



METHODIST

COLLEGE OF ENGINEERING & TECHNOLOGY

(AUTONOMOUS INSTITUTION)

(Approved by AICTE, New Delhi, Affiliated to Osmania University)

Accredited by NBA and NAAC with A+ Grade

Estd: 2008

The Innovation and Startup Policy

The Innovation and Startup Policy that aims to foster innovation and entrepreneurship among students and faculty members. This policy covers a wide range of aspects that are crucial for creating a conducive environment for startups and innovation within the institute. The policy's main goal is to actively engage students and faculty members in innovation and entrepreneurship-related activities. This aligns with the institute's overall mission to foster a culture of innovation and provide support for startups.

This document states Startups Enabling Institutional Infrastructure, practices for nurturing innovations and startups. It also elaborates Innovation Pipeline and Pathways for Entrepreneurs at Institute Level, Pedagogy and Learning Interventions for Entrepreneurship Development Collaboration. Institute participation in co-creation, Business Relationships and Knowledge Exchange is also discussed at sufficient length.

This policy is aligned with IPR policy of Institute, which mentions all the issues related to IP and Product Ownership Rights for Technologies Developed at Institute Organizational Capacity, and IEC policy of Institute which accounts and organize all the efforts being done by the Institute for promoting and nurturing innovation and entrepreneurship which was adopted as an extra dimension of the Institute.


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MCET- INNOVATION AND START UP POLICY
FOR

“STUDENTS AND FACULTY MEMBERS”

(Aligned with national Innovation and Start-up policy-2019)

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1 About Institute:

Methodist College of Engineering and Technology (MCET is a Non-Minority Educational institution, was established in the year 2008 on a sprawling 5.0 acres of historic Methodist campus at Abids, Hyderabad. The college provides a serene and tranquil environment to the students boosting their mental potential and preparing them in all aspects to face the global competition with a smile and emerge victorious.

The MCET is approved by AICTE, New Delhi and affiliated to Osmania University, Hyderabad. The College is accredited by NAAC with A+ Grade and all eligible Under Graduate– B.E Programmes are accredited by National Board of Accreditation (NBA). The UGC has granted autonomy to the college for ten years with effect from the Academic Year 2021-22.

The MCET has been established with the support of Executive board of Methodist Church in India that has been gracious and instrumental in making the vision of an Engineering College a reality. The vision is being accomplished by the innovative endeavors of Sri K. Krishna Rao, Correspondent, Methodist College of Engineering and Technology.

1.1 Methodist – Business Incubation Centre

MCET has established its Business incubation Centre (To be registered as Section 8 company with the name “METHODIST – BUSINESS INCUBATION CENTER” (BIC).

The main goal is to nurture ideas from stake holders/professionals/local community and foster such entrepreneurial ideas in a supportive environment before they become attractive for venture capital. The Incubation center aims to promote and support untapped creativity of individual innovators and to assist them to become technology based entrepreneurs. It also seeks to promote networking and forging of linkages with other constituents of the innovation chain for commercialization of their developments, provide support and training for students and innovators who are interested in converting their social ideas into social startup. Incubation Centre-MCET will provide necessary infrastructure, prototype development support, research assistance, help in getting funding, business consulting assistance, mentoring and guidance to make their idea into a successful venture. Incubation Centre at MCET will be adopting the proposed Incubation Policy to provide guidance and management structure to facilitate development of entrepreneurship and Innovation.

The proposed Innovation and Incubation policy will be applicable for all startups, incubates under

MCET – BIC and also for other Incubation centers which will be established by MCET in future. The vision and objectives of the Incubation Centre, MCET is as follows.

1.2 Preamble:

All India Council of Technical Education (AICTE) released a Startup Policy document for AICTE approved institutions, to address the need of inculcation of innovation and entrepreneurial culture in higher education institutions (HEIs). The policy primarily focused on guiding the AICTE approved institutions in implementing ‘Startup Action Plan’ of Government of India. Subsequent to release of the Startup policy by AICTE and further interaction & feedback received from education institutions, a need was felt for a more elaborate and comprehensive policy guiding document, which could be applicable for all the HEIs in India

- To create an environment for self-employment and entrepreneurship development through formal and non-formal programmes.
- To introduce the concept of entrepreneurship in curricula at UG and PG levels.
- To develop management personnel at appropriate levels for the non-corporate and unorganized sectors like education, rural development, small-scale industry etc.
- To utilize the infrastructure facilities and technically trained manpower for the development of non-corporate and unorganized sectors.
- To promote employment opportunities.

1.3 Start-ups Enabling Institutional Infrastructure

Creation of pre-incubation and incubation facilities for nurturing innovations and start-ups in HEIs institutions should be undertaken. Incubation and Innovation need to be organically interlinked. Without innovation, new enterprises are unlikely to succeed. The goal of the effort should be to link INNOVATION to ENTERPRISES to FINANCIAL SUCCESS.

- a. All HEIs are advised to create facilities within their institution for supporting pre-incubation (e.g. IICs as per the guidelines by MHRD’s Innovation Cell, EDC, IEDC, New-Gen IEDC, Innovation Cell Start-up Cell, Student Clubs, etc.) and Incubation/acceleration by mobilizing resource from internal and external sources.
- b. This Pre-Incubation/Incubation facility should be accessible 24*7 to students, staff and faculty of all disciplines and departments across the institution.

- c. Pre-incubation facilities may or may not be a separately registered entity or Special Purpose Vehicle (SPV), but we recommend that ‘Incubation cum Technology Commercialization Unit (ITCU)’ should be a separate entity preferably registered under Section-8 of company Act 2013 or ‘Society’ registered under Society Registration Act with independent governance structure. This will allow more freedom to Incubators in decision making with less administrative hassles for executing the programs related to innovation, IPR and Start-ups. Moreover, they will have better accountability towards investors supporting
- d. HEIs may offer mentoring and other relevant services through Pre-incubation facility/Incubation units in-return for fees, equity sharing and (or) zero payment basis.

1.4 Nurturing Innovations and Start ups

Incubation support:

- i. Offer access to pre-incubation & Incubation facility to start ups by students, staff and faculty for mutually acceptable time-frame.
In case an institute doesn't have a dedicated facility/infrastructure of its own, then it may reach out to nearest incubation facilities in other HEIs in order to facilitate access to their students, staff and faculty.
- ii. Will allow licensing of IPR from institute to start up: Ideally students and faculty members intending to initiate a start-up based on the technology developed or co-developed by them or the technology owned by the institute, should be allowed to take a licence on the said technology on easy term, either in terms of **equity** in the venture and / or license fees and/or royalty to obviate the early stage financial burden.
- iii. Will allow setting up a start-up (including social start-ups) and working part-time for the start-ups while studying/working. HEIs may allow their students/staff to work on their innovative projects and setting up start-ups (including Social Start-ups) or work as intern/part-time start-ups (incubated in any recognized HEIs/Incubators) while studying/working Student Entrepreneurs may earn credits for working on innovative prototypes / Business Models. Institute may need to develop clear guidelines to formalize this mechanism. Student inventors may also be allowed to opt for start-up in place of their mini project/major project, seminars, summer trainings. The area in which student wants to initiate a start-up may be

interdisciplinary or multi-disciplinary. However, the student must describe how they will separate and clearly distinguish their ongoing research activities as a student from the work being conducted at the start up.

- iv. Students who are under incubation, but are pursuing some entrepreneurial ventures while studying should be allowed to use their address in the institute to register their company with due permission from the institution.
- v. Students entrepreneurs should be allowed to sit for the examination, even if their attendance is less than the minimum permissible, with due permission from the institute.
- vi. HEIs should allow their students to take a semester/year break (or even more depending upon the decision of review committee constituted by the institute) to work on their start-ups and re-join academics to complete the course. Students entrepreneurs may earn academic credits for their efforts while creating an enterprise. Institute should set up a review committee for review of start up by students, and based on the progress made, it may consider giving appropriate credits for academics.
- vii. The institute should explore provision of accommodation to the entrepreneurs within the campus for some period of time.
- viii. Institute will facilitate the startup activities/ technology development by allowing students/ faculty/ staff to use infrastructure and facilities, as per the choice of the potential entrepreneur in the following manners:
 - a) Short-term/ six-month/ one-year part-time entrepreneurship training.
 - b) Mentorship support on regular basis.
 - c) Facilitation in a variety of areas including technology development, ideation, creativity, design thinking, fund raising, financial management, cash-flow management, new venture planning, business development, product development, social entrepreneurship, product costing, marketing, brand-development, human resource management as well as law and regulations impacting a business.
 - d) Institute may also link the startups to other seed-fund providers / angel funds/ venture funds or itself may set up seed-fund once the incubation activities mature. Further, necessary incentive in terms of resources, infrastructure, finance, time and support for students and faculties will be provided as per need basis.

- ix. In return of the services and facilities, Technology Business Incubator may take 2% to 9.5% **equity**/ stake in the startup/ company, based on brand used, faculty contribution, support provided and use of institute's IPR (a limit of 9.5% is suggested so that Institute has no legal liability arising out of startup.
- a) For staff and faculty, institute can take no-more than 20% of shares that staff / faculty takes while drawing full salary from the University; however, this share will be within the 9.5% cap of company shares, listed above.
- b) No restriction on shares that faculty / staff can take, as long as they do not spend more than 20% of office time on the startup in advisory or consultative role and do not compromise with their existing academic and administrative work / duties. In case the faculty/ staff holds the executive or managerial position for more than three months in a startup, then they will go on sabbatical/ leave without pay/ earned leave
- x. Institute could extend this start up facility to alumni of the institute as well as outsiders.
- xi. Participation in start-up related activities needs to be considered as a legitimate activity of faculty in addition to teaching, R&D projects, industrial consultancy and management duties and must be considered while evaluating the annual performance of the faculty. Every faculty may be encouraged to mentor at least one start up.
- xii. Product development and commercialization as well as participating and nurturing of startups would now be added to a bucket of faculty-duties and each faculty would choose a mix and match of these activities (in addition to minimum required teaching and guidance) and then respective faculty are evaluated accordingly for their performance and promotion.
- xiii. Institutions might also need to update/change/revise performance evaluation policies for faculty and staff as stated above.
- xiv. Institute should ensure that at no stage any liability accrue to it because of any activity of any start up.
- xv. Where a student/faculty start up policy is pre-existing in an institute, then the institute may consider modifying their policy in spirit of these guidelines.

1.5 Vision:

To provide support and conducive environment for the students and other innovators in converting their ideas into startup and creation of successful entrepreneurs.

Mission:

Incubation Centre, MCET will create an ecosystem that will foster, support innovation and knowledge-based entrepreneurship amongst the students and other incubates to transform knowledge into creation of wealth and social value through successful ventures.

2 Objectives:

- To create awareness about the importance of entrepreneurship among the students and local community
- To promote new technology/ knowledge/ innovation based start-ups.
- To promote design thinking process among the incubates and provide the platform for speedy commercialization of technology
- To enhance the domain knowledge / skills to develop the innovative products / services
- To build a vibrant start-up ecosystem, by establishing a network between academia, financial institutions, industries, and other institutes.

Journey of a start up at MCET – BIC

1. Problem Identification
2. Ideation
3. Proof of Concept (PoC)
4. Prototype and Market Fit
5. Startup

3 Scope of this Policy:

The scope of this document is to define the policies and procedures for the operational matters related to the Incubation Center, Methodist College of Engineering and Technology. The scope of incubatee entry/exit policy covers all the prospective Incubation candidates, pre- incubatees, student, alumni and

public incubatees (physical and virtual) including existing firms interested in incubating spin-off ideas.

It covers the following processes:

1. Thrust Areas
2. Eligibility
3. Admission procedure
4. Selection Process
5. Infrastructure and Services provided to incubates
6. Mandatory Mentorship
7. Period of Incubation/ Exit
8. Intellectual Property evaluation
9. Seed funding
10. Periodic assessment
11. Consideration
12. Conflicts of interest
13. Disclaimer
14. Agreements
15. Auditing/Accounting & Compliances norms

The policy is subjected to periodical review and amendments. It will be the responsibility of the companies admitted to Incubation Centre at MCET to update themselves from time to time on the amendments in Incubation policy and procedures. Incubation Centre, MCET reserves the rights to make an exception of all or any of the terms of policy for a particular company or a promoter on a case to case basis.

4 Thrust Areas

Incubation Centre, MCET will support students and innovators who are having an idea with high impact and which has very good opportunity to be a successful startup. Any Individual / group of people (students or general public or mix of the two) can initially propose an idea (to Incubation Centre, MCET) with prime features as mentioned below

- (a) Innovativeness
- (b) Commercial viability
- (c) Technical feasibility
- (d) Social sensibility
- (e) Scalability

INCUBATION CENTER MCET accepts ideas from diverse domains as mentioned below

- ✓ IOT
- ✓ Boi-Medical Engg
- ✓ Bio Technology
- ✓ Building Materials/Construction Technology
- ✓ Electricity, New and Renewable Energy and Environmental sustainability
- ✓ Energy conservation, Energy efficient Motors and Equipments
- ✓ Electric Mobility
- ✓ Emission Control Systems and products
- ✓ Solar Photovoltaic systems and design optimisation
- ✓ 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 Remote Monitoring
- ✓ Drone Technology
- ✓ Other emerging areas of social / national importance

5 Formation and Function of NISP

Formulation and function of NISP for academic year 2022-2023 & to assign roles and responsibility among newly joined council members as per the guidelines of Ministry of Education's Innovation cell.

As per the decision of competent authority, following members will be the part of NISP;

S.No	Name of Member	Member Type	Key role/ Position assigned in NISP
1.	Dr,Prabhu G. Benakop	Teaching faculty	President
2.	Dr,Md.Fakhruddin H.N	Teaching faculty	Convener
3.	Dr.John Willaim Carey	Teaching faculty	IIC-coordinator
4.	Dr.A Rajasekhar	Teaching faculty	Innovation activity coordinator

5.	Mr. A. Arum Kumar	Teaching faculty	Star-up activity coordinator
6.	Dr. Ravi M Yadahalli	Teaching faculty	Internship activity coordinator
7.	Mr. J Ramesh Babu	Teaching faculty	IPR activity coordinator
8.	Mr. R Srikanth	Teaching faculty	Social media activity coordinator
9.	Dr. Diana Moses M	Teaching faculty	ARIIA activity coordinator
10.	Dr. Bandita Naik	Teaching faculty	NIRF activity coordinator
11.	Dr. M V D S Krishnamurty	Teaching faculty	YUKTI activity coordinator
12.	A Vijaya Bhasker Reddy	External expert	Patent Attorney

The council members discussed about the activities of IIC and features of NISP portal. The council members also discussed about collaborations within and outside the institution to accelerate the activities of NISP. The council also deliberated on quarterly action plan in

synchronization with activities and initiatives of other departments, centers and facilities in the Institute working towards promoting IPR, Innovation, Entrepreneurship and Start up among student and faculty.

The council unanimously decided to carry out all the activities as per NISP on regular basis throughout the year and meet regularly in beginning of every quarter to review the progress made in previous quarter and also to plan for upcoming quarter.

5.1 Types of Start-up Ventures/Enterprises

Incubation Centre, MCET is set up to promote innovation and entrepreneurship by converting and translating technology ideas and innovation in various disciplines of science and engineering into products, processes and services for commercial exploitation and the benefit of society to accomplish its goal. Incubation Centre's support to enterprises may fall under one of the following categories.

Category I: Ventures that qualify as a nursery Incubation project initiated by one or more members of the academic staff, students and/or alumni of MCET or other premier institutes, or some other technology promotion agency with a view to trying out a novel technological idea for upgradation to a commercial proposition, scaling up a laboratory proven concept, and setting up a technology business enterprise.

Category II: Technology-based startup company promoted by some of the existing Entrepreneur desirous of R&D partnership with the Institute (Incubation Centre, MCET) or company with a view to

trying out a novel technological idea for upgradation to a commercial proposition along with Incubation Centre, MCET.

Category III: Technology/R&D unit of an existing small/medium size enterprise, industry association or a R&D Company who desires to have close technology interface with Incubation Centre, MCET

6 Virtual Incubation

Virtual Incubation concept which will also be promoted by Incubation Centre, MCET for Entrepreneurship. MCET's alumni and other innovators are allowed to open their company for virtual Incubation at Incubation Centre, MCET i.e opportunity for them to use Incubation Centre, MCET as a platform for developing innovative business products without being physically present at the Incubation Centre, MCET. Product development activities will be coordinated and managed by faculty mentor/s. The startup company becomes the 'Virtual Incubatee' of Incubation centre, MCET.

The Incubation Centre, MCET shall offer all administrative, business and technical support needed to the incubatee and startups on chargeable basis. The financial details will be discussed and finalized by Incubation Centre, MCET and the entrepreneur through a consultancy Agreement. The registration fee for virtual incubates will also be applicable however security deposit will not be applicable. Through this scheme, the virtual incubatee will be allowed to use MCET's Library facilities and intellectual resources of MCET. This will also help faculties and students to be exposed to the industrial business environment.

7 Source of Incubatees

- Incubation Centre, MCET will organize ideathons, boot camps, Idea fests, and/ or Idea fair for general public / alumni / students from other campuses as startup idea screening event(s) either on its own or in collaboration with one or more event partners. Shortlisted finalists from such programs will be identified as potential incubatees in Incubation Centre, MCET.
- Incubatees can also be selected if they approach directly. After considering the credentials pertaining to commitment, attitude and track record, the team/individual and evaluating the guidelines mentioned in may be given the status of incubatee at Incubation Centre, MCET.
- Ideas screening committee constituting Center coordinator, Manager, one technical expert and one business expert can evaluate the idea and induct the promoter/s as incubatee.

8 Eligibility Criteria:

Any Individual / group of people (students or general public or mix of the two) desirous of availing Incubation facilities has to apply in the prescribed format along with required documents as per Annexure. After successful evaluation of their documents, if they deemed to be eligible, he/she shall be called as Incubatee.

Any company that is or 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 Incubation Centre, MCET, is not deemed eligible for Incubation and their application will not be entertained.

9 Admission Procedure:

Following admission procedure would be followed:

All the applicants have to go through the following process right from submission of the required documents to the presentation of the promoter to the NISP IIC, for getting eligibility as an incubatee in the Incubation Centre, MCET.

9.1 Documents to be submitted

- PAN/Aadhar card
- Permanent address proof
- Executive Summary or 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 promoters
- Signed agreement (between incubatee & incubator) indicating incubatee agreeing to abide by the rules and regulations to be adhered to by incubates.

9.2 Evaluation Criteria

- Strength of the product idea in terms of its technology content, innovation, timeliness, market potential, Need and Scope.
- Profile of the core team/ promoters
- Intellectual Property generated and the potential of the idea for IP creation
- Financial/ Commercial Viability and 3 year projections of Profit & Loss Account, Balance Sheet and Cash Flows
- Funds requirement and viability of raising finance
- Commercial potential, demand and requirement in India
- Time to market and Break-even period
- Scalability
- Faculty/Industry Mentor Details and Recommendation Letter(Optional)

*Budding innovators will be provided guidance in developing the business plan by the Incubation Centre.

9.3 Presentation to Evaluation Committee of NISP

If the initial evaluation of the business plan / executive summary is positive, Incubation Centre, MCET will arrange a meeting with the Promoter, during which the promoter will be expected to present a presentation describing critical aspects of the business plan to an evaluation committee. The presentation will be followed by questions. After the presentation, a final decision will be made regarding the Promoter's entry into the incubator. The expert panel will carefully evaluate the business idea, Social Impact, market availability, potential value of the technology, growth prospects, innovative content and promoter team strength of the applicant. The expert panel will recommend a meritorious applicant for incubation. The expert panel will consist of experienced and qualified professionals from specific industry, leading bankers, seasoned venture capitalists, academicians and successful alumni entrepreneurs. The constitution of the evaluation committee will be decided by the Incubation Centre, MCET based on the expertise needed.

9.4 Research & Due Diligence:

Throughout the application process, on an as-needed basis, Incubation Centre, MCET will perform research and due diligence of the Promoter, the management team, the industry, and current and future competitive elements facing the business. Incubation Centre, MCET may require further

information from the applicant, and may ask the applicant to revise the executivesummary and/or presentation. Incubation Centre, MCET may at its discretion seek advice of various government bodies like AIM , DSIR, DST, MNRE, NRDC, MSME, DRDO etc.

9.5 Security Deposit:

Before commencement of the Incubation period, the incubatee has to pay a refundable security deposit of Rs. 4000 (Rupees Four Thousand only) to Incubation Centre, MCET. This amount would be paid back to the incubate after completion of the Incubation period– provided the incubate has a normal exit. For virtual incubation, incubate does not have to pay security deposit. Incubate has to provide names of at least two persons as probable sponsors. Innovation Centre, MCET reserves the right to relax this norm on case to case basis if necessary.

9.6 Annual Registration Fee:

The incubate company will become a legal member of Incubation Centre, MCET after registration and will be entitled to avail various facilities offered by the Incubation Centre, MCET. The incubatee shall pay an amount of Rs. 2000/- (Rupees Two Thousand only) to Incubation Centre, MCET towards the annual registration fee to be paid at the time of executionof this 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 as long as they are permitted by the Governing Body of Incubation Centre, MCET to have association. Innovation Centre, MCET reserves the right to relax this norm on case to case basis if necessary.

9.7 Non-Disclosure:

Incubation Centre, MCET adheres to strict confidentiality throughout the application process. Incubation Centre, MCET will sign the “non-disclosure” agreements as followed in normal practice.

10 Norms for Faculty Startups

1. For better coordination of the entrepreneurial activities, norms for faculty have been created by the institutes to do startups. Only those technologies should be taken for faculty startups which originate from within the same institute.

- Role of faculty may vary from being an owner/ direct promoter, mentor, consultant or as on-board member of the startup.
 - Institutes should work on developing a policy on 'conflict of interests' to ensure that the regular duties of the faculty don't suffer owing to his/her involvement in the startup activities.
 - Faculty startup may consist of faculty members alone or with students or with faculty of other institutes or with alumni or with other entrepreneurs.
2. In case the faculty/ staff holds the executive or managerial position for more than three months in a startup, they will go on sabbatical/leave without pay/utilize existing leave.
 3. Faculty must clearly separate and distinguish on-going research at the institute from the work conducted at the startup/company.
 4. In case of selection of a faculty startup by an outside national or international accelerator, a maximum leave (as sabbatical/ existing leave/ unpaid leave/ casual leave/ earned leave) of one semester/ year (or even more depending upon the decision of review committee constituted by the institute) may be permitted to the faculty.
 5. Faculty must not accept gifts from the startup.
 6. Faculty must not involve research staff or other staff of Institute in activities at the Startup and vica- versa.
 7. Human subject related research in Startup should get clearance from ethics committee of this Institution

11 Budget

Minimum 1% fund of the total annual budget of the institution is being allocated for funding and supporting innovation and startups related activities through creation of separate 'Innovation fund'. However, revenue earning activities will be encouraged to minimize the burden on MCET.

The institute has established Institution's Innovation Councils (IICs) as per the guidelines of MHRD's Innovation

Cell and allocate appropriate budget for its activities. IICs should guide institutions in conducting various activities related to innovation, startup and entrepreneurship development. Collective and

concentrated efforts should be under taken to identify, scout, acknowledge, support and reward proven student ideas and innovations and to further facilitate their entrepreneurial journey.

12 Infrastructure of Incubation Centre, MCET:

Upon admission to Incubation Centre, MCET, the following facilities will be offered to the incubatees on an individual basis:

1. Office space
2. Computers – up to two on rental basis. More than two can be availed at market rates.
3. Internet connection
4. Phone connection– Each company will pay the rentals and bills
5. Standard Furniture as decided by Incubation Centre, MCET.

Common infrastructure: Incubation Centre, MCET provides a common pool of hard and soft infrastructure to be shared by all incubatees. Following resources are provided:

1. Photocopying machine
2. LCD Projector
3. Document Scanner
4. Library Access Facilities
5. Meeting/Conference room with projection equipment
6. Tele or Video conferencing facilities
7. Printer
8. Work Shop and Lab facilities (Basing on the need institute facilities of laboratories might be used which will be decided by the principal of the college on case to case basis)

12.1 Services of Incubation Center MCET

Incubation Centre, MCET will offer following support services (who will be employed on part time basis/depending on the college policy) like:

- Professionals for accounting
- Experts with IP Knowledge
- Legal expertise
- management expertise
- Common secretarial pool/staff
- Intern Support from students of the MCET

12.2 Mentoring Services

- An incubatee has to take faculty advisors from the MCET as mentor /advisor on technology and business development issues. The incubatee is also allowed to take
- Specialized mentors from Industries/research institutes/Govt. organizations /Startup encouraging organizations are also available to the companies to assist with particular strategic areas or to provide project-oriented consultation.
- An incubatee may avail of consulting services by empanelled professionals of Incubation Centre, MCET.

12.3 Use of MCET's Infrastructure

If so desired by the incubatee, MCET may permit use of other departmental laboratories of MCET for their product development and testing purposes. However, this will be done in a way to avoid clashes with the normal course structure, Lab classes of the concerned discipline.

Further usage of such resources shall be on commercial chargeable basis which will be decided by MCET's concerned Department along with the Incubation Centre, MCET based on the facilities and equipments planned to be used by the incubatee for development and testing.

12.4 Tenure of Incubation:

Promoter will be permitted to stay in the incubator 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.

Exit: An Incubatee will leave the incubator under the following circumstances:

1. Completion of two years' stay (depending upon the students course year when applied) (if no extension granted)
2. Underperformance or non-viability of business proposition as decided by Incubation Centre, MCET on case to case basis
3. Irresolvable promoters' disputes as decided by Incubation Centre on a case to case basis
4. Violation of any Incubation Centre's policy
5. Change in promoters' team without concurrence of Incubation Centre.

6. Any other reason for which Incubation Centre may find it necessary for an incubatee company to leave.

Notwithstanding anything written elsewhere, Incubation Centre's decision in connection with the exit of an incubatee shall be final and shall not be disputed by any incubatee.

12.5 Periodic assessment:

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

13 Intellectual Property:

Promoter should fill an IP declaration worksheet at the time of admission and declare that the Intellectual Property developed and owned by the incubatee during Incubation will be in association with Incubation Centre as per MCET IP Policy

1. 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.
2. The incubatee shall inform if any students have worked on the technology and if their work will be incorporated in the product(s).
3. The incubatee shall inform if any IP has been generated as a result of collaborative work with faculty members (who are not promoters) is being incorporated into the product(s).
4. The incubatee shall inform if any Incubation Centre, MCET infrastructure (hardware, testing setup, instrumentation, computing resources, processes) has been used in developing the IP or technology that will go into the product(s).

The incubatee would maintain a register with the details of any IP (patents, licenses, copyrights etc) that has been brought by them during their stay at Incubation Centre, MCET. Also, any IP developed during the stay would be maintained in the register.

Notwithstanding anything written above, Intellectual Property Rights will be governed by the Incubation Centre MCET.

14 Seed Funding:

Incubation Centre, MCET may provide seed loan subject to the availability of funds/ grants/ schemes meant for this purpose. Further, admission to Incubation Centre, MCET shall not automatically entitle the promoters to seed loan and shall be based on merits of each company.

A promoter desirous of getting seed loan may submit an application for seed fund after six months from the date of admission in Incubation Centre, MCET. Sanction of seed loan will be decided based on the eligibility criteria as decided by Incubation Centre, MCET.

14.1 Purpose of Seed Fund/Loan

Seed fund/loan is provided for the promotion of incubator to the next phase of the journey. The seed loan is provided for the following purposes:

1. Procurement of equipment/ tools/components/parts/consumables.
2. Procurement of raw material
3. Machining cost
4. Fabrication cost
5. Registration fee
6. Validation/Testing
7. Cost of any other relevant item

Incubation Centre, MCET will have sole discretion to sanction or reject an application for seed loan and the decision of Incubation Centre, MCET in this regard shall be final. Incubation Centre, MCET is not bound to give any reason in case an application for seed loan is rejected. Though seed loan may be sanctioned at the time of approval of the proposal for admission, disbursement shall be subject to satisfaction of Incubation Centre, MCET that suitable progress has been made.

15 Business Plan Template

The following template shows a possible structure for a comprehensive business plan. The shown sequence is not mandatory; however the business plan must cover all the issues listed in the template.

Recommended Subsections in a business plan:

16. Introduction / Promoter Details
17. Concept / Proposition / Product description

18. Need for the promotion/Market opportunity
19. Competition survey if any.
20. Development plan and milestones
21. Marketing plan
22. Management / Organizational chart
23. Financials Implications
24. Risks and de-risking strategies

15.1 Conflicts of Interest:

In case of conflict of interests, the decision of Institute shall be final and binding upon the parties.

16 Agreements:

All incubatees shall enter into following agreements with the Institute:

- A. Incubation Agreement: Containing rules and other Incubation norms, consideration, **equity** holding, etc. (Applicable to all)
- B. Seed-Fund Agreement: Containing rules of disbursement. (Applicable to incubatees availing seed-fund)
- C. Technology Commercialization Agreement: Applicable to incubatee using technology or IP developed by MCET (Autonomous)

16.1 Revenue sharing

Incubation Centre, MCET shall have a stake in revenue generated by the incubatee for the services rendered to him. The service model proposed is revenue sharing (3 to 6%) depending upon the technology for a period of five years from the date of graduation. The IIC will decide on such matters.

17 Legal Disclaimer and Regulations

17.1 Legal Disclaimer

- The incubatee will understand and acknowledge that Incubation Centre, MCET intends to provide technical supports and services to the Company 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, Incubation

Centre, MCET shall endeavor 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 through Incubation Centre, MCET 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 Incubation Centre, to extend technical help in solving the problem and guiding the entrepreneurs to improve the product performance.
- Incubation Centre, MCET or any person representing Incubation Centre, MCET 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 Incubation Centre, MCET any person representing Incubation Centre, MCET, harmless from any loss including damage, penalty. Any loss caused to Incubation Centre, MCET by the incubates companies, MCET shall be entitled to recover the charges, fines, penalties imposed by statutory authorities under HSE or any other statutory authorities from the incubates companies
- The incubatee companies agree that MCET- Incubation Centre 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 company.
- Incubation Center - MCET does not guarantee to company 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.

17.2 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 Incubation Centre, MCET, MCET by following necessary safety standards are to be followed. SOP for handling such material is to be submitted to Incubation Centre, MCET, 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 is to be submitted to Incubation Centre, MCET 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 Incubation Centre, MCET 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.
- ❑ No routine sales/marketing operation will be permitted from MCET. The entrepreneurs may carry it out from his registered office.

17.3 Rules for Incubatee companies

The Incubate Companies during the period of Incubation at the Centre will mandatorily get their accounts audited and their books of Account are open for Inspection by the empanelled Chartered Accountants of the Centre. 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 Centre

- ❑ 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 Centre
- ❑ 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.

18 MCET - Directorate

The CEO is the person in charge for planning, administration and evaluation of Incubation Centre, MCET. He/she is appointed by the college management/Principal. He/she may be eligible for honorarium as per the decision of the college management/Principal. He/she may claim for additional

staff to support for the better functioning of the Incubation Centre, MCET. He/she shall claim due grants for the promotion of Innovation by stakeholders of the college. He/she shall be in charge of preparing annual program and financial reports and audited statements. He/she shall consult the management for the better functioning of the Business Incubation Center, MCET. Appointment of Selection and monitoring committee is constituted by the Incubation Center in Charge/ CEO under guidance of Principal / Director, MCET.

Dr.Md.Fakhruddin H.N

(Convener NISP)

Dr. Prabhu G. Benakop

(President NISP)