



भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

AAI Start-up Policy



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FOREWORD

India's civil aviation sector continues its strong growth trajectory, emerging as one of the fastest-expanding aviation markets in the world. As passenger traffic and operational complexities increase, Airports Authority of India (AAI) is committed to fostering innovation-driven, efficient and future-ready aviation infrastructure. Start-up ecosystem in India plays a crucial role in this transformation fresh perspectives, cutting-edge technological capabilities and indigenization.

In line with the vision of promoting innovation and supporting the Start-up ecosystem under the AtmaNirbhar Bharat initiative, AAI has recognised the fast-pace technological landscape and therefore updated its Start-up Policy to incorporate learnings from previous experiences for the engagement process of Start-up firms. The revised policy introduces several key improvements such as a simplified governance structure, optimized evaluation cycles, enhanced flexibility of implementation, structured collaboration with premier national institutes and incubators.

The revised Policy will facilitate faster decision-making, improved transparency, enhanced solution quality and greater operational freedom for both Start-ups and AAI. The policy also lays emphasis on field interactions, incubation support where required, and avenues for further development or augmentation of solutions in accordance with AAI's requirements. Through the Start-up Policy, AAI will provide an enabling environment where innovative ideas can rapidly evolve into practical, scalable, and commercially deployable solutions.

I am confident that the updated Start-up Policy will further strengthen AAI's engagement with the innovative Start-up ecosystem and encourage Start-ups across the country to make meaningful contribution to India's aviation growth story. We welcome broader participation and constructive suggestions as we collectively work towards building a modern, smart and globally competitive yet indigenous aviation infrastructure.

**Vipin Kumar, IAS
(Chairman, AAI)**

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Revision History:

Version Number	Version Date	Description	Approved by
1.00	12.01.2024	AAI Start-up Policy – 2024	AAI Board
1.01	02.12.2025	Draft modifications based on previous experiences, feedbacks received from various Government agencies and Start-up firms	Draft
2.00	16.12.2025	AAI Start-up Policy	Chairman, AAI

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1. Introduction

Airports Authority of India (AAI) announced its first start-up policy “AAI Start-up Policy” in the year 2018. Now due to sustained growth of aviation sector in the last few years and the learning from the experience of implementation of few projects under earlier policy and need of the AAI in growing Indian civil aviation market, a revision in the policy is required. This policy aims to broaden the coverage of the earlier policy to enable greater collaboration amongst departments in AAI to engage with Start-up companies.

2. Objective

To establish a world class Start-up ecosystem to promote the culture of innovation and entrepreneurship in the aviation sector of India.

3. Applicability and Amendment

This policy supersedes the previous Start-up policies issued earlier. Applicability of this policy shall be limited to onboarding and further acceleration programs of start-up firms for various problem statements pertaining to AAI.

Any amendment to this policy shall be initiated by ED(IT) & recommended by Member (Operations). Chairman, AAI shall be final authority for approval of amendments to this policy.

Member (Operations) will be the final authority for any clarification/interpretation of this policy.

The projects involving extensive research & development work (R&D) shall not be covered under this policy and may be dealt as per CARO Policy.

4. Governance

IT Directorate, CHQ will normally act as the Nodal Unit for Start-ups in AAI, whereas the concerned directorate of any particular problem statement shall be the incubator. The concerned directorate may also take up the responsibilities of the nodal unit, as applicable under this policy, with the approval of the concerned Member. The following activities shall be undertaken by nodal unit for promotion of Start-up initiatives in AAI –

4.1 Collection of Problem Statements from all directorates, duly approved by concerned Members.

- 4.2 Floating of Expression of Interest (EOI) for the approved Problem Statements.
- 4.3 Coordination with User Directorate for aforesaid activities.
- 4.4 Tracking and monitoring of budget/ expenditure on Start-up initiatives.
- 4.5 Required coordination for Evaluation of solution proposals, along-with conduct of evaluation events/ Hackathon, as required.
- 4.6 Required administrative activities for final approval of selected Start-up solution proposals. However, award of work and further contractual activities shall be carried out by the concerned directorate(s) of the relevant problem statement(s), under the purview of this policy.

5. Calendar for Start-up Engagement

S. No.	Activity	Tentative Dates	Responsibility
I	Issuance of Circular for Identification of Problem Statements	By 15 th April	GM of Nodal Unit/ ED of Nodal Unit
II	Shortlisting & approval of Problem Statements in consultation with Concerned Member	By 31 st May	Concerned GM/ Concerned ED
III	Floating of EOI for engagement of Start-up's and arrangement of Hackathons/ Start-up Evaluation etc. as required	By 30 th June	ED of Nodal Unit in consultation with Concerned ED
IV	Final Evaluation & put-up of proposal for award of work	By 31 st August	ED of Nodal Unit with the recommendations of Concerned Member
V	Final approval by Chairman, AAI	By 15 th September	Concerned ED to put-up through Concerned Member
VI	Award of Work & Signing of agreement	By 30 th September	Concerned GM/ Concerned ED
VII	Project Execution and Performance Monitoring	As required	Concerned GM/ Concerned ED

6. Shortlisting of Problem Statements and Floating of EOI

- 6.1 GM of Nodal Unit will issue internal circular as per calendar for the collection of Problem statements for engaging start-up companies.
- 6.2 All the ED's/ GM's of the concerned User Directorate should send the identified problem statements to the concerned Member within the prescribed timeframe (Ref. Point 5(II)) as per the proforma provided at **Annexure – I**.
- 6.3 The problem statement(s) thus collected shall be reviewed and approved in-principle by the concerned Member as per the area of domain, then the final list will be handed over to ED of the Nodal Unit.

Note: Due diligence shall be ensured by the concerned Directorates while formulating the Problem Statement with clear objectives before floating of EOI. Else, withdrawal of Problem Statement by the concerned Dte. at later stage will invalidate significant man-hours and resources so invested.

- 6.4 Subsequent to in-principle approval, Nodal Unit shall utilize a Central Budget Allocation under head 'New IT Initiatives'. IT Directorate will ensure necessary fund availability under this head.
- 6.5 Financial Concurrence and AA/ES are at this stage is not required for Start-up Projects.
- 6.6 Concerned Directorate shall prepare the Scope of Work (SoW), as per the proforma provided at **Annexure – II**, for the purpose of calling Expression of Interest (EOI) and submit to Nodal Unit.
- 6.7 Subsequent to aforementioned, Expression of Interest (EoI) will be called by Nodal Unit for the approved list of Problem Statements.
- 6.8 Alternatively, Expression of Interest (EoI) can also be floated by respective User Directorate(s) for off-cycle processing of small number of problem statements, under the purview of this policy. Subsequent evaluation & selection of Start-up companies in such case shall be handled by the respective User Directorate through duly constituted committee(s).

7. Selection / Induction Process

Selection of Start-Up Proposal shall be a 3-Stage Process:

- Stage I- Eligibility Screening

- Stage II- Shortlisting & Final Evaluation
- Stage III- Approval

7.1 Stage I - Eligibility Screening

The eligibility screening of proposals submitted by Start-up firms shall be carried out as under:

- a) Nodal Unit will perform the Eligibility Screening.
- b) The eligibility screening will be carried through duly constituted committee approved by ED of the Nodal Unit to assess the proposals only from those entities that can be considered a Start-up firm as per the definition provided under Para 15 of this Policy.
- c) The relevant documents in this regard, such as Certificate of Incorporation, Start-up Registration Certificate, Annual Turn-over since incorporation of the Start-up Firm (duly certified by a CA with valid UDIN) etc. have to be submitted by the interested Start-up Firms. Along with this, the interested start-up firms shall also submit complete solution proposal, for each problem statement they are interested in, with all the sections required for Shortlisting & Final Evaluation.
- d) In addition, the following Eligibility Criteria should also be met: The Start-Up should not have been black-listed by any Government entity. A Declaration to this effect has to be submitted by the interested start-up firms.
- e) AAI reserves its right to verify the documents and information provided by the start-up at any stage. In case of discovery of any discrepancy, furnishing of any false information or document by the Start-up or its promoters, AAI may blacklist the Start-up apart from other legal remedies available.

Note: The evaluation screening to be done based on prevailing criteria of Department for promotion of Industrial and Internal Trade (DPIIT), applicable from time to time, in addition to AAI guidelines laid down in this policy.

7.2 Stage II – Shortlisting & Final Evaluation

7.2.1 **Shortlisting:** AAI shall evaluate the solution proposals from eligible start-up firms for each problem statement through a specially formed Committee for this purpose.

a) The following Criteria will be used for shortlisting of Start-up proposals:

S. No.	Parameter	Maximum Score (50)
1	Technical Feasibility, Solution Architecture, Scalability & Sustainability	10
2	Data Privacy, Cyber Security & Regulatory Compliance Provisions	10
3	Innovation & Uniqueness: Use of Emerging/ Futuristic Technologies, Indigenization, Patentability & IPR Potential	10
4	Availability of Qualified manpower	5
5	Risks involved and Mitigation Plans	5
6	(Investment sought from AAI)	10

* Parameter provided under () is negative marking parameter, e.g. Higher the investment sought from AAI, lower shall be the marks awarded.

b) Composition of Shortlisting Committee will be as below:

- i. Concerned GM from User Dte.
- ii. Two GM level officers from other Directorates.

Note: The committee shall be approved by ED of Nodal Unit. In case of unavailability of GM Level officials, Jt. GM/ DGM level officials, having adequate subject matter expertise, may be nominated by the concerned ED.

c) Qualification benchmark for shortlisting will be 60% of the Maximum Score. If more than three (03) start-up firms meet the aforesaid benchmark, only the top three (03) start-up firms having maximum scores will be considered for Final Evaluation.

- d) Before proceeding to Final Evaluation, the Shortlisting evaluation report should be accepted by ED of Nodal Unit based on the recommendations by the aforementioned Shortlisting Committee.

7.2.2 Final Evaluation: AAI shall further evaluate the shortlisted solution proposals from eligible start-up firms for each problem statement through a specially formed Committee for this purpose.

- a) Composition of Final Evaluation Committee: -
- (i) Concerned ED
 - (ii) ED(FIN-I)/ ED (FIN -II)
 - (iii) Any two external Expert [To be approved by Concerned Member]
- b) ED of the Nodal Unit will act as the Convener of this Committee.
- c) The Committee may also discuss the proposals with the Start-up firms for carrying out the evaluation.
- d) The Committee shall use the following broad criteria for evaluation of the proposals:

S. No.	Evaluation Parameter	Maximum Score (100)
1	Technical Feasibility, Solution Architecture, Scalability & Sustainability	15
2	Data Privacy, Cyber Security & Regulatory Compliance Provisions	15
3	Innovation & Uniqueness: Use of Emerging / Futuristic Technologies, Indigenization, Patentability & IPR Potential	15
4	Availability of Qualified manpower	5
5	Risks involved and Mitigation Plans	5
6	Market Relevance & Alignment with AAI Problem Statement	5
7	Future Roadmap of Start-up	5
8	(Investment Amount Sought from AAI with Plan for Utilization of AAI's Funds)	10
9	Cost-Benefit Assessment (ROI) in favour of AAI	15

S. No.	Evaluation Parameter	Maximum Score (100)
10	(Professional Fee for External Experts (if applicable))	10
11	The resulting solution/ product must have at least 50% local content inline with the MII Policy of GoI	Mandatory compliance – No marks applicable

* Parameter provided under () is negative marking parameter.

- e) The Committee will also discuss and ensure that the milestones, duration of work, payment terms etc are captured in the solution proposal submitted by the Start-up firm.
- f) Thereafter, the Committee shall submit its recommendations for a single selected start-up firm per problem statement, to the Nodal Unit for further action. The committee shall also bear the authority for not recommending any solution proposal for a given problem statement.

7.3 Stage III - Approval

- a) Since Start-up proposal is governed by this start-up policy, no separate AA & ES is required for such proposals.
- b) A Central Budget Allocation under head 'New IT Initiatives' shall be utilised for the solution proposal(s) to be awarded under this policy. IT Directorate will ensure necessary fund availability under this head.
- c) The evaluation carried out during Shortlisting and Final Evaluation as above shall be equivalent to the Technical Sanction (TS).
- d) Financial concurrence shall be obtained by ED of the Nodal Unit, with due recommendation(s) of concerned Member(s).
- e) Subsequent to recommendation(s) of concerned Member(s) and Financial Concurrence, final proposal for each problem statements shall be submitted to Chairman, AAI, by the Nodal Unit.
- f) Chairman, AAI shall be final authority for acceptance of such proposals and for issuance of award letter. Award letter & agreement shall be executed accordingly by the concerned Directorate.

- g) Concerned GM and ED will be responsible for Project Execution and Performance Monitoring.

8. Award Value for selected Start-up Firms

8.1 An amount equal to the award amount, not exceeding INR 5 Crores (exclusive of GST) will be granted for each approved start-up proposal.

8.2 Grant/Payment Terms:

- a) The payment terms will be on completion of milestones identified during evaluation stage, supported by CA certified bills/ expenditure of usage of allocated fund on actual basis including professional fee (if any), for each milestone.
- b) The Start-up shall be required to sign an agreement before commencement of Funding by AAI. The Security Deposit/ Bank Guaranty is not applicable however Indemnity Bond shall be executed by the selected Start-up. The cost for execution of agreement to be borne by Start Up firm.
- c) 5% of the Awarded Value of the Start-up project, not exceeding Rs. 10 Lakhs, may be considered as Advance against submission of Project Charter. The amount will be adjusted at 10% of the Billed Amount against the payment of subsequent Milestones of the Project.
- d) Other Terms and Conditions shall be mentioned in the agreement.

9. Strengthening Start-up

9.1 **Start-up Evaluation Event:** The overall evaluation of a start-up cycle, including shortlisting & final evaluation, may also be carried out at CARO Hyderabad, or any other location as decided by ED of the Nodal Unit. Head of the local AAI establishment in such location shall ensure necessary support to host Start-up Evaluation Event. Shortlisting & Final Evaluation may be carried out in continuation, preferably during the same event, to expedite the process and optimize utilization of resources. In-principle approval of Chairman, AAI shall be required to conduct such an event.

9.2 **Hackathons/ Start-up Conclave:** Hackathons/ Start-up Conclave may be organized annually at CARO Hyderabad or any other location as decided by ED of the Nodal Unit to identify innovative technological solutions from participants across India. In-principle approval of concerned Member shall be required to conduct such an event.

- 9.3 Champion Airport:** AAI may designate any airport(s) as “Champion airport(s)” for Proof of Concepts (PoCs)/ pilot project(s). These Champion airports would be designated based on suitability for implementation of the corresponding solution proposal(s) by the start-up firms. The CARO Hyderabad, RHQs and CHQ may also act as one of the Champion airports.
- 9.4 Field Visit by start-up firms:** User Directorate may organize the field visit of start-up firms, who have participated in the EOI, to facilitate the understanding of real-life aviation environment for implementation of Proof of Concepts (PoCs)/ Pilot Projects. This activity may be taken up post eligibility screening of the participating start-up firms, but preferably before the Evaluation process. Alternatively, a doubt clearing sessions may also be organized by the Nodal Unit in coordination with concerned Directorate(s).
- 9.5 Technical incubation:** Following the award for a solution proposal to a particular Start-up, the selected Start-up may seek technical advice from a premier institute of national importance or other Govt/ Statutory/ Autonomous bodies with expertise in the relevant field. If required, AAI may extend necessary support in this regard for coordination purposes.
- 9.6 Collaboration with National Institutes and Incubators:** AAI may enter into Memorandums of Understanding (MoUs) with premier institutes of national importance or other Govt/ Statutory/ Autonomous bodies or recognized start-up incubators for promoting innovation and entrepreneurship in the aviation sector. Such collaborations may involve a financial grant of an amount not exceeding ₹20 lakh per problem statement, subject to the approval of Chairman, AAI. However, it must be ensured that the other party of the MoU has established start-up promotion, evaluation & selection procedure.
- 9.7 Proof of Concept (PoC) Engagements under NCNC Policy:** Eligible Start-up firms may also opt for Proof of Concept (PoC) projects under ‘No Cost No Commitment (NCNC) Policy’ of AAI to establish innovative solutions for operational and business challenges. Such engagements shall be solely guided by the NCNC Policy of AAI.

10. Acceleration Programs

- 10.1** Acceleration programs are short to medium term mentoring programs to support start-ups with business expansion, once they have scaled up from an idea to formal product launch in the market. This is applicable to all start-up after successful completion of their initial PoC/ Pilot Project with AAI.

10.2 As an incentive to the AAI funded Start-up firms, the following options may be considered by the concerned User Directorate of AAI to continue engagement, through single offer ab-initio negotiation basis for proprietary items in accordance with the provisions of notified Delegation of Powers (DoP).

10.2.1 Further development and/or augmentation of the initial PoC/ Pilot Project.

10.2.2 Subsequent to 01 (One) Year Defect Liability Period (DLP)/ Warranty support included in the PoC, award of further AMC/ CAMC as per requirement.

10.3 Selected start-ups may be provided, subject to availability, access to the domain expertise and knowledge of relevant AAI officials, state-of-the-art infrastructure at CARO (as per CARO Policy of AAI), and infrastructure at the designated champion airport. Infrastructure at the designated champion airport shall be provided free of cost till the UAT phase of the proposed solution or upto specified time period whichever is earlier, in line with Technical Instruction-83 (or subsequent amendments issued thereof from time to time), on submission of security deposit, as applicable.

10.4 In further future procurement/ tender for same/ similar solution(s), AAI shall not be obligated to adopt the specifications of the PoC made by Start-up firm for preparing the technical features/ specifications. The same may be revised or modified as per requirements of AAI.

11. Intellectual Property Rights (IPR)

11.1 IP rights emanating from the work carried out under the scheme shall be owned by the Start-up firm. The associated costs for IPR and necessary certification shall be borne by Start-up firm as project moves ahead from prototype to production, for further business.

11.2 AAI reserves the rights to refuse commercialization of the developed product/solution, in cases of critical national interests.

11.3 AAI reserves the rights to unlimited use and further development of the initial PoC/ Pilot Project for its own use, either by itself or by selected third party agency engaged by AAI. This will not constitute violation/ infringement of IPR.

12. Agreement

12.1 At the time of onboarding/ award an agreement will be signed between the selected Start-ups/ innovators and Airports Authority of India (AAI).

- 12.2 The agreement will enlist roles and responsibilities as well as defined deliverables. Follow on funding will be on the basis of the satisfactory completion of the defined deliverables.
- 12.3 Due to the changing nature of technology and its unpredictability, there would be provision for a change in deliverables.
- 12.4 The team at Concerned User Directorate/ Champion Airport through the AAI project InCharge-will be responsible for evaluating the satisfactory performance of the Start-ups availing the grant.
- 12.5 Any machinery or equipment purchased, utilizing the grant/funding of AAI shall be considered as the asset of Airports Authority of India.
- 12.6 The Start-ups would need to submit fund utilization certificates supported with bills/ expenditure to justify the fund allocation. The differential amount for which utilization certificates are not available, would need to be returned back to AAI by the Start-up company.
- 12.7 Fund allocation will be done in tranches and fulfilment of agreed deliverables would be considered for follow on fund distribution.

13. Exit Clause

In case a Start-up company is unable to complete the project on time, then EOT based on the justification may be granted upto 02 years by AAI or AAI may exit from the awarded work/project by issuing a notice to the Start-up company. In such case, the Milestones/ Deliverables achieved, including deliveries made, if any, by the Start-up Company shall become the Property of AAI and the Start-up Company shall not be allowed to use the same for any other project/ work. Further exit clause(s) may be incorporated as deemed fit during signing of agreement. Such exit proposal shall be initiated by the Concerned User Directorate and approved by the concerned Member.

14. Relaxation norms for Start-ups in public procurement

Relaxation of norms for Start-ups in public procurement regarding Prior Experience and Prior Turnover criteria shall be applicable in AAI in accordance with OM no. DPE/7(4)/2017-Fin. Dated 8.11.2016 issued by Director, Ministry of Heavy Industries and Public Enterprises, Dept. of Public Enterprises and OM No. F.20/2/2014-PPD (pt.) dated 20.09.2016 of Ministry of Finance, Dept. of Expenditure (PPD), and amendments thereof, issued from time to time.

The aforementioned norms shall be applicable irrespective of selection/ engagement of any Start-up firm under this Policy.

15. Definition of Start-up

15.1 An entity shall be considered as a Start-up on fulfilling the conditions defined by Government of India, vide notification No. G.S.R. 364(E) dated April 11, 2018 as modified vide Gazette Notification No. G.S.R. 34(E) dated January 16, 2019 and Ministry of Commerce and Industry GSR 127 (E) dated 19th Feb 2019 (and as may be amended from time to time). In this notification, an entity shall be considered as a Start-up:

- a) Upto a period of ten years from the date of incorporation/ registration, if it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India.
- b) Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded one hundred crore rupees.
- c) Entity is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation.

15.2 Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a 'Start-up'.

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Annexure - I

Proforma for submission of Problem Statements

1. Problem Statement:

<Brief description of the Problem Statement for which a Solution is required, along with relevant examples if possible>

2. Proposed By:

<Name and Designation of the Official, endorsed by Concerned GM/ ED>

3. Relevance/ Usability of the Problem Statement for AAI

<Brief description of the how the envisaged Solution would be used in context of AAI operational requirements, relevant regulations, existing procedures etc.>

4. Expected Benefits:

<Brief description of the expected benefits of the envisaged Solution in terms of regulatory compliance, ease of operation/ business, passenger facilitation, indigenisation of foreign products etc.>

5. Anticipated risks/ challenges:

<Brief description of anticipated risks/ challenges in terms of implementations, procedural changes, stakeholder expectations etc.>

(Signature, Name, Designation of the Proposer)

(Endorsement by Concerned GM / ED)

(In-principle Approval by Concerned Member)

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Annexure - II

Proforma for Scope of Work (SoW)

1. Introduction:

<Brief description of the Problem Statement for which a solution is required, along with relevant examples if possible>

2. Existing Process:

<Brief description of the current AS-IS process carried out by AAI, in as much detail as possible>

3. Proposed Process:

<Brief description of the proposed TO-BE process as envisaged post implementation the solution/ product, in as much detail as possible>

4. Key Requirements:

<Key requirements of the proposed solution, in terms of functional requirements, compliances, data analysis etc.>

5. Security Considerations:

<Both physical and Cyber Security aspects of the envisaged solution/ product, as applicable.>

6. Privacy Considerations:

<Data Privacy/ Non-disclosure aspects of the envisaged solution/ product, as applicable.>

7. Integration Requirements:

<Requirements of integration of the envisaged solution/ product with existing AAI / relevant third-party Systems, as applicable.>

8. Deliverables:

<Detailed list of expected deliverables, including Hardware/ Middleware/ Software, Products, Licenses, Documentations etc. as applicable>

9. Future Scalability:

<Requirements of future scalability of the envisaged solution/ product, as applicable.>

10. Scope of Implementation:

<Detailed scope of design, development, testing, implementation, compliances etc. including specifics about Champion Airport, target population and other relevant details, as applicable.>

11. Exclusions:

<Detailed list of Excluded/ Out-of-Scope items, as applicable.>

(Endorsement by Concerned GM / ED)