

# **SETHU INSTITUTE OF TECHNOLOGY**

**(An Autonomous Institution || Accredited with 'A' grade by NAAC)**

**B.E. (Mech) & B.Tech. (IT) Accredited by NBA, New Delhi under Tier-I Washington Accord**

**Approved by AICTE, New Delhi & Permanently Affiliated to Anna University, Chennai**



## **SIT – Startup, Innovation, IPR Policy**

# ABSTRACT

---

## **SIT STARTUP ,INNOVATION and IPR Policy for Students and Faculty members**

The SIT Startup ,Innovation and IPR Policy for students and faculty members of Sethu Institute of Technology , Kariapatti, Virudhungan will enable the institute to actively engage students, faculty members and members of staff in innovation and entrepreneurship related activities. This framework will also facilitate in bringing clarity in SIT Startup policy, involvement of stakeholders, support and performance parameters thus enabling creation of a robust innovation and Startup ecosystem in the institute. 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, issue of Entrepreneurial Impact Assessment is also addressed in this policy along with the mention of annual felicitation day to motivate the students to opt entrepreneurship as a career option and to felicitate their proud parents.

## Content

<b>S.No.</b>	<b>Details</b>	<b>Page No.</b>
	Preamble	4
	Vision & Mission	5
	Committees	6
<b>SIT Startup Innovation and IPR policy for Students and Faculty</b>		<b>7-16</b>
<b>1</b>	Purpose	7
<b>2</b>	Objectives	7
<b>3</b>	Scope	8
<b>4</b>	Innovation Ecosystem	8
<b>5</b>	Nurturing Innovations and Startups	9
<b>6</b>	Policy Statement	12
<b>7</b>	Definitions	12
<b>8</b>	Incubation Eligibility	13
<b>9</b>	Incubation admission process	14
<b>10</b>	Services provided to Incubatees	15
<b>11</b>	Tenure of incubation	17
<b>12</b>	Periodic Assessment	18
<b>13</b>	Right to Regulate Policy:	18
<b>14</b>	Legal Jurisdiction	19
<b>15</b>	Disclaimer	19
<b>16</b>	Agreements	19
<b>17</b>	Dispute Resolution	19

## Preamble

---

Sethu Institute of Technology, (hereinafter referred to as SIT) has, over the past sixteen years, been constantly striving to promote technology based innovative startup ventures and thereby contribute to the nations developmental needs of creating knowledge , wealth, skills and employment. Such innovation led ventures promoted by SIT would also address societal challenges pertaining to healthcare, education, energy, mobility, quality of life and ease of living etc...

SIT constantly strives to enhance its capabilities in order to nurture and guide young startup ventures in their early / formative years. Over the years SIT has built working relations with various Indian Government agencies/ departments such as ‘Department of Science and Technology (DST) ’, ‘Technology Development Board(TDB)’, ‘Ministry of Micro and Small Enterprises (MSME) ’, ‘Department of Scientific and Industrial Research (DSIR) ’, ‘Technology Information Forecasting and Assessment Council (TIFAC) ’, ‘Biotechnology Industry Research Assistance Council (BIRAC) ’ and ‘Entrepreneurship Development and Innovation Institute (EDII) ’, Govt.of Tamil Nadu. In addition, SIT has worked with ‘The World Bank Group’s infoDev’ and ‘United Nations Industrial Development Organizing on (UNIDO)’ on projects pertaining to Innovation and Incubation capacity building. SIT actively engages with other business incubators, Indian Science Parks and Business ‘Incubators Association (ISBA)’, ‘ Asia Pacific Incubation Network (APIN) ’, ‘The indus Entrepreneurs (TiE)’, ‘Startups-Club’, ‘Confederation of Indian Industries (CII)’, ‘Federation of Indian Chamber of Commerce and Industry (FICCI) ’ and several corporate firms.

SIT recognizes that its catalytic role by virtue of its presence inside ‘Kariapatti Institute of Technology (SIT)’ would pave way for motivating a large group of students to pursue entrepreneurship as a career option. While providing its services to the pursuits of SIT’s faculty and its students, SIT is also mandated to act as a hub of technopreneurship in order to cater the requirements of innovators and startups from across the country and abroad.

The policy is expected to promote a conducive environment for all the potential innovators / startups for pursuing a hassle free development and commercial exploitation of the innovative ideas.

It is to be stressed that this 'Business Incubation' policy is to be treated more as a guideline than a strict rule in the legal sense in view of the evolutionary scenario in the larger startup ecosystem SIT operates and is, therefore, subject to changes if a need arises. This document, together with the Operating guidelines is designed to give a wholesome picture of 'Business Incubation' process at SIT.

## **Vision of Our College**

---

To promote excellence in the technical education and scientific research for the benefit of the society

## **Mission of Our College**

---

1. To provide quality technical education to fulfill the aspiration of the student and to meet the needs of the Industry
2. To provide holistic learning ambience
3. To impart skills leading to employability and entrepreneurship
4. To establish effective linkage with Industries
5. To promote Research and Development activities
6. To offer services for the development of society through Education and Technology

## **Core Values**

---

- Quality
- Commitment
- Innovation
- Team work
- Courtesy

## **Quality Policy**

---

- To provide Quality technical education to the students
- To produce competent professionals and contributing citizens
- To contribute for the upliftment of the society

## **Committee for National Innovation Start-up Policy (NISP)**

The **National Innovation Start-up Policy (NISP)** committee has been constituted to promote Innovation Start-up activities in our College and following are the members of the National Innovation Start-up Policy committee.

<b>S.no</b>	<b>Name</b>	<b>Designation</b>
1	Dr.A.Senthilkumar	Head of the Institution
2	Mr.G.Rajamurthy	Industry Expert, Vice Chairman, Export Promotion Centre
3	Dr.R.Tamilselvi	Coordinator - NISP
4	Dr.M.Parisa Beham	Convener - NISP
5	Mr.A.Nagaraj	Co-convener - NISP
6	Dr.C.Kailasanathan	Member - NISP
7	Dr.S.Karthick Kumar	Member - NISP
8	Dr.S.Vijayarajan	Member - NISP
9	Ms.V.S.Chitra	Member - NISP

## **1. Purpose**

The purpose of the Business Incubation policy of SIT is to:

- facilitate, encourage, promote and nurture innovative ideas of individuals and teams in to a commercial product / venture; create an innovative culture which fosters the creation and development of innovative solutions at SIT;
- establish a ‘Business Incubation’ management policy and procedural guidelines for converting the knowledge to wealth;
- enable SIT to make beneficial use its resources and networks so as to confer maximum benefit to the inventors, startups and the society at large and;
- shape SIT as an important hub of innovation and startups in this region through dissemination of the benefits of startups supported to the community and society;

## **2. Objectives**

The Business Incubation policy of the Institute aims to:

- facilitate innovators and startups to address the challenges through access to modern product development / testing facilities, work spaces, mentoring, funding, business and team development support.
- evangelize entrepreneurship and more particularly innovation led venture creation
- provide a comprehensive single window reference system for all Business Incubation related issues and;

- provide a clear understanding of the rights and responsibilities of the beneficiaries / prospective users of SIT's services and protect the interests of SIT its members:

### **3. Scope**

This policy covers the current incubation program and associated schemes and initiatives operational at SIT. The scope of this document is to define the policies and procedures for the operational matters related to the SIT. It covers the following processes:

- Eligibility
- Admission procedure
- Infrastructure and Services provided to incubatees
- Mentorship
- Period of Incubation/ Exit
- Intellectual Property
- Seed Funding
- Periodic Assessment
- Conflicts of interest
- Disclaimer
- Agreements

### **4. Innovation Ecosystem**

Sethu Institute of Technology nurtures innovative culture among the students and faculty members and maintains Innovation Ecosystem in the College. Sethu Institute of Technology has an Institution Innovation Council (IIC) receiving 4.5 Star ratings consistently for conducting various Innovative programs and Contests. The College has an effective Entrepreneurship Development Cell (EDC), motivates the students to participate in various National and International level contests like Smart India Hackathon (SIH), Texas, Aarambam, TNSI, and EDII Innovative contests. In the SIH 2019 our team won first prize and was awarded with the grant of Rs.75000. Our student participated in the Indo-US IIGP 2.0 Innovation contest organized by DST and



was awarded with a project grant of 11 lakhs. The College is also establishing an Incubation Innovation Ecosystem by providing ample laboratory facilities and equipment to carry out Innovative and Research projects. In 2019 Regulation, **Social and Rural Projects are included in the curriculum** to motivate the students to do projects related to societal issues. In summary, the college effectively maintains the Innovation Ecosystem, by motivating the students and faculty to carry out entrepreneurial activities, encouraging them to **participate in State, National and International level Innovation Contests**, and providing **ample facilities to carry out innovative projects**.

## 5. Nurturing Innovations and Startups

- a. SITIIC Incubation centres will provide a facilitating environment for UG, PG, Ph.D., Post-Doctoral students, Research Staff, faculty (including temporary), alumni ofSIT and potential Startup applicants even from outside SIT.
- b. All students of Ph.D/ M.Tech./Professional PG courses have to register in any SITIIC incubation centres.
- c. Details regarding innovation / product development related to their research /project topic should be included in Ph.D thesis/ dissertation.
- d. Best Student innovation award will be decided as per SITIIC Guidelines.
- e. Best Mentor award for innovation also will be decided as per SITIIC Guidelines.
- f. Inculcate innovation and entrepreneurship knowledge across the faculty and students by
  - Conducting summer schools, awareness programs and training sessions for thestudents and faculty to write proposals.
  - Conducting orientation programs on success stories.
  - Encouraging students and faculty to attend free International & National onlineprograms.
  - Innovator centric provision for industrial visits periodically to stimulate & theopportunity to observe the innovation and strategy Coupled with the business.

- Ideas collection from all the students/ faculties of the college with an ideabox.
  - Conducting number of Hackathons among students community to increase awareness on innovations and Startups.
- g. SIT students will be given 5% grace marks and 20% attendance for every semester for student Prototype/ Startup teams.
  - h. SIT students may be permitted to undertake their Industrial and Project work at SSIIE Incubator centres where additional facilities are available on payment mode.
  - i. SIT student entrepreneurs working on a Startup idea from first year will be permitted to convert into their final year project for degree completion.
  - j. SIT students/Research Scholars can avail special leave for a semester to work for a Startup on a fulltime basis.
  - k. SIT students shall be given an additional 4 credits on successful development of the prototype in over and above the total program credits.
  - l. SIT students/Research Scholars, on returning, must satisfy all norms as per the course requirement to complete the course.
  - m. The Gap Year facility should ensure syllabus continuity at the time of joining back and after an appraisal process by an incubator where the student is attached.
  - n. Outstanding PG students who wish to pursue entrepreneurship can take a break of one year after 1<sup>st</sup> year, Professional graduate (Engineering/ Pharmacy/Nursing) can take a break after 2<sup>nd</sup> year and 5 year Integrated course student can take a break after 3<sup>rd</sup> year to pursue full time entrepreneurship.
  - o. This may be extended to two years at the most and these two years would not be counted for the time for the maximum time for graduation.
  - p. Thus a student shall be given an extra 2 years to complete all the requirements of the program of study.
  - q. Revenue generated in the startup company of SIT Students/Research Scholars incubated at SIT shall be shared between Students/Research Scholars and SIT in the ratio of 80 % and 20% respectively for a duration as per Exit Policy.

r. Engagement of Faculty in Startup activities

- The faculty members shall be involved as mentors to provide technical expertise or provide capital investment alone. The capital investment of permanent faculty is treated as a purely private commercial transaction for which University is not responsible.
- The permanent faculty who wish to involve in Startup on a part time basis can spend a day in a week in the Startup in addition to their teaching, research and other official activities.
- The contract faculty / Research staff who wish to involve in Startup can spend a day in a week in the Startup in addition to their teaching, research and other official activities.
- The committee constituted for the purpose shall take decision in granting a Startup by assessing the proposal submitted indicating the interest/ feasibility/ innovation/ market potential etc. The committee also will review the progress quarterly.
- Revenue generated in the startup company of SIT faculty incubated at SIT shall be shared between faculty and SIT in the ratio of 70% and 30% respectively for a duration as per Exit Policy.
- Participation in Startup 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 Startup.
- In order to attract and retain right people, institute should encourage academic and non-academic incentives and reward mechanisms for all staff and stakeholders that actively contribute and support entrepreneurship agenda and activities.
- The reward system for the staff may include sabbaticals, office and lab space for entrepreneurial activities, reduced teaching loads and awards.
- A performance matrix should be developed and used for evaluation of annual performance.

- Faculty should not engage research staff or other staff of institute in activities of their Startup and vice-versa.
- s. Alumni Startup candidates will be selected by a committee based on the project submitted to the incubation Centre. The selected candidate will be required to function either full time or part time.
- t. Faculty/ Research Scholars/ Students/ Alumni shall register their company with due permission/information from/to SIT.

## **6. Policy Statement**

SITIIC wishes to facilitate the ideas emerging from individuals/teams using ‘Science & Technology’ to result in developments that would benefit society. In order to address this, SITIIC has adopted this ‘Incubation Policy’ to provide guidance and management structure to facilitate the development of entrepreneurship skills and start-ups.

The policy is subject to periodical review and amendments. It will be the responsibility of the companies admitted to SITIIC to update themselves from time to time on amendments in the Incubation policy and procedures.

SITIIC reserves the rights to make an exception of all or any of the terms of the policy for a particular company or a promoter on a case to case basis.

## **7.0 Definitions :**

### **7.1 Incubatee :**

The startup company selected for incubation support under incubation

### **7.2 Business Plan :**

A document prepared by applicants to articulate the problem addressed, proposed solution, technology, road map, team, resources required, market, revenue statement and risk mitigation steps. This is generally a non-confidential

version of the planned work to be undertaken by the start-ups.

7.3 Intellectual Property Rights (IPR) means the rights derived from the IP e.g. patents, registered designs, copy right etc.

7.4 Incubation Tenure means the period for which incubation support is provided to the startups

7.5 Graduation / Exit means the conditions under which the incubation tenure ceases.

## **8.0 Incubation Eligibility**

8.1 Any person /company desirous of availing incubation facilities has to apply in the prescribed format along with the required documents.

8.2 The companies promoted by faculty of SIT, Kariapatti shall be governed by rules and regulations of SIT. The companies promoted by students enrolled for full-time degree at an educational institute shall be considered for pre incubation / incubation based on a case to case evaluation of the readiness of the student(s) to start the venture

8.3 Any company that is engaged or proposing to be engaged in imparting educational courses and/or training programs or is planning to undertake such activities during its incubation at SIT is not deemed eligible for incubation and their application will not be entertained.

8.4 Any company that plans to develop products / services violating legal / Statutory / environmental / ethical regulations would not be eligible for support at SITIC.

## **9.0 Incubation admission process**

### **9.1 STAGE 1: Submit Executive Summary/ Business Plan**

As a first step in the admission process, the prospective applicants should submit an Incubation Application containing the business plan, Certificate of incorporation and 'Memorandum & Articles of Association' (if incorporated already). The applicant(s) shall present the executive summary to an incubation screening committee for comments on technical and business feasibility of the idea.

Following are the general evaluation criteria:

Problem identified

Proposed solution / innovation / technological feasibility

Strength of core team/ promoters.

Potential of the idea for IP creation / IPR possessed by applicant(s).

Financial/ Commercial Viability and 2-3 year projections of income/expenses / break even.

Financials (CAPEX/ OPEX) / sources / plans

Market (opportunity/size/segment / competition landscape)/ Marketing/Sales plans.

Scalability.

Risks/Mitigation strategies

### **9.2 STAGE 2: Presentation to screening committee of SIT**

If the initial evaluation of the business plan / executive summary is positive, SIT will arrange a meeting with the company founders, during which the company will be expected to present a business plan to the screening committee. After the presentation, a final decision will be made by the screening committee regarding the company's entry into the incubator. The company will then be informed of the final decision. The presentation through video conferencing is also permitted under special circumstances.

### 9.3 Non-Disclosure:

SIT adheres to confidentiality throughout the application process. However, SITHIC will not sign any 'non-disclosure' agreements.

### 9.4 Incubation Agreement

Selected applicants/companies will have to enter in to an incubation agreement with SITHIC. A draft of the incubation agreement would be shared along with the selection communication.

## **10.0 Services provided to Incubatees**

10.1 Common Infrastructure: SIT provides a common pool of hard and soft infrastructure to be shared by all incubated companies. The following resources are provided: Photocopying machine.

- Document Scanner.
- Library access Meeting //Conference room with projection equipment.
- Tele or Video conferencing facilities.

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

- Office space / co working space.
- Internet connection.
- Standard furniture as decided by SITHIC.
- Access to the product development / prototyping facilities in SITHIC

## 10.2 Access to SIT institute infrastructure:

SITIIC may facilitate access to the institute infrastructure or laboratories as per the norms of SIT subject to the availability.

## 10.3 Services:

SITIIC may associate with professionals for accounting, IP, legal and management expertise on a part-time basis. The incubated companies may avail their services. Any direct services provided to an incubatee would have to be paid for by the incubatee to the service provider.

SITIIC will also provide soft infrastructure and business services to the incubated companies. The possible services and support items are listed as follows:

### 10.3.1 Intern Support:

To provide support in management and team building, incubatees will be facilitated with the talent pool from SIT. The terms of engagement has to be mutually worked out between the incubatees and interns.

### 10.3.2 Mentoring and Advisory Services:

**Strategic Checkups:** The SITIIC team will meet the incubate CEOs periodically for strategy reviews and discussion of operational issues.

An incubated company may opt for a faculty advisor as a mentor on technology issues.

Specialized mentors will also be made available to the companies 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 incubated company may avail the consulting services by empanelled



professionals.

### 10.3.3 Seed Funding:

SITHIC facilitates the startups to raise their seed funding. Such facilitation would be based on the stage the venture, quantum of funding, rationale for the funding and its suitability to avail support under the ongoing grant / seed funding schemes of SITHIC. In addition, SITHIC would facilitate linkages between angel investors, early stage Venture Capital providers.

## 11.0 Tenure of incubation

The companies will be permitted to stay in the incubator for a period of three years. They may be granted extensions for 6 months-12 months each at a time at the sole discretion of SITHIC.

11.1 Graduation / Exit: An incubated company will leave the incubator under the following circumstances:

- Completion of three years stay (if no extension granted) is generally considered as graduation.
- Underperformance or non-viability of business proposition as decided by SITHIC on case to case basis.
- Violation of SIT / SITHIC policies /rules
- Then the company enters in an acquisition, merger or amalgamation or reorganization deal resulting in a substantial change in the profile of the
  - company, its promoters, directors, shareholders, products or business plan.
- Change in promoters'/ founders' team without concurrence of SITHIC. Any change of more than 50% of equity ownership would require a prior
  - approval of SITHIC.
- Any other reason for which SITHIC may find it necessary for an incubated company to leave.

- Notwithstanding anything written elsewhere, SITIIC's decision in connection with the exit of an incubated company shall be final and shall not be disputed by any company.

## **12.0 Periodic Assessment**

A committee set up by SITIIC / SITIIC team will evaluate the performance of incubatees every 6 months. The emphasis of evaluation will be on checking if the milestones specified in the business plan are met. For a company which has taken seed fund loan, additional checks will be done on the financial health of the company in terms of its order booking, expenses, profitability, utilization of seed money loan for the specified purposes and its ability to repay the loan. Further seed fund disbursement will be dependent on the progress shown in previous appraisal. The same would be governed by the seed fund agreement document entered between the incubatee and SITIIC. Periodic assessment would vary depending on the stage of incubation the company is in.

If an incubatee company develops any Intellectual Property on its own during the incubation tenure, it may protect the same on its own. If the company partners with a Faculty of SIT and if there is a collaborative work, the IPR policy of SIT would govern such as association and the resulting intellectual property arising out of such an association.

In case of any conflicts of interests, the decision of the SITIIC shall be final and binding upon the parties.

## **13. Right to Regulate Policy:**

The SITIIC's team shall have the responsibility for interpreting the policy, resolving disputes, the application of the policy and recommending changes to the policy from time to time to the Chairman. The Chairman shall consider such changes/recommendations and take such decision thereon as he/she deems fit. The Incubation policy may be reviewed after three years or earlier, if there is a need arising out of changes in the startup ecosystem in the country.

#### **14. Legal Jurisdiction :**

As a policy, all agreements signed by the Institute and dispute(s) arising there from, will be subject to the legal jurisdiction of the Court of Adjudication at Kariapatti only and shall be governed by the appropriate laws of India.

#### **15. Disclaimer:**

SITIIC does not guarantee success and/or feasibility of the technology transferred from the SIT or any person representing them shall not be liable for any acts or omissions of the incubated company. However, in case of any such event the incubated company shall do all that is required to hold SITIIC/ SIT or any person representing them harmless from any loss including damage, penalty.

#### **16. Agreements**

Incubatees shall enter into the following agreement/s with the SITIIC:

Incubation Agreement: Contain rules and other incubation norms, consideration, etc. (Applicable to all. A draft of the agreement would be shared along with the incubation offer letter.)

Seed-Fund Agreement: Contain rules of disbursement and repayment (as applicable). A draft of the seed fund / grant agreement would be shared along with the seed fund offer letter)

#### **17. Dispute Resolution**

In case of any disputes between the Institute and the inventors regarding the implementation of the IP policy, the aggrieved party may appeal to the Chairman of SITIIC. Efforts shall be made to address the concerns of the aggrieved party. The Chairman's decision in this regard would be final and binding.

Further, the SITIIC reserves the right to amend the Incubation Policy as and when such a need arises/deemed fit.