Mining, Telecommunication, Transport, Water, Other.

B. IP related

1. Number of research papers published in past 3 years (April 2014-March 2017):
2. Number of technologies commercialized in past 3 years (April 2014-March 2017):
3. Number of Indian or WIPO-compliant patents filed in last 3 years (April 2014-March 2017):
 0 1-5 6-24 25 or more
4. Number of Indian or WIPO-compliant patents received in last 3 years (April 2014-March 2017):
 0 1-5 6-24 25 or more

C. Prior experience

1. Number of entrepreneurship awareness / training programs conducted in the last three fiscal years (2014-17):
 0 1-5 6-24 25 or more
2. Have you accelerated / funded startups in the last three fiscal years (2014-17)?
 Yes No
3. Total number of startups supported in the last three fiscal years (2014-17):
 0 1-5 6-24 25 or more
4. Provide brief description of start-ups and entrepreneurs supported at your institution (50 words):

III. PROPOSED TEAM

Total number of proposed manpower for the AIC: _____

1.1 Proposed CEO:

1. Has the person been identified? Yes No
2. If yes, Name:
3. Age:
4. Highest Qualification: *Dropdown* (Graduate/Post- Graduate/ MPhil/PhD and above)
5. Current Designation:
6. Current Organisation:
7. Total number of experience of years:
____Academic/Teaching ____Industry
____Research ____Entrepreneurial
8. Is the proposed CEO currently holding a fulltime position?
 Yes No
9. Will he/she leave their position to work for the AIC full-time?

Yes No

1.2 Proposed AIC Manager:

1. Has the person been identified? Yes No
2. If yes, Name:
3. Age:
4. Highest Qualification: *Dropdown* (Graduate/Post- Graduate/ MPhil/PhD and above)
5. Current Designation:
6. Current Organisation:
7. Total number of experience of years:
 ___Academic/Teaching ___Industry
 ___Research ___Entrepreneurial
8. Is the proposed manger currently holding a fulltime position?
 Yes No
9. Will he/she leave their position to work for the AIC full-time?
 Yes No

IV. PARTNERSHIPS/ LINKAGES

1. Total number of partners (existing):
2. Total number of partners (new):
3. Provide details of 5 partners who are most relevant for the AIC:

Name	Type of partner	Type of linkage	Status	Comments (not more than 50 characters)

Description:

- a) Type of partner: Academic, Corporate, Individual, Start-up, Government, R&D Lab, Investment, Small Medium Enterprise (SME), Others (please specify).
 - b) Type of Linkages: Buyer/Vendor, Mentoring, R&D, Business Innovation, Networking, Donor, Market access, Business Support, Other.
 - c) Status: Existing, Proposed
4. **Letter of Intent (LOI) to be attached** from proposed and existing partners indicating consent and describing the linkages on the letterhead of the respective individual/ corporate/ institution/ bank etc.

V. PROPOSED AIC DETAILS

1. Where do you want to establish the AIC?
 ___District ___State

2. Will the AIC be located in a metro city (New Delhi, Mumbai, Chennai, Kolkata, Hyderabad, Bengaluru, Pune, Ahmedabad)? Yes No
3. Location of the AIC:
 Rural Urban Industrial Cluster North East
4. Is your proposed AIC based in any of the cities mentioned in the Smart City list?
 Yes No
5. Which is the nearest incubator? _____
6. What is the distance from the nearest incubator to the proposed location of the AIC? (in kms)
7. What is the main strength of the organisation that you will leverage for the AIC?
- Real estate / Office space
 - Maker space
 - Wet Lab(s)
 - Pool of strong business / tech mentors
 - Networking with other institutions / Labs / Academia
 - Finance for setting up the incubator
 - Test beds for pilots
 - Faculty guides
 - Patent facilitation centre
 - Technical support
 - Other support services
 - Any other, please specify
8. Proposed floor area for setting up the AIC (in sq. ft):
9. Is the space available for exclusive use of the incubator immediately?
 Yes No
10. Proposed sector of focus for the incubator:
- a) Agriculture and Allied Fields
 - b) Bio Technology
 - c) Building Materials/Construction Technology
 - d) Electricity, New and Renewable Energy and Environmental sustainability
 - e) Education
 - f) Health and Pharmaceuticals
 - g) Infrastructure
 - h) Information & Communication Technology (ICT)
 - i) Sensor Technology
 - j) Manufacturing and Engineering

- k) Micro and Nano electronics
- l) New Materials including Nano Materials
- m) Water, Sanitation and Solid Waste Management
- n) Housing – Urban and Rural
- o) Transport
- p) Other emerging areas or of social / national importance: Please specify

11. Proposed investment from the applicant institution (in Rs. Lakhs):

12. Have you taken any other grant from any Government (Centre or State) ministry/organisation to establish an incubator? Yes No

13. If Yes, is the grant currently active? Yes No

14. If No, please specify:

- a. Name of the grant-giving organisation,
- b. Name of program/scheme,
- c. The total sanctioned amount,
- d. Date of sanction,
- e. Duration of the grant:

15. Projected targets as per the business plan attached:

Targets	Year 1	Year 2	Year 3
Number of startups that will be incubated			
Number of startup accelerators proposed			
Number of hackathons proposed			
Number of other intensive training programs (not counting hackathons/accelerators) for early stage startups proposed			
Number of mentors who will be available			
Number of start-ups that will receive external funding			
Number of events outside the applicant entity			
Number of startups that will graduated / exited* startups			

Description: For this purpose, graduate/exit will be counted as a startup that has received external venture funding, got acquired by a larger existing company, or found a financially sustainable business model.

16. Provide details about any other events that you intend to host (50 words):

VI. REGISTRATION CERTIFICATE OF THE INSTITUTION (to be attached)

VII. LETTER OF DECLARATION (Refer to the Annexure III for the format)

VIII. BUSINESS PLAN AND BUDGET (to be attached in the format provided at Annexure IV)

Note:

- 1. The business plan to be attached must be either in a word or pdf document.*
- 2. The business plan must not exceed more than 25 pages (PDF of not more than 2MB)*

FORMAT FOR DECLARATION

(This document should be printed on the letter head of the applicant, signed, scanned and uploaded along with the application form)

To

Mission Director,
Atal Innovation Mission (AIM),
NITI Aayog,
Sansad Marg,
New Delhi – 110001

Date: _____

Subject: Declaration form for the application of Atal Incubation Centres 2017-18

Dear Sir/Madam,

_____ [*name of institute / organisation / individual*]
hereby declares that I/we have read, understood and will abide by all the terms and conditions of the Atal Incubation Centre (AIC) scheme as mentioned in the Annexure I of the scheme guidelines. The information submitted in the application form by us is complete and to the best of our knowledge and belief; there is nothing that has been concealed or suppressed.

We confirm that we shall provide at least 10000 sq. ft. of built-up space for the exclusive use of the proposed AIC.

We confirm that we have prepared the application in-house and that no paid external consultants were engaged to prepare this application.

If any of the information stated above or provided in the application form are found to be incorrect at any point of time, I/ we take the responsibility to refund the entire amount of Grant-in-aid released by AIM, NITI Aayog.

Thanking you.

Regards,

[*Name of the applicant with the official stamp of the institution*]
(*Designation*)

FORMAT OF THE BUSINESS PLAN TO BE ATTACHED WITH THE ONLINE APPLICATION FORM

The business must include following components:

- Executive Summary (max 250 words)
- The core strength of the applicant that it will leverage for the AIC
- Reason for selecting the location of the incubator
- Describe the local/regional innovation ecosystem and why there is a need to setup an Incubator Centre there (max 250 words)
- Proposed team, board members and governance structure
- Plan for creating the pipeline of deals for the incubator & other marketing efforts
- List of activities / action plan on how to activate the innovation and entrepreneurship ecosystem in the region
- Proposed Incubation model (Provide a case study of the support to be provided)
- Elaborate on the efforts to engage with mentors and other network partner so far, and provide list of mentors with a brief description of their background
- Brief description of selection criteria of incubatees (bullet points)
- Plan of action to operationalize the AIC
- Sustainability and revenue generation model
- Proposed plan for use of grant-in-aid (please see guidelines carefully)
- Detailed Budget Plan (in the format provided below)

****Note:*

- *The business plan to be attached must be either in a word or pdf document.*
- *The business plan must not exceed more than 15 pages (PDF of not more than 2MB)*

FORMAT OF THE PROPOSED BUDGET PLAN

S. no .	Items*	Amount (Rs. lakh)											
		Year 1		Year 2		Year 3		Year 4		Year 5		Total	
		AIM Grant	Other sources	AIM Grant	Other sources	AIM Grant	Other sources	AIM Grant	Other sources	AIM Grant	Other sources	AIM Grant	Other sources
A.	Item-wise Capital expenditure												
1	Office equipment (if any)												
2	Sector specific / Area of focus related equipment (if any)												
3	Makerspace / Fab Lab (if any)												
4	Furnishing of space for the AIC (if any)												
5	(Add more rows as required)												
	Total A												
B.	Operating/ Recurring expenditure												
1	Personnel												
2	Incubation programme expenses (such as technology, IPR legal, accounting, marketing, etc. support to startups)												
3	Events												
	Workshops & seminars												
	Outreach programmes (add more rows as required)												
4	Domestic Travel												

5	Utility and maintenance												
6	Miscellaneous expenses, if any												
7	Add more rows as required												
8	Seed Fund												
	Total B												
	Total projected cost (A+B)												
C.	Projected Income												
1	Grant proposed from AIM												
2	Any other grants from government / other sources, if applicable (add a row for every grant)												
3	Contribution from Applicant												
4	Contribution from Collaborators / Partners												
5	Projected revenues												
6	Any other source of Income (add more rows as required)												
7	Total Projected Income C												
D	Projected Surplus / Deficit, if any												

Note: This is not an exhaustive list and can be extended as per suitability.

** Please provide detailed break-up of all expenses (E.g. list of equipment, break-up of the manpower, events, other recurring expenditure as annexures to the budget)*

*** Please provide a break up of all the expenses that are being paid through the AIM grant and through other means of financing the project*

UTILIZATION CERTIFICATE

S. No.	Letter No. and Date	Amount (in Rs.)
	Total	

Certified that out of Rs. _____ of Grants-in-aid sanctioned during the year(s) _____ in favour of _____ by Atal Innovation Mission, NITI Aayog vide letter No. _____ dated _____ and Rs. _____ on account of unspent balance of the previous year, a sum of Rs. _____ has been utilised for the purpose of _____ for which it was sanctioned and that the balance of Rs. _____ remaining unutilised at the end of the year has been surrendered to Government (vide letter No. _____ dated _____) / or will be adjusted towards the grants-in-aid

payable during the next year _____.

1. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled / are being fulfilled and that I have exercised that following checks to see that the money was actually utilised for the purpose for which it was sanctioned.

Kinds of checks exercised.

1. Signature _____

2.

3. Designation _____

4.

5. Date _____

Format of the MoA to be signed with the applicant, in case of selection of the applicant

Memorandum of Agreement

This MEMORANDUM OF AGREEMENT (“MoA”) is entered on this day of (Month) 2017 by and between:

- i. (Name of the Promoter / Host Institution), established and existing under the laws of India with its registered address at (hereinafter referred to as “the Promoter / Host Institution”) for setting up and operation of the Atal Incubation Centre (AIC).

AND

- ii. The think tank of Government of India, NITI Aayog (hereinafter referred to as “NITI AAYOG”, Sansad Marg, New Delhi – 110001 (hereinafter referred to as the second party)

WHEREAS NITI Aayog, Government of India under the Atal Innovation Mission (hereinafter referred to as AIM), has taken up an initiative to provide financial support to selected academic and non-academic institutions for establishment of Atal Incubation Centres in India to support innovators and start-up businesses in their pursuit to become successful entrepreneurs/enterprises.

WHEREAS the Promoter / Host Institution has been selected by AIM, NITI Aayog for establishing the Atal Incubation Centre through a rigorous selection process, and the Promoter / Host Institution shall contribute towards the setting up of the Atal Incubation Centre, in kind and in cash, matching the support provided by NITI Aayog.

The Promoter/Host Institution and NITI Aayog, Government of India have decided to enter into this MoA setting out the working arrangement, that each party agrees, is necessary for achieving the objectives of this initiative of Government of India, as under:

ARTICLE 1: Background and Purpose

1.1 Background of Atal Innovation Mission

Government of India has established the Atal Innovation Mission (AIM), at NITI Aayog to promote a culture of innovation and entrepreneurship in the country. The mission subsumes Self-Employment and Talent Utilization (SETU) programme announced by the Government. The objective is to provide a platform for promotion of world-class Innovation Hubs, Grand Innovation Challenges, Start-up businesses and other self-employment activities, particularly in technology driven areas. The Atal Innovation Mission has two core functions:

a. Entrepreneurship promotion: Wherein innovators would be supported and mentored to become successful entrepreneurs at Incubation Centres and Atal Tinkering Laboratories.

b. Innovation promotion: to provide a platform where innovative ideas are generated and supported to develop innovative technological solutions.

1.2 Setting up of Atal Incubation Centres (AIC)

With a view to promote entrepreneurship and innovation in the country, NITI Aayog has taken up an initiative under Atal Innovation Mission (AIM), to establish Atal Incubation Centres. As a part of this initiative, NITI Aayog will provide financial support to selected academic and non-academic institutes and organizations to set up the Atal Incubation Centre (AIC) to support and encourage start-ups in specific subjects / sectors such as manufacturing, transport, energy, health, education, agriculture, water and sanitation etc. and would provide them with necessary infrastructure facilities and other value-added services.

1.3 Background of the Promoter / Host Institution

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.....

1.4 Purpose of the Grant-in-Aid

AIM, NITI Aayog shall provide the Grant-in-Aid to the Promoter / Host Institution to set up the AIC that would provide high class incubation facilities with suitable infrastructure in terms of capital equipment and operating facilities, coupled with the availability of sectoral experts for high quality mentoring to the start-ups in their early stages of growth.

The AIC set up by the Promoter / Host Institution should have incubation facilities such as competent team members who understand the incubation and startup ecosystem and have the ability to successfully guide the incubatee startups; infrastructure such as incubation space, meeting rooms, conferencing space and facilities; tech support such as sector specific labs and workshops that have tools and equipment; seed funding support; other support services such as IPR, regulatory, legal, market research, etc.; and so on. The AIC should also conduct outreach initiatives, build a network of mentors, subject matter experts and investors, devise training programs and/or other incubation related events, building the entrepreneurship ecosystem, for incubatee startups.

ARTICLE 2: Areas of Collaboration

The Promoter / Host Institution and AIM, NITI Aayog are collaborating to set up the AIC with the objective of supporting a large number of innovative technology based startups that have

an application and impact in core sectors such as agriculture, biotechnology, health, education, energy, manufacturing, housing, transport, etc.

ARTICLE 3: Duration

This MoA shall be valid initially for a period of six years from the date of signing by all the parties.

ARTICLE 4: TERMS

Responsibilities of the Promoter / Host Institution

The Promoter / Host Institution shall be responsible for the following:

- 4.1. The Promoter / Host Institution shall be responsible for establishing the Atal Incubation Centre (AIC)
- 4.2. The Promoter / Host Institution shall be responsible for proper utilization of the funds provided by NITI Aayog for establishment of the AIC to support and encourage start-ups as well as provide them with necessary infrastructure facilities and other value-added services.
- 4.3. Provision of at least 10,000 sq. ft. of **built up space** (including land and building) to set up the AIC.
- 4.4. In case of renting of the required space for AIC, the lease period should be for a minimum of 15 years for academic / R&D institutions and 9 years for companies and individuals with the requisite lease deed registered as per law
- 4.5. The Promoter / Host Institution will ensure appointment of a dedicated full time CEO with the necessary domain and management expertise and other core team/supporting staff for successful operations of the AIC within **30 days** of the date of release of the first tranche.
- 4.6. The Promoter / Host Institution will have full freedom to decide the compensation of the CEO as well as the management team.
- 4.7. The Promoter / Host Institution will provide proof of availability of matching contribution equivalent to the first tranche in the new bank account of Promoter / Host Institution (for non-academic organizations)
- 4.8. The Promoter / Host Institution will provide proof of financial closure for the project cost to AIM, NITI Aayog within three calendar months of receiving the intimation of short-listing.
- 4.9. It will be the responsibility of the Promoter/Host Institution to bridge the gap between the project cost and the Grant-in-aid from AIM, NITI Aayog to ensure that the all the facilities as per the scope envisaged, are established in the AIC to make fully functional.
- 4.10. All funds to the Promoter / Host Institution by NITI Aayog shall be utilised only for the purposes of setting up and operating the AIC and will not be allowed to be diverted for any other purpose.
- 4.11. The Promoter / Host Institution shall carry out all the activities of the AIC in conformance with the laws of the land in an ethical manner with all the regulatory and statutory requirements being adhered to.
- 4.12. Maintenance of Assets of the AIC
 - 4.12.1 The Promoter / Host Institution is expected to undertake reasonable care and due maintenance of the assets of AIC (both from financial support from NITI Aayog and the counterpart support by the promoter/host institution).

- 4.12.2 The Promoter / Host Institution should adequately insure these assets against any loss or damage caused due to accidents, terrorist attacks or natural calamities, to the extent possible. If possible, the assets should be reinstated through insurance.
- 4.12.3 All the assets of the AIC from the Grant-in-Aid, the promoter / Host Institution and/or other sources of funds if any, including those maintained and promoted from the grant shall be installed in the premises of the AIC and not in any other department/division of the Promoter / Host Institution.
- 4.12.4 All the assets acquired or created for the purpose of Atal Incubation Centre including the land and building brought in by the promoter/host institution shall not be allowed to be disposed of or encumbered or utilized for the purpose other than that of AIC without the prior written permission of the NITI Aayog. NITI Aayog reserves the right to terminate future grants and recover the assets created for AIC, if it is convinced that the Promoter / Host Institution is not utilizing the assets for the objectives of AIC

4.13. AIC's Operational Responsibilities

- 4.13.1. It is suggested that the AIC should be administered by a Governing Body/ Board chaired by the Head of the Promoter / Host Institution. The Governing Body of the AIC may meet quarterly to review progress of AIC and provide policy guidelines for the operations of the AIC. The Promoter / Host Institution should ensure that the operations of the AIC are in line with the sanctioned proposal and activities are tailored to attain projected milestones (to be submitted by the Promoter / Host Institution before the release of the first tranche). The Governing Body should ideally provide adequate autonomy and flexibility to the Chief Executive Officer (CEO) of the AIC for making speedy & transparent decisions.
- 4.13.2. The Promoter / Host Institution shall identify and appoint adequate number of team members (technical) for the day to day operations and management of the AIC. The team should include a full time CEO and other members who have the domain knowledge and the expertise required for supporting the startups through the grants-in-aid provided by NITI Aayog. The suggested team to incubatee companies ratio is 1:5, which needs to be put in place progressively.
- 4.13.3. The Promoter / Host Institution will ensure development of domain and management expertise of its core team/supporting staff through training/re-training, starting within six months from the date of release of the grant-in-aid.
- 4.13.4. The Manpower employed by the Promoter/Host Institution for the AIC will be the liability of the Promoter/Host Institution and NITI Aayog will not have any liability towards them.
- 4.13.5. The Promoter / Host Institution will develop the physical space for the AIC including but not limited to co-working space for the incubatee companies, sector specific laboratories, other relevant tools and equipment, meeting rooms, conferencing facilities, etc.
- 4.13.6. The Promoter / Host Institution shall open two separate bank accounts – one for the exclusive operations of the AIC and other for the seed fund component of the Grant-in-Aid.
- 4.13.7. Within six months of receiving the grant, the AIC should be fully functional and operational. This shall include:
- CEO of the AIC and other technical team who can provide business mentoring support to incubatees, should be in place and stabilised
 - The labs, if any, should be set up with the technical team required to operate the lab, hired

- The 10,000 sq. ft of space should be furnished and fully functional (ready to use). Proper branding of the AIC should be done (name board near the entrance)
- The incubation program must be in place (i.e. the package that will be offered to incubatees describing the value-add to incubatees, duration, milestones for graduation, engagement model etc.)
- The AIC should have already conducted at least two promotional / outreach events
- The AIC must have rolled out its call for applications for admitting incubatees and must have enrolled incubatees

AIM retains the unfettered right to require the AIC to ensure the above in total or any part thereof is fully operational to AIM's satisfaction, no later than 6 months from receiving the grant. If for any reason whatsoever, the above responsibilities of the AIC are not completed, it will be considered a material breach and AIM may, by giving sixty (60) days' notice for rectification of the material breach, terminate this MoA if said material breach is not rectified within the aforementioned sixty (60) days. Upon termination, the AIC will be required to return the entire grant amount without any deductions whatsoever including for the avoidance of doubt any utilized amounts of the grant in aid, and including the interest amount earned by the AIC from the grant.

- 4.13.8. The Promoter / Host Institution will evolve a transparent system for selection of incubatees in line with the thematic area of specialization chosen. The incubatees would be admitted fulfilling the admission criteria and the AIC should execute appropriate incubation agreement with incubatees. The residency period and the exit policy may also be defined clearly in the agreement.
- 4.13.9. The Promoter / Host Institution will provide the context-appropriate assistance and handholding to startups to help them become sustainable and scalable enterprises, including but not limited to, business and strategy advice; facilitating access to relevant laboratories and maker's spaces; legal, accounting and intellectual property services and/or support; networking with mentors, vendors, and investors; national and international linkages, etc.
- 4.13.10. The amount of the Grant-in-Aid towards providing seed funding support to start-ups can be utilised only after the AIC raises a matching amount through non-government sources (non-government sources exclude central, state and local governments). The AIC shall support the start-ups to raise seed support and other investments.
- 4.13.11. The AIC will adequately promote itself through online and offline channels. The AIC shall have a website which should go live within 30 days of the date of release of the first tranche of the grant-in-aid. The website should describe all the facilities and offering that it has for aspiring and recent entrepreneurs. Eventually the incubatees should also be listed on the website.
- 4.13.12. The AIC is required to mention "Atal Incubation Centre supported by Atal Innovation Mission, NITI Aayog" in all its communication/stationery and branding material, whether online or offline, as well as on the display board at the entry gate of the AIC.
- 4.13.13. In case of any operational disputes or lack of clarity, the decision of the CEO, NITI Aayog shall be final and binding on the Promoter/Host Institution.

4.14. Monitoring responsibilities

- i. NITI Aayog will put in place a progress update and monitoring framework with key performance requirements for AIC. The AIC shall subscribe itself to the monitoring system and provide the updated information on a quarterly basis.
- ii. The monitoring framework will capture the Key Performance Indicators (KPIs) of the AIC and the AIC will be obligated to update these KPIs on a quarterly basis.
- iii. The AIC will be required to demonstrate the impact it has been able to make through the grant-in-aid. The AIC will be expected to deliver on the implementation plan as submitted by the AIC to NITI Aayog for every tranche of the grant-in-aid.
- iv. The operations and performance of the AIC may be reviewed monthly / quarterly / yearly by AIM, NITI Aayog or by a professional third-party agency appointed by NITI Aayog. The AIC is expected to co-operate fully and provide all the information required for a fair and successful evaluation of the performance of the AIC. The AIC shall be informed about the third party appointed for the purpose and the outcome of evaluation in a timely manner.
- v. In the event the Promoter / Host Institution fails to make adequate progress in the establishment of AIC and operations of the AIC, including implementing start-up incubations activities, or adhere to the responsibilities mentioned throughout this MoA, no further grant will be provided and the unspent amount along with interest earned thereon would be required to be refunded within a period of one month from the date of notice issued by NITI Aayog. It is clarified that this is without prejudice to AIM's right to terminate this MoA under the provisions of Clause 4.13.7 above.
- vi. The release of grant for every tranche will be based on satisfactory performance of the AIC as well as fulfilment of the financial requirements by the SPV/AIC.
- vii. Concerned officials of, AIM, NITI Aayog or its authorized representatives will have the right to visit the Atal Incubation Centre periodically for ascertaining the progress of work and resolving any difficulties that might be encountered in the course of implementation.

4.15. Other Obligations

- i. By accepting this grant-in-aid, the AIC becomes a part of the AIM program network and will collaborate with and support AIM, NITI Aayog on their various initiatives and programs relating to innovation, incubation and entrepreneurship. These initiatives may include (but not limited to) the Atal Tinkering Labs, The Atal New India Challenges and other similar initiatives in the area of innovation and startup ecosystem in India and the world. Such initiatives shall be communicated to the AIC from time to time.
- ii. AIM, NITI Aayog is also providing grant-in-aid to institutes for scaling up Established Incubation Centres (EICs) and Atal Tinkering Labs (ATLs). The AIC shall be expected to work with one or more EICs that shall be facilitated by AIM, NITI Aayog. The support from EICs may include transfer of knowledge and relevant standard operating procedures, help in building a network, training of the team, introduction to mentors and investors from the

- EIC network, co-organizing relevant events and / or any other support that the AIC may need from time to time.
- iii. The AIC shall be expected to support the ATLS on aspects such as mentoring of the students, organising exposure visits and interaction sessions with innovators and entrepreneurs, and /or any other support that the ATLS may need from time to time.
 - iv. AIM, NITI Aayog through its partners may also extend support to the AIC with tools, equipment, research collaborations and /or partnerships. The AIC should exploit such partnerships, if any are extended by AIM, NITI Aayog. The AIC is expected to attend all the workshops, events, meetings and conferences related to entrepreneurship, innovation, business incubation, training of team and other relevant topics, which may be organized / facilitated by NITI Aayog from time to time. The AIC shall be intimated in advance about the organization of any such events. Recusal from any such events, if required, should be requested from the AIM, NITI Aayog in writing.
 - v. It is expected that the AIC shall become financially self-sustainable by the end of five years' time and no other grant-in-aid is requested from any government agency for its operations. The Promoter / Host Institution should ensure smooth continuation of activities and facilities after the end of the support from AIM, NITI Aayog.

ARTICLE 5: Assignment

The Promoter / Host Institution shall not assign any part of this MOA to any other person/organization without prior written approval from NITI Aayog.

ARTICLE 6: Amendments

No alterations, additions or modification hereto shall be valid and binding unless the same are reduced to writing and signed by all the three parties.

ARTICLE 7: Non-Exclusive Discussions

The Promoter / Host Institution and NITI Aayog acknowledge and agree that the discussions in relation to the Areas of Collaboration are being undertaken on a non-exclusive basis and either Party shall be free to enter into or consummate transactions similar to the Areas of Collaboration in India or elsewhere.

ARTICLE 8: Sanction and Disbursement of Grant-In-Aid

- i. NITI Aayog shall provide financial support in the form of grant-in-aid to the Promoter / Host Institution in five or more annual tranches on the basis of the budget submitted by the Promoter and approved by AIM, NITI Aayog. In case of a non-academic institution, release of funds in every tranche will be subject to the Promoter / Host Institution contributing the matching contribution in the new bank account of the AIC

- ii. The amount disbursed in the tranches will depend on the proposed and agreed expenditure as per the budget plan submitted by the Promoter / Host Institution. Release of funds will also be dependent on the progress of the AIC and satisfactory compliance with the financial requirements.
- iii. Any unspent balance, out of the Grant-in-Aid disbursed by AIM, NITI Aayog, as well as the interest earned thereof, would have to be returned to the Funds of India before raising the request for the subsequent tranche.
- iv. After six years from the date of the release of first instalment, any unspent balance out of the Grant-in-Aid received from NITI Aayog including the interest earned thereon should be refunded to NITI Aayog, Government of India within 30 days by means of an Account's Payee Demand Draft drawn in favour of Drawing and Disbursing Officer, NITI Aayog, payable at New Delhi.
- v. In case of sector specific AICs, the support for capital equipment for the use by incubatees will be taken into account at the time of release of funds by AIM, NITI Aayog in the first tranche of the grant-in-aid. In case of sector agnostic AICs addressing multiple sectors, it will be considered after 5 incubatee companies are in place or after the AIC has completed at least one year of operation. A provision of annual maintenance of the equipment may be built in the annual recurring costs after the expiry of warranty period of the equipment.
- vi. Administrative expenses such as board meeting, annual meeting charges, auditing charges, seed money for the bank accounts, and other similar startup expenses are not allowed from the grant-in-aid.
- vii. If the AIC is hosted within the campus/premises of an academic institute or in the buildings owned by the Promoter/Host Institution, then the rental value of the said premises shall not be considered as Promoter/Host Institution contribution and the same shall not be allowed as a part of the administrative costs.
- viii. Seed-fund, if any, provided under this sanction, is intended to create a pool of funds to achieve two objectives: (a) enable the AIC to buy equity in incubatee companies to create a self-sustaining fund that would help them to sustain after the AIM grants reach an end; (b) make growth funding easily accessible to incubated companies. The Seed Support grant can only be disbursed after completion of one year of operations of the AIC subject to the condition that AIC has adequate number of Startups which are ripe for seed fund support. Principles of seed funding support system are given at Annexure A to this document.

ARTICLE 9: Utilization of the Grant –In-Aid

- i. The grant-in-aid towards the Personnel Expenses would be used only for engaging new team members for the AIC and not towards the salaries/fees/remuneration of the existing team strength of the Promoter / Host Institution (as on the date of receiving the sanction of grant-in-aid from NITI Aayog)
- ii. The Grant in Aid funds shall not be utilized towards the funding international travel by the AIC team or the supported startups or any other person(s)
- iii. Any funds that the Promoter / Host Institution has sought for outsourcing services such as training of the Incubation Centre team, training of entrepreneurs, design and implementation of the AIC, selection of incubatee companies, best practices, or any other services for which any payment are to be made to an external agency/third party (national or international), then the Promoter / Host Institution needs to obtain prior written approval from AIM, NITI Aayog. The Promoter / Host Institution will be free to avail such services out of their own funding and the grant-in-aid from NITI Aayog should not be used for this purpose.
- iv. Utilization of Seed Funding Component

- a. The amount of the grant-in-aid towards providing seed funding support to start-ups can be utilised only after the AIC raises a matching amount through non-government sources (non-government sources exclude central, state and local governments).
- b. The Promoter / Host Institution is expected to maintain a separate bank account for seed support grant fund including the funds raised through non-government sources. Any funds invested in an incubatee startup should have an equal proportion of the grant-in-aid and the matching funds raised through other sources.

ARTICLE 10: Maintenance and Submission of Financial Statements for Audit

- i. The Promoter / Host Institution shall maintain separate books of accounts for the grant-in-aid funds received from NITI Aayog, if the AIC is not being implemented through the SPV. The grant-in-aid funds shall be kept in an interest-bearing bank account and the interest earned should be returned to Consolidated Funds of India.
- ii. The Promoter / Host Institution will be required to submit audited statement of accounts and the Utilization Certificates (UCs) of the grant (i) every six months from the time of receiving the grant, (ii) at the end of each financial year (iii) as well as at the time of seeking further instalments of the grant, if any. The Promoter / Host Institution will also be required to submit a quarterly progress report to NITI Aayog. The proforma of the UC is attached as **Annexure V** to this document.
- iii. AIM, NITI Aayog will have the ongoing right to get a financial audit done for the / applicant, if required, as frequently as it considers suitable.
- iv. The CAG, at its discretion, shall have the right to access the books of account for the grant received from the Government.

ARTICLE 11: Termination

11.1 NITI Aayog reserves the right to terminate the MOA at any stage, if it is convinced that the grant-in-aid is not being utilized properly or that appropriate progress is not being made. In such a situation, the applicant/SPV shall refund all unspent grant-in-aid amount to, NITI Aayog. NITI Aayog shall also withdraw the privilege of the AIC to mention “Supported by Atal Innovation Mission, NITI Aayog” in all its communication and branding material.

11.2 If this MoA is terminated by AIM under the provisions of Clause 4.13.7 or if at any time during the Term of this MoA the AIC is found to have perpetuated any misappropriation of funds or acted with wilful misconduct, then the AIC shall refund all the grant in aid received by it without any deductions including for the avoidance of doubt any utilized amounts from the grant in aid, and shall also return the interest amount it has earned from the grant in aid received. Further, NITI Aayog shall also withdraw the privilege of the AIC to mention “Supported by Atal Innovation Mission, NITI Aayog” in all its communication and branding material.

11.3 The AIC (“**Indemnifying Party**”) will indemnify, keep indemnified and hold AIM and NITI Aayog (“**Indemnified Parties**”) and each of the Indemnified Parties’ senior officials, officers, employees, agents and representatives harmless from and against all losses, liabilities, claims, damages, costs and expenses, and interest chargeable thereon, including

reasonable legal fees and disbursements incurred or suffered by the Indemnified Party or Indemnified Parties either jointly or severally as the case may be, and each of its/their directors, officers, employees, agents and representatives in any manner relating to (i) breach of any representation or warranty of the Indemnifying Party set forth in this Agreement; and (ii) breach of the obligations and/or covenants of Indemnifying Party under this Agreement;

ARTICLE 12: Dispute Settlement

12.1 Governing Law and Jurisdiction

This MOA shall be governed by and construed in accordance with the laws of Republic of India. All disputes and differences arising out of or in connection with this MOA shall be at the first instance referred to arbitration by three (3) arbitrators, jointly appointed by Parties. The decision and award determined by such arbitration will be final and binding upon the Parties. The arbitration will be conducted in accordance with the Arbitration and Conciliation Act, 1996, as may be in force from time to time. The arbitration proceedings will be conducted in English and the seat of arbitration will be New Delhi.

12.2 Notices

All communications hereunder shall be in writing and shall be deemed given if delivered personally or mailed by registered or certified mail (return receipt requested) to the Parties at the address specified below:

If to (Name of the Promoter / Host Institution)

Attention of

Address

Phone

Email

If to the NITI AAYOG:

Attention of: Mission Director, Atal Innovation Mission

Address: NITI AAYOG, Sansad Marg, 110001

Phone: +911123042337

Email: r.ramanan@gov.in

For and on behalf of

The Promoter / Host Institution	The NITI Aayog
By	By
Print Name	Print name
Title	Title
Date	Date
Place	Place

Annexure A: Mandatory Guidelines for Managing the Seed Support part of the Grant-in-Aid

- The Seed Support grant for SPV/AICs can only be disbursed after completion of one year of operations.
- The grant-in-aid can be utilized for seed support for incubatee startups up to a maximum of Rs. One crore
- The Seed Support would be managed by the SPV/AIC team, and not delegated or assigned to any external agency. The SPV/AIC may invite external advisors/mentors/investors to advise it on the management of the fund.
- The Seed Support is given as a grant to the SPV/AIC, and the same will be disbursed only to the deserving incubatees as debt, equity, or a combination of both.
- The upper limit of seed support to an incubatee start-up through the AIC will be Rs.25 lakhs.
- The SPV/AIC is required to raise seed support through non-government sources (Non-government sources exclude central, state and local governments.) matching the grant-in-aid for seed support. Any investment made in an incubatee startup should have an equal proportion of the grant-in-aid and the matching funds raised through other sources. For example, if Company XYZee is incubated at the AIC, it can be given a maximum of Rs.25 lakhs as seed fund out of which a maximum of Rs.12.5 lakhs may be given out of the grant-in-aid funds while an equal or more amount is required to come from the matching seed support that is raised by the SPV/AIC from non-government sources.
- The SPV is required to maintain a separate bank account and books of accounts for seed support including the matching funds raised through non-government sources.
- The SPV/AIC and its investee/incubatee companies will indemnify, defend and hold harmless AIM, NITI Aayog 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 may accrue to AIM, NITI Aayog as a result of any negligent or wilful acts or omissions of the SPV/AIC and/or its investee / incubatee companies.

Indicative Guidelines for Managing the Seed Support Funds from the Grant-in-Aid

Management of the Seed Support

- This seed support would be used by AIC-incubated enterprises only, and would not be used by the SPV for facility creation.
- It is expected that the Seed Support would be managed by the SPV/AIC staff members, so as to build incubation and investment capacity within the team.
- The Seed Support is given as a grant to the SPV, and the AIC will disburse it to the deserving incubatees as debt, convertible debt, equity, or a combination thereof. It is expected that the SPV/AIC would manage the Seed Support component of the grant so as to make it a sustainable, revolving pool, run according to sound investment principles. The SPV/AIC should manage investments so as to gain profitable exits that help to keep the seed support pool of resources sustainable.
- The Seed Support would be disbursed to incubatees (physical or virtual incubatees within the AIC), which are registered units only on the recommendation of the Seed Support Investment Committee constituted by the SPV/AIC.
- The SPV/AIC should examine all cases of seed support and summarized in an investment memo before putting the matter up to the Seed Support Investment Committee for selection. After the seed support is recommended to an incubatee, the

terms of agreement with the incubatee start up should be framed keeping in mind sound business and investment principles, including by linking progress with specific milestones, monitoring norms, and reasonable repayment and recovery provisions.

- The seed support would be disbursed to the deserving incubatees with proper due diligence by the SPV/AIC. It is necessary to ensure that there exist a proper, legally-vetted agreement between the incubatee and the SPV/AIC. This agreement should detail all the conditions and contingencies relating to the performance of the company. Terms regarding default in repayment must be defined clearly in the agreement.
- The seed support would generally cater to early stage financing for commercialization of core sector innovations and technologies. (Core sector here is defined as infrastructure and service delivery sectors, such as agriculture, housing, health, energy, water and sanitation, hygiene and waste management, education, health, or environmental protection).
- The seed support grant should be utilized fully by the SPV/AIC within a period of three years from the date of receipt of the first instalment of funds under the grant-in-aid for seed support. In case the SPV/AIC is not able fully utilize the seed support part of the grant within a period of three years, the AIC is required to intimate AIM, NITI Aayog and request for permission to extend the duration of the funds.

Eligibility Conditions for Incubatee Start Ups for seed support

- Incubatee should be a registered company with minimum of three months affiliation with the AIC
- The investee company has to be an India-registered enterprise. This support is not meant for Indian Subsidiaries of MNCs/foreign companies. Persons holding Overseas Citizens of India (OCI), Persons of Indian Origin (PIO) status would be considered as Indian citizens for the purpose of this scheme. The shareholding of Indian Promoter / Host Institutions in the incubate start up should be at least 51%.
- It is expected that SPV/AIC would make special efforts to discover and support enterprises that deploy technologies or business models to help solve India's infrastructure, public service delivery, or socio-economic challenges.
- Incubatee startups requiring seed support predominantly for capital equipment should not be encouraged. The start-ups would be supported primarily on the following grounds for the seed support
 - Prototyping and Product development
 - Testing and Trials
 - Test Marketing
 - Mentoring
 - Professional Consultancy (To attract professors/experts from institutions to work with start-ups.)
 - IPR issues
 - Manpower for day to day operations
 - Any other area as deemed necessary and recommended by the Seed Support Investment Committee of AIC

Quantum of Seed Support

- It is expected that the seed support of up to a maximum of Rs.1.00 crore, with a matching amount raised through non-government sources would be judiciously disbursed amongst the deserving incubatee start-ups.
- No startup will receive the seed support more than once.
- The upper limit of seed support to a start-up is Rs.25 lakhs. However, if the Seed Support Investment Committee with the best of its ability, wisdom and judgment recommends a higher amount of seed support for a very deserving applicant enterprise, the SPV/AIC should take prior approval from AIM, NITI Aayog for deviating from the limit of seed support and also present strong rationale behind such deviation. Any such exception or waiver would be provided at the sole discretion of the AIM, NITI Aayog. Any prior or standing exception would not constitute a precedent, and every case for request of waiver will be considered on its own merits.

Mechanism of Selection, Disbursement, Governance and Fund Management of the Seed Support

- The SPV/AIC would constitute a committee called the Seed Support Investment Committee (SSIC) whose members would be experts who can evaluate the prospective incubatees under physical or virtual incubation requiring seed support. The SPV/AIC CEO would constitute the SSIC, in consultation with the AIM, NITI Aayog to incorporate AIC staff and external experts in the relevant fields. AIM reserves the right to nominate a member to the SSIC.
- Any non-government investor who contributes towards the matching seed fund may be encouraged to be a part of the SSIC.
- The SPV/AIC CEO would be responsible for its proper disbursement and management of the seed support.
- The SPV would take measures to enhance the capabilities and skill set of the AIC team to manage the seed fund. The investments would be done keeping sound business principles in mind.
- The SPV would compile the investment decisions made by its SSIC annually and share an analytical report with the AIM, NITI Aayog at the end of each fiscal year, along with the UC.
- The CEO of the SPV/AIC will keep AIM, NITI Aayog duly informed about the meetings and the investment decisions of the Investment Committee along with the rationale for taking such decisions.
- The SPV/AIC would have milestone based disbursement schedules of the Seed Support to the incubatees as defined in the agreement and the release of funds should be in 2-3 tranches. In case the incubatee company is unable to achieve the prescribed milestones, the future releases may be stopped and any unspent balances may be recovered from the incubatee company.

Repayment of Seed Support

- To the extent possible, the equity model for seed support should be encouraged. The SPV/AIC team should be well conversed with the equity model and adequate efforts should be made to train the team on the equity model. However, if the seed support is sanctioned through convertible a convertible debt instrument or a soft loan, then efforts

should be focused towards getting the repayment of the entire seed support money by the incubatee company within 5 years.

- In exceptional cases, the Seed Support Investment Committee would be empowered to relax schedules of repayment on a case-to-case basis for convincing and justifiable reasons, and these relaxations should be reported to the AIM, NITI Aayog.
- In case of imminent or declared default by an investee company of the Seed Support, the SPV/AIC CEO will make his/her best efforts to recover the investment, as per the prevailing business practices. The recovered assets shall be added to the seed support pool.
- The cases of default must be reported to the Seed Support Investment Committee. Such default cases must also be reported to AIM, NITI Aayog while submitting the Annual Report on seed support.

Accounting and Utilization of Seed Support Grant from AIM, NITI Aayog

- A separate bank account has to be opened for the seed support. The total seed support from AIM, NITI Aayog will be released in up to two instalments based on predefined milestones achieved. SPV/AIC would be required to submit a detailed report on the status of utilization of grants along with the Utilization Certificate and Statement of Audited accounts for each F.Y. The SPV/AIC should report the seed support sanctioned and disbursed against each incubatee start up in the statement of audited accounts for the period (April 1 to March 31 of each F.Y) under report.
- Book of accounts for the disbursement of grant and for the seed support repayments may be kept separately. Interest on the unutilized seed support grant received from AIM, NITI Aayog must be reported in the Utilization Certificate (UC). The amount collected against repayments may be utilized as seed support for next round of incubatees and not for any other activity of the SPV/AIC, except for the condition described in the para on Management Fees.
- Interest earned by the SPV/AIC on the seed support funds should be mentioned separately in the UC, which would be adjusted against the subsequent releases to be made out of the total sanctioned grant of seed support.

Management Fees for the Seed Support

AIM, NITI Aayog proposes to motivate and encourage SPV/AIC who show growth of the seed support fund through the inflow from the loan repayment/ royalty /realization of equity stake for funding future proposals. It is therefore proposed to give an incentive of 15% on the surplus generated at the end of each year, which could be retained by SPV/AIC for its incubation-related activities.

Settlement of the Seed Fund in case of Closure or Discontinuation of SPV/AIC

In case of closure /discontinuation of the AIC, the total unutilized seed support amount available with the SPV/AIC at the time of closure has to be refunded to AIM, NITI Aayog along with the total repayments received from the seed supported incubatees before closure of the SPV/AIC. Efforts will be made to recover the investments made by the SPV/AIC through the Seed support component before the dissolution of the SPV/AIC. The SPV/AIC CEO will make good faith efforts to hand over the portfolio to another Atal Incubation Centre (AIC), or to any other government agency, in consultation with AIM, NITI Aayog, before leaving the job.

BOND FORM

(Bond is to be furnished on Rs. 20/- or higher stamp paper and signed in original)

Know all persons by these present that we the

.....(Name of Institute / organisation / entity registered under the Societies / Trust / Companies Act / Affiliated to University (Specify the respective Act or Affiliation)) and having its office at

..... vide Registration Number dated in the State of (hereinafter called the “**Obligator**”) and M/s. having its office at vide Registration Number dated in the State of (Hereinafter called the “**Surety**”) are held and firmly bound to the President of India (herein after called the “**Government**”), in the sum of Rs. only (Rupees in words) well and truly to be paid to the President on demand and without demur, for which payment we bind ourselves and our successors and assigns by these presents. The term, obligator or surety, unless repugnant to the context, shall mean and include the respective agents, assigns, heirs, successors etc., as the case may be.

2. **SIGNED** this day ofin the year

3. **WHEREAS** on the Obligator’s request the Government has as per Atal Innovation Mission (AIM) Letter No. dated.....and hereinafter referred to as the letter of sanction/ approval, agreed to make in favour of the Obligator for the purpose of setting up Atal Incubation Centre at a grant of Rs. (Rupees.....), the obligators have agreed to execute this bond in advance, in favour of Atal Innovation Mission, NITI Aayog for the entire amount of Rs.....as requested in the application sent to the Government. The obligator is willing to accept the proposed amount or any other amount approved/ sanctioned by the Government. The obligator is willingly executing this bond of the proposed amount with the stipulation that the obligator and at its request the surety will be bound up to this amount or by the actual amount approved/sanctioned by the Government. The obligator is also willing to accept all terms and conditions mentioned in the “Letter of Sanction” to be issued by the Government.

4. Now in consideration of the aforesaid letter of sanction, the obligator herein binds itself and undertakes to comply with the conditions of the letter of sanction/approval referred to herein and if the obligator shall duly fulfil and comply with all its conditions mentioned in the letter of Sanction/approval mentioning the grant then this bond or obligator’s obligation therein shall be void and of no effect, but otherwise it shall remain in full force, effect and virtue, and

the Government shall be at liberty to enforce this bond against the obligator jointly and/or severally, as it may deem fit and on its option. These presents further witness that:

a. The decision of the CEO, NITI Aayog, Govt. of India or the Mission Director of the Atal Innovation Mission, NITI Aayog, Govt. of India, administratively concerned with the matter, on the question whether there has been breach or violation on the part of the Obligator or any of the terms and conditions mentioned in the letter of sanction, shall be final and binding on the Obligator.

b. Further, if the Obligator(s) fails to pay or perform the tasks or duties as agreed between both the parties in the MOA or its liability under this Bond, then it shall be the liability of the Surety to refund to the Government the entire amount as mentioned in this bond.

The liability of the surety here under shall not be impaired or discharged by reason of time being granted by the Government or any forbearance, act or omission by or on the part of the Government whether with or without the knowledge or consent of the surety in respect or in relation to the obligation or conditions to be performed or discharged in the obligation or by reason of the matter or thing whatsoever, which under the law relating to the surety shall but for this provision have the effect of so releasing the surety from such liability, nor shall it be necessary for the Government, to pursue the obligator before using the surety or either of them the amount due here under.

c. The Obligator herein agrees and undertake to surrender / pay to Government the monetary value of all such pecuniary or other benefits which it may receive or derive / have received or derived through / upon unauthorized use of the Grant for purpose other than that of which the Grant was intended or the assets, purchased largely from out of "Government Grants". The decision of the CEO, NITI Aayog or the Mission Director, Atal Innovation Mission, NITI Aayog, Govt. of India, as regards the monetary value of aforementioned to be surrendered /paid to the Government will be final and binding on Obligator.

d. The Obligator or the surety shall, in the event of breach or violation of the terms and conditions mentioned in the letter of sanction / approval, refund to the Government on demand and without demur the entire amount of Rs. (Rupees) or such part thereof as may be mentioned in the Notice Demand issued by the Government along with the interest thereon at the rate of 11.50% compounded annually (which would be adjusted as per the Government of India notification issued from time to time) from the date of receipt of the said amount by the Obligator up to the date of refund thereof to the Government by means of an Account's Payee Demand Draft drawn in favour of Drawing and Disbursing Officer, NITI Aayog, payable at New Delhi.

d. The obligator and surety confirm that they have understood the scheme of grant of sanction and they have executed this bond voluntarily and out of their free will.

e. The Government of India has agreed to bear the stamp duty, if any, chargeable on these presents.

5. In witness thereof these presents have been executed on behalf of the Obligator and the Surety the day and year here in above written and accepted for
..... (Name and Designation) on the day and year appearing against his signature.

Signed for and on behalf of the Obligators

(With Date and Stamp/Seal)
(Name and Designation)

Signature of the Surety

(Name and Designation of Surety with Identity Card such as Aadhaar/ Voter/ PAN/ ID card No (attach copy)

In the presence of:

1.....
(Name & Address of witness) (Signature)
Aadhar Card No/PAN No.....(attach copy)

2.....
(Name & Address of witness) (Signature)
Aadhar Card No/PAN No.....(attach copy)

Accepted for and on behalf of the President of India

ANNEXURE VIII

The **indicative criteria** that may be used for evaluation of the applications are as below:

Parameter	Components
Eligibility Check	<ul style="list-style-type: none"> • Submission of mandatory documents • Commitment of the minimum built up space requirement
Parameters to filter out institutes with weak research/innovation ecosystem	(Academic / Research Institutions) <ul style="list-style-type: none"> • Number to teaching faculty members • Number of faculty members with Ph.D. • Number of patents filed / granted • Prior experience in the area of innovation and entrepreneurship
Proposed business plan for the AIC	<ul style="list-style-type: none"> • Overall strengths and weakness of the proposed business plan as well as the action plan for implementation of the AIC • Support offered to the incubatees • Goals and deliverables for the project period • Experience and background of the proposed team, board and other officials • Experience and background of the applicant • Number and diversity of partners proposed • Location of the AIC • Proximity to other Incubators • Sector focus • Usage of the Grant-in-Aid • Financial sustainability plan
Contribution of the applicant	<ul style="list-style-type: none"> • Proposed contribution of the applicant towards the project cost • Non-financial resources of the applicants that the AIC can leverage up on
Any other	<ul style="list-style-type: none"> • Any other criteria that the AIM Mission Directorate deems fit and is in line with the National Objectives

Guidelines for Setting Up of Special Purpose Vehicle (SPV) For Establishment of Atal Incubation Centre (AIC)

- I. The name of the SPV should be “AIC - <Promoter / Host Institution’s name>”.
- II. The Promoter / Host Institution should have 100% shareholding in the equity structure of the SPV. Any change in the equity structure or inclusion of any partners in the SPV shall be with the prior approval of Atal Innovation Mission, NITI Aayog.
- III. Special Purpose Vehicle established for establishing the Atal Incubation Centre (AIC) should be a ‘not for profit’ (Section 8 company) or a ‘for profit company’ under the Companies Act 2013.
- IV. The main purpose for setting up of the Special Purpose Vehicle (SPV) is to establish Atal Incubation Centre (AIC). The main objectives to be included under the object’s clause in the Memorandum of Association in case of the SPV are given as below:

“To set up and implement the Atal Incubation Centre (AIC) in partnership with Atal Innovation Mission, NITI Aayog with an objective of supporting innovative technology-based startup enterprises in India. The AIC shall endeavour to implement the following:

- i. Establish a high-class incubation facility, including but not limited to: (a) suitable physical infrastructure and operating facilities, and (b) affiliations with sectoral experts.
- ii. Enable support ecosystem for incubated startups, including but not limited to: mentoring, planning, organizing events, lab facilities, regulatory guidance, etc.
- iii. Provide preference in support to startups or innovators that have applications / impact in the core sectors of the economy (e.g. agriculture, healthcare, clean energy and sustainable technologies, education, housing, transportation, Cyber security, IOT, Robotics and AI, water and sanitation, etc.)
- iv. Encourage innovation in the Indian ecosystem, through activities such as, but not limited to, (a) awareness workshops, (b) training and capacity building, (c) mentoring support, to early stage startup enterprises
- v. Encourage creation of new technologies and intellectual property.
- vi. To support and carry out any other activity relevant to promotion and incubation of startups in the country."

A SPV by the virtue of its name (A Special Purpose Vehicle) is created to carry out a special purpose. In this case, the special purpose is implementation of the AIC. The MoA should not contain anything in contravention to the contract which is being signed by the applicant, for e.g. – opening a dhaba/ dharamshala; buying land; buying and selling shares in the equity market. Refrain from mentioning any purpose/ clause in the MOA/AOA of the special purpose vehicle which are in contradiction to the principle of the SPV as well as the Memorandum of Agreement being signed with NITI Aayog.

In-case the applicant wants to add sub-clauses in furtherance to the above clauses for conducting the operations of the SPV, it may do so but it should be aligned with the broad objective of setting up the AIC.

Format of the MoA to be signed if the AIC is implemented through the SPV, in case of selection of the applicant

Memorandum of Agreement

This MEMORANDUM OF AGREEMENT (“MoA”) is entered on this day of (Month) 2017 by and between:

i. (Name of the Promoter / Host Institution), established and existing under the laws of India with its registered address at (hereinafter referred to as “the Promoter / Host Institution”) together with(Name of the SPV) (hereinafter referred to as “the SPV”), established as per the Companies Act with its registered office at (hereinafter referred to as the first parties) for setting up and operation of the Atal Incubation Centre (AIC).

AND

ii. The think tank of Government of India, NITI Aayog (hereinafter referred to as “NITI AAYOG”, Sansad Marg, New Delhi – 110001 (hereinafter referred to as the second party)

WHEREAS NITI Aayog, Government of India under the Atal Innovation Mission (hereinafter referred to as AIM), has taken up an initiative to provide financial support to selected academic and non-academic institutions for establishment of Atal Incubation Centres in India to support innovators and start-up businesses in their pursuit to become successful entrepreneurs/enterprises.

WHEREAS the Promoter / Host Institution has been selected by AIM, NITI Aayog for establishing the Atal Incubation Centre through a rigorous selection process, and the Promoter / Host Institution shall contribute towards the setting up of the Atal Incubation Centre, in kind and in cash, matching the support provided by NITI Aayog.

The Promoter / Host Institution has setup the SPV for establishment of the Atal Incubation Centre (AIC) as per the conditions set out by NITI Aayog for this purpose. The Promoter/Host Institution jointly with the SPV and NITI Aayog, Government of India have decided to enter into this MoA setting out the working arrangement, that each party agrees, is necessary for achieving the objectives of this initiative of Government of India, as under:

ARTICLE 1: Background and Purpose

1.1 Background of Atal Innovation Mission

Government of India has established the Atal Innovation Mission (AIM), at NITI Aayog to promote a culture of innovation and entrepreneurship in the country. The mission subsumes Self-Employment and Talent Utilization (SETU) programme announced by the Government. The objective is to provide a platform for promotion of world-class Innovation Hubs, Grand Innovation Challenges, Start-up businesses and other self-employment activities, particularly in technology driven areas. The Atal Innovation Mission has two core functions:

- a. **Entrepreneurship promotion:** Wherein innovators would be supported and mentored to become successful entrepreneurs at Incubation Centres and Atal Tinkering Laboratories.
- b. **Innovation promotion:** to provide a platform where innovative ideas are generated and supported to develop innovative technological solutions.

1.2 Setting up of Atal Incubation Centres (AIC)

With a view to promote entrepreneurship and innovation in the country, NITI Aayog has taken up an initiative under Atal Innovation Mission (AIM), to establish Atal Incubation Centres. As a part of this initiative, NITI Aayog will provide financial support to selected academic and non-academic institutes and organizations to set up the Atal Incubation Centre (AIC) to support and encourage start-ups in specific subjects / sectors such as manufacturing, transport, energy, health, education, agriculture, water and sanitation etc. and would provide them with necessary infrastructure facilities and other value-added services.

1.3 Background of the Promoter / Host Institution

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...
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1.4 Background of the SPV

[Write 4-5 lines about the SPV here]

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.....

1.5 Purpose of the Grant-in-Aid

AIM, NITI Aayog shall provide the Grant-in-Aid to the SPV to set up the AIC that would provide high class incubation facilities with suitable infrastructure in terms of capital equipment and operating facilities, coupled with the availability of sectoral experts for high quality mentoring to the start-ups in their early stages of growth.

The AIC set up by the SPV should have incubation facilities such as competent team members who understand the incubation and startup ecosystem and have the ability to successfully guide the incubatee startups; infrastructure such as incubation space, meeting rooms, conferencing space and facilities; tech support such as sector specific labs and workshops that have tools and equipment; seed funding support; other support services such as IPR, regulatory, legal, market research, etc.; and so on. The AIC should also conduct outreach initiatives, build a network of mentors, subject matter experts and investors, devise training programs and/or other incubation related events, building the entrepreneurship ecosystem, for incubatee startups.

ARTICLE 2: Areas of Collaboration

The Promoter / Host Institution together with the SPV and AIM, NITI Aayog are collaborating to set up the AIC with the objective of supporting a large number of innovative technology based startups that have an application and impact in core sectors such as agriculture, biotechnology, health, education, energy, manufacturing, housing, transport, etc.

ARTICLE 3: Duration

This MoA shall be valid initially for a period of six years from the date of signing by all the parties.

ARTICLE 4: TERMS

4.1 Responsibilities of The Promoter / Host Institution

The Promoter / Host Institution shall be responsible for the following:

- i. The Promoter / Host Institution shall be responsible for setting up a Special Purpose Vehicle (SPV) for the purpose of establishing the Atal Incubation Centre (AIC)
- ii. The Promoter / Host Institution shall be responsible for proper utilization of the funds provided by NITI Aayog for establishment of the AIC to support and encourage startups as well as provide them with necessary infrastructure facilities and other value-added services.
- iii. Provision of at least 10,000 sq. ft. of **built up space** (including land and building) to set up the AIC.
- iv. In case of renting of the required space for AIC, the lease period should be for a minimum of 15 years for academic / R&D institutions and 9 years for companies and individuals with the requisite lease deed registered as per law
- v. The Promoter / Host Institution will ensure appointment of a dedicated full time CEO with the necessary domain and management expertise and other core team/supporting staff for successful operations of the AIC within 30 days of the date of release of the first tranche.
- vi. The Promoter / Host Institution will have full freedom to decide the compensation of the CEO as well as the management team.
- vii. The Promoter / Host Institution will provide proof of availability of matching contribution equivalent to the first tranche in the bank account of SPV (for non-academic organizations)
- viii. The Promoter / Host Institution will provide proof of financial closure for the project cost to AIM, NITI Aayog within three calendar months of receiving the intimation of short-listing
- ix. It will be the responsibility of the Promoter/Host Institution to bridge the gap between the project cost and the Grant-in-aid from AIM, NITI Aayog to ensure that all the facilities as per the scope envisaged, are established in the AIC to make fully functional.

4.2 Responsibilities of SPV

The SPV shall be responsible for the following:

4.2.1 All funds to the SPV by the Host Institution & NITI Aayog shall be utilised only for the purposes of setting up and operating the AIC and will not be allowed to be diverted for any other purpose.

4.2.2 The SPV shall also be responsible for proper utilization of the funds provided by NITI Aayog for establishment of the AIC to support and encourage start-ups as well as provide them with necessary infrastructure facilities and other value-added services.

4.2.3 The SPV shall carry out all its the activities in conformance with the laws of the land in an ethical manner with all the regulatory and statutory requirements being adhered to.

4.2.4 Maintenance of Assets of the AIC

- i. The SPV is expected to undertake reasonable care and due maintenance of the assets of AIC (both from financial support from NITI Aayog and the counterpart support by the promoter/host institution).
- ii. The SPV should adequately insure these assets against any loss or damage caused due to accidents, terrorist attacks or natural calamities, to the extent possible. If possible, the assets should be reinstated through insurance.
- iii. All the assets of the AIC from the Grant-in-Aid, the promoter / Host Institution and/or other sources of funds if any, including those maintained and promoted from the grant shall be installed in the premises of the AIC and not in any other department/division of the Promoter / Host Institution.
- iv. All the assets acquired or created for the purpose of Atal Incubation Centre including the land and building brought in by the promoter/host institution shall not be allowed to be disposed of or encumbered or utilized for the purpose other than that of AIC without the prior written permission of the NITI Aayog. NITI Aayog reserves the right to terminate future grants and recover the assets created for AIC, if it is convinced that the SPV is not utilizing the assets for the objectives of AIC

4.2.5. Operational Responsibilities

- i. It is suggested that the AIC should be administered by a Governing Body/ Board chaired by the Head of the Promoter / Host Institution. The Governing Body of the AIC may meet quarterly to review progress of AIC and provide policy guidelines for the operations of the AIC. The Promoter / Host Institution should ensure that the operations of the AIC are in line with the sanctioned proposal and activities are tailored to attain projected milestones (to be submitted by the Promoter / Host Institution before the release of the first tranche). The Governing Body should ideally provide adequate autonomy and flexibility to the Chief Executive Officer (CEO) of the AIC for making speedy & transparent decisions.
- ii. The SPV shall identify and appoint adequate number of team members (technical) for the day to day operations and management of the AIC. The team should include a full time CEO and other members who have the domain knowledge and the expertise required for supporting the startups through the grants-in-aid provided by NITI Aayog. The suggested team to incubate companies ratio is 1:5, which needs to be put in place progressively.
- iii. The SPV will ensure development of domain and management expertise of its core team/supporting staff through training/re-training, starting within six months from the date of release of the grant-in-aid.

- iv. The Manpower employed by the Promoter/Host Institution and the SPV will be the liability of the Promoter/Host Institution or the SPV as the case may be and NITI Aayog will not have any liability towards them.
- v. The SPV will develop the physical space for the AIC including but not limited to co-working space for the incubatee companies, sector specific laboratories, other relevant tools and equipment, meeting rooms, conferencing facilities, etc.
- vi. The SPV shall open two separate bank accounts – one for the exclusive operations of the AIC and other for the seed fund component of the Grant-in-Aid.
- vii. Within six months of receiving the grant, the AIC should be fully functional and operational. This shall include:
 - CEO of the AIC and other technical team who can provide business mentoring support to incubatees, should be in place and stabilised
 - The labs, if any, should be set up with the technical team required to operate the lab, hired
 - The 10,000 sq. ft of space should be furnished and fully functional (ready to use). Proper branding of the AIC should be done (name board near the entrance)
 - The incubation program must be in place (i.e. the package that will be offered to incubatees describing the value-add to incubatees, duration, milestones for graduation, engagement model etc.)
 - The AIC should have already conducted at least two promotional / outreach events
 - The AIC must have rolled out its call for applications for admitting incubatees and must have enrolled incubatees

AIM retains the unfettered right to require the AIC to ensure the above in total or any part thereof is fully operational to AIM's satisfaction, no later than 6 months from receiving the grant. If for any reason whatsoever, the above responsibilities of the AIC are not completed, it will be considered a material breach and AIM may, by giving sixty (60) days' notice for rectification of the material breach, terminate this MoA if said material breach is not rectified within the aforementioned sixty (60) days. Upon termination, the AIC will be required to return the entire grant amount without any deductions whatsoever including for the avoidance of doubt any utilized amounts of the grant in aid, and including the interest amount earned by the AIC from the grant.
- vii. The SPV will evolve a transparent system for selection of incubatees in line with the thematic area of specialization chosen. The incubatees would be admitted fulfilling the admission criteria and the AIC should execute appropriate incubation agreement with incubatees. The residency period and the exit policy may also be defined clearly in the agreement.
- viii. The SPV will provide the context-appropriate assistance and handholding to startups to help them become sustainable and scalable enterprises, including but not limited to, business and strategy advice; facilitating access to relevant laboratories and maker's spaces; legal, accounting and intellectual property services and/or support; networking with mentors, vendors, and investors; national and international linkages, etc.

- ix. The amount of the Grant-in-Aid towards providing seed funding support to startups can be utilised only after the AIC raises a matching amount through nongovernment sources (non-government sources exclude central, state and local governments). The SPV shall support the start-ups to raise seed support and other investments.
- x. The SPV will adequately promote itself through online and offline channels. The SPV shall have a website which should go live within 30 days of the date of release of the first tranche of the grant-in-aid. The website should describe all the facilities and offering that it has for aspiring and recent entrepreneurs. Eventually the incubatees should also be listed on the website.
- xi. The SPV is required to mention “Supported by Atal Innovation Mission, NITI Aayog” in all its communication/stationery and branding material, whether online or offline, as well as on the display board at the entry gate of the SPV.
- xii. In case of any operational disputes or lack of clarity, the decision of the CEO, NITI Aayog shall be final and binding on the SPV and the Promoter/Host Institution.

4.2.6 Monitoring responsibilities

- i. NITI Aayog will put in place a progress update and monitoring framework with key performance requirements for SPV/AIC. The SPV/AIC shall subscribe itself to the monitoring system and provide the updated information on a quarterly basis.
- ii. The monitoring framework will capture the Key Performance Indicators (KPIs) of the AIC and the SPV/AIC will be obligated to update these KPIs on a quarterly basis.
- iii. The SPV/AIC will be required to demonstrate the impact it has been able to make through the grant-in-aid. The SPV/AIC will be expected to deliver on the implementation plan as submitted by the SPV/AIC to NITI Aayog for every tranche of the grant-in-aid.
- iv. The operations and performance of the SPV/AIC may be reviewed yearly by AIM, NITI Aayog or by a professional third-party agency appointed by NITI Aayog. The SPV/AIC is expected to co-operate fully and provide all the information required for a fair and successful evaluation of the performance of the AIC. The SPV/AIC shall be informed about the third party appointed for the purpose and the outcome of evaluation in a timely manner.
- v. In the event the SPV fails to make adequate progress in the establishment of AIC and operations of the AIC, including implementing start-up incubations activities, or adhere to the responsibilities mentioned throughout this MoA, no further grant will be provided and the unspent amount along with interest earned thereon would be required to be refunded within a period of one month from the date of notice issued by NITI Aayog. It is clarified that this is without

prejudice to AIM's right to terminate this MoA under the provisions of Clause 4.2.5.vii above.

- vi. The release of grant for every tranche will be based on satisfactory performance of the AIC as well as fulfilment of the financial requirements by the SPV/AIC.
- vii. Concerned officials of, AIM, NITI Aayog or its authorized representatives will have the right to visit the Atal Incubation Centre periodically for ascertaining the progress of work and resolving any difficulties that might be encountered in the course of implementation.

4.3 Other Obligations

- i. By accepting this grant-in-aid, the AIC becomes a part of the AIM program network and will collaborate with and support AIM, NITI Aayog on their various initiatives and programs relating to innovation, incubation and entrepreneurship. These initiatives may include (but not limited to) the Atal Tinkering Labs, The Atal Grand Challenges and other similar initiatives in the area of innovation and startup ecosystem in India and the world. Such initiatives shall be communicated to the AIC from time to time.
- ii. AIM, NITI Aayog is also providing grant-in-aid to institutes for scaling up Established Incubation Centres (EICs) and Atal Tinkering Labs (ATLs). The AIC shall be expected to work with one or more EICs that shall be facilitated by AIM, NITI Aayog. The support from EICs may include transfer of knowledge and relevant standard operating procedures, help in building a network, training of the team, introduction to mentors and investors from the EIC network, co-organizing relevant events and / or any other support that the AIC may need from time to time.
- iii. The AIC shall be expected to support the ATLs on aspects such as mentoring of the students, organising exposure visits and interaction sessions with innovators and entrepreneurs, and /or any other support that the ATLs may need from time to time.
- iv. AIM, NITI Aayog through its partners may also extend support to the AIC with tools, equipment, research collaborations and /or partnerships. The AIC should exploit such partnerships, if any are extended by AIM, NITI Aayog. The SPV/AIC is expected to attend all the workshops, events, meetings and conferences related to entrepreneurship, innovation, business incubation, training of team and other relevant topics, which may be organized / facilitated by NITI Aayog from time to time. The SPV/AIC shall be intimated in advance about the organization of any such events. Recusal from any such events, if required, should be requested from the AIM, NITI Aayog in writing.
- v. It is expected that the AIC shall become financially self-sustainable by the end of five years' time and no other grant-in-aid is requested from any government agency for its operations. The Promoter / Host Institution should ensure smooth continuation of activities and facilities after the end of the support from AIM, NITI Aayog.

ARTICLE 5: Assignment

The Promoter / Host Institution / SPV shall not assign any part of this MOA to any other person/organization without prior written approval from NITI Aayog.

ARTICLE 6: Amendments

No alterations, additions or modification hereto shall be valid and binding unless the same are reduced to writing and signed by all the three parties.

ARTICLE 7: Non-Exclusive Discussions

The Promoter / Host Institution, the SPV and NITI Aayog acknowledge and agree that the discussions in relation to the Areas of Collaboration are being undertaken on a nonexclusive basis and either Party shall be free to enter into or consummate transactions similar to the Areas of Collaboration in India or elsewhere.

ARTICLE 8: Sanction and Disbursement of Grant-In-Aid

- i. NITI Aayog shall provide financial support in the form of grant-in-aid to the SPV in five or more annual tranches on the basis of the budget submitted by the Promoter / Host Institution and approved by AIM, NITI Aayog. In case of a non-academic institution, release of funds in every tranche will be subject to the SPV receiving matching contribution from the Promoter / Host Institution
- ii. The amount disbursed in the tranches will depend on the proposed and agreed expenditure as per the budget plan submitted by the Promoter / Host Institution. Release of funds will also be dependent on the progress of the AIC and satisfactory compliance with the financial requirements.
- iii. Any unspent balance, out of the Grant-in-Aid disbursed by AIM, NITI Aayog, as well as the interest earned thereof, would be adjusted towards the Grants-in-Aid payable during the next tranche/year.
- iv. After six years from the date of the release of first instalment, any unspent balance out of the Grant-in-Aid received from NITI Aayog including the interest earned thereon should be refunded to NITI Aayog, Government of India within 30 days by means of an Account's Payee Demand Draft drawn in favour of Drawing and Disbursing Officer, NITI Aayog, payable at New Delhi.
- v. In case of sector specific AICs, the support for capital equipment for the use by incubatees will be taken into account at the time of release of funds by AIM, NITI Aayog in the first tranche of the grant-in-aid. In case of sector agnostic AICs addressing multiple sectors, it will be considered after 5 incubatee companies are in place or after the AIC has completed at least one year of operation. A provision of annual maintenance of the equipment may be built in the annual recurring costs after the expiry of warranty period of the equipment.
- vi. Administrative expenses for incorporating the SPV and operating it, such as board meeting, annual meeting charges, auditing charges, AIC registration charges, seed

money for the bank accounts, and other similar startup expenses are not allowed from the grant-in-aid.

- vii. If the AIC is hosted within the campus/premises of an academic institute or in the buildings owned by the Promoter/Host Institution, then the rental value of the said premises shall not be considered as Promoter/Host Institution contribution and the same shall not be allowed as a part of the administrative costs.
- viii. Seed-fund, if any, provided under this sanction, is intended to create a pool of funds to achieve two objectives: (a) enable the SPV to buy equity in incubatee companies to create a self-sustaining fund that would help them to sustain after the AIM grants reach an end; (b) make growth funding easily accessible to incubated companies. The Seed Support grant can only be disbursed after completion of one year of operations of the AIC subject to the condition that AIC has adequate number of Startups which are ripe for seed fund support. Principles of seed funding support system are given at Annexure A to this document.

ARTICLE 9: Utilization of The Grant –In-Aid

- i. The grant-in-aid towards the Personnel Expenses would be used only for engaging new team members of the SPV and not towards the salaries/fees/remuneration of the existing team strength of the Promoter / Host Institution (as on the date of receiving the sanction of grant-in-aid from NITI Aayog)
- ii. The Grant in Aid funds shall not be utilized towards the funding international travel by the AIC team or the supported startups or any other person(s)
- iii. Any funds that the Promoter / Host Institution / SPV has sought for outsourcing services such as training of the Incubation Centre team, training of entrepreneurs, design and implementation of the AIC, selection of incubatee companies, best practices, or any other services for which any payment are to be made to an external agency/third party (national or international), then it needs to obtain prior written approval from AIM, NITI Aayog. The Promoter / Host Institution /SPV will be free to avail such services out of their own funding and the grant-in-aid from NITI Aayog should not be used for this purpose.
- iv. Utilization of Seed Funding Component
 - a. The amount of the grant-in-aid towards providing seed funding support to start-ups can be utilised only after the AIC raises a matching amount through non-government sources (non-government sources exclude central, state and local governments).
 - b. The SPV is expected to maintain a separate bank account for seed support grant fund including the funds raised through non-government sources. Any funds invested in an incubatee startup should have an equal proportion of the grant-in-aid and the matching funds raised through other sources.

ARTICLE 10: Maintenance and Submission of Financial Statements for Audit

- i. The SPV shall maintain separate books of accounts for the grant-in-aid funds received from NITI Aayog. The grant-in-aid funds shall be kept in an interest-bearing bank account and the interest earned should be returned to the Consolidated Funds of India.
- ii. The SPV will be required to submit audited statement of accounts and the Utilization Certificates (UCs) of the grant (i) every six months from the time of receiving the grant, (ii) at the end of each financial year (iii) as well as at the time of seeking further instalments of the grant, if any. The SPV will also be required to submit a quarterly progress report to NITI Aayog. The proforma of the UC is attached as **Annexure V** to this document.
- iii. AIM, NITI Aayog will have the ongoing right to get a financial audit done for the SPV / applicant (as the case may be), if required, as frequently as it considers suitable.
- iv. The CAG, at its discretion, shall have the right to access the books of account for the grant received from the Government.

ARTICLE 11: Termination

11.1 NITI Aayog reserves the right to terminate the MOA at any stage, if it is convinced that the grant-in-aid is not being utilized properly or that appropriate progress is not being made. In such a situation, the SPV shall refund all unspent grant-in-aid amount to, NITI Aayog. NITI Aayog shall also withdraw the privilege of the SPV/AIC to mention “Supported by Atal Innovation Mission, NITI Aayog” in all its communication and branding material.

11.2 If this MoA is terminated by AIM under the provisions of Clause 4.2.5.vii or if at any time during the Term of this MoA the Promoter / Host Institution / SPV is found to have perpetuated any misappropriation of funds or acted with wilful misconduct, then the SPV shall refund all the grant in aid received by it without any deductions including for the avoidance of doubt any utilized amounts from the grant in aid, and shall also return the interest amount it has earned from the grant in aid received. Further, NITI Aayog shall also withdraw the privilege of the SPV to mention “Supported by Atal Innovation Mission, NITI Aayog” in all its communication and branding material.

11.3 The Promoter / Host Institution / SPV (“**Indemnifying Parties**”) will indemnify, keep indemnified and hold AIM and NITI Aayog (“**Indemnified Parties**”) and each of the Indemnified Parties’ senior officials, officers, employees, agents and representatives harmless from and against all losses, liabilities, claims, damages, costs and expenses, and interest chargeable thereon, including reasonable legal fees and disbursements incurred or suffered by the Indemnified Party or Indemnified Parties, either jointly or severally as the case may be and each of its/their directors, officers, employees, agents and representatives in any manner relating to (i) breach of any representation or warranty of the Indemnifying

Party set forth in this Agreement; and (ii) breach of the obligations and/or covenants of Indemnifying Party under this Agreement;

ARTICLE 12: Dispute Settlement

12.1 Governing Law and Jurisdiction

This MOA shall be governed by and construed in accordance with the laws of Republic of India. All disputes and differences arising out of or in connection with this MOA shall be at the first instance referred to arbitration by three (3) arbitrators, jointly appointed by Parties. The decision and award determined by such arbitration will be final and binding upon the Parties. The arbitration will be conducted in accordance with the Arbitration and Conciliation Act, 1996, as may be in force from time to time. The arbitration proceedings will be conducted in English and the seat of arbitration will be New Delhi.

12.2 Notices

All communications hereunder shall be in writing and shall be deemed given if delivered personally or mailed by registered or certified mail (return receipt requested) to the Parties at the address specified below:

If to (Name of the Promoter / Host Institution)

Attention of

Address

Phone

Email

If to (Name of SPV):

Attention of:

Address:

Phone:

Email:

If to the NITI AAYOG:

Attention of: Mission Director, Atal Innovation Mission

Address: NITI AAYOG, Sansad Marg, 110001

Phone: +911123042337

Email: r.ramanan@gov.in

For and on behalf of

The Promoter / Host Institution	The SPV	The NITI Aayog
By	By	By
Print Name	Print name	Print name
Title	Title	Title
Date	Date	Date
Place	Place	Place

Annexure A: Mandatory Guidelines for Managing the Seed Support part of the Grant-in-Aid

- The Seed Support grant for SPV/AICs can only be disbursed after completion of one year of operations.
- The grant-in-aid can be utilized for seed support for incubatee startups up to a maximum of Rs. One crore
- The Seed Support would be managed by the SPV/AIC team, and not delegated or assigned to any external agency. The SPV/AIC may invite external advisors/mentors/investors to advise it on the management of the fund.
- The Seed Support is given as a grant to the SPV/AIC, and the same will be disbursed only to the deserving incubatees as debt, equity, or a combination of both.
- The upper limit of seed support to an incubatee start-up through the AIC will be Rs.25 lakhs.
- The SPV/AIC is required to raise seed support through non-government sources (Non-government sources exclude central, state and local governments.) matching the grant-in-aid for seed support. Any investment made in an incubatee startup should have an equal proportion of the grant-in-aid and the matching funds raised through other sources. For example, if Company XYZee is incubated at the AIC, it can be given a maximum of Rs.25 lakhs as seed fund out of which a maximum of Rs.12.5 lakhs may be given out of the grant-in-aid funds while an equal or more amount is required to come from the matching seed support that is raised by the SPV/AIC from non-government sources.
- The SPV is required to maintain a separate bank account and books of accounts for seed support including the matching funds raised through non-government sources.
- The SPV/AIC and its investee/incubatee companies will indemnify, defend and hold harmless AIM, NITI Aayog 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 may accrue to AIM, NITI Aayog as a result of any negligent or wilful acts or omissions of the SPV/AIC and/or its investee / incubatee companies.

Indicative Guidelines for Managing the Seed Support Funds from the Grant-in-Aid

Management of the Seed Support

- This seed support would be used by AIC-incubated enterprises only, and would not be used by the SPV for facility creation.
- It is expected that the Seed Support would be managed by the SPV/AIC staff members, so as to build incubation and investment capacity within the team.
- The Seed Support is given as a grant to the SPV, and the AIC will disburse it to the deserving incubatees as debt, convertible debt, equity, or a combination thereof. It is expected that the SPV/AIC would manage the Seed Support component of the grant so as to make it a sustainable, revolving pool, run according to sound investment principles. The SPV/AIC should manage investments so as to gain profitable exits that help to keep the seed support pool of resources sustainable.
- The Seed Support would be disbursed to incubatees (physical or virtual incubatees within the AIC), which are registered units only on the recommendation of the Seed Support Investment Committee constituted by the SPV/AIC.
- The SPV/AIC should examine all cases of seed support and summarized in an investment memo before putting the matter up to the Seed Support Investment Committee for selection. After the seed support is recommended to an incubatee, the

terms of agreement with the incubatee start up should be framed keeping in mind sound business and investment principles, including by linking progress with specific milestones, monitoring norms, and reasonable repayment and recovery provisions.

- The seed support would be disbursed to the deserving incubatees with proper due diligence by the SPV/AIC. It is necessary to ensure that there exist a proper, legally-vetted agreement between the incubatee and the SPV/AIC. This agreement should detail all the conditions and contingencies relating to the performance of the company. Terms regarding default in repayment must be defined clearly in the agreement.
- The seed support would generally cater to early stage financing for commercialization of core sector innovations and technologies. (Core sector here is defined as infrastructure and service delivery sectors, such as agriculture, housing, health, energy, water and sanitation, hygiene and waste management, education, health, or environmental protection).
- The seed support grant should be utilized fully by the SPV/AIC within a period of three years from the date of receipt of the first instalment of funds under the grant-in-aid for seed support. In case the SPV/AIC is not able fully utilize the seed support part of the grant within a period of three years, the AIC is required to intimate AIM, NITI Aayog and request for permission to extend the duration of the funds.

Eligibility Conditions for Incubatee Start Ups for seed support

- Incubatee should be a registered company with minimum of three months affiliation with the AIC
- The investee company has to be an India-registered enterprise. This support is not meant for Indian Subsidiaries of MNCs/foreign companies. Persons holding Overseas Citizens of India (OCI), Persons of Indian Origin (PIO) status would be considered as Indian citizens for the purpose of this scheme. The shareholding of Indian Promoter / Host Institutions in the incubatee start up should be at least 51%.
- It is expected that SPV/AIC would make special efforts to discover and support enterprises that deploy technologies or business models to help solve India's infrastructure, public service delivery, or socio-economic challenges.
- Incubatee startups requiring seed support predominantly for capital equipment should not be encouraged. The start-ups would be supported primarily on the following grounds for the seed support
 - Prototyping and Product development
 - Testing and Trials
 - Test Marketing
 - Mentoring
 - Professional Consultancy (To attract professors/experts from institutions to work with start-ups.)
 - IPR issues
 - Manpower for day to day operations
 - Any other area as deemed necessary and recommended by the Seed Support Investment Committee of AIC

Quantum of Seed Support

- It is expected that the seed support of up to a maximum of Rs.1.00 crore, with a matching amount raised through non-government sources would be judiciously disbursed amongst the deserving incubatee start-ups.
- No startup will receive the seed support more than once.

- The upper limit of seed support to a start-up is Rs.25 lakhs. However, if the Seed Support Investment Committee with the best of its ability, wisdom and judgment recommends a higher amount of seed support for a very deserving applicant enterprise, the SPV/AIC should take prior approval from AIM, NITI Aayog for deviating from the limit of seed support and also present strong rationale behind such deviation. Any such exception or waiver would be provided at the sole discretion of the AIM, NITI Aayog. Any prior or standing exception would not constitute a precedent, and every case for request of waiver will be considered on its own merits.

Mechanism of Selection, Disbursement, Governance and Fund Management of the Seed Support

- The SPV/AIC would constitute a committee called the Seed Support Investment Committee (SSIC) whose members would be experts who can evaluate the prospective incubatees under physical or virtual incubation requiring seed support. The SPV/AIC CEO would constitute the SSIC, in consultation with the AIM, NITI Aayog to incorporate AIC staff and external experts in the relevant fields. AIM reserves the right to nominate a member to the SSIC.
- Any non-government investor who contributes towards the matching seed fund may be encouraged to be a part of the SSIC.
- The SPV/AIC CEO would be responsible for its proper disbursement and management of the seed support.
- The SPV would take measures to enhance the capabilities and skill set of the AIC team to manage the seed fund. The investments would be done keeping sound business principles in mind.
- The SPV would compile the investment decisions made by its SSIC annually and share an analytical report with the AIM, NITI Aayog at the end of each fiscal year, along with the UC.
- The CEO of the SPV/AIC will keep AIM, NITI Aayog duly informed about the meetings and the investment decisions of the Investment Committee along with the rationale for taking such decisions.
- The SPV/AIC would have milestone-based disbursement schedules of the Seed Support to the incubatees as defined in the agreement and the release of funds should be in 2-3 tranches. In case the incubatee company is unable to achieve the prescribed milestones, the future releases may be stopped and any unspent balances may be recovered from the incubatee company.

Repayment of Seed Support

- To the extent possible, the equity model for seed support should be encouraged. The SPV/AIC team should be well conversed with the equity model and adequate efforts should be made to train the team on the equity model. However, if the seed support is sanctioned through convertible a convertible debt instrument or a soft loan, then efforts should be focused towards getting the repayment of the entire seed support money by the incubatee company within 5 years.
- In exceptional cases, the Seed Support Investment Committee would be empowered to relax schedules of repayment on a case-to-case basis for convincing and justifiable reasons, and these relaxations should be reported to the AIM, NITI Aayog.
- In case of imminent or declared default by an investee company of the Seed Support, the SPV/AIC CEO will make his/her best efforts to recover the investment, as per the

prevailing business practices. The recovered assets shall be added to the seed support pool.

- The cases of default must be reported to the Seed Support Investment Committee. Such default cases must also be reported to AIM, NITI Aayog while submitting the Annual Report on seed support.

Accounting and Utilization of Seed Support Grant from AIM, NITI Aayog

- A separate bank account has to be opened for the seed support. The total seed support from AIM, NITI Aayog will be released in up to two instalments based on predefined milestones achieved. SPV/AIC would be required to submit a detailed report on the status of utilization of grants along with the Utilization Certificate and Statement of Audited accounts for each F.Y. The SPV/AIC should report the seed support sanctioned and disbursed against each incubatee start up in the statement of audited accounts for the period (April 1 to March 31 of each F.Y) under report.
- Book of accounts for the disbursement of grant and for the seed support repayments may be kept separately. Interest on the unutilized seed support grant received from AIM, NITI Aayog must be reported in the Utilization Certificate (UC). The amount collected against repayments may be utilized as seed support for next round of incubatees and not for any other activity of the SPV/AIC, except for the condition described in the para on Management Fees.
- Interest earned by the SPV/AIC on the seed support funds should be mentioned separately in the UC, which would be adjusted against the subsequent releases to be made out of the total sanctioned grant of seed support.

Management Fees for the Seed Support

AIM, NITI Aayog proposes to motivate and encourage SPV/AIC who show growth of the seed support fund through the inflow from the loan repayment/ royalty /realization of equity stake for funding future proposals. It is therefore proposed to give an incentive of 15% on the surplus generated at the end of each year, which could be retained by SPV/AIC for its incubation-related activities.

Settlement of the Seed Fund in case of Closure or Discontinuation of SPV/AIC

In case of closure /discontinuation of the AIC, the total unutilized seed support amount available with the SPV/AIC at the time of closure has to be refunded to AIM, NITI Aayog along with the total repayments received from the seed supported incubatees before closure of the SPV/AIC. Efforts will be made to recover the investments made by the SPV/AIC through the Seed support component before the dissolution of the SPV/AIC. The SPV/AIC CEO will make good faith efforts to hand over the portfolio to another Atal Incubation Centre (AIC), or to any other government agency, in consultation with AIM, NITI Aayog, before leaving the job.

BOND FORM

(Bond is to be furnished on Rs. 20/- or higher stamp paper and signed in original)

Know all persons by these present that we the
.....
.....(Name of Institute / organisation / entity registered under the Societies / Trust /
Companies Act / Affiliated to University (Specify the respective Act or Affiliation)) and having
its office at
.....
vide Registration Number dated in
the State of jointly
with.....
.....(Name of the SPV) having its office at
.....
vide Registration Number dated in the State of
_____ (hereinafter called the “**Obligators**”) and M/s.
..... having its office at vide
Registration Number dated in the
State of (Hereinafter called the “**Surety**”) are held and firmly bound to the
President of India (herein after called the “**Government**”), in the sum of Rs.
..... only (Rupees in words
.....) well and truly to be paid to the President on demand and
without demur, for which payment we bind ourselves and our successors and assigns by these
presents. The term, obligator or surety, unless repugnant to the context, shall mean and include
the respective agents, assigns, heirs, successors etc., as the case may be.

2. **SIGNED** this day ofin the year

3. **WHEREAS** on the Obligator’s request the Government has as per Atal Innovation
Mission (AIM) Letter No. dated.....and hereinafter referred to as the letter of
sanction/ approval, agreed to make in favour of the Obligator for the purpose of setting up Atal
Incubation Centre at a grant of Rs.
(Rupees.....), the obligators have
agreed to execute this bond in advance, in favour of Atal Innovation Mission, NITI Aayog for
the entire amount of Rs.....as requested in the application sent to the
Government. The obligator is willing to accept the proposed amount or any other amount
approved/ sanctioned by the Government. The obligator is willingly executing this bond of the
proposed amount with the stipulation that the obligator and at its request the surety will be bond
up to this amount or by the actual amount approved/sanctioned by the Government. The
obligator is also willing to accept all terms and conditions mentioned in the “Letter of Sanction”
to be issued by the Government.

4. Now in consideration of the aforesaid letter of sanction, the obligator herein binds itself
and undertakes to comply with the conditions of the letter of sanction/approval referred to
herein and if the obligator shall duly fulfil and comply with all its conditions mentioned in the

letter of Sanction/approval mentioning the grant then this bond or obligator's obligation therein shall be void and of no effect, but otherwise it shall remain in full force, effect and virtue, and the Government shall be at liberty to enforce this bond against the obligator jointly and/or severally, as it may deem fit and on its option. These presents further witness that:

a. The decision of the CEO, NITI Aayog, Govt. of India or the Mission Director of the Atal Innovation Mission, NITI Aayog, Govt. of India, administratively concerned with the matter, on the question whether there has been breach or violation on the part of the Obligator or any of the terms and conditions mentioned in the letter of sanction, shall be final and binding on the Obligator.

b. Further, if the Obligator(s) fails to pay or perform the tasks or duties as agreed between both the parties in the MOA or its liability under this Bond, then it shall be the liability of the Surety to refund to the Government the entire amount as mentioned in this bond.

The liability of the surety here under shall not be impaired or discharged by reason of time being granted by the Government or any forbearance, act or omission by or on the part of the Government whether with or without the knowledge or consent of the surety in respect or in relation to the obligation or conditions to be performed or discharged in the obligation or by reason of the matter or thing whatsoever, which under the law relating to the surety shall but for this provision have the effect of so releasing the surety from such liability, nor shall it be necessary for the Government, to pursue the obligator before using the surety or either of them the amount due here under.

c. The Obligator herein agrees and undertake to surrender / pay to Government the monetary value of all such pecuniary or other benefits which it may receive or derive / have received or derived through / upon unauthorized use of the Grant for purpose other than that of which the Grant was intended or the assets, purchased largely from out of "Government Grants". The decision of the CEO, NITI Aayog or the Mission Director, Atal Innovation Mission, NITI Aayog, Govt. of India, as regards the monetary value of aforementioned to be surrendered /paid to the Government will be final and binding on Obligator.

d. The Obligator or the surety shall, in the event of breach or violation of the terms and conditions mentioned in the letter of sanction / approval, refund to the Government on demand and without demur the entire amount of Rs. (Rupees) or such part thereof as may be mentioned in the Notice Demand issued by the Government along with the interest thereon at the rate of 11.50% compounded annually (which would be adjusted as per the Government of India notification issued from time to time) from the date of receipt of the said amount by the Obligator up to the date of refund thereof to the Government by means of an Account's Payee Demand Draft drawn in favour of Drawing and Disbursing Officer, NITI Aayog, payable at New Delhi.

d. The obligator and surety confirm that they have understood the scheme of grant of sanction and they have executed this bond voluntarily and out of their free will.

e. The Government of India has agreed to bear the stamp duty, if any, chargeable on these presents.

5. In witness thereof these presents have been executed on behalf of the Obligator and the Surety the day and year here in above written and accepted for
..... (Name and Designation head of the Promoter/Host Institution and
..... (Name and designation of the head of the SPV receiving the grant) on the day and year appearing against his signature.

Signed for and on behalf of the Obligators (Name of the SPV)

(Name and Designation of the signatory)

(With date and Stamp/Seal)

Signed for and on behalf of the Obligators (Name of the Promoter/Host Institution)

(Name and Designation of the signatory)

(With date and Stamp/Seal)

Signed for and on behalf of the Surety (Name of the Surety Organisation)

(Name and Designation of the signatory)

(With date and Stamp/Seal)

with Identity Card such as Aadhaar/ Voter/ PAN/ ID card No (attach copy)

In the presence of:

1.....
(Name & Address of witness) (Signature)
Aadhar Card No/PAN No.....(attach copy)

2.....
(Name & Address of witness) (Signature)
Aadhar Card No/PAN No.....(attach copy)

Accepted for and on behalf of the President of India