

AYURVEDIC SCIENCES INCUBATION CENTRE (ASIC)

Incubation Policy and Guidelines



Central Ayurveda Research Institute (CARI), Bengaluru
Host-Institution led Incubation Centre for Ayush Startups
Central Council for Research in Ayurvedic Sciences (CCRAS), New Delhi

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This document has taken shape through the thoughtful involvement of many colleagues and experts who shared their time, experience, and insights. We gratefully acknowledge the support of the Ministry of Ayush, whose encouragement and guidance have been central to establishing ASIC as a platform to nurture innovation and entrepreneurship in Ayurveda.

We extend our thanks to the members of the Pre-Screening Committee, Incubation Evaluation Committee, and subject-matter specialists for their meticulous reviews and constructive suggestions during the drafting process. Their practical perspectives have helped ensure that the policy is grounded, comprehensive, and responsive to the needs of emerging Ayurveda-based startups.

Our appreciation also goes to the teams at CCRAS and CARI, Bengaluru, whose continuous coordination and administrative support enabled the smooth development of this document.

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Chapter 1

Introduction

The Ayurvedic Sciences Incubation Centre (ASIC) has been established at the Central Ayurveda Research Institute (CARI), Bengaluru, a peripheral institute of the Central Council for Research in Ayurvedic Sciences (CCRAS), Ministry of Ayush. ASIC is instituted under the “Startup Incubation through Ayush Institutions” scheme of the Ministry of Ayush.

ASIC aims to promote innovation, entrepreneurship, and commercialization of research in Ayurveda by providing incubation support to startups working in healthcare, wellness, pharmaceuticals, nutraceuticals, and allied technology domains.

The objectives of this document are to provide a framework and requisite guidelines covering various aspects of its working to share the information with the stakeholders; for example, definitions, terms and conditions, process and procedures for the operational management in the Incubation Centre.

This document will be subject to periodical review and amendments. It will be the responsibility of the Incubated Companies to update themselves from time-to-time on amendments in the Policy and Guidelines. ASIC reserves the right to make an exception of all or any of the terms of Policy and Guidelines for a particular company or a promoter on a case-to-case basis.

In the following page the aspects which are covered in detail are:

- Definitions
- Eligibility Norms
- Admission Procedure
- Initial Stage-Pre-Screening of the Incubation Application
- Final Stage Evaluation by the Incubation Evaluation Committee
- Consideration of the Incubation
- Execution of the Incubation Agreement
- Infrastructure and Services
- Tenure of the Incubation
- Periodic Assessment
- Role of Mentors & Mentoring
- Exit
- Intellectual Property Rights
- Funding Support
- Conflict of Interest

Annexure 1.1 Indicative Timeline of Activities relating to Incubation at ASIC CCRAS CARI Bengaluru

Sr. No.	Event	Proposed date
1.	Floating of Expression (EoI) of Interest	25 th February 2026
2.	Last date of receiving application against EoI	25 th March 2026
3.	EoI opening date	26 th March 2026
4.	Screening and approval through committee meetings	10 th April 2026
5.	Notifying startups	25 th April 2026
6.	Signing of MoU with shortlisted startups	15 th May 2026
7.	Release of grants to startups	30 th May 2026
8.	Stakeholders meet to facilitate linkages	July 2026
9.	Incubation period	2 years for each startup and extended up to 3 years
10.	The cycle will be repeated every year in a similar timeline	

Chapter 2

Definitions

Unless defined herein, the terminology, words and phrases appearing in this policy shall be interpreted as per the dictionary meaning or as used in the ordinary business.

- 2.1 Applicant: The person who is applying for the Incubation at the Incubation Centre. It may be the promoter, director or any other authorized representative of the company.
- 2.2 Admission: Admission in the Incubation Centre for availing the Incubation services.
- 2.3 CARI Bengaluru: Central Ayurveda Research Institute, Bengaluru.
- 2.4 CCRAS: Central Council for Research in Ayurvedic Sciences, New Delhi
- 2.5 Incubated Company or Incubatee: A company incubated with ASIC.
- 2.6 Incubator: ASIC.
- 2.7 ASIC: Ayurvedic Sciences Incubation Centre at CCRAS CARI, Bengaluru.
- 2.8 Eligible Company: Private Limited Company registered as described in Chapter 3 of the Policy.
- 2.9 External Committee: Incubation Evaluation Committee of ASIC, established as per Chapter 6 of the policy.
- 2.10 Policy: The Incubation Policy of ASIC CCRAS CARI Bengaluru
- 2.11 Incubation: Includes but is not limited to promote Ayurveda based entrepreneurship and thereby facilitate practical application of knowledge for public use and commercial activities.
- 2.12 Pre-Screening Committee: a committee constituted as per Chapter 5 of the Policy.
- 2.13 Executive Position: Holding a position of Executive Director in the Eligible Company/Incubated Company.
- 2.14 Incubation Centre: A Business Incubation Centre set up by ASIC at the Central Ayurveda Research Institute, Bengaluru.
- 2.15 Initial Stage- Selected Applications: The Incubation Applications reviewed, evaluated and examined by the Pre-Screening Committee of ASIC as per Chapter 5.
- 2.16 ROC: Registrar of Companies

Chapter 3

Eligibility Norms

The eligibility norms set the criteria for a company to be incubated at the Incubation Centre at CARI Bengaluru. These norms could be different for application under different schemes, programs etc. being run at ASIC.

- 3.1 The applicants should be companies owned by Indian citizens. (A company is considered as 'owned' by resident Indian citizen(s) if minimum 51% of the capital is beneficially owned by resident Indian citizen(s) and/or Indian companies, which are ultimately owned and controlled by resident Indian citizens)
- 3.2 The Company/Limited Liability Partnership (LLP) should be registered under the Indian Companies Act, 1956/2013.
- 3.3 Sec 8 companies (Non-Profit Organization) may also apply.
- 3.4 The company must be a Department for Promotion of Industry and Internal Trade (DPIIT) registered startup.
- 3.5 Startups that are a part of current incubation programs under the ambit of departments of Government of India (Such as DBT, IITs, IIMs) will be preferred while consideration of applications OR startups should have proof of operation for 1 year OR should have their startup registration certificate received at least 6 months prior to applying.
- 3.6 Registered startups of Category I, Category II & Category III working in the field of Ayurveda who want to further refine, modify, advance and value addition in their products.
- 3.7 Startups with vintage less than 2 years and sale up to 5 lakhs- 50 % of total grants under the scheme will be reserved for such applicants to promote nascent & innovative startups.
- 3.8 Startups with vintage more than 2 years and less than 5 years and turnover over 5 lakhs but under 25 lakhs –such applicants where prototype has been built/launched in the market.
- 3.9 Startups with vintage more than 5 years and less than 10 years and turnover over 25 lakhs but under 5 crores – where startup has passed testing phase and currently focused on scaling, such applicants where prototype has been built/launched in the market.
- 3.10 Industrial participation for Category 2 startups will be up to 33% of the total ticket size and up to ₹10 Lakhs and industrial participation for Category 3 startups will be up to 50% of the total ticket size and up to ₹20 Lakhs.
- 3.11 10% Funds will be reserved for Section 8 companies where innovative products, R&D, services or socially relevant missions are being undertaken

- 3.12 The applicants are expected to submit a detailed 3-year business plan for consideration of the evaluation committee.
- 3.13 The startup will have to belong to one or more of the above-mentioned focus areas (alignment with more focus areas will strengthen candidature). In addition, the startup will also have to declare its stage and end-use of grant as one out of:
- Ideation (can be stage of business, but not end-use of grant)
 - Prototype building
 - Building Minimum Viable Product or finding product-market fit (prototype ready)
 - Growth and scaling (Minimum Viable Product ready, with proof of traction/concept)
 - R&D (can be end use of grant, but not stage of business)
- 3.14 Applicants must possess requisite basic characteristics of an entrepreneur, leadership, passion, vision, and hard work and commitment with ability to take a novel technology-based business idea from scratch to a large-scale successful business unit.
- 3.15 Compliance with all relevant legal and regulatory requirements.
- 3.16 Willingness for the terms and conditions of ASIC and also to achieve the committed deliverable as per the timeline.
- 3.17 Willingness to spend the sanctioned fund as per the rules and to submit progress report timely.

Chapter 4

Admission Procedure

The interested entrepreneurs or founders of startups may submit their application online on the portal <https://asic.ccras.org.in/> Last Date for submitting the application is 25th March 2026. The applicant will need to pay Rs. 1000 as processing fees online while submitting the application. Application will be accepted through online mode only.

1. Applicants are only allowed to apply with ideas related to Ayurveda focused areas mentioned in the eligibility criteria of EoI. Entries with ideas outside the given boundaries of focus areas will be disqualified.
2. The applicant agrees to take full responsibility for the content of the submission and they further agree to abide by the terms and conditions of usage defined. All entries and content are subject to moderation. Content that is defamatory, malicious, and offensive or involves breach of copyright, trademarks or other intellectual property rights will not be allowed.
3. The information provided by an applicant is required by ASIC-CARI Bengaluru to assess the candidature for the purpose of providing incubation services. Further ASIC-CARI Bengaluru does not guarantee acceptance of the proposal until and unless the selection process is over and
4. ASIC-CARI Bengaluru will not pay any compensation to the applicant in any form for the delay in communicating the decision or rejecting the proposal at its own discretion.
5. The accepted applicants are responsible for ensuring they are able to accept the incubation program as set out in these conditions and according to the ASIC-CARI Bengaluru incubation rules. This includes, for example signing the incubation agreement, providing valid and up to date contact details and complying with these conditions and/or other instructions from ASIC-CARI Bengaluru.
6. If selected, the applicant would have to sign a Memorandum of Understanding (MoU) with ASIC-CARI Bengaluru. The agreement would include the terms & conditions as applicable. Any violation of terms & conditions of MoU would lead to termination of extended facility.
7. The startup cannot be incubated in another incubator or accelerator at the same time of its incubation at ASIC-CARI Bengaluru.
8. Applicants who reach the pitching stage must testify that they will dedicate their full time/efforts to lead their projects when incubated and that there are no legal or social or vocational constraints that would forbid them from doing so.

9. Strict adherence to government regulations and guidelines for fund utilization and project execution is essential. Record should be maintained with transparency and undergo periodic audits.
10. The startup must not have blacklisted in the past due to any non-compliance with legal & regulatory requirement.
11. The applicant has to submit following documents along with application-

For Founder/CEO/Director

- AADHAR Card
- PAN Card
- Income Tax Returns (ITR)

For Startup firm

- Registration certificate (Company, DPIIT, Startup India)
- Income Tax Registration of the startup
- GST Registration of the startup
- GST No.
- TAN No.
- TIN No.
- Revenue of firm (last 2 years)
- Account statement (last 2 years)

Chapter 5

Initial Stage-Pre-Screening of the Incubation Application

All the Incubation applications shall be reviewed, evaluated and examined by the Selection cum Review Committee of ASIC. The details of the committee and procedure are as given below:

5.1 The Selection cum Review Committee shall have the following composition:

- Chairperson (1)
- Member Secretary (1)
- Program Officer (1)
- Nodal Officer (1)
- Members (10)

5.2 The Quorum of the Pre-Screening Committee shall be minimum 50% of the members present in the meeting either personally or electronically.

5.3 The Chairperson may change the composition of the Pre-Screening Committee in case he deems it to be fit for the betterment of the evaluation of the incubation applications.

5.4 In order to enable the expert members to take an appropriate decision, members of the Pre-Screening Committee may ask for any additional information from the applicants and/or revision in the Incubation Applications.

5.5 The Incubation Applications shall be selected based on the following criteria which are indicative in nature, hence not limited to these alone.

- (a) Strength of the product idea in terms of its technology content, innovation, timeliness and market potential;
- (b) Profile of the core team/ promoters;
- (c) Intellectual Property generated and the potential of the idea for IP creation;
- (d) Financial/ Commercial Viability and projections of the Profit & Loss Account, Balance Sheet and Cash Flows;
- (e) Funds requirement and viability of raising finance;
- (f) Time to market;
- (g) Break-even period;
- (h) Commercial potential, demand and requirement in India;
- (i) Scalability.
- (j) Competition Analysis

- (k) Any other item that may be prescribed by ASIC from time to time.
- 5.6 Proper minutes and management information system (MIS) shall be recorded for the applications (“Initial Stage-Selected Applications”) selected by the Pre-Screening Committee. The Initial Stage-Selected Applications shall be referred to the Incubation Evaluation Committee.
- 5.7 Chairperson of selection committee, ASIC-CARI Bengaluru has every right to reject/accept any application without assigning any reasons. The decision of the Chairperson of selection committee, ASIC-CARI Bengaluru in all matters would be final and binding and no correspondence will be entertained in this regard.

Chapter 6

Final Stage Evaluation by the Incubation Evaluation Committee

ASIC shall set up a Project Approval Committee to evaluate, examine and approve or reject the Initial Stage-Selected applications for incubation at the Incubation Centre. The relevant details are as given below:

- 6.1 The Composition of the Project Approval Committee shall be as below:
 - Chairperson (1)
 - Member Secretary (1)
 - Members (7)
- 6.2 The quorum of the meeting of the External Committee shall be 50% of the members present in the meeting either personally or electronically however quorum shall have a mandatory presence (personally or electronically) of the Chairperson and Member Secretary.
- 6.3 The Chairperson may change the composition of the Project Approval Committee in case he deems it to be fit for the betterment of the evaluation of the Initial Stage- Selected Applications. The Chairman of the Project Approval Committee shall be the DG, CCRAS and in his absence, the DDG CCRAS will have one additional vote.
- 6.4 ASIC will arrange a meeting of the Project Approval Committee at ASIC with the company founders (whose applications have been approved by the Selection cum Review Committee), during which the company will be expected to make a presentation describing critical aspects of the business plan to the committee. The meeting may be conducted either physically or electronically based on the decision taken by the Chairperson.
- 6.5 The Project Approval Committee will finally submit its recommendations for the Initial Stage-Selected Applications whether approved or rejected as an Incubatee at the Incubation Centre.
- 6.6 Proper minutes of the Project Approval Committee shall be recorded and signed by the Chairman of the Project Approval Committee. Soft copy of the minutes shall be circulated through e mails to the members of the Project Approval Committee.
- 6.7 Initial communication to the candidates for the selected applications/entities shall be made accordingly and terms of the Incubation (as explained in Chapter 7) may be communicated later on.
- 6.8 ASIC adheres to strict confidentiality throughout the Initial Stage-Pre- Screening and Final Stage Evaluation. However, ASIC will not sign any non-disclosure agreements.

Chapter 7

Execution of the Incubation Agreement

The accepted applicants are responsible for ensuring they are able to accept the incubation program as set out in these conditions and according to the ASIC CCRAS-CARI Bengaluru incubation rules. This includes, for example signing the incubation agreement, providing valid and up to date contact details and complying with these conditions and/or other instructions from ASIC CCRAS-CARI Bengaluru.

If selected, the applicant would have to sign a Memorandum of Understanding (MoU) with ASIC-CARI Bengaluru. The agreement would include the terms & conditions as applicable. Any violation of terms & conditions of MoU would lead to termination of extended facility.

ASIC and the Company sanctioned for the Incubation shall enter into an Incubation agreement wherein the promoters of the company shall also be the party to the agreement.

The Incubation Agreement must mention that “While ASIC will make every earnest effort to provide the Incubate with the Incubation Services (Virtual or Physical) as described in this Agreement, the same cannot be made legally binding on ASIC)”

Chapter 8

Infrastructure and Services

Upon admission to ASIC various services, subject to the charges mentioned in the Incubation Agreement, may be offered to the incubated company on an individual basis. An indicative list of services is given below:

9.1 The Incubation Centre will offer the following support to the selected beneficiaries:

- a. **Physical Infrastructure:** Sharing basis workstation office space will be given for a period of 2 years for each startup and extended up to 3 years. In-house laboratories, research facilities, and equipment can be utilized under the supervision of CCRAS designated mentors throughout two/three-year duration.
- b. **Mentorship and Guidance:** Domain experts, mentors and advisors from relevant fields.
- c. **Business Development Assistance:** Will provide a platform where industry partners will come and support in business planning, marketing, and access to markets.
- d. **Funding Support:** Milestone based 20 lakhs financial support by ASIC and assistance in accessing grants, fund raising, and developing investor networks.
- e. **Networking and Industry Connect:** Facilitating interactions with industry leaders and potential partners through yearly investor networking meet.
- f. **Intellectual Property Rights (IPR) Assistance:** Guidance in securing and managing intellectual property under ASIC guidelines. If product is developed on sharing basis than the IPR and technology transfer rights will be shared as per ASIC guidelines.

9.2 No damage to building/fixtures and fitting will be caused by the startup. In the event of any damage, compensation as assessed by the authority will be paid by the startup to the Institute.

9.3 **Security Deposit may be taken from all incubates to protect the ASIC from any potential damage.**

Chapter 9

Tenure of the Incubation

The period of the Incubation should be 2 (two) years that may be extended for a successive three years by the mutual consent of the parties in writing provided that the total incubation period or the renewal term shall not exceed maximum number of years as stipulated by the funding agency i.e. CCRAS, New Delhi for the startup.

Chapter 10

Periodic Assessment

- 11.1 The startup shall use the premises solely for the purpose of running their business. The startup shall not assign or sublet or part with possession of the premises or any part thereof.
- 11.2 The startup will be monitored periodically. Regular progress reviews will be done via Monthly/Quarterly progress report submitted by startup. Key Performance Indicators (KPI) will be reported to tracking technical progress, revenue growth, funding secured, team expansion etc. Periodic impact assessment reports will also be submitted by the startups.
- 11.3 After successful utilization of facility, the applicants/entrepreneur are expected to set up their own enterprise based on the technology they utilized in ASIC-CARI Bengaluru. The institute would encourage and extend scientific and technical guidance and support to the entrepreneurs for establishing their own enterprise. Some of these supports would be free and others on payment basis.
- 11.4 Graduation, failure, or withdrawal will serve as exit criteria. Graduation from incubator would be considered as best exit criteria. Startups will make best effort to achieve graduation from incubator after achieving sustainable revenue & regulatory approvals. The incubator will consider exit if startup fails to meet milestones after 2 or 3 years as per the sanctioned order.
- 11.5 Termination of incubation support: The Institute may terminate the support at any time in the event of breach of any of the terms and conditions by the startup or in the event of prosecution of the startup or any of his/her employee or worker due to non-compliance of any legal/regulatory requirements.
- 11.6 The progress of startup in business terms along with expenditure details should be reported on quarterly basis and annual basis in the prescribed format. The final report of growth journey of startup should be submitted in the prescribed format before graduation or exit from the incubation centre. The Final utilisation certificate for the funding received along with expenditure details may be furnished to the council immediately before the graduation or exit.
- 11.7 Release of funds and operation of accounts shall be as per clause no. 1.5.14 (iii) (Annexure 6A &B/C) of CCRAS Research Policy. Funds may be released in instalments. Next instalment will be released after submission of interim progress report, statement of expenditure of previous instalment duly attested by the account officer and CEO/founder of the startup. No diversion of funds from one component to another to be done without the prior approval of the competent authority.

11.8 Event Based Reporting: The Incubate will keep the Incubator informed of following events:

- (a) Change of name of the company
- (b) Conversion from Private Limited to Public Limited company
- (c) Listing in any recognized stock exchange of India
- (d) Any major change in the business plan.

11.9 The Incubate, whenever requested by the Incubator, shall participate in the Review Meeting, held by ASIC and shall present its business report in the said Review Meeting.

Chapter 11

Role of Mentors and Mentoring

ASIC hosted by CARI Bengaluru administers a business incubator that provides support for Ayurveda based entrepreneurship, extending the role of CARI Bengaluru by facilitating the conversion of research activity into entrepreneurial ventures.

This Chapter represents ASIC's current approach to participating mentors and mentees.

- 12.1 Need for mentoring: Incubates may be well aware and would also agree that proper and timely mentoring is very crucial for any start-up more so for a technology start-up. ASIC does mentor on its own most of the time at a very broad level. Additional focused mentoring from experienced people could be helpful at almost all activities of a start-up, such as formulating the business plan, product development, business development, team-building, fund- raising, marketing, etc.
- 12.2 Eligible Mentees: Ayurveda-based startups are eligible for incubation at ASIC, which includes mentor support. Incubates must be willing to agree to the requirements of pre-incubation or incubation programs with ASIC. Participation/availing mentoring during incubation is mandatory for those without substantial experience.
- 12.3 Potential Mentors: Mentors are successful and experienced people willing to share or impart knowledge and wisdom on to those less experienced, in this case, entrepreneurs of startup companies. ASIC will maintain a periodically refreshed list of people with proven skills and experience who have volunteered to help ASIC startups. Mentors will be chosen to represent a wide range of expertise and experiences - such as past and present CEOs, CTOs, VPs, partners or directors of successful companies, subject matter experts, etc.
- 12.4 Guidelines for Mentors: Mentors stand to gain the satisfaction of making a difference in fledgling entrepreneurs' life and contributing back to the society. In addition, they also get to keep in touch with new technologies, people, and networks by working with the young entrepreneurs.

The following are expectations of enrolled mentors.

- **Availability:** Mentors will make their best efforts for regular contact with mentees on a mutually agreeable schedule. This is the typical case; this is flexible based on mutual agreement.
- **Relationship:** The relationship between mentors and mentees should be professional and with proper business etiquette at all times. Mentors should treat mentees with dignity and respect. Mentors should encourage mentees to be responsible for the mentoring.
- **Confidentiality:** Mentors will maintain confidentiality of any proprietary information of the incubatees.
- **Conflicts of Interest:** Conflicts of interests should be avoided when deciding on mentoring relationship. If and when one or more interests of the mentor (financial or non-financial) is in conflict with mentoring relationship and responsibilities, the situation should be promptly disclosed to the mentee and appropriate course of action taken.
- **Change of status or discontinuation:** Discontinuation of mentoring relationship should be communicated to ASIC. Mentors may transition to a different status such as investor or board member, but again, with explicit communication in advance of the transition to ASIC.

12.5 Guidelines for Mentees: The following are expectations of enrolled mentees.

- **Clarity of needs:** Mentee should identify his or her desired outcomes from mentorship prior to pursuing a potential mentor. This will help ASIC identify appropriate mentors with higher chances of positive outcomes.
- **Responsibilities:** Mentee must take active responsibility for the business mentoring relationship. Mentee should be considerate of the mentor's time, open to mentor's suggestions, yet be responsible for all decisions made and actions taken. Mentee should establish clear objectives together with the mentor and work diligently to get targets.

- Contact with ASIC: If the mentee has a concern/ question about the mentorship, he/she should contact ASIC.

12.6 Mentoring Process: When the incubation of a start-up is being finalized, ASIC would recommend a mentor from its list and introduce him/her to the company.

- The promoters are either free to choose from the said list or are free to have their own mentor albeit with the concurrence of ASIC.
- The company and mentor will initially engage with each other to understand the role and contribution that the mentor can make to the company.
- If the arrangement works out positively for the company, the association needs to be formalized with a suitable consideration model so as to ensure continued involvement of the mentor. Such a contract should cover aspects such as:
 - Duration of mentoring relationship
 - Objectives and scope of relationship
 - Confidentiality
 - Frequency and mechanisms of meetings
 - Tacking and review processes

The Incubation Centre will function as an independent unit within CCRAS, overseen by a dedicated Project Management Unit (PMU) at the level of CCRAS Headquarters/Ministry of Ayush. The Central PMU will support in assessment and implementation of the same. It will comprise of these additional members-

- Subject matter expert
- Technical expert
- Nominee from the Ministry of Ayush
- Nominee from Ayushexil

Chapter 12

Exit from the Incubator

The Agreement shall be automatically terminated under the circumstances as mentioned below. Under these circumstances, the Incubate will be required to leave the Program. Notwithstanding anything written elsewhere, ASIC's decision in connection with the exit of the Incubated Company shall be final and shall not be disputed by the Incubated Company.

The Agreement shall be automatically terminated under the following circumstances:

- 13.1 Graduation, failure, or withdrawal will serve as exit criteria. Graduation from incubator would be considered as best exit criteria. Startups will make best effort to achieve graduation from incubator after achieving sustainable revenue & regulatory approvals. The incubator will consider exit if startup fails to meet milestones after 2 or 3 years as per the sanctioned order.
- 13.2 Termination of incubation support: The Institute may terminate the support at any time in the event of breach of any of the terms and conditions by the startup or in the event of prosecution of the startup or any of his/her employee or worker due to non-compliance of any legal/regulatory requirements.
- 13.3 Underperformance or non-viability of business proposition as decided by ASIC on case-to-case basis.
- 13.4 Irresolvable promoters dispute as decided by ASIC on a case-to-case basis.
- 13.5 In case the Incubates uses the Incubation premises for anything apart from running their business (startup), and neither for commercial or warehousing activities.
- 13.6 Violation of the policy.

Chapter 13

Intellectual Property Rights

Applicants must own the intellectual property (IP) rights; including the copyright in or have permission to use any materials submitted in the application. ASIC-CARI Bengaluru will not be responsible for breach of any copyright or other third-party intellectual property and proprietary rights by the entrants.

- 14.1 By applying each applicant hereby warrants that they are the original author of the submission and that the submission does not or will not infringe any third party's intellectual property and proprietary rights, including their copyright, patent, trade mark, trade secret, design, or other proprietary rights or rights of publicity or privacy.
- 14.2 The Intellectual Property emerging in the scope of this grant shall be jointly owned by CCRAS and selected startup. Both the parties will have the right to improve on the intellectual property, if any. Any owned intellectual property generated during the MoU period herein above continued shall be protected by patent/copyright design as applicable.
- 14.3 In the event the intellectual property is patentable, then the application for the patent in India and/or abroad shall be jointly filed by startup and CCRAS. The parties shall jointly bear the expenses for drafting, filing, prosecuting, grant and renewal of such patent. The parties shall jointly file documents, papers, forms etc. as may be required for maintenance and renewal of such patent. In no circumstances, either party shall file patent in its own name without approval of the other party.
- 14.4 Any publication emerging from this particular funding will be shared jointly by both the parties/stakeholders. In no circumstances, either party shall publish the research outcomes in its own name without approval of the other party. The use of the name, logo and/or official emblem of the participants on any publication, document and/or paper will require prior permission of the parties. It may however be ensured that the official emblem and logo is not misused. The outcome shall be published with public acknowledgement of the role and contribution of each party.

Chapter 14

Financial Support

Funding Support: Milestone based 20 lakhs financial support by ASIC and assistance in accessing grants, fund raising, and developing investor networks. The support will be guided by following rules;

- 15.1 Amount: The support amount shall be dependent on the original funding agency (ie. CCRAS, Ministry of Ayush, Govt. of India) and its schemes as per availability and subject to its terms and conditions. Funds usage: ASIC can provide grant to its incubatees for their business needs. The Promoters/Company shall ensure that grant shall be used solely for the purpose of the business needs as mentioned in their application and their business plan. Broadly the grant can be sanctioned for the following purposes:
 - 15.1.1 Product development: Procurement of equipment, Testing and trials, outsourcing of technical supports and services for the company's product.
 - 15.1.2 Manpower: Salaries for promoters and employees. However, payment of salary out of the seed fund to promoters shall not exceed 10% of the seed support unless explicitly approved by the investment committee.
 - 15.1.3 Marketing: For test marketing, sales, promotions of companies' products and services including travelling only for business and product promotion.
 - 15.1.4 Mentoring: Seeking professional mentoring assistance.
 - 15.1.5 Professional services: For legal, accountancy, IP, marketing, strategy, regulatory compliance, certification, or any other justifiable professional services.
 - 15.1.6 Contingencies/Overrun. This shall not exceed 10% of the seed support.
 - 15.1.7 For any other business purpose which needs to be justified in the application itself and as recommended/ approved by the Investment committee from time to time.
 - 15.1.8 The Support shall not be utilized for:
 - Repayment of loans or dues of promoters and their associates to the company
 - Repayment of loans from any other source nor for payment of interest on the support borrowed from such other source,

- For extending loan supports to promoters, their associates
- For making any inter corporate deposits or any speculative purpose,
- Personal benefit of promoters or their associates
- Company/ Promoter buying shares or any other security of the company or any other company

15.1.9 The disbursement of grant shall be as per milestones to be decided at the time of approval of support.

15.1.10 Promoters and the company shall fulfil their own commitments with regards to milestones, financial contribution, etc. before requesting for release of disbursements.

15.2 ASIC may ask for security in the form of hypothecation, in favour of ASIC, of the equipment/assets purchased from the support amount.

15.3 ASIC may stipulate other clauses such as exit period, etc. in the agreement between ASIC and the Company.

15.4 Monitoring: An appropriate monitoring process will be put in place for the grant provided to the companies:

15.4.1 To ensure that the funds are utilised for the purpose they are sanctioned for.

15.4.2 To ensure timely completion of activities listed in the proposal. To conduct half yearly progress review of the companies.

15.4.3 To ensure that the Promoters/Company will maintain appropriate record of assets purchased from the grant.

15.4.4 To ensure that the companies submit periodical utilization reports as stipulated by ASIC. It may seek audited reports of utilization where it deems necessary.

15.4.5 To ensure that the promoters/company will submit audited annual reports within a period of 7 days from the date of its approval.

15.4.6 ASIC may reserve a right to review or cancel the undisbursed portion of the grant in case of non-performance or non-compliance of the terms. In case of slow or lack of progress in performance of the company, ASIC may revise the terms of sanction of the support and stipulate such additional condition as its absolute discretion deem necessary.

15.4.7 To ensure that the Promoters/Company shall take prior concurrence of ASIC

for effecting material changes or developments taken place in their companies that are likely to affect its business.

15.4.8 To ensure that the Promoters/Company shall take care of all its statutory liabilities.

15.4.9 To undertake periodic assessment, and to seek any such information as may be required by ASIC and/or from concerned authorities from time to time.

15.4.10 To ensure that the Promoters/Company shall observe/comply with the conditions as may be stipulated by ASIC for monitoring progress.

15.5 Other terms:

15.6 Application: Applicants will submit the following documents/information along with an application for the grant:

15.6.1 Purpose for which seed support is required

15.6.2 Copy of the Resolution passed by the board of the Company

15.6.3 Certificate of Incorporation

15.6.4 Memorandum and Articles of Association

15.6.5 If an application is made after commencement of operations of a company, the company will submit its latest financial position

15.6.6 Any other material to substantiate its grant application such as outstanding client orders, letters of intent for placing orders, strategic alliance agreements with customers, invoices for services rendered, and alike.

15.7 All grant is subject to prevailing regulatory compliances. The Promoters/Company shall comply with provisions of the relevant Rules, Regulations and Acts applicable to the Promoters/Company.

15.8 ASIC shall execute appropriate legal agreements with the companies listing out the above terms and conditions. Non-compliance of the terms and condition may invite a legal action from ASIC and may force the Promoters/Company to exit from the Business Incubator. ASIC may initiate legal action if non-compliance is willful or a fraudulent act.

15.9 In case a company fails in its business or stops its operations, ASIC may exercise a prudent approach towards the company and its promoters as long as the promoters have made full efforts to achieve a success, and there is no willful or fraudulent act.

Chapter 15

Conflict of interest

All matters of conflict of interest shall be referred to the Chairperson or Principal Investigator who may take necessary actions on the same. An indicative list is given below:

Situation of conflict of interest may arise:

- 16.1 If any employee who is a blood relative of the promoters of the Incubated company is working in ASIC
- 16.2 If an individual who is the Promoter or the Director of an Incubated Company is working in ASIC.
- 16.3 Any other situation where ASIC feels to be a Conflict of Interest.



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