



VIT

Vellore Institute of Technology

(Deemed to be University under section 3 of UGC Act, 1956)



Vellore Institute of Technology

Tamil Nadu, India

INNOVATION AND STARTUP POLICY

July 2021 (Ver 2.0)

Preamble

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

Vellore Institute of Technology hereinafter referred to as VIT and VITTTBI Vellore Campus and V-NEST Chennai Campus (hereinafter referred to as Incubation Centre/s) are incubation centers at VIT to promote innovation and technology-based startup ventures and thereby contribute to the nation's developmental needs of creating knowledge, wealth, skills and employment. Such innovation-led ventures promoted by the incubatees will address societal challenges using science and technological interventions to improve the quality of life and ease of living etc...

Incubation Centre strives to enhance its capabilities to nurture and guide young startup ventures in their early / formative years. Over the years Incubation Centre has built working relations with Govt. of Tamil Nadu, Govt. of India, Universities, Alumni startups, Corporates, NGO, Industries, International bodies etc for a common goal of developing the innovation and startup ecosystem and engages other institutes like 'The Indus Entrepreneurs (TiE)', 'Startups-Club', 'Confederation of Indian Industries (CII)', 'Federation of Indian Chamber of Commerce and Industry (FICCI)' and several firms within and outside India as well.

INCUBATION CENTRE recognizes that its catalytic role by virtue of its presence inside 'Vellore Institute of Technology (VIT)' motivate a large group of students, faculty members, professionals and other innovators to pursue entrepreneurship. While providing its services to the pursuits of VIT's faculty members and its students, INCUBATION CENTRE is also mandated to act as a hub of innovation and startup resource center to cater to the requirements of innovators and startups from across the country.



1.Strategies and Governance

- A. VIT's strategies for development emphasize innovation and entrepreneurship promotion periodically with specific objectives to support innovation, pre-incubation, incubation infrastructure facilities to students, faculty members and others. VIT provides the needed support to its students, staff, faculty members and other existing incubatee.
- B. VIT will allocate minimum 1% fund of Institution's annual budget to I & E activities. The incubation center has been (will be registered) as a Society / Trust / Section 8 Company and manage itself as independent entity. Incubation center and its team is empowered to expedite the decision making through individual autonomy and ownership of initiatives (as per Society /Trust / Section 8 company).The incubation center will also take measures to raise funds from diverse external funding sources through government (state and central) agencies such as DST, DBT, MHRD, AICTE, TDB, TIFAC, DSIR, CSIR, BIRAC, NSTEDB, NRDC, Startup India, Invest India, MeitY, MSDE, MSME, etc. and nongovernment industry sources to support the incubates.
- C. VIT will also garner funds through sponsorships and donations and alumni network for promoting Innovation & Entrepreneurship.
- D. VIT will promote and highlight the importance of innovation and entrepreneurial plan at University Academic Calendar.
- E. VIT management will define long term goals for the entire University.
VIT-TBI / V-NEST will develop operational plans based on the overall long-term strategies. Schools will have their respective operational goals.
VIT will act as the driving force in developing entrepreneurship culture in its vicinity at regional, social and community level and will furnish opportunities for regional startups and extend its facilities to needy startup.
- F. VIT promotes strategic international partnerships employing bilateral and multilateral channels with international innovation clusters and other relevant organizations and international exchange programs, internships by engaging the international faculty members and other experts in innovation and entrepreneurship through MoUs with National / International Universities and Industries.



- G. Successful entrepreneurs from VIT alumni will be invited to share their success stories and startup experiences with students, faculty members and incubates.

2. Startups Enabling the Institutional Infrastructure:

- A. VIT will create/ continue to strengthen pre-incubation facilities at school level and incubation facilities at institute level for nurturing students and faculty innovations. It also provides 24/7 accessibility to Pre-Incubation/Incubation facility for students and faculty and others.
- B. VIT encourages its Business Incubators to organise programs related to innovation, IPR and Startups thus ensuring the utmost satisfaction of various stakeholders supporting the incubation facility.
- C. Pre-incubation/Incubation support will be provided to the students and faculty members who are interested in launching a startup. The modalities of its operation royalty and rental will be decided on a case-by-case basis depending upon the nature of services and support offered through incubation centre.

3. Nurturing Innovations and Start-ups

- A. The Incubation Centre devises mechanisms for nurturing innovations and startup schemes with UG/PG/Ph.D students and faculty members. To observe these mechanisms efficiently, VIT Incubation Centre sets the necessary stage within the institution.
- B. i) Students and faculty members will enter into an agreement with Incubation centers for accessibility to Incubation Centre for availing incubation support.
ii) Will allow licensing of IPR from institute to start-up: Ideally students and faculty members intending to initiate a start-up based on the technology developed or co-developed by them or the technology owned by the institute, should be allowed to take a license on the said technology on easy term, either in terms of equity in the venture and/ or license fees and/ or royalty to obviate the early stage financial burden.



- iii. Will allow setting up a start-up (including social start-ups) and working part-time for the start-ups while studying / working: VIT will allow their students / staff to work on their innovative projects and setting up start-up s (including Social Start-up s) or work as intern / part-time in start-up s (incubated in any recognized HEIs/Incubators) while studying / working. Student Entrepreneurs may earn credits for working on innovative prototypes/Business Models. Student inventors will be allowed to opt for start-up in place of their mini project/ major project, seminars, summer trainings after due evaluation of the proposed work. The area in which student wants to initiate a start-up may be interdisciplinary or multidisciplinary. However, the student must describe how they will separate and clearly distinguish their on-going research activities as a student from the work being conducted at the start-up .
- C. VIT permits student / staff / faculty's company to register using the institution address.
- D. VIT permits the establishment of startups while pursuing their course (for students).
- E. Due consideration will be given to incubate students. In case, any student has attendance shortage, the incubation center will provide the recommendation to the authority concerned by vetting the claims on the effort put in by the student during the period of absence in the incubation center.
- F. VIT will consider the request from Students for a break in academic studies to work on their startup company launched in the incubation center. A process will be in place.
- G. Deferred placement opportunity to students who have skipped placements to build startups, incase their startup does not take off for valid reasons launched in the incubator.



- H. Accommodation facility will be provided to incubatee students based on the request and will be considered as per the VIT norms and based on the availability.
- I. Institution grants permission for faculty members/staff to avail themselves of sabbatical/ leave on loss of pay/ casual leave/ earned leave based on the decision of Institute's Review Committee for launching a start-up.
- J. Students and faculty members should undergo a 30 hour- Entrepreneurship Development Program (EDP) before applying for incubation support in the institution.
- K. The facilities extended for utilizing VIT's infrastructure and facilities to the incubated companies are
 - I. They can attend the entrepreneurship training with a minimum or no registration fee
 - II. Incubatee can access technology development, ideation, creativity, design thinking lab and other infrastructure facility of the institute with a minimum or no charge depending upon the consumables and other material usage.
- L. Regular in-house and external expert mentorship will be provided to incubatees based on the availability. For individual mentorship by external experts the consultation charges has to be borne by incubatees.
- M. The incubation center will provide the link to other banks, seed-fund providers/ angel funds / venture funds / Govt. organisations etc.. It is the responsibility of incubatees to avail the required support as per the funding bodies' norms and regulations.
- N. Faculty members involvement in start-up incubation / advisory role or mentoring of the start-ups, should not affect or compromise their regular academic and administrative work / duties. The Alumni of the institute as well as other external teams / individuals can avail this startup facility.
- O. Startup-related activities will be given due weightage in the annual performance of a faculty in their promotion and annual performance evaluation.



- P. All faculty members at VIT are expected to encourage and motivate student to carryout I&E activities.
- Q. The incubatee at any stage should not cause any damage to the reputation to VIT and incubation center because of any activity of start-up after executing the contract. Start-up activity should never bring the institution to any liability at any stage.
- R. In return of the services and facilities, institute may take 2% to 9.5% equity stake in the start-up/company, based on brand used, faculty contribution, support provided and use of institute's IPR (a limit of 9.5% is suggested so that institute has no legal liability arising out of start-up. The institute would normally take much lower equity share, unless its full-time faculty/ staff have substantial shares). Other factors for consideration are space, infrastructure, mentorship support, seed funds support for accounts, legal, patents etc. or External Incubates will undertake an agreement to become an incubatee and accept to provide a royalty fee of 2% to 5 % and a monthly rental for the incubation center to utilize its services. Incubation Centre can avail a minimum of 10 % to maximum of 15 % of royalty from students / staff / faculty member who are planning to launch a startup company through the incubator on a part time basis or a combination of equity and royalty as mentioned above.
- S.
- For staff and faculty, institute would consider taking no-more than 20% of shares that staff / faculty takes while drawing full salary from the institution; however, this share will be within the 9.5% cap of company shares, listed above. No restriction on shares that faculty / staff can take, as long as they do not spend more than 20% of office time on the start-up in advisory or consultative role and do not compromise with their existing academic and administrative work / duties. In case the faculty holds the executive or managerial position for more than three months in a start-up, then they will go on sabbatical/ leave without pay/ earned leave.



- In case of compulsory equity model, Start-up would be given a cooling period of 3 months to use incubation services on rental basis to take a final decision based on satisfaction of services offered by the institute/incubator. In that case, during the cooling period, institute would not force start-up to issue equity on the first day of granting incubation support and would charge a fee for the services (at prevailing rates) rendered.
- T. The institute would on a case to case basis would consider offering its services based on mixture of equity, fee-based and/ or zero payment model. So, a start-up may choose to avail only the support, not seed funding, by the institute on rental basis.
- U. Participation in start-up related activities needs to be considered as a legitimate activity of faculty in addition to teaching, R&D projects, industrial consultancy and management duties and must be considered while evaluating the annual performance of the faculty. Faculty member would be encouraged to mentor at least one innovative idea which leads to prototyping a product or a startup.
- V. Product development and commercialization as well as participating and nurturing of startups would now be added to a bucket of faculty-duties and each faculty would choose a mix and match of these activities (in addition to minimum required teaching and guidance) and then respective faculty are evaluated accordingly for their performance and promotion.
- W. Suitable updates/changes/revisions in performance evaluation policies for faculty and staff would be made (as stated above).



- X. Institute would ensure that at no stage any liability accrue to it because of any activity of any start-up .

4. Product Ownership Rights for Technologies Developed at VIT

(Applicable as per IPR policy of VIT : <https://vit.ac.in/iprcell>)

5. Organizational Capacity, Human Resources, and Incentives

- A. VIT will utilize faculty members with vital innovation and entrepreneurial/ industrial experience and aptitude and will depute them for training to promote I & E.
- B. Faculty and staff will be encouraged to take courses and EDPs, innovation, management courses related to I & E .
- C. Interdisciplinary teaching and research will be encouraged to enhance the maximum utilization of internal resources and knowledge.
- D. Industry experts, subject matter experts, entrepreneurs will be engaged for strategic advice to bring in skills that are not available internally.
- E. VIT will develop academic and non-academic incentives and reward mechanisms for all staff members and stakeholders who actively contribute and support innovation and startup activities.
- F. Reward system for the faculty and staff may include awards, sabbaticals, office and lab space for entrepreneurial activities, reduced teaching loads, training, etc.

6. Creating Innovation Pipeline and Pathways for Entrepreneurs at Institute Level

- A. VIT will devise a mechanism to ensure maximum exposure to students in innovation and pre-incubation activities at an early stage and to support the pathway from ideation to creation to market.
- B. Students may be allowed to convert their start-up idea to their final year capstone project for degree completion and periodic evaluations will be made for academic grading.



- C. VIT will organize idea and innovation competitions, hackathons, workshops, boot camps, seminars, conferences, exhibitions and mentoring mechanisms by academic and industry personnel, giving real-life challenges, awards and recognition.
- D. VIT will incorporate design thinking, critical thinking, problem-solving, and decision-making skills in the curriculum.
- E. VIT will link its incubated start-ups companies to other entrepreneurial ecosystem to participate in competitions within India as well as other countries.
- F. VIT has established Institution's Innovation Councils (IICs) as per the guidelines of MHRD's Innovation Cell and allocated appropriate budget for its activities.
- G. VIT IIC will guide institute in conducting various activities related to innovation, startup, and entrepreneurship development.
- H. Institute will undertake collective efforts to identify, scout, acknowledge, support and reward proven student ideas and innovations and further facilitate their entrepreneurial journey.

7. Norms for Startups by Faculty of VIT

- A. Only the innovation and technologies that originate from the faculty research should be taken for faculty startups.
- B. Role of faculty members may vary from being a proprietor/ founder/ direct promoter/ mentor/consultant /an advisor of the startup.
- C. Faculty startup will consist of faculty members alone or with students or with faculty of other institutes or with alumni or with other entrepreneurs.
- D. Faculty must not accept gifts from the startup.
- E. Faculty must not involve research staff or other staff of VIT in activities at the startup and vice-versa.
- F. R&D activities carried out by faculty in the institute that have potential to scale will be identified and support will be extended for technology transfer or commercialization.



- G. Faculty must abide by the rules and regulations the institute's HR policy and any human subject related research in start-up should get clearance from ethics committee of the VIT.

8. Pedagogy and Learning Interventions for Entrepreneurship Development

- A. Broad and varied approaches including cross disciplinary learning using mentors, labs, case studies, games, etc., instead of standard lecture-based delivery are to be adopted to yield the required learning outcomes.
- B. Various student clubs/bodies/departments need to be created for organizing competitions, boot camps, workshops, awards and the like which will be responsible for improving the students' thinking and responding ability by involving them in institutional strategy planning.
- C. To promote the culture of innovation and enterprise ecosystem, an annual "Innovation and Entrepreneurship award" is to be instituted to recognize the individuals/teams / school contributing outstanding ideas, successful enterprises etc.
- D. Case studies based on business failures and real-life experiences by startups are to be part of teaching methodology to sensitize students.
- E. Students/faculty/ staff from each department will be nominated as Champions of Innovations every month.
- F. Students are to be imparted with education in entrepreneurship as curricular/co-curricular/ extra-curricular activity through various courses on innovation, entrepreneurship and venture development in elective/short term/long term formats. Proper course outcomes will be made available to students.
- G. Collaborative culture and engagement with external environment are to be achieved by utilizing the external stakeholders' expertise in providing entrepreneurship education.
- H. Institute will conduct an induction program about the importance of I & E explaining its entrepreneurial agenda and the available support systems to the freshly inducted students at the beginning of every academic session.



- I. Linkages with industry to be utilized for conducting research and survey on trends in technology, research, innovations and market intelligence.
- J. Students are to be made aware of understanding their expected learning outcomes in I & E.
- K. Engagement in the process of dialogue between student innovators, start-ups and experts is to be initiated to make the strategy need based.
- L. Start-ups will be provided with customized teaching and training materials.

9. Strategies devised for sustained exchange of ideas / knowledge

VIT encourages incubatees to collaborate with potential partners, resource organizations, micro, small and medium sized enterprises, social enterprises, schools, alumni, professional bodies.

- A.VIT will engage stakeholders through bidirectional exchange of knowledge between institutes /organisations like incubators, software technology parks within India and other countries.
- B. VIT ensures in the policies to form and foster relationships with external stakeholders.
- C.VIT supports stakeholders through proper mechanisms to create, manage and coordinate the relationships.
- D. VIT will create a suitable supportive environment for the stakeholders through internships, teaching and research exchange programme and events like clubs, social gatherings.
- E. VIT will integrate external information and experience into the already exchanged knowledge among the stakeholders within the institution.
- F. The institution's incubation insists on 'Single Point of Contact (SPOC)' for the students, faculty, collaborators, partners and other stakeholders for exchange of information related to I & E through its incubation center.
- G. VIT will collaborate with industries, universities, Government, NGOs and other bodies for innovation and entrepreneurial related activities.
- H. Institution Innovation Council (IIC) and incubation centers will extend their mutual support and expertise to all activities related to I & E.



- I. Institution will extend its support for active participation in MHRD's Innovation Cell, EDC, IEDC, New-Gen IEDC, Innovation Cell, external Startup Cell, Student Clubs etc.

10. Entrepreneurial Impact Assessment

VIT entrepreneurial initiatives such as innovation, pre-incubation, incubation, patents registration will be measured regularly using the following evaluation parameters :

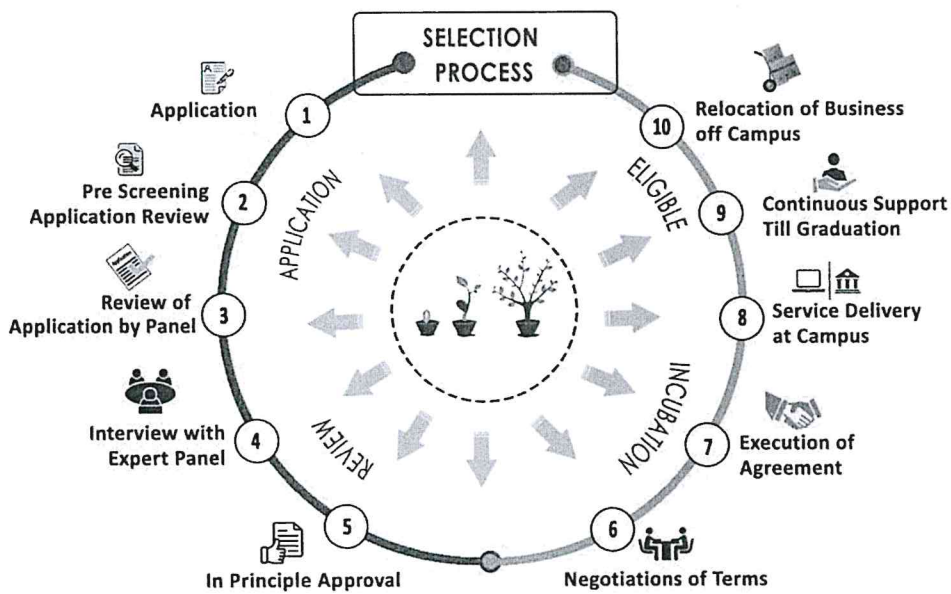
- A. Developing an Innovative and Entrepreneurial Mind-Set through Series of Activities
- B. Teaching, Learning and other Academic Programme related to I & E, IPR
- C. Availability of dedicated infrastructure & facilities to promote I & E, IPR
- D. Developing Innovative ideas with the support and recognition received
- E. Establishing Ventures with the support of the HEI & Recognitions Received
- F. Collaborating with industries / alumni Startup, NGO etc. related to I & E, IPR
- G. Number of Intellectual Property (IP), generation and commercialization



Annexure -A

SELECTION OF INCUBATES

A panel of experts will review the applicants, interview the promoters and select the ventures for incubation after carefully evaluating the business idea, market availability, potential value of the technology, growth prospects, innovative content and promoter team. The panel will consist of domain experts and business professionals. The faculty, staff and student interested in starting a venture at VITTBI or V-NEST should apply to the Head of the institution through proper channel conveying their intent in a prescribed application format. The application would be processed by a committee comprising of Head of the Institute / Registrar , Domain Experts, Convener IPR cell and head of VIT-TBI / V-NEST. Based on the committee recommendation VIT-TBI / V-NEST would offer incubation services to the applicant. Selection process of the incubatee is given below



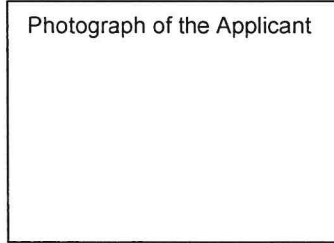
Signature

Annexure –B

VIT Students / Faculty member

Application form for Applying for availing incubation services at VIT – TBI

Photograph of the Applicant



Name of the Applicant :

School :

Emp ID / Reg.No :

Category : Student / Faculty

Email ID :

Mobile Number:

Fathers Name :

Email ID :

Mobile Number:

Current address /

Permanent Address

City _____ State: _____ Postal code _____

Country:

Year of Joining VIT / Designation/School / Centre :



Details of the Team Members

Name :

School :

Emp ID / Reg.No :

Category : Student / Faculty

Email ID :

Mobile Number:

Fathers Name :

Email ID :

Mobile Number:

Current address /

Permanent Address

City _____ State: _____ Postal code _____

Country: _____

About Your business

Type of Business:

Services _____

High Technology _____

Other _____



Briefly describe your business (Attach detailed business plan):

How long have you been working in the proposed Idea ?

1. Conceptual Stage _____

2. Less than a year _____

3. Less than 5 years _____

4. More than 5 yrs. _____

(Proposed Company Registration):

Proprietorship _____

Partnership _____

Corporation _____

Pvt. Ltd. _____

Others _____

Service expected from VIT-TBI / V-NEST



Minimum services offered at VIT-TBI / V-NEST

1. Incubation Cubical / Shared Common Space
2. Shared laboratories access
3. Business Consulting service
4. Web Access
5. Use of conference rooms
6. Advisory services
7. Funding based on the requirement and Availability
8. Legal
9. Accountancy services
10. Branding and marketing

Details of your Team:

Number of employees that will be resident (if applicable):

Full-time_____

Part-time_____

Consultants_____

More on Promoter / Team Details:

*** Important**

Write a one page State of purpose on why you want to become an entrepreneur:



List the name(s) of the principal(s)/ co promoters/ employees

(Add additional sheets, if required)

(A individual resumes of each member may also be attached)

1. Name

Educational Qualification:

No of years of experience:

Address

Phone

Title

2. Name

Educational Qualification:

No of years of experience:

Address

Phone

Title

3. Name

Educational Qualification:

No of years of experience:

Address

Phone

Title

4. Name

Educational Qualification:

No of years of experience:

Address

Phone

Title

Write a brief note about your product or service:

Do you/your team members have any previous business experience?



If yes, how many years?

How do you think your past experience is going to help you in this new venture?

Have you estimated and identified your seed funding needs/ source?

Do you need any machinery or capital item for starting of your venture?

If yes, please specify the same with the purpose.

Have you estimated your Project cost?

If yes, please give the break-up, as below.

Pre-operative expenses	Rs.
Prototype Development	Rs.
Test marketing	Rs.
Equipment	Rs.
Working Capital	Rs.
Other Requirements	Rs.
Total	Rs.



Have you done market survey?

If yes, Briefly describe the method and results.

Describe your target market:

Technology Details:

Is your business idea depends on application of certain technology, which needs to developed? If so, please briefly describe the same?

Is this technology your own? Or obtained from other sources?

If your own, have you completed technology development? Or what stage you are in the development process? What is the estimated time for completion of the development of the technology?

Do you need technology development and research assistance?

If technology for your project is provided by another lab or agency, please indicate the name of agency.

What is your arrangement for technology transfer and royalty payment etc with the technology providing source?.



Do you envisage any modification to the original technology obtained from the technology-providing agency? Please describe the same with facilities required for customizing the technology obtained.

Do you have markets export market for your products / services

Yes _____ No _____

If so, which nations / regions?

Have done any research or survey to validate your assumption on this?

Do you have go global for producing your products or offering your services?

Yes _____ No _____

How did you learn about VIT-TBI / V-NEST ? (for external applicants)

References: (Give two references here, verification will be done after completion of the selection process for external applicants)

1. Name of the Reference:

Organization/ Designation

Address

Phone :

email:

2. Name of the Reference:

Organization/ Designation

Address



Phone :

email:

Declaration:

The information that I/we have provided is correct. I further declare that the information that I have provided here with are not proprietary in nature and that I would not make any claim on same. I have also read and understood and accepted the terms and conditions set forth in the disclaimer in the beginning of this application.

Applicants Signature Date Place:

Signature of the Parent / HoD

Mobile No:

Please check whether you have filled in all the details and attached all the relevant information as described / required here:

The completed application with all enclosure may be emailed to

VIT, Vellore

The Senior General Manager

Technology Business Incubator **(TBI)**

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VIT, Chennai

The Deputy Director

V-NEST

Vellore Institute of Technology, Chennai - 600 127 Tamilnadu / India

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or printed and filled copy may respective incubation centre .


17/8/2022