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हिमाचल प्रदेश HIMACHAL PRADESH

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MEMORANDUM OF UNDERSTANDING (MoU)

Agreement for Utilization of Funds under the Chief Minister's Startup/ Innovation Projects/ New Industries Scheme" for Providing Support for Entrepreneurial and Managerial Development of SMEs through Incubators

AGREEMENT

This Agreement has made and entered into this Eight day to May 2017 between the Governor of the State represented by Shri Rajesh Sharma, Director, Department of Industries (Name & Designation). (hereinafter referred to as 'The First Party' which expression shall unless repugnant to the context or meaning thereof, include its successor in interest and permitted assigns) of the one part.

And

Name of authorized signatory Prof. Vinod Kumar, Vice-Chancellor, Jaypee University of Information Technology, Wagnaghat, Solan for the (Host Institution HI) and its legal status, having its registered office at (Full address) Jaypee University of Information Technology, Wagnaghat, P.O. Wagnaghat, Teh Kandaghat, Distt. Solan- 173234. (hereinafter referred to as 'The Second Party' which expression shall unless repugnant to the context or meaning thereof, include its successor in interest and permitted assigns) of the one part

Whereas, the Government wishes to assist the Empanelled Incubator/ Host Institution (HI) to set up Incubator for establishing ecosystems for Innovation Projects/ Start-ups to help the entrepreneurial venture to succeed and whereas, The HI is willing to perform this assignment.

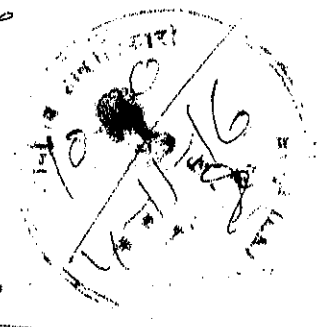
Now, therefore, the parties hereby agree as follows:

1.0 PREAMBLE

1.1 In order to support and promote untapped creativity of the individual innovators, Government has formulated a...

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Teh - Kandloghat
Distt - Solan/HP/173234



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Development of Small and Medium Enterprises through incubators. The scheme envisages forging linkages of innovators and entrepreneurs with important constituents of the innovation chain, viz., research/ academic institutes and Incubators, so as to leverage the available know-how, expertise, facilities and infrastructure in such institutions to help the entrepreneurial ventures to succeed.

- 1.2 It has been agreed by the Government to support **Technology Incubation and Entrepreneurship Development Cell (TIEDC)** (Name of the existing/ New Incubator) located at **JUIT, Wagnaghat** And hosted by **The Jaypee University of Information Technology, Wagnaghat, P.O. Wagnaghat, Teh Kandaghat, Distt. Solan- 173234** (name of the Host Institution) based on a request made by the Host second party has also agreed to abide by the terms, conditions & the operational guidelines of the scheme.

2.0 RESPONSIBILITIES OF THE HOST INSTITUTE

- 2.1 The Host Institute shall undertake business incubation and entrepreneurship development activities as per the provisions of Startup Policy and guidelines and execute obligations under the proposed Scheme and guidelines. The entity is referred henceforth as the Empanelled Incubator.
- 2.2 The activities of the Empanelled Incubator shall include:
- 2.2.1 Nucleation of new business ideas by creating the environment and opportunities for now – how providers, entrepreneurs and financiers to meet each other and from business teams;
- 2.2.2 Nurturing businesses in their startup phase by creating and running an efficient Empanelled Incubator offering not only space but also access to technology support, business mentoring, networks, scientific and information resources, and a generally conducive and supportive environment; and
- 2.2.3 Promoting and running an active program for identification, creation and translation (into practical) of business ideas suitable for new venture creation
- 2.2.4
- (i) The incubator shall nurture new ideas/ new Industries to support them in their entire life cycle till the same is turned into a commercial enterprise. The incubator shall also establish tie up with appropriate industries so that new ideas/ New Industries get nurtured in an appropriate environment
 - (ii) The incubator shall act as a hub with other academic institutes in the district acting as spokes driving the innovation ecosystem in the geography. They shall be mandated to incubate projects through competitive selection process among students, alumni as well as local entrepreneurs. Students of such institutions will also be encouraged to intern with startup incubators recognized by the state government to do their mini-projects or summer/ winter projects or internships that are done during vacations. The incubators may be mandated to run selection programs throughout the state to ensure that students have access from any college in Himachal Pradesh. Such projects can then also be converted to final year Projects where the academic institutes/University and college must involve an external project guide/ mentor as identified by such incubators
 - (iii) Establishing Support Eco-Systems, Capital Asset Management and Resources as required for the incubator

- (iv) Liaison with Angel and Venture Capital investors to provide funding assistance to the incubated startups
 - (v) Shortfalls if any in revenue generation will be met by Private Partner, post the support period.
 - (vi) Ensure pro-active participation of other Private Sector companies for the Incubator in terms of raising funds for incubator and angel investment for startups.
 - (vii) Empanelled Incubator must adhere to all provisions of Startup Scheme and guidelines throughout its association with State Government.
- 2.3 The Host Institute shall provide ready-to-use, dedicated space for housing and operation of the Empanelled Incubator.
- 2.4 The Host Institute shall be responsible for providing access to basic infrastructural facilities, office facilities and laboratory/ facilities for the Empanelled Incubator.
- 2.5 The Host Institute shall be responsible for providing access the resources arranging the resources for the day- to- day operation of the Empanelled incubator.
- 2.6 The operation of the Empanelled Incubator shall be governed by the Screening Committee as given under which will be constituted with the approval of the Board of Governors (BOG) of the Host Institutions and comprise of at least the following
- 2.6.1 Executive Head of the EMPANELLED INCUBATOR(*Ex-officio Chairperson*)
 - 2.6.2 One representative of the Government of HP's promoter agency, in present case representative of Directorate of Industries (Member).
 - 2.6.3 One representative of the industry/ industry association (Member).
 - 2.6.4 One representative of the financial institutions (Member).
 - 2.6.5 One representative from the academic community of the Host Institution (Member)
 - 2.6.6 One R&D expert (Member).
 - 2.6.7 Empanelled Incubator Manager (Member- Secretary).
- 2.7 The Empanelled Incubator shall be run by dedicated staff and shall also utilize the services of faculty/ staff of the Host Institute or expert from outside

3 IMPLEMENTATION OF THE SCHEME AND FINANCIAL ARRANGEMENTS

- 3.1 The Empanelled Incubator/ Screening Committee shall be responsible for arranging/ mobilizing all applicable funds from the State and publicizing the scheme and seeking proposals under the scheme in the approved format and meeting the performance standards mentioned below and as per Startup Scheme and guidelines:
- a. Empaneled incubator must train at least 10 incubatees in the first year and 10 incubatees in the subsequent years, provide handholding support till their venture is commercialized and/ or two years from date of approval. Atleast 10% of the incubatees must reach the next stage of development each year i.e. from Idea to Prototype or from Prototype to successful testing or from testing to market launch (stage should be certified by CIL/ Startup Cell)
 - b. Empaneled incubator from its third year of operation must achieve funding from HP Venture Capital Fund or Private funds or Debt financing from Banks or Angel Investor for atleast one incubatee each year.
 - c. Apart from the above criteria, Incubators will be given a score by the Himachal Pradesh Startup Cell based on biannual reviews of the partner incubator's performance.
 - d. The Empanelled Incubator will be required to submit half yearly reports as per prescribed format. If it is found that the Empanelled Incubator is not rendering the services as per the provisions of Startup Policy and guidelines to the satisfaction of the Himachal Pradesh Startup Cell/ HPCED, the Cell may/ shall initiate appropriate action against the Empanelled incubator and seek EC approval in this regard

6.2 All notices with the aforesaid address sent by pre-paid registered post or speed post or sent by fax with confirmation of its delivery or e-mail shall be deemed to have been served and received by the addressee within the time they should have been delivered/ received at the addressee's end. Any change of address will not be valid unless acknowledged by the other party

IN WITNESS WHEREOF, the representative of the Parties to this agreement being duly authorized have hereunto set their hands and have executed those present this **Eight** day of **May** 2017

For & behalf of the Government of HP
Principal Secretary Industries to the Government
of Himachal Pradesh, HP Secretariat, Chotta
Shimla, Shimla-17100 2
Himachal Pradesh

Head of the Institution or his/ her
Nominee under which BI is formed

Witness: *Dale*
Suresh Khata
By Director Industries

Witness: *Ashish Kumar*
(I.R. Ashish Kumar)

Witness: *Manoj*
Rameshwar Datta
Haridwar

Witness: *Rajendra*
(Dr. Rajendra)

- 3.2 The Incubator shall ensure that the selection of entrepreneur/ incubatee is fair and the disbursement, utilization of the fund is done with fairness to the entrepreneurs/ incubatee.
- 3.3 The Incubator shall ensure that the fund requested for one idea in the proposal does not exceed the specified limit.
- 3.4 The funds shall be released by the HP Government according to the following schedule:

State of Project	Maximum Funds to be released (INR)*	Milestones
Signing of MoU	10 lakhs	
6 months from MoU signing	8 lakhs	4 incubatees to be admitted
1 year from MoU signing	12 lakhs	6 incubatees to be admitted
2 year from MoU signing	30 lakhs	10 incubatees to be admitted
TOTAL	60 lakhs	Total 20 incubatees

- 3.5 The Host Institution/ Empanelled Incubator shall maintain separate accounts of the funds received and expenditure incurred on various activities. Further, the EI would submit Annual Accounts. Audited expenditure statement and Utilization certificate to the Government.

4.0 GENERAL

- 4.1 The Host Institution (HI)/ Empanelled Incubators (EI) shall submit the agreement made by them and with Incubatee to the Government before release of funds to the HI/ BI for utilization by the incubatee.
- 4.2 The assets created through the scheme shall not be transferred/ disposed off without prior permission of the Office of the Government.
- 4.3 In the event it is found that HI/ EI has not utilized amount of grant, or any part of it, for the purpose agreed to in agreement or has subsequently disposed off any of the assets acquired out of the grant without prior permission of the Empowered Committee, the Empowered Committee without prejudice to any other right, shall be entitled to terminate this agreement and liable to recover the grant with penal interest @ 15% of the total grant released

5.0 DISPUTE RESOLUTION

- 5.1 Any disputes shall be ~~settled~~ amicably between parties through the intervention and assistance of the Executive Head of the Empanelled Incubator. If the dispute is not resolved, then the matter may be escalated to the attention of the Executive Head of the Host Institute. If the dispute is still not resolved then the matter be referred to the Principal Secretary Industries whose decision shall be final and binding on all parties

6.0 NOTICE

- 6.1 The address of the Parties for all communication is:

Government

Directorate of Industries,
Udyog Bhawan
Bemlo, Shimla

Incubator

Vice-Chancellor, Jaypee University of
Information Technology, Wagnaghat
Head of the Institution or his/ her nominee