

# **Rules and Regulations of IIT Guwahati-Technology Incubation Centre**

## **Introduction:**

The 'IIT Guwahati Technology Incubation Centre' (hereafter referred to as 'the IITG-TIC'), a society registered under the Registration of Societies Act XXI of 1860, is set up to provide business support & technology transfer initiative for various sectors in the multidisciplinary areas of science & technology on behalf of Indian Institute of Technology Guwahati.

The term "incubation" refers to the process of support which is needed to start-up enterprises for successful development. The aim is to produce successful firms that will leave the programme financially viable and independent, through Science and Technology interventions.

The purpose of IITG-TIC is to incubate and materialize the conceptual ideas among the students and faculty members of Indian Institute of Technology Guwahati (IITG) and other similar Institutions and transform these ideas into value added products in the commercial market.

IITG-TIC will nurture nascent ventures by providing workspace and shared facilities along with focused counseling. In the IITG-TIC, the entrepreneurs can receive value added support and access to critical tools, information, education, contacts, resources and capital in the form of soft loan that may otherwise would have been unaffordable.

## **The following are the Rules & Regulations of the IITG-TIC:**

### **1. Eligibility:**

Companies are eligible for admission to the IITG-TIC provided its shareholders or partners are from only the following categories of persons:

- a. Alumni of IITG.
- b. the faculty members of IITG (as per rules of IITG)
- c. Ph. D. students in 4<sup>th</sup> and 5<sup>th</sup> years/B. Tech and M. Tech final year students of IITG with no backlogs can apply after obtaining No Objection Certificate from IITG.
- d. Alumni from B.E. / B. Tech. / M. E. / M. Tech./ Ph.D. in Engineering holders of State Govt. or Central Govt. founded institutions in the eight North Eastern States of the country.
- e. Graduates in Engineering, Science, Arts, Commerce etc.
- f. Individuals partnering with faculty members/alumni of IITG.

A company needs to be registered with the Registrar of Companies in order to be incubated in the IITG-TIC. The company must be a Private Limited Company. Companies involved in innovative technology-based product, idea or service will be acceptable. However, Partnership

or Proprietorship Firm if selected must form a Private Limited Company within a period of 3 months of admission to the IITG-TIC.

## **2. Admission Process:**

The application for admission to the IITG-TIC is to be made to the Chief Executive Officer, IITG-TIC in the form of a Application Questionnaire (AQ) (Annexure 'A'). The application will be scrutinized at an appropriate level and if found suitable the applicants will be asked to submit a formal application with a detailed proposal comprising of the following:

- a. Business Plan/Executive Summary.
  - b. Schedule of plan i.e. entry to the IITG-TIC and projected duration of incubation. The companies will be permitted to stay in the IITG-TIC, for a period of 24 months with a provision to extend the same for another period of maximum 12 months.
  - c. Intellectual Property Declaration Worksheet
  - d. Application for Soft Loan Fund (if required)
  - e. Details of infrastructure requirements. This should include the Office Space (in sq.ft.), number of computers (max. of 5 nos), Internet Connectivity, Telephone, etc., any special laboratory facility or R&D support needed from IITG.
  - f. Justification for choosing the IITG-TIC for incubation.
1. The Business Plan will be scrutinized by a team of experts having relevant technical and financial expertise. Once satisfied the company will be asked to give a presentation highlighting the critical aspects of the business plan before an Evaluation Committee comprising of representatives from the team of experts and two members of the Council of Management of the IITG-TIC, nominated by the President of the Council of Management. The Evaluation Committee's recommendation along with the clarification by the Incubatee duly endorsed by the Chairman of the Evaluation Committee would be sent to the members of the Council of Management for their recommendation. The final recommendation along with all documents would be sent to the President, Council of Management, for approval.

## **3. Evaluation Criteria :**

- a. Evaluation will be done on the basis of the strength of the technicality involved, the innovative character and correctness of timing & marketing strategy.
- b. Intellectual Property generated & the potential of the idea for IP Creation.
- c. Strength of the core business team.
- d. Financial & Commercial viability.
- e. Requirement of finance & its viability.

- f. Status of the Organization.

**4. Facilities offered to the incubatees:**

**(A) Individual Infrastructure Facilities on chargeable basis. (rates as mentioned in SL: 8)**

- a. Office Space: need based.
- b. Personal Computers depending on requirement.
- c. Internet Connection.
- d. Telephone Connection.
- e. Office furniture (2 Tables, 4 Chairs, 1 Almira / File cabinet).
- f. Accommodation: Subject to availability.

**(B) Common Infrastructure:**

- a. Xerox Machine
- b. Fax Machine
- c. Laser Printer
- d. Scanner
- e. Teleconferencing facility
- f. Conference Hall with projection equipments
- g. Common Secretarial facility.

**(C) Institute Infrastructure:**

- a. Moreover the incubatee will have access to departmental/ Institute Infrastructure as per norms of IITG. Also facilities will be available on chargeable basis to get expert opinion on legal & financial matters apart from technical issues as and when required.
- b. The incubatee will have access to the library of IITG. for reference.
- c. Medical facilities will be made available on chargeable basis.

**5. Agreements:**

Incubation Company will enter into various agreements at the time of admission into IITG-TIC as detailed below:

- a. Incubation Agreement with IITG-TIC
- b. Transfer of Technology Agreement/Technology Licenses Agreement, with the IITG-TIC for transfer of Technology in favour of Incubatee Companies.
- c. Loan Agreement: For sanction of Soft Loan to the Incubatee Company.

**6. Soft Loan:**

IITG-TIC may provide soft loan subject to the availability of Funds/Grants/Schemes meant for the purpose. IITG-TIC will be approaching Government /Private agencies, PSUs etc. for grants through projects, whenever opportunity arises. The guidelines of the Funding Agency needs to be adhered before disbursement of loan.

Soft Loan will be sanctioned only to the registered Companies. Admission to IITG-TIC shall not automatically entitle the Companies to Soft loan. The total loan available for each incubation depends on the criteria of the Funding Agency. The soft loan is available up to 80% of the Project cost.

## **7. Tenure of Incubation:**

The companies will be permitted to stay in the incubation centre for a period of two years which may be extended by one more year if necessary.

## **8. Charges for infrastructure:**

Against support and services to be provided by IITG-TIC, the incubatee companies will have to bear the following expenses (on subsidized rate)

### **a. IITG-TIC Infrastructure:**

I.	Rent for the Office Space	: Rs 10/- per sq.ft. per month.
II.	Rental for PC	: Rs. 1,000/- per PC per month.
III.	Rental for Printer	: Rs. 350/- per month.
IV.	Internet connection per login	: Rs. 350/- per month.
V.	Electricity charges	: On actual
VI.	Telephone bills	: On actual
VII.	Accommodation	: As per IITG norms.

**b. IITG Infrastructure:** Access to IITG infrastructure (Laboratory, CIF, etc.) & expertise of faculty members would be charged as per the defined IITG rules & regulations.

## **9. Exit Policy:**

Incubatee companies are required to leave the IITG-TIC under the following circumstances:

- a. On completion of two years ( Unless extended by the TIC)
- b. Underperformance or unavailability of the Business Venture.
- c. When the annual turnover of the company exceeds Rs.2 crores or when the company's net profit after tax exceeds Rs. 50 lakhs annually.
- d. When the number of employees of the company exceeds 20
- e. Disputes among the promoters, affecting the viability of the Company.
- f. Incubatee plans for a public issue.
- g. Change in Promoters/ Founders team without concurrence of the IITG-TIC
- h. Violation of any IITG Policy.
- i. Any other reason for which IITG-TIC finds it necessary for an incubatee company to leave.

Notwithstanding anything written elsewhere, the IITG-TIC's decision in connection with the exit of an incubatee company shall be final & shall not be disputed by any incubatee company.

**10. Intellectual Property Policy:**

Consideration for IP policy will be as per IP policy of IITG. The Policy Guidelines shall be as below:

For transfer/ licensing of/ permission to use IP in favour of the incubatee companies and for the facilities provided by the IITG-TIC, the respective companies shall have to consider sharing of revenue (in form of equity). The percentage of equity and revenue sharing will be decided by the IITG-TIC and is to be given in favour of the IITG-TIC. The IITG-TIC may ask for additional equity from the companies to whom the IITG-TIC supplied specialized equipments.

**11. Consultation:**

Any consultant needs to be hired from outside IITG directly by the Incubatee Company shall have to be paid directly with prior approval of IITG-TIC.

**12. Others:**

**1.1** At the time of entry 3% of the Authorised share capital of the Incubatee Company shall be offered to TIC-IITG by the Incubatee Company at Face Value.

**1.2** In case the Soft Loan is not completely repaid at the time of exit, IITG –TIC may convert the unpaid amount or 50% of the disbursed amount (whichever is lower) into IITG-TIC equity share.

**1.3** The provision of Sl. No. 1.2 above, shall be restricted to a maximum of 40% of the Authorised Share capital of the Incubating Company at the time of sanction of the Soft Loan.

**1.4** The Incubatee Company will have to return the remaining portion of the financial support given to the company along with Interest thereon as per policy of the IITG-TIC after conversion of the portion of the financial support into equity to the IITG-TIC.

**1.5** IITG-TIC shall retain the right to encash the Equity deemed to be fit by them.

**1.6** The above policy (rules and regulation) is subject to periodical review and amendment.

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