

# Government Engineering College Thrissur

## Innovation and Startup Policy of the Institute

### 1. INTRODUCTION:

Innovation and Entrepreneurship must emerge as one of the focal points of today's education system with focus on creation of economic hubs so that the nation aspires to become an excellent economy in the near future. The National Innovation and Startup Policy 2019 for students and faculty of Higher Education Institutions (HEIs) was released by Ministry of Human Resource Development in 2019. The framework was created to enable the institutes to actively engage students, faculties and staff in innovation and entrepreneurship related activities. The Guidelines on National Innovation & Startup policy 2019 were published to provide required direction and support in handling, Innovation Startup and Intellectual Property rights related issues and also aligned with the Central Government entrepreneurial mission. The framework designed facilitate Ministry of Human Resource Development in bringing uniformity across HEIs in terms of Intellectual Property ownership management, technology licensing and institutional Startup policy, thus enabling creation of a robust innovation and Start up ecosystem across all HEIs. To achieve different targets in the direction of different initiatives taken by Center, state agencies systems and mechanisms must the evolved to convert the present demographic dividends into high quality technical human resources, which could eventually create wealth generation hubs through Startups and entrepreneurship.

The State of Kerala has also developed a science and technology driven innovation and startup in the year 2017 to boost innovations and breakthroughs in the region. Kerala Startup Mission (KSUM) has been actively initiating various programmes for developing the student Entrepreneurship in the State. Government of Kerala declared the 'start up policy' with an aim to accelerate the growth of student Entrepreneurs. KSUM being the nodal agency for implementing the Startup policy has come up with various schemes for the effective implementation of the policy. Under this many initiative were envisioned for students and academia namely, Incubation, Knowledge/skill enhancement, Funding and international entrepreneurs exchange programs.

Government Engineering College Thrissur (GECT) is one of the most prestigious and reputed technical education institutions in south India. The College was established in the year 1957 and has figured in NIFT ranking. The institute has envisioned and started building

a sustainable ecosystem while joining the dots where entrepreneurship and innovation is bringing a positive change in the society. GECT is very closely working with the State Government's Innovation and Startup, KUSUM and its students are regularly visit and participate in different activities of this hub along with different initiatives of the State and Government of India. These facilitations encourage students and faculty members to work on practical projects and start building innovation and entrepreneurial mind set. These activities include participating and organising Hackathons, conducting awareness workshops, bootcamps, capacity building of faculty with industrial inclusion etc

## **2. PREAMBLE**

GECT has been at the forefront of promoting creativity and incubating business ideas in order to provide an atmosphere where its students and faculty can explore their potential. Members of the faculty are continuously engaged in the generation and distribution of information, just as students are finding ways to launch business ideas to influence society and solve problems in the real world.

In many cutting-edge science and technology fields, a significant number of R&D activities are being carried out by faculty members and students. Most of these research findings, however do not translate into consumer goods, benefiting society in general, for a variety of reasons, including the industry's lack of interest in marketing modern and futuristic Innovations.

Therefore, GECT proposes that interested faculty members and students be encouraged to open companies, to be on the board of directors of such companies in the capacity of a director, chairman or any such function. Faculty members are expected to make every effort to balance their academic responsibilities while assuming the position above.

The institute is committed to provide an environment where its faculty, staff and its graduates can achieve the full potential of the best trained youth. When a significant number of its citizens have access to activities that are in line with their life goals, every culture peaks and this involves the creation of increasingly complex skills. What lies behind the evolution of culture is the need to acquire increasingly refined skills.

GECT aims to kick-start an entrepreneurial community by seamlessly combining the technical and creative skills of students to solve contemporary problems, leading to increased knowledge, wealth and jobs.

The innovation and startup policy of GECT has formulated in three main components namely, Entrepreneur development, Intellectual property rights and Technology Business Incubation. These components are discussed in the following sections

### **3. OBJECTIVES**

- (i) To cultivate an entrepreneurial environment through the promotion and encouragement of institute entrepreneurs or their alumni
- (ii) To create a vibrant start-up ecosystem in order to align itself with the major policy initiatives of our country.
- (iii) To set up incubator facilities, provide start-ups such as mentoring, legal, financial, technological, intellectual property related to cost-effective infrastructural support and value added services.
- (iv) To assist the area in setting up a forum to foster faculty and students' imagination, innovation and entrepreneurial skills.
- v) To provide training for students, staffs and faculty members for developing entrepreneurial skills and IP protection
- (vi) To provide a forum for the speedy commercialization of technologies developed by the students faculty and staffs of GECT
  - vii) To provide an accelerated route to monetization of innovations, services and products; through strategic alliances with government, industry and financial institutions.
  - viii) To have a single policy regulating all the innovation and start-up activities of the institute and to be governed by the "Institute Innovation Council (IIC)" under one umbrella.

#### **3.1 Applicability**

This policy is applicable to any person who receives any direct or indirect benefit under the programme when accepted into the start-up policy programme:

- i) The students and faculty of GECT
- (ii) The alumni of GECT
- (iii) The Technical and Non-Technical Staff of GECT
- iv) The startup group may include other competent person from outside subjected to approval of IIC
- (v) Any other person approved by the Startup Governing Council by research scholars and other institutions collaborating with GECT

Applications for admission to the TBI of GECT will be made on behalf of registered unlisted companies within the meaning of the 1956 Companies Act. 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 TBI of GECT within a period of three months from the date of approval of the application

### **3.2 Method of Admittance**

The future incubator for admission to the TBI of GECT will be required to submit an application at the initiation stage. After the initial screening and eligibility review, candidates will be invited to the expert committee for evaluation. Applicants would have to submit a comprehensive proposal consisting of upon affirmative preliminary evaluation like:

#### **I) Business Plan**

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.

II) IP/technology information based on which a business is proposed to be promoted/established. In the case of the creation of IP/technology at GECT, a copy of approval letter from GECT for the transfer/licensing/permission to use IP in favor of prospective incubators.

III) Applicants can include such additional data as they believe will assist in evaluating their proposal.

The Business Plan will be screened by the expert Committee on the basis of the submitted documentation to determine the suitability of the proposal for further assessment by additional expert representatives, if needed, of its potential for incubation. The expert representatives shall then carry out a thorough review, including financial and technical due diligence of the proposal, for the assessment of the proposal. Depending on the essence of the proposal, the expert members will be invited/ named.

Through their teams, 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. All submissions to GECT will be handled with the utmost confidentiality.

Any representative (but not limited to) requirements to be applied for evaluation:

(i) Power of the product concept in terms of its content in technology, creativity, business potential for timeliness and scalability.

- ii) IP already created and the potential of the idea for IP development
- (iii) Strength of the core team
- (iv) Product/idea potential for 'Made in India' promotion and job development
- (v) Need of funds and feasibility of raising financing
- (vi) Marketing time
- (vii) Time of break-even
- (viii) Percentage of use of facilities, personnel, expertise, current IP and other facilities existing with GECT or its other incubated companies or its successfully incubated companies in the past

### **3.3 Services**

GECT plans to provide other support and services in addition to the physical infrastructure including:

- (i) Registration of a corporation and filings
- (ii) Accountancy Programs
- (iii) Programs of HR
- (iv) Legal
- (v) Filings for Intellectual Property (Copyrights, Trade Marks, Patents) as per IPR policy of GECT
- Vi) Conducting Training/Conferences/Workshops for the expert committee members, faculty members, students and technical staffs
- Vii) Support for Seed Funding
- (vii) Grants from the Public Body
- Viii) Introductions for venture capitalists / Angels / Investors
- (ix) Meetings with GECT visitors (such as alumni, BoG members, professionals from the industry)
- x) Showcasing the incubated companies of GECT by networking and events

### **3.4 Periodic Assessment**

GECT TBI expert committee will evaluate the performance of incubate companies, who will be required to submit information on every six months in the 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 GECT TBI expert committee

### **3.5 Tenure**

Companies will be allowed to remain in the TBI of GECT, to begin with for a period of two years that may be extended to another year on the case by case basis. The application for extension will be weighed against the following factors.

- The lead-time required for commercialization of the product or service planned by the company has increased substantially due to techno-commercial reasons.
- Market conditions have changed requiring more time for the entrepreneur to adjust to the changed environment.

The entrepreneur has to submit a formal application to the expert committee highlighting all factors responsible for the delays in the plan. The application should show the strategies adopted by the venture in overcoming the problems faced by the company.

In the case of Business Entrepreneurs the duration of license will be for one year. Extension of the term will be considered on a case to case basis based on the recommendation of the expert committee. These entrepreneurs will move out of incubator at the end of the license period whether they have graduated or not.

### **3.6 Submitting details**

Information will be sent to the TBI of GECT by the incubation companies:

i) On any material changes or innovations taking place from time to time in their businesses.

This information may be (but is not limited to) a 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. GECT can require other information to be submitted by incubate companies as it sees fit. Prior approval should be sought from the TBI of GECT by the expert committee to make certain changes.

(ii) on all organizational, financial and other metrics mandated by the Startup Governing Council in the required formats and frequency mandated by the Startup Governing Council

(iii) The incubated business shall at all times request the prior permission of the expert committee of TBI of GECT 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, the expert committee of TBI of GECT must pre-approve all presentation materials, publicity materials, etc., and any media statements, press releases, presentations, speeches should recognize the contribution of GECT.

### **3.7 Exit to Exit**

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

- (i) Upon completion of the stay for a duration of 24 , unless the stay has been prolonged or for a shorter period by GECT.
  - (ii) Any act of indiscipline or non-compliance with political matters.
  - (iii) Violation of the law of the land, including infringement of any intellectual property.
  - (iv) Any act which brings disrespect to the institute
  - V) Under-performance or un-viability of the business proposal: GECT will determine and apply the same parameters on a case-by-case basis.
  - (vi) Irresolvable differences between proponents/founders. When disputes are considered to be irresolvable, GECT will determine the status or the point.
  - (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 the approval of TBI of GECT
  - ix) Any other reasons which GECT may find it appropriate for an incubate company to leave.
- Notwithstanding anything written elsewhere the decision of GECT relating to the removal of an incubate company shall be final and shall not be questioned by any incubate company.

## **4. EQUITY BASED STRATEGY**

GECT can take 2 percent to 5 percent of equity/share in the startup/company, based on brand used, faculty contribution, support provided and use of the IPR of the institute, instead of support and services to be provided. The actual proportion will be discussed with the company Society businessman and approved in writing. Depending on various factors, including but not limited to the resources, time and support provided by the institute , the actual percentage will vary. A separate equity allocation agreement will be signed with the company outlining GECT's rights and the allocation and exit conditions.

Through its Special Purpose Vehicle Entity specifically created for this purpose or any other

entity as authorized by the Startup Governing Council , GECT may take the equity thus assumed.

## **5. NORMS FOR STARTUPS FOR FACULTY**

(a) Only such innovations will be implemented for start-ups of faculty originating within GECT.

i) The role of the faculty can vary from being an owner/direct promoter, mentor, consultant or start-up member on-board.

ii) GECT will work on the implementation of a 'conflict of interests' strategy to ensure that the faculty's daily duties do not suffer due to its participation in start-up activities.

iii) The start-up of a faculty can consist of faculty members alone or with students, or with faculty members from other institutes, or with alumni or other entrepreneurs.

(a) Faculty must maintain a research activity progress report of the work undertaken at the startup/ business.

(b) The faculty cannot include research staff or other institute staff in start-up activities and vice versa.

(c) The faculty shall not either directly or indirectly, pursue equity or pleasure in any way other than as described in this regulation of GECT.

(d) In the case of a faculty member is transferred by the order of directorate of technical education, faculty member shall hand over the task to other faculty member in the team or find another competent faculty member from GECT subjected to the approval of Startup Governing Council

## **6. AGENDA OF ACADEMICS**

(i) Adequate recognition/citation/awards for their achievements will be granted to student start-ups or alumni start-ups (within 3 years of graduation), who have had an exceptional effect & who have an early stage link with GECT

(ii) The idea of a student entrepreneur in residence which is approved by GECT.

Students would be allowed to apply for an official leave grant of one year at a time during their studies for entrepreneurial initiatives as per university rules



(iii) Excellent students who choose to pursue entrepreneurship will take a one-year break as per the university norms

(iii)A Faculty will be allowed to participate move out and pursue entrepreneurship (sabbatical as governed by government Rules) and on failure / good completion will be able to enter back.

(iv) Also from the first year of college, student entrepreneurs working on a start-up concept may be allowed to convert their start-up project to degree completion as their final year project.

(v) Students in the final year of GECT will be expected to take up and solve a real-life practical problem as part of the academic curriculum through their final year project. The Entrepreneurship Development Cell will help students who have completed the best of these projects and who want to turn their projects into products/services and want to set up start-ups.

(vi) Students leaving the institute or dropping out of their academic courses will need to give written advance notice and request permission to continue or exit the programme.

The decision of the Governing Council will be final.

Vii) Students will be allowed to avail all the relaxation offered by the university for entrepreneurial activities.

## **7. FINANCIAL STRATEGY**

(i) GECT can set up its own fund or create a fund with the help of multiple stakeholders to assist start-ups and/or start-ups approved and admitted to the programme at a very early stage.

(ii) GECT will provide financial support to individual student start-ups on a merit-based basis within the scope of the availability of funds.

iii) GECT will also collaborate with different states governments. When the students are ready with a Minimum Viable Product (MVP), institutions help students receive seed funding at their early stage of initiation.

iv) GECT will develop partnerships with external angel networks, incubators, TBIs and help connect relevant spin-offs to them to assist student start-ups on a real-time basis wherever they are in need.

(iv) GECT shall support the undertakings involved in the programme in various forums, including the financing of events and programmes.

## **8. AWARD TO ENTREPRENEURS**

GECT will give Entrepreneurship awards in the following two categories to foster the spirit of Entrepreneurship:

- A) Award for Best Entrepreneur-Faculty
- B) Best Award for Entrepreneurs- Alumni
- C) Best Award Student entrepreneur

The Startup Governing Council will determine the awards.

i) Committee will have following persons as its members:

ii) Principal of GECT

iii) Research Dean of GECT

iv) NISP institute coordinator, GECT

v) Manager TBI of GECT

vi) IPR Cell coordinator

vii) EDC Coordinator

viii) Two experts in the field of innovation from GECT as nominated by Startup Governing Council

### **8.1. Eligibility and frequency**

(i) Had his/her Start-up registered with a TBI and should have a legitimate Registration Number . The essence of the undertaking is the Pvt. Ltd.

(ii) The necessary documents should have been forwarded to the Principals's Office at the GECT.

(iv) The semiannual report of the Start-up should have been sent to the Principals's Office

(v) Should provide evidence of customer revenue generation by balance sheets or ledger of accounts.

(vi) Startups that have raised funds from GECT or Seed Capital in the calendar year will be given due consideration. In the name of his or her start-up for the calendar year, cash reward OR prize money was earned. The award frequency is annual

### **8.2 Criteria**

(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 startup that has grown a broader customer base

(iii) Markets reached out and grabbed shares.

(iv) Observance of ethical practices.

(v) The company's sales and expenditure statements for the current fiscal year.

All of the above eligibility and requirements are to be provided with the necessary documentation and sent to the Principal's office at GECT

### **8.3 Best Honor for Entrepreneurs- Alumni**

(i) An alumnus of GECT should be one of the founders of the start-up.

(ii) Should have had an exceptional impact (within 5 years of graduation) & had an early stage relationship with GECT.

(iii) Should have his/her Start-up registered with TBI of GECT and should have a valid registration . The essence of the undertaking is the Pvt. Ltd,

(iv) The relevant documents should be sent to the Principal's Office at GECT

(v) The quarterly report of the start-up should have been sent to the Principal 's office at GECT

(vi) Should have proof of customer revenue generation through balance sheets or ledger accounts.

(vii) Startups that have raised funds from government agencies or Seed Funding in the calendar year will be given due consideration. In the name of his or her start-up for the calendar year, cash reward OR prize money was earned.

### **8.4 Specifications**

(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 startup that has grown a broader customer base

(iii) Markets reached out and grabbed 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 eligibility and conditions to be supported by the necessary documentation have been submitted to the TBI at GECT

## **9. VIRTUAL INCUBATION**

Digital Incubation is an incubation term that enables an incubate to be part of an incubator without being physically placed on the premises of the incubator. GECT is open to virtual incubation and will extend all support to other incubates that are physically placed, as made

available. This will be regarded as an exception and as accepted by the Startup Governing Council, on a case-by-case basis. All policy rules (as applicable) shall apply to a practically incubated business / founders / students / faculty, as they would apply to a non-virtually incubated company / founders / students / faculty in the normal course.

## **10. ACCORDATIONS**

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

### **(i) Agreement on Service:**

Between GECT and Incubate, for the company's admission to the GECT. This is the Master Services Agreement which contains Terms of Service, Anonymity, Non-Compete

### **(ii) Compromise on Equity:**

Between the GECT / Funding Agency and the business Incubate for The equity holding of GECT in the Incubate Business

**iii) Technology/Technology License Agreement Transfer:** Between GECT & the Incubator for Technology Transfer Business in favour of incubated companies

### **iv) Usage of tools from GECT lab :**

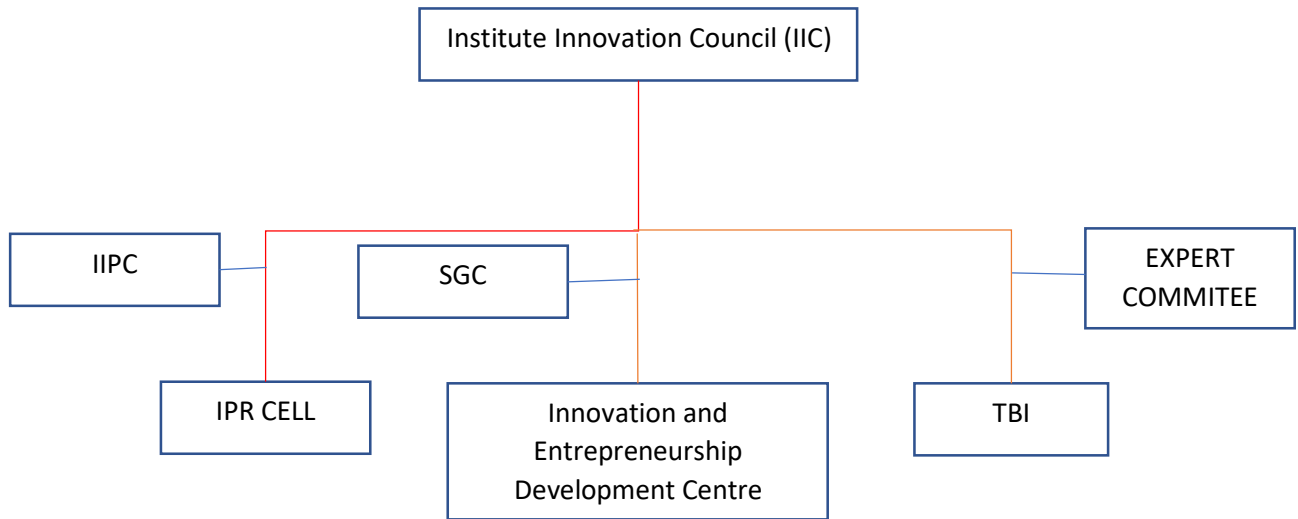
Between the GECT & an incubate company to use departmental capital of GECT by the incubation company in compliance with the prevailing GECT norms

## **11. SETTLEMENT OF DISPUTE, AUTHORITY, NON COMPETE, CONFIDENTIALITY**

All aspects of this policy will be regulated by the management of the GECT or/and by a three-member IIC explicitly set up and mandated to control the policy, to approve any derogations and to make changes to the policy as deemed necessary from time to time.

The decision by the GECT administration / BoG/Governing Council of GECT will be final. Any further escalation of the dispute decision of sole arbitrator Mr. Shanly K.K ,advocate will be binding on all parties to the agreement under the Indian Arbitration and conciliation Act following the decision of the GECT Management / BoG /Governing Council Thrissur, Kerala, India, is the jurisdiction of all disputes. The confidentiality and non-compete agreements as written from time to time are bound by students, staff and all stakeholders within the program. .

The organization chart for administering innovation activities is as shown below



**LEGEND**

IPR - Intellectual Property Rights

IEDC- Innovation and Entrepreneurship Centre

TBI - Technology Business Incubation

IIPC - Institute Intellectual Property Cell