

**Dr.Mahalingam College of Engineering and Technology,
Pollachi -642003**



**Institution's Innovation Council (IIC) and
National Innovation and Startup Policy (NISP)
Policy Document**

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National Innovation and Startup Policy (NISP)**

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IIC and NISP

1. Introduction

Dr Mahalingam College of Engineering and Technology herein after MCET offers higher education in Engineering, Technology, Technical Training, and Research relevant to the day-to-day needs of the society. The faculty members and students of MCET are always committed towards knowledge generations in the area of manufacturing, education, social sector, urban development, agriculture and environment. To convert this knowledge in to commercial products / process a well-defined innovation and start-up policy is framed.

2. Vision

MCET Innovation and Start-up policy is to actively support their faculty, staff and students and individual to participate in innovation and entrepreneurship (I&E) related activities, thus encouraging students and faculty to consider start ups and entrepreneurship as a career option.

3. Mission

To build a cluster of on campus start-ups the below mentioned strategies are formulated:

- Motivating students to take-up “Entrepreneurship and startup” related courses in the specialisation vertical.
- Evolving curriculum aligned teaching and training materials for start-ups, and engaging them in pre-startup activities.
- Capacity Building Programmes / Activities for faculty as well as trainers.
- Mobilising resources at the institute for supporting pre-incubation and incubation.
- Defining a sustainable financial strategy.

4. Centre for Innovation, Business Incubation and Entrepreneurship(CIBIE)

- CIBIE was established in the year 2015 with aligning with the Government of India's Make in India and Start-up India policies, the campus recognizes the dire need for increasing the employment creators as opposed to seekers. CIBIE helps to instil the confidence in students that their raw idea could be validated and translated into a commercially successful model.
- CIBIE has a 2000 sq. ft. exclusive facility for the incubatees to research and develop their product. The incubatees are facilitated to utilize all the resources available inside the campus for this purpose. The incubatees recruit students as intern and subsequently offer jobs to work as full time employee.
- CIBIE has signed up MoUs with Forge Accelerator, Coimbatore and Million Minds, Mumbai to augment its efforts to increase the number of students taking up Entrepreneurship. CIBIE is also a member of Indian STEP and Business Incubator's Association (ISBA).

4.1 Thrust areas

MCET-CIBIE can support students, faculty members and individuals who have potential ideas which can be converted into successful start-ups with the following prime factors.

- Innovation
- Technical feasibility
- Commercial viability
- Scalability

MCET-CIBIE accepts ideas from students, faculty members, alumni and any individuals for incubation in the following domains.

- ✓ Building Materials/Construction Technology
- ✓ New and Renewable Energy and Environmental sustainability
- ✓ Energy conservation
- ✓ Electric Mobility

- ✓ Emission Control Systems and products
- ✓ Solar Photovoltaic systems
- ✓ Education
- ✓ Information & Communication Technology (ICT)
- ✓ Manufacturing Automation and Engineering
- ✓ Additive Manufacturing
- ✓ Water, Sanitation and Solid-Liquid Waste Management
- ✓ Waste heat Recovery Systems
- ✓ Telecommunication
- ✓ Cyber Security
- ✓ Artificial Intelligence and smart Decision making systems
- ✓ Drone Technology
- ✓ Agri Tech
- ✓ other emerging areas

4.2 Physical Incubation

The following categories of startup ventures/Enterprises are supported by CIBIE.

Category I

Ventures that qualify as a potential Incubation project proposed by students and/or alumni of MCET or other premier institutes, or technology promotion agency .

Category II

Ventures by Entrepreneurs or MSMEs who propose technology-based startup with the MCET-CIBIE or an enterprise with novel technological idea for upgradation along with MCET-CIBIE

4.3 Virtual Incubation

Virtual Incubation is also encouraged by MCET-CIBIE to promote entrepreneurship activity by MCET-Alumni and / or Individual. MCET-CIBIE act as a platform for developing innovative products/ services without being physically present at the campus. The applicant will go through admission process for virtual incubation. MCET-CIBIE shall offer all administrative, business and technical support needed to

the incubatee and startups on chargeable basis. MCET-CIBIE and the virtual incubate will execute a consultancy agreement. The registration fee for virtual incubates will also be applicable however security deposit will not be applicable. The virtual incubatee will be allowed to use MCET Library facilities and intellectual resources of MCET.

5. Screening Process

Students, staff and faculty members, MCET-alumni and any one or more individuals who desires to become incubatee of MCET-CIBIE has to apply in the prescribed format along with required documents as per Annexure I. After successful evaluation of their documents, if they are deemed to be eligible, he/she shall be inducted as incubatee at MCET-CIBIE. The applicant will be called for a business plan presentation at the executive committee. The executive committee will consist of concerned Head of the Institution, MCET-CIBIE Coordinator and members in the AP(SG) level. The executive committee will carefully evaluate the business idea, Social Impact, market availability, potential value of the technology, growth prospects, innovative content and team strength of the applicant. Executive committee will recommend for induction of such applicants to the Head of the Institution.

Any enterprise or individual or group of people proposing to be engaged in imparting educational courses and/or training program including vocational programs or is planning to undertake such activities during or after its Incubation at the MCET-CIBIE, is not deemed eligible for Incubation and their application will not be entertained.

A comprehensive business plan must cover the following issues but not in sequence as mentioned below.

The business plan should contains the following

1. Introduction/ Entrepreneur(s) details
2. Concept/Proposition/product or service description
3. Need for promotion and market opportunity
4. Competition survey if any.
5. Development plan and milestones
6. Marketing Plan
7. Organizational chart/ Management team

8. Financial implications
9. Risks and derisking strategies

6. Admission

All the applicants have to go through the following process right from submission of the required documents for getting eligibility as an incubatee in the MCET-CIBIE.

6.1 Documents required

- Aadhar card / PAN card
- Permanent address proof
- Business Plan (shall present the executive summary to an internal review committee for comments on technical and business feasibility of the idea)*
- Two references
- Filled-in application with passport size photograph of the applicant
- Signed agreement (between incubatee & incubator) indicating incubatee agreeing to abide by the rules and regulations to be adhered to by incubates.

*Budding innovators will be provided guidance in developing the business plan by MCET-CIBIE.

6.2 Research and Due diligence

During admission process, MCET-CIBIE will do research and due diligence of the applicant, his/ her team, the proposed enterprise and current and future competitive elements the proposed business of the applicant. MCET-CIBIE may demand additional information and may ask the applicant to revise the business plan. In this regard, MCET- CIBIE may at discretion seek advice of various Government bodies like AIM,DST, DSIR, MNRE, NRDC, MSME etc.,

6.3 Security Deposit& Registration Fees

Applicant has to pay a refundable security deposit of Rs 10000/= (Rupees ten thousand only) after the successful recommendation as an incubatee. The amount will be paid back after the successful graduation of incubation period or normal exit. Virtual incubatee does not have to pay security deposit. The incubatee shall pay an

annual registration fees of Rs. 2000/= to be paid at the date of execution of agreement and subsequently within fifteen days of the beginning of each year counted from the date of this agreement and shall continue to maintain their registration till the graduation of the incubation or normal exit. MCET- CIBIE reserves the right to relax the norm case to case basis if necessary.

6.4 Non-Disclosure

MCET- CIBIE adheres to strict confidentiality throughout the application process and does not execute a non disclosure agreement as followed in the normal practise.

7. Norms for the Students Start-up and entrepreneurs

This policy permits students and entrepreneurs to transform the ideas based on IPR owned / co-owned by them for running Startup Company.

- a) The charges for use of laboratories for students and the Alumni will be free. However, usage of such resources shall be on chargeable basis which will be decided by MCET –CIBIE and the concerned department based on the facilities and equipments planned to be used by the incubatee for development and testing.
- b) MCET- CIBIE reserves the right to change the norm case to case basis if necessary.

7.1 Students and Alumni

- a) Students are encouraged to establish start-up either individually or through inter-departmental participation, in accordance with student start up policy of the institute.
- b) Training in cognitive skills (e.g. design thinking, critical thinking, etc.), can be arranged by inviting first generation local entrepreneurs or experts to encourage entrepreneurial mindset among students.
- c) Students are encouraged to participate in Idea and innovation competitions, hackathons, workshops, boot-camps, seminars, conferences, exhibitions, mentoring sessions by academic and industry personnel, regularly.
- d) Institute may allow students to establish start up or work as intern in the start-up present with the Institute Incubator.
- e) Allow the students to earn credit for working on the Innovative prototypes /business models to a maximum of 1 Credit / semester certified by the Incubator, and approved by the Committee established by the institute.

- f) Students may be allowed to opt for startup in place of mini project / summer training with the approval of the committee established by the institute.
- g) Students may be permitted to use the startup idea / prototype development as their major project work for the Institute academic requirements with the approval from committee established by the institute.
- h) Student Start-up may be permitted to use the address of the Hostel or the Incubator to register the Company while studying in the Institute.
- i) Institute may exempt Student startup affiliated with the Institute incubator to avail maximum up to 20 % attendance in any semester. Including this grace of 20 % attendance, student should secure 75 % attendance in each subject to appear for the end semester examination.
- j) Institute may set-up a review committee (Senior faculty in charge of IIC, HOD of the Student Department, CEO of Incubator and Principal of the Institute) for review of student startup to provide accommodation for the student entrepreneur within the campus for a maximum period of 6 months.
- k) For the incubation of the Company owned or co-owned by the student, evaluation is as per the incubation policy of the existing incubator in the Institute for the seed funding / any other support required.
- l) If the incubatee is a student, he/she will be allowed to occupy the shared working space rental free until they graduate.
- m) If the incubatee is an alumnus, he/she will be allowed to occupy the shared working space rental free for the first 6 months.
- n) After the above free rental period, the incubatees, alumnus will be required to pay a rent of Rs. 25 per sq ft. and also pay three-month rental amount or Rs. 10,000 (in case the sum of 3-month rental amount is less than Rs. 10,000) as refundable security deposit.
- o) Expenses towards boot camp, idea pitching, consulting with experts, etc., will be borne by the incubatee.
- p) The charges for use of laboratories for students and the Alumni will be free. However, usage of such resources shall be on chargeable basis which will be decided by MCET –CIBIE and the concerned department based on the facilities and equipments planned to be used by the incubatee for development and testing.

q) MCET- CIBIE reserves the right to change the norm case to case basis if necessary.

7.2 Entrepreneurs

a) Incubatees from other colleges or individuals will be charged at Rs. 25 per sq. ft. as rent for the co working space.

b) The rent includes maintenance charge, Electricity, and Internet.

c) All monthly charges to be paid on or before the 7th of every month.

d) Expenses towards boot camp, idea pitching, consulting with experts, etc., will be borne by the incubatee.

e) Expenses towards boot camp, idea pitching, consulting with experts, etc., will be borne by the incubatee.

f) Usage of laboratories and testing shall be on chargeable basis which will be decided by MCET –CIBIE and the concerned department based on the facilities and equipment planned to be used by the incubatee for development and testing.

g) MCET-CIBIE shall have a stake in revenue generated by the incubatee for the services rendered to him. The service model proposed is revenue sharing (2 to 9.5%) depending upon the technology for a period of five years from the date of graduation.

h) The incubatee has to submit a yearly account statement and unaudited quarterly statement about the activities.

i) MCET- CIBIE reserves the right to change the norm case to case basis if necessary.

8. Common facilities and services

The following facilities and services will be available for all incubatee.

1. 24/7 Power Backup & Security
2. High Speed Wi-Fi internet connectivity
3. Workspace depending on the team size
4. Students from campus will be allowed to work as interns and full time/part time employee in the incubating companies after a screening procedure.
5. Office furniture, Table, Chair, File cabinet and computer systems if required.
6. Library
7. Access to Conference Room with projection equipment

8. White Board, Notice Board
9. Visitor's lounge
10. Water dispenser

9. Tenure of Incubation

9.1 Tenure

The incubatee will be permitted to stay in the MCET-CIBIE for a period of maximum two years. Maximum two extensions may be granted for 6 months each at a time at the sole discretion of the Institute.

9.2 Mile stones of Incubation

1. The incubatees will be allowed to take first THREE MONTHS to convert their ideas into a prototype or in case of software product, a Beta Version must be rolled out.
2. The next THREE MONTHS will be given for building the product with features required to market the product.
3. The next THREE MONTHS will be for generating leads, marketing and closing the sale of product.
4. The next THREE MONTHS will be for post implementation support and create product road map for next version and create new client base.

9.3 Exit policy

The incubating company will be required to become independent of CIBIE under the following circumstances:

- a. Once the Incubatee completes 24 months of existence in the centre (Unless extended by Management) or until he is a student.
- b. When the company's team size exceeds 12 members inside the centre.
- c. When the company makes an annual turnover of more than 1 Crore.
- d. Non compliance to the Milestones set by CIBIE or underperformance.
- e. Change in founders or managing team without the knowledge of CIBIE.
- f. Violation of any of the CIBIE's policy.
- g. Disputes among promoters/co-founders.
- h. Any other reason which CIBIE deems as non-compliance.

- i. In case of migrating from CIBIE the incubatee has to submit a written document quoting the reason. The incubatee will be released after all dues are settled. Notwithstanding anything written elsewhere, MCET-CIBIE's decision in connection with the exit of an incubatee shall be final and shall not be disputed by any incubatee.

10. Intellectual Property Rights Protection and licensing

- Intellectual Property Rights (IPR) developed by the Institute / start-up must be protected and licensed as per the Institute norms.
- Inventors and institute could together license the product / IPR to any start-up by Faculty / Students, with inventors having the primary say. License fees could be either / or a mix of Upfront fees or one-time technology transfer fees or Royalty as a percentage of sale-price or Shares in the companylicensing the product as per the institute norms.
- Institute's IPR cell or incubation centre will only be a coordinator and facilitator for providing services to faculty, staff and students. They will have no say on how the invention is carried out, how it is patented or how it is to be licensed.
- All institute's decision-making body with respect to incubation/ IPR / technology-licensing will consist of faculty and experts who have excelled in technology translationand head of the institute.
- In case the incubatee is desirous of using the Intellectual Property of MCET like patent, software code, copyright, design registration, developed product, etc. Then the incubatee shall make such request in writing to MCET. The terms and conditions for such IP licensing shall be decided by the Institute.
- The incubatee shall inform if any students have worked on the technology and if their work will be incorporated in the product(s).
- The incubatee shall inform if any IP has been generated as a result of collaborative work with faculty members is being incorporated into the product(s).
- The incubatee shall inform if any MCET-CIBIE infrastructure (hardware, testing setup, instrumentation, computing resources, processes) has been used in developing the IP or technology that will go into the product(s).

11. Seed Fund

MCET-CIBIE may provide seed fund of maximum Rs. 2 Lakhs (Rupees Two lakhs) subject to the availability of funds/ grants/ schemes meant for this purpose.

An Incubatee desirous of getting seed fund may submit an application after six months from the date of admission in MCET-CIBIE. Sanction of seed loan will be decided based on the eligibility criteria as decided by MCET-CIBIE.

MCET-CIBIE will have sole discretion to sanction or reject an application for seed fund and the decision of MCET-CIBIE in this regard shall be final. MCET-CIBIE is not bound to give any reason in case an application for seed fund is rejected. Though seed fund may be sanctioned at the time of approval of the proposal for admission, disbursement shall be subject to satisfaction of MCET-CIBIE.

12. Conflict of Interest

In case of conflicts of Interests, the decision of the MCET shall be final.

13. Agreements

All the incubatee shall enter into the following agreements with the MCET-CIBIE:

A. Incubation Agreement: containing rules, and other norms, considerations, equity holding etc.

B. Seed Fund Agreement: The Incubatees who are eligible to avail seed fund shall enter into this agreement containing the rules for disbursement of seed fund.

C. Technology Commercialization Agreement: applicable to incubatees using technology and IP developed by MCET.

14. Disclaimer and regulations

14.1. Legal Disclaimer

The incubatee will understand and acknowledge that MCET-CIBIE intends to provide technical supports and services to the enterprise in good faith to pursue its objective to promote entrepreneurship by converting innovative technologies developed in the Institute to commercialization by incubating and supporting new enterprises.

It is understood by both that by agreeing to provide various supports and services, MCET-CIBIE shall endeavour for:

- Ensuring quality of support and services provided by the Incubation Centre to the satisfaction of the incubate companies or their promoters/ founders.
- Ensuring quality of services of the consultants engaged by the incubate companies MCET-CIBIE network. Incubate companies will also have to apply their judgments before getting in to a relationship with them.
- MCET will not be responsible for any loss or damage to property and life caused by the product being developed or its operation at customer premises. No guaranty and warranty claims can be made on MCET for non-performance of the products. However MCET may advise the CIBIE, to extend technical help in solving the problem and guiding the entrepreneurs to improve the product performance.
- MCET-CIBIE or any person representing MCET-CIBIE shall not be liable for any acts or omissions of the incubatee , however, in case of any such event the incubatee shall do all that is required to hold MCET-CIBIE ,any person representing MCET-CIBIE, harmless from any loss including damage, penalty. Any loss caused to MCET-CIBIE by the incubatesenterprises, MCET shall be entitled to recover the charges, fines, penalties imposed by statutory authorizes or any other statutory authorizes form the incubates enterprises.
- The incubatee enterprises agree that MCET-CIBIE or their employees shall not be held liable for any reason on account of the above.
- Notwithstanding anything written elsewhere, MCET's decision in connection with the exit of an incubate company shall be final and shall not be disputed by any incubate enterprise.
- MCET-CIBIE does not guarantee to enterprise incubated about success and/or feasibility and warrantee technology transferred from MCET or any person representing MCET.
- The incubatee would be required to sign the document titled Legal Disclaimer before the commencement of the Incubation period.

14. 2 Regulations

All incubatees are required to observe health and safety standards. No hazardous material can be brought inside the complex. On special cases, when such materials are required for the product development, it has to be brought with prior approval of MCET-CIBIE by following necessary safety standards are to be followed.

Standard Operating Procedure for handling such material is to be submitted to MCET-CIBIE, while taking permission.

- All the incubates are required to keep a first aid kit available at the working place.
- Incubatees are required to keep the Institute informed about any visitor from abroad, foreign collaboration and/or foreign partner/director, and abide by the rules/procedures in vogue in the Institute. In case of a foreign visitor, the copies of their passport and Visa are to be submitted MCET-CIBIE in advance.
- No incubatee or its employee can display notices or signage except on the provided notice boards and the space provided for such signage.
- Incubatee should observe that noise levels are kept at minimum and, no abnormal noise by any machine or by their employees or visitors should be made. Any complaint of high noise level will result in appropriate action by MCET.
- Subleasing of any kind of the space given at MCET-CIBIE is not allowed. Non-observance of this rule will result in immediate expulsion.
- The MCET's address cannot be used as the address of the Registered Office of the incubatee. This is not applicable for MCET students, staff and faculty members.
- No routine sales/marketing operation will be permitted from MCET. The entrepreneurs may carry it out from his registered office.

14.3 Rules for Incubatees

The Incubate Companies during the period of Incubation at the MCET-CIBIE will mandatorily get their accounts audited and their books of account are open for Inspection by the empanelled Chartered Accountants of the MCET. Compliances as laid down by the Companies Act 2013 are binding on the Incubate Companies. The companies will give a quarterly report on the compliances adhered as laid down in the Companies Act. Non Compliance of the same would liable to penalty/strict action by the MCET.

- Non Adherence to the first warning of the non-compliance by the said Incubate Company will attract penalty of Rs. 1000 which will be billed along with the charges of facilities due
- An action against the Non Adherence to the second warning by the Incubate Company will make the Company ineligible to apply for Seed fund at the MCET-CIBIE.

- An action against the Non Adherence to the third warning in the form of notice to vacate the residential premises allotted to them after clearing their dues within 7 days of the notice.

15. Monitoring

The implementation of the policy can be successful with proper support mechanisms and guidance for creating, managing and coordinating faculty/student start-ups.

a) Impact assessment of Institute's entrepreneurial initiatives such as pre-incubation, incubation, entrepreneurship education should be performed regularly using well defined evaluation parameters such as number of workshops, conferences conducted / fab lab infrastructure / IPR policy / Review committee meeting at the Institute level.

b) Number of start-ups created, support system provided at the institutional level and satisfaction of participants, new business relationships created by the institutes should be recorded.

16. Review

This policy is subject to the review once in 2 years. This policy is as per the MHRD National Innovation and Start-up policy 2019 for students and faculty and Tamil Nadu Government start up policy 2018-23 based on the change in these policies time to time.

References

1. National Innovation and startup Policy 2020.
2. Innovation and Incubation Policy, IIT Karahgpur,
3. Innovation and Incubation Policy, Chaitanya Bharathi Institute of Technology, July 2020.
4. Innovation and Incubation Centre Policy, IIT Kanpur.
5. TBI Social Business Incubator, VIT University, Vellore.
6. Innovation and Incubation Centre Policy, IIT, Mumbai.
7. Innovation and Incubation Centre Policy, BITS, Pilani.

Signature
(Head of the Institution)