

NMIT'S INNOVATION AND START-UP POLICY

(NMIT- IISP 2021)



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Our Founder:



Justice Kowdoor Sadananda Hegde was born in Kowdoor village and had his early education at Karkala and Mangalore. Thereafter, he pursued his collegiate education at the Presidency College, Madras and got his B.A(Honors) in Economics. Later, he pursued a Degree in Law from Government Law College, Madras. He began his legal practice at Karkala in 1936 and later moved to Mangalore, where he was appointed as the Public Prosecutor of South Kanara district in 1948. He was elected as a Member of the First Council of States (now known as the Rajya Sabha). In 1954, he represented India at the General Assembly of the United Nations. He then became a Judge of the Mysore High Court.

In 1966, he was appointed as the first Chief Justice of the Delhi and Himachal Pradesh High Court. He held the office till he was elevated to the post of Judge of the Supreme Court of India in 1967. However, he resigned the office in 1973 in a protest against the supersession of senior judges in the appointment of the Chief Justice of India. In 1977, Justice K S Hegde was the elected Speaker of Lok Sabha. After a distinguished career, he retired from public life and settled at Nitte to relentlessly work for the upliftment and empowerment of the rural people. Justice K S Hegde passed away on May 25, 1990.

Smt. Meenakshi Hegde, wife of Justice Kowdoor Sadananda Hegde was the force and support in the growth of Nitte Educational Institutions. Smt. Meenakshi Hegde played a pivotal role in the formation of the Nitte Education Trust.

Advisor's Message:



A warm welcome to you on behalf of all at NMIT. NMIT mainly represents the very best of what an institute can be - a diverse community of talented people who enrich our society through education, research and service. NMIT's extraordinary students are simply the best of the best. They come from every walk of life and share a commitment to excellence and embodiment. Our world-class faculty includes many who are the top scholars in their fields. They are actively engaged in teaching and research because they love learning and discovery. Our talented staff members provide critical infrastructure without them we could not fulfill our mission.

- Prof. N.R. Shetty
Chancellor
Central University of Karnataka
Kalaburagi Karnataka

Message from the Principal:



Education is the first stepping stone to an open mind, a life of dignity and growth of each individual and humankind at large. NMIT opens its doors for those with a passion for learning and also provides a platform to gear our students to be focused and successful individuals of tomorrow. The Website is an endeavor and a platform for both prospective students as well the existing students. The prospective students can understand the institution better and our current students can share and access critical information.

- Dr. H C Nagaraj
Principal, NMIT

INSTITUTION'S INNOVATION AND START-UP POLICY OF NMIT 2021 (IISP-NMIT 2021)

1 Preamble

Nitte Meenakshi Institute of Technology (NMIT) was established in the year 2001 by "Nitte Education Trust" with the aim of imparting quality and affordable technical education to students irrespective of their strata in the society. Ever since, the management of NMIT has been promoting the idea of incubating businesses and providing students and faculty members an opportunity to explore their creative potential. This unflagging support from the management for this initiative is based on their belief that a successful startup is not only an income generator but an employment generator which will benefit the society immensely. Towards this end the management has been at the forefront of promoting creativity and incubating business ideas by providing a conducive atmosphere in which its students and faculty could exploit their potential to innovate and solve real time problems of the world.

Innovators with great ideas may not be good salesmen and may not be in a position to elicit sufficient interest from the investors or business houses, to get funds for implementing their ideas. It is also possible that the problems and the solutions are applicable only to a small section of the society and may not result in large volume sales as usually expected by the investors. The idea of innovation cell is conceived for supporting such ventures where there can be not much of certainty in the success of the project and the fear of failure is so high as to dissuade further attempts. Bangalore being the host to a lot of companies working on cutting edge technologies is also the cradle of innovation in the country. There are quite a few startups and small enterprises may not afford to invest or master the technologies that are required to tide over a particular problem getting in their progress. The incubation center can facilitate faculty members of NMIT to make their technical expertise available to such companies by providing consultancy services. It is also possible that the faculty members can guide the management of the companies by taking up positions in their technical or managerial committees. Members of the incubation cell are encouraged to take up such responsibilities as a part of academic work and institutional objectives.

Seized with the idea of creating these hubs of wealth and employment generation, the MoE's Institutions' Innovation Council, along with other central and state gubernatorial bodies have of late announced policy initiatives that will enable creation of highly conducive environments for fostering such innovative activities. NMIT is a vocal proponent of this objective and aims to kindle the spirit of innovation in its students and faculty members by providing them access to its network of experts, tools and resources that will enable the innovators to actualize

their solutions economically in a short period of time thus getting rid of the entry barrier.

2 Start-up Policy

The All India Council of Technical Education (AICTE) released a Startup Policy document applicable for AICTE approved Institutions of higher education in November 2016, to address the need for inculcating the culture of Innovation and Entrepreneurship in the students. The policy primarily focused on guiding these institutions in implementing the Start-up Action Plan proposed by the Government of India.

In February 2019, the Ministry of Human Resource Development (MHRD) along with Innovation Council (MIC) of Ministry of Education (MoE) released the National Innovation and Start-up Policy 2019 (NISP-2019 Based on NISP 2019, Kalam Centre for Innovation & Incubation of Start-ups(KCIIS)2017, VTU, Karnataka has released a start-up policy guidelines to aid universities in creating and encouraging a robust and sustainable culture of innovation with active participation of the faculty, staff and students. Nitte Meenakshi Institute of Technology (NMIT) which already has embarked on this highly satisfying mission of empowering the youth framed the Institution's Innovation and Start-up Policy (IISP-NMIT-2021) to cater to the Innovation and Entrepreneurial needs of its students, faculty and staff.

2.1 Vision

To be a leading National Think Tank in supporting faculty, alumni, and students to develop startup enterprises and entrepreneurs.

2.2 Mission

- Enhance the participation of students and faculties in aspects of Innovation and Entrepreneurship, by encouraging them through educational modules, workshops, Seminars, and inspiring activities.
- Creating a platform for in-house faculty and students to network with each other, to share knowledge and best practices, and to be a cause in making positive contributions to NMIT Innovation and Startup eco-system by working closely with industries, industry bodies, government and academia.

2.3 Policy Statement

To provide guidelines for establishing an environment for fostering Innovation and kindling the Entrepreneurial spirit among students, faculty and staff, that promotes the establishment of Science & Technology Driven Start-ups which have the potential to benefit the students in particular and the society and the world at large.

2.4 Policy Objectives

2.4.1 Short term Objectives :

- To help Student groups to prototype their innovative ideas.
- To improve innovation, creativity, and design thinking among the Student community.
- To motivate Students to participate in Innovation-based competitions.
- To organize FDPs. Seminars, STTPs, Workshops and distinguished talks for Students, Faculty and Alumni on key thrust areas identified and promote Entrepreneurial culture.
- Strengthen Institute Industry Interaction Cell activities and effectively use the outcomes these activities for improving Entrepreneurial skills.

2.4.2 Long term Objectives :

- To establish Centers of Excellence on the key thrust areas identified.
- Improve the quality of research work among faculty and students and to build (attain) a patent portfolio that can be of commercial value in technology licensing (be commercially used in production).
- Provide a platform for students to develop innovative products for global markets (with global recognition) and generate business opportunities.
- Securing funding from R&D centers, business incubators, and government agencies, etc.
- To attract industry partners to invest in students' projects and to set up innovative labs inside the Institution.
- Generate revenues through consultancy work and start-ups.

2.5 Applicability

This policy is applicable to all those receive direct or indirect benefit through the start-up programme and in particular the following stakeholders

- i. NMIT students and faculty
- ii. NMIT Alumni
- iii. NMIT Staff (Non-Technical)
- iv. Management of the NMIT
- v. Any other person approved by the Start-up Governing Council, Research scholars and other institutions collaborating with NMIT.

Applications for admission to the Innovation Cell NMIT will be made on behalf of registered companies within the meaning of Companies Act, 2013. Where a company has not been registered, an application can be made in the name of all the

Promoters/founders; however, the promoters/ founders must ensure that the company is registered in the Innovation Cell NMIT within a period of three months from the date of approval of the application.

2.6 Norms of Admittance:

2.6.1 Norms for Student Start-ups

- i. Students will be allowed to set up a start-up (including social start-ups) and work part-time for these start-ups while studying.
- ii. Student entrepreneurs may earn academic credits for their efforts while creating an enterprise. Student Entrepreneurs can earn a maximum of 1 credit for innovative Proof of Concept (PoC) development (during 5th semester), maximum of 1 credit for prototypes or Minimum Viable Product (MVP) development (during 6th semester), maximum of 1 credit when the student forms a company with a proper business plan in place (during 7th semester). The TBI@NMIT and IISP-NMIT 2021 Expert Committee will evaluate and recommend the credits that can be awarded to the participants.
- iii. Student inventors will also be allowed to opt for working on their start-ups instead of their miniproject / major project, seminars, summer training, with approval from Dean(Academic), IISP-NMIT 2021 Expert Committee and Head of the Institution. Students will be permitted to use the idea they proposed for promoting their start-up / prototype development as their major project work for meeting some of the academic requirements of the Institute. Students are also allowed to promote an interdisciplinary or multidisciplinary company with the permission of the committee.
- iv. NMIT has the permission to exempt students affiliated with the TBI@NMIT upto a maximum of 20% of their attendance requirements in any semester. Such student entrepreneurs may be allowed to appear for their examinations even if their attendance is less than the standard mandatory requirements with due permission from the Head of the Institution.
- v. Students will be allowed to take a break for one or more semesters depending upon the decision of review committee constituted by the institute, to concentrate on the activities of their start-ups. They can subsequently re-join academics to complete their course.

- vi. Students who are enrolled into this programme will be allowed to use their hostel address, in the institute, to register their company with due permission from the Head of the Institution.

2.6.2 Norms for Faculty Start-ups

- i. Faculty and departments of the institute have to work in coherence and cross- departmental linkages will be strengthened through shared faculty, cross-faculty teaching and research in order to maximize the utilization of internal resources and knowledge.
- ii. Faculty members with prior exposure and interest should be deputed for training to promote Innovation and Entrepreneurship.
- iii. Faculty and staff will be allowed 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 start-ups and subsequently resume their academic activities. NMIT will consider allowing use of its resources to faculty/students/staff wishing to establish start-ups as a fulltime effort. The seniority and other academic benefits during such period may be preserved for such staff or faculty.
- iv. Faculty start-ups must be based primarily on knowledge they have acquired during their research or project activities pursued in NMIT.
- v. Faculty members may be either owners, or direct promoters, or mentors or consultants or members of the board of a start-up.
- vi. NMIT will develop 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 start-up activities.
- vii. Faculty start-up may consist of faculty members alone or might include students or might be in collaboration with faculty of other institutes, or with alumni, or with other entrepreneurs.
- viii. NMIT can avail of up to 20% of the total shares that the staff / faculty is eligible to receive for his participation in the start-up. In addition, this share will be limited to 9.5% of the shares of the company
- ix. There will be no restriction on the number of shares that faculty/staff can own in the company as long as they do not spend more than 20% of their office time on the start-up in an advisory or consultative role and do not compromise with their existing academic and administrative work/duties. Incase the faculty / staff holds the executive or managerial position for more than three months in a start-up, then they will go on sabbatical /

- leave without pay/earned leave. Faculty must clearly separate and distinguish on-going research at the institute from the work conducted at the start-up/ company.
- x. A Company owned or co-owned by a faculty/ staff member will normally be required to incubate at TBI @ NMIT. However, in exceptional cases, where the faculty/staff /wants to incubate it outside the Institute, sufficient justification has to be provided for the approval of the Institute. Decision of the Institute is final and binding in these cases.
 - xi. Faculty must not accept gifts from the start-ups.
 - xii. Faculty must not involve research staff or other staff of the institute in activities at the start-up and vice-versa.
 - xiii. Research conducted with Humans as subjects in the start-up will require a prior clearance from the ethics committee of the institution.
 - xiv. In case of selection of a faculty originated start up by an external 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 granted to the faculty member.
 - xv. Participation in start-up related activities will be considered as a legitimate official activity of the faculty members similar to teaching or guiding R&D projects or providing industrial consultancy. It will be considered while evaluating the annual performance of the faculty. Every faculty is encouraged to mentor at least one start-up.

2.7 Important Terminologies used in Policy

- i. **Accelerators:** Start-up Accelerators design programs in batches and transform promising business ideas to reality under the guidance of mentors and other available resources.
- ii. **Angel Fund:** An angel investor is a high net-worth individual who invests his or her personal capital, and shares experiences, contacts, and mentors (as possible and required by the start up in exchange for equity in that start up). Angels are usually accredited investors. Since their funds are involved, they will be desirous in making the start-up succeed.
- iii. **Co-creation:** Co-creation is the act of creating together. When applied in business, it can be used as an economic strategy to develop new business models, products and services with customers, clients, trading partner or other parts of the same enterprise or venture.
- iv. **Equity:** An Equity share, commonly referred to as ordinary share also, represents the form of or part ownership in which shareholder, as fractional owner, undertakes the maximum entrepreneurial risk associated with a

business venture. The holders of such shares are members of the company and have voting rights.

- v. **Entrepreneurial Culture:** A culture / society that enhances the exhibition of the attributes, values, beliefs and behaviors that are related to entrepreneurs.
- vi. **Entrepreneur:** An individual who has an entrepreneurial mindset and wants to make his/her idea successful.
- vii. **Entrepreneurship Education:** Entrepreneurship education seeks to provide students with the knowledge, skills and mentoring to encourage entrepreneurial success in a variety of settings.
- viii. **Fab or Prototype lab:** A fab lab is a small-scale workshop equipped with an array of flexible computer-controlled tools that can be used for a variety of machining operations.
- ix. **Hackathon:** A hackathon is a design sprint like event in which computer programmers and others involved in software development, including graphic designers, interface designers, project managers and others, often including domain experts, collaborate extensively to develop solutions.
- x. **Incubation:** Incubation is a unique and highly flexible combination of business development processes, infrastructure and people, designed to nurture and grow new or innovative organizations and small businesses by supporting them during the early stages of development.
- xi. **Intellectual Property Rights (IPR) licensing:** A licensing is a partnership between an intellectual property rights owner (licensor) and another who is authorized to use such rights (licensee) in exchange for an agreed payment (fee or royalty).
- xii. **Pre-incubation:** It typically represents the process which works with entrepreneurs who are in the very early stages of setting up their company. Usually, entrepreneurs come into such programs with just an idea of an early prototype of their product or service.
- xiii. **Prototype:** A prototype is an early sample, model, or release of a product built to test or demonstrates a concept or process.
- xiv. **Seed fund:** Seed fund is a form of securities offering in which an investor invests capital in a start-up company in exchange for an equity stake in the company.
- xv. **Start-up:** An entity that develops a business model based on either product innovation or service innovation and makes it scalable, reliable and self-

sustain as defined in Gazette Notification No. G.S.R. 127 (E) dated February 19, 2019.

- xvi. **Faculty/Staff/Student Start-up:** A Start-up that is initiated by Faculty (s)/Staff(s)/Student(s) enrolled in any academic institution recognized/approved by AICTE.
- xvii. **Technology Business Incubator (TBI):** TBI is an entity, which helps technology-based start-ups with all the necessary resources/support that are needed to evolve and grow into a successful business.
- xviii. **Technology Commercialization (TC):** TC is the process of transitioning technologies from the research lab to the marketplace.
- xix. **Technology Capital Licensing:** Agreement whereby a technological intellectual property (the licensor) allows another party (the licensee) to use, modify, and/or resell that property in exchange for compensation.
- xx. **Technology Readiness Level (TRL):** It is the most well-known form of start-up funding. Venture Capitalists (VCs) typically reserve additional capital for follow-up investment rounds. Another huge value that VCs provide is access to their networks for employees or clients for product or services of the start-up.
 - TRL 0 : Idea-Unproven Concept, no testing has been performed.
 - TRL 1 : Basic Research- Principles postulated and observed but no experimental proof of concept available.
 - TRL 2 : Technology Formulation- Concept and application have been formulated.
 - TRL 3 : Applied Research- First Laboratory test completed; Proof of Concept (PoC)
 - TRL 4 : Small Scale Prototype built in a laboratory environment ("Ugly" Prototype)
 - TRL 5 : Large Scale Prototype tested in intended environment
 - TRL 6 : Prototype System tested in intended environment close to expected performance.
 - TRL 7 : Demonstration System operating in operational environment at pre- commercial scale
 - TRL 8 : First of kind commercial system manufacturing issues resolved.
 - TRL 9 : Full Commercial application Technology available for consumers.

2.8 Strategies & Governance

- i. The Faculty Coordinator for National Innovation and Start-up Policy (NISP) 2019 of the Institute will hold the responsibility to promote Innovation, Entrepreneurship and Start-ups in the Institute.

- ii. The following facilities and teams will be collectively headed and coordinated by the NISP Faculty Coordinator towards implementation of IISP-NMIT 2021 policy and promotion of start-ups:
 - Entrepreneurship and Management Development Cell (EMDC)
 - Institution's Innovation Council of NMIT (IIC-NMIT)
 - Intellectual Property Rights (IPR) Cell
- iii. Technology Business Incubator @ NMIT (TBI @ NMIT)- A separate entity registered under Society Registration Act 1975.
- iv. These Pre-Incubation and Incubation facilities will be made accessible 24x7 to students, staff and faculty of all disciplines and departments across the Institution.
- v. A sustainable financial strategy has been defined in order to reduce the organizational constraints to work on the Entrepreneurial agenda.
- vi. Investment into “Innovation Fund” for these activities would not to be less than 1% of the total annual budget of the Institute.
- vii. The strategies for raising funds from diverse sources will be devised. Bringing in external funding through government (state and central) such as DST, DBT, MHRD, AICTE, TDB, TIFAC, DSIR, CSIR, BIRAC, NSTEDB, NRDC, Start-up India, Invest India, MeitY, MSDE, MSME, etc. and non-government sources will be encouraged.
- viii. NMIT may also raise funding through sponsorships and donations and will actively engage alumni network for promoting Innovation & Entrepreneurship (I&E) and tap private and corporate sector funds under Corporate Social Responsibility (CSR) as per Section 135 of the Company Act 2013.
- ix. NMIT will be the driving force in developing Entrepreneurship culture in its vicinity (regional, social and community level). This shall include giving opportunity for regional start-ups, provision to extend facilities for outsiders and active involvement of the institute in defining strategic direction for local development.
- x. NMIT will offer mentoring and other relevant services through Pre-incubation / Incubation units in-return for fees, equity sharing and (or) nil-fee payment basis.
- xi. Intellectual Property (IP) / Technology information based on which a business is proposed to be promoted/established. In the case of the creation of IP/Technology at NMIT, a copy of NMIT's letter of approval for the transfer/licensing/permission to use IP in favor of prospective incubators.
- xii. The business plan must cover all aspects, including: business overview, value proposition, goods and services, analysis of the market and competition, sales

model, milestones and timelines, growth and marketing plan, organizational structure, core staff, risk analysis, criteria for financing and estimated financials.

- xiii. Applicants can include such additional data as they believe will assist in evaluating their proposal. The Business Plan will be screened by the authorized committee on the basis of the submitted documentation to determine the suitability of the proposal for further assessment by expert representatives of its potential for incubation. The expert representatives shall then carry out a thorough review of the proposal including a financial and technical due diligence activity for the assessment of the viability of the proposal. The expert committee for this evaluation will be chosen depending on the prominent domain of the problem being addressed.
- xiv. Applicants can be invited to make a presentation on their plan. Members can request any additional information from the applicants and/or review the proposal in order to allow the expert members to take an appropriate decision. NMIT will handle submissions with the utmost confidentiality.
- xv. Any representative (but not limited to) requirements to be applied for evaluation:
 - Promise of the product conceptualized in terms of its technological content, novelty, creativity, business potential, marketing window and scalability
 - IP already created and the potential of the idea for IP development
 - Strength of the core team
 - Potential of the Product/idea to be considered for the “Made in India” promotion activity and job development
 - Need of funds and feasibility of raising finances.
 - Marketing time
 - Time to break-even
 - Percentage of use of facilities, personnel, expertise, current IP and other facilities existing with NMIT or its other incubated companies or its successfully incubated companies in the past.

2.9 Nurturing Innovation and Start-ups

2.9.1 Institution's Innovation Council - NMIT (IIC-NMIT)

- To work in accordance with the Annual calendar of activities prescribed by the MIC and promote innovation-led activities.
- Organize periodic workshops/ seminars/ interactions with entrepreneurs, investors, professionals and create a mentor pool for student innovators / Hackathons, idea competition, mini-challenges etc. with the involvement of industries.
- IIC-NMIT to comprise of President, Vice President, Convener, Innovation

Ambassadors, Faculty and Student Coordinators, Departmental Faculty and student members for various activities.

2.9.2 Technology Business Incubator @ NMIT(TBI@NMIT)

- TBI to provide incubation facilities.
- TBI to comprise of Chief Coordinator, Manager, Project Coordinators and Technical staffs.
- All facilities in TBI are made available to students, faculty and staff 24x7.
- Prototyping Lab will host regular training programs to promote innovation activities among students / faculty and facilitate them to convert their ideas into prototype.
- TBI may also link the start-ups to other seed-fund providers/ angel investors/ venture capitalists or itself may set up seed-fund once the incubation activities mature.
- TBI will extend this start-up facility to alumni of the institute as well as outsiders.

2.9.3 Entrepreneurship and Management Development Cell(EMDC)

- Spreading awareness among students, faculty and staff about the value of entrepreneurship and its role in career development.
- To promote entrepreneurship as a viable career and provide pre-incubation support to innovators / students to culminate in campus start-ups / new ventures.
- EMDC to comprise of overall Coordinator and Departmental Faculty Coordinators, Departmental Student Coordinators and student members.

2.9.4 NMIT as Facilitator

Facilitates the start-up activities/ technology development by allowing students/ faculty/ staff to use the institute's infrastructure and facilities, as per the choice of the potential entrepreneur in the following manner:

- Short-term/ six-month/ one-year part-time Entrepreneurship Training.
- Mentorship support on Regular Basis.
- 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.
- To support early-stage innovators for prototyping, NMIT has two funding schemes to support.

- NMIT student seed money support up to Rs.10, 000/- per Innovation idea (TRL 0-3).
- NMIT spark fund support up to Rs.50,000/- per Innovation idea (TRL4-5).
- A separate committee will receive the applications then shortlist worthy ideas which are scalable and monitor the progress of projects based on approved ideas.
- In addition, to channelize and create innovation pipeline and pathways for Innovators/ Entrepreneurs at Institute level, mentoring and networking will be done to help them to pitch in their ideas for various schemes.
- License institute IPR.
- In order to attract and retain right people, institute should develop academic and non-academic incentives and reward mechanisms for all faculty/staff who actively contribute and support entrepreneurship agenda and activities.
- There ward system for the staff may include sabbatical leave, office and lab space for entrepreneurial activities, reduced teaching loads, awards, trainings etc.
- Evaluation of annual performance will be made by the Monitoring committee.
- In return of the services and facilities, institute may take 2% to 9.5% equity/ stake in the start-up/ company, based on brand used, faculty contribution, support provided and use of Institute's IPR.
- A start-up may choose to avail only the support, not seed funding, by the institute on rental basis.
- Institute will update/change/revise performance evaluation policies for faculty and staff based on innovation policy periodically.

2.10 Services

IISP-NMIT 2021 plans to provide other support and services in addition to the physical infrastructure, includes:

- 2.10.1 Registration of a corporation and filings
- 2.10.2 Accountancy Programs
- 2.10.3 Programs of HR
- 2.10.4 Legal filings for Intellectual Property (Copyrights, Trade Marks, Patents)
- 2.10.5 Training/Conferences/Workshops
- 2.10.6 Support for Seed Funding
- 2.10.7 Grants from the Public Body
- 2.10.8 Introductions for Venture Capitalists / Angels /Investors
- 2.10.9 Meetings with NMIT visitors (such as alumni, VCs, professionals from the Industry)
- 2.10.10 Showcasing the incubated companies of NMIT by networking and events

2.11 Periodic Assessment

Institution's Innovation Council –The NMIT Team will evaluate the performance of companies being incubated periodically. The companies will be required to submit information on a quarterly basis in a prescribed format. Additionally, incubate companies may also be subjected to annual assessments. Assessment criteria, formats and frequency will be intimated to incubate companies by the IIC-NMIT.

2.12 Tenure

Companies will be allowed to remain in the incubator of NMIT, to begin with for a period of 18 months, which may be extended by another12 (6+6) months after satisfactory progress review. For this30-month period, the business will have to pay a nominal monthly fee to NMIT for utilization of the services. The IIC-NMIT can at its sole discretion, allow companies to further extend their stay for a maximum of 12 months, for which they will have to pay the fees at the prevailing market rate to be determined by NMIT. Based on market conditions and other variables, the initial duration of 18 months may vary and is therefore only a general guideline and not a dictum.

2.13 Submitting Details

Information will be sent to the IIC-NMIT, TBI @ NMIT and Principal's office by incubation companies:

- i. On any material changes or innovations taking place in their businesses. This information maybe (but is not limited to) change in company name, a change of company or product profile, a change of management, promoters or shareholders, the purchase of a new office, additional investment in equity or debt. NMIT can seek other information by the incubate companies as it sees fit. Prior approval should be sought from the IIC-NMIT to make certain changes.
- ii. On all organizational, financial and other metrics mandated by the Start-up Governing Council & Committee in the specified formats and frequency.
- iii. The incubated business shall at all times request the prior permission of the IIC-NMIT to participate in any case, to pursue external investment, to gain recognition or to attend any public or private event outside the Institute in general.
- iv. If permission is given to participate in such an event then the information material that is going to be used in the event will have to be reviewed by IIC-NMIT and TBI @ NMIT. Only material which has been pre-approved should be presented. In addition, all presentation materials, publicity materials, etc., and any media statements, press releases, presentations, speeches should duly acknowledge the contribution of NMIT in the activities of the start-up.

2.14 Method of Exit

Under the following conditions, incubated businesses will exit the incubator:

- i. The resources of the incubation center can be utilized for a period of 30 months unless extension has been granted by the authorities.
- ii. Any act of indiscipline or non-compliance with policies laid out by the center.
- iii. Violation of the law of the land, including infringement of any IP.
- iv. Any act which brings disrespect to the Institution.
- v. Under-performance or unviability of the business proposal: NMIT will determine and apply the same parameters on a case-by-case basis.
- vi. Irresolvable differences between proponents/founders. When the parties concerned are not in a position to resolve the issue amongst themselves NMIT being the host organization reserves the rights to unilaterally terminate the relationship with the parties concerned.
- vii. When a corporation enters into an acquisition, merger or amalgamation arrangement or reorganization agreement, resulting in a significant shift in the image of the company, its promoters, employees, shareholders, goods or business plans, or when the company is preparing a public issue.
- viii. Shift of the team of promoters/founders without prior approval of IIC-NMIT & TBI @ NMIT.
- ix. Any other reasons, which NMIT may find it appropriate for terminating the relationship.
 - i. Notwithstanding anything written elsewhere the decision of NMIT relating to the removal of an incubate company shall be final and cannot be questioned by any incubate company.

3 Equity Based Strategy

NMIT can demand an equity share of 1% to 3% in the start-up/company. This demand should be based on NMIT brand usage, faculty contribution, support provided and use of the IPR of the institute, as compensation for the support and services to be provided. The actual proportion will be discussed with the Company, Society, and the promoters and approved in writing. The demand will depend on various factors, including but not limited to the resources, time and support provided by the Institution. A separate equity allocation agreement will be signed with the company outlining NMIT's rights and the allocation and exit conditions through a Special Purpose Vehicle Entity specifically created for this purpose or any other entity as authorized by the Start-up Governing Council & Committee.

4 Agenda of Academics

- a. Incubators who make significant impact will be appropriately recognized and awarded for their achievements. This will be applicable to start-ups initiated by current students or alumni (who have initiated a start-up in the incubation centre within 3 years of graduation) and which have linked up at an early stage of the project.
- b. The idea of a student entrepreneur in residence is approved by NMIT. Students would be allowed to apply for an official leave of absence for one year at a time during their studies for focusing on their entrepreneurial initiative.
- c. Students with excellent academic record who choose to pursue entrepreneurship can avail a break of one-year from their studies as the academic system enables them to take entrepreneurship credit courses as and when they are introduced and offered to pursue full-time entrepreneurship. Such a student would be deemed to have completed their Under-graduate program in a period of 4-years provided they are able to complete all the requirements of the degree within a period 6yearsfrom the time of entering the under-graduate degree programme. This six-year cycle would include a period of leave for entrepreneurship.
- d. A special Faculty Upgradation Scheme will be instituted. Faculty members who have been working in NMIT for a pre-specified duration and who along with students of NMIT are pursuing an incubate program can avail of a sabbatical leave as governed by the rules of NMIT. They will be allowed to resume their academic duties at the end of their sabbatical irrespective of whether their venture succeeds or fails to be a viable business.
- e. Also, student entrepreneurs who promote an idea in the very first year of college may be permitted by the committee to create a start-up organization after due diligence. Further, this project will be accorded the status of the “final year project” as far as their academic statutory requirements are concerned.
- f. Students in the final year of NMIT are expected to take up and solve a real- life practical problem in the final year as stipulated in their academic curriculum. The Centre for Entrepreneurship Education & Growth will independently evaluate these projects and choose a few of them as candidates worth promoting as start-ups. Students who have worked on these projects will be encouraged with appropriate counseling to create start-ups to progress and monetize their work in the incubation center.
- g. The permission to pursue incubation activities lapses automatically as soon as the student drops out of the college irrespective of the reason except in those cases he has sought special permission to continue as an incubator and has been granted the same. The decision of the Governing Council will be final and non-contestable.

5 Revision of Eligibility and Frequency

- i. Had his/her Start-up registered with a DIPP and should have a legitimate CIN. The essence of the undertaking is the Pvt., an LLP or Ltd.
- ii. The IIC- NMIT & TBI@NMIT should be incubated.
- iii. The necessary documents should have been forwarded to the In-charge IIC- NMIT.
- iv. The quarterly report of the Start-up should have been sent to the IIC-NMIT, TBI@NMIT & Principal's Office.
- v. Should provide evidence of customer revenue generation by balance sheets or ledger of accounts.
- vi. Start-ups that have raised funds from a Venture Capital or Seed Capital in the calendar year will be considered for the competitive rewards that will be awarded to the most promising project. The award frequency is annual (declared annually in January).

5.1 Specifications of submission

- i. At the end of the calendar year on the basis of the documents submitted during the year, the overall business conducted and the money earned by the start-up will be determined.
- ii. A start-up that has grown a broader customer base
- iii. Markets reached out and quanta of acquired shares.
- iv. Observance of ethical practices.
- v. The company's sales and expenditure statements for the current fiscal year.
- vi. The company's balance sheets (for the past 3 years)

All of the above needs to be backed by appropriate documentation which will be used by the IIC-NMIT, TBI @ NMIT and Principal's Office NMIT for evaluation.

6 Best Honor for Entrepreneurs -Alumni

- i. An alumnus of NMIT should be one of the founders of the start-up.
- ii. Should have an exceptional impact (within 4 years of graduation) & had an early- stage relationship with NMIT.
- iii. Should have his/her Start-up registered with a DIPP and should have a valid CIN. The company should have been registered as a Private company with limited liability.
- iv. The relevant documents should be sent to the IIC-NMIT, TBI@NMIT and Principal's Office at NMIT.
- v. The quarterly report of the start-up should have been sent to the IIC-NMIT, TBI@NMIT and Principal's Office at NMIT.
- vi. Should have proof of customer revenue generation through balance sheets or ledger accounts.
- vii. Start-ups that have raised funds from a Venture Capital or Seed Funding in the calendar year will be given due consideration while shortlisting companies for awarding the title of start-up company of the calendar year.

7 Virtual Incubation

Digital Incubation is an incubation scheme that enables a person to be part of an incubator without being physically placed on the premises of the incubator. NMIT is open to virtual incubation and will extend all support as it provides to other incubates who are physically located in the incubation center. This will be regarded as an exception and as accepted by the Start-up Policy Governing Council, on a case-by-case basis. All policy rules (as applicable) shall apply to a virtually incubated business / founders / students / faculty, as they would apply to a non-virtually incubated company / founders / students / faculty in the normal course.

8 Accommodation at Campus

Subject to availability, an incubator can be provided with campus accommodation, on a payment basis. A monthly rent will have to be paid by the Incubator as per the agreement between them and NMIT.

9 Accordations

The following agreements are required, to the extent applicable, to be signed by the incubator companies:

- i. **Agreement on Service:** Between NMIT and Incubator, for the company's admission to the NMIT. This is the Master Services Agreement which contains Terms of Service, Anonymity and Non-Compete.
- ii. **Compromise on Equity:** Between the NMIT Funding Agency and the business Incubate for the equity holding of NMIT in the Incubate Business
- iii. **Technology/Technology License Agreement Transfer:** Between NMIT & the Incubator for Technology Transfer Business NMIT in favor of incubated companies
- iv. **Usage of tools from the IIC-NMIT Lab:** Between the NMIT & an incubate company to use departmental capital NMIT by the incubation company in compliance with the prevailing NMIT.

10 Settlement of Dispute, Authority, Non-Compete, Confidentiality

All aspects of this policy will be regulated by the management of the NMIT or/and by a three-member Startup Policy Governing Council explicitly set up and mandated to control the policy, to approve any proposals for changes to the policy and to effect the changes to the policy as deemed necessary from time to time. The decision taken by the Management / Governing Council of NMIT will be final.

The Governing Council will decide conflicts ,if any. Any further escalation of the dispute will be subject to arbitration under the Indian Arbitration Act following the decision of the NMIT Management / Governing Council. All disputes would be discussed only in the district court of Karnataka, India. The confidentiality and non-compete agreements as written from time to time are binding in their entirety on all students, staff and all stakeholders enrolled into the programme.