

No.40(15)/2015/IPHW
Government of India
Ministry of Electronics & Information Technology (MeitY)
Innovation and IPR Division

Dated: 11.02.2019
New Delhi-110003

ADMINISTRATIVE APPROVAL

Subject: Administrative Approval for the Project entitled “**setting up of ESDM Incubation Centre at STPI- Bhubaneswar**” to be implemented by **Software Technology Parks of India(STPI), Odisha- regarding**

I am directed to convey the Administrative approval of the competent authority to the implementation of the project entitled “**setting up of ESDM Incubation Centre at STPI- Bhubaneswar**” - **Software Technology Parks of India(STPI), Odisha** over a period of five years at a total estimated cost of Rs. 22,44,00,000/- (Rupees Twenty Two Crore Forty Four Lacs only) including MeitY contribution of Rs.2,50,00,000/- (Rupees Two Crore Fifty Lacs only), contribution of Govt. of Odisha Rs.11,22,00,000/- (Rupees Eleven Crores Twenty Two Lacs only) and contribution of Rs.8,72,00,000/- (Rupees Eight Crores Seventy Two Lacs only) by Software Technology Parks of India. MeitY’s contribution of Rs.2,50,00,000/- to be released as Grants-in-aid will be spent towards CAPEX provisioned for Lab Equipments for a period of three years. During the entire period of the project i.e five years MeitY will monitor the progress and outcome of the project through Project Review and Steering Group(PRSG). The details of the project are given in the enclosed Annexure-I. The other terms & Conditions governing release of Grant-in-aid from MeitY are enclosed as Annexure-II

2. This issues with the approval of the Secretary, MeitY OPA No. 13 dated 08.01.2019 and in exercise of powers conferred on the Ministry in consultation with the Integrated Finance Division, MeitY vide their Dairy No.433 dated 02.01.2019.

(Jatinder Singh)
Deputy Director
(Physically signed)

Copy to,

1. The Director, Office of the Director General of Audit, Post & Telecommunication, Sham Nath Marg, Delhi-110054.
2. DG, STPI/ Sh. Subodh Sachan, Director, STPI
3. Drawing & Disbursing Officer, MeitY.
4. Finance Division, MeitY
5. JS (GS)/Dir(AKG)/Sci.’C’ (NKS), MeitY
6. Sanction Folder

(Jatinder Singh)
Deputy Director
(Physically signed)

Administrative Approval No. MeitY/Innovation/15(6)/2018 Dated 11.02.2019

1	Name of the Project	Setting up of “ESDM Incubation Centre at STPI-Bhubaneswar” by Software Technology Parks of India(STPI), Odisha
2	Objective	(1) Creation of a hostilic eco-system for encouraging R&D. Innovation Entrepreneurship in the ESDM sector in Bhubaneswar, Odisha. (2) Enable creation of Intellectual Property within the country particularly in the state of Odisha for maximizing the domestic value add and diminishing the external dependence in the sector. (3) Provide assistance during prototyping, development and commercialization for the products (Semiconductor & ESDM)produced through the scheme for India and other growth markets. (4) Creation of employment at various levels (5) Creation of long term partnership with strategic sectors
3	Project Outcome	The project intends to support & nurture 40 start-ups over a period of 5 years.
4	Name of the Implementing Agency	Software Technology Parks of India(STPI), Odisha
5	Project Duration	60 Months
6		
(i)	Expected date of commencement	11.02.2019
(ii)	Expected date of completion	10.02.2024

7. Total Project Outlay : Rs. 22.44 Crore (Rupees Twenty two Crore Forty Four Lakh only)

8. Financial Outlay (Year wise and item-wise breakup as given below)

Major Head	Description	Year I	Year II	Year III	Year IV	Year V
Capex						
Set Up	INR 2000 Per Sq Ft*	150				
Equipment (Lab)	Instruments, Testing, Power Electronics, Software \$\$ etc.#	676	35	35	35	35
	Total 1	826	35	35	35	35
One-time expenditure						
Launch Cost	Announcing the Electronics IncubationCentre^	30				
Pre Operations	Documentations, Preparatory Meeting, Travel etc.**	15				
	Total 2	45	0	0	0	0
Marketing Expenditure						

Marketing	Business plan competitions, road shows, etc^^	23	23	23	23	23
	Total 3	23	23	23	23	23
Operating Expenditure						
Expert Costs	Cost of part time top management including their travel expenses	15	16	17	18	19
Space Cost	7,500 Sq Ft work space provided by STPI at Rental of INR 30 Sq Ft. Per month	27	27	27	27	27
Salary	CTC of full time staff (1+5) (Centre Head + 5 staff members)	50	55	60	65	70
General Expenses	Travel, communication, conveyance, miscellaneous, @ 30% of salary@@	15	17	18	19	20
Overheads	Power/Maintenance/Repair/Fuel/Etc. @ INR 15 Per Sq Ft per month	14	15	17	19	21
	Total 4	121	130	139	148	157
Project Management						
Management Fees	Management Fees	15	16	18	20	22
	Total 5	15	16	18	20	22
	Sub-Total (1+2+3+4+5)	1030	204	215	226	237
STPI Service Charges*	Service charges taken @ 2% of the project investment	21	4	4	5	5
	Sub-Total Investment	1051	208	219	231	242
Service Tax	Service Tax @ 15%	158	31	33	35	36
	Total Investment (INR Lakhs)	1209	239	252	266	278
	Grant Total	2244				

- Additional amount of Taxes at applicable rates would be borne by STPI from its internal resources.

9. Mode and extent of Funding:

(i)	Budgetary support	
a)	Grant-in-aid from Meity	Rs.2,50,00,000/-
b)	Loan	NIL
c)	If Loan, terms and conditions for grant or loan to be stipulated if terms and conditions have been Accepted, reference to acceptance	NIL
(ii)	Internal generation	STPI will contribute Rs.8.72 Crore from its internal accruals.
(iii)	External Agency, if any	<ul style="list-style-type: none"> • Contribution of MeitY Rs.2.5 Crore • Contribution of Govt. of Odisha Rs.11.22 Crore • Contribution to be managed by the Implementing Agency STPI Rs.8.72 Crores

10. Stages of release of Grant-in-aid amounting to Rs.2,50,00,000/- to STPI-Odisha

Sr. No.	Amount	Stage	Conditions
1.	40% of the amount earmarked for First year i.e Rs.80 Lakhs	Initiation of the project	Acceptance of this administrative approval and terms and conditions government grants-in-aid.
2.	60% of the amount earmarked for First year i.e Rs.120 Lakhs	First year	After the receipt of Utilization Certificate audited statement of accounts and recommendation of PRSG.
3.	50% of the amount earmarked for second year i.e Rs.12.5 Lakhs	second year	After the receipt of Utilization Certificate audited statement of accounts and recommendation of PRSG.
4.	50% of the amount earmarked for second year i.e Rs.12.5 Lakhs	second year	After the receipt of Utilization Certificate audited statement of accounts and recommendation of PRSG.
5.	50% of the amount earmarked for Third year i.e Rs.12.5 Lakhs	Third year	After the receipt of Utilization Certificate audited statement of accounts and recommendation of PRSG.
6	50% of the amount earmarked for Third year i.e Rs.12.5 Lakhs	Third year	After the receipt of Utilization Certificate audited statement of accounts and recommendation of PRSG.

(Jatinder Singh)
Deputy Director
 (Physically signed)

Terms & Conditions for Grant-in-Aid

The grant is for the specific project as approved by Ministry of Electronics & Information Technology (MeitY) and shall be subject to the conditions listed below. The proposal originating industry and grantee institution shall give an undertaking that they agree to be governed by these conditions.

1. The grant amount shall be i) spent for the project within the specified time; and ii) Any portion of the grant, which is not ultimately required for expenditure for the approved purposes, shall be duly surrendered to MeitY;
2. The grantee institution shall maintain an audited record in the form of a register in the prescribed proforma for permanent, semi-permanent assets acquired solely or mainly out of MeitY grant;
3. The assets referred to in (2) above will be property of MeitY and should not, without prior sanction of MeitY, be disposed off or encumbered or utilized for the purposes other than those for which the grant has been sanctioned;
4. At the conclusion of the project, MeitY will be free to sell or otherwise dispose of the assets which are the property of MeitY and grantee institution shall render to MeitY the necessary support for facilitating the sale of these assets;
5. The grantee institution shall send to the MeitY at the end of each financial year as well as at the time of seeking further installments of the grant a list of assets referred to in (2) above;
6. Should at any time grantee institution cease to exist, such assets etc., shall revert to MeitY;
7. The grantee institution shall render progress-cum-achievement reports at interval of not exceeding six months on the progress made on all aspects of the project including expenditure incurred on various approved items during the period;
8. The grantee institution shall render an audited statement of accounts to MeitY;
9. The audited statement of accounts relating to grants given during financial year together with the comments of the auditor regarding the observance of the conditions governing the grant should be forwarded to the MeitY within six months following the end of the relevant financial year;
10. The utilization of grant for the intended purposes will be looked into by the Auditor of grantee institution according to the directives issued by the Government of India at the instance of the Comptroller and Auditor General and the specific mention about it will be made in the audit report;

11. MeitY or its nominee(s) will have the right of access to the books and accounts of the grantee institution for which a reasonable prior notice would be given;
12. The grantee institution should maintain separate audited account for the project. If it is found expedient to keep a part or whole of the grant in a bank account earning interest, all the interest or other earnings against GIA should be mandatorily remitted to the Consolidated Fund of India immediately after finalization of accounts. Such advances shall not be allowed to be adjusted against further releases in pursuance of GFR provisions.
13. Institute may retain the sale proceeds of prototypes, etc fabricated as a result of the development of the project arising directly from funds granted by the Ministry. The Institute may use funds thus generated for furtherance of project objectives;
14. The Intellectual property and the rights associated with it shall be agreed between the participating organizations before the start of the project. The Industry/ Industry Consortium/ Institution(s) will make all efforts to protect intellectual property generated out of the project. The institution(s)/industry would submit the periodic report to MeitY for a period of minimum 5years on the status of IPRs created/commercialization under the project. (5 years is the expected life time of product/technology). Furthermore, IPR must also reside in India so that India has access and complete control to these rights in times of emergency to protect our national interest;
15. Application by grantee institution for any other financial assistance or receipt of grant/loan from any other Agency/Ministry/Department for this project should have the prior approval of Ministry of Electronics & Information Technology;
16. The Grantee institution(s) is not allowed to entrust the implementation of this project for which grant-in-aid is received to another institution and to divert the grant-in-aid received from Ministry of Electronics & Information Technology as assistance to the later institution;
17. MeitY shall appoint a Project Review and Steering Group (PRSG) comprising of representatives from MeitY and other experts. PRSG will periodically monitor the project in all respects including technical and financial;
18. In case of any dispute on any matter, related to the project during the course of its implementation, the decision of the Secretary, MeitY, shall be final and binding on the proposal originating industry/ industry consortium and grantee institute.