

No.12 (15)/2013-IPHW  
Government of India  
Ministry of Communication & Information Technology  
Department of Electronics and Information Technology (DeitY)  
Industrial Promotion-Electronic Hardware Manufacturing Division

Electronic Niketan, 6 CGO Complex  
New Delhi -110003

Date: 17.06.2014

**ADMINISTRATIVE APPROVAL**

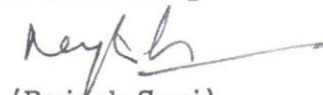
**Subject: "Setting up of Electropreneur Park for development of ESDM Industry"-regarding**

Sir,

I am directed to convey the Administrative approval of the competent authority for implementation of the project for Setting up of Electropreneur Park for development of ESDM industry at a total estimated cost of Rs. 21, 10, 58,256/- (Rupees Twenty One Crore Ten Lakh Fifty eight thousand two hundred fifty six only) by software Technology parks of India (STPI), Delhi jointly with Delhi University and India Electronics & Semiconductor Association, Bangalore for Development of Product and IP creation in the ESDM sector especially in the CAREL identified 6 mass consumption electronics products. The details of project are given in annexure enclosed.

2. This issues with concurrence of IFD, DeitY vide diary No.3047666 dated 25.02.2014 and approval of the MCIT dated 5/6/14 vide diary No.10 dated 30.5.2014.

Yours faithfully,

  
(Rajesh Suri)  
Dy. Director

To

1. Director General, STPI, New Delhi *Notified 17.6.14*
2. Pay & Accounts Officer, Department of Electronics & Information Technology, New Delhi
3. Principal Director of Audit, Scientific Department, New Delhi
4. JS (AK)/ JS & FA/ PPS to Secretary
5. Drawing & Disbursing Section (2 copies)
6. Sanction File.

**1. Objectives of the project:**

Setting up of the Electropreneur Park will primarily aspire to contribute to the ESDM growth story of India with the following objectives:

- a. Creation of a holistic eco-system for encouraging R&D, innovation, Entrepreneurship in the ESDM sector in India.
- b. Enabling creation of Intellectual Property within the country for maximizing the domestic value add and diminishing the external dependence in the sector especially in the CAREL identified 6 mass consumption electronics products.
- c. Provide assistance during prototyping, development and commercialization for the products produced through the scheme for India and other growth markets.
- d. Creation of employment at various levels.
- e. Creation of long term partnership with strategic sectors.
- f. The park should aim at objectives in line with the ESDM vision of the country as outlined in the NPE and other policy documents.
- g. Emphasis should on IP creation and Product Development to result in increased domestic value addition.
- h. Park should demonstrate unique integration of academia, industry, government and other incubation eco-system elements.
- i. Delhi University will provide knowledge experts, research expertise, infrastructure, and, a pool of incubates.
- j. Overall training and development of incubatees to create 'Electropreneurs'.
- k. Project should incubate minimum 50 companies in 5 years.
- l. STPI / DU will provide a minimum of 10,000 Sq.Ft. of carpet area for setting up of the said Park.
- m. Focus in terms of target technology/products should be CAREL products.

**2. Governance Mechanism**

DeitY will be providing the funding support required to set up and manage the centre over the first 5 years not exceeding the amount of Rs. 21, 10, 58,256/- (Rupees Twenty One Crore Ten Lakh Fifty eight thousand two hundred fifty six only). STPI shall be the managing body for disbursement of expenses incurred under the project. A comprehensive appraisal system shall be adopted, which shall include, but not limited to the below:

- Benefits/Assistance extended to each incubatee shall be under observation of STPI, DU and other professional agencies as deemed necessary by STPI. The selection of Incubatees shall be carried out through transparent and open process.
- Individual incubatee shall be subjected to evaluation periodically. During the evaluation, the progress of the proposed ideas/project/product shall be rated. Any deviations shall be recorded. In case major deviation(s) which may result in failure of the proposed idea/project/product, the support and facility extended to incubatee shall be revoked.
- Equity in the incubate companies, as per prevailing incubator norms, will be offered for mentors, operating team and Electropreneur Park stakeholders, which may exercise first right of refusal.
- An incubatee can avail the Scheme subject to clearing the evaluation criterion/ processes.
- As and when required, professional audit firm shall be engaged by STPI for audit works.
- A Project Monitoring Group chaired by DG – STPI should be formed.
- STPI will report progress of the project from time to time to Deity or /and Project Review & Steering Group (PRSG) constituted by Deity.
- The progress of the project shall be monitored periodically by STPI along-with University of Delhi, & IESA and reported to Deity on regular basis and also as and when called for.
- Detailed guidelines for implementation of the Scheme will be issued by Deity

### 3. Summary: Key terms of the project:

a.	Name of the Project	Setting up of an Electropreneur park for ESDM industry.
b.	Name of the Agency/Dept. from where proposal has been received	Software Technology parks of India (STPI)
c.	Total project outlay	<ul style="list-style-type: none"> <li>• Rs. 21.10 Crore to be released as Grant-in-Aid by Deity</li> <li>• Implementing agencies contribution : Minimum 10,000 Sq Ft work space to be provided by STPI/DU</li> </ul>
e.	Terms & Condition of GIA	Standard terms & conditions of Grant-in-Aid and other conditions enunciated in this administrative approval
g.	Project Outcome/deliverable	Minimum 50 start-ups shall be benefitted over a period of 5 Years, with quantifiable outputs.
h.	Project Duration	5 years
i.	Project Location	To be set up in National Capital Region of Delhi (NCR), and, housed in one of the offices of STPI in the region or space given by University of Delhi

j.	Implementing Agency	STPI, New Delhi along-with Delhi University and IESA, Bangalore
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4. Project cost details: (INR)

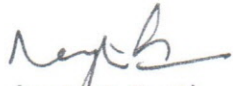
#	Major Head	Description	Year I	Year II	Year III	Year IV	Year V	Total
1	<b>Capex</b>							
1.1	Real Estate	Minimum 10,000 Sq Ft work space Provided by STPI/DU at Rental of INR 40 Sq Ft. Per month	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	24,000,000
1.2	Set Up	INR 3000 Per Sq Ft	30,000,000					3,000,000
1.3	Equip-ment (Lab)	Instruments, Testing, Power Electronics, Software etc.	26,779,267	1,500,000	1,500,000	2,500,000	1,500,000	3,37,79,267
		<b>Total 1</b>	<b>61,579,267</b>	<b>6,300,000</b>	<b>6,300,000</b>	<b>7300000</b>	<b>6300000</b>	<b>8,77,79,267</b>
2	<b>One-time expenditure</b>							
2.1	Launch Cost	Announcing the Electropreneur Park^	5,000,000					5,000,000
2.2	Pre - Operations	Documentations, Preparatory Meeting, etc.	2,500,000					2,500,000
		<b>Total 2</b>	<b>7,500,000</b>					<b>7,500,000</b>
3	<b>Marketing Expenditure</b>							
3.1	Market-ing	Business plan competitions, road shows, etc	5,000,000	500000	500000	500000	500000	2,50,00,000
		<b>Total 3</b>	<b>5,000,000</b>	<b>500000</b>	<b>500000</b>	<b>500000</b>	<b>500000</b>	<b>2,50,00,000</b>
4	<b>Operating Expenditure</b>							
4.1	Expert Costs	Cost of part time top management 20 hours per month @10K + travel etc.	3,000,000	3,300,000	3,630,000	3,993,000	4,392,300	1,83,15,300
4.2	Salary	CTC of full time staff (1+4)	5,000,000	5,500,000	6,050,000	6,655,000	7,320,500	3,05,25,500

4.3	General Expenses	Travel, communication, conveyance, miscellaneous @ 30% of salary	1,500,000	1,650,000	1,815,000	1,996,500	2,196,150	9,157,650
4.4	Overheads	Power/Maintenance/Repair/Fuel/Etc. @ INR 15 Per Sq Ft per month	1,800,000	1,980,000	2,178,000	2,395,800	2,635,380	10,989,180
		<b>Total 4</b>	<b>11,300,000</b>	<b>12,430,000</b>	<b>13,673,000</b>	<b>15040300</b>	<b>16544330</b>	<b>6,89,87,630</b>
5	<b>Project Management</b>							
5.1	Management Fees	Management Fees	3,000,000	3,300,000	3,630,000	3993000	4392300	18,315,300
		<b>Total 5</b>	<b>3,000,000</b>	<b>3,300,000</b>	<b>3,630,000</b>	<b>3993000</b>	<b>4392300</b>	<b>1,83,15,300</b>
6		Net Investment (INR)	88,379,267	27,030,000	28,603,000	31333300	32236630	20,75,8,197
7	STPI Service Charges	STPI Service Charges (@ 2% per annum of net investment minus the cost of capital equipments at s.no 4)	1,232,000	510,600	542,060	576,666	614,733	3,47,6,058
8	<b>Total Project Outlay</b>	<b>Rs Twenty One Crore ten lakh fifty eight thousand two hundred fifty six only</b>						<b>21,10,58,256/-</b>

#### 5. Release of Grant

Sl. No.	Amount	Stage	Conditions
1	40% of the amount earmarked for First year	Advance	Signing of MOU and acceptance of terms and conditions of Admn Approval
2	60% of the amount earmarked for First year	First year	On the commissioning of activities regarding allocation of the space, hiring of requisite manpower for the operation of the Electropreneur park, purchase of equipments, Initiation of the selection process of the beneficiaries for the project, subject to receipt of UC, on the recommendation of PRSG

3	50% of the amount earmarked for second year	Second year	After receipt of UC, operationalisation of the park, on the recommendation of PRSG
4	50% of the amount earmarked for second year	Second year	After receipt of UC, on the recommendation of PRSG
5	50% of the amount earmarked for Third year	Third year	After receipt of UC, on the recommendation of PRSG
6	50% of the amount earmarked for Third year	Third year	After of UC, on the recommendation of PRSG
7	50% of the amount earmarked for fourth year	Fourth Year	After receipt of UC, on the recommendation of PRSG
8	50% of the amount earmarked for fourth year	Fourth Year	After receipt of UC, on the recommendation of PRSG
9	100% of the amount earmarked for fifth year	Fifth Year	After receipt of UC, and satisfactory achievements of the project objectives, on the recommendation of PRSG

  
 (Rajesh Suri)  
 Dy Director

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**Department of Information Technology**  
**Ministry of Communication & IT**  
**Government of India**  
**Terms and Conditions Governing the Grant-in-aid**

i) The grant is for the specific project as approved by DIT and shall be subject to the following conditions:

(a) The grant amount shall be spent for the project within the specified time.

(b) Any portion of the grant which is not ultimately required for expenditure for the approved purposes shall be duly surrendered to DIT.

ii) 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 DIT grant;

iii) The assets referred to in (ii) above will be property of DIT and should not, without prior sanction of DIT, be disposed off or encumbered or utilised for the purposes other than those for which the grant has been sanctioned. An undertaking shall be given by the grantee institution that they agree to be governed by these conditions;

iv) At the conclusion of the project, DIT will be free to sell or otherwise dispose of the assets which are the property of DIT and grantee institution shall render to DIT the necessary support for facilitating the sale of these assets;

v) The grantee institution shall send to the Department of Information Technology at the end of each financial year as well as at the time of seeking further instalments of the grant a list of assets referred to in (ii) above;

vi) Should at any time grantee institution cease to exist, such assets etc., shall revert to DIT;

vii) 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.

viii) The grantee institution shall render an audited statement of accounts to DIT.

ix) 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 Department of Information Technology within six months following the end of the relevant financial year;

x) The utilisation 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;

xi) DIT 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;

xii) 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, the interest, thus earned should be reported to this Department. The interest so earned will be treated as a credit to the grantee to be adjusted towards future instalment of the grant;

xiii) Sale proceeds of components, prototype, pilot project etc. fabricated as a result of the development of the project arising directly from funds granted by Department of Information Technology, shall be remitted to DIT;

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xiv) The know-how generated by the project, shall be property of DIT. Any receipt by way of sale of know-how transfer, royalties training etc., shall accrue to DIT. DIT may, in its discretion, allow or direct a portion of such receipts to be retained by the grantee organisation.

xv) DIT will have the right to call for drawings, specifications and other data necessary to enable the transfer of know-how to other parties and the grantee shall supply all the needed data at the request of DIT;

xvi) 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 Department of Information Technology.

xvii) The Grantee institution 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 Information Technology as assistance to the later institution.

xviii) DIT shall appoint a Project Review and Steering Group (PRSG) comprising of representatives from DIT and other experts. PRSG will periodically monitor the project in all respects including technical and financial.

xix) The Grantee institution will first make all efforts to protect intellectual property generated out of the project. The grantee institution will examine Intellectual Property Rights (IPR) protection issues in consultation with IPR Cell, DIT to file patents, register the copyrights etc. before making it public by publishing in the technical journals and books, presenting findings in Conferences etc.

xx) The Intellectual property and the rights associated with it shall be assigned to DIT. In cases where the fundings have been done jointly with other organisations, the IP rights would be appropriately shared.

xxi) In case of any dispute on any matter, related to the project during the course of its implementation, the decision of Secretary, DIT, shall be final and binding on the institute.

**A certificate of acceptance of terms and conditions as above needs to be given by the chief investigator/ endorsed by the head of the institute while submitting the project proposal.**