

Startup Centre, MNNIT Allahabad

Proposed Policies & Procedures

Background:

Startup Centre is a three years duration project jointly supported by Department of Science & Technology (DST) & Department of Higher Education (DHE), Ministry of Human Resource Development (MHRD). The project aims to inculcate the spirit of innovation & creativity amongst the students and entrepreneurs, encourage and support innovative ideas to start-up creation through intermediary stages of innovation, incubation and entrepreneurship. The project is being implemented to foster culture of innovation and entrepreneurship amongst the students & entrepreneurs. It is expected that students will take up innovative ideas/projects and with mentoring support from the institute, try to build a startup around the innovative idea/project. The outcome of the centre shall be registered startups with validated technology. Startup Centres would also spread the message of entrepreneurship and create a culture of entrepreneurship in the Host Institution (HI).

Objectives of the Startup Centre:

- (i) To inculcate a culture of innovation driven entrepreneurship.
- (ii) To promote new technology/knowledge/innovation based startups.
- (iii) To act as an institutional mechanism for providing various services including Technical, Financial, Legal, IP etc.
- (iv) To provide a platform for speedy commercialization of technologies developed by the host institution or by any academic/technical/R&D institution or by an individual.
- (v) To build a vibrant startup ecosystem, by establishing a network between academia, financial institutions, industries and other institutions.

Salient features of Startup Centre as per the Guidelines of the DST and MHRD:

- a. The Host Institute should provide at least 5000 sq.ft. of area from its existing accommodation.
- b. The HI should provide a support mechanism for starting the Startup Centre from within the existing faculty. No additional manpower will be sanctioned for managing the centre.
- c. Host Institute shall make available the existing laboratories/facilities of the Institute for the startup enterprises.
- d. New equipment, if any, urgently required by the start-up may be purchased out of the plan budget. A list of such equipment with budgetary quotes should be provided along with the proposal.
- e. The total funding for Startup Centre would be capped at Rs.50 lakhs each year for 3 years.

- f. The Startup Centre has to define deliverables at the beginning, which will be assessed and reviewed during the course of the project.
- g. Each year the progress of the startup centre would be reviewed by an expert committee. Based on the progress of the centre, it would be upgraded to a Technology Business Incubator or a Research Park.
- h. The Start-up Centre should be capable of accommodating atleast 10 Startups. The Centre should also help in supporting the Startup enterprises and provide ignition grant.
- i. The grant can be used for equipping the centre in a manner the startup enterprises can straightaway start operating on a plug-and-play mode.

General Guidelines for Startup Centre as per DST and MHRD:

- (i) The Startup Centre shall function as a separate entity within the Host Institution. It should function as a Central Facility of the institution and not as a facility for a particular Department of the institution.
- (ii) The Host Institute shall support independent administrative and financial status to the Startup Centre for ensuring effective and speedy implementation of the programmes and activities.
- (iii) It shall have effective linkages with different Departments, Centres and other facilities of the institution. It should network with other agencies and industry to bring out market relevant innovations and startups

Policy and Procedure:

The aim of **Startup centre** at **MNNIT Allahabad** is to promote technology based entrepreneurship and thereby facilitate practical application of knowledge for public use. **The centre** wishes to facilitate the creation of ideas and inventions that benefit society. To this end, **the centre** has formulated this policy in line with IIT Kanpur to provide guidance and management structure to facilitate the development of entrepreneurship. In addition, the guidelines/notification dated the 17th February, 2016 of Ministry of Commerce and Industry, Department of Industrial Policy and Promotion will also be applicable.

The scope of this document is to define the policies and procedures for the operational matters related to the **Starup Centre of MNNIT, Allahabad**. It covers the following processes:

1. Eligibility
2. Admission procedure
3. Mentorship
4. Infrastructure and Services provided
5. Incubation/ Exit
6. Intellectual Property
7. Ignition Grant
8. Periodic Assessment
9. Consideration
10. Conflicts of interest
11. Disclaimer
12. Agreements
13. Committees

The **policy** is subject to periodical review and amendments. It will be the responsibility of the companies admitted to **the centre** to update themselves from time to time on amendments made if any in the policy and procedures.

MNNIT Allahabad reserves the rights to make an exception of all or any of the terms of the policy for a particular startup on a case to case basis.

1. Eligibility

- ❖ Any person either a student or group of students pursuing his education from MNNIT or outside are eligible for startups provided they have an innovative idea and apply in the prescribed format along with the required documents.

- ❖ A startup if supported by regular Government staff or employee shall be considered only upon submission of 'No Objection Certificate' from the competent authority or employer.
- ❖ Any startup that is engaged or proposing to be engaged in imparting educational courses and/or training programs including vocational trainings or is planning to undertake such activities during or after its incubation at Startup Centre is not deemed eligible for incubation and their application will not be entertained.

2. Admission Procedure

All the applicants shall have to read and agree to the "terms and conditions" of the startup centre. Then only their applications shall be processed. As a first step in the admission process, the prospective startup should submit an Application containing the detailed plan as per format. The centre then shall present the case to an internal review committee for comments on technical and business feasibility of the idea. The application will be evaluated based on the following criteria:

1. Strength of the product idea in terms of its technology content, innovation, timeliness and market potential.
2. The profile of the core team/ promoters.
3. Intellectual Property generated and the potential of the idea for IP creation.
4. Financial/ Commercial Viability
5. Funds requirement and viability of raising finance.
6. Time to market.
7. Break-even period.
8. Commercial potential, demand and requirements
9. Scalability.

Business Idea Presentation

If the initial evaluation is positive, the group/company will be invited to give a PowerPoint presentation describing the critical aspects of their business plan to the Evaluation Committee that includes the mentor as well. The presentation is then followed by a Q&A session. Startup centre may require further information from the applicant, and may ask the applicant to revise the executive summary and/or presentation. The centre may at its discretion, seek advice of various government bodies that have sponsored the incubation centre like DSIR, DST, TDB, NSTEDB, TIDE, MCIT, MSME, NABARD, Director of Industries etc.

Non-Disclosure: Startup Centre, MNNIT Allahabad adheres to strict confidentiality throughout the application process. However, the centre will not sign any 'non-disclosure' agreements.

Startup Application Sanctioned/Rejected

The applicant will be informed of the final decision within 15-20 days of the presentation.

Startup Agreement Execution

If the startup is sanctioned, the applicant shall enter into the following agreements with the Institute:

1. **Startup Agreement** : It pertains to the incubation rules and other norms, consideration, equity holding, etc. It is applicable to all.
2. **Technology Commercialization Agreement** : It is applicable to the incubatees who plan to use the technology or intellectual property developed by MNNIT Allahabad.

3. Mentorship

1. **Mandatory Mentorship** : One of the objectives of startup is to utilize the technical expertise and lab infrastructure of MNNIT Allahabad. Therefore, every startup that is allowed has to select at least one faculty member from the Institute who shall act as a mentor to the startup and guide the startup on product development. The startup has to offer minimum 1% of share equity to the mentor as a consideration of mentorship when the startup is registered as a company
2. **Industry Mentor** : Besides, the startup may select one industry mentor. In such a case, the startup may offer a minimum 1% of equity to the mentor as a consideration of mentorship when the startup is registered as a company

4. Infrastructure and Services provided

As soon as the procedure is completed, the startup is allocated office space within the start up centre. It also gets access to all the Infrastructure and Services of the centre and the Institute. The centre will charge the company for infrastructure and services and MNNIT Allahabad Intellectual Property. This payment would be in the form of service charges including applicable service tax and equity share as per the policy.

Infrastructure

On selection, the centre will make all possible efforts in providing a fully furnished, air-conditioned space with necessary amenities for startups but also a common pool of soft and hard infrastructure to be shared by all startups.

Space

Fully furnished, air conditioned space to the startup.

Besides this, the centre also have common Seminar/Conference, Meeting rooms, cafeteria etc.

Upon admission to centre, the following facilities will be offered to the companies on an individual basis:

- Office space.
- Computer.
- Printer.
- Internet connection.
- Standard Furniture

Common Infrastructure

The centre provides a common pool of hard and soft infrastructure to be shared by all incubated companies. The following resources are provided:

- Fax machine.
- Photocopying machine.
- Document Scanner.
- Library: Management Books, Subscription to IT, Business, Management and Trade journals and newspapers.
- Meeting/Conference room with projection equipment.
- Tele or Video conferencing facilities.

Tinkering Laboratory :

The Tinkering Laboratory is a platform for creative minds to come out of their 'Think Space' to hands-on 'Tinker Space', so as to transform their ideas into real-time engineering objects, and eventually to products and patents. The lab will be accessible to startups from all across the country as well as to students and start-up entrepreneurs to test, validate and prototype their ideas into new products and services, specifically in the areas of advanced technology domain. In this context, the Tinkering Lab will also be set up by Startup centre MNNIT Allahabad in due course of time.

Support Services

The startup centre shall be managed by trained and expert staff to support the startups. The experts in specific domains like accounting, IP, legal will be retained as Consultants/Advisors. The startups can

avail their services. Any direct services provided to an startup would have to be paid to the service provider. The centre will also provide soft infrastructure and business services to the startups.

Mentoring and Advisory Services :

- Strategic Checkups: Meeting every month for strategy reviews and discussion of operational issues.
- Startup will have to take a faculty advisor as a mentor on technology issues.
- Specialized mentors will also be made available to the startups to assist with particular strategic areas or to provide project-oriented consultation. These arrangements may begin as a pro Bono arrangement with an option for both parties to graduate to a paid relationship.
- An startups may avail the consulting services by empanelled professionals.

Infrastructure and Services:

Office rent at Rs. 8/sq. ft. per month for 100 sq. ft.	Rs.800.00
PC rental at Rs. 1000 per PC per month (1 PCs)	Rs.1,000.00
Printer at Rs. 200 per month	Rs.200.00
Internet connection per login per month	As charged by the Computer Centre
Electricity charges including air-conditioning	As per Actual
Occupancy after completion of incubation period*	Rs. 80 per sq. ft.
Occupancy after two years of incubation period	Rs. 200 per sq. ft.

The startup centre may at its discretion revise the rates from time to time.

- The startups/i would have the option of deferring 50% of the rent till the time they exit from the centre. For the deferred amount, an interest rate of 5% would be charged to the incubatee. This amount would have to be paid back at the time of exit

5. Tenure (Incubation/Exit)

The startups are permitted to stay in the centre for a period of one years. They may be granted maximum two extensions for 6 months each with increased rental at a time at the sole discretion of the

Startup centre/Institute*. The centre may grant such extension based on the requirements of the startup.

Exit: Startup will leave the centre under the following circumstances:

- On completion of one years stay (if no extension granted).
- If extension is granted, then exit will be after completion of granted period.
- Underperformance or non-viability of business proposition as decided by centre on case to case basis.
- Irresolvable promoters' disputes as decided by centre on a case to case basis.
- Violation of MNNIT Allahabad policy.
- .Change in startup team/ founders' team without concurrence of centre.
- Any other reason for which centre may find it necessary for an incubated company to leave.

Notwithstanding anything written elsewhere, the Startup centres decision in connection with the exit of an incubated company shall be final and shall not be disputed by any startup.

6. Intellectual Property

The startup team should fill an IP declaration worksheet at the time of admission and declare the Intellectual Property developed and owned by the startup.

1. In case the startup is desirous of using the Intellectual Property of MNNIT Allahabad like patent, software code, copyright, design registration, developed product, etc, then the startup shall make such request in writing to the centre. The terms and conditions for such IP licensing shall be decided by the Institute.
2. The startup shall inform if any student has worked on the technology and if his/her work will be incorporated in the product(s).
3. The startup shall inform if any IP has been generated as a result of the collaborative work with faculty members (who are not promoters) and is being incorporated into the product(s).
4. The startup shall inform if any MNNIT Allahabad infrastructure (hardware, testing setup, instrumentation, computing resources, processes) has been used in developing the IP or technology that will go into the product(s).
5. The startup shall inform about the agreement, if any, with MNNIT Allahabad that the IP has been assigned to the startup for commercialisation.

The entrepreneur would have the option of purchasing the rights of IP The startup would maintain a register with the details of any IP (patents, licenses, copyrights, etc.) that has been

brought into the startup prior or during their stay at the centre. Also, any IP developed during the stay would be maintained in the register.

Notwithstanding anything written above, Intellectual Property Rights will be governed by IPR Cell of the MNNIT Allahabad..

7. Ignition Grant:

The ignition grant to the startups will be released in the respective bank account in phases subject to the fulfilment of the milestones which will be defined in the beginning. The grant can be used for procurement of software, small equipments, laptop, hiring consultants/experts, filing IP, development of prototypes i.e raw material, components, chemicals and other materials depending upon the requirements. All the expenditure will be made as per prevailing Institute norms and the account of the same is to be submitted to the satisfaction of the centre.

8. Periodic Assessment

The startup has to submit a yearly audited statement of profit and loss account and unaudited quarterly statement about the activities. However, startup may be asked to provide more frequent updates to the centre. In addition, the selected startups will be encouraged to register as per the guidelines of the Ministry of Commerce and Industry, Department of Industrial Policy and Promotion.

9. Consideration

The centre will charge the startup for infrastructure and services and MNNIT Allahabad Intellectual Property. This payment would be in the form of service charges including applicable service tax and equity share as per the following details..

10. Conflicts of Interest

If any dispute arises between the startup centre and startup, the same shall be referred to the sole arbitrator appointed by Director MNNIT Allahabad whose decision will be final and binding on both the parties. The place of arbitration shall be Allahabad.

11. Disclaimer:

Startup Centre, MNNIT Allahabad does not guarantee success and/or feasibility of the technology transferred from the Institute. The centre/MNNIT Allahabad or any person representing them shall not be liable for any acts or omissions of the startups. However, in case of any such event the startup shall do all that is required to hold Centre/MNNIT Allahabad or any person representing them harmless for any loss including damage, penalty.

12. Agreements:

All startups shall enter into the following agreements with the Institute:

1. Startup Agreement: Contain rules and other norms, consideration, equity holding, etc. (Applicable to all.)
2. Technology Commercialization Agreement: Applicable to startup/ incubatee companies using technology or IP developed by MNNIT Allahabad.

13. Committees

1. **Startup Application Evaluation Committee:** The evaluation team will consist of successful entrepreneur, venture capitalist/angel investors/bankers, Alumni, representative of any incubator manager, mentor, Head SMS/his nominee, Domain expert, Project Coordinators.
2. **Project Evaluation & Monitoring Committee:** In addition, there would be a proper mechanism for ensuring proper operation of the Startup Centre which will be through a Committee known as the Project Evaluation & Monitoring Committee. This Committee will consists of representatives of the DST/MHRD, experts. and project coordinators.