



**Department of IT, BT and S&T,
Government of Karnataka**

**Operational Guidelines and Application format for
TECHNOLOGY BUSINESS INCUBATOR (TBI) under the
Startup Policy**

1.1 Introduction

Business incubation has been globally recognized as an important tool for job creation and economic development. Department of IT, BT and S&T, Government of Karnataka (GoK) intends to support Technology Business Incubators primarily in Institutions with strong R&D focus to tap innovations and technologies for venture creation by utilizing expertise and infrastructure already available with the host institution.

1.2 Objectives of TBI

The objective of this scheme is to achieve speedy commercialization of the Technologies developed by the host Institutions.

- To promote and nurture novel technology/innovation based startups.

- To build a vibrant startup ecosystem, by establishing a network

between academia, financial institutions, industries and other institutions.

- To provide services to startups like Infrastructure, equipment, mentoring, branding, networking, legal, financial, technical, intellectual property related services
- The funding is available for Innovations in thrust areas such as ICT/IOT/Software Products, ESDM, Robotics, 3D Printing, Healthcare and Biopharma, Agriculture & Allied Fields, Clean Tech, Energy, Water & its recycling, Education, Nanotechnology & Composites

1.3 Eligibility for Submission of a Proposal of TBI

- a. The proposal shall be submitted by institutions with strong R&D focus. The host institute is supposed to have adequate expertise and infrastructure to support incubation activity. The existing TBI registered as a Section 8 Company/Society will also be eligible to apply to strengthen the facility and operations in case there is a demonstrated linkages with academic Institutions with respect to Technology Commercialization.
- b. The host institution should be in existence for at least 10 years.
- c. A pure R&D proposal for academic pursuits and industrial consultancy will not be eligible for support.
- d. The proposals which are not complete or do not meet eligibility criteria will not be considered.

1.4 Submission of Proposal

Proposal (two hard copies + soft version in MS word document) in the prescribed proforma with the necessary enclosures including consent for Terms & Conditions shall be required to be submitted.

The proposal should be forwarded by the Head of the Host Institute or Incubator along with the endorsement as per the Annexure-I & II. The proposal should be sent to the following address:

Nodal Officer – TBI

ICT Skills Development Society

Directorate of IT & BT, BMTC- Central Offices Building

TTMC 'A' Block, 2nd Floor, Double Road, Shanthi Nagar,

Bangalore, Karnataka - 560027

Phone: +91 - 80 - 2227 - 4400

Email: ceo.itsds@gmail.com

1.5. Acceptance and Processing of Application

The proposals are received throughout the year. However the State Expert Advisory Committee (SEAC) on Innovation, Incubation and Technology Entrepreneurship shall meet at least twice in a year. Any proposal submitted up to one month before the meeting will be placed before the SEAC.

The proposals are evaluated based on the merit and the capability of the Host Institution or TBI in promoting technology based *startups*. The evaluation is done by the SEAC on Innovation, Incubation and Technology Entrepreneurship, constituted by Govt. of Karnataka consisting of experts in

the domain of R&D, technology development & commercialization, entrepreneurship etc. The Department shall take a final decision to support the TBI based on the recommendation of the Committee

The following broad parameters are used for evaluation of the proposals –

- a. Preparedness of Host Institute (HI)/TBI
- b. Team proposing TBI at the HI and capability of HI for promoting startups and innovations.
- c. Approach and Methodology to be adopted
- d. Assessment of TBI reaching projected milestones, co-funding and sustainability of TBI.

1.6 Pre-requisites for Release of Funds

Once the proposal for TBI is agreed in-principle by GoK, the process for the sanction of TBI and subsequent release of funds would be taken up after ensuring the following preliminary actions are taken by the Host Institution:-

- (i) Registration of TBI as a not for profit society/trust or a section 8 company by the Host Institution.
- (ii) Creation of a separate interest bearing bank account under the name of registered TBI.
- (iii) Earmarking of a minimum of 5000 sq. ft. of furnished space for hosting the TBI. The SEAC may examine higher or lower requirements of space on a case to case basis.
- (iv) The minimum period of lease for which the HI should provide land & building is 15 years. It is assumed that HI would continue to provide support beyond the initial lease period. The commitment letter from HI should be enclosed for the same.

1.7 Implementation

- (i) After in-principle approval of the GoK for supporting a TBI, the grant for TBI would be released only after ensuring that all pre-requisites have been fulfilled.
- (ii) The TBI will be administered by the apex body called Governing Body. The Governing Body needs to be chaired by the Head of the Host Institution. The Governing Body of the TBI should meet every six months to review progress of TBI and provide policy guidelines for the operations of TBI. HI and TBI should ensure that the operations of TBI are in line with the sanctioned proposal and activities are tailored to attain projected milestones. The Host Institute should provide adequate autonomy and flexibility to the Chief Executive Officer (CEO) of the TBI to make speedy & transparent decisions.
- (iii) Technology Business Incubator is a specialized facility, hence for its proper day to day operation and management, competent manpower must be recruited. Each TBI would have a dedicated CEO & a compact team with domain knowledge and management expertise, who work full time for TBI only.
- (iv) Host institution would constitute a selection committee with a GoK nominee as a member for the selection of the CEO. A suitable incentive should be evolved by the host institution for the CEO and his team. HI is free to decide on the remuneration of CEO.
- (v) The TBI would evolve a transparent system for selection of incubatees. The incubatees should be admitted fulfilling the admission criteria. TBI should execute appropriate agreement with incubatees. The residency period and the exit policy may also be defined clearly in the agreement.

- (vi) Each TBI is required to have a web-site of its own and should update it on a quarterly basis including the details of incubatees. The website should be connected to the common portal of the department.

1.8 Monitoring

The continuation of support and annual funding to the TBI is entirely performance based and will be reviewed by the SEAC every year. The performance is monitored both in quantitative and qualitative manner by the SEAC. As and when it is felt necessary, a team constituted by GoK may be sent for monitoring the progress of the TBI. In case of significant shortfall in the progress, the support may also be terminated mid-term upon the recommendation of SEAC. It is expected that the TBI attains self-sustenance at the end of five years.

2. GENERAL GUIDELINES

- (i) The proposal should be accompanied by both forwarding letter by the Host Institute (HI) and endorsement from the Head of the Institution.
- (ii) A copy of Bye Laws/Memorandum of Association/AoA of HI is to be attached.
- (iii) The annual accounts/balance sheet of TBI as presented to the Governing Body along with the annual report are required to be made available to GoK.
- (iv) It is expected that at the end of five years the TBI becomes self-sustainable and no further support is requested from the Department. It would be responsibility of the Host Institution and the Governing Body of the TBI to ensure the smooth continuation of activities after completion of 5 yrs.

3. TERMS AND CONDITIONS

- (i) The host institute & the governing body of TBI would put in place a proper mechanism for ensuring proper implementation and execution of Technology Business Incubator (TBI). This mechanism is through a Committee known as the Project Management Committee. This Committee consists of representatives of the Department of IT, BT and S&T, GoK, technical experts and financial experts.
- (ii) The furnished space provided to the TBI by the Host Institute should be on long term lease basis and in the name of not-for-profit entity created for the TBI. The minimum period of lease for which the HI should provide land & building is 15 years and HI should ensure that it will continue to provide support beyond the initial lease period. The commitment letter should be enclosed for the same. This does not apply in case TBI is applying for strengthening its facilities and operations.
- (iii) The grant being released should be exclusively spent for the specified purpose for which it has been sanctioned within the stipulated time. Any unspent balance out of the amount sanctioned, including interest accrued, would be refunded to the GoK.
- (iv) The grantee shall furnish to GoK, utilization certificate and an audited statement of accounts pertaining to the grant as per the prevalent financial rules of Government of Karnataka.
- (v) The grantee is required to send two copies each of following to GoK at the end of each financial year as well as at the time of seeking further installments of the grant, if any.
 - a. Progress report (hard & soft copy);

- b. Audited statement of accounts relating to the amount sanctioned;
and
 - c. Utilization certificate, in the prescribed proforma,
- (viii) All the assets acquired or created from the grant shall be installed in the premises of the TBI (within the allotted space) and not in any other department/Division of the host institute.
- (ix) Assets acquired wholly or substantially out of government grant, shall not be disposed off without the prior approval of GoK.
- (x) TBI would maintain a record of all the capital equipment procured and once these are unserviceable/obsolete/unusable they should be disposed with a prior permission for assets more than Rs. 5.0 lakh from the GoK (if disposed within 3 years of purchase). The fund thus generated from disposal of capital equipment should be flowed back for TBI activities.
- (xi) Concerned officers of GoK or its authorized representatives may visit the organization/TBI for ascertaining the progress of work and attempt to resolve any difficulties that might be encountered in the course of implementation.
- (xii) The grantee will maintain separate audited accounts for the grant. The funds released should be kept in a separate bank account earning interest, the interest earned should be reported to the GoK. The interest thus earned will be treated as a credit to the organization to be adjusted towards further installments of the grant, if any.
- (xiii) The grantee must not entrust the implementation of the work for which the grant is being sanctioned to another institution and divert the grant

receipts as assistance to the latter institution. In case the grantee itself is not in a position to execute or complete the project, it may be required to refund forthwith the GoK, the entire amount of grants-in-aid received by it.

- (xiv) Where support has been provided by GoK under specific conditions accepted by a grantee institution and if it does not comply with these conditions, it will be liable to refund the grant already received in such a manner as may be required by the Government and no further GoK grant will be allowed to such an institution. GoK will not have any liability towards the manpower appointed by the grantee institution for implementation of the project.
- (xvii) GoK will have no responsibility in case of any loss is caused to any life or property due to accident, fire or any other reasons. The Host Institute is required to take appropriate safety and insurance measures to safeguard against any loss to human life and property related to TBI.
- (xviii) The GoK will have no liability on account of any omission or commission of regulatory/statutory requirement by the TBI or its incubatees and their companies.
- (xix) The Grantee will indemnify, defend and hold harmless the Department from and against, and in respect to, any and all losses, expenses, costs, obligations, liabilities and damages, including interest, penalties and attorney's fees and expenses, that the Grantor may incur as a result of any negligent or willful acts or omissions of the Grantee.

PROFORMA FOR SUBMISSION OF PROPOSAL

Please fill up the proforma completely, incomplete proposals are liable to be rejected. Even if information is not available for a particular point please record that information is not available.

1. Executive Summary:

2. Name of the Host Institution/Organization/TBI:

Address :
Phone :
Fax :
E-mail :
Website :

3. Name & Designation of the Head of the Institution/Organization:

Address :
Phone :
Mobile :
Fax :
E-mail :

4. Name, Designation & Contact Details of the TBI Coordinator:

Address :
Phone :
Mobile :
Fax :
E-mail :

5. Name of TBI as Registered Society/Trust or Section 8 Company (if TBI is already registered, enclose a copy of Registration Certificate, Memorandum of Association, etc. related to the TBI)

6. Bank Account Details of TBI:

Name as given in

Account: Account No.:

IFSC Code:

MICR Code:

Name of bank with complete branch
address: (Enclose a copy of cancelled
cheque)

7. Host Institution (HI) Information - General

- I. Number and names of academic departments with number of associated faculty in the department.
- II. Total student strength (separately for UG/PG/Doctorate courses)
- III. Total number of teaching and research faculty with PhD qualification.

8. Host Institute's preparedness for TBI.

8a: Applicable to Institutions WITH pre-existing TBI

- i.** Profile of TBI (which must capture background, duration since inception, focus areas, infrastructure & equipment, capacity, facilities, funds generated, number of startups supported, awards and recognition etc.). It must also include organization structure with one page profile of entire team at TBI.
- ii.** SWOT analysis of TBI with 200 words (50 words in each of the 4 aspects listed below)
 - a. Strengths
 - b. Weakness
 - c. Opportunities
 - d. Threats
- iii.** Justification of why is the institution keen to apply for funding under TBI grant when the institution already has a TBI. This must include the financial and technology expansion plan, short & long-term goals (max 200 words).
- iv.** Details to be provided for past two years for
 - a. Occupancy level or incubator per quarter
 - b. Sustainability of incubator i.e. source of funding for the incubator
 - c. Number of incubates per 1000sq.ft of space
 - d. Survival rate of incubates
- v.** List of Incubatees for past 2 years from date of application with following details

Name of incubate / startup	Duration of stay	Team size occupied at incubation center	Funding received at TBI	Turnover as per their balance sheet	Reason for moving out of TBI

vi. Details of Mentor associated with TBI Network with demonstration of performance for past 2 years from date of application

Name of Mentor	Name of Mentee startup	Duration of association	Sum Total Funding received by all associated startups	Sum Total of Funding received by all associated	Average Annual Turnover of ALL the startups mentor is associated with	
					FY 14-15	FY 15-16

vii. Angel & Venture Funds associated with the TBI for past 2 years as on date of application

Name of Angel & Venture	Number of startups supported	Total sum invested across all startups in TBI	Any other details

- viii.** Total Funds generated (with details of source) by the TBI in past 5 years or since inception (whichever is higher)
- ix.** List of mentoring, networking, enablement activities conducted at TBI for last 2 years. One or two examples of their direct impact on success of the incubating startup may also be mentioned.
- x.** What according to you are key elements of the success factors influencing the performance of the incubator and relationship between them? (100 words)
- xi.** How does the proposed TBI fit in the existing value chain with respect to existing facilities? (100 words)
- xii.** Any other information/success story that you might want to furnish to support your application in up to 100 words.

8b: Institutions which DO NOT HAVE pre-existing TBI

- i.** Experience and Expertise of the TBI Coordinator or probable CEO from Institution identified for the TBI. (Attach a brief CV/bio-data, a person with domain expertise and having conceptual understanding and deep interest for innovation and entrepreneurship would be preferred to steer the TBI till it gets operationalized and thereafter would guide the recruited TBI team and be an active interface between Host Institute and TBI). Briefly explain the contributions of the proposed/recruited TBI team.

- ii.** List best five industrial consultancies undertaken, in the previous three years as per the table given below.

Name of the project	Sponsoring agency	Amount Sanctioned (Rs. Lakh)	Amount Released (Rs. Lakh)	Duration	Outcome

- iii.** Details of patents granted during last five years
- iv.** Details of R&D being carried out in the institution for past 5 years and its outcomes to support and justify this application for TBI
- v.** Awards & Recognition during last five years: Indicate separately for the proposed TBI team.
- vi.** Any other notable activities in innovation and entrepreneurship:
- Indicate details of product development/commercialization
 - Details on entrepreneurship orientation for faculty/and proposed TBI team
 - Details on organization of relevant entrepreneurship development programmes viz. courses, workshops, seminars, competitions, lectures etc. by the institute.
 - List out the network that has been created.
- vii.** Details of Association/Affiliation to
- Industry
 - Reputed National and International Universities & Institutions

- Industry Associations and the charter of doing so
 - Mentors associated with HI
- viii.** How does the proposed TBI plan to fund the prospective incubatees?
- ix.** Details of existing infrastructure to be used by incubatees

9. Feasibility of TBI

To be evaluated based on the institution's strength, preparedness in hosting TBI, business ecosystem, TBI business plan, operating model, systems and processes and effective leadership. Following factors would be considered.

- a. Reasons for the HI to promote TBI (500 words)
- b. Strength of the Institute in hosting TBI
- c. Overall business environment of the location of the host institute and ecosystem in the region
- d. Assessment of entrepreneurial needs
- e. Proposed Thrust Area of Incubation (Please highlight the technology domain that TBI would focus on. This should be aligned with the possibility of promoting economically viable startups)
- f. Notable achievements of existing incubate and graduated companies, if any.
- g. Sources of tapping new incubate entrepreneurs
- h. Financial model of the Incubator for operational sustainability of the TBI after five years as the support is available for first five years only.

10. How much built- up area (in sq.mt./sq. ft.) will be made available for TBI?

(Enclose Layout of the proposed space).

S.No.	Description	Space Proposed (sq.mt./sq ft.)
1	Incubation Space (Cubicles)	
2	Conference Room	
3	Meeting Room	
4	Cafeteria	
5	Office Space	
6	Other details	
	Total	

11. Year-wise work plan for five years (a separate time linked activity chart to be provided along with the detailed work plan.

12. Target milestones (should be projected based on most likely attainable targets)

		1st Year	2nd Year	3rd Year	4th Year	5th Year	Total
	Outcome						
a.	No. of new entrepreneurs to be admitted for incubation						
b.	No. of entrepreneurs to be graduated from the incubator						

c.	No. of new products/technologies to be developed/innovations to be commercialized						
d.	No. of training programmes to be conducted						
e.	No. of conferences/seminars/workshops to be organized						
f.	Other notable services to be provided (specify)						

13. Budget

(Rs. In Lakhs)

Sl. No.	Item of Expenditure*	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total
A	Non-Recurring						
a	Renovation/furnishing of space for TBI excluding the cost of land & building (Provide details as annexure)						
b	Thrust area equipment (Enclose a list with approximate cost)						
c	Office equipment including state-of-the art communication network						
	Total A						
B	Recurring**						
1	Manpower						
2	Travel						
3	Utility and maintenance						
4	Marketing, promotion and publicity						
5	Networking and Training Programmes						

6	Other Administrative Expenses including consumables, printing, publications, books, journals, etc.						
7	Miscellaneous and Contingencies						
	Total B						
C	GoK's contribution (% of B)	100%	100%	80%	60%	50%	
	Total C						
	Total A + C						

* Budget to be submitted along with the justification of each item and a list indicating cost

** Budget break-up of Recurring Expenditure- manpower, utility and maintenance, marketing promotion, training programmes and Miscellaneous & contingencies along with the justification to be given on a separate sheet.

Funding pattern: Out of the total recurring expenditure incurred by the TBI against the approved amount, following mode of funding by GoK would be followed on actual recurring expenditure.

1st Year	2nd Year	3rd Year	4th Year	5th Year
100%	100%	80%	60%	50%

14. Means of Financing:

	Financing	Amount
1	Contribution of GoK towards Non-Recurring grant	
2	Contribution of GoK towards Recurring grant	
3	Contribution of HI towards Non-Recurring grant	
4.	Contribution of HI towards Recurring grant	
6	Revenue Generation from TBI activities	
Total:		

15. Revenue generation projections for sustainability of TBI

Sl. No.	Means of revenue generation	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total
1							
2							
3							
4							
5							
	Total						

16. Attach endorsement from the Head of the Institutions as given at Annexure-I

Name & Signature of the

Name & Signature of the

Head of the Institution/Agency (with seal)

TBI Coordinator (with seal)

Date:

Place:

CERTIFICATE

ENDORSEMENT FROM THE HEAD OF THE HOST INSTITUTION

1. We have gone through and agree to abide by the Terms and Conditions of the GoK grant for TBI.
2. We have not submitted, nor do we intend to submit this, or a similar project proposal, to any other agency for financial or other support. In case we submit a proposal to the other agency and get the support, we will keep GoK informed.
3. We undertake to submit progress reports, statement(s) of accounts, and utilization certificates as required.
4. Certified that Dr/Shri/Smt..... is the TBI Coordinator of the proposed TBI. The TBI Coordinator will assume the responsibility of implementation of the project.
5. Certified that the hardware, other basic facilities and such other administrative support required for successful running of TBI will be extended exclusively to the TBI by Host Institute, as per terms and conditions of the grant.
6. Our institution/agency assures to undertake the complete financial and other management responsibilities of the TBI, and successful running of TBI beyond five years of sanction of TBI by GoK. We are aware that the GoK grant is only for five years.

7. Certified that the minimum period of lease to provide land and building to TBI is 15 years and we will continue to provide support beyond this lease period.

8. If any of the above statements found to be incorrect by GoK at any point of time, the organization takes the responsibility to refund the entire amount released by GoK.

Date.....

Place.....

Name & Signature of
the
Head of
Institution/Agency

FORWARDING LETTER FROM THE HOST INSTITUTE/TBI (on the Letter Head)

I hereby forward the proposal of Technology Business Incubator – “.....” to be established at

It is being ensured that space of.....sq.mt./sq ft and basic facilities will actually be available as and when required for the TBI activities. There shall not be request for additional financial support for procurement of these facilities and space.

It is agreed to abide by the terms and conditions of the GoK grant.

The following documents are enclosed for consideration-

ITEMS	NUMBER OF COPIES
(a) Endorsement from the Head of the Institution (on the Letter Head)	One
(b) Proposal for the TBI duly signed (2 hard & 1 soft copy)	Three
(c) Registration certificate of the TBI	One if applicable
(d) Memorandum	One

of Association of the Host
Institute,
Audited Balance Sheet and
Annual
Report of previous three years of
the
Host Institute.

Date:

Name & Signature
Head of Host
Institute

Place:.....

Presentation Format

Slide 1 & 2: Organizational strengths and past activities relevant to incubation and entrepreneurship.

Slide 3 & 4: List best five industrial consultancy or technology development/innovation undertaken

Name of the project	Sponsoring agency	Amount sanctioned (Rs. In Lakh)	Duration	Outcome

Slide 5:

- ~ Patents Granted/ Applied
- ~ Awards & Recognitions
- ~ Products developed/commercialized

Slide 6: Team Strength

Competence of the Incubator Management Team (Technical and Commercial strengths) Organizational strength in scouting and promoting Innovations

Slide 7 - 8:

Incubation model, proposed thrust area

SWOT Analysis of the proposal

Legal status of proposed TBI, Space to be made available to

the TBI, Duration of long term lease for transfer of space to the TBI

	Description	Space Proposed (sq.m/sq. ft)
1	Incubation Space (Cubicles)	
2	Conference Room	
3	Meeting Room	
4	Cafeteria	
5	Office Space	
	Total	

Slide 9:

Target milestones (should be projected based on most likely attainable targets)

Outcome	Year 1	Year 2	Year 3	Year 4	Year 5	Total
No. of new entrepreneurs to a. be admitted for incubation						
No. of entrepreneurs to be b. graduated from the incubator						
c. No. of new products/						

technologies developed/ innovations to be commercialized No. of entrepreneurs to be d. assisted offsite Other notable services to be e. provided (specify)						
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Please mention the sources of tapping new entrepreneurs/pipeline of potential incubatees for the above projections

Slide 10: Financial Outlay:

Sl. No.	Item of Expenditure	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total
A	Non-Recurring						
a	Renovation/furnishing of space for TBI excluding the cost of land & building (Provide details as annexure)						
b	Thrust Area Equipment (Enclose a list with approximate cost)						
c	Office Equipment including						

	state- of-the art communication network						
	Total A						
B	Recurring						
1	Manpower						
2	Travel						
3	Utility and maintenance						
4	Marketing, promotion and publicity						
5	Networking and Training Programmes						
6	Other Administrative Expenses including consumables, printing, publications, books, journals, etc.						
7	Miscellaneous and Contingencies						
	Total B						
C	GoK contribution (% of B)	100%	100%	80%	60%	50%	
	Total (C)						
	Total A + C						

Slide 11: Means of Financing

S.No	Means of Financing	Amount (lakh)
1.	Contribution of GoK towards Non-Recurring grant	
2.	Contribution of GoK towards Recurring grant	
3.	Contribution of HI towards Non-Recurring grant (towards furnishing, office/ thrust area equipment, software etc.)	
4.	Contribution of HI towards Recurring grant	
5.	Revenue Generation from TBI activities	
	TOTAL	

(Including Assumptions in Revenue Generation Projections)

Revenue Generation Projections:

Sl.No	Means of Revenue Generation	1 st Yr	2 nd Yr	3 rd Yr	4 th Yr	5 th Yr	6 th Yr	Total
1								
2								
3								
4								