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SCIENCE & TECHNOLOGY DEPARTMENT

RESOLUTION

The 22nd March, 2021

**Sub.: Guidelines for Bio-Innovation Grant(BInG).**

The question of framing up the said guidelines to fund biotech start-ups for their innovative ideas from ideation to proof-of-concept (POC) a crucial stage in the product development. These ideas will have commercial potential and potential for future impact.

After careful consideration, the Government in Science & Technology Department have been pleased to formulate guidelines for Bio-Innovation Grant (BInG) for proper implementation of Odisha Biotechnology Policy, 2018 which is as follows :-

**1. Scheme in brief :**

“**Bio- Innovation Grant**”(BInG), promoted by Science and Technology Department, Government of Odisha, will fund innovative ideas from ideation to proof-of-concept (PoC)- a crucial stage in the product development. These ideas should have commercial potential with future impact. The Biotechnology cell, under the administrative jurisdiction of state council of Science & Technology Department, Government of Odisha will select promising biotech start-ups each year and provide a support of up to INR 50 lakhs in a phased manner over a period of 18 months. This will help to build the pipeline of biotech innovation and future entrepreneurship in the state.

**2. Purpose of the BInG scheme :**

- 2.1 Supports ideation to PoC.
- 2.2 Nurtures entrepreneurship to enable translation of ideas into commercially viable products/ technologies to address unmet need
- 2.3 Enables Biotech Start-up Ecosystem in Odisha to become nationally and in course of time, globally competitive.

### **3. Types of projects to be supported:**

3.1 BInG scheme will support innovation under Healthcare, Life sciences, Diagnostics, Medical Devices, Drugs, Vaccines, Drug Formulations and delivery systems, Industrial Biotechnology, Food & Agriculture including Secondary agriculture, Waste Management, Sanitation, Clean Energy and related areas.

3.2 The project proposals can be submitted in any of the following seven categories:

- (i) Devices & Diagnostics
- (ii) Drugs including drug delivery
- (iii) Industrial Biotechnology including Secondary Agriculture
- (iv) Agriculture
- (v) Biosimilars& Stem Cells
- (vi) Vaccines
- (vii) Bioinformatics & facilities

Science and Technology Department, Govt. of Odisha would encourage proposals involving integration of Biotech with applied sciences that may include Engineering, Artificial Intelligence, Internet of things, Sensors, Data Analytics, Cloud Computing, Machine Learning, Automation, Robotics and related disciplines to potentially facilitate transforming healthcare, life sciences, and other bio-based industry/ markets.

**Note: The following will not be eligible for BInG.**

- (i) Basic/exploratory research projects,
- (ii) Projects having low element of novelty,
- (iii) Projects involving systematic clinical trials, field trials or late stage validation/certification of the technology type of projects will not be supported.

**NB:** BInG grant is not a research fellowship and cannot be used to support PhD or any other academic research.

### **4. Project Duration:**

The funding will be provided for a period of 18 months. The project will be implemented in a milestone based manner.

### **5. Support to be provided to grantees under the scheme (Financial):**

5.1 The funding support under BInG will be in the form of grant-in-aid.

5.2 Extent of grant funding is up to INR 50 lakhs for the BinG grantee shall be

provided by Science & Technology Department in the following manners

5.3 The grant shall be disbursed to the grantee by the BInG Partner. Money Receipts will be submitted with 15 days and Utilisation Certificate will be submitted prior to sanction of next instalment.

5.4 The fund allocation is milestone based and will be released in 4 instalments:

- (i) 1st Instalment: Signing of Contract: 40% of the total grant
- (ii) 2nd Instalment: Completion of 1st Milestone: 30% of the grant
- (iii) 3rd Instalment: Completion of 2nd Milestone : 20% of the grant
- (iv) 4th Instalment: Completion of project and submission of final report :10% of the grant
- (v) Last instalment would be released after submission of project completion report.

## **6. Entrepreneurial Support:**

BInG Partners will provide continuous mentoring support to the grantees, including but not limited to the following:

- (i) Technical Mentoring (Connect with Technical Experts)
- (ii) IP Support
- (iii) Legal Support
- (iv) Networking and Outreach
- (v) Trainings
- (vi) Regulatory Advice
- (vii) Business Mentoring
- (viii) Connect with Investors
- (ix) Any other assistance on case to case basis

## **7. Eligibility criteria (Individual):**

7.1 The individual applicant should be an Indian citizen.

7.2 The primary applicant should be the Project Leader.

7.3 The applicant has to be incubated in an incubator (Incubator could be located anywhere in the State and may/may not be supported by Govt. of Odisha). At the time of application, the applicant is expected to have identified preferred incubator. LoI/MoU with the incubator is required for final approval.

7.4 If the applicant is formally employed (or registered as a student) with an academic or research organization, then

- (i) The applicant has to produce a No Objection Certificate (NOC) from Competent Authority of the organization clearly indicating that the organization has policies in place to allow the applicant to apply for such grant while in service/ on sabbatical/on Extraordinary Leave:
- (ii) Accept funding support (if successful) as an individual,
- (iii) Manage the funds through a separate no-lien account in individual capacity
- (iv) Undertake BInG project in an incubator
- (v) To create an enterprise
- (vi) Alternatively, the applicant needs to provide an undertaking that he/she plans to terminate his/her association with the current employer and take up the project full time in the event of grant approval. A resignation/ relieving/ retirement letter will be needed as supporting document before final approval and release of the grant.
- (vii) If the applicant is formally employed with a for profit company/LLP (limited liability partnership),
- (viii) The applicant needs to provide an undertaking that he/she plans to terminate his/her association with the current employer and take up the project full time in the event of a grant approval (A resignation/ relieving/retirement letter will be needed as supporting document before final approval and release of the grant.), or,
- (ix) Alternatively, the application should be submitted under Company/LLP category.
- (x) Individual who is a promoter shareholder of a Biotech company or one of the partners in a Biotech LLP will not be allowed to apply as an individual, irrespective of the percentage of shareholding of the applicant in the company. (In such a case, the application can be submitted through company/LLP route, in case the company/LLP meets the required eligibility criteria as detailed below)

## **8. Company/ LLP:**

- 8.1 The Company/LLP should be registered under the Indian Companies Act, 1956/2013
- 8.2 The incorporation date of the Company/LLP should not be earlier than 5 years from the date of closing of a particular BInG call.
- 8.3 A company is considered as 'owned' by resident Indian citizen(s) if minimum 51% of the capital is beneficially owned by resident Indian citizen(s) and / or Indian companies, which are ultimately owned and controlled by resident Indian citizens

- 8.4 Company/LLP's application should be represented by a Project Leader
- 8.5 The Company/LLP must have its own in-house R&D facility that is functional and adequate to execute the project. If the Company/LLP does not have a functional and adequate laboratory of its own then it should be incubated at an incubator (This shall be verified and confirmed by BInG Partner ),
- 8.6 If an applicant company, in which any promoter holding more than or equal to 20% of the shares, is a co-promoter of another ineligible company or a partner in another ineligible LLP, then the applicant will not be eligible. The only exception to this shall be situation wherein the latter ineligible company/LLP is operating in non-biotech domain. In case applicant is a LLP: An applicant LLP, in which any of the partners is also a partner in another ineligible LLP or is a co-promoter in another ineligible company, then the applicant will not be eligible. The only exception to this shall be situation wherein the latter ineligible LLP/company is operating in non-biotech domain.

## **9. Other important details:**

### **9.1 Project leader**

- (i) Every proposal must clearly identify a Project Leader who will take responsibility for the technical and managerial aspects of the project execution.
- (ii) The Project Leader must be technically qualified in the area of Biotechnology to undertake the project. The Project Leader must have completed basic undergraduate training in any discipline.
- (iii) In the event that the proposal is shortlisted for presentation in front of Selection Committee(s), the Project Leader will be required to present the case for support. In the event that proposal is shortlisted for funding support, the Project Leader will be required to sign the project agreement.
- (iv) Project Leader must be a shareholder in the applicant company.

### **9.2 Others**

- (i) Applicants are expected to show documentary evidence for verification by BInG Partners.
- (ii) Letter of commitment from Scientific Advisors/ Mentors to serve as honorary advisors.
- (iii) Letter of intent of key members of the technical team.

- (iv) Letter of interest/intent from the incubator.
- (v) Evidence of access to unique facility needed to execute a project or Evidence of access to key samples needed to execute the project (eg: bio-fluids)

### **9.3 Post Expert Selection Panel (ESC)**

- (i) Letter of acceptance or MoU with incubator
- (ii) Formal agreements/ MoUs with other key facility of providers/ suppliers
- (iii) Any other due diligence documents requested on case to case basis by BInG Partners (e.g. technology in licensing; IP rights clarification; NoC from Institute etc.)
- (iv) Undertaking by the applicant that the project with same objectives and deliverables has not received funding from any other agency.
- (v) The proposed objectives and deliverables should not have received funding support from any other agency.
- (vi) BInG support can be provided only once to any start-up.

### **10. Individual to Company Conversion:**

Individual applicants are encouraged to incorporate a start-up during BInG tenure, preferably within 6 months of BInG grant. The start-up will need to meet all eligibility criteria as listed above for a company/LLP under BInG and comply with the due diligence requirements. The Project Leader will also need to remain the same and need to be a promoter shareholder in the new start-up.

### **11. Application Process:**

- 11.1 Govt. will issue an advertisement call inviting applications under BInG once in a year.
- 11.2 The Call for Proposals is advertised through one or more means that may include Govt. website, newspapers, journals and magazines.
- 11.3 The Call for Proposals is typically open for a period of up to one and a half month.
- 11.4 The BInG Scheme will be implemented across the state through BInG Partners. The Call will mention the names of BInG Partners for the particular call. The BInG Partners responsibilities are mentioned in **Annexure I**.
- 11.5 Application for BInG needs to be submitted online ONLY through Science and Tech. website <https://st.odisha.gov.in/> or in the portal run by Science & Technology Department.

- 11.6 Applicants are advised to fill-up and submit their applications early without waiting for the last date in order to avoid last minute rush. The online system will stop accepting applications automatically at the specific date and time mentioned in the Call details.
- 11.7 Applicants are advised to provide sufficient details in their applications to allow for an informed and fair evaluation/review.
- 11.8 Requests for changes in a proposal once submitted will not be entertained.
- 11.9 Providing incorrect information intentionally is viewed adversely and may lead to disqualification

## **12.Selection process:**

### **BInG selection would be a two-tier process involving-**

- 12.1 Online review (first level), Online review and short listing would be managed by and at BInG Partners' site. BInG Partners would screen the applications for eligibility and appropriateness under BInG scheme. Eligible proposals would be reviewed **online** by 3 or more subject matter experts. Based on expert review, shortlisted applications would be called for final presentation before Expert Selection Committee (ESC).
- 12.2 Presentation for final selection before the Expert Selection Committee (ESC; second level/ final level). Short listed proposals from all BInG partners would converge to a centralized selection committee –ESC.

## **13. Expert Selection Committee:**

- 13.1 Expert selection Committee (ESC) shall be constituted in consultation with selected BInG Partners. ESC recommended applications would then be subjected to final financial and technical due diligence by the BInG Partner. This requires a visit by BInG partner representative(s) to the applicant's site (may be in virtual mode) and involves following steps:
- (i) Reconfirming eligibility by verification of original documents and legal, technical and financial due diligence.
  - (ii) Confirming applicant's claimed resources: Space, equipment, manpower, advisors, incubation services, samples etc.
  - (iii) Confirming compliance strategy with regards to safety, ethics, waste disposal etc. Confirming for any special guidance by ESC.
  - (iv) Justification of budget (usually by verifying quotations); meeting budget caps and other requirements.

(v) Finalization of milestones, budget and payment schedule; defining clear measurable milestones.

(vi) Due diligence reports provided by the partner would then be examined by the S & T Department, subsequent to which a proposal would be finally approved for funding support under BInG.

#### **14. Signing of Agreement, Fund Disbursement, Monitoring and Review process:**

14.1 For the proposals finally approved for funding support, BInG Partners would have to sign agreements with BInG grantees on behalf of DST, Odisha.

14.2 Necessary guidance notes and templates would be provided to BInG Grantees by respective BInG Partners.

14.3 All grantees are required to open a separate, auditable, no-lien bank account with a scheduled bank in order to receive the funds.

14.4 Based on approved project milestones, respective BInG Partners would periodically monitor progress and review the project. Grantees have to submit periodic reports and utilization certificates in the prescribed format to the BInG Partner.

14.5 The project progress would also be monitored by Science & Technology Dept., Govt. of Odisha regularly including a presentation towards completion of the project.

14.6 It is mandatory for all BInG grantees to interact with at least 2 investors during 18 months of BInG project and include the feedback in the final report.

#### **15. Indicative evaluation criteria for selection of BInG Grantees:**

The indicative evaluation criteria for proposals under the BInG scheme are as follows:

<b>Criteria</b>	<b>Description</b>	<b>Illustrative weightage</b>
Technical feasibility of the idea	<ul style="list-style-type: none"> <li>• Is the idea technically feasible in light of the current state of knowledge in the field and data provided to support the proposed idea?</li> <li>• Are technical claims reasonable?</li> </ul>	15%
Novelty	<ul style="list-style-type: none"> <li>• Does the proposed technology have a significant novel component?</li> <li>• Does it differ from the existing solutions and future relevant competitors? And the differentiation has a commercial potential?</li> </ul>	15%



	<ul style="list-style-type: none"> <li>• Does the proposed technology have potential to create new IP?</li> </ul>	
Value proposition	<p>What is the value proposition?</p> <ul style="list-style-type: none"> <li>• Will the technology have significant commercial/societal impact?</li> <li>• Does the idea offer a potential solution to an unmet need in market/society?</li> <li>• Does the product/technology offer import substitution with potentially high economic benefit?</li> <li>• Is the target market large or addressing a niche segment?</li> <li>• If the idea succeeds, does it have potential for disrupting the markets or industry or technology landscape?</li> </ul>	15%
Commercialization strategy	<p>What is the Go to Market Strategy?</p> <ul style="list-style-type: none"> <li>• Has the applicant identified target customers for the technology/ product/ service?</li> <li>• Has the applicant identified potential business partners/mentors?</li> </ul>	15%
Team	<p><b>Technical competence of the PI and team</b></p> <ul style="list-style-type: none"> <li>• Is the strength of PI and team sufficient to take the project to completion?</li> <li>• Has the team identified relevant advisors/mentors?</li> <li>• What is the strategy to cover the missing technical/business expertise gaps?</li> </ul> <p><b>Note:</b> If the proposal is aimed at development of a product/technology to be used in clinical settings, it is highly recommended to have a clinical advisor onboard right from start of the project.</p>	20%

Strategy to overcome challenges	<b>Team's preparedness to identify challenges and way forward:</b> <ul style="list-style-type: none"> <li>• Does the project progression face any major barrier(s) such as: <ul style="list-style-type: none"> <li>o Regulatory</li> <li>o Ethical and EHS</li> <li>o Availability of raw material/key resources</li> <li>o Requirement of unique facility</li> <li>o Patent rights, technology in-licensing etc.</li> </ul> </li> </ul>	10%
BInG project plan	<ul style="list-style-type: none"> <li>• Does the proposal provide sufficient details for evaluation?</li> <li>• Are the project timelines and deliverables reasonable?</li> <li>• Are the project objectives achievable with the funding cap of INR 50 lakhs?</li> </ul>	10%
<b>Budget Planning</b>	Budget heads typically involve the following: <ul style="list-style-type: none"> <li>• Equipment</li> <li>• Manpower</li> <li>• Consumables</li> <li>• Incubation space rentals and services.</li> <li>• Travel</li> <li>• Outsourced services</li> <li>• IP costs</li> <li>• Contingency</li> </ul>	
Equipment	<ul style="list-style-type: none"> <li>• Maximum of 30% of project cost can be considered for equipments.</li> </ul>	
Manpower	About 30% of project cost can be considered for manpower/salary head with a cap of INR 50,000 per month per head. <ul style="list-style-type: none"> <li>• Scientific advisors/ mentors to the BIn G grantee cannot draw salary through BInG grant. None of the team members can receive salary/stipend/fellowship from two sources simultaneously (BInG, Odisha and any other source).</li> </ul>	

Consumables	These heads are flexible and need to be justified.
Incubation space rentals and services	Rentals for incubation space or start-up's R&D premises Charges for services availed by the grantee at the incubator
Travel	For project related travel within INR 1.5 lakh
Outsourced services	Outsourcing cost should not exceed 30% of project cost. It may include: <ul style="list-style-type: none"> <li>• project related services that are not available at the Incubator/own R&amp;D premises</li> <li>• Short-term consultancy to non-team members for specialized requirements</li> </ul>
IP Costs	<ul style="list-style-type: none"> <li>• For patent drafting, filing and related services within INR 1.5 lakhs</li> <li>• Foreground IP in-licensing charges not covered under BIn G grant</li> </ul>
Contingency	Contingency cannot exceed 5% of project cost and in general includes expenses towards minor variations in any of the above budget heads; meeting expenditure towards unplanned activities. It may include project related expenses incurred for setting up of company/ LLP during BIn G tenure, stationery charges, incidental expenses, conference registration etc.
Waivers	The above guidelines shall be followed unless there is a specific exemption by the Science & Technology Department, Govt. of Odisha.

By Order of the Governor  
SANTOSH KUMAR SARANGI  
Principal Secretary to Government

**Annexure I****BInG Partners**

The BInG Scheme would be implemented through BInG Partners located across the state. Govt. will invite institutions of repute and having expertise in promoting bio-incubation to be recognized as BInG implementing partner. Upon selection, Govt will sign MoU with these partners for implementation of the scheme. A call for proposals will mention the names of BInG Partners for the particular call.

**Responsibilities of BInG Partner include:**

- Create awareness about BInG scheme through outreach programmes, social media etc.
- Provide mentoring for proposal submission to BInG aspirants
- Receive online applications
- Screen BInG applications for eligibility and suitability for the scheme
- Conduct first level screening through online review of eligible applications and recommend shortlisted proposals for approval to Govt. of Odisha
- Conduct expert meeting for shortlisted applicants and submit detailed recommendations to Govt. for further approval
- Handhold and provide pitching guidance to applicants for presentations before ESC
- Conduct technical & financial due diligence of the applicants shortlisted by the ESC and submit due diligence reports to Govt. for final approval
- Sign agreement with finally selected innovators
- Verify requirements for release of funds
- Release funds (milestone based) to separate no-lien account
- Monitor the milestones and provide continuous mentorship/handholding for activities related to IP management, legal, contracts, mobilizing resources, fund raising and other business development related activities
- Organize workshops/ seminars/ mentoring sessions for BInG grantees
- Provide a platform for interaction with Experts, Mentors and other academic/ business partners.

Annual BInG management fee of 10.0 lakh will be provided to the partners to carry out the above activities.

Manpower: (one) @ 45000/- pm for 18 months 8.1 lakh

Programs to popularize the scheme 1.5 lakh

Honorarium to mentor for review	1.6 lakh
Travel	0.5 lakh
Contingency	0.5 lakh
Overhead	0.5 lakh
<b>Total</b>	<b>12.7 lakh</b>

The performance of the **BInG partners** would be evaluated annually. If satisfied, it will be extendable further for period of one year. If not the funding support will be coterminous with the duration of BInG fellowship i.e. 18 months, accordingly the funding support will be disbursed with approval from Science & Technology Department.