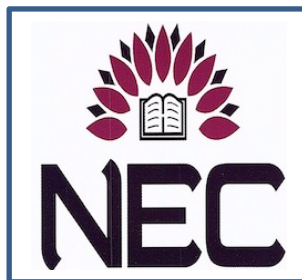


# **NEC- Innovation, Incubation Center (NEC-IIC)**

## **NEC- STRARUP POLICY AND FRAMEWORK**



**NARASARAOPETA ENGINEERING COLLEGE**

April, 2021

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## **I Introduction**

The Narasaraopeta Engineering College was established in the year 1998 by Gayatri Educational Development Society, Narasaraopet, under the leadership of Sri M.V.Koteswara Rao, who has a vision of developing this college as an autonomous institution of higher learning & knowledge in the heart of Palnadu Region. The college is approved by AICTE, permanently affiliated to JNTUK Kakinada, Accredited 'A' Grade by NAAC, Accredited thrice by NBA and ISO 9001: 2008 certified. The college has three recognized R&D centers by JNTUK. NEC is conferred as 'AUTONOMOUS' in the year 2016. The college has launched Incubation Centre where the students can implement their ideas. The college has an MOU with Oracle University (USA). NEC has MOUs with various Foreign Universities. The college offers seven M.Tech programmes, two PG courses of MCA, MBA and six courses at B.Tech level in the branches EEE, CSE, IT, CSE (AI) ECE, ME and CIVIL. The college has well equipped laboratories including 1000 computers with a bandwidth of 146 MBPS internet. Microsoft Innovation Centre was established in the college through which more than 200 Mobile Apps, 50 Cloud Apps and 100 Windows Apps are uploaded every year. In order to build a vibrant entrepreneurship ecosystem established Venture Development Centre (VDC) in association with i2E North Eastern University, USA and APSSDC. Also, the college has Indo-European skilling Centre for Mechatronics and Industrial Robotics in collaboration with APSSDC and ARC (Applied Robot Control), Germany. AP CM's Skill Excellence Center to provide students access to the most advanced courses by industry giants. The college has established Institution Innovation Council(IIC) as per the norms of Innovation Cell, Ministry of HRD, Govt. of India with ranked 3 and 1/2 Star Rating

The Narasaraopeta Engineering College, Narasaraopet, Guntur District, A.P. establishes Innovation Incubation Center (NEC-IIC). It is a not-for-Profit Centre dedicate to moving forward to promote innovation and Entrepreneurship. This center help students knowledge based Innovative idea actively engaged to enable the students get first-hand experience in entrepreneurship, promote innovation at the institute and provide comprehensive integrated range of supports including space, mentoring, training programs, under organized scientific guidance from other Incubators. It also facilitates student rapid commercialization of a product based on sophisticated technology.

The main objective of the NEC-IIC is to produce students financially stable by making their innovative idea successful Entrepreneur once will leave the program free- standing to start-ups and MSME. These successful incubators "graduates" create job, commercialize new technologies, and strengthen social as well national economies. The incubator offers a

technical assistance, they also benefited from business and official affiliation with the incubator can establish direct link to the entrepreneurs, a supportive community with an entrepreneurial ecosystem can have immediate networking and commercial opportunities with other talented firms.

### **1.1 The Ecosystem**

NEC-IIC aims to improve student knowledge based on Innovative idea actively engaged to enable students get first-hand experience in entrepreneurship, promote innovation at the institute. Provides comprehensive and integrated range of support to highly successful body, facilitate industrial interactions, and incubation in domains such as rural technologies, industrial solutions and social impact.

The NEC-IIC Incubation Center aims to be the hub of innovative and high impact ventures in social, technical, educational, commercial and other domains. It hopes to bring forth a revolution in how and what students learn and achieve while in college. NEC-IIC support members of the NEC including staff, students, alumni, faculty, and R&D partners, in creating successful business ventures that can translate benefits from technology and knowledge innovations to the society at large.

#### **Vision**

“Creative and Design Thinking to nurture motivate build and promote new innovative thinking, to provide highly flexible combination of business development processes designed to nurture and grow new and small business”

#### **Mission:**

“To build an environment that facilitate creation of social enterprise knowledge through research academia to apply in innovation ideas to develop solutions for even rural technologies greater social impact through academia and to enable students and faculty to innovate and prototype their potential ideas with industrial standards and support from Government, industry and reputed academic institutions around the world and help them to realize their potentials”

### **1.2 We can achieve through**

- **Creative Design thing:** Academic programs bring out innovative ideas to the social innovation and entrepreneurship for students across various disciplines at NEC, NARASARAOPET.

**Innovative Problem solving:** NEC-IIC provides an environment for both students and faculty

researchers interested in social enterprise research within the NEC campus.

- **Categorizing Innovation:** Offer and Encouraging young innovators and entrepreneurs by assisting in the development of socially-beneficial products and innovative ideas,
- **Call for start-up Collaboration:** Creating an ecosystem that extends to other technology institutions, including NEC-IIC and IT industries, Technology promoters etc.,

## **II NEC –IIC policy Overview**

NEC-IIC is the non-profit centre for nurturing and overseeing innovation and entrepreneurship at NEC-IIC will give entrepreneurship as stronger forward as well as serve to coordinate and promote innovation-driven activities at the institute. NEC-IIC seeks to nurture technology and knowledge based ventures through their start-up phase by providing the necessary support to help entrepreneurs survive in the competitive market and reach a stage where they can scale-up their ventures further.

The NEC-IIC aims to build and share resources including space and infrastructure, access to business support services, mentoring, training programmers to enhance the skills of entrepreneurs and seed funds. The scope of support is broad-based, and covers technologies/IP developed wholly at the Institute or partly through collaborations elsewhere, as well as external start-ups with which NEC-IIC members are associated as consultants or mentors. NEC-IIC is also particularly open to proposals with strong social and strategic impact:

- Not for profit Centre.
- Technology Business Incubation.
- Training and awareness programs in Entrepreneurship (EAC, EDP, FDP).
- Competitive events, lectures and workshops on soft-skill development, case studies, Business plan competitions, innovators campus etc.
- Promoting Innovations in Individuals, Start-ups and MSMEs (PRISM).
- Technology Commercialization Program

### **2.1 Objectives of NEC-IIC**

- New Venture Creation through offers to create pre-incubation Incubation to Incubators and host of other supports of Innovation and Incubation in the areas of Computer Engineering, Electronics and Communication Engineering, Mechanical Engineering, Civil Engineering, Basic Sciences like Physics, chemistry and Allied areas.
- Technology Commercialization, targeted at providing a much needed platform for speedy commercialization of technologies developed in the academic and R & D institutions to

reach the end users.

- Interfacing and Networking between academic, R&D institutions, industries and financial institutions.
- Value Addition through its services provided to it incubates as well as to the existing technology dominated SMEs, TBI aim at value addition.
- Creating value added jobs & services, fostering the entrepreneurial spirit.
- To establish the system which could generate funds to run the system independently so that the ideas can be promoted continuously

## 2.2 Major Activities at NEC-IIC

- Identifying technologies/innovations which have potential for commercial ventures.
- Incubating early stage technology based innovative entrepreneurial ventures.
- Creating a collaborative environment between industry and academia through joint research projects and consulting assignments.
- Encouraging and enabling the alignment of R&D activities to potential needs of the industry.
- Physical infrastructure and support systems creation for business incubation activities. Foster and promote entrepreneurship spirit.
- Facilitate knowledge creation, innovation and entrepreneurship activities.
- Facilitate networking with professional resources, which include mentors, experts, consultants and advisors for the incubate companies.
- Enabling development of high quality personnel and motivating researchers to grow professionally within organizations through part time Masters and Ph.D programs.
- **Time activity chart for Major Activities**

| S. No | Key Activities   | Project Months |     |     |       |       |       |       |       |       |       |       |       |       |       |       |       |
|-------|--|----------------|-----|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|       |  | 1-3            | 4-6 | 7-9 | 10-12 | 13-15 | 16-18 | 19-21 | 22-24 | 25-27 | 28-30 | 31-33 | 34-36 | 37-39 | 40-42 | 43-45 | 46-48 |
| A     | Creating a collaborative environment between industry and academia |                |     |     |       |       |       |       |       |       |       |       |       |       |       |       |       |
| B     | Encouraging and enabling the alignment of R&D activities           |                |     |     |       |       |       |       |       |       |       |       |       |       |       |       |       |
| C     | Physical infrastructure and support systems                        |                |     |     |       |       |       |       |       |       |       |       |       |       |       |       |       |
| D     | Facilitate knowledge creation, innovation and entrepreneurship     |                |     |     |       |       |       |       |       |       |       |       |       |       |       |       |       |
| E     | Facilitate networking with professional resources                  |                |     |     |       |       |       |       |       |       |       |       |       |       |       |       |       |
| F     | Enabling and motivating researchers                                |                |     |     |       |       |       |       |       |       |       |       |       |       |       |       |       |

### 2.3 Value added Services offered by the NEC-IIC

NEC-IIC call for innovative start-up both students and Innovators start-ups are being counseled, mentored, given technical and business advices by experts and respective faculties of the institution. We will provide 3-tier counseling to the start-ups their Innovative Ideas. NEC-IIC will act as also home to other supportive programs which have been able to support entrepreneurs and innovators coming to NEC-IIC. The presence of a constellation of associated programs as mentioned below has greatly assisted the NEC-IIC ecosystem development. NEC-CIIE along with supporting agencies and programs at NEC-IIC supports innovators by

- Mentoring (round the clock)
- Technical support (Design, Simulations, Development and Testing)
- Networking with Research Laboratories (For Knowledge diffusion and day to day interactions).
- Collaborations with Incubation Centers (promoting ideas exchange by student innovators)
- Financial support (Seed Support, Innovation, Refinement & Commercialization Grant)
- Legal advices are given with the help of Intellectual Property.
- Market Information (Product Development Strategies, Business Intelligence and Business Architecture)
- **Time activity chart for value added services**

| S. No | Key Activities  | Project Months |     |     |       |       |       |       |       |       |       |       |       |       |       |       |       |
|-------|---|----------------|-----|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|       |   | 1-3            | 4-6 | 7-9 | 10-12 | 13-15 | 16-18 | 19-21 | 22-24 | 25-27 | 28-30 | 31-33 | 34-36 | 37-39 | 40-42 | 43-45 | 46-48 |
| A     | Mentoring (round the clock)                                     |                |     |     |       |       |       |       |       |       |       |       |       |       |       |       |       |
| B     | Technical support   |                |     |     |       |       |       |       |       |       |       |       |       |       |       |       |       |
| C     | Networking with Research Laboratories                           |                |     |     |       |       |       |       |       |       |       |       |       |       |       |       |       |
| D     | Collaborations with Incubation Centers                          |                |     |     |       |       |       |       |       |       |       |       |       |       |       |       |       |
| E     | Financial support   |                |     |     |       |       |       |       |       |       |       |       |       |       |       |       |       |
| F     | Legal advices are given with the help of Intellectual Property. |                |     |     |       |       |       |       |       |       |       |       |       |       |       |       |       |

### **III Operating Procedures Business Innovation (BI) Model**

NEC-IIC operating a Governing Board consisting of faculty, administrators, representatives from NEC, NARASARAOPET incubators and alumni guide is balanced to include the academic community at NEC, NARASARAOPET on one hand and the social and industrial bodies on the other (institute-Industry collaboration), supported by the NEC, NARASARAOPET and dedicated incubators and core NEC-IIC activities.

1. Offer or Call for Idea submission
2. Idea submission by Potential Incubate who may be student/and or Alumni, Private companies, Institute etc.,
3. Discuss with NEC-IIC Department Committee
4. Presentation Before NEC-IIC College & Department committee
5. Presentation accepted by Both committee, even Present before Advisory Committee(board) their New Innovative proposal.
6. Both Committees are accepted, Business proposal registration, Allotment of Facilities, Agreement sign (MOU), Mentor Selection etc.,

Once selected Potential Incubators, NEC-IIC is primary responsibility identifying promising pre-company opportunities provided as well as nurturing new companies. In this process NEC, NARASARAOPET resources including the extensive and very actively involved our faculty members alumni students network play a major role.

#### **3.1 Eligibility**

NEC-IIC seeks to support all members of the NEC, NARASARAOPET to translate innovations into products, processes and services that are commercially viable. Admission to NEC-IIC opens to:

- UG, Research Students and Project staff
- Alumni
- Faculty and staff including adjunct faculty

The admission to NEC-IIC is open to aspiring *start-ups* in the different areas, promoted by:

- Students and alumni of NEC, NARASARAOPET.
- Faculty members (present or former) of NEC, NARASARAOPET.
- R&D partners (sponsors of R&D and consultancy projects)
- Industrial Collaborators

#### **3.2 Beneficiaries**

A team which consists of at least one member from NEC-IIC community who could be



Students, Alumni, Faculty Permanent, Staff Research, Partner Institute Society at Large.

The scope of support is envisaged to be broad-based, and cover technologies/IP developed wholly at the Institute or partly through collaborations elsewhere, as well as external start-ups with which NEC, NARASARAOPET personnel may be associated as consultants or mentors. NEC-IIC will in particular, also be open to proposals with strong social and strategic impact.

NEC-IIC is also the nodal body to frame and monitor agreements regarding policy and fair use between NEC, NARASARAOPET and incubated companies.

### **3.3 Broad Classification of Areas**

Different Sectors where incubation can be seeking OR offering among, but not limited to:

- Information and Communication Technology
- Augmented Reality, Big Data and Analytics, Image processing and Recognition, Cloud Computing, Network security, Cyber security, computer communication networks
- Smart, Energy and Functional Materials
- Remote sensing, Water & Sewage Management
- DSP, VLSI/FPGA/CPLD, embedded systems, IoT, antenna, Wireless communication technologies,
- Green Technology, Clean Energy, Renewable Energy, Non- Renewable Energy Sources
- Manufacturing science, composite materials, smart materials, ECAP process, Nano-composites, advanced welding, advanced material testing
- Construction Technologies, structural design
- Food, Agriculture & Allied Sectors

Incubation program is focused on technology and knowledge based ventures. The incubates" applying at NEC-IIC is categorized as follows:

#### **Category I**

Ventures in this category are typically the project initiated by one or more members of the students and/or alumni of NEC, teaching staff NEC, NARASARAOPET, one of the NECs or other premier institutes, supported by NEC, NARASARAOPET, or some other technology promotion agency (government or non-government) with a view to trying out new technological idea for up gradation to a commercial proposition, scaling up a laboratory proven concept, and setting up a technology business enterprise.

#### **Category II**

A typical venture in this category can be a technology-based start-up company promoted by a first generation entrepreneur desirous of R&D partnership with the NEC,

NARASARAOPET or company with a view to trying out a new technological idea for upgradation to a commercial proposition, scaling up a laboratory proven concept and setting up a technology business enterprise.

### **Category III**

Venture in this category typically can be a technology/R&D unit of an existing small/medium size enterprise, industry association or a R&D Company that desires to have close technology interface with NEC, NARASARAOPET. All the applicants under any of the above categories are evaluated by the evaluation committee of NEC-IIC before the applicant can be granted admission to IIC. For successful applicant, who are no longer part of NEC, NARASARAOPET fraternity, and, are approved for membership by the NEC-IIC evaluation committee will have to execute an agreement for space utilization with the NEC, NARASARAOPET as well as a bilateral MOA&MOU on Synergistic collaboration with the Institute through NEC-IIC

#### **IV Detailed Incubation Process and Support Available**

Admission to the NEC-IIC involves: submission of an application, rounds of screening by NEC-IIC where Business proposals are examined with attention to financial and technical aspects and a final approval by the Expert Committee (EC). Proposals for incubation must meet at least one of the following conditions:

- Involve applications of Intellectual Property (IP) generated within NEC, or
- Potential for involvement or interaction with NEC faculty and/or use of
- Potential social or strategic impacts
- Potential for resource generation, impact value or visibility to belonging to faculty, staff, students or alumni NEC

Applicants satisfying the above criteria can be admitted to the EC. Based on a preliminary screening, the applicant will be referred to either the incubation or the pre-incubation process. In either case, the nature of support and interaction between the EC.

Either case based on nature of support or interactions between the EC Incubate companies are required to sign an agreement. Start commencing the formal pre-incubation/incubation under NEC-IIC.

Applications for incubation must be made in the name of registered unlisted companies within the ambit of the Companies Act, 1956. If a company has not been registered, an application may be made in the names of all promoters/ founders, under the condition that they will get the company registered within a stipulated period.

Once reviewed for eligibility criteria, applicants are invited for an initial meeting with the NEC Expert Committee. Upon affirmative preliminary assessment, applicants must submit a detailed proposal consisting of:

- A formal Business Plan
- Details of IP/ technology based on which the company is proposed,

Applicants can give any additional information that they think would help in the assessment of their proposal.

The proposal will be screened by the EC on suitability for further evaluation of potential for incubation. The NEC-IIC Incubation upon admission incubation agreement.

NEC-IIC will evaluate the performance of incubate companies, who are required to submit information to the IC on a quarterly basis in a prescribed format. Additionally, incubate companies may also be subject to annual assessments.

Incubate companies will submit information to NEC-IIC developments taking place in their companies from time to time. Such information could be (but not limited to) change in name of the company, change in business or product profile, change in directors, promoters or shareholders, acquisition of a new office, additional equity or debt investments. NEC-IIC may require incubate companies to submit other information as it deems fit. Prior concurrence of the EC should be obtained for effecting such changes.

In lieu of support and services provided by NEC-IIC the incubate companies will be subject to consideration on following accounts to the extent applicable:

- Monthly updates to the governing team of the NEC
- NEC policy for usage of NEC departmental laboratory facilities

The incubation period at NEC-IIC is expected to be between 6-12 months.

Extensions will be subject to approval as applicable.

Incubate companies may graduate from the EC under the following circumstances:

- a) Raising substantial investment (Rs 1 Crore or more) from sources such as angel investor/Venture Capital Fund /any other investor
- b) Completion of tenure, unless stay is extended by NEC-IIC
- c) Underperformance or unavailability of the business proposition: criteria for this will be decided and applied by the EC on a case-by-case basis.
- d) Irresolvable disputes between promoters/ founders, or any other circumstances where NEC-IIC finds it necessary for the incubate to leave
- e) Number of employees of the company exceeds 10
- f) Annual revenues of the company exceed Rs.10 Lakhs
- g) Company enters in an acquisition, merger or amalgamation, or reorganization deal resulting in a substantial change in company's profile, promoters, directors, shareholders, products or business plans, or company plans for a public issue.

Decisions regarding graduation or further extension to tenure will be made on a case-by-case basis by the IC management based on the above considerations. Incubate companies may be offered shared office space and infrastructure at NEC-IIC on an

individual case-by-case assessment basis. Depending on the stage of the start-ups, incubates may apply for independent office space at NEC, NARASARAOPET at nominal rental rates, based on availability. In addition, NEC-IIC will actively support incubates with a combination of inputs including:

- **Branding:** incubates may apply for permission to brand themselves as “NEC, NARASARAOPET Incubated Company” or “Incubated by NEC, NARASARAOPET”
- **Business support services:** in-house consultants offering Accounting, tax, company secretary, legal and IP services (no and/or discounted fees)
- Permission to use laboratories, workshop facilities and equipment at NEC, NARASARAOPET **Mentorship:** with NEC-IIC
- Skill development Training workshops: Monthly entrepreneurship meetings
- Introduction to Angel investors, Venture capitalists and other financial institutions
- Meetings with visitors of NEC, NARASARAOPET (such as academics, alumni, industry professionals)
- Showcasing incubatees through networking events
- **Seed Funding for entrepreneurship:** are subject to the availability of funds/grants/ schemes meant for this purpose.

#### **4.1 Procedure for Admission:**

Admission to the business incubator is based on the evaluation process carried out by the evaluation committee constituted by NEC-IIC. The incubate is admitted for up to three years. NEC-IIC will conduct periodic reviews and monitoring of the projects.

#### **4.2 Facilities:**

##### **Institute infrastructure**

NEC will facilitate access to the Institute’s infrastructure on request of the resident company/ incubate as per regulations made by NEC-IIC in this regard. The facilities will remain under the overall control of NEC-IIC and will be available to the resident company only for specific activities.

##### **Physical Infrastructure**

- Fully furnished offices
- Personal computers, Printers
- Telecom facilities
- Internet connectivity

- Laboratory Facilities

#### **Business Support**

- Jointly place Business Plan Proposals
- Mentoring support
- Access to professionals with legal, financial, accounting, IP and industry expertise Showcasing events for exhibition of products and solutions
- NetworkingeventstofacilitateinteractionwithinvestorsandindustriesTraining programmes and seminars relevant to entrepreneurs

#### **Shared Resources**

- Meeting and conference rooms equipped with projectors & audio/video conferencing facilities
- High-end photocopying, fax, scanning machines, Pantry facilities
- Lab facilities
- Library Facilities

### **4.3 Entrepreneur Infrastructure**

Common Computation facilities for the entrepreneurs have been set up. Physical infrastructure like office, workshop space on an affordable basis is made available to the entrepreneurs.

### **4.4 Multimedia facility**

Dedicated multimedia facilities for remote board meetings and video conferences are fully running. Regular meetings are held with the CIIE partners through video conferencing. This is to keep pace with the developing technologies in other countries.

### **4.5 Library facility**

The incubate"s at NEC-IIC can have access to NEC, NARASARAOPET central library at very nominal charges.

### **4.6 Access to Skilled Resources**

NEC-IIC is strongly supported by the NEC, NARASARAOPET, a reputed institute in the fieldof science and technology. NEC, NARASARAOPET provides the incubates at NEC-IIC with enormous intellectual resources, laboratory and library facilities of all the departments

in the institute. Our alumni network also works for NEC-IIC to foster incubation.

#### **4.7 Other Activities OR Initiatives**

##### **EAD (Entrepreneurship Awareness Drive)**

EAD (Entrepreneurship Awareness Drive) is an initiative by NEC-IIC to identify youths to the entrepreneurs within them and to motivate them for their start-ups. For this EAC (Entrepreneur Awareness Camp) and interactive workshop is organized. The workshops are structured very intelligently to inculcate entrepreneurial skills from basic to advanced level. The workshops included are:

- Exploring Entrepreneurial Spirit
- Practicing Entrepreneurial Thinking
- Mastering Entrepreneurship

##### **Exploring Entrepreneurial Spirit**

For a successful start-up, communication skill is one of the most vital elements; it helps dealing people and giving ideas right direction. The workshop aims to furnish the communication skills, and at the same time, it will also introduce the business jargon. The workshop will also give the insight of marketing skills which can be the major difference between a billionaire and nothing. In this era of globalization, one needs to connect to the individuals at the very basic level for any successful venture and this is where good marketing skills come to life.

##### **Mastering Entrepreneurship**

This workshop is made to bring out a blossomed entrepreneur in well-groomed aspirants. The workshop will introduce the government's role in startups. It will include various policies and incentives given by government for development of small firms. The knowledge of these can be beneficial for initial growth and also in guarding the firm against the illegal elements.

A live interactive session is also coordinated with successful entrepreneurs, which can help grasping their demand hour. A lot can be learned from their experiences and attendees will have the opportunity to take expert advice for their start-up.

### **Practicing Entrepreneurial Thinking**

This workshop is devoted to involve aspirants in an interactive session where they get to practice their entrepreneurial skills. The attendees will be given a chance to show their mantle in developing a good Business plan under a seasoned guidance. Business plan is the blueprint of an entrepreneurial thinking and is very important for implementation of ideas in right direction. Putting ideas down on paper and the act of researching and compiling data about the competitors and the market is very useful for future reference. A session will also be devoted to give ways of finding right physical and intellectual resources economically. Finding resource is next step after a good Business-plan but is very cumbersome and a good guidance can make a difference.

### **Entrepreneurship Development Program**

This program provides platform for high-tech entrepreneurship to help entrepreneurs, corporate venturing executives and others involved in entrepreneurial environments learn what they need to develop ideas into successful businesses, and how to increase entrepreneurial opportunities in their corporations, institutions, and regions.

It covers the entire venture creation process, from generating ideas to building viable global businesses, with a special emphasis on the nurturing roles of corporations, universities, governments, and foundations.

### **Tenure of Incubation**

The resident company/ incubate will be permitted to incubate in SIT EC for a period of Twenty-Four months. Two further extensions can be granted for 6 months each at a time, at the sole discretion of NEC-IIC.

#### **4.8 Details of area of Projected for NEC-IIC**

| <b>Sl. No.</b> | <b>Name of the Rooms</b> | <b>No. of Rooms</b> | <b>Work Space Size in IIC</b> |
|----------------|--------------------------|---------------------|-------------------------------|
| 1              | Project Room             | 04                  | 60 Sq. ft. approx.            |
| 2              | Faculty Room             | 02                  | 100 Sq. ft. approx.           |
| 3              | HOC Room                 | 01                  | 30 Sq. ft. approx.            |
| 4              | Conference Room          | 02                  | 160 Sq. ft. approx.           |
| 5              | Office Room              | 01                  | 120 Sq. ft. approx.           |
| 6              | Lab                      | 02                  | 90 Sq. ft. approx.            |



## **ANNEXURE - 1**

### **BUSINESS INCUBATION POLICY**

#### **PREAMBLE**

Over the last decades the Indian academia is witnessing a subtle revolution, one such change is the efforts of the academia to embrace the industry for a mutually symbiotic partnership. The industry provides both the technical problems that have academic value as well as are venue source that can be reinvested in upgrading the research infrastructure and laboratories for continuous research. NEC, NARASARAOPET is desirous of creating a robust eco-system that facilitates technology commercialization and this necessitates having policy, rules and regulations in place.

#### **OBJECTIVE**

Technology Business incubation is an important component of technology commercialization efforts. Technology Business Incubation means allowing a company to translating the Intellectual Property into new products while being on the campus. This Technology Business Incubation Policy enunciates rules, regulations, forms and processes to be followed while permitting a company to carry its cooperative research and development. The objective of this Technology Business Incubation Policy is to commercialize the technical know-how, patents and knowledge developed in the Institute for public use through start-ups. This policy shall promote and regulate the business incubation activities within the campus.

#### **Definitions**

- „Technology Business Incubation“ includes but not limited to developing technology developed at the Institute into products and services for commercial activities.
- „Intellectual Property“ includes but not limited to know-how, patents, design, process specifications, trade-secret, etc.
- „Incubatee“ or „Company“ bear the same meaning for the purpose of this policy. Any company permitted to be incubated by the Institute and operate from the incubator shall be called „Incubatee“ or „Company“.
- Executive position: means that person is authorized by the company to sign the documents on behalf of the company, enter into legal and binding agreement.
- Non-commercial activity: The companies shall neither be allowed to give campus address in legal registrations nor can they use Institute's address in sales.

#### **SCOPE**

The Technology Business Incubation Policy is the policy document that is applicable to all pre incubation and incubation activity in the Institute, the policy has three major components:

1. Pre Business Incubation (for the enrolled students)
2. Technology Business Incubation
3. Virtual Incubation (for companies located outside the NEC,  
NARASARAOPET campus) This Technology Business Incubation

Policy shall apply to

- A. All the companies incubated by the Institute to carry their non-commercial research activities from the campus
- B. All students, faculty and research staff of the Institute

## **RULES**

### **I. Eligibility**

1. Notwithstanding anything contrary contained all the technology business incubation activities shall be governed by the statute, rules and regulations of NEC, NARASARAOPET as applicable from time to time. In case of any conflict the statute, rules and regulations of NEC, NARASARAOPET shall prevail over this policy.
2. Any person desirous of availing incubation facilities has to incorporate a private/public limited company under the Indian Companies Act and apply in the prescribed format (Annexure-1) along with the required documents. No application for incubation shall be entertained if the applicant has not incorporated a private/public limited company under the Companies Act.
3. Any company promoted by
  - a. Faculty of NEC, NARASARAOPET
  - b. Students enrolled for full-time Degree
  - c. Regular Government staff or employee

Shall be offered incubation only upon submission of 'No Objection Certificate' from the competent authority or employer. However, companies having faculty, students or employees as shareholders are eligible to apply for incubation.

4. Although the student promoted company shall not be offered incubation if the student is holding any Executive position; however, the companies promoted by students can apply under pre-incubation scheme.
5. Any company that is engaged or is proposing to be engaged in activities that are in conflict with NEC, NARASARAOPET like imparting educational courses and/or training programs including vocational trainings or is planning to undertake such activities during the incubation period shall require explicit permission from NEC, NARASARAOPET upon Institutes' approvals such companies shall be offered the incubation.

## II. Consideration

The Incubation Centre shall levy charges for the services, facilities, laboratory, and equipment.

These services and facilities shall be as per rules and regulations of the institute and shall be on availability basis either through empanelled service providers or through the Institute.

The Incubation Centre shall take following consideration from the company permitted under the incubation:

### i. Payment for use of facilities and infrastructure

| S.No. | Facility  | Charges                         |
|-------|---|---------------------------------|
| 1.    | Space rental                                      | As decided by NEC, NARASARAOPET |
| 2.    | Internet access                                   | As decided by NEC, NARASARAOPET |
| 3.    | Electricity                                       | On cost basis                   |
| 4.    | Laboratory & equipment                            | As decided by NEC, NARASARAOPET |
| 5.    | Any Patent or know-how owned by NEC, NARASARAOPET | As decided by NEC, NARASARAOPET |
| 6.    | Common facilities rental                          | NIL                             |
| 7.    | Common Services                                   | NIL                             |

### ii. Withholding equity against Incubation. This equity shall be held in the name of “GEC KRPET ” through its nominee

| S.No. | Facility                                       | Equity  |
|-------|--|---|
| 1     | Incubation permission at NEC, NARASARAOPET     | 3% of the promoters’ non-dilutable equity. This non-dilutable equity shall be maintained in proportion to the promoter’s equity i.e. if promoters increase their shareholding then they shall have to give additional shares to NEC, NARASARAOPET to maintain the 3% equity, however this clauses shall not apply in case of any third-party investment in the company. |
| 2     | Pre-Incubation for students or any unpaid dues | 10% of the promoters’ non-dilutable equity for 10 Lakhs   |
| 3     | Virtual Incubation                             | 1% of the promoters’ non-dilutable equity or 5-10 Lakhs per annum   |

## III. Incubation process

Step-1: The applicant forms a limited company under applicable laws

Step-2: The applicant shall submit the application form

Step-3: Internal due diligence of promoters/company including a preliminary background check

Step-4: Constitution and approval of the incubation evaluation committee by the principal.

Step-5: Presentation before the committee by the applicant

Step-6: The Committee gives its recommendation and signed minutes are forwarded to the Principal for approval.

Step-7: Incubation Agreement is signed and company is admitted.

Step-8: Periodic review of the activities of the incubate company every quarter.

Step-9: In case the incubate company requires any facility of NEC, NARASARAOPET then they shall enter into an Infrastructure Usage Agreement.

Step-10: In case the incubate company requires any seed fund, they shall submit an application giving details of fund requirement with clear budget heads and enter into a separate Seed Fund Agreement containing details of repayment, etc.

#### **IV. Infrastructure and Services provided to incubatee**

The incubation Centre shall offer following facilities to the incubate company on availability basis:

| <b>S.No.</b> | <b>Facility/Equipment</b> | <b>Number</b>      |
|--------------|---------------------------|--------------------|
| <b>1</b>     | Personal Computer         | One                |
| <b>2</b>     | High End Computers/Laptop | <b>As per need</b> |
| <b>3</b>     | Printer (All-in-one)      | <b>As per need</b> |
| <b>4</b>     | Chairs                    | <b>As per need</b> |
| <b>5</b>     | Table                     | <b>One</b>         |
| <b>6</b>     | Air conditioner           | as per need        |

#### **Common services and facilities:**

1. Secretarial services through a common employee to take care of secretarial work.
2. Video and teleconferencing Conference room In case of any special or additional requirement the incubate company shall make an application to the centre. However, this special or additional requirement shall be on case to case basis and subject to availability.
3. Mentorship: The incubation centre shall identify a faculty member of the Institute from the technical domain as requested by the company.
4. Period of Incubation/ Exit: The incubate company shall be offered an incubation period of two years. However based on the performance of the company and a written request the term can be extended by six months.
5. Seed Loan: The centre may provide seed loan subject to the availability of funds/ grants/ schemes meant for this purpose. Seed loan, if sanctioned, shall be sanctioned only to the incubated companies. There shall be no guarantee of seed loan automatically or otherwise. The sanction shall be subject to the performance and milestone achieved by the incubate company. A company desirous of getting seed loan may submit an application for seed fund after three months of incubation. The application of the seed loan shall clearly indicate the requirement, activities, expenditure heads and timeline.
6. Intellectual Property: Any intellectual property generated by the company during the incubation term shall be owned by the company. However, the Institute's IP Policy shall apply incase:

- a. There is contribution from any faculty NEC, NARASARAOPET
  - b. The IP was developed using funds, facilities and laboratory/equipment NEC, NARASARAOPET and the company has not paid the charges for such utilization.
7. Periodic Assessment: The incubation centre shall evaluate the performance of incubates every quarter. The emphasis of evaluation will be on checking if the milestones specified in the incubation application have been achieved or not. For a company which has taken seed fund loan, additional checks will be done on the financial health of the company in-terms of its order booking, expenses, profitability, utilization of seed money loan for the specified purposes and its ability to repay the loan. Further seed fund disbursal will be dependent on the progress shown in previous appraisal.
  8. Conflicts of interest: In case of any conflicts of interests, the decision of the centre shall be final and binding upon the parties.
  9. Disclaimer: The incubation centre or NEC, NARASARAOPET does not guarantee any of the following
    - Profitability of the incubated company
    - Merchantability and/or feasibility of the technology licensed from NEC, NARASARAOPET.
    - The incubation centre or any person representing them shall not be liable for any acts or omissions of the incubated company. However, in case of any such event the incubated company shall do all that is required to hold NEC, NARASARAOPET or any person representing them harmless from any loss including damages and penalty.
  10. Agreements: All incubate companies shall enter into the following agreements with the centre:
    - Incubation Agreement: Contain rules and other incubation norms, consideration, equity holding, Laboratory Usage, facilities, services, etc. (Applicable to all.)
    - Seed-Fund Agreement: Contain rules of disbursement and repayment. (Applicable to incubate companies availing seed-fund.)
    - Technology Licensing Agreement: Applicable to incubate companies using technology or IP developed by NEC, NARASARAOPET.
  11. Types of Incubation: The centre shall offer following types of incubation:
    - A. **Pre-Incubation:** This shall be offered to students who are currently enrolled in any degree program at NEC, NARASARAOPET. This is a support system to help students „test“ their ideas. However, the students cannot use campus/hostel address as registered office. They have to take permission from the Institute.  
They shall be offered
      - Financial facility jointly put Business proposal to Govt. Agencies like VGST,DST,AICTE,, etc

Combination of cash and equity (when they start their own company)

- Space in the incubation centre
- Use of Laboratory and Equipment
- Deferment of dues: In case the student is offered a pre-incubation and they are using facilities or availing seed loan, then they shall be permitted to defer such dues of the institute or incubation centre, based on a declaration to repay at a later stage.

**B. Virtual Incubation:** The virtual incubation may be offered in following cases

- An existing company and intends to operate remotely, however is desirous of having some „footprints“ for handholding or technology refinement/development
- Seeks a license of any patent or technical know-how from NEC, NARASARAOPET
- Seeks to utilize the laboratory and technical infrastructure of NEC, NARASARAOPET

## ANNEXURE - 2

### APPLICATION FORM FOR BUSINESS INCUBATION

1. **Name of Applicant Company:**
2. **Names of All Promoters/ Directors:** (Attach a Resume of all Directors and Promoters containing Director's Identification number from ROC, Educational qualification, Experience or past achievements, Profession)
3. **Company Registration no.(Attach a copy of MoA/AoA):**
4. **GENERAL DESCRIPTION OF BUSINESS** (Provide detailed information. Attach extra sheets or business plan if necessary)
  - i. Company's business (in 3-5lines):
  - ii. What you plan to do in the incubation period:
  - iii. Products:
    - A. Product description:
    - B. Development schedule:
    - C. Differentiation (Please attach a Patent search containing details about similar products and the difference with your products)

Signature

Name

Date

Signature

Name

Date

D. Technology comparison

| Competitor's name | Their Offerings<br>(technical) | Comparison with our offerings |
|-------------------|--------------------------------|-------------------------------|
|                   |                                |                               |
|                   |                                |                               |
|                   |                                |                               |

**5. Market**

- i. Who is your customer? (Customer profile)
- ii. Major competitors offering same or similar products/services
- iii. Market Potential (reports on market size, growth rate, trends)
- iv. Demand (actual feedback from the customer)

**6. How do you plan to sell your product to the targeted customer?**

**7. How you are planning to scale-up the sales?**

**8. Financial/ Commercial Viability and 3 year projections of P&L, Balance Sheet and Cash Flows**

- i. Funds requirement and sources
- ii. Time-line and milestone
- iii. Time to market (readiness of the product)
- iv. Break-even period

Signature

Signature

Name

Name

Date

Date



**Please recommend two referees who know you professionally, at least one should be recent from your last profession/association**

|                 |  |                 |  |
|-----------------|--|-----------------|--|
| Name            |  | Name            |  |
| Designation     |  | Designation     |  |
| Organization    |  | Organization    |  |
| Contact Details |  | Contact Details |  |

Signature Name

Date

Place

### **9. Intellectual Property**

i. Source of your technology (Product and Process)

|                            |
|----------------------------|
| Do you own the technology? |
|                            |

|  |
|--|
| Are you planning to develop jointly with NEC-IIC? If yes, please identify the laboratories and faculty expert. |
|  |

|  |
|--|
| Are you planning to seek license from third-party? (Including NEC-IIC) |
|  |

Signature Name

Date

Place

**10. Does your business require any governmental or regulatory approvals?**

**11. Why do you want to locate in the Incubator?**

**12. Space and equipment requirement**

**13. Is there any proceedings initiated against Promoter/Principal?**

- i. Non-compliance,
- ii. Bank default,
- iii. Civil Suits
- iv. Criminal proceedings
- v. Any unpaid creditors from the past business

**Declaration**

We the promoters of \_\_\_\_\_ Pvt. Limited do hereby declare that all facts and information given herein is true and to the best of my knowledge and that nothing material has been concealed. We have read the rules and regulations of NEC, NARASARAOPET and the incubationcenter and agree to abide by the same.

Signature

Name

Date

Signature

Name

Date

### ANNEXURE - 3

#### Permission for engaging in commercial activity (by student)

(Please note that this permission can be withdrawn by the Institute if the applicant breaches any conditions imposed by the Institute)

1. Name, Address, E-mail, Mobile:.....
2. Contact Details of Parents:.....
3. Department: ..... Program: ..... Year:..... Sem: .....
4. Commercial activity proposed:.....
5. Number of Hours per month expected towards this activity:.....
6. Name, Brand of product/service or company:.....
7. Applicant's role: .....
8. Other person(s) involved: .....

I ..... (Name of the student) declare that I have read and understood all the rules and regulations regulating the commercial activities applicable to students. I agree to abide by them. I also undertake to repay dues of NEC-IIC or incubation centre  
.....

Signature

Name:

Date:

Endorsement by the Parent/Guardian

Name

Date:

Recommended

Head of the

Department Date &

Seal

## **ANNEXURE - 4**

### **Faculty Entrepreneurship Policy**

Faculty members at NEC-IIC are continuously engaged in knowledge generation and dissemination. A large number of R&D activities are being carried out by faculty members and students in several cutting edge science and technology areas.

However, most of these research outcomes do not get translated into commercial products, benefiting the society in general, due to several reasons including lack of interest of the industry in commercializing new and futuristic technologies. Towards this end, NEC-IIC in line with the best practices of other institutes of higher learning across the world, proposes to encourage interested faculty members to open companies, be on the board of such companies in capacity of a Director, Chairman or any such role. It is expected that faculty members will make all efforts to balance their academic responsibilities while assuming the above role.

This document proposes mechanisms for establishing incubation program for technology start-ups led by faculty and students, out of the research efforts carried out at NEC-IIC, and later running them as companies as specified below.

#### **1. Kind of companies**

NEC-IIC should encourage and prioritize the companies in the following order.

- a. Companies jointly owned by the faculty members and graduating Students/alumni (along with possibly others)
- b. Companies owned by the faculty members (one or many) along with possibly others.
- c. Companies owned by the graduating students, alumni along with possibly others. In such cases, the faculty members and students will be known as founding members of the board of the company.

#### **2. Role of faculty.**

It is expected that the faculty members would be owners of such companies and be a Director on the Board. Also, the faculty member may choose to play an operational role (Technical Advisor, CEO, Marketing Manager etc.). The faculty member can choose one of the following options:

- a. Take a sabbatical and work full-time in the business
- b. Dedicate part or all of the days allocated for consultancy work to the business.

However, under no circumstance the total number of days of non-institute activities would exceed the institute norms.

- c. It should be noted that the faculty should take all possible steps to ensure that his/her duties and responsibilities of NEC-IIC take precedence over all other activities.

- a. A faculty member is expected to balance his outside managerial responsibilities with his academic responsibilities on full-time active duty in the institute. This will also apply to the students/employees involved in these activities.
- b. Faculty member can undertake projects, that could be conducted at NEC-IIC, and managed through their companies provided that the institute's overhead charges are duly paid as per the norms of the institute.

### **3. Usage of Institute Resources and IP Rights**

It is expected that the IP rights for the technology developed by the company shall be wholly with the company or at the disposal of the board of the company. Such companies may collaborate with other companies, sell, and share or buy IP rights from other companies.

The current proposal is expected for the incubation of technologies developed at NEC-IIC. The company may choose to not take any IP from within the institute. However, to enforce such a discipline will not be practical for the institute. Therefore, in the larger interest of the institute and persons involved within the company, it will be permitted to use the lab, library and other such facilities by the founding faculty members involved in the company. In lieu of this a blanket liability free equity may be retained by the institute as outlined later in this document. This equity will enable certain rights for the company within the institute including free use of the IP developed by the persons involved in the company as employees/students NEC-IIC.

The company may also use the testing facilities as per the prevailing norms of the institute. During the incubation period within the campus, the company may be allowed to use the lab facilities (free of charge). Utilization of lab facilities will be subject to availability of the resources. Priority is granted to.

**NEC-IIC projects and students:** Free utilization will be subject to acceptance by the department concerned, the department may also have the right to levy a suitable charge as and when it deems it necessary.

Any patents/copyrights etc. filed by the company will be property of the company. It is expected that the institute will share such IP rights for the technology developed within the institute free use of which is permitted to be used by the company. The involved faculty member(s) and student(s) may sign such agreement with the institute.

The usage of space and facilities of NEC-IIC by the faculty companies will be paid as per existing NEC-IIC center norms.

### **4. Disclosure and Compliance**

Financial and non-financial disclosure agreement will be signed as per the existing institute norms.

#### **5. Support from other faculty**

Support from other faculty members of the institute during and after the incubation period would be treated under the institute's consultancy norms.

#### **6. Support from students**

Any support received from students for the faculty company would be as per the existing guidelines of the institute.

#### **7. Outsourcing of sponsored research/ consultancy assignment**

Outsourcing of full/part of institute's projects to faculty companies would be governed by institute's existing policy. In case such policy is not available then the outsourcing decision would be undertaken on a case by case basis by a committee comprising of Principal Head of the concerned department, Senior Faculty member and a representative from sponsoring agency.

#### **8. Funding for the company**

The company will have its own funding and accounting procedures in line with the existing industry norms. Institute may also provide loans to such companies which will be governed by the institute's norms.

#### **9. Methodology**

A faculty company will necessarily be required for incubation in CIPIE. However, in the exceptional cases, where faculty wants to open the company outside institute, a sufficient justification has to be provided, which will be evaluated by a committee comprising of Principal Head of the concerned department, Senior Faculty and two faculty members. The recommendation of the committee will be final and binding.

For the incubation of the Faculty Company, evaluation will be as per the incubators policy of the institute. Upon approval, the institute shall exercise its discretion on:

- (a) A liability free equity of 10 % in the company for a period of ten years. Against this equity, the institute shall permit the use of IP developed within NEC-IIC by the founding faculty members and students.
- (b) Equity against incubation will be as per Incubators Policy of the institute, if the Faculty Company is incubated at NEC-IIC.
- (c) In case the institute provides loan to the company, Institute's rules will apply for its repayment/additional equity holding

The founding faculty member(s) may be permitted to take sabbatical etc. for operating the company.

The money (in form of honorarium, salary or consultancy) paid to the founding members of the company will be counted entirely as income of the involved faculty members during the incubation period within the campus. After the company moves out of the campus, the faculty

member may take long leave and work with the company as per the existing rules of the institute or may earn income of consultancy as per the applicable rules of the institute.

#### **10. Resolution of conflicts**

In situations in which the objectivity of a faculty member could reasonably be questioned, the Director may establish an independent committee to take steps including (but not limited to) the following: to review the appropriateness of the proposed research to be conducted at NEC-IIC, to oversee the conduct of the research, and to ensure open and timely dissemination of the research outcome.

The faculty may appeal to the Board of Governors of the institute for a review of the committee decisions. The decision of the Board, in this regard, would be final.

## **ANNEXURE - 5**

### **Application Form**

To start/participate as Faculty in a Company as Faculty Entrepreneurship

Date: .....

#### **A) Academic Information**

(Separate form for each faculty involved in the Faculty Entrepreneurship activities)

1. Name of Faculty:
2. Department:
3. Emp.ID.:
4. Academic/Administrative Load on the Applicant:
  - a. No of Research Students:
  - b. No. of B.Tech Students:
  - c. Research Projects/Consultancy Projects:
  - d. Administrative:

#### **5. Any other relevant academic information:**

#### **B) Enterprise related information:**

- a. Name/Proposed Name of the Enterprise:
- b. Name, designation and address of all Faculty / Staff /students of the institute involved in this enterprise:
- c. Is the enterprise a start-up (expected date of incorporation):
- d. Already Existing (year of incorporation:\_\_\_\_\_)
- e. Is the structure other than Private Limited Company?
- f. State Briefly the mission of the enterprise & the role of the Faculty in the Company: (add separate paper, if required)
6. Briefly summarize the activities you plan to carry out in the Enterprise. Please also attach a Copy of the Memorandum of Association & Articles
7. Are you, in this enterprise, planning to use knowledge/technology/intellectual property developed at the institute? If yes, then briefly describe the above, including the persons involved.
8. What is the planned equity structure/distribution of the Enterprise?
9. Please state the number of hours likely to be dedicated in Faculty Company a week



10. Please state, if there is any other information relevant to your Enterprise

**Declaration:** The activities of the Company are not in conflict with the interest of the institute and my participation in the company will not be in conflict of my assigned duties and responsibilities of the institute.

Signature (with  
date): (Name of the  
Faculty)

Recommended & Forwarded by:  
(Signature of Head of Department)

Recommended & Forwarded by:  
Signature of coordinator (F&P)

Approved by:

(Principal)

**ANNEXURE - 6**  
**Faculty Entrepreneurship Response Form**

Date: .....

Name of the Faculty:

Department:

Name/Proposed of the Enterprise/Company:

This is with reference to your application for the formation and participation in the proposed/existing company. We are pleased to inform you that the Director has approved for the same subject to the following:

1. The proposed company will be incubated at NEC-IIC at NEC, NARASARAOPET. An incubation agreement will be signed between the Company and the NEC, NARASARAOPET.
2. The company will sign an agreement with NEC, NARASARAOPET for the terms of the engagement of the faculty in the Company.
3. The above mentioned agreements will have to be signed within a months" time otherwise the approval for the said Faculty Entrepreneurship application would stand void and a fresh application would have to be moved for approval.
4. The faculty and the Company will strictly adhered to the norms of the institute and rules and restrictions as laid down in various paragraphs in the Faculty Entrepreneurship Policy.

These would include but not limited to leave/consultancy rules and terms of employment in the institute.

Signature

Dean (Faculty Affairs)

## ANNEXURE - 7

### FACULTY ENTREPRENEURSHIP AGREEMENT

This Agreement is made on this ..... day of ..... by and between....., a Company registered under the Companies Act 1956, having its registered office at .....through its Director and the promoters <Names>(herein after referred to as “.....” which expression shall include unless it be repugnant to the context or meaning thereof mean and include their successors, representatives, assigns, promoters, holding company).....FIRSTPARTY

AND

Narasaraopet Engineering College Narasaraopet, Mandya Dist., an Institute created under the Institutes of Technology Act, 1961 (hereinafter NEC-IIC ..... SECOND PARTY

WHEREAS ..... (First Party) is a company formed and one of the promoter is Prof./Dr ..... a full-time employee of NEC-IIC. The Faculty Promoter has some technologies and is desirous to convert it into a business through that is duly permitted as per the Faculty Entrepreneurship Policy (herein after FEP) framed by NEC-IIC

WHEREAS the objective of the First Party shall be .....

NOW IT IS HEREBY AGREED AND DULY COMMUNICATED BY AND BETWEEN THE PARTIES AS FOLLOWS:

- a) **Objective:** The Objective of the Agreement is to optimally use the NEC-IIC’s resources and infrastructure for mutual benefit, more specifically as per the Faculty Entrepreneurship Policy.
- b) **Consideration:** As a consideration for allowing Prof./Dr ..... to engage in Entrepreneurship, .....the First Party shall pay to NEC-IIC a 10% Non- Dilutable Equity (as defined in Annexure 3) of the Total Promoter’s Shares at the time of signing this agreement and this shall be maintained at the option of NEC-IIC
- c) Notwithstanding anything contrary herein, the Statute, Rules, Guidelines, Regulations Faculty Entrepreneurship Policy and any regulations of Government of India as amended or introduced from time to time shall prevail over this Agreement. The permission to allow a faculty company as a Director, Promoter, Executive Director can be withdrawn NEC-IIC at any point of time.
- d) The Company is required to submit to the Second Party the following reports:-
- e) Quarterly Financial Report as per the format given in Annexure 7(A)
- f) Quarterly Activity Report as per the format given in Annexure 7(B)
- g. **Arbitration:** Any/all disputes between the parties shall be referred for arbitration to the Principal, NEC-IIC or person so nominated by him under the Indian Arbitration & Conciliation Act whose decision of the panel shall be final and binding upon the parties. The place of arbitration shall be Narasaraopet.

- a) NEC-IIC reserves its right to nominate are representative on the Board of Director of the ..... First Party till the time NEC-IIC holds equity.....First Party  
Shall indemnify to NEC-IIC or nominee any loss suffered or expense incurred in as aresult of such nomination.
- b) The infrastructure, lab and other resources used by the Company shall be as per the norms of NEC-IIC In witness whereof parties hereto have signed this Incubation Agreement on the date and year mentioned hereinbefore.

**For & on behalf of NEC-IIC**

**For & on behalf of.....**

Signature

Signature

Name

Name

Designation

Designation

Seal

Seal

Witness (Name &Address)

Witness (Name &Address)

1. ....

1.....

2. ....

2. ....

Date .....

Date.....

ANNEXURE 7(A)

**Quarterly Financial Information**

<Name of the Company>

[Profit and Loss account from.....to.....]

Name of Product/Service: .....

Total Revenue Rs.....

Total Expenses Rs.....

• Capital Rs.....

• Recurring Rs.....

Net Profit/Loss Rs.....

.....  
Managing Director

Address: .....  
.....

Date: .....

**Quarterly Activity Report of**  
 <Name of the Company>

Attach extra sheets where required

For the period from..... to .....

1. **Contracts/MoU/Agreements Entered with:** License/Assignment (*Name, Address, Nature, Consideration*)  
*Please attach a copy*
2. **Intellectual Property Generated:**  
 (Whether Patents, Design, Copyright)  
*Please attach a copy*  
*If any student(s)/employee(s) is/are involved*
3. **New Product/Service:**
4. **Recent Clients:**
- 4a. **Details of contract/services provided to NEC-IIC:**
5. **Lab/Equipment of NEC-IIC used by the Company:**
6. **Student(s) of NEC-IIC employed in the Faculty Company:**
  - Name & Roll Number:
  - Course/Department:
  - Hours worked per month:
7. **Any Employee of NEC-IIC employed:**
  - Name:
  - Designation:
  - Hours worked per month:
8. **Any other facility(ies) of NEC-IIC used:**

.....  
 Managing Director

Address: .....  
 .....

Date: .....

**ANNEXURE - 8**

**Industry-Institute Collaboration Programme (IICP) & Patents**

**FORMAT FOR SUBMISSION OF PATENT PROPOSAL**

I/We wish to apply for patent on the following invention:

1. Title of invention:
2. Name of inventor(s):  
(Including external person/organization)

Inventor -1: Name\_\_\_\_\_

Designation\_\_\_\_\_

Department\_\_\_\_\_

Phone/Fax/e-mail\_\_\_\_\_

Address\_\_\_\_\_

Inventor -2: Name\_\_\_\_\_

Designation\_\_\_\_\_

Department\_\_\_\_\_

Phone/Fax/e-mail\_\_\_\_\_

Address\_\_\_\_\_

Inventor - 3: Name\_\_\_\_\_

Designation\_\_\_\_\_

Department\_\_\_\_\_

Phone/Fax/e-mail\_\_\_\_\_

Address\_\_\_\_\_

Inventor -4: Name\_\_\_\_\_

Designation\_\_\_\_\_

Department\_\_\_\_\_

Phone/Fax/e-mail\_\_\_\_\_

Address\_\_\_\_\_

(Please add additional names if needed)

3. Date of start of R&D work :      Date      Month      Year  
           

4. Development Stage:

In your opinion which of the three best describes the current stage of development of the invention as it relates to its marketability (indicate appropriate response):

- Embryonic (needs substantial work to bring market)
- Partially developed (could be brought to market with significant investment)
- Off-the-shelf (could be brought to market with nominal investment)

5. IP Generated from (Tick one):

☐ In house R&D   ☐ Sponsored R&D   ☐ Collaborative   ☐ Other

viz. Consultancy, Testing etc.

- i. Details of source of funding:
- ii. Details of permission received from funding agency, if needed, for patenting:
- iii. Details of NEC,NARASARAOPET infrastructure used:
- iv. Details & extent of contribution of Departmental lab (consumables/non-consumables used):
- v. Details of manpower utilized including contribution of faculty, staff & officers, if any:

6. Type of patent specification: Initial/Final (i.e. Provisional /Complete)

7. Short write up on the Patent along with complete specifications and diagrams (to be enclosed).

Please use additional sheets for sketches, drawing, photographs and other materials that help to illustrate the description. (In describing the technology, please provide if possible, information covering the following points:

- a. The general purpose
  - b. A technical description
  - c. The advantages and improvements over the existing methods, devices or materials
  - d. The problem for which solution was researched
  - e. The invention namely the solution to the problem
8. Has the invention been tested experimentally? Are experimental data available?
9. Was the intellectual property created in the course of or pursuant to a sponsored/consultancy research agreement with NEC,NARASARAOPET? If yes please enclose a copy of MoU with concerned project.



10. Revenue Sharing among Inventors:  
Please disclose the extent of contribution of each inventor in the invention in Percentage terms for revenue sharing.

| NAME OF THE INVENTOR | % SHARE* | SIGNATURE |
|----------------------|----------|-----------|
|----------------------|----------|-----------|

11. Certified that

- i) I/We hereby declare that all statements made herein of my/our own knowledge are true and that all statements are believed to be true [to be signed by all inventors.
- ii) The subject matter of this invention has not been published or presented.
- iii) No one who has contributed to the invention has been excluded from the inventor(s) team.
- iv) The inventor(s) will provide further information and clarification as and when needed  
(Please provide details of any patent (s) filed earlier through the Institute or personally).

|  |                               |
|--|-------------------------------|
| Name of the inventor(s)                            | Signature of inventor(s) with |
| date (Including external person/organization)..... |                               |

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**Office use of NEC-IIC**

Date of receipt of proposal:

Date of notification for objection:

Date of resolve of objection, if any:

**Recommended by Technical Evaluation Committee (TEC) for filing the patent application.**

**(Member1)**

**(Member2)**

**(Member3)**

**(Member4)**

**Associate Professor (I&I) & HOC, IIC**

**HOD (R&D)**

**Principal**

## **ANNEXURE - 9**

### **INTELLECTUAL PROPERTY POLICY DOCUMENT**

This document defines the Policy and the Procedures for Intellectual Property filing, ownership, Licensing and Research of Narasaraopet Engineering College Narasaraopet- 522 601 (herein “NEC-IIC”) and is applicable to all employees full-time/part-time and students.

The Document may be used as guidelines to enter in Research agreement, Consultancy, and other Agreements with external/funding agencies.

#### **1. DEFINITIONS**

The terms used in the policy shall be interpreted as understood in their ordinary dictionary meaning unless defined herein:

**INSTITUTE:** Institute shall mean “Narasaraopet Engineering College, Narasaraopet-522601”.

**PRINCIPAL:** means the Principal of NEC-IIC.

**INTELLECTUAL PROPERTY EVALUATION COMMITTEE (IPEC):** The Committee approved by the Principal, NEC-IIC to evaluate an invention on the applicable criteria, identifies inventors and ownership.

1. **INTELLECTUAL PROPERTY DISCLOSURE FORM (IPDF):** The form specified by the Institute needs to be filled by the applicant to disclose the desired information about their IP.
2. **APPLICABILITY:** This IP Policy shall be applicable to all employees, including faculty members, students and also persons engaged in sponsored schemes and projects, and any other initiatives of the Institute as well as visiting scientists/ professors/ personnel who participate in the research work being carried out at the Institute.
3. **NEC,NARASARAOPET PERSONNEL:** Principal, NEC,Narasaraopet Personnel shall include NEC,NARASARAOPETfaculty whether permanent or visiting/ temporary/ contractual faculty), staff (includingresearch & project staff), students, interns who may be students of other institutes and are doing Project.
4. **INTELLECTUAL PROPERTY (IP):** shall include all Confidential information, Patents, Designs, process, Copyrights, algorithms, apparatus, circuit designs and assemblies, concepts, data, databases and data collections, designs, diagrams, documentation, drawings, flow charts, formulae, gate arrays, ideas and inventions (whether or not patentable or reduced to practice), know-how, materials, marketing and development plans, marks

(including registered and unregistered trademarks and service marks, brand names, product names, logos, and slogans), methods, models, net lists, network configurations and architectures, photo masks, procedures, processes, systems, architecture, instructions, protocols, schematics, semiconductor devices, software code (in any form including source code and executable or object code), specifications, subroutines, techniques, test vectors, tools, uniform resource identifiers, user interfaces, web sites, works of authorship, and other forms of technology.

5. **CONFIDENTIAL INFORMATION:** Confidential Information is information not in the public domain and declared confidential by parties as such in a MOU/Agreement that has been signed by the parties.
6. **CREATORS/INVENTORS:** Inventors or Creators are persons who have produced any original work.
7. **INTELLECTUAL CONTRIBUTION:** Intellectual Contribution means participating in the inventive step or proposing solutions in the Intellectual Property that did not exist in the prior- art as on date.
8. **INVENTION:** Invention includes but is not limited to any new and useful process, formula or machine conceived or first reduced to practice in whole or in part, defined within the purview of the specific Statute as applicable.
9. **LICENSING:** Licensing includes renting the intellectual property to a third party against valuable monetary consideration.
10. **NET EARNINGS:** Net Earnings are the earnings resulting from the licensing or commercialization of the IP reduced by the outstanding actual expenses incurred in obtaining and commercialization of the IP.
11. **LICENSE FEE OR ROYALTY:** License fee or Royalty is the payment made to an inventor/author or an institution usually for legal use of a patented invention or any Intellectual Property when licensed.
12. **TRADE SECRET:** Trade Secret includes some information such as know-how of commercial or strategic value that is not disclosed to all and is used in a restricted manner.

## 2. INTELLECTUAL PROPERTY OWNERSHIP

### NEC,NARASARAOPET Ownership

Intellectual property of any kind created by faculty, students, staff, project staff, visitors and others, such as trainees from other institutes, participating NEC,NARASARAOPET programs or using

NEC,NARASARAOPET funds or facilities or with help/collaboration of the faculty, are owned by NEC, NARASARAOPET when either of the following applies:

- a) The intellectual property was created with the significant use of funds or facilities administered by NEC,NARASARAOPET.
- b) The intellectual property was created either as a part of the normal professional duty or work for hire.
- c) The intellectual property was created in the course of or pursuant to a sponsored/consultancy research agreement with NEC,NARASARAOPET. In such cases, specific provisions related to IP made in contracts governing such activity will determine the ownership of IP.
- d) The intellectual property was created as a part of academic research and training leading towards a degree or otherwise (e.g. Project Courses).
- e) The terms „significant use of funds and facilities“ and „faculty collaboration“ are context specific and shall be defined by Intellectual Property Evaluation Committee on case-to- case basis. Some examples are:

*Example-1:* If a faculty or student writes a book just using the Internet and computing facility of the Institute then the same shall be considered as "*not significant use*".

*Example-2:* If a faculty or student develops software using the Internet and computing facility of the Institute then the same shall be considered as "*significant use*". As IP in the area of Information Technology can be generated merely using computational facilities thus use of space, physical resources & computing facilities and are considered to be significant use of funds and facilities for the purpose of ownership of IP so generated.

- f) In all cases even if IP generated by NEC,NARASARAOPET personnel is created not using funds and facilities of NEC,NARASARAOPET, a No-Objection Certificate from NEC,NARASARAOPET is required to use such IP for commercial purpose.
- g) All NEC,NARASARAOPET personnel shall inform NEC,NARASARAOPET about any and all IP so generated, even in cases where in the person is on leave and is getting salary.

- h) However in cases, where in there is a Contract or agreement defining the IP ownership the same shall prevail over this IP Policy?

All copyrights, including copyrighted software will be owned by NEC,NARASARAOPET when it is created as a part of any of the academic programs and research at NEC,NARASARAOPET or created pursuantto a written agreement with NEC,NARASARAOPET, providing for transfer of copyright or ownership to NEC,NARASARAOPET.

### **3. POLICY FOR STUDENT OR FACULTY PROMOTEDSTART-UP**

In cases where student is creator or inventor of the IP, then NEC,NARASARAOPET may grant a non- exclusive license for commercialization.

NEC,NARASARAOPET may waive off the requirement of up-front payment of royalty for such start-upbased on the request.

In cases where there are other creators or inventors of IP then a '*No Objection*' shall be required before the non-exclusive license is granted to such start-up.

In cases where student is not the creator or inventor of the IP, then NEC,NARASARAOPET may grant anon exclusive license for commercialization without up-front payment upon receiving the '*No Objection*' from the creator(s) or inventor(s).

Royalty/License Fee by the Student or Faculty promoted Start-up. In case the start-up is not in a position to pay money up-front the Institute may defer such payment upon request from such start- up. The Institute may adopt following revenue sharing mechanism:

| <b>Case</b> | <b>Total Sales</b>                | <b>Percentage thereof</b> |
|-------------|-----------------------------------|---------------------------|
| 1.          | Not exceeding 10 Lakhs            | NIL                       |
| 2.          | Above 10 Lakhs Less than 25 Lakhs | 1%                        |
| 3.          | Above 25 Lakhs Less than 50 Lakhs | 2%                        |
| 4.          | Above 50 Lakhs Less than 75 Lakhs | 3%                        |
| 5.          | Above 75 Lakhs Less than 1 Crore  | 4%                        |
| 6.          | Above 1 crore                     | 5%                        |

### **4. THIRD-PARTY OWNERSHIP**

Ownership of intellectual property resulting from:

- a) Research projects or consultancy projects wherein the funds are provided partially or fully by a third-party to NEC,NARASARAOPET will be governed by specific provisions in the contractbetween the third-party and NEC,NARASARAOPET. The terms of which can be one of the following:
  - i. Open IP, wherein is owned by NEC,NARASARAOPET while the third-party is given alicense to use for commercial purpose
  - ii. Joint IP, wherein IP is jointly owned with the third-party.
  - iii. Exclusive IP, wherein the IP is owned by the third-party commissioning the research, however, NEC,NARASARAOPET has right to use for teaching, research andinternal use.
  - iv. Existing IP, wherein the IP is already developed and is owned by NEC,NARASARAOPET.
- b) Co-creation wherein NEC,NARASARAOPET may enter into an agreement to generate new IP that is not yet existing, and NEC,NARASARAOPET may accept equity in such company in lieu of cash consideration. The Ipso generated in cocreation model may be governed by clause 4.1. (a)
- c) Exchange programs between NEC,NARASARAOPET and other institutions will be governed by specific provisions in the contract between the parties.

In cases where the entire IP is generated at NEC,NARASARAOPET and licensed to third party, NEC,NARASARAOPET, shall retain a non-exclusive, free, irrevocable license to use the IP for teaching and research activities, consistent with confidentiality agreements where ever entered by NEC,NARASARAOPET.

In cases where an IP is created by NEC,NARASARAOPET personnel, fully or as a part of the team, during deputation ,official leave, the concerned NEC,NARASARAOPET personnel should officially communicate the IP to NEC,NARASARAOPET. The ownership of such IP shall be decided by NEC,NARASARAOPET on case-to-case basis.

## **5. DISCLOSURES, CONFIDENTIALITY AND ASSIGNMENT OFRIGHTS**

For all IP created at NEC,NARASARAOPET, the inventors will be required to disclose their IP to theIPEC (Intellectual Property Evaluation Committee) within 1 month of completion of project / research work / thesis as per format provided (Intellectual Property Disclosure Form).

It will be mandatory for students to submit an IPDF, countersigned by their supervisor(s), at the time of filing their B.Tech. Report, and PhD theses. In case the inventors feel that invention does not qualify patentability criteria then the Institute may waive this mandatory submission.

The inventor shall assign the rights of the disclosed IP to NEC,NARASARAOPET before leaving the institute and will agree to the terms and conditions for the sharing of any financial benefits received by the Institute by commercialization of such IP.

Having made the disclosure, the inventors, NEC,NARASARAOPET and non-NEC,NARASARAOPET personnel, shall maintain confidentiality of the IP during the period it is pending for the assessment of the possibility of commercialization and protection of IP, unless authorized in writing by NEC,NARASARAOPET.

### **EVALUATION OF INTELLECTUAL PROPERTY**

Evaluation of Intellectual Property will be done by the IPEC (Intellectual Property Evaluation Committee) constituted by the Dean (R & D) /Director

Evaluation of IP means:

- a) Determining ownership of IP and who made the intellectual contribution.
- b) Determining whether an IP is innovative and qualifies the eligibility so given under respective statute in India or foreign countries.
- c) Determining whether the IP has a reasonable chance for commercialization.

After evaluation of IP, if NEC,NARASARAOPET decides not to take the responsibility for the protection of the IP, then it will assign all the rights of the IP to the inventors.

A decision on the annual renewal of IP rights will be taken by the IPEC. If NEC,NARASARAOPET decides not to renew the IP, fully or partially, then it will assign the rights of the IP, wherever relevant, to the “inventors.”

The IP filing will be a single step and shall be filed after the inventor(s) submit signed IPDF and the Dean gets the approval from the competent authority.

### **6. MOUS, CONTRACTS AND AGREEMENTS**

All agreements related to IP undertaken by any NEC,NARASARAOPET personnel, including, but not limited to the following categories, need to be approved by the institute:

- Allegiance, Affirmation and Confidentiality Agreement
- Consultancy Agreement
- Joint Research Agreement

- License Agreement
- Alternative Dispute Resolution Agreement
- Classified Information Non-Disclosure (specific) Agreement

The Principal, or a person duly authorized will be the authorized signatory in all categories of agreements listed above.

## **7. COMMERCIALIZATION**

NEC,NARASARAOPET shall market the IP and identify potential licensee(s) for the IP to which it (i) has ownership and (ii) for which rights have been assigned to it.

For the IP where exclusive rights have not already been assigned to a third party, the creators may also contact potential licensee(s) on their initiative maintaining confidentiality and taking all necessary care to ensure that the value of the IP is not affected.

## **8. COST OF IP FILING AND REVENUE SHARING**

NEC,NARASARAOPET shall bear all the Cost of IP filing and maintenance. The net earnings from the commercialization of IP owned by NEC,NARASARAOPET would be shared with the inventors in following ratios:

| <b>Revenue (amount)</b> | <b>Institute's Share</b> | <b>Inventor's Share</b> |
|-------------------------|--------------------------|-------------------------|
| 25 Lakhs or less        | 35%                      | 65%                     |
| 25 Lakhs – 50 Lakhs     | 50%                      | 50%                     |
| 50 Lakhs or above       | 65%                      | 35%                     |

The creator(s) share would be declared annually and disbursement will be made to the creator(s), their legal heir, whether or not the creators are associated with NEC,NARASARAOPET at the time of disbursement. Co-creators of IP shall sign at the time of disclosure, a distribution of IP Earnings" Agreement, which shall specify the percentage distribution of earnings from IP to each co-inventor. The inventors may at any time by mutual consent revise the Distribution of IP Earnings Agreement.

## **9. INFRINGEMENTS, DAMAGES, LIABILITY AND INDEMNITYINSURANCE**

NEC, NARASARAOPET shall, in any contract between the licensee and NEC, NARASARAOPET, seek indemnity from any legal proceedings including without limitation manufacturing defects, production problems, and design guarantee, up-gradation and debugging obligation. Suitable disclaimers will be observed in the Institute of such liability in all agreements. NEC,NARASARAOPET shall also ensure that NEC, NARASARAOPET employees have an indemnity clause built-



into the agreements with licensee(s) while transferring technology or copyrighted material to licensees.

NEC, NARASARAOPET shall retain the right to engage or not to engage in any litigation or legal action concerning patents and license infringements.

Indemnity: The Institute shall not indemnify any third party for any loss or damage on account of using IP or invention or Technology developed in the Institute. In case the licensee demands such clause, the Institute shall take adequate insurance policy to cover loss or damage of such personnel and/or property.

Technology Disclaimer absolving Liability: All the Technology, Patent, Intellectual Property, invention developed at the Institute shall be transferred on as-is-where-is basis with no liability (including Monetary liability) on the Institute on the merchantability or feasibility of such Deliverables. The Institute shall communicate to the licensee to ensure testing and trial before commercial launch.

#### **10. CONFLICT OF INTEREST**

The inventor(s) are required to disclose any conflict of interest or potential conflict of interest. If the inventor(s) and/or their immediate family have a stake in a licensee or potential licensee company then they are required to disclose the stake they and/or their immediate family have in the company. Under these circumstances, it must be ensured by the inventor(s) that their entrepreneurial activities do not have an adverse impact on inventor(s) teaching, research and any other institutional responsibilities.

#### **11. DISPUTE SOLUTION**

In case of any disputes between or with the inventors regarding the implementation of the IP policy, the aggrieved party may approach the HOD and finally appeal to the Principal of NEC, NARASARAOPET. Efforts shall be made to address the concerns of the aggrieved party. The Principal may constitute a fact finding committee, the committee shall adduce all evidence and give its recommendations on the points of dispute. The Principal's decision in this regard would be final and binding.

#### **12. JURISDICTION**

All the agreements to be signed by NEC, NARASARAOPET will have the jurisdiction of the Civil Courts at Narasaraopet and shall be governed by appropriate laws in India. The Institute may consider including Arbitration clause and UNCITRAL rules in case of international technology licensing.

### **13. SCHEME FOR STUDENTS**


IP filing can be an important experience in students' professional development as it presents an opportunity to acquaint them with the language that industry speaks. Also, it is expected that incentives to student will bolster institute's efforts to create IP culture. Therefore, NEC, Narasaraopet shall in principal promote students' in filing IP by extending monetary support.

Student IP is the IP wherein student(s) are sole creator of the IP. The steps relating to filing of IP by the students shall be as follows:

1. All the IP generated by the students solely like but not limited to IP, UR, IS, BTP, MTP course-Project, etc. shall be entitle for filing under the scheme after taking permission from the advisor/supervisor.
2. The student shall take prior approval from their adviser, thereafter the student can file the IPDF and process the IP for filing. If the adviser's contribution is minor, the same shall be eligible for filing under the student scheme.
3. In case the adviser has substantial contribution then the IP will be jointly owned and the rules governing regular filing shall apply including prior agreement on sharing of revenue between them.
4. The institute shall bear the entire cost of such IP.
5. In such student lead IP shall be shared equally with NEC, Narasaraopet (50% each)



CONVENER  
Dr S.V.N.SREENIVASU



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