

# **START-UP SUBSIDY SCHEME**

BY

**Pune Idea Factory Foundation**

An initiative under Pune Smart City Plan

24<sup>th</sup> February, 2018

Issued By

**PUNE IDEA FACTORY FOUNDATION**

**A fully owned subsidiary of**

**Pune Smart City**

**Development Corporation Ltd.**



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## Foreword

India is increasingly gaining visibility as a start-up hub. Targeted government initiatives, growth in incubators, rising investor confidence and an expanding digital consumer base are propelling the growth of this ecosystem.

Pune, being one of the most multi-faceted and bustling cities in India with a population that is young and dynamic, is well placed to become India's start-up capital. Additionally, given Pune's proximity to the financial capital of the nation, its abundant graduate workforce, a strong presence of Manufacturing and IT sectors and its brand as one of the leading Foreign Direct Investment (FDI) destinations in India, the city is comparable to the global giants and has the DNA to be the start-up capital of India. Such an environment offers the potential to foster and catalyze new ideas, innovations and creative solutions to the old and newer problems.

## Abbreviations

PIFF	Pune Idea Factory Foundation
IC	Incubation Center
PSCDCL	Pune Smart City Development Corporation Limited
PMC	Pune Municipal Corporation
R&D	Research & Development Institute
IPR	Intellectual Property Rights
UC	Utilization Certificate

## Definitions

Start-up	As per the latest definition of 'Startup' by Department of Industrial Policy & Promotion (DIPP)
Applicant	An individual or an organization or a group of individuals/ organizations which seeks to avail benefits under the scheme and applies for the scheme as per the requirements of this document
Private sector	Companies or entities having at least 51% equity from non-government entities/institutions/agencies
Budget Plan	As submitted by the applicant in Annexure III of the Scheme application or the latest Budget Plan submitted by the applicant and subsequently approved by the PIFF
Successful Operation	'Successful operation of the IC' will be said to be achieved if the targets mentioned in the PIFF approved plan for the IC are met without any major deviations. Such major

of the IC deviations will be defined in consultation with the successful applicant by PIFF within the spirit of this Scheme.

## Important Information and Dates

#	Information	Details
1.	Date of announcement of Subsidy Scheme	24 <sup>th</sup> Feb, 2018
3.	Website to download Subsidy Scheme document	<a href="https://pmc.gov.in">https://pmc.gov.in</a> <a href="http://www.punecorporation.org">http://www.punecorporation.org</a>
4.	Last date of submitting 'Requests for clarifications'	3 <sup>rd</sup> March 2018, 5:00 pm
5.	Pre-bid meeting	5 <sup>th</sup> March, 2018, 2:00 pm at PSCDCL Office, A-204, ICC Trade Towers, Senapati Bapat Road, Pune
6.	Date of Response to Request for clarifications	09 <sup>th</sup> March, 2018
6.	Contact person and email id	Mr. Manojit Bose, Chief Knowledge Officer, PSCDCL Email: <a href="mailto:projects@punsmartcity.in">projects@punsmartcity.in</a>
7.	Last date for submission of Applications	16 <sup>th</sup> March, 2018, 03:00 p.m.
8.	Opening of Application Submissions – date, time and venue	16 <sup>th</sup> March, 2018, 04:30 p.m. PSCDCL Office, A-204, ICC Trade Towers, Senapati Bapat Road, Pune
9.	Application submission form	3 hard copies (including 1 original copy) 1 soft copy in USB flash drive
10.	Announcement of Successful Applicants	In due course
11.	Signing of Memorandum of Agreement	In due course

# 1 About Pune Idea Factory Foundation

Pune is the seventh-most populous city in India and the second largest in the state of Maharashtra. The city is well known for manufacturing and automobiles, government and private sector organizations, research institutes for information technology (IT), education, management and training that attract migrants, students, and professionals from all over the world.

Pune is considered as the cultural capital of Maharashtra and is also popularly known as ‘Queen of the Deccan’. Pune is also known as ‘Oxford of the East’ and has several reputed universities and colleges. This has resulted in a lot of talent readily available which in turn has given rise to some very interesting start-ups that have the capacity to become global companies.

Since 1950, Pune Municipal Corporation (PMC) is administrating the city and serving its citizens. In 2015, Pune secured second rank nationally in the Smart City Mission challenge. To implement the projects identified under Smart City Mission, a Special Purpose Vehicle (SPV), Pune Smart City Development Corporation Limited (PSCDCL) was setup. Pune Idea Factory Foundation (PIFF), a fully owned subsidiary of PSCDCL has been set up as a non-profit organization dedicated to boost the start-up ecosystem in Pune. Its mission is to energize and strengthen the ecosystem by offering stakeholders different opportunities to collaborate and grow. The efforts include creating a strong pool of entrepreneurs supported by mentors, incubators and accelerator while connecting them to investors and other sources of funding. PIFF will also support the ecosystem through different events for startups while bridging the gap between industry and educational institutions, thus fostering the spirit of entrepreneurship in the city.

## **2 Why this Scheme**

In a rapidly growing economy with technological advancements and increased competition, start-ups ensure creative, efficient and cheaper solutions to gaps which are prevalent in the markets that aren't reflected upon by the existing companies. They help in de-risking an economy by catering to customers across various sectors and geographies while supporting them by creating employment opportunities during a hiring downturn in the economy.

Pune is well on its way to becoming one of India's first smart cities thus transcending Maharashtra firmly on the global map as an innovator and pioneer in India's smart cities' mission. Start-ups can form an integral part of this bold and dynamic story.

On the national level, the Government of India has setup the "Atal Innovation Mission" at NITI Aayog with the purpose of promoting a culture of innovation and entrepreneurship in the country. Under this mission, it has been proposed to support establishment of Atal Incubation Centre (AICs) that would further support innovators and start-up businesses in their pursuit to become successful entrepreneurs. Pune has taken a similar route for promoting startups in the city. Following the same pattern as AICs, the PIFF proposes a similar Scheme for establishment of such centers in Pune as described in this document.

## **3 Vision**

PIFF's vision is to make Pune one of the Top 10 global destinations for start-ups



## **4 Mission**

PIFF is driven to make entrepreneurship successful and build a world class start-up ecosystem in Pune

## 5 Scheme Objectives

The scheme is to promote and establish Incubation Centers(ICs) in Pune which would support and encourage start-ups across all sectors and would provide them with necessary infrastructure facilities and other value added services such as common infrastructure and services such as technology development assistance, networking and mentoring, funding access, training and development, business support services (entrepreneurship development, marketing, finance and accounting, research, legal, regulatory), pre-incubation services amongst others to start-ups businesses.

The main purpose is to be able to attract a sufficiently large number of talented entrepreneurs, to nurture the startup through high quality support services and enable a reasonably large proportion of them to grow to the next stage. The broad objectives are:

- 5.1 To make Pune one of the most favored start-up destinations
- 5.2 To create world class state-of-the-art infrastructure, appropriate resources, networks and facilitation in funding start-ups
- 5.3 To partner with national and international renowned accelerators / incubators to achieve above objectives
- 5.4 To enhance the sustainability of Start-ups and help them generate quality jobs
- 5.5 To support innovations which have an impact in the core sectors of the economy

## 6 Who Can Apply?

6.1 Applicants of the Scheme can be from any of the two categories below:

1. Category 1: Non-profit organizations or government institutions (including academic institutes, R&D centers) or a consortium of such organizations
2. Category 2: For-profit entities or individuals or groups of individuals or investment funds/investment entities or a consortium of such organizations

6.2 To avail benefits under the scheme, Applicants will be required to set up Incubation Centres (ICs) as either of following two types of SPVs:

1. Type 1: Non-profit Section 8 private limited company under Company's Act 2013
2. Type 2: For profit private limited company under Company's Act 2013

6.3 In case the Applicant is an existing incorporated company (Type 1 or Type 2 as described above) setup solely for the purpose of operating Incubation centers in India, then the Applicant is not required to setup a new company. In such cases, Applicant shall abide by all the conditions as envisaged for SPV elsewhere in this scheme document and open a separate bank account dedicated for this scheme.

## 7 Funding Support

7.1 Successful Applicants would be provided with financial support in the form of Grant-in-aid for a maximum period of 5 years

7.2 Funding support for successful Category 1 applicants:

1. ICs would be provided a maximum grant-in-aid of Rs. 30,000 per subsidized seat, total over the complete subsidy period to cover capital and operational expenditure. The indicative ratio between capital and operational expenditure covered through Scheme's grant-in aid is:

Capital Expenditure	50%
Operational Expenditure	50%

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

7.3 Funding support for successful Category 2 applicants:

1. ICs would be provided a Grant-in-aid of 50% of the total project cost as per submitted budget plan and approved by PIFF, subject to a maximum of Rs. 30,000 per subsidized seat provided, to cover capital and operational expenditure. The indicative ratio between capital and operational expenditure covered through Scheme's Grant-in aid is:

Capital Expenditure	50%
Operational Expenditure	50%

2. Rental value of the building as per fair market value or as per the registered lease agreement will be considered as Applicant's contribution to the IC
3. The grant-in-aid shall be disbursed in proportion to the funds brought in by the applicant, as mentioned in the budget plan and subsequently approved by the PIFF
4. First tranche of grant-in-aid shall be disbursed only after the applicant provides proof of matching 50% contribution that is to be brought in by the Applicant.
5. At the time of disbursement of first tranche of grant-in-aid, the Applicant shall furnish a bank guarantee for an amount equal to the amount of first tranche towards performance of Applicant's obligations under the Scheme from any banks or institutions approved by PIFF, from time to time. The bank guarantee furnished shall be valid for a period of not less than 5 years from the date of disbursement. The bank guarantee shall be released on completion of eighteen (18) months of Successful Operation of the IC. All costs incurred by the Applicant as a result of furnishing the Applicant's bank guarantee shall be solely borne by the Applicant.

7.4 The following elements shall not be allowed to be included in the project cost submitted as part of the application (irrespective of whether it's the contribution of the Applicant or PIFF):

1. Cost of purchasing land, construction of building, purchase of vehicles.
2. Rental expenses of IC in case the applicant is an academic institution and the IC is located in the premises of the academic institution.
3. Cost of hiring any external agency or consultant for developing the IC operational model or for managing whole or part of the core IC operations as described in Section 11 (PIFF will assist the IC in developing the operational model based on global best practices and will provide training to the IC team).
4. Cost of any fee paid to any external agency/individual(s) for the preparation of the application for the Scheme.
5. Expenses such as SPV registration charges, seed money for the bank accounts, and other similar expenses for incorporation of the SPV.
6. Monetisation of any notional / opportunity costs.

7.5 Following guiding principles shall be used for the use of the grant-in-aid:

1. Expenditure on office furnishings, administration, utility and maintenance, and office expenses should be kept to a minimum.
2. The larger part of the grant-in-aid should be spent on the core operation activities of the IC as described in Section 11.
3. The total grant-in-aid which can be spent towards sector specific laboratory and seed fund combined should not exceed Rs. 2.5 crores.

## 8 Other Support from PIFF

PIFF will support Start-ups across their lifecycle through idea validation, product development, commercialization and scale-up by:

- 8.1 **Providing access to and enabling collaboration** amongst Start-ups, mentors, investors, corporate buyers and relevant Government agencies
- 8.2 **Conducting various events** such as workshops, master classes, conferences, pitch days and job fairs
- 8.3 **Creating awareness to promote Pune** as a start-up hub nationally and internationally
- 8.4 **Actively promoting and marketing the incubator** to all students and alumni of all Government run institutions in and around Pune
- 8.5 Following a **time-bound single window clearance** process
- 8.6 Acting as the **nodal agency**

## 9 Scheme Validity

- 9.1 The Scheme is effective from the date of announcement. Any incubator which applies post the date of announcement and up to the Application due date will be considered for the subsidy.
- 9.2 The Scheme is valid only for new ICs setup after the date of Scheme announcement, for a period of 5 years.
- 9.3 Maximum support through Grant-in-aid shall be offered for 1000 Seats per incubator only, however the IC may operate more than 1000 seats without support
- 9.4 A maximum of 2000 seats will be supported by the scheme cumulatively across all ICs supported by the scheme
- 9.5 A maximum of four Category 1 ICs and two Category 2 ICs will be supported under the Scheme

## **10 Nodal Agency**

Pune Idea Factory Foundation will act as the nodal agency for the Scheme



## 11 Output, Outcomes and Deliverables

Following outcomes and deliverables are expected from the supported ICs:

- 11.1 Create large scale awareness about entrepreneurship, across various sectors including science, manufacturing, IT, health tech, education, fin-tech and insurance, as a preferred career option by effectively using media and other outreach activities
- 11.2 Assist the incubatees in creating a sustainable, scalable & profitable business model
- 11.3 Provide physical infrastructure and value-added support services
- 11.4 Create a strong network of mentors who would provide sector specific knowledge & real world practical guidance
- 11.5 Conduct events and inspirational programs
- 11.6 Provide trainings and mentorship to entrepreneurs
- 11.7 Forge partnerships and networks with academia, industry, funding sources, existing incubators and others for the start-ups to leverage.
- 11.8 Enable access to prototyping facilities, test beds, markets, and pilot implementation for the product/services.
- 11.9 Build a strong team with adequate knowledge and experience in guiding start-ups, building business plans, facilitating investments, building networks etc.
- 11.10 Category 1 applicants must provide a minimum space of 6500 sq.ft. in Pune, which is fully furnished and will offer at least 150 subsidized seats. The maximum number of seats that can be provided in the new IC should not be higher than 3 times the capacity of largest IC currently being operated by the Applicant. It may be noted that circulation area, staircases and other super built-up area should not be included in above 6500 sq. ft. . Provide state-of-the-art and appropriate infrastructure with at least one meeting room for every 30-40 seats, conference/training rooms, casual areas, cafeteria, events area and facility support in tune with the common minimum requirements of start-ups
- 11.11 Category 2 applicants must provide a minimum space of 30,000 sq.ft. in Pune, which is fully furnished and will offer at least 700 subsidized seats. It may be noted that circulation area, staircases and other super built-up area should not be included in above 30,000 sq. ft.. Provide state-of-the-art and appropriate infrastructure with at least one meeting room for every 30-40 seats, conference/training rooms, casual areas, cafeteria, events area and facility support in tune with the common minimum requirements of start-ups
- 11.12 Provide 24x7 access to utilities like printing, high speed internet, coffee machine
- 11.13 Offer working space at subsidized rates, only to those startups which come under the definition of “Startup” as given by Department of Industrial Policy & Promotion (DIPP). It is expected that 6 seats per startup will be supported by the IC, however IC may

support more seats per Start-ups if required. The IC shall ensure that online and transparent registration and selection process for Start-ups is established

- 11.14 Ensure that at least 35% of the total seats are occupied by the end of first year and at least 75% of total seats are occupied by the third year, failing which PIFF will have a right to cancel the subsequent grants.
- 11.15 Provide strategic support to Start-ups by enabling ease of access to mentors, corporate sector and other relevant stakeholders, academia and national/ international communities
- 11.16 Regularly conduct value added programs such as one day/half day events, thematic workshops and programs to address key knowledge areas
- 11.17 Organize at least 2 events per month and extend free of cost invite to all relevant start-ups supported by this Scheme
- 11.18 Invite PIFF to all events, workshops organized for start-ups supported under this Scheme
- 11.19 Establish platform to provide investment readiness support, business validation, technical support, financial and legal services to Start-ups
- 11.20 Create an effective mechanism to ensure that Start-ups are able to access investors - individuals, Angel networks and VCs
- 11.21 Assign continuous seats to all employees of a particular Start-up in the office space as far as possible
- 11.22 Address any grievance raised by the start-ups within 48 hours from its submission
- 11.23 The subsidized charges per seat per month should include rental charges, shared internet bandwidth, electricity, and common housekeeping and security charges. The monthly rental charges should not exceed Rs. 6000 per seat. However, this limit can be modified with the approval of PIFF Board, given proper justification is available for the same.

## 12 Eligibility to avail this Scheme

In order to be eligible, the Applicant must meet criteria listed in this section. In the case where Applicant is a group of individuals or a consortium of different entities, the group or consortium combined must meet the criteria listed in this section.

All of the following eligibility criteria (12.1-12.5) must be met by Category 1 applicants:

- 12.1 Applicant must have at least one incubation center currently under operation, with a minimum of 50 Seats.
- 12.2 Applicant must have directly supported at least 50 start-ups. Startups supported by an IC is defined as the number of separate startups (companies fulfilling definition of startups as per DIPP definition) which have remained registered with said IC for a minimum of 6 month duration.
- 12.3 If the Applicant is a university/college/autonomous college/affiliated college affiliated to UGC then it must possess minimum grade A from NAAC as per the latest cycle of accreditation received by the Applicant.
- 12.4 If the Applicant comes under the technical and/or management institutes affiliated with UGC then it must have a valid Tier-I NBA accreditation
- 12.5 If the Applicant is a non-profit organization then it must have a minimum turnover of Rs. 15 lakh/year.

Both of the following eligibility criteria (12.6 and 12.7) must be met for Category 2 applicants:

- 12.6 Applicant must have currently under operation (a) at least three ICs with a minimum 100 seats at each, or (b) two ICs with a minimum of 150 seats at each or, (c) one IC with a minimum of 300 seats.
- 12.7 Applicant must have directly supported at least 100 start-ups. Startups supported by an IC is defined as the number of separate startups (companies fulfilling definition of startups as per DIPP definition) which have remained registered with said IC for a minimum of 6 month duration.

## 13 Application, Evaluation and Selection

### 13.1 Application

1. Applicants desirous of establishing ICs must send their application along with required documentation by registered post to Pune Idea Factory Foundation, Pune Smart City office, 204, Tower –A, ICC Trade Tower, Senapati Bapat Road, Pune - 411016

The prescribed application formats are attached in Annexure I-III.

2. The Applications can be received within the due date as mentioned in this Scheme after which all the Applications received shall be evaluated by an Evaluation Committee nominated by the Board of PIFF based on the proposal submitted by the Applicant. Committee's decision shall be final and binding.
3. Apart from the application form, the applicants are required to send the business plan and budget plan, registration document, letter of declaration and other necessary documents as mentioned in the application form.
4. Applicants must pay an application fee of INR 25,000 through a demand draft drawn in favor of CEO, Pune Idea Factory Foundation to be deposited in Pune. The demand draft should be sent by registered post to Pune Idea Factory Foundation, Pune Smart City office, 204, Tower –A, ICC Trade Tower, Senapati Bapat Road, Pune -411016, at least one day before the date of the application submission as mentioned in the Scheme document

### 13.2 Evaluation

1. Selection of Institution / Agency will be subject to eligibility criteria defined in Section 12 of this Scheme and subsequent evaluation as per Section 13.2.2 by an expert committee as nominated by PIFF. If applications are received for more than one IC in one ward, then the ranking would be done as per technical scoring in 13.2.2 and the highest scorer would be the preferred partner. In such case the second preferred partner shall be allowed to submit proposal with a different location for IC within a stipulated time.
2. Definitions used in the evaluation matrix:
  - In-house mentors: Personnel employed full time with the incubation centers having significant (typically >15 years) experience working either for startup ecosystem or for the industry domain which the Applicant IC wants to pursue as focus area
  - Funding partner: A private or public entity which has agreed to provide financial support to Applicant through an MoU or contract, in the form of equity or grant funding
  - Non-Funding partner: A private or public entity with which Applicant has signed an MoU for collaboration on various activities targeted towards achieving the goals of this Scheme.
3. The technical scoring will be done based on following evaluation matrix (total marks 100):

S.No.	Evaluation Parameters	Marking scheme	Marks
<b>Applicant's Past Experience</b>			<b>30</b>
1	Capability to support startups (number of startups supported)	<p><b>For Category 1 applicants:</b>                      Total number of startups supported is greater than or equal to 50, and less than 80 : 5 marks                      Total number of startups supported is greater than or equal to 80 and less than 120 : 10 marks                      Total number of startups supported is greater than or equal to 120 : 15 marks</p> <p><b>For Category 2 applicants:</b>                      Total number of startups supported is greater than or equal to 100, and less than 200 : 5 marks                      Total number of startups supported is greater than or equal to 200, and less than 300 : 7.5 marks                      Total number of startups supported is greater than or equal to 300 : 10 marks</p>	<b>15</b>
2	Number of patents filed by the Incubatees	Proposal with highest number of patents filed will be given 3 marks; all other proposals will be given marks proportionate to the number of patents filed against the maximum	<b>2</b>
3	Number of patents granted to the Incubatees	Proposal with highest number of patents granted will be given 8 marks; all other proposals will be given marks proportionate to the number of patents granted against the maximum	<b>8</b>
4	Global experience	Applicant with no IC present outside India : 0 marks Applicant with 1 IC present outside India :2.5 marks Applicant with 2 or more IC present outside India :5 marks	<b>5</b>
<b>Strength of proposal</b>			<b>70</b>
5	Overall strength of the proposal	Understanding of broader PIFF objectives and alignment of IC proposal with the same (marking will be based on the overall evaluation by Evaluation committee)	<b>10</b>
6	Business Plan		<b>25</b>
6.1	Incubation model	Incubation model and level of support provided to the Incubatees (5 marks) Proposed use of grant-in aid (10 marks)	<b>15</b>
6.2	Revenue generation model and plans for achieving financial sustainability	Validity of key assumptions in the revenue generation model and sensitivity analysis (2.5 marks) Strength of contingency planning and risk assessment of the business plan (2.5 marks)	<b>5</b>
6.3	IC's Action Plan	Plan for operationalization of IC (2.5 marks) Plan for activation of the startup ecosystem in Pune (2.5 marks)	<b>5</b>
7	Quality of proposed team		<b>15</b>

## Start-up Subsidy Scheme by Pune Idea Factory Foundation

S.No.	Evaluation Parameters	Marking scheme	Marks
7.1	IC manager (CEO in case a new SPV is created)	Educational qualifications <sup>1</sup> (2 marks), relevant experience <sup>2</sup> (3 marks)	5
7.2	Other team members from the parent organization (2 personnel to be proposed by applicant)	Educational qualifications <sup>1</sup> (2 marks), relevant experience <sup>2</sup> (3 marks) for single personnel; 10 marks total for 2 personnel nominated from parent organization	10
8	Co-located services offered		<b>10</b>
8.1	In-house mentorship	Proposals with number of in-house mentors greater than or equal to 1 and less than 3 : 3 marks Proposals with number of in-house mentors greater than or equal to 3 : 5 marks	5
8.2	Other co-located services	Availability of labs, tools and equipment, infrastructure relevant to the sector focus of IC (2.5 marks) Availability of business support services available in IC(entrepreneurship development, marketing, finance and accounting, research, legal, regulatory) through in-house team or through third-party partnerships (2.5 marks)	5
9	Number of proposed partners (funding and investing agencies)	Proposals with 1 funding/investing partner : 3 marks Proposals with 2 or more funding/investing partners : 5 marks	<b>5</b>
10	Number of proposed partners (Non-funding)	Proposals with 1 non-funding partner: 3 marks Proposals with 2 or more non-funding partners : 5 marks	<b>5</b>
	<b>Total</b>		<b>100</b>

<sup>1</sup> Education from Tier-1/Tier-2 institutes along with degree in management is preferred

<sup>2</sup> Entrepreneurial experience either in own venture or as one of the first 10 employees in a start-up is preferred. Experience of working with similar set-ups (incubators, accelerators, angel investors, venture capitalists etc.) is also preferred. Work experience in eminent startup ecosystem networks such as TIE, NASSCOM) is also preferred.

## 14 Documents to be submitted

### 14.1 Documents to be submitted with the application:

1. Application form
2. Proposed Budget Plan
3. Detailed Business Plan
4. Registration Certificate of the Applicant
5. Memorandum of Association of the Applicant
6. Audited Statement of Accounts for the last three years
7. Annual Reports for the last three years
8. Names of the Industries or Individuals that would be associated with the IC along with their letters of intent
9. Statutory Auditors Certificate stating the total number of seats in the new incubator facility to be set up under this Scheme
10. Charge plan for the start-ups – both subsidized and non-subsidized
11. Copy of Service Tax registration certificate
12. Long-term registered lease for space for a minimum period of 7 years, starting from the time of award of subsidy, and proof of ownership of building by Landlord. In case where the long-term lease is not available, the Applicant shall submit the undertaking that the long-term lease would be obtained within 3 months of approval of application, failing which the application shall be rejected
13. All the documents with proof in support of Evaluation Parameters as listed under the Evaluation matrix in Section 13.2

### 14.2 To be submitted within 3 months from the date of Approval but before the release of first installment:

1. MOU / Partner Contract with Institutions or Industries or Individuals
2. CV/ Resume of Full-time Managing Team (Board, CEO and other officials)
3. Registration Certificate of the SPV
4. MoA of SPV with PIFF
5. Proof of availability of proposed built up space along with lease deed in favour of the SPV (within 1 month of Approval of subsidy)

Detailed layout plan showing, not limited to, the following: (within 1 month of Approval of subsidy)

- i. Common facilities
  - ii. Details of Seat(s)
  - iii. Necessary equipment
6. List of key mentors providing the designation, qualification and other relevant details
7. Bank Guarantee (as per prescribed pro-forma in Annexure VI) as mentioned in Terms & Conditions
8. IT based dashboard showing occupancy with full access given to PIFF CEO
9. Financial feasibility plan showing sustainability after completion of the subsidy support
10. 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/loan approval etc. along with a copy of the balance sheet and ITR for the last three years of the Promoter (for non-academic organizations). Category 1 applicants are also required to bridge the gap between the project cost and the sanctioned Grant-in-Aid.
11. Proof of availability of matching contribution equivalent or greater than the first tranche in the bank account of SPV (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. Grant disbursement from the Scheme will be as per proposed and agreed expenditure plan irrespective of the timing of the matching contribution disbursement.
12. For educational institutes , proof of accreditation received from NBA/NAAC



## **15 How to avail benefits under this Scheme**

- 15.1 Successful Applicants not covered under section 6.3 will be required to incorporate a Special Purpose Vehicle (SPV), either a Section 8 company or a private limited company registered under the Companies Act, 2013. These SPVs will not be allowed to incorporate as trusts or societies.
- 15.2 The IC shall provide a minimum of 700 Seats, if Applicant is Category 2, and 150 seats, if Applicant is Category 1, at subsidized rates to Start-ups. If any Start-up being supported by IC is not incorporated at the incubation, the incubator shall ensure that undertaking shall be given by the selected Start-up to be incorporated in Pune within 3 months of selection.
- 15.3 The IC shall establish transparent online registration and selection processes for selecting Start-ups for incubation, in consultation with PIFF. PIFF consultation is required only for the subsidized seats.
- 15.4 IC or any of its sister concerns or organisations, in which the Directors of the IC have any interest will not be permitted to solicit any equity arrangements in Start-ups under subsidy, unless a specific direct capital investment is made in such Start-ups. Any such deal which is not a direct capital investment made in such startups (e.g. advisory equity or mentor equity) needs to be approved by PIFF or any such Committee that PIFF may nominate. However, this condition does not apply to startups that are incubated without availing any subsidy under this scheme.
- 15.5 Any other charges which are levied on the Start-ups for any related activity other than envisaged at the time of submission of Application will require approval from PIFF

## 16 Terms and Conditions

- 16.1 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 PIFF
- 16.2 PIFF 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
- 16.3 PIFF will not be responsible for any delay in receiving the applications
- 16.4 PIFF reserves the right to modify the scheme document at its own discretion before the last date of the application. The same would be notified through the PMC portal. Applicants are advised to regularly check the PMC website for any updates.
- 16.5 The issue of these guidelines does not imply that PIFF is bound to select an Applicant. PIFF reserves the right to accept/reject any or all of applications submitted in response to the document at any stage without assigning any reason whatsoever.
- 16.6 The decision of PIFF will be final and no explanation or justification for any aspect of the selection process shall be given
- 16.7 Applicants shall bear all costs associated with the preparation and submission of their applications, and their participation in the selection process
- 16.8 Applicants may seek clarifications on the guidelines within 2 weeks from the date of issue of the Scheme document. Any request for clarification must be sent by standard electronic means (excel file) and emailed to [projects@punsmartcity.in](mailto:projects@punsmartcity.in) with the subject line : “PIFF Subsidy policy: Clarification request”. The template for the request must have following columns as a minimum: “Clause reference no. from subsidy document”, “Relevant excerpt” and “Clarification sought”.
- 16.9 The applicant would need to set up an SPV (refer Section 6 the Scheme) and send a copy of registration certificate along with the Bank Details and other documents, as requested for by PIFF, within a stipulated time frame of 3 months from the date of Approval Letter from the PIFF to release the funds to the SPV.
- 16.10 PIFF strongly discourages engagement of consultants/external agencies on a paid basis for preparation and submission of the application
- 16.11 The IC will be required to put in place the requisite physical infrastructure (shared/specific) such as laboratory and workshop facilities, utilities, support services, pre-incubation services, networking, mentoring and other facilities within a period of six months from the date of release of funds
- 16.12 The IC 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 six months from the date of release of funds. The applicant will have full freedom to decide the composition, recruitment and compensation of the CEO as well as the management team of the IC

## Start-up Subsidy Scheme by Pune Idea Factory Foundation

- 16.13 The IC should develop appropriate linkages with other parties to ensure its success
- 16.14 The IC would create a transparent system for selection of incubatees. The incubatees would be admitted subject to fulfilling the admission criteria and the IC would enter into an appropriate agreement with the incubatees
- 16.15 Each IC would be required to have a website of its own, which should be updated on a continuous basis. In addition, the IC will submit short videos of duration of 1 to 2 minutes on successful Start-ups to PIFF every year
- 16.16 All grantee institutions except government institutions are required to furnish a bank guarantee (in prescribed pro-forma- Annexure VI) before any Grant-in-aid is released to them
- 16.17 The Grant being released should be exclusively spent on the specified purpose for which it has been sanctioned within the stipulated time. Any unspent balance out of the amount sanctioned would be either adjusted towards the Grant-in-aid payable during the next year or refunded to PIFF by means of an Accounts Payee Demand Draft drawn in favour of PIFF payable at Pune
- 16.18 The Grantee is required to send online i) progress report; ii) audited statement of accounts and Balance Sheet; and iii) Utilization Certificate (Annex IV), to PIFF at the end of each financial year as well as at the time of seeking further installments of the Grant, if any. However, companies and individuals would be required to submit a yearly expenditure statement for the full amount (including their own contribution) to ensure that matching funding is released
- 16.19 The budget plan should take into account all the expenses and tax liabilities and cost of insurance specified in the work order, levies and other impositions applicable under the prevailing law
- 16.20 The operations of the IC will be reviewed yearly based on a comparison of the proposed budget plan vs the actual expenditure and physical performance. The release of grants after the first year and each subsequent year will be based on satisfactory performance. Further, the disbursement schedule can be reviewed after 2 years
- 16.21 Concerned officers of PIFF or its authorized representatives may visit the organization/IC periodically for ascertaining the progress of work and resolving any difficulties that might be encountered during implementation
- 16.22 PIFF reserves the right to terminate support to the project at any stage, if it is convinced that the Grant is not being utilized properly or that appropriate progress in the project work is not being made. The entire amount will be treated as a sunk cost and the assets will be written-off by PIFF
- 16.23 All the assets acquired or created from the Grant should not be disposed-off or encumbered or utilized for purpose other than those for which the Grant has been sanctioned, without the prior permission of the PIFF
- 16.24 The Auditor General of State, at his discretion, shall have the right to access Books of Account for the Grant received from the Government.

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- 16.25 The Grantee will maintain a separate audited account for the Grant. The funds released should be kept in a bank account earning interest; the interest earned should be reported to PIFF and the same will be treated as a credit to the organization to be adjusted towards further installments of the Grant, if any.
- 16.26 The Grantee must not entrust the implementation of the work for which the Grant is being sanctioned, to another institution and divert the Grant receipts as assistance to the latter institution
- 16.27 The Manpower employed by the SPV will be the liability of the SPV and PIFF will not have any liability towards them
- 16.28 PIFF will have no responsibility in case of any loss caused to life or property due to accident, fire or any other reason. The SPV is required to take appropriate safety and insurance measures to safeguard against any loss to human life and property related to the IC
- 16.29 PIFF will have no liability on account of any omission or commission of regulatory/statutory requirement by the IC or its incubatees and their companies
- 16.30 In case of any dispute, the same shall be subject to the jurisdiction of the court of Pune and Mumbai
- 16.31 The change in consortium composition is not allowed. In the exceptional situation, when any one consortium partner leaves the consortium, PIFF must be informed of the change immediately within 15 days and the remaining member(s) shall appoint an equivalent or better member with the approval of PIFF within 3 months, failing which the grant shall be stopped. The new member shall possess the same or better technical and financial strengths of the leaving member, on the basis of which the entity was evaluated at the time of application.

## 17 Monitoring and Inspection

ICs shall provide following documents to PIFF on a periodic basis:

17.1 Half yearly reports showing, not limited to, the following:

1. Occupancy with name of Start-up and number of seats allocated
2. Details of events organized including information on speakers and number of participants
3. Details of all achievements including technical and financial tie-ups by Start-ups supported under this Scheme

17.2 Lease Rent payment slips of the concerning months for the Start-ups supported under this Scheme

17.3 Monthly statement of charges fixed and paid by Start-ups

17.4 The documents that need to be submitted along with the Utilization Certificate (UC) are audited statement of expenditure, certified by the External Auditor and half yearly progress report covering all activities and outcomes

## **18 External Audit**

18.1 The Incubator shall appoint an external auditor with the approval of PIFF

## 19 Grievances

- 19.1 If any aggrieved Start-up feels excluded from any relevant event, organized by the incubator under this Scheme, they should be allowed to raise a grievance ticket
- 19.2 There should be online Grievance registration and redressal system with an open access to the officer designated by PIFF
- 19.3 No registered grievance should remain un-addressed for more than 2 days
- 19.4 Average TAT (Turn-around time) for grievance redressal will be the part of evaluation for reimbursement of Grants

# **Annexure I: Application Form**

## **I. Basic Details**

- Name of the Applicant (as mentioned in the registration document of the legal entity):
  
- Year of establishment:
  
- Registered address of the Institution:
  
- District:
  
- State:
  
- Pin Code:
  
- Website:
  
- Name of the Project Leader:
  
- Email address:
  
- Mobile number:
  
- Highest Qualification: Dropdown (Graduate/Post- Graduate/ MPhil/PhD and above)
  
  
- Current Designation:



## 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	<input type="checkbox"/> Alternative Investment Fund

<input type="checkbox"/> R & D Institution	<input type="checkbox"/> Individual	<input type="checkbox"/> Other _____
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#### A1. For Educational Institution Applicant:

<input type="checkbox"/> University	<input type="checkbox"/> College
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■ Specify category: (Radio button)

<input type="checkbox"/> Central	<input type="checkbox"/> State	<input type="checkbox"/> Private	<input type="checkbox"/> Other (please specify)
----------------------------------	--------------------------------	----------------------------------	---

■ Name of Parent University (for College): (not mandatory)

■ Specialization 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
<input type="checkbox"/> 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)	

■ Total number of students enrolled (in academic year 2016-17):

\_\_\_\_\_ Diploma      \_\_\_\_\_ UG      \_\_\_\_\_ PG      \_\_\_\_\_ MPhil      \_\_\_\_\_ PhD and above

■ Type of college or university:

<input type="checkbox"/> Men	<input type="checkbox"/> Women	<input type="checkbox"/> Co-educational
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■ Total number of students enrolled (in academic year 2016-17):

\_\_\_\_\_ Diploma      \_\_\_\_\_ UG      \_\_\_\_\_ PG      \_\_\_\_\_ MPhil      \_\_\_\_\_ PhD and above

■ Total number (in academic year 2016-17):

\_\_\_\_\_ Teaching faculty      \_\_\_\_\_ Teaching faculty with PhD

■ NAAC accreditation received :

\_\_\_\_\_ No      \_\_\_\_\_ Yes      \_\_\_\_\_ Rating as per latest cycle

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- NBA accreditation received:

\_\_\_\_\_ No                      \_\_\_\_\_ Yes                      \_\_\_\_\_ Latest grade received

For Private entity/ Alternative Investment Fund Applicant:

- Number of Full-time equivalent (FTE) employees in 2016-17:

<input type="checkbox"/> 01-99	<input type="checkbox"/> 100-999	<input type="checkbox"/> 1000 or more
--------------------------------	----------------------------------	---------------------------------------

- 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.

- Non-interest revenue (EBIT) of the business in 2016-2017 (in Rs. Crores):

<input type="checkbox"/> 0-5	<input type="checkbox"/> 6-50	<input type="checkbox"/> 51-100	<input type="checkbox"/> 1000 or more
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- Nature of business (50 words):

**A2. For R&D Applicant:**

- Management of the institution:

<input type="checkbox"/> Government	<input type="checkbox"/> Private	<input type="checkbox"/> PPP
-------------------------------------	----------------------------------	------------------------------

- Total number:

\_\_\_\_\_ Researchers                      \_\_\_\_\_ Researchers with PhD

- Type of lab at the institution:

<input type="checkbox"/> Dry Lab	<input type="checkbox"/> Wet Lab	<input type="checkbox"/> Both	<input type="checkbox"/> None
----------------------------------	----------------------------------	-------------------------------	-------------------------------

- 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, Medico063al, Mining, Telecommunication, Transport, Water, Other.

**B. IP related**

- Number of research papers published in past 3 years (April 2014-December 2017):

- Number of technologies commercialized in past 3 years (April 2014-December 2017):

- Number of Indian or WIPO-compliant patents filed in last 3 years (April 2014-December 2017):

<input type="checkbox"/> 0	<input type="checkbox"/> 1-5	<input type="checkbox"/> 6-24	<input type="checkbox"/> 25 or more
----------------------------	------------------------------	-------------------------------	-------------------------------------

- Number of Indian or WIPO-compliant patents received in last 3 years (April 2014-December 2017):

<input type="checkbox"/> 0	<input type="checkbox"/> 1-5	<input type="checkbox"/> 6-24	<input type="checkbox"/> 25 or more
----------------------------	------------------------------	-------------------------------	-------------------------------------

### C. Prior experience

- Number of entrepreneurship awareness/training programs conducted in the last three fiscal years (2014-17):

<input type="checkbox"/> 0	<input type="checkbox"/> 1-5	<input type="checkbox"/> 6-24	<input type="checkbox"/> 25 or more
----------------------------	------------------------------	-------------------------------	-------------------------------------

- Have you accelerated / funded startups in the last three fiscal years (2014-17)?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
------------------------------	-----------------------------

- Total number of startups supported in the last three fiscal years (2014-17):

<input type="checkbox"/> <20	<input type="checkbox"/> 20-50	<input type="checkbox"/> 50-100	<input type="checkbox"/> >100
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- Provide brief description of start-ups and entrepreneurs supported at your institution (50 words):

### III. Proposed Team

Total number of proposed manpower for the IC: \_\_\_\_\_

#### Proposed CEO:

- Has the person been identified?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
------------------------------	-----------------------------

- If yes, Name:

- Age:

- Highest Qualification: Dropdown

(Graduate/Post- Graduate/ MPhil/PhD and above)

- Current Designation:

- Current Organisation:

- Total number of experience of years:

\_\_\_\_\_Academic/Teaching

\_\_\_\_\_Research

\_\_\_\_\_Industry

\_\_\_\_\_Entrepreneurial

- Is the proposed CEO currently holding a fulltime position?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
------------------------------	-----------------------------

- Will he/she leave their position to work for the IC full-time?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
------------------------------	-----------------------------

**Proposed IC Manager:**

- Has the person been identified?

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
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- If yes, Name:

- Age:

- Highest Qualification: Dropdown

(Graduate/Post- Graduate/ MPhil/PhD and above)

- Current Designation:

- Current Organisation:

- Total number of experience of years:

<input type="checkbox"/>	Academic/Teaching
<input type="checkbox"/>	Research
<input type="checkbox"/>	Industry
<input type="checkbox"/>	Entrepreneurial

- Is the proposed manger currently holding a fulltime positions?

<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
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- Will he/she leave their position to work for the IC full-time?

<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
--------------------------	-----	--------------------------	----

#### IV. Partnerships/ Linkages

- Total number of partners (existing):
- Total number of partners (new):
- Provide details of 5 partners who are most relevant for the IC:

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
- **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.
  - Which is the nearest incubator? \_\_\_\_\_
  - What is the distance from the nearest incubator to the proposed location of the IC? (in kms)
  - What is the main strength of the organisation that you will leverage for the IC?
    - 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

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- Technical support
- Other support services
- Any other, please specify

■ Proposed floor area for setting up the IC (in sq. ft):

■ Is the space available for exclusive use of the incubator immediately?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
------------------------------	-----------------------------

■ Proposed sector of focus for the incubator (*please specify focus areas to a maximum of three*)

- 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

■ Proposed investment from the Applicant institution (in Rs. Lakhs):

■ Have you taken any other grant from any Government (Centre or State) ministry/organisation to establish an incubator?

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<input type="checkbox"/> Yes	<input type="checkbox"/> No
------------------------------	-----------------------------

■ If answer to Question 12 is Yes, is the grant currently active?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
------------------------------	-----------------------------

■ If answer to Question 12 is Yes, please specify:

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

■ Projected targets as per the business plan attached:

Targets	Year 1	Year 2	Year 3
Number of startups that will be incubated			
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 events outside the applicant entity			
Number of startups that will graduate/exit*			

\*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.

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



## **V. Proposed IC Details**

- Where do you want to establish the IC?

\_\_\_\_\_ Location      \_\_\_\_\_ Ward

## **VI. Registration certificate of the institution (to be attached)**

## **VII. Letter of declaration (Refer to the Annexure II for the format)**

## **VIII. Business plan and budget (to be attached in the format provided at Annexure III)**

Note:

The business plan to be attached must be either in a word or pdf document.

The business plan must not exceed more than 25 pages (PDF of not more than 2MB)

- Where do you want to establish the IC?

## **Annexure II: Format for declaration**

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

To  
Chairman,  
Pune Idea Factory Foundation,  
Pune

Date: \_\_\_\_\_

**Subject: Declaration form for the application of 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 Incubation Centre (IC) scheme as mentioned in the Section 16 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 \_\_\_\_\_ sq. ft. of built-up space for the exclusive use of the proposed IC.

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 PIFF.

Thanking you.

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

## **Annexure III: Format of the Business Plan**

### **FORMAT OF THE BUSINESS PLAN TO BE ATTACHED WITH THE APPLICATION FORM**

The business must include following components:

- Executive Summary (max 250 words)
- Core strength of the applicant that it will leverage for the IC
- 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 IC
- 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	
		PIFF Grant	Other sources	PIFF Grant	Other sources	PIFF Grant	Other sources	PIFF Grant	Other sources	PIFF Grant	Other sources	PIFF Grant	Other sources
<b>A.</b>		<b>Item-wise Capital expenditure</b>											
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 IC (if any)												
5	(Add more rows as required)												
	Total A												
<b>B.</b>		<b>Operating/ Recurring expenditure</b>											
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												

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S. no.	Items*	Amount (Rs. lakh)											
		Year 1		Year 2		Year 3		Year 4		Year 5		Total	
		Expense made from **	PIFF Grant	Other sources	PIFF Grant	Other sources	PIFF Grant	Other sources	PIFF Grant	Other sources	PIFF Grant	Other sources	PIFF Grant
	Total B												
	Total projected cost (A+B)												
<b>C.</b>	<b>Projected Income</b>												
1	Grant proposed from PIFF												
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	<b>Total Projected Income C</b>												
<b>D</b>	<b>Projected Surplus / Deficit, if any</b>												

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 PIFF grant and through other means of financing the project

## Annexure IV: Utilization Certificate

### UTILIZATION CERTIFICATE

S. No.	Letter No. and Date	Amount (in Rs.)	
			Certified that out of Rs. _____ of Grants-in-aid sanctioned during the year(s) _____ in favour of _____ by Pune Idea Factory Foundation vide letter No. _____ dated _____ and Rs. _____ on account of unspent balance of the previous year, a sum of Rs. _____ has been utilized 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 _____.
	<b>Total</b>		

- 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.

Signature \_\_\_\_\_

Designation \_\_\_\_\_

Date \_\_\_\_\_

## Annexure V: Format of MoA

### Format of the MoA to be signed with 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:

- ..... (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 Incubation Centre (IC).  
AND
- The Pune Idea Factory Foundation, PMC Main Building, Shivaji Nagar, Pune-411005 (hereinafter referred to as PIFF)

WHEREAS PIFF has taken up an initiative to provide financial support to selected academic and non-academic institutions for establishment of 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 PIFF for establishing the Incubation Centre through a rigorous selection process, and the Promoter / Host Institution shall contribute towards the setting up of the Incubation Centre, in kind and in cash.

AND WHEREAS the Promoter / Host Institution has setup the SPV for establishment of the Incubation Centre (IC) as per the conditions set out by PIFF for this purpose. The Promoter/Host Institution jointly with the SPV and PIFF 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**

### **■ Background of Pune Idea Factory Foundation**

Under the Pune Smart City Development Corporation Limited, the Pune Idea Factory Foundation (PIFF) has been set up as a non-profit organization dedicated to boost the start-up ecosystem in Pune. Its mission is to energize and strengthen the ecosystem by offering stakeholders different opportunities. The efforts include creating a strong pool of entrepreneurs supported by mentors, incubators and accelerator while connecting them to investors and other sources of funding. PIFF will also support the ecosystem through different start-up events while bridging the gap between industry and educational institutions thus fostering the spirit of entrepreneurship in the city.

### **■ Setting up of Incubation Centres (IC)**

With a view to promote entrepreneurship and innovation in Pune city, PIFF has taken an initiative to establish Incubation Centres. As a part of this initiative, PIFF will provide financial support to selected academic and non-academic institutes and organizations to set up the Incubation Centre (IC) to support and encourage start-ups in specific subjects / sectors such as IT, health-tech, edu-tech, fin-tech and manufacturing etc. and would provide them with necessary infrastructure facilities and other value added services.

### **■ Background of the Promoter / Host Institution**

.....  
.....  
.....  
.....

### **■ Background of the SPV**

[Write 4-5 lines about the SPV here]

.....  
.....  
.....  
.....  
.....

### **■ Purpose of the Grant-in-Aid**

PIFF shall provide the Grant-in-Aid to the SPV to set up the IC 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 IC 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 IC 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 PIFF are collaborating to set up the IC with the objective of supporting a large number of innovative technology based startups that have an application and impact in focus sectors such as IT, health-tech, edu-tech, fin-tech, manufacturing etc.

## **ARTICLE 3: Duration**

This MoA shall be valid 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:

1. The Promoter / Host Institution shall be responsible for setting up a Special Purpose Vehicle (SPV) for the purpose of establishing the Incubation Centre (IC)
2. The Promoter / Host Institution shall be responsible for proper utilization of the funds provided by PIFF for establishment of the IC to support and encourage start-ups as well as provide them with necessary infrastructure facilities and other value added services.
3. Provision of at least \_\_\_\_\_sq. ft. of **built up space** (including land and building) to set up the IC.
4. In case of renting of the required space for IC, the lease period should be for a minimum of 15 years for academic / R&D institutions and 7 years for companies and individuals with the requisite lease deed registered as per law
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 IC within **90 days** of the date of registration of SPV.
6. The Promoter / Host Institution will have full freedom to decide the composition, recruitment and compensation of the CEO as well as the management team.
7. 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)
8. The Promoter / Host Institution will provide proof of financial closure for the project cost to PIFF within three calendar months of receiving the Approval letter
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 PIFF to ensure that the all the facilities as per the scope envisaged, are established in the IC to make fully functional.

## ■ Responsibilities of SPV

The SPV shall be responsible for the following:

1. All funds to the SPV by the Host Institution & PIFF shall be utilised only for the purposes of setting up and operating the IC and will not be allowed to be diverted for any other purpose.
2. The SPV shall also be responsible for proper utilization of the funds provided by PIFF for establishment of the IC to support and encourage start-ups as well as provide them with necessary infrastructure facilities and other value added services.
3. The SPV shall carry out all its activities in conformance with the laws of the land in an ethical manner with all the regulatory and statutory requirements being adhered to.
4. Maintenance of Assets of the IC
  - a) The SPV is expected to undertake reasonable care and due maintenance of the assets of IC (both from financial support from PIFF and the counterpart support by the promoter/host institution).
  - b) 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.
  - c) All the assets of the IC 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 IC and not in any other department/division of the Promoter / Host Institution.
  - d) All the assets acquired or created for the purpose of 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 IC without the prior written permission of the PIFF. PIFF reserves the right to terminate future grants and recover the assets created for IC, if PIFF is convinced that the SPV is not utilizing the assets for the objectives of IC.
5. Operational Responsibilities
  - a) It is suggested that the IC should be administered by a Governing Body/ Board chaired by the Head of the Promoter / Host Institution. The Governing Body of the IC may meet quarterly to review progress of IC and provide policy guidelines for the operations of the IC. The Promoter / Host Institution should ensure that the operations of the IC 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 IC for making speedy & transparent decisions.
  - b) The SPV shall identify and appoint adequate number of team members (technical) for the day to day operations and management of the IC. 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 PIFF. The suggested 'team to incubatee companies' ratio is 1:5, which needs to be put in place progressively.

- c) 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.
- d) 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 PIFF will not have any liability towards them.
- e) The SPV will develop the physical space for the IC 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.
- f) The SPV shall open separate bank accounts – one for the exclusive operations of the IC and other for the seed fund component of the Grant-in-Aid.
- g) 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 IC should execute appropriate incubation agreement with incubatees. The residency period and the exit policy may also be defined clearly in the agreement.
- h) 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.
- i) The amount of the Grant-in-Aid towards providing seed funding support to start-ups can be utilised only after the IC raises a matching amount through non-government sources (non-government sources exclude central, state and local governments). The SPV shall support the start-ups to raise seed support and other investments.
- j) 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.
- k) The SPV is required to mention "Supported by Pune Idea Factory Foundation" 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.
- l) In case of any operational disputes or lack of clarity, the decision of the CEO, PIFF shall be final and binding on the SPV and the Promoter/Host Institution.

## 6. Monitoring responsibilities

- a) PIFF will put in place a progress update and monitoring framework with key performance requirements for SPV/IC. The SPV/IC shall subscribe itself to the monitoring system and provide the updated information on a quarterly basis.
- b) The monitoring framework will capture the Key Performance Indicators (KPIs) of the IC and the SPV/IC will be obligated to update these KPIs on a quarterly basis.
- c) The SPV/IC will be required to demonstrate the impact it has been able to make through the grant-in-aid. The SPV/IC will be expected to deliver on the implementation plan as submitted by the SPV/IC to PIFF for every tranche of the grant-in-aid.
- d) The operations and performance of the SPV/IC may be reviewed yearly by PIFF or by a professional independent third party agency appointed by PIFF. The SPV/IC is expected to co-operate fully and provide all the information required for a fair and successful evaluation of the performance of the IC. The SPV/IC shall be informed about the third party appointed for the purpose and the outcome of evaluation in a timely manner.
- e) In the event the SPV fails to make adequate progress in the establishment of IC and implementing start-up incubations activities, 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 PIFF.
- f) The release of grant for every tranche will be based on satisfactory performance of the IC as well as fulfillment of the financial requirements by the SPV/IC.
- g) Concerned officials of PIFF or its authorized representatives will have the right to visit the Incubation Center periodically for ascertaining the progress of work and resolving any difficulties that might be encountered in the course of implementation.

### ■ Other Obligations

1. By accepting this grant-in-aid, the IC becomes a part PIFF program network and will collaborate with and support PIFF on their various initiatives and programs relating to innovation, incubation and entrepreneurship.
2. The support from IC 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 IC network, co-organizing relevant events and/or any other support that the IC may need from time to time.
3. The IC shall be expected to provide support such as mentoring of the students, organizing exposure visits and interaction sessions with innovators and entrepreneurs.
4. PIFF through its partners may also extend support to the IC with tools, equipment, research collaborations and /or partnerships. The IC should exploit such partnerships, if any are extended by PIFF. The SPV/IC 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 PIFF from time to time. The SPV/IC shall be intimated in advance about the organization of any such events. Recusal from any such events, if required, should be requested from the PIFF in writing.

5. It is expected that the IC 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 PIFF.

## **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 PIFF.

## **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 PIFF 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**

- For academic institutions, PIFF 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 and approved by PIFF. 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
- 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 and approved by PIFF. Release of funds will also be dependent on the progress of the IC and satisfactory compliance with the financial requirements.
- Any unspent balance, out of the Grant-in-Aid disbursed by PIFF, as well as the interest earned thereof, would be adjusted towards the Grants-in-Aid payable during the next tranche/year.
- After six years from the date of the release of first installment, any unspent balance out of the Grant-in-Aid received from PIFF including the interest earned thereon should be refunded to PIFF within 30 days by means of an Account's Payee Demand Draft drawn in favor of CEO, Pune Idea Factory Foundation payable at Pune.
- In case of sector specific ICs, the support for capital equipment for the use by incubatees will be taken into account at the time of release of funds by PIFF in the first tranche of the grant-in-aid. In case of sector agnostic ICs addressing multiple sectors it will be considered after 5 incubatee companies are in place or after the IC 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.

- Administrative expenses for incorporating the SPV and operating it, such as board meeting, annual meeting charges, auditing charges, IC registration charges, seed money for the bank accounts, and other similar startup expenses are not allowed from the grant-in-aid.
- If the IC 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.
- 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 PIFF 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 IC subject to the condition that IC has adequate number of Startups which are ripe for seed fund support.

## **ARTICLE 9: Utilization of The Grant –In-Aid**

- 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 PIFF)
- The Grant in Aid funds shall not be utilized towards the funding international travel by the IC team or the supported startups or any other person(s)
- 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 IC, 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 SPV needs to obtain prior written approval from PIFF. The Promoter / Host Institution/SPV will be free to avail such services out of their own funding and the grant-in-aid from PIFF should not be used for this purpose.

### Utilization of Seed Funding Component

- The amount of the grant-in-aid towards providing seed funding support to start-ups can be utilised only after the IC raises a matching amount through non-government sources (non-government sources exclude central, state and local governments).
- 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**

- The SPV shall maintain separate books of accounts for the grant-in-aid funds received from PIFF. The grant-in-aid funds shall be kept in an interest-bearing bank account and the interest earned should be reported to PIFF. The same will be treated as a credit to the SPV and will be adjusted towards further installments of the grant-in-aid.
- The SPV will be required to submit audited statement of accounts and the Utilization Certificates (UCs) of the grant at the end of each financial year as well as at the time of seeking further installments of the grant, if any. The SPV will also be required to submit a quarterly progress report to PIFF. The proforma of the UC is attached as **Annexure IV** to this document.
- 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**

PIFF 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, PIFF. PIFF shall also withdraw the privilege of the SPV/IC to mention “Supported by Pune Idea Factory Foundation” in all its communication and branding material.

## **ARTICLE 12: Dispute Settlement**

### ■ 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.

### ■ 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

Start-up Subsidy Scheme by Pune Idea Factory Foundation

Phone

Email

If to (Name of SPV):

Attention of:

Address:

Phone:

Email:

If to the PIFF:

Attention of: Chairman, Pune Idea Factory Foundation

Address: PMC Main Building, Shivaji Nagar, Pune-411005

Phone: 020-25501103

Email: puneideafactory@gmail.com

For and on behalf of

The Promoter / Host Institution	The SPV	The PIFF
By	By	By



Start-up Subsidy Scheme by Pune Idea Factory Foundation

Print Name	Print name	Print name
Title	Title	Title
Date	Date	Date
Place	Place	Place

## Annexure VI: Format of Bank Guarantee

[On Non-Judicial Stamp Paper]

### FORMAT OF BANK GUARANTEE

To,  
The [CEO/Chairman],  
Pune Idea Factory Foundation,  
PMC Main Building, Shivaji Nagar,  
Pune - 411005

#### WHEREAS

- (A) [**Name of Applicant**] and having its office at [**Address of Applicant**] (the “**Applicant**”) have applied for obtaining financial support in the form of Grant-in-aid under the Start-up Subsidy Scheme (“**Scheme**”) from Pune Idea Factory Founder (“**PIFF**”) for setting up an Incubation Centre on the terms and conditions set out in the Scheme.
- (B) PIFF vide Letter No. [●] dated [●] (hereinafter referred to as the “**Approval Letter**”) have agreed to make in favour of the Applicant for the purpose of setting up Incubation Centre at [**Place**] a total grant of INR [●]/- (Indian Rupees [●] Only) (“**Approved Grant**”). The Approval Letter requires the Applicant to furnish a bank guarantee for an amount equal to the amount of first tranche for due and faithful performance of its obligations during the term of the Scheme in accordance with the Scheme and the Approval Letter issued under the Scheme.
- (C) The Applicant is willing to accept the Approved Grant or any other amount approved/ sanctioned by PIFF under the Scheme and the Applicant is willing to furnish the bank guarantee in favour of PIFF for an amount of INR [●]/- (Indian Rupees [●] Only) (“**Guarantee Amount**”) as set out in the Scheme and Approval Letter with the stipulation that the Applicant will accept all terms and conditions mentioned in the Scheme and the Approval Letter.
- (D) Upon request of the Applicant, the [**Name of the Bank**], through its branch at [**Branch**] (“**Bank**”) has agreed to furnish this bank guarantee (“**Guarantee**”) in favour of [CEO/Chairman], Pune Idea Factory Foundation.

AND FOR THE CONSIDERATION AFORESAID, the Bank hereby, unconditionally and irrevocably, guarantees the due and faithful performance of the Applicant’s obligations under the Scheme and the Approval Letter during the term of the Scheme and undertake to pay to PIFF on demand without delay, demur, reservation, recourse, contest or protest and without any reference to the Applicant, such sum or sums up to an aggregate sum of the Guarantee Amount, together with interest thereon at the rate prescribed under the Approval Letter from the date of demand till payment or such lesser sum, as PIFF claims through their [CEO/Chairman], without PIFF being required to prove or to show grounds or reasons for its demand and/or for the sum specified herein and notwithstanding any dispute or disputes raised by the Applicant in any suit or proceeding filed before the Court relating thereto our liability hereunder being absolute and unequivocal and irrevocable AND the Bank hereby agree that –

- (a) The Guarantee herein contained shall remain in full force and effect during the term of the Scheme and that the same will continue to be enforceable till all the claims of PIFF are fully paid under or by virtue of the said Scheme and Approval Letter and its claims are satisfied or

discharged and till PIFF certifies that the terms and conditions of the said Scheme and Approval Letter have been fully and properly performed by the Applicant.

- (b) The Bank shall not be discharged or released from liability under this Guarantee by reason of -
  - a. any change in the constitution of the Bank;
  - b. any arrangement entered into between PIFF and the Applicant with or without the Bank's consent;
  - c. any variation in the terms, covenants or conditions contained in the said Scheme and/or Approval Letter;
  - e. any extension of time or period for the compliance with, fulfilment and/or performance of all or any of the obligations of the Applicant under the Scheme and/or Approval Letter and any addendums or corrigendum thereto;
  - f. any postponement for any time and from time to time, any of the rights and powers exercisable by PIFF against the Applicant either to enforce or forbear from enforcing any of the terms and conditions contained in the Scheme and Approval Letter; or
  - f. any other conditions or circumstances under which in law a surety or a guarantee, in absence of a contract to the contrary, would be discharged from its liability and obligation under this Guarantee.
- (c) Our liability hereunder shall be joint and several with that of the Applicant as if the Bank were the principal debtors in respect of the Guarantee Amount.
- (d) The Bank shall not revoke this Guarantee during its term except with the previous consent of [CEO/Chairman] of PIFF in writing; further, the Bank declares and warrants that it has the power to issue this Guarantee and the undersigned has full powers to do so on behalf of the Bank.
- (e) That the absence of powers on the part of the Applicant or PIFF to avail the Approved Grant or avail benefits under the Scheme or any irregularity in the exercise of such power or invalidity of the Approved Grant and/or Scheme for any reason whatsoever shall not affect the liability of the Applicant/Bank and shall be binding on the Bank notwithstanding any abnormality or irregularity.
- (f) The Guarantee shall cease to be in force and effect on [--Expiry Date--]. Unless a demand or claim under this Guarantee is made in writing on or before the aforesaid date, the Bank shall be discharged from its liabilities hereunder.
- (g) This Guarantee is in addition to and not in substitution of any other guarantee or security, now or which may hereafter be held by PIFF, in respect of or relating to the Scheme and Approval Letter.
- (h) This Guarantee shall come into force with immediate effect and shall remain in force and effect up to the date specified in sub-clause (f) above or until it is released earlier by PIFF pursuant to the provisions of the Scheme and Approval Letter.

Start-up Subsidy Scheme by Pune Idea Factory Foundation

- (i) A letter from PIFF, under the hand of [CEO/Chairman] of PIFF, that the Applicant has breached or defaulted in the due and faithful performance of all or any of its obligations under and in accordance with the Scheme and Approval Letter shall be conclusive, final and binding on the Bank, notwithstanding any differences between PIFF and the Applicant, or any dispute between them pending before any court, tribunal, arbitrators or any other authority or body, or by the discharge of the Applicant for any reason whatsoever.
- (j) Any letter by way of request, demand or otherwise hereunder may be sent by post addressed to the Bank at its above referred branch, which shall be deemed to have been duly authorised to receive such notice and to effect payment thereof forthwith, and if sent by post it shall be deemed to have been given at the time when it ought to have been delivered in due course of post and in proving such notice, when given by post, it shall be sufficient to prove that the envelope containing the notice was posted and a certificate signed by [CEO/Chairman] of PIFF that the envelope was so posted shall be conclusive.
- (k) Notwithstanding anything contained hereinbefore, the liability of the Bank under this Guarantee is restricted to the Guarantee Amount and this Guarantee will remain in force for the period specified in sub-clause (f) and unless a demand or claim in writing is made by PIFF on the Bank under this Guarantee all rights of PIFF under this Guarantee shall be forfeited and the Bank shall be relieved from its liabilities hereunder.
- (l) The Bank hereby waives any necessity, for PIFF to proceed against the Applicant before presenting to the Bank its demand under this Guarantee.
- (m) The Guarantor agrees and declares that for enforcing this Guarantee by PIFF against it, the Courts at Pune only shall have exclusive jurisdiction and the Guarantor hereby submits to the same;

Signed and sealed this [●] day of [●], 2017 at Pune.

SIGNED, SEALED AND DELIVERED

For and on behalf of the Bank by: (Signature)

(Name) (Designation)

(Seal of the Bank)

Being respectively the [Director/Authorised Representative] of the Applicant, who in token thereof, has hereto set his respective hands -

(Signature)

(Name) (Designation)

Start-up Subsidy Scheme by Pune Idea Factory Foundation

In the presence of –

Witness:

1.....

2.....

(Address) NOTES:

- (i) The Guarantee should contain the name, designation and code number of the officer(s) signing the Guarantee.
- (ii) The address, telephone number and other details of the head office of the Bank as well as of issuing branch should be mentioned on the covering letter of issuing branch.