

**NATIONAL INITIATIVE FOR DEVELOPING
AND HARNESSING INNOVATIONS
(NIDHI)**

**Technology Business Incubator
(NIDHI-TBI)**

**GUIDELINES
AND
PROFORMA FOR SUBMISSION OF PROPOSAL**



सत्यमेव जयते

Government of India
Ministry of Science & Technology
Department of Science & Technology
National Science & Technology Entrepreneurship Development Board
Technology Bhawan, New Mehrauli Road
New Delhi-110016
(May 2016)

National Initiative for Developing and Harnessing Innovations (NIDHI)

Background

National Initiative for Developing and Harnessing Innovations (NIDHI) is an umbrella programme conceived and developed by the Innovation & Entrepreneurship division, Department of Science & Technology, Government of India, for nurturing ideas and innovations (knowledge-based and technology-driven) into successful startups. The programme would work in line with the national priorities and goals and its focus would be to build an innovation driven entrepreneurial ecosystem with an objective of socio-economic development through wealth and job creation.

NIDHI aims to nurture start-ups through scouting, supporting and scaling of innovations. The key stakeholders of NIDHI includes various departments and ministries of the central government, state governments, academic and R & D institutions, mentors, financial institutions, angel investors, venture capitalists and private sectors. NIDHI is developed keeping in line the new national aspirations and on the basis of DST's experience of three decades, in promoting innovative start-ups.

The key components of NIDHI are –

1. NIDHI-GCC - **Grand Challenges and Competitions** for scouting innovations;
2. NIDHI-**PR**omotion and **Acceleration of Young and Aspiring** technology entrepreneurs (NIDHI-PRAYAS) - Support from Idea to Prototype;
3. NIDHI-**Entrepreneur In Residence** (NIDHI-EIR) - Support system to reduce risk;
4. Startup-NIDHI through Innovation and Entrepreneurship Development Centres (IEDCs) in academic institutions; encouraging Students to promote start-ups;
5. Start-up Centre in collaboration with MHRD; Inculcating a spirit of entrepreneurship in National Institutions of Higher Learning;
6. **NIDHI-Technology Business Incubator (TBI) - Converting Innovations to start-ups;**
7. NIDHI-Accelerator - Fast tracking a start-up through focused intervention;
8. NIDHI-Seed Support System (NIDHI-SSS)- Providing early stage investment;
9. NIDHI Centres of Excellence (NIDHI-CoE) - A World class facility to help startups go global;

Introduction

Business incubation has been globally recognized as an important tool for job creation and economic development. Innovation and Entrepreneurship Division of the Department of Science and Technology, Government of India is supporting Technology Business Incubators primarily in and around academic, technical and management institutions to tap innovations and technologies for venture creation by utilizing expertise and infrastructure already available with the host institution. Recently non-academic institutions have shown interest in setting up NIDHI-TBIs. Technology based new enterprises are high risk and high growth ventures, and require an enabling environment like NIDHI-TBI to enhance the prospects of their success. There are different variants of incubators like - Technology Business Incubators (NIDHI-TBIs); Innovation Hubs; Centers for Innovation & Entrepreneurship; Virtual Incubators and Seed Accelerators.

1.2 Objectives of NIDBI-TBI

- To create jobs, wealth and businesses aligning with national priorities.
- To promote new technology/knowledge/innovation based startups.
- To provide a platform for speedy commercialization of technologies developed by the host institution or by any academic/technical/R&D institution or by an individual.
- To build a vibrant startup ecosystem, by establishing a network between academia, financial institutions, industries and other institutions.
- To provide cost effective, value added services to startups like mentoring, legal, financial, technical, intellectual property related services.

1.3 Eligibility for submitting proposal for establishing a NIDHI-TBI

- a. The proposal is to be submitted by an Academic/Technical/R&D Institution [called Host Institute (HI)] and other institutions with a proven track record in promotion of technology based entrepreneurship. The host institute is supposed to have adequate expertise and infrastructure to support incubation activities.
- b. In case, the host institute is other than an academic institution, it should be a legal entity registered in India with the clear purpose and objective of promoting research, innovation and entrepreneurial ecosystem. It would be desirable to have partnership with at least one academic institute of repute/ technical institutes of repute/existing NIDHI-TBIs or STEPs/institutions/government bodies engaged in promotion of innovation and entrepreneurship.
- c. The financial support for establishing a NIDHI-TBI would be extended to a not-for-profit legal entity registered as a society/trust/section 8 company. DST encourages NIDHI-TBI to collaborate with an industry, an academic institution and with other institutions of repute focusing on innovation, research, commercialization and start-up promotion. **DST does not support for-profit incubators at present.**
- d. The host institution should be in existence for at least 3 years. This will not apply to entities created by the central government or state governments.

- e. A pure R&D proposal for academic pursuits and industrial consultancy will not be eligible for support.
- f. The proposals which are not complete or do not meet eligibility criteria will not be considered.

1.4 Submission of Proposal

- a. Proposal (one hard copy + soft version in MS word document) in the prescribed proforma which is available at <http://www.nstedb.com/> along with the necessary enclosures including consent for Terms & Conditions. The proposal should be forwarded by the Head of the Host Institute along with the endorsement as per the Annexure- I & II. The proposal should be sent to the following address:-

The Member Secretary,
National Science & Technology Entrepreneurship Development Board,
Department of Science & Technology,
Technology Bhawan,
New Mehrauli Road,
New Delhi-110016.

Telefax: +91 11 26517186
E-mail : hk.mittal@nic.in
Website: www.nstedb.com

- b. Enclosures to be submitted with the proposal by the institutions other than the Publicly Funded Institutions

1	Registration Certificate of the Host Institute	One Copy
2	Memorandum of Association and Article of Association of the Host Institute	One Copy
3	Audited Statement of Accounts for the last three years	One Copy each
4	Annual Reports for the last three years	One Copy each

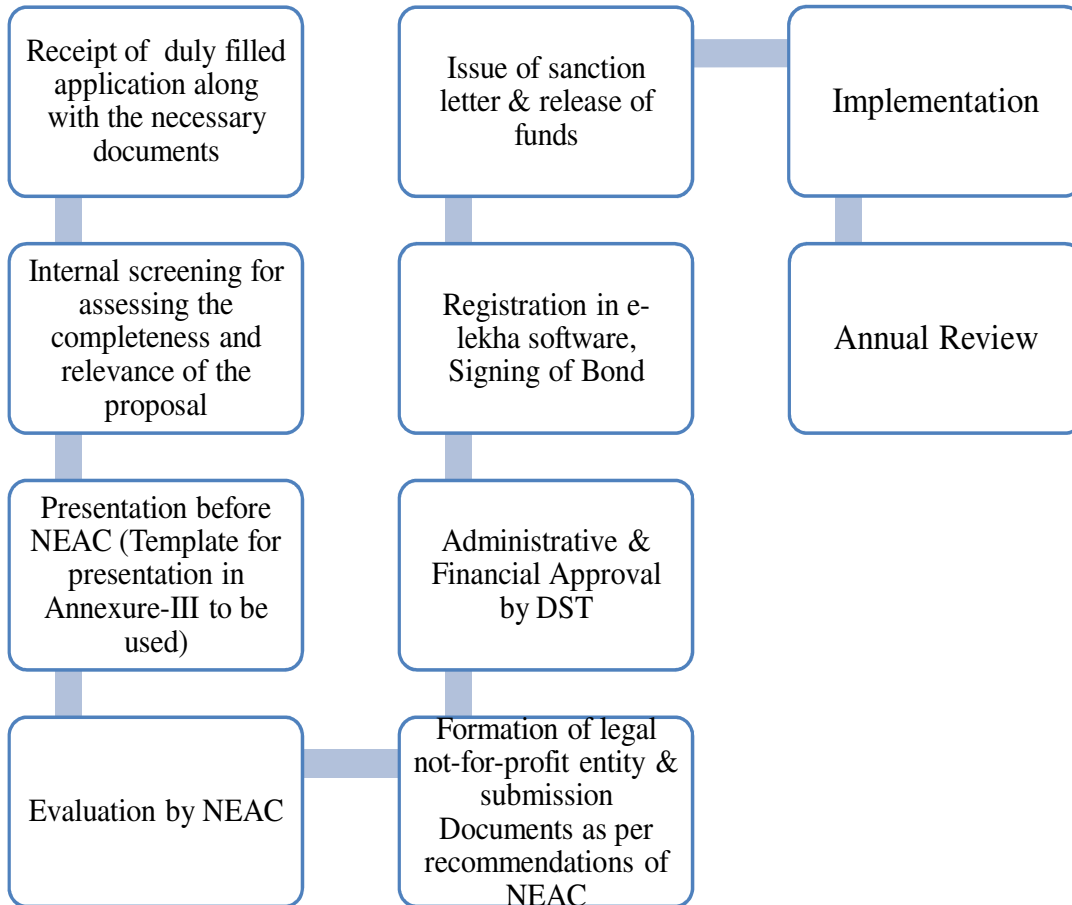
1.5. Acceptance and Processing of Application

The proposals are received throughout the year, however the National Expert Advisory Committee (NEAC) on Innovation, Incubation and Technology Entrepreneurship meets at least twice in a year. Any proposal submitted up to one month before the meeting will be placed before the NEAC for evaluation.

1.6. Evaluation of Proposal

The proposals are evaluated based on the merit and the capability of the Host Institution in promoting technology based startups. The evaluation is done by the National Expert Advisory Committee on Innovation, Incubation and Technology Entrepreneurship, constituted by the Department consisting of experts in the domain of R&D, technology development & commercialization, entrepreneurship etc. The Department shall take a final decision to support the NIDHI-TBI based on the recommendation of the Committee.

EVALUATION PROCESS FLOW CHART



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

- a. Preparedness of Host Institute (HI)/NIDHI-TBI
- b. Team proposing NIDHI-TBI at the HI and capability of HI in promoting startups and innovations.
- c. Approach and Methodology to be adopted, innovative content and pipeline of potential incubatees.
- d. Assessment of realization potential of projected milestones, co-funding and sustainability of NIDHI-TBI.

1.7 Pre-requisites for Release of Funds

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

- (i) Registration of NIDHI-TBI as 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 NIDHI-TBI.
- (iii) Earmarking of a minimum of 20000 sq. ft of furnished space for hosting the NIDHI-TBI. The NEAC 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 30 years. It is assumed that HI would continue to provide support beyond the initial lease period. A commitment letter from HI for leasing out of furnished space should be submitted along with the application.

1.8 Implementation

- (i) After in-principle approval of the Department of Science and Technology for supporting a NIDHI-TBI, the grant for NIDHI-TBI would be released only after ensuring that all pre-requisites have been fulfilled.
- (ii) The NIDHI-TBI will be administered by a Governing Body/ Board chaired by the Head of the Host Institution. The Governing Body of the NIDHI-TBI should meet every six months to review progress of NIDHI-TBI and provide policy guidelines for the operations of NIDHI-TBI. HI and NIDHI-TBI should ensure that the operations of NIDHI-TBI are in line with the sanctioned proposal and activities are tailored to attain projected milestones. The Government Body should provide adequate autonomy and flexibility to the Chief Executive Officer (CEO) of the NIDHI-TBI for making 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 NIDHI-TBI would have a dedicated CEO & a compact team with domain knowledge and management expertise, working full time for NIDHI-TBI.
- (iv) Host institution would constitute a selection committee with a DST nominee as a member for the selection of the CEO. A suitable incentive mechanism (share of surplus, earning of NIDHI-TBI, equity stake, etc) should be evolved by the host institution for the CEO and his team. HI shall be free to decide on the remuneration of CEO. The DST grant for the salary for the CEO will be limited to Rs.1.75 lakhs p.m. or actual whichever is lower. This limit of Rs.1.75 lakhs p.m. is fixed in the year 2016-17 and would get revised every year with a hike in salary of 10%.

- (v) The NIDHI-TBI would evolve a transparent system for selection of incubatees. The incubatees should be admitted fulfilling the admission criteria. NIDHI-TBI should execute appropriate agreement with incubatees. The residency period and the exit policy may also be defined clearly in the agreement.
- (vi) Structure of NIDHI-TBI: The NIDHI-TBI should have a capacity to incubate at least 30 ventures at a time. It should have common facilities, labs, 'Design, Dies & Development (3D)' rooms, meeting rooms, video conferencing facility, high bandwidth net/WIFI, co-working space, recreational facilities, etc. Emphasis should be put in creating proper visibility of the NIDHI-TBI through display boards in and around campus, and in social media. NIDHI-TBI should work on building its in-house capabilities in conducting Accelerator/Startup-Resonators programs, funding startups, creating a mentor pool etc.
- (vii) Each NIDHI-TBI is required to have a web-site of its own with details of its incubatees and should update it on a regular basis (at least quarterly).

1.9 Monitoring

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

2. GENERAL GUIDELINES

- (i) DST/NEAC has priority areas for supporting NIDHI-TBIs. The current focus areas are manufacturing, agriculture, healthcare, clean-tech, energy, water and Internet of Things (IOT).
- (ii) To apply for hosting NIDHI-TBI, the host institution should fulfill the criteria of eligibility as given in para 1.3.
- (iii) The proposal should be accompanied by both forwarding letter by the Host Institute (HI) and endorsement from the Head of the Institution. In case of educational institute (Head of the Institution) should forward the proposal. In case of partnership with state government institutions/state corporations/other institutions of repute the application should be forwarded by the Head of the partner institution. The application can also be forwarded by the State S&T Councils if they are partners in setting up NIDHI-TBIs.
- (iv) A copy of Bye Laws/Memorandum of Association in case of registered Society/Trust, Registration Certificate of the Private/other organizations acting as a Host Institute is to be attached with the proposal. In case of incubators in non-academic institutions, if they have partnership with other academic institutions, R&D organizations or industries, a copy of MoU should be submitted along with the application.
- (v) In case of sector specific incubators/technology incubators, the support for capital equipment for the use of incubatees would be considered by DST in the first year of initial sanction of the NIDHI-TBI while in case of non-sector specific incubators it will be considered after 4-5 incubatees are in place or NIDHI-TBI has completed at least one year of operation. A provision of annual maintenance of the equipment may be built in the annual recurring costs after the expiry of warranty period of the equipment.
- (vi) The incubator may apply separately under Seed Support System (SSS) scheme of DST after minimum of five number of incubatees are in place and there is a genuine requirement of seed support for nurturing the incubatees to take their start ups to next level. The guidelines and the proforma for application for Seed support may be accessed at www.nstedb.com.
- (vii) The annual accounts/balance sheet of NIDHI-TBI as presented to the Governing Body along with the annual report are required to be made available to DST.
- (viii) It is expected that at the end of five years the NIDHI-TBI becomes self sustainable and no further support is requested from DST. It would be responsibility of the Host Institution and the Governing Body of the NIDHI-TBI to ensure the smooth continuation of activities after completion of 5 yrs.
- (ix) The release of grants after the first year and each subsequent year is subject to satisfactory performance of NIDHI-TBI. For this purpose the progress of work and achievement of milestones is to be sent by NIDHI-TBI to DST in the prescribed format.

- (x) In case of any kind of problem in the implementation of the programme, the same needs to be documented properly and brought to the knowledge of the NIDHI-TBI Governing Body and then to DST as early as possible. This will include inability to get adequate number of incubatees, frequent leaving of incubatees, inability to meet targets all along etc. In view of the problems, an action plan has to be sent to DST.
- (xi) Non-performance and non-compliance to the conditions required for sustainable incubation may result in discontinuation of further support and refund of unspent DST grant.

3. TERMS AND CONDITIONS

- (i) As per the latest instruction by Controller General of Accounts (CGA), Government of India, the grantee institution is required to register at CGA website (<http://pfms.nic.in>) to facilitate release of funds.
- (ii) All NIDHI-TBIs are required to execute a Bond (in prescribed proforma) on a non-judicial stamp paper before any grants-in-aid are released to them.
- (iii) The Host Institute /Governing Body of NIDHI-TBI would put in place a proper mechanism for ensuring proper implementation and execution. This mechanism is through a Committee known as the Project Evaluation & Monitoring Committee. This Committee consists of representatives of the DST, technical experts and financial experts.
- (iv) The furnished space provided to the NIDHI-TBI by the Host Institute should be on long term lease basis and in the name of not-for-profit entity created for the NIDHI-TBI. The minimum period of lease for which the HI should provide land & building is 30 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.
- (v) 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 Govt. of India by means of an Account's Payee Demand Draft drawn in favor of Drawing & Disbursing Officer, Department of Science & Technology, payable at New Delhi.
- (vi) The grantee shall furnish to Department of Science and Technology, utilization certificate and an audited statement of accounts pertaining to the grant as per the prevalent financial rules of Government of India.
- (vii) The grantee is required to send two copies each of following to Department of Science and Technology 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 NIDHI-TBI and not in any other department/Division of the host institute, unless specifically approved by the Department of Science and Technology on the recommendation of the NEAC.
- (ix) Assets acquired wholly or substantially out of government grant, except those declared as obsolete and unserviceable or condemned in accordance with the procedure laid down in the General Financial Rules (GFR), shall not be disposed off without the prior approval of the Department of Science and Technology.
- (x) NIDHI-TBI would maintain a record of all the capital equipments procured and once these are unserviceable/obsolete/unusable they should be disposed with a prior permission for assets more than Rs.1.00 lakh from the Department of Science and Technology. The fund thus generated from disposal of capital equipments should be flowed back for NIDHI-TBI activities.
- (xi) Concerned officers of DST or its authorized representatives may visit the organization/NIDHI-TBI for ascertaining the progress of work and attempt to resolve any difficulties that might be encountered in the course of implementation.
- (xii) The Controller and Auditor General (CAG) of India at his discretion shall have the right of access to the books of account for the grant received from the Government.
- (xiii) 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 Department of Science and Technology. The interest thus earned will be treated as a credit to the organization to be adjusted towards further installments of the grant, if any.
- (xiv) 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 Department of Science and Technology, the entire amount of grants-in-aid received by it.
- (xv) DST reserves the right to terminate support to the project at any stage, if it is convinced that the grant is not being utilized properly or that appropriate progress in the project work is not being made.
- (xvi) Where support has been provided by DST 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 DST grant will be allowed to such an institution.

- (xvii) DST will not have any liability towards the manpower appointed by the grantee institution for implementation of the project.
- (xviii) DST 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 NIDHI-TBI.
- (xix) The DST will have no liability on account of any omission or commission of regulatory/statutory requirement by the NIDHI-TBI or its incubatees and their companies.
- (xx) The Grantee will indemnify, defend and hold harmless the Department of Science and Technology (Grantor) 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:

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 NIDHI-NIDHI-TBI Co-ordinator:

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

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

6. Bank Account Details of NIDHI-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.

*Non-academic/other institutions may provide details on core activities, team & resources available.

8. Host Institute's preparedness to host NIDHI-TBI

- I. Experience and Expertise of the NIDHI-TBI Coordinator or probable CEO from Institution identified for the NIDHI-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 NIDHI-TBI till it gets operationalized and thereafter would guide the recruited NIDHI-TBI team and be an active interface between Host Institute and NIDHI-TBI). Briefly explain the contributions of the proposed/recruited NIDHI-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. Awards & Recognition during last five years: Details of Recognitions & Awards won. Indicate separately for the proposed NIDHI-TBI team.
- V. Any other notable activities in innovation and entrepreneurship:
 - a. Indicate details of product development/commercialization,
 - b. Details on entrepreneurship orientation for faculty/and proposed NIDHI-TBI team,
 - c. Details on organization of relevant entrepreneurship development programmes viz. courses, workshops, seminars, competitions, lectures etc by the institute.

9. Feasibility of NIDHI-TBI

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

- a. Reasons for the HI to promote NIDHI-TBI (500 words)
- b. Strength of the Institute in hosting NIDHI-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 NIDHI-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 NIDHI-TBI after five years as the DST support is available for first five years only.

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

S.No.	Description	Space Proposed (sq.mt./sq ft.)
1	Incubation Space (Cubicles)	
2	Design, Dies and Development (3D) rooms and common facility labs	
3	Conference Room	
4	Meeting Room	
5	Co-working space	
6	Cafeteria/Recreational facility	
7	Office Space	
	Total	

Enclose Layout of the proposed space.

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)

	Outcome	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total
a.	No. of new ventures to be admitted for incubation						

b.	No. of ventures to be graduated from the incubator						
c.	No. of new products/technologies to be developed/innovations to be commercialized						
d.	No. of Idea Accelerators/Resonators to be conducted						
E	No. of Startup Accelerators/Resonators to be conducted						
F	No. of Startups to be funded by the NIDHI-TBI						
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*	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total
A	Non-Recurring						
a	Renovation/furnishing of space for NIDHI-TBI excluding the cost of land & building (Provide details as separate Annexure)						
B	Thrust area equipment (Enclose a list with approximate cost)						
C	Design, Dies and Development (3D) rooms and common facility labs, FAB lab						
D	Office equipment including state-of-the-art communication network, video conferencing facility						
	Total A						
B	Recurring**						
1	Manpower						
2	Travel						
3	Utility and maintenance						
4	Marketing, networking & publicity						
5	Accelerator /Startup-Resonators and Training Programmes						
6	Other Administrative Expenses including consumables, printing, publications, books, journals, etc.						
7	Miscellaneous and Contingencies						
	Total B						
	Total Project Cost (A+B)						
C	DST's contribution (% of B)	100%	100%	80%	60%	40%	
	Total C						
	Total DST contribution (A + C)						

* Budget to be submitted along with the justification of each item and a list indicating cost along with the quotations for the thrust area equipment, office equipment under non-recurring expenditure on a separate sheet.

** 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 NIDHI-TBI against the approved amount, following mode of funding by DST would be followed on actual recurring expenditure.

<i>1st Year</i>	<i>2nd Year</i>	<i>3rd Year</i>	<i>4th Year</i>	<i>5th Year</i>
100%	100%	80%	60%	40%

14. Means of Financing:

	Means of Financing	Amount
1	Contribution of DST towards Non-Recurring grant	
2	Contribution of DST towards Recurring grant	
3	Contribution of HI towards Non-Recurring grant	
4.	Contribution of HI towards Recurring grant	
5.	Revenue Generation from NIDHI-TBI activities	
Total Project Cost:		

15. Revenue generation projections for sustainability of NIDHI-TBI

Sl. No.	Means of revenue generation	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th 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
Head of the Institution/Agency (with seal)
(with seal)

Name & Signature of the
NIDHI-TBI Co-ordinator

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 DST grant for NIDHI-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 DST informed.
3. We undertake to submit progress reports, statement(s) of accounts, utilization certificates as required.
4. Certified that Dr/Shri/Smt..... is the NIDHI-TBI Co-ordinator of the proposed NIDHI-TBI. The NIDHI-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 NIDHI-TBI will be extended to the NIDHI-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 NIDHI-TBI, and successful running of NIDHI-TBI beyond five years of sanction of NIDHI-TBI by DST. We are aware that the DST grant is only for five years.
7. Certified that the minimum period of lease to provide land and building to NIDHI-TBI is 30 years and we will continue to provide support beyond the initial lease period.
8. If any of the above statements found to be incorrect by DST at any point of time, the organization takes the responsibility to refund the entire amount released by DST.

Date.....
Place.....

Name & Signature of the
Head of Institution/Agency

Annexure-II

**Template for FORWARDING LETTER FROM THE HOST INSTITUTE
(on the Letter Head of HI)**

I hereby forward the proposal of NIDHI-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 NIDHI-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 DST 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 NIDHI-TBI duly signed (2 hard & 1 soft copy)	Two
(c) Registration certificate (if any) of the NIDHI-TBI	One
(d) Registration Certificate, Memorandum of Association of the Host Institute, Audited Balance Sheet and Annual Report of previous three years of the Host Institute.	One

Date :

Name & Signature
Head of Host

Institute Place:.....

Funding Guidelines for NIDHI-Technology Business Incubator (NIDHI-TBI)

These guidelines are suggestive in nature as innovation goes beyond guidelines adequate flexibility and speed is desirable on case to case basis. The guidelines will be applicable to the cases recommended in the meeting of National Expert Advisory Committee on Innovation, Incubation and Technology Entrepreneurship (NEAC), and all the proposals sanctioned subsequently.

1. Eligibility of the Host Institute/Organization

Any Academic/Technical/R&D and other Institutions engaged in promotion of innovation, technology development & commercialization or involved in promotion of startups can act as Host Institute (HI).

2. Roles and Responsibility of Host Institute/Organization

- a. The HI would provide land and building (furnished) and utilities for establishing the NIDHI-TBI. On a case to case basis DST will examine providing support for utilities and furnishing of space.
- b. The HI would register NIDHI-TBI as a separate legal entity either as not-for-profit society/Trust or a section 8 company and will also open a separate interest savings bank account.
- c. The HI would provide all the support in establishing and running the NIDHI-TBI in an efficient manner. In case there is overrun in the budget of NIDHI-TBI the HI would meet the additional expenditure. The HI would also provide access to other facilities of HI to NIDHI-TBI.
- d. HI would earmark a minimum of 20,000 sq.ft of furnished space for hosting the NIDHI-TBI. The NEAC may examine lower requirements of space on a case to case basis for institutions with exceptional capabilities. The amount provided to the HI for renovation would be reduced proportionately.
- e. The minimum period of lease for which the HI should provide land and building is 30 years and it will continue to provide support beyond the initial lease period.
- f. The NIDHI-TBI would evolve suitable guidelines and norms for day to day operations in consultation with the HI. These norms should be transparent and should facilitate quick decision making.

3. Partner Institution/Organization

In the past few years a new category of HI has emerged which are state governments, corporations and corporate R&D institutions. Some of these are institutions of repute focusing on innovation, research, commercialization and start-up promotion. The role of such partners is to commit resources both in terms of finances as well as other resources, which include land and building, manpower and equipment. The annual maintenance cost will be borne by DST in such cases.

4. Funding Support

The NIDHI-TBIs require different levels of support depending upon technology domain, number of incubatees, and business model of an incubator. Typically biotechnology incubators, nanotechnology incubators, incubators in manufacturing sector require more investment than IT incubator. The following upper limits of expenditure have been suggested for incubators to be supported by DST.

Sl. No.	Item of Expenditure*	Project cost	DST's support Upper Limit		Share of HI & NIDHI-TBI	
			Public Inst.	Others	Public Inst.	Others
A	Non-Recurring					
a	Renovation/furnishing of space for NIDHI-TBI ; (20,000 sf ; @ 600 psf); (Furniture / Test Benches / Installations; Incubation Cubicles and Spaces / Interaction Centres) excluding the cost of land & building	120.00	120.00	50.00	0.00	70.00
b	Thrust Area Equipment (Equipment / Machineries; Clean Rooms / Test Rigs / IT Systems; Instruments/Tools & Dies/Measuring Devices, etc)	500.00	500.00	300.00	0.00	200.00
c	D&D Rooms (Dies & Designs, FAB lab)	100.00	100.00	50.00	0.00	50.00
d	Office Equipment including state-of-the art communication network, Video Conferencing Facilities	50.00	50.00	30.00	0.00	20.00
e	Contingencies for non-recurring expenditure and other items	30.00	30.00	20.00	0.00	10.00
	Total A	800.00	800.00	450.00	0.00	350.00
B	Recurring					
1	Manpower**(Core Management Team / Mentors and Tech Support Persons / Business Development Professionals)	370.00				
2	Travel (@ Rs. 40,000 pm)	25.00				
3	Utility and maintenance	130.00				
4	Marketing, networking & publicity	120.00				
5	Training Programmes, Events, and Startup-Resonators	185.00				
6	Other Administrative Expenses including consumables, printing, publications, books, journals, etc.	80.00				
7	Miscellaneous and Contingencies	40.00				
	Total Recurring	950.00	700.00	700.00	250.00	250.00
	Total Project cost (A+B)	1750.00	1500.00	1150.00	250.00	250.00

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

quotations for the thrust area equipment, office equipment under non-recurring expenditure on a separate sheet and budget break-up of recurring expenditure- manpower, utility and maintenance, marketing promotion, training programmes on a separate sheet.

**DST grant for manpower would be calculated on the basis of the following upper limits indicated in the Table 1 Suitable provisions can be made for honorarium and consultancy charges for mentors and experts.

Manpower breakup

		1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total	Proposed
	Monthly	Yearly	10% increase					
CEO								
Incubation Manager								
Accountant cum Administrator								
Executive officer								
Support staff								
*Honorarium/ consultancy charges								
	Total							

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

1st Year	2nd Year	3rd Year	4th Year	5th Year
100%	100%	80%	60%	40%

Tentative budget break-up for Recurring expenditure is given below:

A. Non-Recurring/Capital

- **Renovation/Furnishing-** For publically funded institutes like IITs/NITs etc. a 100% support can be provided. In case of other institutions certain percentage of the total cost (excluding land & building) will be provided as given above and remaining shall be provided by the Host Institute/NIDHI-TBI either by direct contribution or through revenue generation.
- **Capital Equipment-** A provision of annual maintenance of the equipment may be built in the annual recurring costs after the expiry of warranty period of the equipment.

B. Recurring

Host institution would constitute selection committee with DST nominee as a member for selection of the CEO. A suitable incentive mechanism (share of surplus, equity stake, etc) should be evolved by the host institution for the CEO and his team. HI shall be free to decide on the remuneration of CEO. The DST grant for the salary for the CEO will be limited to Rs.1.75 lakh p.m. or actual whichever is lower. This limit of Rs.1.75 lakh is fixed in the year 2016-17 and would undergo revision every year with a hike of 10%.

DST would meet the deficit arising out of annual expenditure to be incurred and revenue to be generated per year for a maximum period of five years. Any additional funds if required would be met by the host institution.

Any deviations from the above norms can be taken up by specific approval by NEAC and Secretary, DST subject to full justification being recorded for such deviations.

5. Mid-Term Changes in Operation and Budget of NIDHI-TBI

Any change or revision required during the implementation not covered above would be considered by the National Expert Advisory Committee (NEAC) on Innovation, Incubation and Technology Entrepreneurship, such changes will be considered if these result in enhancing operational effectiveness of the NIDHI-TBI substantially.

A. Revision in Equipment List

During the implementation stage NIDHI-TBI may approach for the revision (if necessary) in the sanctioned equipment list due to technological obsolescence/availability of superior products/change in industry/market requirement, for enhanced operational effectiveness of NIDHI-TBI. In such cases, the NIDHI-TBI should make a formal request proposing the changes in the list of equipment with proper justification and after a clear recommendation by their Monitoring Committee and Governing Body.

B. Revision in the Operating Business Plan

As far as possible the NIDHI-TBI is expected to adhere to the sanctioned business plan. In case the plan needs to be modified, minor changes are permissible within the overall sanctioned funds from the Department, which do not alter the agreed contribution of DST. However, in few exceptional cases the revision in the business plan for enhancing operational effectiveness of NIDHI-TBI would be considered by the Division after vetting by the Chairman of National Expert Advisory Committee (NEAC). The case can be processed and will be reported in the next meeting of NEAC.

Relaxation of the above Guidelines in any specific case can be considered by the NEAC and would be recommended to the Department with full justification for final approval in that case.
