

## **PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA**

**SUB:** Establishment of New Incubation Centres and Strengthening the existing ones especially in Tier-II/III cities in association with Educational Institutions, Industry Associations and Private Institutions – reg.

**READ:** 1. Proposal of Managing Director - Karnataka Innovation and Technology Society (KITS) in letter No. KITS/IT/SUPR/3/2019-IT-KITS, dt: 14.08.2019 and dt: 19<sup>th</sup> September, 2019.

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### **PREAMBLE**

The following announcement was made in the Budget speech of financial year 2019-20:

“294. The facility of Incubation is essential for the Startups and new entrepreneurs having innovative concepts. The State has to play an important role in development of infrastructure. The essentiality of Startup environment is Incubation Centre. It is proposed to establish new Incubation Centres and strengthen the existing ones especially in Tier-II and Tier-III cities with the partnership of Educational Institutions, Industries Association and Private Institutions etc.”

(2) In pursuance of the aforesaid announcement, Managing Director - Karnataka Innovation and Technology Society (KITS) has submitted a proposal in letters read at (1) above. KITS is spending a sizeable portion of Government grants for providing incubation space and common instrumentation facilities to Startups at a subsidized rate. KITS has been providing access to the Startups to state-of-the-art innovation labs, mentorship, funding etc. KITS has also set up New Age Incubation Network (NAIN) Centres in institutions of higher learning, particularly engineering colleges, in various districts, by providing Government grants. The NAIN Centres encourage innovation and entrepreneurship in the young students of institutions of higher learning.

### **Setting up of New Incubation Centres in Tier-II/III cities:**

(3) NAIN Centres have been established in three phases in 30 Engineering Colleges across 18 districts in the State. Each NAIN institution is provided funding of Rs. 10 lakhs every year towards operational expenditure. In addition, each selected student project in the college is provided funding of upto Rs. 3 lakhs for a maximum of 10 projects in a year. Thus, each NAIN institution receives Government grants of Rs. 40 lakhs per year for a period of 3 years, extendable for 2 more years.

(4) KITS proposes to set up around 20 new NAIN Centres in institutions of higher learning across the State in phase 4. The estimated amount for setting up new centres is about Rs. 20 crores in FY 2020-21. The expenditure would be met from Government grants that would be allocated under Startup Policy Head of Account



3451-00-090-2-38(059). Setting up the New NAIN Centres would help in further promoting innovation and entrepreneurship among the youth in institutions of higher learning.

**Strengthening of Existing Incubation Centres:**

(5) MD-KITS has also proposed strengthening of existing incubation centres in Tier-II/III cities in partnership with academia and industry. It is proposed to re-designate the existing NAIN institutions as 'District Innovation Hubs' and to re-brand the NAIN Centres as 'K-Tech New Age Innovation Network'. Further, the NAIN portal will be upgraded to give more visibility to NAIN activities, networking and for monitoring purposes. The portal will highlight the projects undertaken by each NAIN institute. Industry bodies like NASSCOM, TiE, IESA etc., would be roped in for mentorship. Industry partners will also provide exposure visits for the NAIN students to their labs and facilities. District level events such as Ideathons, Bootcamps, Designathons etc would be conducted. Student entrepreneurs from the NAIN institutes will be allowed to showcase their projects in the events organized by the Department. NAIN institutes will facilitate Internship in collaboration with Industry Partners and Startups.

(6) Further, it is proposed to augment the infrastructure in the NAIN institutions by setting up innovation labs with 'Do-it-Yourself (DIY)' KITS on the latest technologies. One time additional support of Rs. 10 lakhs per NAIN institution would be provided for upgradation, with which the institute can procure standard tools/equipment. The additional support of Rs. 10 lakhs per NAIN institution will be provided after assessing the performance of the institution, based on the following parameters:

Sl. No.	Parameter	Verification Method & Documents
1	Entrepreneur Events / Workshops / Sector specific focused programs conducted in a year	Event Reports, participant list, Feedback from Participants
2	Mentoring Sessions conducted through Industry and Academia	Event Reports, participant list, Feedback from Participants
3	Number of Patents filed from NAIN projects	Patent Application details
4	Number of entities created from NAIN projects	Project Report and Entity details (Incorporation / Registration certificate of entity)
5	Number of Pitching Sessions conducted	Pitching Session details, Participant list, Feedback from Participants

*The proposal for performance based incentive submitted by NAIN institutions would be evaluated by the NAIN Steering Committee based on the above parameters and feedback received from participants. The NAIN Steering Committee would recommend the additional grant accordingly.*

(7) Soft infrastructure of NAIN institutions would be developed by counselling, monitoring, soft skilling, entrepreneurship development etc. In order to promote a



spirit of competition among entrepreneurs, KITS would start grading the NAIN institutions in the State.

**Strengthening of K-Tech Innovation Hubs set up in association with NASSCOM, IAMAI and BBC:**

(8) KITS in partnership with NASSCOM, IAMAI and BBC has set up subsidized incubation space of about 1,50,000 sq. ft. area for startups, which have been rebranded as 'K-tech Innovation Hubs'. Below mentioned deliverables would be assigned to the incubators, so that there would be qualitative improvement in the functioning of the Innovation hubs:

- Innovation hubs to support the entire lifecycle of a Startup and help in their growth and development.
- Innovation hubs to upgrade their portals. The portal should highlight incubation program, upcoming events and programs, mentoring sessions, funding support, legal support, marketing support, HR support etc.
- Innovation hubs to prepare a detailed agenda for every quarter of the assessment year and submit it to KITS before the commencement of each quarter.

(9) K-Tech Innovation Hubs set up by KITS in association with NASSCOM, IAMAI, BBC etc., will have benchmark parameters for assessing their performance on a monthly and annual basis. The parameters and benchmarks proposed are as follows:

Sl. No.	Parameter	Benchmark (Minimum for a cohort)
1	Subsidized Seat Occupancy	80% seat occupancy during the cohort
2	Startup Events/ Workshops/ Hackathons/ Sector specific focused programs as part of the Cohort	50 events/programs with Incubatees as participants
3	VC connects	30% of the Startups incubated during the cohort
4	Startup Mentoring Sessions	12 day-long sessions by experts + regular in-house mentoring sector specific
5	Startups Mentored	All Startups incubated during the cohort
6	Women Entrepreneurs Supported	10% of the Startups incubated during the cohort
7	New Jobs Created	No minimum threshold
8	Technologies Commercialized	No minimum threshold
9	Patents Filed	No minimum threshold
10	International Exposure and Hosting International Delegations	No minimum threshold

*K-tech Innovation Hubs to submit Event Reports and Monthly Reports based on the above mentioned parameters to showcase the progress made.*

(10) For setting up New Incubation Centres and Strengthening the existing Incubation Centres in Tier-II/III cities, KITS does not require additional funding during FY 2019-20. Savings from the funds available will be utilized during the current year to achieve the aforesaid objectives. Hence the order.

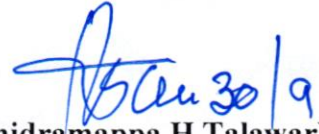
**GOVERNMENT ORDER No. ITBT 73 ADM 2019, BENGALURU;**

**Dated: 30<sup>th</sup> September, 2019**

(1) In the circumstances explained in the preamble, Government is pleased to accord approval to Karnataka Innovation and Technology Society to set up New Incubation Centres and to strengthen the existing Incubation Centres, especially in Tier-II/III cities, in association with educational institutions, industry associations and private institutions, as proposed in the preamble above.

(2) The expenditure to be incurred for the aforesaid activities mentioned in the Preamble will be met by KITS from the funds available under the Startup Policy Head of Account 3451-00-090-2-38 (059).

BY ORDER AND IN THE NAME OF THE  
GOVERNOR OF KARNATAKA



(Shidramappa H Talawar)

Under Secretary to Government,  
Department of Information Technology,  
Biotechnology and Science & Technology

**Copy to:**

1. The Accountant General Karnataka (Audit & Accounts) Bengaluru.
2. The Additional Chief Secretary, Finance Department, Vidhana Soudha, Bengaluru.
3. The Director, Directorate of Information Technology and Biotechnology, Bengaluru.
4. The Managing Director, KITS, Bengaluru.
5. The Senior Director (I/c), PFR Section, Planning Department.
6. The Under Secretary, Finance Department (exp - 12) Vidhana Soudha, Bengaluru
7. The P.S to Additional Chief Secretary to Government, Department of IT, BT and S&T, Bengaluru.
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