



**Shri Dharmastala Manjunatheswara College of
Engineering & Technology, Dhavalgiri, Dharwad**

**Center for Entrepreneurship & Innovative Research
(SDMCET-CEIR)**

**National Innovation and Startup Policy for Students
& Faculty**

Preamble

The Start Up policy 2019 from MHRD is a guiding framework to envision an educational system oriented towards Startups and Entrepreneurship opportunities for student and faculties. The guidelines provide ways to Indian Higher Education Institutions (HEI) for developing entrepreneurial agenda, managing Intellectual Property Rights (IPR) ownership, technology licensing and equity sharing in Startups or Enterprises established by faculty and students.

In India, innovation is still not the epicenter of education. In order to achieve the cultural and attitudinal shift and to ensure that „Innovation and Startup“ culture is the primary fulcrum of our higher education system, a policy framework and guidelines are detailed in this document. These guidelines will actively support our faculty, staff and students to participate in Innovation and Entrepreneurship (I&E) related activities, thus encouraging students and faculty to consider Startups and Entrepreneurship as a career option.

INTRODUCTION

SDMCET has set up a policy incubator for fostering entrepreneurship and nurturing technology startups referring the *National INNOVATION and STARTUP Policy 2019 for Students and Faculty* guidelines issued by **MHRD, Govt. of India**. It administers a business incubator which provides “Start to Scale” support for technology-based entrepreneurship and facilitates the conversion of research activity into entrepreneurial ventures. Set up in June 2019, it is actively participating in many new programs in collaboration with Government, Industry and Academia. The policy incubator will hold discourses, deliberations, and conference to assemble wider insight and learn from best practices. It shall then develop the best practices for student and faculty entrepreneurship across state educational institutions. Shri Dharmasthala Manjunatheshwara College of Engineering & Technology startup policy aims to achieve the following:

- Generate more number of innovative Global Technology startup companies.
- Encourage/Facilitate/Incubate technology product startups.
- Encouraging enterprises, which serve social and economic needs.

1. Strategies and Governance

- 1.1 SDMCET will facilitate development of an Entrepreneurial Ecosystem in the organization with specific objectives and associated performance indicators.
- 1.2 Implementation of entrepreneurial vision at the Institute through mission statements
- 1.3 Resource mobilization plan will be worked out at the Institute level for supporting pre-incubation, incubation infrastructure and facilities.
- 1.4 Investment in the entrepreneurial activities will be a part of the Institutional financial policy.
- 1.5 The strategy will also involve bringing in external funding through State and Central government agencies and non-government sources.
- 1.6 To support technology incubators, academic institutes may approach private and corporate sectors to generate funds, under Corporate Social Responsibility (CSR) as per Section 135 of the Company Act 2013.

- 1.7 Institute plans to raise funds through sponsorships and donations will actively engage Alumni network for promoting Innovation & Entrepreneurship (I&E).
- 1.8 Importance of innovation and entrepreneurial agenda will be promoted and highlighted at institutional programs such as conferences, convocations, workshops, etc.

2. Startups Enabling Institutional Infrastructure

- 2.1 Creation of pre-incubation and incubation facilities for nurturing innovations and startups in SDMCET will be undertaken. The goal of the effort will be to link INNOVATION to ENTREPRISES to FINANCIAL SUCCESS. .
- 2.2 SDMCET has facilities for supporting pre-incubation such as Institute Innovation Cell (IICs) as per the guidelines by "MHRD"s Innovation Cell", New Age Incubation Center (NAIN) by Karnataka Information Technology Services (KITS), Govt. of Karnataka.
- 2.3 The Pre-Incubation/Incubation facility will be accessible 24x7 to students, staff and faculty of all disciplines and departments across the institution.
- 2.4 SDMCET will offer mentoring and other relevant services through Pre-incubation/Incubation units in-return for fees, equity sharing and (on) zero payment basis.

3. Nurturing Innovations and Start ups

SDMCET will strive to achieve the following:

- 3.1 Offering access to pre-incubation & Incubation facility to start ups by students, staff and faculty for mutually acceptable time-frame as per mutual agreement in **Annexure 1**. The facilities and infrastructure more specifically are as in **Annexure 2**.
- 3.2 Will allow licensing of IPR from institute to start up to take a license 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.
- 3.3 Will allow setting up a start up (including social start ups) and working part-time for the start ups while studying / working: SDMCET 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 in start ups (incubated in any recognized HEIs/Incubators) while studying / working.
- 3.4 Student Entrepreneurs may earn credits for working on innovative prototypes/Business Models. Student inventors will 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 multidisciplinary. However, the students must describe how they will separately and clearly distinguish their ongoing research activities as a student from the work being conducted at the start up.
- 3.5 Students who are under incubation, but are pursuing some entrepreneurial ventures while studying will be allowed to use their address in the institute to register their company with due permission from the institution.
- 3.6 Student entrepreneurs will be allowed to appear for the examination, even if their attendance is less than the minimum permissible percentage, with due permission from the Startup Core Committee (SCC).
- 3.7 The institution will 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. Student entrepreneurs may earn academic credits for their efforts while creating an enterprise. Institute will 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.

- 3.8 The SDMCET will explore provision of accommodation to the entrepreneurs within the campus for some period of time.
- 3.9 Allow faculty and staff to take off for a semester / year (or even more depending upon the decision of review committee constituted by the institute) as sabbatical/ unpaid leave/ casual leave/ earned leave for working on startups and come back.
- 3.10 SDMCET will consider allowing use of its resource to faculty/students/staff wishing to establish start up as a fulltime effort. The seniority and other academic benefits during such period may be preserved for such staff or faculty.
- 3.11 In return of the services and facilities, the resident company other than Student/Faculty startups have to pay a nominal charge for utilization of the space allotted to it @ Rs.10.00 per Sq. Ft. per month within 10th day of the respective month to SDMCET in addition to actual charges mentioned in **Annexure 3**.
- 3.12 SDMCET may take 2% to 9.5% equity/ stake in the startup/market charges, based on period extension, brand used, faculty contribution, support provided and use of institutes IPR (a limit of 9.5% is suggested so that institute has no legal liability arising out of startup).
- 3.13 SDMCET will also provide services based on mixture of equity, fee-based and/ or zero payment model. So, a startup may choose to avail only the support, not seed funding, by the institute on rental basis.
- 3.14 SDMCET could extend this startup facility to alumni of the institute as well as outsiders.
- 3.15 SDMCET will ensure that at no stage any liability accrue to it because of any activity of any startup
- 3.16 SDMCET administration or governance regarding startup activities are mentioned in **Annexure 4**

4. Product Ownership Rights for Technologies Developed at SDMCET

- 4.1 When SDMCET facilities / funds are used substantially or when IPR is developed as a part of curriculum/ academic activity, IPR is to be jointly owned by inventors and the institute.
- 4.2 Inventors and SDMCET could together license the product / IPR to any commercial organization, with inventors having the primary say.
- 4.3 If SDMCET not allowed to hold the equity as per the current statute, then SPV may be requested to hold equity on their behalf. If one or more of the inventors wish to incubate a company and license the product to this company, the royalties will be according to MHRD Innovation & Startup policy 2019. For a pure software product licensing, there may be a revenue sharing to be mutually decided between the SDMCET and the incubated company.
- 4.4 On the other hand, if the Product/ IPR is developed by Innovators without using any SDMCET facilities, beyond office hours (for staff and faculty) or not as a part of curriculum by student, then the Product/ IPR will be entirely owned by inventors in proportion to the contributions made by them. In this case, inventors can decide to license the technology to third parties or use the technology the way they deem fit.
- 4.5 If there is a dispute in ownership, a minimum five membered committee consisting of two faculty members (having developed sufficient IPR and translated to commercialization), two of the institute's alumni/ industry experts (having experience in technology commercialization) and one legal advisor with experience in IPR, will examine the issue after meeting the inventors and help them settle this, hopefully to every body's satisfaction. SDMCET can use alumni/ faculty of

other institutes as members, if they cannot find sufficiently experienced alumni / faculty of their own.

- 4.6 SDMCET IPR cell or incubation center 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. If SDMCET is to pay for patent filing, they can have a committee which can examine whether the IPR is worth patenting. The committee should consist of faculty who have experience and excelled in technology translation. If inventors are using their own funds or non-institute funds, then they alone should have a say in patenting.
- 4.7 All SDMCET's decision-making body with respect to incubation / IPR / technology-licensing will consist of faculty and experts who have excelled in technology translation. Other faculty in the department / institute will have no say, including heads of department, heads of institutes, deans or registrars.
- 4.8 Interdisciplinary research and publication on startup and entrepreneurship will be promoted by the SDMCET.

5. Norms for Faculty Startups

- 5.1 Faculty startup may consist of faculty members alone or with students or with faculty of other Institutes or with alumni or with other entrepreneurs.
- 5.2 Role of faculty may vary from being an owner/ direct promoter, mentor, consultant or as on-board member of the startup.
- 5.3 In case of selection of a faculty start up 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) will be permitted to the faculty.
- 5.4 Faculty must clearly separate and distinguish on-going research at the institute from the work conducted at the startup/ company.
- 5.5 Faculty must not accept gifts from the Startup.
- 5.6 Faculty must not involve research staff or other staff of institute in activities at the Startup and vice-versa
- 5.7 Human subject related research in startup should get clearance from ethics committee of the institution.

Annexure 1

SALIENT RULES FORMING PART OF THE INCUBATION AGREEMENT

The company hereinafter called the "Resident Company/Incubatee" as per the Incubation Agreement with the Institute for Synergistic collaboration through SDMCET has been permitted. If there is any conflict in the rules and byelaws given below, with any of the clauses of the agreement mentioned above, the rules/clauses of the said agreement will prevail.

RULES AND/OR BYELAWS:

Rule-1:

Tenure of Incubation

Companies will be permitted to stay in the incubator for a period of *ONE* year [including *ONE* month notice period]. Further extension if any will be for another *ONE* year based on satisfactory performance review. Any stay beyond the total of *TWO* Years is subject to Start up Core Committee approval and will entail additional consideration, which terms will be decided at that point of time and also equity or rental charges will be levied as per prevailing market rates based on the policy amendment by SDMCET at the time of continuation.

Exit Clause

An Incubate company will leave the incubator under the following circumstances:

- 1) Completion of one year stay (if no extension granted by SDMCET based on performance review)
- 2) Underperformance or non-viability of business proposition as decided by Startup Team nominated by SDMCET on case to case basis
- 3) Irresolvable promoters' disputes as decided by Startup Team nominated by SDMCET on a case to case basis
- 4) Violation of any SDMCET's policy
- 5) When the company enters in an acquisition, merger or amalgamation deal or reorganization deal resulting in a substantial change in the profile of the company, its promoters, directors, shareholders, products or business plan
- 6) Change in promoters'/ founders' team without concurrence of SDMCET
- 7) Any change of more than 50% of equity ownership would require a prior approval of SDMCET
- 8) Any other reason for which SDMCET may find it necessary for an incubate company to leave

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

Rule-2:

The Resident Company/Incubatee shall undertake Research & Development, Design/Testing, prototype development from SDMCET's premises but shall not carry out warehousing, storage, marketing sales or other commercial routine activity.

Rule-3:

Subleasing or subletting of any kind of the space given by SDMCET is not allowed. Non-observance of this rule will result in immediate expulsion.

Rule-4:

If an incubatee/resident company requires more space or has vacant space, a request for additional space/surrender of the space is required to be made to SDMCET in writing.

Rule-5:

The resident company/incubatees are required to provide a list, as per the following format, of their full time and part time employees quarterly:

Sl.No.	Name	Age	Sex	Full time or part time	Qualification & Experience	Designation & Responsibilities/Duty	Address	Signature

Rule-6:

All the visitors to the SDMCET Startup unit are required to sign in the visitor's register.

Rule-7:

The resident company or 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 SDMCET.

Rule-8:

All resident companies/incubatees are required to observe health and safety standards. No hazardous material can be brought inside the complex without the prior approval of SDMCET. All the incubatee companies are required to keep a first aid kit in the space provided to them.

Rule-9:

No resident company or its employee can display notices or signage except in the space or Boards provided for such signage by SDMCET.

Rule-10:

It is the responsibility of all the resident companies and their employees to use the common facilities e.g. common area, printer & other machines etc. with due diligence and care.

Rule-11:

The Resident company or incubatee shall be required to submit to the SDMCET a unaudited/audited financial statement before the 7th of every six month to Startup Team nominated by SDMCET. Non-compliance with the same would result in a fine of Rs. 1000 and The company should also inform SDMCET on the progress on the incubation projects and should make presentations to the Committee on a quarterly basis and non-compliance would result in similar penalties stated above. The Incubatee is also obliged to submit to Startup Team nominated by SDMCET one copy each of the Memorandum of Association, Articles of Association, and Annual Report (as and when approved by their Board of Directors).

Rule-12:

It will be obligatory for the resident company or incubatee to involve SDMCET area experts and/or use existing laboratory facilities during the developmental activities for mutual benefits. The consultancy charges payable to SDMCET area experts/ mentor will be according to the norms as laid down by SDMCET in this regard.

Rule 13:

Notwithstanding any issue/dispute pending between the Company and SDMCET at the time of

completion of the agreed tenure of incubation period, or if given an exit notice by SDMCET, the incubatee must vacate the allotted space unconditionally.

Rule-14:

The resident company/Incubatees are required to keep the SDMCET informed about any visitor from abroad, foreign collaboration and/or foreign partner or director, and abide by the rules/procedures in vogue in the SDMCET.

Rule-15:

The Resident Company/Incubatees are required to keep the SDMCET informed in advance and obtain their concurrence in writing for the following during the incubation period:

- [1]. Change of Name of Incubation Company to any other form of legal entity
- [2]. Any Major change in their incubation/business plans
- [3]. Change in their ownership pattern
- [4]. Change in their Board of Directors
- [5]. Disposal of assets

Rule-16:

SDMCET reserves the right to release information regarding the Incubatee /the Incubation / the product or service to the media to promote SDMCET for non-commercial purposes.

Rule-17:

All resident Companies incubated in the Centre would be required to submit their audited annual Balance Sheet to the Startup Team nominated by SDMCET after graduating from the Centre.

Rule-18:

On issues wherein no rules and/or byelaws are clearly defined, SDMCET rules and/or byelaws shall prevail.

Rule-19:

SDMCET does not promise any seed fund for the incubate companies.

Rule-20:

In future, if need arise, the companies should be ready to share the space in their respective startup units.

Rule-21:

The incubatee company should provide internships to SDMCET students with/ without stipend for atleast four or more students (any branch) in an academic year and also priority shall be given for SDMCET students regarding placement in their respective companies.

Rule-22:

Disclaimer

The incubate/Resident company understands and acknowledges that SDMCET intends to provide supports facilities to the Company in good faith to pursue its objective to promote entrepreneurship by converting innovative technologies by incubating and supporting new enterprises. It is understood that by agreeing to provide various supports and facilities, SDMCET does not undertake responsibility for:

- Ensuring success of an incubatee/resident company, its products/ process/ services or marketability,
- Ensuring quality of support provided by SDMCET to the complete satisfaction of the incubatee companies or their promoters/ founders.
- Ensuring quality of services of the consultants engaged by the incubatee companies through SDMCET network. Incubatee companies will have to apply their judgments before getting in to a relationship with them.

The incubatee/resident company agrees that SDMCET or their employees shall not be held liable for any reason on account of the above.

Annexure 2

Facilities and infrastructure to the resident companies subject to the Rules and Regulations and as mentioned in clause 2 of the Agreement.

- Office space Square feet.
- Personal Computer if required
- Common Printer
- Internet connection one e-mail ID for the promoters who shall be responsible for any misuse of use by unauthorized persons.
- Phone lines (Intercom)
- Furniture.
- Electricity in single phase maximum of 1.5 KVA.
- Accommodation (One room in SDMCET guest house/hostel)
- Any other facility requested and granted by SDMCET.

Annexure 3

Consideration for infrastructure facilities in addition to other:

The consideration payable by the company for the use of the incubation centre facilities and infrastructure will be as follows:

Sl. No	Type of Infrastructure	Amount
1)	Electricity charges including air-conditioning	On actual Charges
2)	Telephone Bills	On actual Charges
3)	Accommodation @SDMCET guest house	On actual Charges
4)	Printer cartridge	On actual Charges

The monthly charge is to be deposited to the college account mentioned by SDMCET.

Annexure 4

SDMCET Startup Governance

The Startup Core team at SDMCET consists of Startup Chairperson, Deputy Chairperson, Infrastructure coordinator and Logistics coordinator and has to work under the directions and guidelines of the Principal, SDMCET.

Authority


1. The core team meetings will be presided by the Principal, SDMCET
2. All the internships/startups related activities to be routed through the central startup core team for smooth functioning.
3. Each department to nominate *one* faculty coordinator to represent the department in the activities of the startup incubation.
4. The team will work with the Sandbox startup for the 3-year YUVA Entrepreneurship Program as per the MOU.
5. The team will also coordinate the activities of any external agency on SDMCET campus for exposing the students to startup culture.
6. The team is authorized to interact with an Institution/company to deal with startup promotional activities.
7. The activities of Startup core team are in no way connected to the activities of IT-BT funded initiatives.
8. The core committee shall retain the authority to select the students/faculty/staff for Hackathon (or any related activities), in consultation with the HOD of respective departments.
9. The amendments (if any) will be incorporated by the team from time to time or as and when the need arises.
10. The team shall meet on 2nd of every month to discuss the monthly activities.

Startup Proposals and Acceptance

1. The core team shall invite the proposal for startup incubation from within the college and outside the college.
2. The received proposals will be subjected to a review process in the startup core team meeting presided by the Principal.
3. The HOD's of the concerned department will be invited for these meetings.
4. Upon finding the proposals suitable for incubation, the final approval will be sought from the Management.
5. Upon receiving the final approval letter from the management, the incubation process will start.

Maintenance policy

1. The timings of the startup incubation facility will be from 9 am to 7 pm.
2. The cleaning / maintenance of the premises of the startup incubation center will be under the Dean (IPD).
3. The core team is empowered to assess an damage caused to the premises (in any form) by the companies incubated and a report in this respect will be submitted to the competent authority for further processing.


Dr. Satish S Bhairannawar
Startup Chairperson


Dr. Ramesh L Chakrasali
Principal

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