

**Application Form for Innovators'/Startups' to availing Assistance under Nodal Institutions
for the Start Ups/ Innovation scheme - 2015**

Eligibility & Conditions:

1. The applicant should be citizen of India. An Indian citizen is defined as one who is in possession of a government approved proof of nationality such as a valid passport, voter's id Aadhar card, election card etc.
2. The applicant/ startup must be registered and have substantial operations based in Gujarat during the time of the grant and a significant part of operations in Gujarat after the tenure of the grant.
3. Startups must be register as LLP or private companies
4. The applicant is expected to be committed to exploring towards his Startups. Applicant should not treat this support as a stop gap arrangement to support them in their academic pursuits or transition between jobs.
5. Applicants are expected to pursue their entrepreneurial aspirations full time. They cannot be concurrent with any other remuneration or fellowship.
 - a. If any other remuneration/ fellowship should be disclosed at time of application. The NI will determine in consultation with GoG if a waiver is in order, if the founder/ startup has another source of remuneration/ fellowship (for example, there could be complementary grants etc.)
6. Applicant seeking the support should demonstrate line of sight to build a scalable business startup. The background information needs to be provided in a prescribed format.
7. The applicant should propose one primary technology/ business idea in a prescribed format.
8. Applicant cannot be the promoter or significant (>10%) share holder / beneficiary of another company/ startup at the time of applying for and receiving the grant approval
9. The applicant should be registered for the pre-incubation or incubation program at the NI for 3-6 months before becoming eligible to apply for the GoG grant
10. The applicant must be incubated full time at the NI during the entire duration of GoG support
11. Preference shall be given for product/ science based innovation with intellectual property, unique product/ service/ business model which is either best in class or first in class with significant commercial potential
12. Entrepreneurs pursuing business ideas with no or marginal technology innovation or those with very short journey are discouraged to apply.
13. Applicant seeking support should have a formal business plan for the idea they intend to pursue and a business presentation

The applicant has certain obligations to GoG as given below if approved for the funds:

1. Startup once approved for the GoG funds will not quit mid-way during the program, except under special circumstances (see below) such as startup being acquired, startup operations have been wound down and the nodal institute is in agreement that since due to infeasibility/ lack of traction for product/ service/ business model closing down operations is a prudent option and/ or a force majeure event.
2. Startup will acknowledge the support provided by GoG on their website, any marketing communications and also in interactions with investors/ partners and other related stakeholders down the road
3. Startup will uphold highest standards of integrity, professionalism in their behaviour, dealings and operations
4. Assignment of Intellectual property rights with the NI as long as the startup is utilizing the GoG funds while being incubated at the NI. The IPR will be transferred back to the company upon completely utilizing the funds of GoG and fulfilling the obligations laid above

Exiting from the incubation program:

1. Acquisition:

Startup is acquired by a strategic buyer while incubated at the nodal institute. In the case of this event, both the NI and GoG has to be notified in writing and due details **provided**

2. Winding down Operations (Both parties agree):

If both the NI and the startup promoters agree that due to infeasibility or lack of traction of product/ service/ business model, it is prudent to shut down operations. The startup and NI will propose the same in writing to GoG with all supporting documents related to product/ service/ business model/ operations/ financials/ HR etc. regarding the reasons for the same and the closing of operations can be solemnized only if agreed upon to by GoG. Upon decision to close operations, the IPR will vest with the NI and the NI reserves the right to resuscitate the enterprise with new management until the closing operations are completed. In such an event as new management is brought in, the equity of the original founders will be as determined by a mutually acceptable arbitral.

3. Winding down operations (NI proposes but Promoter disagrees):

Due to lack of progress in product development, infeasible nature of product, lack of traction in market the NI has the right to propose a winding down of operations, if no viable path exists for the venture to be successful and sustainable. The case should be made in writing with supporting documentation to the GoG committee. If the promoter disagrees with this assessment, then GoG may appoint a neutral 3 person expert committee related to the domain of operation of the startup (as agreed upon by NI and Promoter) to look into the merits of the case and suggest course of action for either closing down operations and/or keep the enterprise going.

Upon decision to close operations, the IPR will vest with the NI and the NI reserves the right to resuscitate the enterprise with new management until the closing operations are completed. In such an event as new management is brought in, the equity of the original founders will be as determined by a mutually acceptable arbitral.

4. Startups cannot exit automatically upon attaining subsequent large round of funding:

A startup must complete the GoG approved product development/ marketing activities as planned in a timely manner, even in the event of raising large round of funding. Moreover, the startup is also bound by obligations to the program (as listed above), including acknowledging GoG/ NI support and maintaining operations in Gujarat.

5. Debarred/ removed due to unethical practices:

If the NI determines there is concrete proof of unethical practices (related to incorrect reporting/ accounting/ illegal activities/ serious violations of code of conduct etc.) related to the startup, it will report the same to GoG along with its recommendation, including initiating steps for termination of incubation at NI and suspension from the GoG startup program. The GoG could give its verdict upon studying the evidence submitted and/ or appoint a 3 person ethics committee to look into the same, if needed. The recommendations of the committee, including debaring the promoters/ startup, will be binding and final. If only one Promoter among multiple co-founders is guilty, the rest of the co-founder could be allowed to carry forward the enterprise. In case of confirmed ethics violation the IPR will rest with the NI and the NI/ GoG reserves the right to bring in management to take the enterprise forward

- Applicant will follow the code of conduct policies of the NI and display impeccable integrity and professionalism, a breach of which will contribute to discontinuation of fund disbursement and debarment from program
- Once the applicant is selected they are obligated to complete the entire program and not quit/ suspend operations mid-way and join another program/ incubator/ ecosystem

In very rare circumstances (such as NI suspending operations etc.), upon furnishing relevant information (not related to equity structure and other general operations) by startup, GoG may look into such requests on a case by case basis, if need be in consultation with a neutral 3 member expert committee, in consultation with the relevant NI's, and make a determination if the startup's transfer request to another NI can be granted.