

Operational Guidelines for Empanelled Incubators and Virtual Incubation Scheme

I. Background and Objectives

1.1 Pursuant to the provisions under the Startup Policy 2015, Incubatees will be eligible to apply for incentives and other benefits directly to the Startup-cell or through incubators empanelled by the Department (whether they are physically or virtually incubated). Applications for incentives, benefits and services endorsed by incubators will be considered on a priority basis. For this purpose, the Department will empanel suitable incubators as per the terms and conditions mentioned below.

II. Empanelled Incubator Scheme:

2.1 The Empanelled Incubator scheme aims to help startups in stabilizing their product or service by providing holistic support in the operationalization of the Incubatee's business plan. It also assists startups in accessing incentives, benefits and services stipulated under the policy.

2.2 All empanelled incubators must also commence the virtual incubation scheme in order to endorse applications for incentives, benefits and services of startups that are incubated virtually with them.

2.3 Each startup shall select one empanelled incubator for incubation (whether physical or virtual) to avail incentives and benefits under the policy.

2.4 The Karnataka Startup Cell will launch a startup portal which shall be used for monitoring the programs envisioned under the policy and the Virtual Incubation Scheme.

2.5 The Incubators and their Incubatees are eligible for claiming incentives and other benefits under the Policy only after the date of registration with the Karnataka Startup Cell.

2.6 The Karnataka Startup Cell recognizes two types of Incubators that are eligible for claiming incentives, benefits and services under the Policy as given below.

1. Incubators under the Empanelled Incubator Scheme: Incubators empanelled by the Karnataka Startup Cell under this scheme will be required to render the following services to their incubatees :
 - a. The partner incubator shall create capacities in terms of physical and virtual infrastructure / logistics / manpower etc., for the benefit of their incubated startups. Further, the partner incubator should have the capacity to virtually incubate at least a fifty startups over and above the physical incubatees in order to be eligible for empanelment with the Karnataka Startup Cell.
 - b. A monitoring committee shall be set up by the partner incubator that shall review and document the progress and status of virtual incubatees on a quarterly basis.
 - c. The partner incubator shall conduct a quarterly review through the monitoring committee for all virtually incubated startups i.e., any virtually incubated startup should have presented and appraised the monitoring committee of the partner incubator on its progress at least once in a four month period.
 - d. The empanelled incubator shall maintain a database of their incubated startups and submit half yearly reports as per Annex II
 - e. The following parameters, with respect to progress achieved by the incubated startups, are expected to be monitored through quarterly reviews:
 - i. Eligibility for applicable incentives from the Karnataka startup cell
 - ii. Sector of operation
 - iii. Status of registration / other statutory compliances
 - iv. Achievement in terms of patents filed / prototypes developed / commercialization of product etc.
 - v. Incentives availed under the policy (with or without assistance of the partner incubator)
 - vi. Services availed through the partner incubator eg. Statutory obligations / legal assistance / mentor connects / investor connects / accountancy services/ equipment rentals/ conference room rentals etc.
 - f. The partner incubator will be required to assist and guide incubatees in applying for incentives, benefits and services under the Policy

- g. On a preliminary screening of the applications the empanelled incubator may endorse the applications for incentives from incubated startups. The Karnataka Startup Cell, on a priority basis will consider the applications so endorsed.
 - h. Performance of the Empanelled Incubator: The empanelled incubator will be required to submit half yearly reports as per Annex III. If it is found that the Empanelled Incubator is not rendering the above services to the satisfaction of the Karnataka Startup Cell, the Cell shall initiate appropriate action against the incubator including but not limited to blacklisting the company from future public engagements of any kind.
2. Government Supported Incubator Scheme: Shall include NAIN incubators, TBIs and PPP incubators as prescribed under the Policy and notified from time to time.

III. Eligibility Criteria for Partner Incubator for Virtual Incubation Scheme

3.1 Eligibility for registration of Incubators/Partner Incubators:

1. The applicant incubator must be a registered company, society or not for profit organization in Karnataka.
2. The applicant incubator must have commenced commercial operation 1 year prior to the date of application for Incubator Registration/Partnership.
3. The Incubator must fall under the ambit of the definition of Incubator as envisioned in the Policy.
4. The incubator must operate in the technology sector that includes but is not limited to ESDM, IT, BT and AVGC.
5. Apart from the above criteria, Incubators will be given a score by the Karnataka Startup Cell on the criteria qualified in the Application form in Annex I¹ and subsequently based on biannual reviews of the partner incubator's performance.
6. Based on the eligibility of the applicant incubators, the Karnataka Startup Cell will publish the list of empanelled/partner incubators for administering incentives to the startups incubated thereunder.

Mandatory Documents To be submitted

1. Application in prescribed form duly filled as per Annex I (IN BLOCK LETTERS)
2. Company Entity Profile.
3. Copy of PAN Card.
4. Incorporation other such Certification.
5. Memorandum & Articles of Association of the Company/Society/Partnership Deed/Trust Deed. (As may be applicable).
6. DPR if new project.
7. Eligibility criteria as per Annexure I of the Startup Policy.
8. Land document viz., khatha, lease agreement of the building in occupation / KIADB / KSSIDC - land allotment letter, etc.,
9. STPI registration letter / SHLCC or SLSWCC approval letter
10. Certified Annual Reports/ Balance Sheet for last 3 years.
11. Processing fees of Rs.10,000/- + Service Tax in the form of DD in favour of "Karnataka Biotechnology and Information Technology Services(KBITS)" which is non-refundable
12. All fields are mandatory. Wherever not applicable please mention as "Not Applicable".
13. In case company authorizes a person as signatory – it is requested to furnish bio-data of the authorized person.
14. Registration of the incubatees and the invoices raised to be furnished to show proof of incubation
15. Please enclose a statement of Rent and other charges applicable for selected incubatees.
16. Please enclose a list of infrastructure available to the Startups, you may also enclose any brochures or other relevant material where applicable.

¹ The content of each application will be shared with startups that have not been incubated yet, to help them select an appropriate incubator for virtual incubation.

ANNEXURE I

Sl	Name of the Incubator	
1	Is the Incubator already supported by the Government of Karnataka	<input type="checkbox"/> Yes <input type="checkbox"/> No
2.	Status of the Company/Unit Undertaking (Please tick the appropriate box)	Partnership <input type="checkbox"/> Proprietary <input type="checkbox"/> Private Limited Company <input type="checkbox"/> Others (Specify) _____
3	Date of Incorporation:	
4	Commencement of Commercial Operations(dd/mm/yy)	
5	List of Services Offered:	
6	No. of Establishments/Branches/Offices:	
7	Other Information:	
8	Address:	
9	Chief Promoter/MD :	
10	Mobile number of Chief Promoter/MD :	
11	No. of Startups Incubating currently:	
12	Total No. of Startups Incubated:	
13	Total no. of seats available:	
14	Square Footage available to each startup (specify options of suite sizes if applicable):	
15	Total Built up Area:	
15	Corresponding Sectors of Operation:	
14	Selection Criteria for Incubatees:	

15	Financial Indicators of the Company/Firm (Last 3 Year in Rs. Crores)					
	Year	Turn Over	Profit Before Tax	Net Worth	Reserves & Surplus	Share Capital
16	Equity					
	Total Paid-up Capital (Rs.)		:			
	Resident Indian (%)		:			
	NRI Participation (%)		:			
	Resident Non Indian (%)		:			
	Foreign (%)		:			
1	Quality of Infrastructure provided to incubatees and Appropriateness of Infrastructure, specify the following if applicable: 1. Basic Infrastructure (Housekeeping, Effective utilisation of working space and common facilities, internet, power backup, firewalls, servers etc) 2. Appropriate Infrastructure (Basic + legal, accounting, Business, discussion rooms, seminar halls) 3. State of the Art Infrastructure (Appropriate + Other chargeable value added Services)					
2	Quality of Mentorship Programs: (specify at least 10 dedicated mentors) :					
3	Networking/Marketing Opportunities last year:					
4	Access to Investors and funding opportunities:					
5	Employment Generated per incubatee on average.					