

Scheme of assistance for Incubators and Start-ups under Electronics & IT/ITeS Start-up Policy for the State of Gujarat (2016-21)

Government of Gujarat
Science & Technology Department
Resolution No. ITS/10/2015/5284/IT
Sachivalaya, Gandhinagar
Dated: 06th June, 2016

Read: Electronics & IT/ITeS Start-up Policy for the State of Gujarat (2016-21) dated 06th June, 2016.

Preamble

The Government of India has declared the decade 2010-20 as the 'Decade of Innovation'. While enunciating Science, Technology and Innovation Policy, 2013 the Government of India has stressed upon the need to synergise Science, Technology and Innovations. With an objective of taking forward Technology and Innovation, in their applied form, for benefit of mankind and to deliver faster, sustained and inclusive, the entrepreneurial spirit is required to be encouraged. Side-by-side, a right ecosystem needs to be created which allows nurturing of ideas, development of concepts in to tangible products and necessary creation of business linkages so that a culture of booming Start-up industry is created and sustained. In that context, the Government of India has notified its Start-up policy recently.

Over last two decades, a majority of innovations and value creation has centred on application of Information and Communication Technology (ICT). Consistent with the global trend and to nurture entrepreneurship and innovation in Electronics & IT/ITeS sector, the Government of Gujarat has issued an Electronics & IT/ITeS Start-up Policy. The task of preparing scheme to operationalise the Electronics & IT/ITeS Start-up policy of Gujarat was under consideration of the Government of Gujarat. In consideration thereof, the Government of Gujarat resolves as under:

Resolution

In view of the vision, objectives laid out under Electronics & IT/ITeS Start-up Policy' (2016-21) (referred herein under as the "Tech Start-up policy"), the Government of Gujarat is pleased to introduce a "Scheme

of assistance for Incubators and Start-ups” which will come into force from the date of issuance of this Government Resolution (GR) and will remain in operation till the operative period of the Tech Start-up Policy.

1. Definitions

1.1. All the definitions as specified under the Tech Start-up Policy shall have the meaning as specified therein.

1.2. **‘Eligible Start-up’** An entity shall be considered a start-up if it meets the definition of startup as decided by the Government of India from time to time. To begin with, an entity shall be considered as a ‘Startup’ –

- (i) Up to five years from the date of its incorporation/registration,
- (ii) If its turnover for any of the financial years has not exceeded Rupees 25 crore, and
- (iii) It is working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property;

Provided that any such entity formed by splitting up or reconstruction of a business already in existence shall not be considered a ‘startup’;

Provided further that in order to obtain tax benefits a startup so identified under the above definition shall be required to obtain a certificate of an eligible business from the Inter-Ministerial Board of Certification consisting of:

- (a) Joint Secretary, Department of Industrial Policy and Promotion,
 - (b) Representative of Department of Science and Technology, and
 - (c) Representative of Department of Biotechnology.
- (iv) Entity means a private limited company (as defined in the Companies Act, 2013), or a registered partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2002).

- (v) An entity shall cease to be a startup on completion of five years from the date of its incorporation/registration or if its turnover for any previous year exceeds Rupees 25 crore.
- (vi) Turnover is as defined under the Companies Act, 2013. 4.
- (vii) An entity is considered to be working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property if it aims to develop and commercialize:
 - (a) A new product or service or process, or
 - (b) A significantly improved existing product or service or process that will create or add value for customers or workflow.

Provided that the mere act of developing:

- a. products or services or processes which do not have potential for commercialization, or
- b. undifferentiated products or services or processes, or
- c. products or services or processes with no or limited incremental value for customers or workflow

would not be covered under this definition.

- 1.3. **‘Eligible Incubator’** for the purposes of this policy means an organisation registered as an incubator, engaged in accelerating the growth of start-ups through host of support services and resources such as space, funding support, mentoring, market linkages and business management services, which incubates minimum 10 incubatees at a time and out of which more than 50% are from Electronics or IT/ITeS sector or from Bio-informatics.
- 1.4. **‘IT/ITeS’** reference to IT/ITeS units under this scheme shall have meaning assigned to IT/ITES under the IT/ITeS Policy of the State Government.
- 1.5. **‘ESDM’** reference to Electronics or ESDM under this scheme shall have meaning assigned to ESDM sector under the Electronics Policy of the State Government.

- 1.6. **'Gross Fixed Capital Investment'** (GFCI) means the investment made in required building, furnishing, hardware and other related fixed assets. Investment made in land will be excluded from computation of Gross Fixed Capital Investment.
- 1.7. **'Empowered Committee'** shall have the meaning as defined in para 6 of this GR.
- 1.8. **'Competent Authority'** shall have the meaning as defined in para 7 of this GR.

2. Assistance Available for Eligible Incubators: An incubator shall have the option of choosing incentives either under the Start-up Policy of Industries and Mines Department or under this policy of the State Government, subject to fulfillment of requirements as indicated in definition of an 'Eligible Incubator', in addition to any other incentives that they might be entitled to under the Government of India schemes, the State Government will provide following incentives to the eligible incubators:

- 2.1. **Capital Assistance:** Eligible Incubators will be provided one-time capital assistance at the rate of 50% of Gross Fixed Capital Investment (GFCI), excluding cost of land, for setting up an incubator, subject to a ceiling of Rs. 50 lakhs.
- 2.2. **Mentoring Assistance:** Eligible Incubators will be entitled to a mentoring assistance of Rs. 5 lakh per annum.
- 2.3. **Operating Assistance:** Eligible Incubators will be entitled to a matching grant of 25% of funds mobilized by them from non-governmental sources, subject to a ceiling of Rs. one crore per annum for meeting their operational expenses.
- 2.4. **Assistance for Procurement of Software:** Government will support the procurement of key software required for development and testing purpose at incubator attached or associated with educational institution or universities as a shared facility at the rate of 50% of software cost subject to a ceiling of Rs. one crore.
- 2.5. **Stamp Duty & Registration Fee Reimbursement:** Eligible Incubators will be entitled to 100% reimbursement of Stamp Duty and Registration Fee paid on sale/lease/transfer of land and Office Space for the first transaction.
- 2.6. **Incentive on Power Tariff and Electricity Duty:**
 - (a) Eligible Incubators will be given power tariff subsidy at the rate of Re. 1 per unit in the billed amount of the utility as promotional incentive on reimbursement basis for a period of five years with effect from the date, beginning any time during the operative period of policy, as selected by the Incubator.

- (b) Eligible Incubators will be given 100 % reimbursement for electricity duty paid for a period of five years on coterminous basis with power tariff subsidy.
 - (c) Above assistance will be available to Eligible Incubators on power purchased from the State electricity distribution companies or power distribution licensees. Eligible Incubators either generating power from its captive power plant or getting electricity through open access will not be eligible for the incentive.
- 2.7. Existing incubators which are running operations before announcement of the 'Tech Start-up Policy' shall be entitled to the assistance under para 2.2, 2.3, 2.4, and 2.6. They will be given Capital Assistance for new investment in expanding current capacity subject to 50% of GFCI for such expansion subject to maximum limit of Rs. 50 lakh.
- 2.8. Any eligible incubator getting capital assistance will have to run and operate incubation centre for a minimum period of 5 years.

3. Incentives to Eligible Start-ups: The Eligible Start-ups will have the option of availing assistance either under the start-up policy of Industries and Mines Department or under the current policy. In addition to any incentives under any scheme of the Government of India, the eligible start-ups will be entitled to following incentives:

- 3.1. **Stamp Duty & Registration Fee Reimbursement:** Eligible start-ups will be entitled to 100% reimbursement of Stamp Duty and Registration Fee paid on sale/lease/transfer of land and Office Space for the first transaction.
- 3.2. **Lease Rental Subsidy:** Eligible start-ups taking space on lease for their operations will be provided lease rental subsidy, at the scale of 50 sqft per employee, for two years on reimbursement basis at the rate of Rs.15 per sqft per month.
- 3.3. **Interest Subsidy:** Eligible start-ups will be provided interest subsidy at the rate of 9% per annum subject to a ceiling of Rs. 2 lakhs per year. Such interest subsidy shall be eligible for a maximum duration of two years. Eligible start-ups will be entitled to interest subsidy assistance from the date of making application or when actual interest repayment to the lending financial institutions, after moratorium if any, begins based on their choice. However, the start-up will be entitled for interest assistance only if the interest repayment has begun during the operative period of the current policy.
- 3.4. **Patent Assistance:**
 - (i) Eligible start-ups will be provided assistance at the rate of 75% of cost of obtaining patent subject to ceiling of Rs. 2 lakhs per patent for domestic patent and Rs. 5 lakhs per patent for international patent.

- (ii) Total quantum of assistance for obtaining such patents shall be limited to Rs. 10 lakh for international and Rs. 4 lakh for domestic patents per start-up.
 - (iii) Fees paid to patent attorney and patent service centre will also be considered eligible expenditure towards cost for computing assistance.
 - (iv) The assistance will be in the nature of reimbursement.
- 3.5. **Bandwidth Subsidy:** Eligible start-ups will be provided bandwidth subsidy at the rate of 70% of annual bandwidth charges subject to a ceiling of Rs. 20000 for 2 years.
- 3.6. **Skill Certification Grant:** Eligible start-ups will be provided skill certification grant at the rate of Rs.5000 per skill certification per person subject to overall ceiling of Rs. 1 lakh per annum per start-up for a period of two years.
- 3.7. **Marketing & Product Development Assistance:** A onetime assistance of Rs. 1 lakh will be provided to eligible start-ups for prototype/product development and additional assistance of Rs. 1 lakh will be provided for marketing.
- 3.8. **Matching Equity Support:** An eligible start-up which has raised equity capital from registered venture capital funds will be entitled to, at its option, avail additional 25% of such capital from Gujarat Venture Finance Limited (GVFL), without additional scrutiny, on same terms at which the capital was raised within 6 months of such raising subject to a ceiling of Rs. 5 crores.
- 3.9. In e-Governance projects undertaken by Government Departments or its Boards, Corporations or parastatal bodies getting budgetary support, a provision will be made for outsourcing of 5 % to 10 % of the contract value either as outsourcing of service or as job work to the eligible start-ups and to students of shortlisted Technical Colleges in Gujarat under this policy. The responsibility for adhering to the Service Level Agreement (SLA) has been vested in the solution provider or the system integrator. The Director of Information and Technology shall publish the list of eligible startups on 1st of every month on its website. The department of Science and Technology will evaluate the Technical Colleges and Universities and prepare a list of shortlisted colleges / institutes and will publish it on its website. The solution provider or system integrator shall select startups or institutes out of the list so published for outsourcing part contract or for job work. For getting the work through students, the faculty of the institute will be the nodal points for mentoring the students.

4. Progression to other incentive policies of the State Government:

- 4.1. Eligible Start-ups will be entitled to benefits under this policy for a period of two years or till they cross any of the following milestones, whichever is earlier:
 - (a) Number of employees – direct or indirect crosses 20
 - (b) Turnover exceeds Rs. 25 crore per annum
- 4.2. An eligible start-up, on completion of its entitlement for benefits under this policy as in para 4.1 above shall be entitled to avail benefits under the IT/ITeS or Electronics policy of the day, if so exist, as a new unit, notwithstanding its continuing operations at the end of two years. Investment made during the benefit period under Start-up Policy and scale up investment made within a period of 18 months, once the benefits under this policy cease, will be taken as 'New Investment' for computing Gross Fixed Capital Investment (GFCI) under the then applicable, if so, Electronics or IT/ITeS Policy of the State Government. The unit will be entitled to benefits under Electronics & IT/ITeS Policy as a new unit for full period of eligibility. Period of assistance as well as amount of assistance under start-up policy will be ignored while computing assistance and period of assistance under Electronics & IT/ITeS Policy.

5. Procedure for Making Application and Approval of Assistance: The following procedure will regulate the expression of interest, making the application by an applicant and process of approval, communication of approval by the Competent Authority for approving assistance under this Scheme:

- 5.1. **Expression of Interest by an Incubator for availing assistance:** A legal entity or eligible incubator intending to avail of assistance under this scheme shall intimate the Competent Authority in Government for registration by an Expression of Interest as per Annexure-1 to this scheme.
- 5.2. **Letter of In-principle Approval:** The competent authority, on receipt of the Expression of Interest for availing assistance, shall convey to the applicant its decision granting in-principle approval, its registration number along with the indicative list of eligible assistance or alternatively convey the rejection and causes in brief thereof; the conditions, time lines that the applicant has to comply for availing assistance, the obligations of the applicant as well as of the competent authority in relation to disbursement of the assistance and the likely disbursement schedule. The in-principle approval by the competent authority shall be

conveyed in a format as per Annexure-2, within one month from the receipt of Expression of Interest as in para 5.1.

- 5.3. Communication of in-principle approval doesn't confer any entitlement to the applicant. Entitlement and actual disbursement of the assistance will be an outcome pursuant to formal application in format as in para 5.5, and in accordance with decision of the empowered committee subject to fulfillment of conditions specified therein.
- 5.4. **Validity of In-principle Approval:** The in-principle approval, conveyed as above in para 5.2, shall be valid for a period of one year. However, subject to fulfillment of conditions a and b as indicated in para 5 of Annexure-2 to this scheme and subject to satisfactory reasons for non-fulfillment of conditions c, d and e as indicated in para 4 of Annexure –2 to this scheme within one year, in-principle approval can be extended by the competent authority for a period of, at the most one year. After the said period of validity, in-principle approval shall lapse and eligible applicant will have no claim for any incentive or benefit against the Government. However, the intending applicant will be free to reinitiate process by filing a fresh Expression of Interest for availing assistance under the scheme, which will then be treated as a separate and a new application.
- 5.5. **Filing of Formal Application by an Incubator or a Start-up:** An eligible start-up will begin application process from this stage. The applicant for availing assistance for setting up incubator or availing assistance for start-up shall apply to the Competent Authority in the application form specified as per Annexure-3a & 3-b. The entitlement of the applicant for evaluation of his claim for the assistance under the Scheme will arise only after filing of this application form along with the prescribed Annexures. The assistance will be eligible only if the formal application, as under this para, is made during the operative period of the Tech Start-up Policy 2016-21.
- (a) The Competent Authority will scrutinize the proposal and place it before the Empowered Committee for a decision on total assistance eligible to the applicant.
- (b) The Empowered Committee may call the applicant for a presentation or any clarification in relation to either eligible activity or the cost marked against the Eligible activity, or any of its components.
- (c) The Empowered Committee will record its decision as to approval of assistance in a Format as placed at Annexure –4.
- 5.6. **Methodology for Disbursement:** Based on the decision of Empowered Committee, the Competent Authority will convey the final decision on the eligibility of the applicant for the

assistance under the Scheme, the schedule of disbursement and the contingent progress milestones in format as per Annexure – 5a or 5b.

5.7. **Schedule of Disbursement:**

- (a) **Schedule of Disbursement for Eligible Incubators:** The disbursement of Capital Assistance will be in three tranches as per following schedule:
- (i) Advance release of 25% of eligible assistance by the Competent Authority subject to availability of whole area of Incubator and approval of site layout plan/building plan.
 - (ii) Second tranche of 50% of eligible assistance will be disbursed after the applicant has already incurred expenditure of 60% of the eligible project cost in setting up incubator.
 - (iii) The third and final tranche of the assistance amounting to 25% of eligible assistance will be paid when the applicant has incurred expenditure of 100% of the eligible project cost.
 - (iv) **Mentoring Assistance:** Mentoring Assistance will be paid at the middle of the year subject to submission of half year accounts and audited accounts of previous year.
 - (v) **Operating Assistance:** Eligible Incubators will be entitled to a matching grant of 25% of funds mobilized by them from non-governmental sources, subject to a ceiling of Rs. One crore per annum for meeting their operational expenses. This will be disbursed on submission of audited accounts by the incubators. These funds are to be utilised in meeting the expenses to run incubation, acceleration and other programmes of the incubators including the general expenses, salaries and other administrative expenses of running the incubator.
 - (vi) **Assistance for Procurement of Software:** The assistance for procurement of software will be disbursed on reimbursement basis.
 - (vii) **Stamp Duty / registration Fee and Incentive on Power Tariff and Electricity Duty:** The assistance will be provided by way of reimbursement on submission of proof on actuals and quarterly on submission of proof of payment subject to ceiling respectively.
- (b) **Schedule of Disbursement for Tech Start-up:** The disbursement of incentives will be as under:

| Sr. No | Assistance Type | Disbursement Schedule | Remarks |
|--------|--|--|--|
| 1. | Reimbursement of Stamp Duty/ Registration Fee | On Submission of Proof of Stamp Duty/Registration fee payment | Reimbursement on actuals |
| 2. | Lease Rental Subsidy | Quarterly on submission of proof of payment | Reimbursement on actuals subject to ceiling |
| 3. | Interest Subsidy | Quarterly basis on bank certificate for realization of due installments of | Reimbursement on actuals subject to ceiling |
| 4. | Patent Assistance | On filing of Patent | Reimbursement subject to ceiling |
| 5. | Bandwidth Subsidy | Pro-rata, quarterly | Reimbursement subject to ceiling |
| 6. | Skill Certification Grant | On submission of proof of obtaining certification | Subject to ceiling |
| 7. | Marketing & Product Development Grant | On submission of claim | Disbursement subject to ceiling |
| 8. | Matching Equity Support | Funded by GVFL, on submission of claim | GVFL will undertake procedure for share transfer |

6. State Level Empowered Committee

- 6.1 Office of Director (IT) will act as a 'Single window Clearance Mechanism' for the purposes of this policy. The Director (IT) will create a special investment facilitation cell under the Directorate of IT for this purpose.
- 6.2 For approval of the assistance to Electronics & IT/ITeS Start-ups, the State Level Empowered Committee (Empowered Committee as referred in the scheme) shall comprise of the following members:
- ACS/PS/Secretary, Department of Science & Technology – Chairperson
 - MD, GIL - Member
 - FA to DST – Member
 - JS (IT), Science & Technology Department – Member
 - Director, IT – Member Secretary
 - Additional Industries Commissioner - Member

6.3 For approval of the assistance to the Incubators, the State Level Empowered Committee (Empowered Committee as referred in the scheme) shall comprise of the following members:

- (a) ACS/PS/Secretary, Industries and Mines Department
- (b) ACS/PS/Secretary, Department of Science & Technology
- (c) Industries Commissioner
- (d) Secretary (Expenditure), Finance Department
- (e) M.D. - Gujarat Informatics Ltd.
- (f) Head, State eGovernance Mission Team
- (g) Director, IT - Member Secretary

The senior of Secretary in-charge of IMD or DST will Chair the empowered committee.

7. Competent Authority

For undertaking process for accepting the application, grant of approval and disbursement of assistance, the Director IT, Government of Gujarat will be the competent authority under this scheme.

8. Interpretation

Any interpretation or clarification under the scheme will be decided by the Department of Science and Technology and decision thereof would be final and binding to all.

9. Budgetary Provision

The expenditure on this account shall be made from the grants under the following budget head: "Demand no. 89" Major Head 2052, Information Technology Incentive Plan.

The above Government Resolution issues with the concurrence on the file of even number of Energy & Petrochemicals Department dated 29/01/2016, Revenue Department dated 20/01/2016, Industries and Mines Department 14/05/2016 and of Finance Department dated 27/05/2016.

By order and in the name of the Governor of Gujarat,

Sd/-

(Dhananjay Dwivedi)

Secretary to the Government of Gujarat,
Department of Science and Technology

To

1. ***Principal Secretary to Hon'ble Governorshri, Raj Bhavan, Gandhinagar.**
2. **Chief Principal Secretary to Hon'ble Chief Minister.**

3. **Principal Secretary to Hon'ble Chief Minister.**
4. **Secretary to Hon'ble Chief Minister.**
5. **Personal Secretary to Hon'ble Ministers, Government of Gujarat.**
6. ***Personal Secretary to the Leader of Opposition Party in Gujarat Legislative Assembly, Gandhinagar.**
7. ***Deputy Secretary to Chief Secretary, Government of Gujarat.**
8. ***Registrar, Hon'ble Gujarat High Court, Ahmedabad.**
9. ***Secretary, Gujarat Vigilance Commission, Gandhinagar.**
10. ***Secretary, Gujarat Public Service Commission, Ahmedabad.**
11. ***Secretary, Gujarat Legislature Secretariat, Gandhinagar.**
12. ***Secretary, Gujarat Civil Service Tribunal, Gandhinagar.**
13. **All Administrative Departments**
14. **VC and MD, GIDC, Udyog Bhavan**
15. **Industries Commissioner, Government of Gujarat**
16. **All Heads of the Departments**
17. **All Collectors.**
18. **Managing Director, Gujarat Informatics Limited**
19. **Director, Information Technology**
20. **DDG and SIO, NIC, Gujarat**
21. **Account General (A&E) Gujarat, Post Box No. 2201, Rajkot.**
22. **Account General (A&E) Gujarat, Ahmedabad Branch, Ahmedabad.**
23. **Account General (Audit-1) Gujarat, MS Building, Ahmedabad.**
24. **Director, Account & Treasuries, Gujarat State, Gandhinagar**
25. **Pay & Account Offices, Ahmedabad/Gandhinagar**
26. **All District Treasury Offices**
27. **Resident Audit Officer, Ahmedabad/Gandhinagar.**
28. **Select File.**

***By Letter**

(Copy of this Resolution can be downloaded from URL: <http://dst.gujarat.gov.in>)

Annexure –1:

Application for Expression of Interest for Availing Assistance
By Incubators under Scheme of Assistance for Incubators and Start-ups

(to be filled in by entity applying)

1. Basic Information

| | | |
|----|---|--|
| 1. | Name of the Person Applying | |
| 2. | Contact Address Telephone: Mobile: Email: | |
| 3. | Identity Proof PAN/ Passport/ Bank Statement with picture/ Aadhaar Card (Any one) | |

2. Nature of Entity (Please provide as much information as you can)

| | | |
|----|--|--|
| 1. | Type of the Entity that will seek assistance under the Scheme (Please attach certified copy of the memorandum and articles of association or equivalent registration documents if already done) | Proprietorship/ Partnership/ Company/ Association |
| 2. | Office Address: Office: Factory: Tele No. : Fax No. : Email: | |
| 3. | Registration Details (Enclose Memorandum and Articles of Association) | |
| | Certificate of Incorporation (please provide certified copy) | |
| | PAN Number (please provide certified copy) | |
| | Service Tax & Central Excise Certificate (please provide certified copy) | |

| | | |
|----|---|--|
| 4. | Name, address & contact details of the Directors/ Promotors along with the PAN Numbers (Please provide the CA Certificate showing the shareholding pattern) | |
| | a) | |
| | b) | |
| | c) | |
| 5. | Name, designation & contact details of the Authorized Person | |

3. Basic Information of the Incubation Centre:

| | | |
|----|---|--|
| 1. | Location | |
| 2. | Tentative area (Land in sq.mtr./Office Space in sqft) | |
| 3. | Tentative Investment | |
| 4. | Association with any Academic Institution | |
| 5. | Number of Full time employees engaged | |

4. Assistance Sought under the scheme

| Sr. No | Assistance Type | Claimed Entitlement (Yes / No) | Approximate Amount of Assistance Sought |
|--------|--|--------------------------------|---|
| 1. | Capital Assistance | | |
| 2. | Mentoring Assistance | | |
| 3. | Operating Assistance | | |
| 4. | Assistance for Procurement of Software | | |
| 5. | Stamp Duty & Registration Fee | | |
| 6. | Incentive on Power Tariff and Electricity Duty | | |

5. I hereby declare that the incubator will incubate minimum 10 incubatees and out of which minimum 50% will be from Electronics or IT/ITeS sector or from Bio-informatics.

Signature of person making
application / Authorised Signatory of applicant

Annexure – 2: Format for Letter of In-principle Approval for Assistance to Incubator under the Scheme of Assistance for Incubators and Start-ups

Date:

To

Ref: 1. Your Expression of Interest dated _____

Sub: In-principle approval for Assistance under the Scheme of Assistance for Incubators and Start-ups

Sir/ Madam,

1. We are pleased to acknowledge your application dated _____ seeking assistance under the scheme for Incubators and Start-ups with registration no._____. In future correspondences please quote the registration number allotted to you.
2. On behalf of the Government of Gujarat, I convey the “in-principle” approval/ refusal with reference to your application dated _____ for assistance under the Scheme of assistance for Incubators and Start-ups for your incubation centre at <<location>> with an estimated Investment of Rs. << >>.
3. Subject to the adherence to conditions as laid out in para 4 of this letter and subject to approval by the Empowered Committee, the assistance that you can avail under the scheme will be as under:

| Sr. No | Assistance Type | Indicative eligible amount of assistance | Remarks |
|--------|--|--|---------|
| 1 | Capital Assistance | | |
| 2 | Mentoring Assistance | | |
| 3 | Operating Assistance | | |
| 4 | Assistance for Procurement of Software | | |
| 5 | Stamp Duty & Registration Fee | | |
| 6 | Incentive on Power Tariff and Electricity Duty | | |

4. This in-principle approval is valid for a period of one (1) year from the date of issuance of this letter subject to fulfillment of the following conditions:-
 - (a) Procurement and having final possession of the land / office space.

- (b) Financial Closure of the Project – for computing financial closure, the applicant will be allowed to incorporate eligible assistance from GoI, GoG, under respective schemes for assistance to Incubator, fees from incubatees, funds to be raised from market along with own equity and debt that the applicant will take.
 - (c) Preparation and submission of Detailed Project Report (DPR)
 - (d) Component/ activity wise implementation schedule specifying the timelines and corresponding milestones
 - (e) Submission of application as per para 5.5 of the scheme within 1 year.
5. In case, the above conditions are not met by the end of the validity period of this in-principle approval, the validity will be extended for an additional period of maximum one year subject to the fulfillment of the following mandatory conditions, with a satisfactory justification for the delay of the other conditions mentioned in para 4 above.
- (a) Procurement and having final possession of the land / office space
 - (b) Financial Closure of the Project
6. Application for extending validity of in-principle approval shall be made before expiry of one year from grant of in-principle approval. In case, the validity period is extended, a detailed timelines for fulfilling the following conditions should be intimated to the Competent Authority.
- (a) Preparation and submission of DPR
 - (b) Component/ activity wise implementation schedule specifying the timelines and corresponding milestones
 - (c) Submission of formal application as per para 5.6 of the Scheme
7. In an instance where the criteria is not met within the validity period, with or without extension, the in-principle approval shall lapse and the applicant would not have any claim for any incentive / benefit against the Government. However, you can submit a new Expression of Interest which would not be linked to the application referenced herein and will be treated as a new application.
8. You are informed that till the filing of formal application as in Annexure – 3, you can change the applicant. You are informed that benefits as eligible incubator will be available to you only if minimum 50% of incubates are from Electronics/IT/ITeS Sector. Further, please note that if you avail Capital Assistance, you will have to run incubation facility for a minimum period of five years.
9. You are further informed that in relation to the indicative assistance indicated in para 3 of the letter, the numbers are indicative only. Actual eligible amount will depend on scrutiny of formal application and supporting documents by the Competent Authority and approval by the Empowered Committee.

Yours Sincerely,

Annexure –3a:

Application Form for Availing Assistance for Incubators
under the Scheme of Assistance for Incubators and Start-ups

(to be filled in by the applicant)

Application Registration No.

1. Basic Information

| | | | | | |
|---|---|----------|---------|--------------------------------------|-------|
| 1 | Name of the Incubation Centre | | | | |
| 2 | Contact Address Telephone: Mobile: Email: | | | | |
| 3 | Type of the Entity (Please attach certified copy of the memorandum and articles of association or equivalent registration document or Partnership Deed) | | | Proprietorship/ Partnership/ Company | |
| 4 | Registration Details (Enclose Memorandum and Articles of Association) | | | | |
| | Certificate of Incorporation (please provide certified copy) | | | | |
| | PAN Number (please provide certified copy) | | | | |
| | Service Tax & VAT Registration No. (please provide certified copy) | | | | |
| | TIN No. | | | | |
| 5 | Name, address & contact details of the Directors/ Promoters along with the PAN/DIN Numbers (Please provide the CA Certificate showing the shareholding pattern) | | | | |
| | Name | DIN /PAN | Address | Contact No. | Email |
| | | | | | |
| | | | | | |
| 6 | Name, designation & contact details of the Authorized Person (please enclose copy of authorisation letter) | | | | |

2. Details of Eligible Incubator

| | | |
|---|---------------------------------|--|
| 1 | Location Address | |
| 2 | Area of the land / office space | |

| | | | | | | | | |
|---|--|-------|-------|-------|-------|-------|-------|--|
| 3 | Proof of land/office space possession | | | | | | | |
| 4 | Brief Description of the Project | | | | | | | |
| 5 | Please enclose Detailed Project Report (DPR) | | | | | | | |
| 6 | Business Incubation and Development Schedule (Projections) | | | | | | | |
| | Outcome | Year1 | Year2 | Year3 | Year4 | Year5 | Total | |
| | No. of new start-ups to be admitted for incubation | | | | | | | |
| | No. of start-ups to be graduated from the incubator | | | | | | | |
| | No. of training / Incubation / Acceleration programmes to be conducted | | | | | | | |
| | No. of Incubatee resources to be trained | | | | | | | |
| | No. of Conferences / Seminars / workshops to be organised | | | | | | | |

3. Financial Projections of the Incubation Centre (In Rs.)

| Sr. No. | Component | Year1 | Year2 | Year3 | Year4 | Year5 | Total |
|---------------------------------|------------------------------------|-------|-------|-------|-------|-------|-------|
| Non Recurring Expenses | | | | | | | |
| 1. | Capital Expenditure | | | | | | |
| Recurring Expenses | | | | | | | |
| 1. | Manpower Expenses | | | | | | |
| 2. | Travel Expenses | | | | | | |
| 3. | Utility and Maintenance | | | | | | |
| 4. | Marketing, Promotion and Publicity | | | | | | |
| 5. | Networking and Training Programmes | | | | | | |
| 6. | Miscellaneous and Contingencies | | | | | | |
| Total Projected Expenses | | | | | | | |
| Means of Finances | | | | | | | |
| 1. | Expected GoG Support | | | | | | |
| 2. | Expected GoI Support | | | | | | |
| 3. | Fund raising from market | | | | | | |

| | | | | | | | |
|--------------|------------------------------|--|--|--|--|--|--|
| 4. | Mentoring fee from incubates | | | | | | |
| Total | | | | | | | |

4. Assistance Sought under the scheme

| Sr. No | Assistance Type | Projected Expenditure | Eligible Expenditure | Claimed Assistance | Remarks |
|--------|--|-----------------------|----------------------|--------------------|---------|
| 1 | Capital Assistance | | | | |
| 2 | Mentoring Assistance | | | | |
| 3 | Operating Assistance | | | | |
| 4 | Assistance for Procurement of Software | | | | |
| 5 | Stamp Duty & Registration Fee | | | | |
| 6 | Incentive on Power Tariff and Electricity Duty | | | | |

5. Bank Account Details

| | | |
|----|---|--|
| 1. | Name and address of Bank where account exists | |
| 2. | Bank Account Number | |
| 3. | IFSC Code | |
| 4. | RTGS Details | |

6. Name of educational Institution with whom affiliated/associated (if applicable):

7. Tentative date of beginning of operations:

8. List of Start-ups who may have shown interest in getting incubated, if available:

9. Declaration:

I, on behalf of my organisation, hereby declare the following:

- (a) Information, statements & other papers given herein are to the best of my knowledge & belief, true and correct in all particulars.
- (b) We are not availing any assistance under any other scheme/policy of Government of Gujarat departments or its subordinate offices.
- (c) I am duly authorized to sign an application and details and documents submitted in this application.

- (d) I undertake that we will have minimum 10 incubatees at all times, out of which minimum 50% will be from Electronics/IT/ITeS sector.

Authorised Signatory

Annexure–3b:

Application Form for Availing Assistance for Start-ups
under the Scheme of Assistance for Incubators and Start-ups

(to be filled in by the applicant)

Application Registration No.

1. Basic Information

| | | | | | | |
|---|---|----------|---------|-------------|--------------------------------------|----------------|
| 1 | Name of the Unit | | | | | |
| 2 | Contact Address Telephone: Mobile: Email: | | | | | |
| 3 | Type of the Entity (Please attach certified copy of the memorandum and articles of association or equivalent registration document or Partnership Deed) | | | | Proprietorship/ Partnership/ Company | |
| 4 | Registration Details (Enclose Memorandum and Articles of Association) | | | | | |
| | Certificate of Incorporation (please provide certified copy) | | | | | |
| | PAN Number (please provide certified copy) | | | | | |
| | Service Tax & VAT Registration No. (please provide certified copy) | | | | | |
| | TIN No. | | | | | |
| 5 | Name, address & contact details of the Directors/ Promotors/Partners along with the PAN / DIN Numbers (Please provide the CA Certificate showing the shareholding pattern) | | | | | |
| | Name | DIN /PAN | Address | Contact No. | Email | % Shareholding |
| | | | | | | |
| | | | | | | |
| 6 | Name, designation & contact details of the Authorized Person (please enclose copy of authorisation letter) | | | | | |

2. Brief description of Start-up in terms of following:


- (a) Business Idea**
- (b) Product / Service**

(c) Technology

3. Projected investment need over next 3 years

| S No | Project Component | Cost |
|--------------|-------------------|------|
| 1. | | |
| 2. | | |
| 3. | | |
| Total | | |

4. Means of Financing the Project (In Rs.)

| | | |
|---|---|--|
| Total Project Cost  | Promoters Contribution | |
| | Expected GoG Assistance | |
| | Expected Assistance from other Government Organisations | |
| | Debt/Borrowing | |
| | Expected Investment from Angel / VC funds | |
| | Total (Rs.) | |

5. Assistance Sought under the scheme

| Sr. No | Assistance Type | Indicative maximum eligible amount of assistance | Remarks |
|--------|--|--|---------|
| 1 | Stamp Duty & Registration Fee | | |
| 2 | Lease Rental Subsidy | | |
| 3 | Interest Subsidy | | |
| 4 | Patent Assistance | | |
| 5 | Bandwidth Subsidy | | |
| 6 | Skill Certification Grant | | |
| 7 | Marketing & Product Development Assistance | | |
| 8 | Matching Equity Support | | |

6. Bank Account Details

| | | |
|----|--|--|
| 1. | Name and address of Bank where account is kept | |
| 2. | Bank Account Number | |
| 3. | IFSC Code | |

| | | |
|----|--------------|--|
| 4. | RTGS Details | |
|----|--------------|--|

7. Name of Incubator, if associated:

8. Declaration:

I on behalf of my organisation hereby declare the following:

- (a) Information, statements & other papers given herein are to the best of my knowledge & belief, true and correct in all particulars.
- (b) We are not availing similar assistance from Government of Gujarat Departments or any of its Organization.
- (c) I am duly authorized to sign an application and details and documents submitted in this application.

Authorised Signatory

Annexure – 4:

Format for Recording Minutes of Empowered Committee

| | | | |
|--|---------------------------|--|----------------|
| Name of Applicant | | | |
| Assistance Sought | | | |
| Sr. No | Type of Assistance | Approximate Amount of Assistance | Remarks |
| | | | |
| | | | |
| | | | |
| Descriptive Background (As proposed by Competent Authority for meeting) | | | |
| | | | |
| Discussion Part of Minutes, by Empowered Committee | | | |
| | | | |
| Approval Granted by Empowered Committee | | | |
| Sr. No | Type of Assistance | Maximum Eligible Amount of Assistance | Remarks |

Date:

To

Ref: 1. **Application Registration No.**

Sub: Approval for Assistance for Incubator under Scheme of Assistance for Incubators and Start-ups.

Sir/ Madam,

1. This is to convey the approval/ refusal of assistance under the Scheme of assistance for Incubators and Start-ups for your Incubator at <<location>> with an estimated Investment of Rs. << >>.
2. You are conveyed approval of financial assistance as per the table below, subject to fulfillment of conditions in para 3.

| Sr. No | Assistance Type | Maximum Eligible Assistance Amount | Disbursement Schedule | Remarks |
|--------|---|------------------------------------|--|----------------------------------|
| 1. | Capital Assistance | | In 3 tranches | Reimbursement as per approval |
| 2. | Mentoring Assistance | | On Submission of Proof of eligible expenditure | Reimbursement on actuals |
| 3. | Operating Assistance | | On Submission of Audited Accounts | Reimbursement subject to ceiling |
| 4. | Assistance for Procurement of Enterprise Software | | On submission of proof of expenditure | Subject to ceiling |
| 5. | Stamp Duty & Registration Fee | | On submission of Proof | Reimbursement as per actuals |
| 6. | Incentive on Power Tariff and Electricity Duty | | On submission of proof of payment | Reimbursement subject to ceiling |

3. Conditions:-

- (i) If you are availing Capital Assistance, then you will run the Incubator centre for minimum 5 years.
- (ii) You will not avail any assistance from any other Government of Gujarat Organisation.
- (iii) You will intimate assistance obtained from any other Government Organisation, including quantum of assistance within 30 days of obtaining such assistance.

(iv) For the performance of Incubation Centre and progress of incubatees, you will submit a report to the undersigned once every half year.

4. I wish you best of luck with the Project. Should you have any difficulty or have queries Mr. _____ will be your personal contact. He can be reached at _____.

Yours Sincerely

Date:

To

Ref: 1. **Application Registration No.**

Sub: Approval of Assistance for Start-ups under Scheme of Assistance for Incubators and Start-ups.

Sir/ Madam,

1. This is to convey the approval/ refusal of assistance under the Scheme of assistance for Incubators and Start-ups for your proposed start-up at <<location>> with an estimated Investment of Rs. <<>>.
2. You are conveyed approval of assistance as indicated below, subject to fulfillment of conditions in para 4.

| Sr. No | Assistance Type | Maximum Eligible Assistance | Disbursement Schedule | Remarks |
|--------|--|-----------------------------|---|---|
| 1. | Stamp Duty & Registration Fee | | On Submission of Proof of Stamp Duty/Registration fee payment | Reimbursement on actuals |
| 2. | Lease Rental Subsidy | | Quarterly on submission of proof of payment | Reimbursement on actuals subject to ceiling |
| 3. | Interest Subsidy | | Quarterly basis on bank certificate for realization of due installments of previous quarter | Reimbursement on actuals subject to ceiling |
| 4. | Patent Assistance | | On filing of Patent | Reimbursement subject to ceiling |
| 5. | Bandwidth Subsidy | | Annually on submission of claim | Reimbursement subject to ceiling |
| 6. | Skill Certification Grant | | On submission of proof of obtaining certification | Subject to ceiling |
| 7. | Marketing & Product Development Assistance | | On submission of claim | Disbursement subject to ceiling |

| | | | | |
|----|-------------------------|--|--|--|
| 8. | Matching Equity Support | | Funded by GVFL, on submission of claim | GVFL will undertake procedure for share transfer |
|----|-------------------------|--|--|--|

3. The promoter / partner will submit a progress report of business, indicating sales, business leads, funds raised from other sources, employee strength, etc. once every six months.
4. The assistance to the start-up, under this authorization will cease upon achieving anyone of the following milestones:
 - (a) Number of employees – direct or indirect crosses 20
 - (b) Turnover exceeds Rs. 25 crore per annum
5. If you achieve anyone of the above milestone, you will be eligible to obtain assistance under the Electronics or IT/ITeS Policy of the day, if so exist, as a new unit, notwithstanding your continuing operations at the end of two years. Investment made during the benefit period under Start-up Policy and scale up investment made within a period of 18 months, once the benefits under this policy cease will be taken as 'New Investment' for computing Gross Fixed Capital Investment (GFCI) under the then applicable, if so, Electronics & IT/ITeS Policy of the State Government. You will be entitled to benefits under Electronics or IT/ITeS Policy as a new unit for full period of eligibility. Period of assistance as well as amount of assistance under start-up policy will be ignored while computing assistance and period of assistance under Electronics or IT/ITeS Policy.
6. I wish you best of luck with the Start-up. Should you have any difficulty or have queries Mr. _____ will be your personal contact. He can be reached at _____.

Yours Sincerely