

MADANAPALLE INSTITUTE OF TECHNOLOGY AND SCIENCE FOUNDATION

INNOVATION, INCUBATION AND STARTUP POLICY



Supported by



**MADANAPALLE INSTITUTE OF TECHNOLOGY &
SCIENCE**

(An Autonomous Institution)

Accredited by NAAC with A+ grade, Tier - I Accredited by NBA

Annamayya Dist. Madanapalle 517 325

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

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1. PREAMBLE

Madanapalle Institute of Technology & Science (MITS) has inculcated the culture of entrepreneurship. MITS has initiated the incubation centre in the year 2023 with an intention to provide creative atmosphere, wherein new ideas and projects can flourish. The incubation centre is registered as Madanapalle Institute of Technology and Science Foundation (MITS Foundation), a section 8 company as per the Companies Act, 2013. The foundation was registered on 3rd October 2024. The Foundation is established to offer a platform for staffs, students, alumni and general public who are aligned with its theme, for the purpose of business incubation and innovation. The center is taking an active role in fostering an entrepreneurial culture and environment for ideating, establishing, and commercializing businesses. Also, it provides working spaces for incubation and offers counseling services on business management and technological solutions. The approach is intended to help innovators in transforming their ideas into products. It identifies tools, devices, and technology and putting together a network to commercialize the items or services, thereby innovators and entrepreneurs can get benefitted.

2. OBJECTIVES, VISION AND MISSION

2.1 Objectives of MITS Foundation

The main objectives of Foundation are

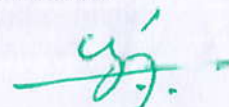
- To inspire faculty, staff and students to participate in innovation, ideation, and product development.
- To transfer technology-based entrepreneurial knowledge, methodology, and practice and support for students' creative ideas.
- To educate researchers, faculty, and students about patenting.
- To connect scientific and technology related industries and higher education institutions
- To establish a platform for information exchange and application in real-time research.

2.2 Vision

- ❖ To become a prominent incubation center for developing sustainable and successful startup ventures and contribute to the Socio-techno-economic development of the nation.

2.3 Mission

- ❖ MITS Foundation is committed to foster an innovation and entrepreneurship culture and support budding innovators in their early-stage business ventures.



3. SCOPE OF THE POLICY

The Incubation and Innovation Policy has four major components:

- Pre-Incubation
- Incubation
- Virtual Incubation (for companies located outside the MITS campus)
- Graduation of Incubatees

The policy covers the following points:

1. Thrust Areas
2. Eligibility
3. Selection and Admission Procedure
4. Services provided by MITS Foundation
5. Period of Incubation
6. Periodic Assessment
7. Intellectual Property
8. Seed Funding
9. Agreements
10. Conflict of Interest
11. Disclaimer

The policy is subject to periodical review and amendments. It will be the responsibility of the companies admitted to MITS Foundation to update themselves from time to time on amendments in Incubation policy and procedures. MITS Foundation reserves the right to make an exception of all or any of the terms of policy for a particular company or a promoter on a case-to-case basis.

4. THRUST AREAS

MITS Foundation will support students and innovators who are having an idea with high impact and which has very good opportunity to be a successful startup. MITS Foundation accepts ideas from diverse domains as mentioned below, but not limited to:

- Education
- Cyber Security, Artificial Intelligence, Information & Communication Technology
- Drone Technology, Manufacturing & Automation and other emerging areas of social / national importance
- Building Materials/Construction Technology
- Renewable Energy, Electric Mobility and Environmental sustainability

5. ELIGIBILITY

- Application for incubation would be open throughout the year. The applicant should submit the Application form (as in Annexure I) to the Manager/Assistant Manager of MITS Foundation.

- Any student, faculty, staff, alumni or any individual interested to start a company, can avail the incubation facility. MITS Foundation will evaluate the application and may recommend for the acceptance of applicant as an Incubatee under MITS Foundation.
- The startup or innovation promoted by a Faculty of MITS shall be approved by the Head of the Institute, routed through the Manager/Assistant Manager of MITS Foundation.

6. REVIEW COMMITTEE

The review committee shall meet once in a month to determine the feasibility of proposed idea/products of applicant. The committee comprises of the following members.

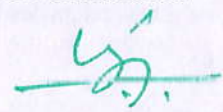
1. Principal – Chairperson
2. R&D Cell Representative
3. Manager/Assistant Manager of MITS Foundation
4. Innovation Cell Coordinator
5. Industry professional
6. Domain expert (Internal/External)

7. SELECTION AND ADMISSION PROCEDURE

MITS Foundation (hereafter referred as incubator) supports and encourages the students, faculty, alumni of MITS and any individual interested to start a company, to begin their journey of entrepreneurship.

The following clauses will be applicable for the students:

- a. The interested students shall find a problem statement and subsequently its realistic solution, innovatively depicting novelty. The identified problem and solution shall necessarily be associated with socio-economic and/or technological issue in the thrust areas.
- b. The idea will be evaluated by the review committee based on the criteria mentioned in Annexure II, for its potential in market, commercialization and its eligibility for sustainable startup.
- c. Based on the recommendations by the Review Committee, the eligible ideas/prototype/product are allowed to register. The startup shall be promoted into a business entity such as Partnership Firm, Limited Liability Partnership Company, Private Limited Company.
- d. Students shall use MITS address for registration of company with due permission from Head of the Institution. Such registration certificate/letter shall be submitted to the Head of the Institution to be considered as admitted Incubatee to MITS Foundation.



Common clauses:

- a. All proposals shall be evaluated by the Review Committee to ensure sustainability of the Company.
- b. All incubatee shall abide by the terms and conditions, upon which the applications submitted as per Annexure III shall be considered for further processing.

7.1 Due Diligence

Throughout the application process, on need basis, MITS Foundation may conduct due diligence of the Promoter of the startup and its management team. MITS Foundation for further information, may seek a revised executive summary and/or presentation from the applicant.

7.2 Non-Disclosure

MITS Foundation adheres to strict confidentiality throughout the application process. However, MITS Foundation will not sign any non-disclosure agreements during any stage with any startups.

8. SUPPORT EXTENDED BY THE INCUBATOR

Upon admission to the MITS Foundation, following facilities may be offered to the incubate companies on an individual basis as per the regulations of Incubator and as amended from time to time. The payable charges are mentioned in the Annexure IV.

The following facilities shall be provided to the incubate companies:

- Office space with basic infrastructure
- Computing facility
- Common meeting room

MITS Foundation shall offer the following support services like:

- Laboratory facilities on nominal charges as per the college norms
- Professional services like accounting, legal and IPR
- Facilitate interaction with Alumni, VCs, Industry Professionals, etc.
- Mentoring from domain experts/faculty members of MITS
- Intern Support from students of the MITS

The incubator shall support the ideas/solutions through a faculty mentor, lab facilities in transforming the idea into a prototype/product. The developed prototype product is expected to be at level of Technology Readiness Level (TRL) 5.

Incubator has the right to inspect and examine the services/infrastructure provided to the incubatee at any point of time during their stay at MITS campus. All the dues should be cleared as per the norms by incubatee before they exit MITS Campus.

9. PERFORMANCE MONITORING

The incubatee has to submit a yearly account statement and unaudited quarterly statement about the activities (as per Annexure VII and VIII). Assessment and Performance monitoring of the incubatee shall be conducted periodically. Further, incubatee shall provide periodic updates on their achievements to the incubator.

10. PERIOD OF INCUBATION

Incubatee will be permitted to stay for a maximum period of two years. Maximum two further extensions may be granted for 6 months each by the concerned authority.

Pre-incubation period shall get terminated after six months. However, it may be extended two times for three months each subject to one of the directors of the company remains a student of MITS.

11. COMPLETION/ TERMINATION OF INCUBATION AGREEMENT

An Incubatee will leave the incubator under the following circumstances:

- Completion of two years by the incubatee (if no extension granted)
- On mutual consent in the written form, between incubator and incubatee.
- Termination on account of underperformance, non-viability of business, violation of any Incubator's policy, Promoters' insolvency & any disputes.
- Graduation terms and conditions shall be as per the National Innovation & Startup Policy in vogue.
- If any additional benefits exists in the AP Innovation and Startup Policy, then the same shall be extended
- Not with standing anything written elsewhere, MITS Foundation's decision in connection with the exit of an incubatee shall be final and shall not be disputed by any incubatee.

12. INTELLECTUAL PROPERTY RIGHTS

At the time of admittance, the companies must state the holdings of IP and disclose any intellectual property that the fostered company has generated and acquired. Further, a declaration shall be submitted that the Intellectual Property developed and owned by the incubatee during Incubation shall be in association with MITS Foundation as per MITS IP Policy.

13. SEED FUNDING

MITS Foundation may provide seed loan subject to the availability of funds/ grants/ schemes meant for this purpose. Seed loan will be sanctioned only to the registered companies and shall be based on merits of each company. An Incubatee desirous of getting seed loan may submit an application for seed fund after three months from the

date of admission in the Incubator. Sanction of seed loan will be decided based on the eligibility criteria as decided by Incubator It would be also subject to the terms stipulated as per the Seed funding Guidelines of Incubator.

Purpose of Seed Fund/Loan

Seed fund/loan is provided for the promotion of research among teaching members and students of the college. The seed loan is provided for the following purposes:

- Procurement of equipment/ tools/components/parts/consumables.
- Procurement of raw material
- Machining cost
- Fabrication cost
- Registration fee
- Validation/Testing
- Cost of any other relevant item

Though seed loan may be sanctioned at the time of approval of the proposal for admission, disbursement shall be subject to satisfaction of Head of Institution/Director, MITS Foundation.

14. REVENUE SHARING

MITS Foundation, shall have a stake in revenue generated by the incubatee for the services rendered. The service model proposed for revenue sharing depends upon the technology and the period of graduation, which shall be in accordance with the NISP policy.

15. AGREEMENTS

All incubatee shall enter into following agreements with the Institute:

- A. *Incubation Agreement*: Containing rules and other Incubation norms, consideration, equity holding, etc. (Annexure VI)
- B. *Seed-Fund Agreement*: Containing rules of disbursement.
- C. *Technology Commercialization Agreement*: Applicable to incubatee using technology or IP owned by MITS (As per MITS Policy).

16. ACCOUNTS AUDITING

The Incubatee's promoter mandatorily get their accounts audited during their stay at the centre. The companies will give a quarterly report on the compliances adhered as laid down in the Companies Act, 2013. Non-Compliance of the same shall attract penalty as follows:

- Non-Adherence to the first warning of the non-compliance by the said Incubate Company will attract penalty of Rs. 1000 which will be billed with facilities due
- Non-Adherence to the second warning to the Incubate Company will make the Company ineligible to apply for Seed fund at the Centre
- Non-Adherence to the third warning in the form of notice to vacate the office premises allotted to them

17. CONFLICTS OF INTEREST

- MITS Foundation seeks to distinguish between proper and improper relationships between its board members, staff, consultants, mentors, affiliates, incubate firms, employees, people associated with them, their promoters, etc., as well as staff, different service providers and suppliers.
- In case of any conflict of interest, the Institute's decision shall be final and binding upon the parties.
- Each party in receipt of confidential information should restrict the use of such information as required.
- On admission to the Incubation Center, such entrepreneurial activities should not be confused with the assigned responsibilities of MITS. The use of MITS facilities and equipment must be free from unauthorized or conflicting uses.

18. ENTERPRENURIAL IMPACT ASSESSMENT

- Regular impact assessments utilizing clearly defined evaluation criteria will be carried out for entrepreneurial activities including pre-incubation, incubation, and entrepreneurship education.
- Impact assessments will be based on data regarding the number of startups, the support system provided, participant satisfaction, and the formation of new business connections.
- The impact of the support system provided to student entrepreneurs, teachers, and staff will be assessed. This includes pre-incubation, incubation, IPR protection, industry connections, and exposure to the entrepreneurial ecosystem.
- Sustainable social, economic, and technological market effects must be taken into account when evaluating impact for success measurement. Creating a viable enterprise model is essential for pre-commercial inventions.

19. DISCLAIMER

The incubatee/resident company is aware that MITS plans to support the company in its good faith efforts to achieve its goal of fostering entrepreneurship through the conversion of innovative technology through the incubation and development of new businesses.

It is understood that by agreeing to provide various supports and facilities, MITS Foundation does not undertake the responsibility for:



- Ensuring a resident or incubated company's marketability, goods, processes, and services
- Ensuring the MITS Foundation provides high-quality support to the incubated enterprises' or their promoters'/founders' full satisfaction.

The incubatee/ resident company indemnifies that MITS or their employees shall not be held liable on account of the above.

20. AMMENDMENTS

MITS Foundation may decide to evaluate and alter the policy as and when required. Companies that have been admitted to the MITS Foundation will be responsible for periodically updating their knowledge on INNOVATION, INCUBATION AND STARTUP POLICY and processes. On a case-by-case basis, MITS Foundation retains the ability to exempt any or all of the policy's conditions for a specific business or promoter.





MADANAPALLE INSTITUTE OF TECHNOLOGY AND SCIENCE FOUNDATION

(Incorporated under Section 8 of the Companies Act, 2013)

www.mitsfoundation.com

ANNEXURE I APPLICATION FORM

1. Name of the Applicant:
2. Details: PAN: _____ AADHAR No.: _____
3. Name of the organization:
4. Present stage of the startup: (Ideation/Pilot/Early)
5. Type of Business (Service/Product):
6. Date of incorporation/proposed date of incorporation:
7. Brief Description of the Product/Services/Technology business you plan to incubate at MITS Foundation:

--

8. Does your startup contribute to any of the Indian government's initiatives like *Make in India* *Digital India* *Startup India* *None*
9. Brief description of the R&D efforts and other technological inputs you hope to resource from MITS (Also indicate names of the Mentor, centers of the institute planning to associate):

--

10. Specify requirement of Mentoring and other professional services/ support:

11. Short Description of members of Founding Team:

--

12. Please give names and addresses of up to 2 referees:

1.	2.

13. Declaration by the applicant:

I hereby declare that I have read and understood the terms & conditions of the MITS Foundation and will agree to abide by the same once our startup is approved for incubation at MITS Foundation. We will follow the rules and regulations of MITS Foundation. The declaration and facts in the application are true and best to our knowledge, and no material has been concealed.

Applicant's Signature

Name:

Email ID:

Ph. No:

Date:

ANNEXURE II

PARAMETERS OF EVALUATION BY THE REVIEW COMMITTEE

Some representative criteria to be applied for evaluation (not limited to these)

1. Strength of the product idea in terms of its technology content, innovation, timeliness, market potential

2. Intellectual Property generated and the potential of the idea for IP creation

3. Financial/ Commercial Viability and 3 year projections of Profit & Loss Account, Balance Sheet and Cash Flows

4. Funds requirement and viability of raising finance

5. Time to market

6. Break-even period

7. Commercial potential, demand and requirement in India

8. Scalability

9. Faculty/Industry Mentor Details and Recommendation Letter

10. Comments by Reviewers

Name & Signature



ANNEXURE III

DOCUMENTS TO BE SUBMITTED

- PAN Aadhar card
- Executive Summary or Business Plan (shall present the executive summary to an internal review committee for comments on technical and business feasibility of the idea) as per Annexure V
- Filled-in application (Annexure I) with passport size photograph of promoters
- Signed agreement (between incubatee & incubator) indicating incubatee agreeing to abide by the rules and regulations to be adhered to by incubates.



ANNEXURE IV

PAYABLE CHARGES

The payment terms for availing facilities are mentioned as follows.

- Office Usage Fee: @ ₹ 5/sq. ft/month
- PC usage fee (up to 2 PCs): @ ₹500/month/computer
- Printer: @ ₹ 200/month/(LaserJet)
- Internet connection: @ ₹ 100/month
- Electricity charges: @ ₹ 100/month
- Any other facility like accommodation, additional facilities, etc., required by incubatee: As per actuals,
- Any of the above charges may be waived off based on case-to-case





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ANNEXURE V

Business Plan

Company name & Address:

Telephone number:

Legal status:

The business will:(Provide a brief description of what your business will do.)

Details of Key Personnel

1.	2.
Name:	Name:
Position/primary responsibilities:	Position/primary responsibilities:
Experience and knowledge of our industry:	Experience and knowledge of our industry:
Previous employment:	Previous employment:
Key skills brought to the business:	Key skills brought to the business:
Academic/professional qualifications:	Academic/professional qualifications:

Business Goals

What do you want to achieve in your first year of business?

Where do you see your business in 3-5 years?

Intellectual Property and Legal Requirements

Disclose the intellectual properties owned by the Company. Also, legal and insurance requirements that apply in your business.

Market Research Details

(Describe your market research and express in terms of business potential, competitors, market risk and management, etc.)

*Attach extra sheets where required



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ANNEXURE VII

Quarterly Financial Information

Name of the Organization:

Name of Product/Service:

Profit and Loss account from to.....

Total Revenue ₹.....

Total Expenses ₹

• Capital ₹

• Recurring ₹

Net Profit/Loss ₹

Authorized Person Signature

Name:

Designation:

Address:

.....

.....

Date:



MADANAPALLE INSTITUTE OF TECHNOLOGY AND SCIENCE FOUNDATION

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ANNEXURE VIII Quarterly Activity Report

Name of the Company:

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:

5. Details of contract/services provided to MITS:

6. Lab/Equipment of MITS used by the Company:

7. Student(s)/Faculty of MITS employed in the Faculty Company:

- Course/Department:
- Hours worked per month:
- Name & Roll Number:

8. Any other facility(ies) of MITS used:

Authorized Person Signature

Name:

Address:

.....

.....

Date:

**ANNEXURE VI
INCUBATION AGREEMENT**

This Agreement is made on this day of 20.... by and between, a Company registered/ proposed to be registered under the Companies Act 2013, through its Directors/ Promoters.....
..... (herein after referred to as “Resident company or Incubatee” which expression shall include unless it be repugnant to the context or meaning thereof and include their successors, representatives, assigns, promoters etc.) as THE FIRST PARTY

AND

Madanapalle Institute of Technology and Science Foundation, Angallu, Madanapalle through its authorized signatory (hereinafter referred to as MITS Foundation) with a mission to foster successful entrepreneurs as THE SECOND PARTY

MITS Foundation has been promoted by Madanapalle Institute of Technology & Science (MITS) and this agreement shall be countersigned by the Authorized Signatory of MITS.

The second party has communicated the Innovation and Startup Policy at MITS Foundation to the first party, and the first party has fully understood and accepted all the clauses stated therein.

In witness whereof, parties hereto have signed this Incubation Agreement on the date and year mentioned herein before.

For & on behalf of	For & on behalf of
Signature	Signature
Name	Name
Designation	Designation
Seal	Seal

Witness (Name & Address)	Witness (Name & Address)
1.....	1.....
2.....	2.....
Date	Date
Authorized Signatory of MITS	



MITS EMPLOYEE INCUBATION AGREEMENT

This Agreement is made on this day of 20.... by and between, a Company registered/ proposed to be registered under the Companies Act 2013, through its Directors/ Promoters.....
 (herein after referred to as “Resident company or Incubatee” which expression shall include unless it be repugnant to the context or meaning thereof and include their successors, representatives, assigns, promoters etc.) as THE FIRST PARTY

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Provisions of NISP shall be applicable for MITS employees.

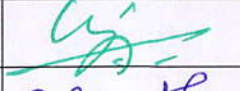
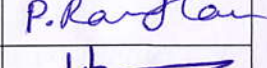
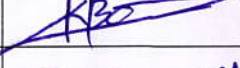

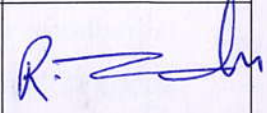
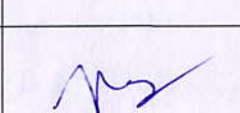

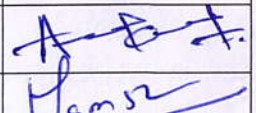
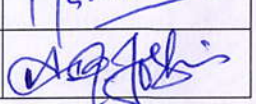
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Signature	Signature
Name	Name
Designation	Designation
Seal	Seal

Witness (Name & Address)	Witness (Name & Address)
1.....	1.....
2.....	2.....
Date	Date
Authorized Signatory of MITS	



Advisory Committee

Sl.No	Name	Designation	Position in the Advisory Board	Signature
1	Dr. C. Yuvaraj	Principal	Chairman	
2	Dr. P. Ramanathan	Vice Principal (Academics)	Member	
3	Dr. C. Kamal Basha	Vice Principal (Administration)	Member	
4	Dr. Sremmant Basu	Dean-Administration, I.R. & UGC-Affairs)	Member	
5	Dr. R. Thulasiram Naidu	Advisor- Advisor - R&D & Consultancy	Member	
6	Dr. D. Pradeep Kumar	Chief Coordinator, (NAAC/NEP/ISO Affairs)	Member	
7	Dr. P. Sivaiah	Associate Dean-R&D	Member	
8	Dr. K. Arul Kumar	NIRF coordinator	Member	
9	Dr. Manish Sharma	NBA coordinator	Member	
10	Mr. Ajith Gopal Joshi	Startup Cell Coordinator	Member Secretary	