Department of Science and Technology
Government of Gujarat

Savli Technology & Business Incubator
Government of Gujarat
॥ उद्योजकम् सेवामहे ॥

FLAGSHIP SCHEME

GROWTH Fund

Gujarat **R**aising **O**pportunities & **W**orth through **T**echnology **H**arnessing Fund



Investing in Innovation...
Building Tomorrow's Gujarat!

GRANT-IN-AID

up to **₹30 Lakh**

Early stage · PoC, prototype, MVP · TRL 1–4

SEED INVESTMENT

up to **₹2 Crore**

Scale-up · pilots, market entry · TRL 5+

www.stbi.gujarat.gov.in

SCHEME GUIDELINES

GROWTH Fund

(**G**ujarat **R**aising **O**pportunities & **W**orth through **T**echnology **H**arnessing Fund)

(Investing in Innovation… Building Tomorrow's Gujarat…)

https://stbi.gujarat.gov.in

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Guidelines for the Scheme of

GROWTH Fund

(Gujarat **R**aising **O**pportunities & **W**orth through **T**echnology **H**arnessing **Fund)**

Preamble &The Guiding Principle

The Govt. of Gujarat has consistently fostered innovation, technology-led entrepreneurship, and industrial growth through various policy and institutional initiatives. Aligned with the vision of *AtmaNirbharBharat* and the ViksitGujarat @2047 roadmap, Gujarat aspires to foster a new generation of technology-driven enterprises capable of global competitiveness. Start-ups in deep-tech, biotech, cleantech, renewable energy, healthcare, and allied sectors require long-term risk capital and early-stage support to translate innovative ideas into commercially viable solutions.

Pursuant to this vision, Savli Technology & Business Incubator (STBI), an autonomous not-for-profit society registered under aegis of Dept. of Science & Technology, Govt. of Gujarat, and widely supported and recognized by various agencies of Govt. of India have been actively promoting technology-based Start-ups through incubation, innovation management support, mentoring, technology validation, commercialization facilitation and access to funding opportunities. STBI plays a proactive role in strengthening the innovation and entrepreneurship ecosystem at both the state and national levels through ecosystem development initiatives, stakeholder engagement, and the creation of enabling platforms for innovation-led growth.

While national initiatives increasingly emphasize long-term risk capital for deep-tech & frontier technologies, many science and technology-driven start-ups including those in the deep-tech spectrum continue to face substantial funding constraints, particularly during the critical 'Valley of Death' around technology validation and commercialization. Addressing this gap is very important to strengthen the overall innovation pipeline and accelerate technology-led economic growth.

Recognising the need for strategic financial support across the Start-up lifecycle, particularly during the early and scale-up stages, STBI has introduced a flagship scheme, with funding assistance for Science & Technology-Driven Start-ups, named '*Gujarat Raising Opportunities & Worth through Technology Harnessing Fund*', abbreviated as GROWTH Fund.

The guiding principle for the GROWTH Fund is to catalyse the creation, validation, scale-up, commercialization, expansion, etc. of technology-driven innovations that may bring economic and/ or social value creation, employment generation in Gujarat, enhancing technological

sovereignty and/ or sustainability, capacity building, Innovation commercialization ecosystem development, etc. Accordingly, the assessment and support of proposals under GROWTH Fund scheme may be guided by the nature, magnitude, and potential of the benefit that the project is likely to accrue to the State of Gujarat and its innovation ecosystem.

The provisions, including eligibility criteria, funding decisions, and operational guidelines framed under this Funding scheme shall be interpreted and implemented in a manner consistent with this purpose.

1. Interpretation of the terms used (unless, explicitly mentioned otherwise):

1.1 **Agreement** means Shareholder Agreement (SHA) or any such contractual binding

1.2 **Applicant** means a DPIIT-recognised Start-up applying for support under the GROWTH Fund scheme.

1.3 **DST-GoG** means the Dept. of Science and Technology, Govt. of Gujarat.

1.4 **EC-GC** means the Executive Committee and the Governing Council of STBI respectively.

1.5 **Grant-in-Aid** means non-repayable financial assistance provided under the Scheme in accordance with these Guidelines.

1.6 **Investment** means financial support provided against equity, equity-linked instruments, debentures, convertible instruments, or any other legally permissible funding instrument approved under the Scheme.

1.7 **Investee Start-up** means a Start-up that has received approval to receive support under this Scheme.

1.8 **Milestones** means the activities or tasks as agreed or directed by the funding agency.

1.9 **Observer** means a non-voting representative nominated by STBI to participate in the Board of Directors or equivalent governance mechanism of an Investee Start-up for monitoring and safeguarding the interests of the Scheme, but who may have veto rights, as defined by the Agreement.

1.10 **Scheme** means the GROWTH Fund, including these Guidelines and any amendments, notifications, directions, procedures, or operating instructions issued thereunder from time to time.

1.11 **Seed Investments** means investment support provided under Para 5 of the Scheme.

1.12 **Technology Readiness Level (TRL)** means the maturity level of a technology, product, process, or service as determined in accordance with Technology Readiness Level

framework recognised by the Govt. of India and adopted by the Competent Authority from time to time. Currently, the TRL framework prepared by BIRAC, an entity of DBT-GoI as given at https://birac.nic.in/desc_new.php?id=443 is being followed.

1.13 **Utilisation** means the use of funds for approved purposes in accordance with the terms and conditions of support under the Scheme.

1.14 **Value Proposition** means the unique and demonstrable benefit, advantage, or solution offered by a technology, product, process, or service to its intended users, customers, stakeholders, or beneficiaries.

2. Objectives of GROWTH Fund

2.1 To promote the creation, growth, commercialization, scaling and/ or expansion of technology-driven start-ups in Gujarat.

2.2 To advance the Technology Readiness Levels of technology-driven start-ups by providing stage-appropriate financial support across the technology and business lifecycle

2.3 To bridge the funding gap between existing early-stage public funding support system and late-stage institutional or venture capital investments, particularly for technology led start-ups requiring larger capital support to achieve market traction, thereby helping technology-led start-ups to sooner attain breakeven point and/ or operational sustainability.

2.4 To facilitate the development, validation, commercialization, and market adoption of innovative technologies, products, processes, and services, thereby generating economic value/ societal impact/ employment within the State.

2.5 To establish a sustainable, revolving, investment mechanism whereby returns realized from investments, are redeployed to support subsequent eligible start-ups, thereby strengthening Gujarat's innovation ecosystem and contributing to a resilient, technology-driven, and innovation-led economy.

3. Instruments of support under GROWTH Fund

3.1 Grant-in-Aid Support

3.1.1 For Start-ups at early stage, intending to develop, validate, Proof of Concept, develop prototype or MVP (Generally TRL1 - TRL4, depending on domains) are eligible for Grant-in-Aid.

3.1.2 Grant-in-Aid shall be non-repayable financial assistance **up to ₹30 Lakhs per applicant**, subject to milestone-based disbursement duly approved by the Committee designated for the purpose and compliance of prescribed conditions.

Details at **Para 4** here-further.

3.2 Seed Investment

3.2.1 Seed investment is intended to accelerate pilot-scale production, enable product commercialization, drive market entry and expansion, and facilitate the scaling of high-potential ventures.

3.2.2 Seed Investment Support shall be provided **up to ₹2 Crore per applicant Start-up** through Equity/ Equity-linked Instruments/ Debentures or other similar legally permissible convertible instruments, in compliance with the Companies Act, 2013 and other applicable laws and regulations.

Details at **Para 5** here-further.

4. Grant-in-aid Support under GROWTH Fund

4.1 *Ikigai* of the Grant-in-aid support under GROWTH Fund:

4.1.1 Start-ups at early stage, intending to develop, validate, Proof of Concept, develop prototype or MVP (Generally TRL1 - TRL4, depending on domains) are eligible for Grant-in-Aid.

4.1.2 Grant-in-Aid shall be non-repayable financial assistance up to ₹30 Lakhs per applicant, subject to milestone-based disbursement duly approved by the Committee designated for the purpose and compliance of prescribed conditions.

4.2 Activities for which, this support is intended:

4.2.1 Grant-in-Aid support is primarily intended to be utilised for the following activities by the beneficiary start-ups: Early-stage innovation activities, including proof-of-concept validation, prototype development, product refinement, testing and validation, intellectual property creation and protection, regulatory preparation, field or clinical studies, pilot deployment, and other activities necessary for advancing the innovation towards commercial readiness.

4.3 Eligibility Conditions for Grant-in-aid under GROWTH Fund:

4.3.1 The applicant Start-up shall be incorporated in **Gujarat** as a Private Limited Company under the Companies Act, 2013 or as a Limited Liability Partnership (LLP) under the Limited Liability Partnership Act, 2008.

4.3.2 The applicant Start-up shall not be more than ten (10) years old.

4.3.3 The applicant Start-up shall not have received grants exceeding ₹30 lakhs in last 3 years.

4.3.4 The applicant Start-up shall not have exceeded cumulative Revenue (including grants received) of ₹1 Crore in last 3 years.

4.3.5 The ownership & control of the applicant entity (min. 51% stake) shall be with its Indian Promoters.

4.4 Other Important Matters for Grant-in-aid under GROWTH Fund:

4.4.1 Under no circumstances shall a start-up be eligible to receive funding support for **milestones/ activities that have already been funded** under any other scheme, programme, or project of State &/or central Govt/ PSUs. However, subsequent, distinct milestones that have previously not received funding support may be considered for assistance. This principle shall equally apply where support is sought for a specific component or phase of a larger ongoing project. Thus, the support

should not result in duplication of activities, assets, milestones, or outcomes previously funded under any Scheme of Central/ State Govt./ PSUs. STBI retains the rights to seek information to verify the distinctness of the proposed milestones, against previously sanctioned/ received funds. STBI reserves the right to reject or dispose of an application at any stage if any discrepancy, overlap, misrepresentation, or non-compliance is identified at any point, without assigning any reason thereof.

4.4.2 Scalable Ventures based on technology innovations and robust value proposition shall be supported. Regular Businesses, Businesses with (repeatability but) no scalability, or ventures mainly adhering to business-model optimization instead of technological innovations shall not be considered for Grant-in-aid u/ GROWTH Fund.

4.4.3 Existing start-ups generating adequate revenue/ having achieved breakeven with their existing product line and looking forward to developing new products/ diversify product portfolio shall not be considered for Grant-in-Aid u/ GROWTH Fund.

4.4.4 Product diversification or use-case optimization of existing final product shall not be considered for Grant-in-Aid.

4.4.5 A Start-up can avail financial support as Grant-in-Aid under GROWTH Fund ONLY ONCE during its entire lifecycle.

4.4.6 A Start-up, that has once received Grant-in-Aid u/ this scheme stays eligible to apply for the Seed Investment component at later stage, after successful completion of the project.

4.4.7 A Start-up shall generally not be eligible under this Scheme if any of its promoter(s)/ co-founder(s) holds individually 10% or more of equity in another Start-up that has received benefits under this Scheme; unless:

4.4.7.1 The applicant Start-up is engaged in a substantially different technology, product, service, or business sector from the previously supported Start-up OR

4.4.7.2 The applicant Start-up possesses independent intellectual property, technology, assets, and business operations and is not a continuation, restructuring, subsidiary, spin-off, or successor of the previously supported Start-up.

4.4.8 Recipients under the Scheme shall be considered as incubatees of STBI, in non-negotiable terms, limited to the funding support and services opted under this Scheme. STBI stays open about the applicant being co-incubated with other recognized Incubation/ Acceleration Centres and would seek appropriate

documentation to be clearly identified and transparently declared to avoid ambiguity or duplication.

4.4.9 All deadlines shall be with respect to the last day of respective Call for Proposals, notwithstanding extensions, if any, for whatsoever reasons.

4.5 Process Flow - Selection, Evaluation, and Approval:

4.5.1 Application and Preliminary Assessment

1. STBI shall invite applications through public calls by publishing through national or regional newspapers.
2. Applications shall be accepted **online** through the prescribed mechanism **only**.
3. STBI shall scrutinize applications received to evaluate alignment to eligibility conditions and put up to the Sub-Committee.
4. The Sub-Committee identified, shall undertake Preliminary Assessment and shortlist applications on the basis of identified parameters including scheme fit & alignment with the objectives of the GROWTH Fund; Technology Readiness Level (TRL); Potential of the Innovation to solve the problem envisaged & value proposition; Ability & Strategy of the team to execute the project(s), etc. parameters, as may be deemed appropriate for the purpose.
5. STBI may seek clarifications, presentations, voice-over presentation(s), additional documents, expert inputs, or other information deemed necessary; at any stage.
6. The Sub-Committee shall document specific remarks against each applicant that can be shared by STBI with the applicants.

4.5.2 Evaluation and Approval by the Grants Approval Committee (GAC):

1. The GAC shall evaluate the proposals shortlisted by the Sub-Committee, through pitch deck presentations of the applicants, and its interactions with the applicant.
2. While evaluating proposals, the GAC may consider, inter alia, technical feasibility, innovation merit, technology strength, intellectual property position, uniqueness, value proposition, market need, scalability, commercial potential, business model robustness, financial viability, execution capability, anticipated socio-economic impact, and the likely net benefit accruing from the proposed support, and any other parameters deemed appropriate.
3. The Committee shall approve OR reject and thus dispose proposals put before it and shall determine the quantum, milestones, and other terms of support.

4.5.3 **Post-Approval Due Diligence, Negotiations/ Compliances and Documentation:**

1. Following the in-principle approval by the GAC, STBI may undertake or commission such technical, financial, legal, commercial, regulatory, intellectual property (IP), governance, background verification, valuation, or other due diligence activities as may be considered necessary.
2. The in-principle selected start-up shall execute such agreements, investment documents,—undertakings, declarations, indemnities, governance arrangements, monitoring frameworks, intellectual property provisions, recovery provisions, indemnities, other rights & obligations of the parties or other documents as may be prescribed by STBI.
3. Based on the outcome of such due diligence, and having convinced through inclusions of conditions precedent, required corrective actions, additional documentation/ verification, modifications/ negotiated terms, implementation of risk mitigation measures, etc.; STBI shall award the final approval/ sanction letter.

4.6 Fund Disbursal Mechanism:

4.6.1 The disbursal shall be based on achieving milestones & typically be over three tranches:

- Tranche 1 (advance): **25%**
- Tranche 2 (against milestones & utilization of 75% of the amount released): **60%**
- Final Tranche: **15%** (on reimbursement basis).

4.6.2 The last tranche shall be released on reimbursement mode, only after submission of the Utilization Certificate (of entire amount) & Progress Report.

4.7 Fund Utilisation:

4.7.1 **Permissible Utilisation**

4.7.1.1 **Development or Engineering of Technology or Product**

Product/ Technology Development/ Engineering expenses including Technology (in & out) licensing, Outsourcing for contract R&D, product design, prototyping, pilot scale-up (including by contract/ outsourcing), procurement or temporary (non-civil) modifications to laboratory, production equipment, tools & machinery, etc.; subscription of cloud infrastructure/ technical services, etc. directly supporting approved project milestones.

4.7.1.2 **Intellectual Property**

Drafting, filing, prosecution, & maintenance of Intellectual Properties held by the beneficiary Start-up only; Technology landscaping, Freedom-to-Operate studies, etc. associated professional IPR services. ***Expenditure under this Budget Head shall not exceed 15% of the sanctioned grant, unless otherwise approved by the GAC.***

4.7.1.3 **Regulatory Compliance, Testing & Validation**

Regulatory approvals, certifications, laboratory testing, quality compliance, clinical or field validation, inspections, and other regulatory activities necessary for commercialization. ***Expenditure under this Budget Head shall not exceed 30% of the sanctioned investment, unless otherwise approved by the GAC.***

4.7.1.4 **Human Resources & Technical Execution**

Remuneration to manpower (other than co-founders/ promoters) and Fees/ advisory honorarium to consultants/ agencies/ expert personnel; directly engaged in execution of approved project milestones. ***Expenditure under this Budget Head shall not exceed 20%, of the total amount approved.***

4.7.1.5 **Business Operations & Working Capital**

Raw materials, consumables, contract manufacturing, packaging, rent, utilities, logistics, insurance, audit, accounting, statutory compliance, software/ database subscriptions, and other recurring operating or working capital expenses directly supporting execution of the approved project milestones.

4.7.1.6 **Travel, Strategic Partnerships & Event Participation**

Domestic travel, boarding, lodging, customer & investor meetings, strategic partnerships, exhibitions, conferences, trade fairs, and registration fees directly supporting the approved project milestones. ***Expenditure under this Budget Head shall not exceed 10% of the total amount approved.***

4.7.2 **Non-Permissible Utilisation**

4.7.2.1 **Related-Party Payments & Prior Liabilities**

Repayment of loans, advances, liabilities, or outstanding dues of promoters, founders, directors, shareholders, associates, related parties, or any external borrowings, including interest, penalties, or other charges arising therefrom.

4.7.2.2 **Real Estate & Non-Productive Capital Assets**

Purchase of land or real estate, permanent civil construction, structural modifications, or acquisition of capital assets not directly required for execution of the approved business plan.

4.7.2.3 **Financial Investments & Lending**

Investment in shares, securities, mutual funds, bonds, fixed deposits, cryptocurrencies, inter-corporate deposits, speculative transactions, or other financial instruments, or extension of loans, advances, guarantees, deposits, or any other financial accommodation to any person or entity.

4.7.2.4 **Personal, Luxury & Non-Business Expenditure**

Creation or acquisition of personal assets, personal expenses, luxury goods, entertainment, gifts, club memberships, or any expenditure resulting in direct or indirect personal benefit to promoters, founders, directors, shareholders, associates, related parties, or any expenditure not directly related to execution of the approved business plan.

4.7.2.5 **Activities Prohibited by Law or the Fund**

Any activity prohibited under applicable laws, or specifically restricted by STBI, the Investment Board, Apex Authorities, or any other competent authority.

4.7.2.6 **Utilisation Inconsistent with the Approved Purpose**

Any utilisation inconsistent with the approved business plan, the purpose of investment, or the objectives and guiding principles of the GROWTH Fund.

5. Seed Investment under GROWTH Fund

5.1 *Ikigai* of the Seed Investment under GROWTH Fund:

5.1.1 Start-ups at late stages, typically ready with prototype or Proof-of-Principle (PoP), if not Proof-of-Concept (PoC), intending to validate, scale-up, explore markets, etc. (generally TRL5 onwards) are eligible to seek Seed investments under GROWTH Fund.

5.1.2 Seed Investment Support shall be provided up to a maximum of **₹2 Crore per Start-up applicant** through Equity/ Equity-linked Instruments/ Debentures or other similar legally permissible convertible instruments, in compliance with the Companies Act, 2013 and other applicable laws and regulations.

5.2 Activities for which, this support is intended:

5.2.1 Seed investment is intended to accelerate pilot-scale production, enable product commercialization, drive market entry & expansion, and facilitate the TRL advancement, scaling of high-potential ventures.

5.3 Eligibility Conditions for Seed Investment under GROWTH Fund:

5.3.1 The applicant Start-up shall be incorporated as a Private Limited Company under the Companies Act, 2013 and shall not be more than ten (10) years old.

5.3.2 The ownership & control of the applicant entity (min. 51% stake) shall be with its Indian Promoters.

5.3.3 The annual turnover of the applicant Start-up shall not have exceeded cumulative Revenue of ₹100 Crores in last 5 years, for Seed Investment under GROWTH Fund.

5.3.4 The incorporation of the applicant Start-up shall be:

5.3.4.1 Within the state of Gujarat OR

5.3.4.2 If incorporated elsewhere in India, outside the state of Gujarat, the applicant Start-up shall have business operations in Gujarat by being involved in manufacturing or processing or research & development across manufacturing or services sector in Gujarat.

5.4 Other Important Matters for Seed Investment under GROWTH Fund:

5.4.1 Scalable Ventures based on technology innovations and robust value proposition shall be supported. Regular Businesses, Businesses with (repeatability but) no scalability, or ventures mainly adhering to business-model optimization instead of technological innovations shall not be considered for Seed Investment u/ GROWTH Fund.

5.4.2 A Start-up may avail Seed Investment under GROWTH Fund ONLY ONCE during its entire lifecycle. A Start-up, that has once received Grant-in-Aid u/ this scheme is eligible to apply for the Seed Investment component only upon successful accomplishment of milestones approved u/ Grant-in-aid.

5.4.3 A Start-up shall generally not be eligible under this Scheme if any of its promoter(s)/ co-founder(s) holds individually 10% or more of equity in another Start-up that has received benefits under this Scheme; unless:

5.4.3.1 The applicant Start-up is engaged in a substantially different technology, product, service, or business sector from the previously supported Start-up OR

5.4.3.2 The applicant Start-up possesses independent intellectual property, technology, assets, and business operations and is not a continuation, restructuring, subsidiary, spin-off, or successor of the previously supported Start-up.

5.4.4 STBI reserves the right to reject or dispose of an application at any stage if any discrepancy, overlap, misrepresentation, or non-compliance is identified at any point, without assigning any reason thereof.

5.4.5 Start-ups at advanced stage e.g. those that are beyond the Stage of MVP including pilot/ commercial production, Trial (including Clinical, field trials, etc.) market entry, and Scale-up (Typically from TRL 5 & onwards, depending on domains) will primarily be considered u/Seed Investment.

Exception: Existing Established Start-ups (below TRL 5) with/ demonstrating sound corporate governance, significant market traction, and/ or a proven financial track record, may be considered for investment support at early stage (below TRL 5) of the product development cycle, when developing a new product line or diversifying their product portfolio. The decision of Competent authority, in this matter, shall be considered as final.

5.4.6 Recipients under the Scheme shall be considered as incubatees of STBI, in non-negotiable terms, limited to the funding support and services opted under this Scheme. STBI stays open about the applicant being co-incubated with other recognized Incubation/ Acceleration Centres and would seek appropriate documentation to be clearly identified and transparently declared to avoid ambiguity or duplication.

5.4.7 The recipient Start-up shall be obliged to have a representative of STBI in the Board of Directors of the recipient Start-up in the capacity of 'Observer' without voting

rights, but with Veto powers on matters mentioned in the Conditions Precedent of the Share Holding Agreement (SHA).

5.5 Process Flow - Selection, Evaluation and Approval:

5.5.1 Application and Preliminary Assessment

1. STBI shall invite applications through public calls by publishing through national or regional newspapers.
2. Applications shall be accepted **online** through the prescribed mechanism **only**.
3. STBI shall scrutinize applications received to evaluate alignment to eligibility conditions and put up to the Sub-Committee.
4. The Sub-Committee identified, shall undertake Preliminary Assessment and shortlist applications on the basis of identified parameters including scheme fit & alignment with the objectives of the GROWTH Fund; Technology Readiness Level (TRL); Potential of the Innovation to solve the problem envisaged & value proposition; Ability & Strategy of the team to execute the project(s), Valuation as determined by a registered Valuer, etc. parameters, as may be deemed appropriate for the purpose.
5. STBI may seek clarifications, verifications, presentations, voice-over presentation(s), additional documents, expert inputs, or other information deemed necessary; at any stage.
6. The Sub-Committee shall document specific remarks against each applicant that can be shared by STBI with the applicants.

5.5.2 Evaluation and Approval by the Investment Board (IB):

1. The IB shall evaluate the proposals through the findings of the Sub-Committee, the pitch deck presentations of the applicants, and its interactions with the applicant team.
2. While evaluating proposals, the IB may consider, inter alia, feasibility & viability, value proposition, business scalability, execution capability, and any other parameters deemed appropriate.
3. The IB shall recommend OR reject, and thus dispose proposals put before it and shall determine the quantum of investment & its tranches, instruments of investment, milestones, governance rights, and other terms of support.

5.5.3 Post-Approval Due Diligence, Negotiations/ Compliances and Documentation:

1. Following the recommendation (in-principle approval) by the IB, STBI shall undertake or commission such technical, financial, legal, commercial, regulatory,

intellectual property (IP), governance, background verification, valuation, or other **Due Diligence** activities as may be considered necessary.

2. As applicable, STBI may finalise investment structure, valuation, discount & conversion mechanism, governance rights, monitoring framework, board observer rights, board representation rights, reporting obligations, milestone plans, exit provisions, liquidation arrangements, and other commercial or legal terms as directed by Investment Board and /or as approved in the Charter of Funding of STBI.
3. Based on the outcomes of due diligences & negotiations, and having convinced through inclusions of conditions precedent, required corrective actions, additional documentation/ verification, modifications/ negotiated (transaction) terms, implementation of risk mitigation measures, etc.; STBI shall finalize the mutually agreed term sheet.
4. The recommended start-up shall execute such term sheet, agreements, investment documents,—undertakings, declarations, indemnities, governance arrangements, monitoring frameworks, intellectual property provisions, recovery provisions, indemnities, other rights & obligations of the parties or other documents as may be prescribed by STBI.

5.5.4 **Approval of the Competent Authority:**

1. Upon the final approval by the Competent Authority, on the basis of recommendations of the IB; STBI shall release funds as per the terms in the mutually agreed Term-Sheet.

5.6 Fund Disbursal Mechanism:

5.6.1 The disbursal shall often be in a single or a few tranches, as decided mutually during the acceptance of the Term Sheet.

5.7 Important Matters related to Fund Utilisation:

5.7.1 **Permissible Utilisation**

5.7.1.1 **Development or Engineering of Technology or Product**

Product/ Technology Development/ Engineering expenses including Technology (in & out) licensing, Outsourcing for contract R&D, product design, prototyping, pilot scale-up (including by contract/ outsourcing), procurement or temporary (non-civil) modifications to laboratory, production equipment, tools & machinery, etc.; subscription of cloud infrastructure/ technical services, etc. directly supporting approved project milestones.

5.7.1.2 **Intellectual Property Management**

Drafting, filing, prosecution, & maintenance of Intellectual Properties held by the beneficiary Start-up only; Technology landscaping, Freedom-to-Operate studies, etc. associated professional IPR services. ***Expenditure under this Budget Head shall not exceed 15% of the investment sanctioned u/ GROWTH Fund, unless otherwise approved by the Investment Board.***

5.7.1.3 **Regulatory Compliance, Testing & Validation**

Regulatory approvals, certifications, laboratory testing, quality compliance, clinical or field validation, inspections, and other regulatory activities necessary for commercialization. ***Expenditure under this Budget Head shall not exceed 30% of the investment sanctioned u/ GROWTH Fund, unless otherwise approved by the Investment Board.***

5.7.1.4 **Human Resources & Technical Execution**

Remuneration to manpower and Fees/ advisory honorarium to consultants/ agencies/ expert personnel; directly engaged in execution of approved project milestones. ***Expenditure under this Budget Head shall not exceed 30%, including remuneration to founder(s)/ promoter(s) to not exceed 10% of the investment sanctioned u/ GROWTH Fund.***

5.7.1.5 **Market Entry, Business Development & Commercialization**

Customer validation, pilot deployments, sales, marketing, branding, channel development, customer acquisition, commercialization, and other market expansion activities directly supporting business growth.

5.7.1.6 **Business Operations & Working Capital**

Raw materials, consumables, contract manufacturing, packaging, rent, utilities, logistics, insurance, audit, accounting, statutory compliance, software/ database subscriptions, and other recurring operating or working capital expenses directly supporting execution of the approved project milestones.

5.7.1.7 **Travel, Strategic Partnerships & Event Participation**

Domestic travel, boarding, lodging, customer & investor meetings, strategic partnerships, exhibitions, conferences, trade fairs, and registration fees directly supporting the approved project milestones. ***Expenditure under this Budget Head shall not exceed 10% of the investment sanctioned u/ GROWTH Fund.***

5.7.2 Non-Permissible Utilisation

5.7.2.1 Related-Party Payments & Prior Liabilities

Repayment of loans, advances, liabilities, or outstanding dues of promoters, founders, directors, shareholders, associates, related parties, or any external borrowings, including interest, penalties, or other charges arising therefrom.

5.7.2.2 Real Estate & Non-Productive Capital Assets

Purchase of land or real estate, permanent civil construction, structural modifications, or acquisition of capital assets not directly required for execution of the approved business plan.

5.7.2.3 Financial Investments & Lending

Investment in shares, securities, mutual funds, bonds, fixed deposits, cryptocurrencies, inter-corporate deposits, speculative transactions, or other financial instruments, or extension of loans, advances, guarantees, deposits, or any other financial accommodation to any person or entity.

5.7.2.4 Personal, Luxury & Non-Business Expenditure

Creation or acquisition of personal assets, personal expenses, luxury goods, entertainment, gifts, club memberships, or any expenditure resulting in direct or indirect personal benefit to promoters, founders, directors, shareholders, associates, related parties, or any expenditure not directly related to execution of the approved business plan.

5.7.2.5 Activities Prohibited by Law or the Fund

Any activity prohibited under applicable laws, or specifically restricted by STBI, the Investment Board, Apex Authorities, or any other competent authority.

5.7.2.6 Utilisation Inconsistent with the Approved Purpose

Any utilisation inconsistent with the approved business plan, the purpose of investment, or the objectives and guiding principles of the GROWTH Fund.

6. List of Documents to be submitted along with the application.

6.1 List of Documents to be submitted as Mandatory Proofs of Evidence with Grant-in-aid Application:

SN	Eligibility Condition	Valid Proof (Mandatory)
1	**Incorporated in Gujarat as Pvt Ltd / LLP**	MCA Master Data + Certificate of Incorporation (COI)
2	**Not more than 10 years old**	MCA Master Data (Incorporation Date)
3	**Grants ≤ ₹30 lakhs in last 3 years**	CA Certificate + Bank Statements (last 3 years) + Grant Sanction Letters (if any)
4	**Revenue ≤ ₹1 Crore (incl. grants) in last 3 years**	CA Certified Financial Statements + ITR + GST Returns (GSTR-3B optional support)
5	**≥51% ownership with Indian promoters**	MCA Master Data (Shareholding Pattern) + Shareholding Certificate (CA Certified) + PAN/Aadhaar of promoters

6.2 List of Documents to be submitted as Mandatory Proofs of Evidence with Seed Investment Application:

SN	Eligibility Condition	Valid Proof (Mandatory)
1	**Pvt Ltd Company, ≤10 years old**	MCA Master Data + Certificate of Incorporation (COI)
2	**≥51% ownership with Indian promoters**	MCA Master Data + Cap Table (CA Certified) + PAN of promoters
3	**Revenue ≤ ₹100 Crores (last 5 years)**	CA Certified Financial Statements (5 years) + ITR
4	**Incorporated in Gujarat**	MCA Master Data
5	**If incorporated outside Gujarat, must have active operations in Gujarat (manufacturing / processing / R&D)**	TIME CONDITION (All Mandatory): All documents must be from last 6 to 12 months 1. GST Registration (Gujarat – Active Status only) 2. Lease Agreement / Property Ownership + Latest Utility Bill (last 6 months) 3. Shop & Establishment Certificate in case of Service Sector/ Factory License in case of Manufacturing sector / NOTE: GSTR-1 / GSTR-3B may be taken only as supporting cross-verification, not as primary proof

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Department of Science and Technology
Government of Gujarat

Savli Technology & Business Incubator
Government of Gujarat
॥ उद्योजकम् सेवामहे ॥

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