



Revised guidelines for Atal New India Challenge (ANIC) under Atal Innovation Mission, NITI Aayog

This supersedes any previously issued guideline

Atal Innovation Mission,
NITI Aayog,
Government of India

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List of Acronyms:

ACIC – Atal Community Innovation Centre

AIC – Atal Incubation Centre

AIM - Atal Innovation Mission

ANIC - Atal New India Challenge

Capex - Capital Expenditure

C&AG - Comptroller and Auditor General

CEO – Chief Executive Officer

DDO - Drawing and Disbursing Officer

DPIIT - Department for Promotion of Industry and Internal Trade

G&D – Goals and Deliverables

GFR - General Financial Rules of the Government of India

GIA – Grant-in-aid

GPRs - Government Purpose Rights

IP – Intellectual Property

IPR - Intellectual Property Rights

ITR – Income Tax Return

MD – Mission Director

MoA - Memorandum of Agreement/Memorandum of Association

MSME - Micro, Small and Medium Enterprises

NITI - Aayog - National Institution for Transforming India

Opex – Operational Expenditure

PFMS - Public Finance Management System

R&D - Research and Development

S&T – Science & Technology

SSC - Screening-cum-Selection Committee

TnC - Terms & Conditions

1. Background

Atal Innovation Mission (AIM) is the Government of India's flagship initiative to promote a culture of innovation and entrepreneurship in the country. AIM's objective is to develop new programs and policies for fostering Innovations in different sectors of the economy, provide platform and collaboration opportunities for different stakeholders, create awareness, and an umbrella structure to oversee the innovation ecosystem of the country.

2. Vision

The vision of ANIC is two-fold:

- A. Help create products from existing technologies relevant for national and social causes (Productization),
- B. Help new deep-tech products find markets and early customers (Commercialization). ANIC's objective is to fast-track development and commercialize industrial-grade products and technologies in areas of national importance and social relevance through a grant-based mechanism.

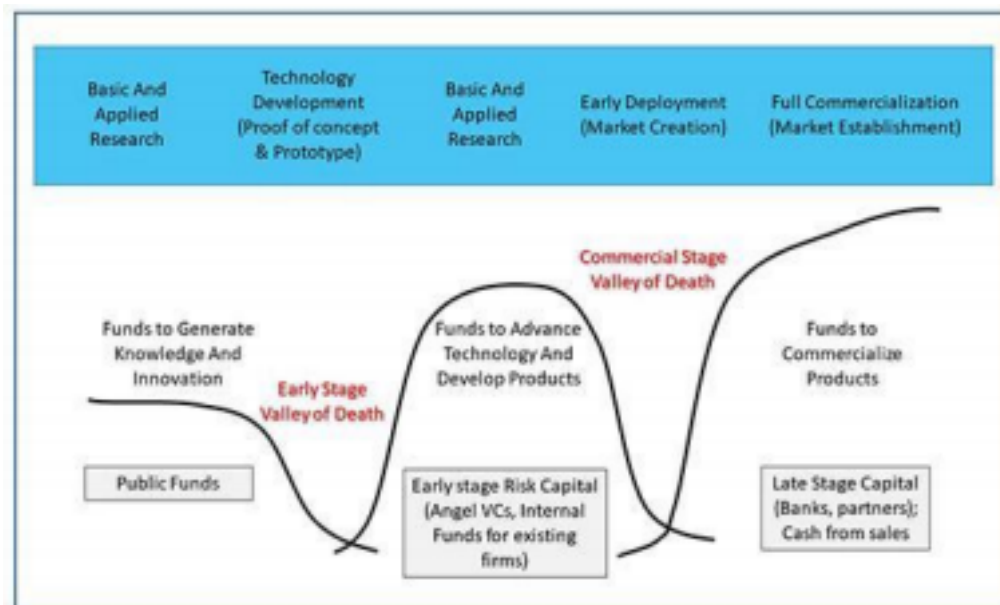


Figure 1: Valley of death in innovation commercialization

3. Eligibility criteria

The following entities can apply to the program: -

1. Any company registered as a Startup, as defined and recognized by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India.
2. Any Indian company incorporated under the Companies Act 1956 /2013, which is a Micro, Small and Medium Enterprises (MSME) as defined in the MSME Act, 2006 and updated from time to time by the Ministry of Micro, Small and Medium Enterprises.
3. Individual innovators (including individual researchers from research & academic institutions).

Please note, if selected, the individual innovator applicant will have to register as either as a startup or MSME to be eligible to receive the grant-in-aid or else they will have to partner with a startup or MSME applicant formally for the purpose of developing the innovation. Please note that the grant will go to the startup/MSME applicant only.

The **majority stake** (more than 50%) of the applicant must be held in India.

4. Application process

Applications to the program can only be made through the online portal on the AIM website, and the portal compliant applications will only be accepted during the call for the application period. The applicants will need to provide all requested information on the online portal as well as the innovation project cost, a detailed budget, goals & deliverables as well as a plan and commitment to meet the balance project cost beyond the grant-in-aid, which may be sanctioned by AIM.

AIM, NITI Aayog reserves the right to make changes to the application form or change the duration of the application period as it deems fit without any prior intimation. AIM, NITI Aayog, will make efforts to inform the public about such changes through one or more channels, including AIM's website and AIM's official social media channels. AIM, NITI Aayog has the right to ask for additional information from the applicant, as and when required.

5. Selection Process

All the applications received for grant-in-aid will be initially vetted by AIM, NITI Aayog, or its representatives, followed by in-person presentations of the vetted candidates to a Screening-cum-Selection Committee (SSC).

The SSC may comprise of sectoral experts and advisors, government officials and representatives from the industry, and its composition will be decided by AIM, NITI Aayog. The SSC will review the in-person presentations of vetted applicants and approve from them suitable qualifying applicants for necessary further due-diligence and recommendations by AIM.

The AIM team will conduct the necessary due diligence of the SSC approved applicant (designated as grantee from this point onwards), review of milestone driven budgets, goals and deliverables and after review by the MD, AIM, NITI Aayog forward for further grant disbursement approval and processing within the overall program limits.

6. Funding Mechanism & Compliance Requirements

- A. The above milestone driven tranche disbursements within the overall limits defined by the program, will be reviewed and approved by an authorized competent AIM, NITI Aayog working committee (minimum quorum of 3). AIM, NITI Aayog reserves the right to change the budget or the goals and deliverables and the grantee will have to accept and abide by these changes to be eligible to receive the grant-in-aid.
- B. Based on the evaluation of the applicant's proposal and working committee's approval, the grantee will be eligible for funding support of up to a maximum of Rs. 1 crore in three tranches of 30%, 40%, and 30%. Overspending by the grantee on any approved grant budget line item will strictly not be allowed without explicit prior approval from AIM, NITI Aayog. Any unapproved expense will have to be borne by the grantee. The grantee commits to meeting the goals and deliverables with the approved AIM grant and commits to meeting any extra project cost beyond the grant amount to meet the committed goals and deliverables. The approved grantee must ensure that their budget is in line with details as mentioned in Annexure 'B': Detailed Budget Heads.
- C. The minimum allowed tranche utilization duration is three months, and the maximum duration is six months, leading to a total allowed project time of 12 to 18 months.

- D. The release of any tranche is fully dependent on verifiable compliance to stated goals and deliverables by the grantee and the grantee will provide full support as required to AIM, NITI Aayog for the same. In case of shortfall variations (like the grantee not meeting approved the Goals & Deliverables or overspending on a particular approved budget line item) approval from the working committee will be required before subsequent tranche disbursement. The decisions of AIM, NITI Aayog in this regard will be final and binding.
- E. Before applying for a subsequent tranche, the grantee must have met all the stated goals and deliverables for that tranche and must have exhausted at least 90% of the previous tranche. In case of shortfall variations (like the grantee not meeting the approved Goals & Deliverables or overspending on a particular approved budget line item) approval from the working committee will be required before subsequent tranche disbursement.
- F. As per the GFR of the Government of India, interest earned on the AIM grant-in-aid, if any, should be returned to the Consolidated Fund of India and reported to AIM, NITI Aayog at the end of every financial year and also prior to the disbursement of any subsequent tranche.
- G. The grantees must agree to the General Terms and Conditions of the program as given in Annexure 'A': General Terms and Conditions. Any deviation from the same will have to be approved by AIM, NITI Aayog explicitly.
- H. On completion of the project, the authorized working committee will certify the completion of the desired innovation and that the grantee has met all the approved goals and deliverables. At the end of the project, any unutilized fund amount must be returned as per the GFR of the Government of India.
- I. Additional documents pertaining to the program are as follows: Format for Goal & Deliverables is enclosed as **B.1. Expenditure heads ineligible for the grant.**

7. IPR Management

The rules pertaining to IPR management under program are as below:

1. The ownership of Intellectual Property (IP) generated under the program shall be owned exclusively by the grantee.
2. The Government of India providing funds to the grantee under the program shall retain **Government Purpose Rights (GPRs)**, which shall be the non-exclusive, non-transferable irrevocable license to use the IP (Intellectual Property) for internal consumption or manufacture. The Government of India may use the GPRs mentioned here, to manufacture either directly or

through subcontractors at a mutually agreeable royalty at fair market conditions.

3. In case of a collaborative project between the grantee and partners, the ownership rights in the IP generated under the project, upon dissolution of the collaboration, shall vest amongst the partners as per their agreement on the subject, without Government rights (clause 7.2) being adversely affected in any manner.
4. The grantee shall be responsible for protecting and maintaining the IPs generated and shall duly inform AIM, NITI Aayog of any issues arising that may infringe upon any of the terms concerning the management and ownership of IPR.
5. The grantee shall have the exclusive right to commercially exploit/conduct further research work on the technology, product designs, IPR, and other artifacts and modules generated during product development after the completion of the desired milestones, and upon receiving the final acceptance from AIM, NITI Aayog after a thorough audit of the product development competition report.

Annexure ‘A’: General Terms and Conditions

Detailed terms and conditions of the program are as follows:

1. The grantee commits to meeting all agreed upon goals and deliverables related to the purpose for which the grant is being given with no other binding terms and conditions being laid by the applicant on the same.
2. The amount of grant-in-aid released should be spent exclusively for the specified purpose for which it has been sanctioned within the stipulated time frame and as per the breakup/tranches suggested for fund utilization.
3. To receive the grant-in-aid fund, the grantee is required to be registered under the Public Financial Management System (PFMS) and to update the system as and when required as per government rules and regulations. Refer Annexure ‘I’: Information on PFMS Agency Registration for more details. The grantee will also open a separate no-lien bank account for receiving the grant amount and will maintain a separate book of account for the funds used in the creation of the innovation product.
4. The grant-in-aid money will be disbursed only on completion of all the pre-grant compliance, the satisfactory achievement of the committed goals & deliverables, and the compliance of financial requirements. Failing to do so to the satisfaction of the AIM, NITI Aayog may result in the termination of the grant-in-aid.
5. It is mandatory for the grantee to attend all events that AIM, NITI Aayog asks them to. In case of an inability to join any such events, the grantee needs to inform AIM, NITI Aayog, in writing of the reason for doing so, in a timely fashion.
6. As part of the Grant-in-Aid to the grantee, the grantee must abide by any monitoring system as directed by AIM, NITI Aayog. AIM, NITI Aayog will have the right to evaluate and monitor the activities and development of the innovative product.
7. The grantee will be required to submit documents as listed (but not limited to) in Annexure ‘D’: Compliance Checklist for receiving the grant-in-aid as well as at the time of seeking further installments of the grant-in-aid, if any. Any unspent balance out of the amount sanctioned should be refunded to the Government of India as per GFR by means of an Account Payee Demand Draft drawn in favor of Drawing and Disbursing Officer (DDO), NITI Aayog, payable at New Delhi.
8. All the assets acquired or created out of the grant-in-aid should not be disposed of or encumbered or utilized for the purpose other than those for which the grant-in-aid has been sanctioned without the prior written permission of AIM, NITI Aayog.

9. Concerned officers of Atal Innovation Mission, NITI Aayog, or its authorized representatives may visit the grantee periodically for ascertaining the progress of work during implementation.
10. AIM, NITI Aayog reserves the right to terminate support to the grantee at any stage, if it is convinced that the grant-in-aid is not being utilized for the specified purpose or that appropriate progress is not being made.
11. In case any approved grantee wishes to wind up its activities, the applicant shall give a notice of at least three months to AIM, NITI Aayog before the closure of the project, and design and implement a closure/succession plan in consultation with AIM, NITI Aayog as per the established government procedures/regulations for winding up. In such a case, the approved grantee 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 as applicable by the GFR rules.
12. It is the responsibility of the grantee to ensure the completion of the project which includes but is not limited to securing funding for the parts of the project not funded by the AIM grant.
13. In the event of breach or violation of the MoA terms and conditions, the approved grantee 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 as applicable by the GFR rules.
14. As per Rule 211(1) of GFR, the accounts of the approved grantee shall be open to inspection by the sanctioning authority/audit by the C&AG, and the grantee shall provide all the necessary support to carry out the inspection/audit.
15. 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 approved grantee is required to take appropriate safety and insurance measures to safeguard against any loss to human life and property related to the project. The manpower employed by the approved grantee will be the liability of the applicant and AIM, NITI Aayog will not have any liability towards them.
16. The AIM, NITI Aayog, will have no liability on account of any omission or commission of regulatory/statutory requirement by the approved grantee or the grant-in-aid heir companies.
17. In case of any dispute, the same shall be subject to the jurisdiction of the court of Delhi.

Annexure ‘B’: Detailed Budget Heads

B.1. Expenditure heads ineligible for the grant

Following expenditure heads cannot be utilized under the grant:

S. No.	Ineligible expenditure heads
1	Cost overruns: The AIM grantee must bear the additional cost in case of cost overruns keeping in consideration Clause 1 of the Terms and Conditions
2	Re-financing
3	Cost of land and buildings
4	The mere creation of technical infrastructure
5	Interest for Loans
6	Bad Debts
7	Salaries for Admin, HR, Marketing & Sales
8	Professional Services Fees, Legal, Accounting/Audit, Statutory
9	Advocacy and business development
10	Branding & Marketing Communications
11	Contributions or donations
12	Fines and penalties
13	Loss of other contracts
14	Expenditure incurred by the applicant before the approval of the project (disbursement of the first tranche)
15	Writing of books or reports or collection of statistics or service
16	Entertainment / Alcoholic beverages
17	Events & Conferences (Travel + Registration/Booth Charges)

B.2. Grant-in-aid budget plan

1. Capex Expenditures from the grant-in-aid are to be limited to a maximum of 30% of the total grant requested. They are ideally supposed to be in items which will indirectly support the development of the product. These will include the following necessarily (but are not limited to)
 - 1.1. Prototyping equipment
 - 1.2. Tools
 - 1.3. Workstations
 - 1.4. Servers
 - 1.5. Software
2. Opex Expenditures from the grant-in-aid are to be at least a minimum of 60% of the total grant requested. They are ideally supposed to be in things which will go directly into product development. These will include necessarily the following (but are not limited to)
 - 2.1. Raw materials
 - 2.2. Consumables
 - 2.3. Cloud service subscription or other service subscriptions,
 - 2.4. Fabrication/synthesis charge for product
 - 2.5. Testing charges
 - 2.6. Equipment rent
3. The expense towards hiring technical manpower necessary for development of deep tech product/service could be allowed as an Operational Expenditure (OPEX) subject to approval by appropriate authority. The technical manpower to be hired under this provision should be core cum technical members vital to development of the product/service .
4. Misc. Expenditures from the grant-in-aid are to be limited to a maximum of 10% of the total grant requested. These include the following necessarily (but are not limited to):
 - 4.1. Salaries
 - 4.2. Field travel
 - 4.3. R&D and design consultancy, etc.
 - 4.4. Office rent
5. All expenditures will need to be substantiated with documentary evidence in the form of invoices, bills, receipts etc. as evidence for expenditure and in the form of self-attested Bank account statements, as evidence of payment, duly submitted to AIM.
6. All payments above Rs. 2000/- from the grant-in-aid must be made through digital means/check/DD and a record of the transaction will have to be provided before subsequent tranche disbursement and at project completion. Furthermore, the total of all payments made in cash (with each such transaction compulsorily being less than or equal to Rs 2000/-) must not exceed more than Rs. 20,000/- in any case.

7. AIM, NITI Aayog appointed authority/working committee reserves the right to decide:
 - a. If a line item in a grantee's budget is eligible for grant-in-aid
 - b. Whether the line item classifies under CAPEX, OPEX or MISC
 - c. Quantity of grant under each budget line item.

The grantee is required to justify the budget line items through document evidence such as budgetary quotations, bills and proforma.

8. Given below is an indicative budget format and the grantee may modify line items as necessary specially to specify equipment/consumable names, additional sheets may be attached for providing more details like salary breakup of technical staff, etc.)

PROJECT BUDGET PLAN (all values in INR lacs)			
	Overall Summary		
	Total Project Cost (INR)		
	TIME PERIOD FOR PROJECT COMPLETION (IN MONTHS)		
	EXPENDITURE HEAD	Amount from Grant	Grantee Contribution, if any
	Prototyping Equipment		
	Tools		
	Other Equipment & Machinery		
	Workstations		
	PCs & Laptops		
	Software		
	Peripherals and other computing resources		
	Others		
	TOTAL CAPEX		
	Prototyping Resources/Materials		
	Fabrication Costs		
	Testing/Certification Costs		
	Power, HVAC, Internet		

	Rent for Computing Resources/Equipment		
	AMC for equipment & machinery		
	IT/Cloud Systems - Subscription		
	Others		
	TOTAL OPEX		
	Salaries (Core Team)		
	Consultancy/Professional Services Fees (Technical Experts/Specialists)		
	Rent (Office & Lab)		
	Field Visits (Travel+Others)		
	IPR Fees & Costs		
	Events & Conferences (Travel + Regn/Booth Charges)		
	TOTAL MISC.		
A	Total Grant requested		
B	Total Grantee contribution, if any		

	TOTAL Project Cost (CAPEX + OPEX + MISC) (must be equal to A +B)	
	Grant OVERVIEW	
	allowed CAPEX (capped at 30% of total grant)	
	allowed OPEX (minimum 60% of total grant)	
	allowed MISC (capped at 10% of total grant)	

	Tranche 1		Tranche 2		Tranche 3	
	30% of the requested Grant	Grantee Contribution	40% of the requested AIM Grant	Grantee Contribution	30% of the requested Grant	Grantee Contribution
Amount						

Annexure ‘C’: Goals and Deliverables format

FORMAT OF GOALS AND DELIVERABLES FOR GRANTEES

(Please note Outputs and Deliverables are to be defined as objectively as possible)

S. No.	Heading	GOALS AND DELIVERABLES		
		Tranche 1 (Week # - #)	Tranche 2 (Week # - #)	Tranche 3 (Week # - #)
1	Goals & Activities planned			
2	Outputs & Deliverables to be achieved			

Table 1: Format for Goals and Deliverables

Annexure ‘D’: Compliance Checklist

The below mentioned compliance checklist is not exhaustive (and not all documents will apply to all applicants), and compliance requirements may vary on a case to case basis. AIM, NITI Aayog reserves the right to ask an applicant/grantee for additional documents, if deemed necessary, and failure to provide said documents may result in the applicant’s grant being canceled.

Sl. No.	Corresponding Documents
1.	Applicant’s presentation
2.	Budget
3.	Goals & Deliverables
4.	Certificate of Incorporation/DIPP registration certificate
5.	Share holding pattern
6.	Declaration for new innovation
7.	Undertaking for non-receipt of other Govt. grant for same purpose
8.	Extract of SSC minutes
9.	Letter from Bank for separate and exclusive bank account
10.	Working Committee minutes
11.	Bridging cost commitment
12.	Aadhaar of applicant
13.	PAN of applicant
14.	Details of directors and equity shares held
15.	Copy of TAN
15.	Copy of GST certificate
16.	Declaration letter as per Annexure ‘E’ of guideline
17.	Declaration on foreign funding or any partnership/ shares or holding outside India
18.	Projected Cash flow
19.	Intellectual property cost holding (if any)
20.	Audited balance sheet of last 3 years
21.	Technology brief
22.	Brief on deployment readiness and strategy
23.	Business plan
24.	Memorandum of Agreement (MoA)
25.	Bond

Annexure ‘E’: Declaration letter format

FORMAT FOR DECLARATION

(This document should be printed, signed and stamped on the company's letterhead)

To

Mission Director,

Atal Innovation Mission (AIM),

NITI Aayog, Sansad Marg,

New Delhi – 110001

Date: _____

Subject: Declaration form for Atal New India Challenge

Dear Sir/Madam,

I/We, on behalf of [*name of organization*] hereby declare that I/we have read, understood, and will abide by all the terms and conditions of the **Atal New India Challenge** program, as mentioned in the guidelines (and any update made at a later point in time). 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. I/We further declare that we are not drawing any other funds from the Government for the same purpose as the AIM grant.

If any of the information stated above or provided in the application form or in the subsequent documents submitted to AIM, NITI Aayog is 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 along with interest as applicable by the GFR of the Government of India.

Thanking you,

(Signature with stamp)

Regards,

Name:

Designation:

Annexure ‘F’: Bond format

In a separate document

Annexure ‘G’: MoA format

In a separate document

Annexure ‘H’: Utilization Certificate format

GFR 12 – A [[See Rule 238 (1)]]

FORM OF UTILIZATION CERTIFICATE FOR AUTONOMOUS BODIES OF THE GRANTEE ORGANIZATION

UTILIZATION CERTIFICATE FOR THE YEAR..... in respect
of recurring/non-recurring
GRANTS-IN-AID/SALARIES/CREATION OF CAPITAL ASSETS

1. Name of the Scheme.....
2. Whether recurring or non-recurring grants.....
3. Grants position at the beginning of the Financial year
 - (i) Cash in Hand/Bank
 - (ii) Unadjusted advances
 - (iii) Total
4. Details of grants received, expenditure incurred and closing balances: (Actuals)

Unspent Balances of Grants received years [figure as at Sl. No. 3 (iii)]	Interest Earned thereon	Interest deposited back to the Government	Grant received during the year			Total Available funds (1+2-3+4)	Expenditure incurred	Closing Balances (5-6)
1	2	3	4			5	6	7
			Sanction No. (i)	Date (ii)	Amount (iii)			

Component wise utilization of grants:

Grant-in-aid- General	Grant-in-aid- Salary	Grant-in-aid-creation of capital assets	Total

Details of grants position at the end of the year

- (i) Cash in Hand/Bank
- (ii) Unadjusted Advances
- (iii) Total

Certified that I have satisfied myself that the conditions on which grants were sanctioned have been duly fulfilled/are being fulfilled and that I have exercised following checks to see that the money has been actually utilized for the purpose for which it was sanctioned:

- (i) The main accounts and other subsidiary accounts and registers (including assets registers) are maintained as prescribed in the relevant Act/Rules/Standing instructions (mention the Act/Rules) and have been duly audited by designated auditors. The figures depicted above tally with the audited figures mentioned in financial statements/accounts.
- (ii) There exist internal controls for safeguarding public funds/assets, watching outcomes and achievements of physical targets against the financial inputs, ensuring quality in asset creation etc. & the periodic evaluation of internal controls is exercised to ensure their effectiveness.
- (iii) To the best of our knowledge and belief, no transactions have been entered that are in violation of relevant Act/Rules/standing instructions and scheme guidelines.
- (iv) The responsibilities among the key functionaries for execution of the scheme have been assigned in clear terms and are not general in nature.
- (v) The benefits were extended to the intended beneficiaries and only such areas/districts were covered where the scheme was intended to operate.
- (vi) The expenditure on various components of the scheme was in the proportions authorized as per the scheme guidelines and terms and conditions of the grants-in-aid.
- (vii) It has been ensured that the physical and financial performance under..... (name of the scheme has been according to the requirements, as prescribed in the guidelines issued by Govt. of India and the performance/targets achieved statement for the year to which the utilization of the fund resulted in outcomes given at Annexure – I duly enclosed.
- (viii) The utilization of the fund resulted in outcomes given at Annexure – II duly enclosed (to be formulated by the Ministry/Department concerned as per their requirements/specifications.)
- (ix) Details of various schemes executed by the agency through grants-in-aid received from the same Ministry or from other Ministries is enclosed at Annexure – III (to be formulated by the Ministry/Department concerned as per their requirements/specifications).

Date:

Place:

Signature

Signature

Name.....

Name.....

Chief Finance Officer

Head of the Organisation

(Head of the Finance)

(Strike out inapplicable terms)

Annexure ‘I’: Information on PFMS Agency Registration

In a separate document