Standard Operating Procedure (SOP) for TIH-IoT Start-ups and Spin-offs Program

TECHNOLOGY INNOVATION HUB FOR IoT & IoE TRUST IN TECHNOLOGY
A VENTURE OF INDIAN INSTITUTE OF TECHNOLOGY BOMBAY

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Preface

TIH Foundation for IoT & IoE (TIH-IoT) has been setup as a Section-8 company (not-for-profit) by IIT Bombay under the National Mission on Interdisciplinary Cyber-Physical Systems (NM-ICPS), being implemented by the Department of Science and Technology (DST), Government of India.

Technology Innovation Hub for IoT & IoE (TIH-IoT) at IIT Bombay is focusing on creating a self-sustaining innovation continuum by fostering translational research for technology & product development, building highly knowledgeable human resources, and a vibrant start-up ecosystem, in the technology vertical of Internet of Things (IoT). The goal is to help India become a pioneer in technology-led economic growth and prepare the country to be the world leader in the technology arena.

The present document provides the detailed guidelines and procedures for the implementation of the TIH-IoT Start-ups & Spin-offs Program. The scheme is offered by TIH-IoT to motivate new ventures/ student entrepreneurs/ researchers who want to work in the area of IoT and IoE.

Along with the objectives and deliverables to NM-ICPS, this document describes the guidelines for the grant to the new ventures, entrepreneurs bringing in new ideas, concepts, prototypes, and products to the market.

The objective of the TIH-IoT Start-ups & Spin-offs Program is to promote the start-ups, as well as increase the success rate of new business (new ventures) in IoT.

1 Introduction

The CPS and associated streams and on all aspects of ICPS research in India will be coordinated under the umbrella of NM-ICPS with a broader scope of Translational Research. Technology Development, Human Resource & Skill Development, and nurturing Start-ups through entrepreneurship programs are also one of the goals of the NM-ICPS.

To achieve the mission the concept of the Entrepreneurship Development Fund is evolved whereby, grants are provided to nurture innovative and deep technological led new ventures in Cyber-Physical Systems during the initial and critical period through various CPS-Entrepreneurship schemes.

TIH-IoT Start-ups & Spin-offs Program is one such scheme to promote Innovation and Entrepreneurship, and support the Start-up Ecosystem. The end objective is to increase the number and success rate of start-ups, to support commercialization of technologies and employment generation.

2 TIH-IoT Start-ups & Spin-offs Program

Under the program, TIH-IoT would provide business support services to facilitate the initial journey of a start-up and enable the new ventures to survive and succeed in the marketplace.

The financial assistance to potential start-ups with promising ideas, innovations, and technologies would enable them to graduate to a level where they will be able to raise investments from angel/Venture capitalists or they will reach a position to seek loans from commercial banks/financial institutions.

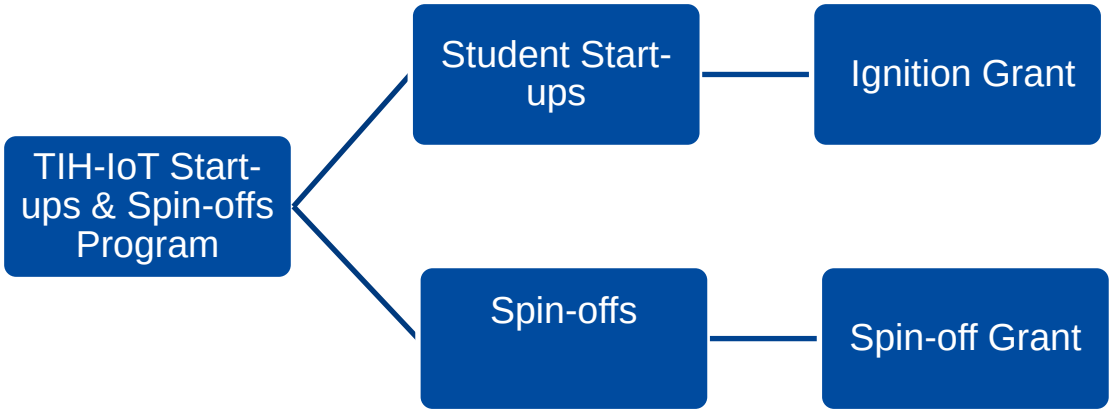
The program provides tremendous opportunities for innovative entrepreneurs to expand their networks and get critical feedback on their ventures to promote their entrepreneurial career goals and aspirations. TIH-IoT Start-ups & Spin-offs Program would encourage the young innovative minds towards entrepreneurship, promoting their ideas to prototypes, commercialize the technologies as well as to the already existing start-ups to spin off new product lines and to develop prototypes and commercialize.

2.1 Objectives of the Program

The TIH-IoT Start-ups & Spin-offs Program has the following broad objectives:

- To promote start-ups in the broad domain of IoT,
- To accelerate the journey of idea to market by providing funding assistance/support.
- To take forward innovations to the commercialization stage.
- To assist start-ups to spin off new product lines, develop new prototypes, and commercialization of new technologies

2.2 Components of the Program



2.2.1 Student Start-ups

Scheme		**Student Start-up**
Objective		To promote student start-ups, accelerate the journey of idea to prototype by providing initial funding assistance, and take forward student innovations to the commercialization stage in the broad domain of IoT
Intended/ Targeted Beneficiary	Category	Student Start-ups
Support Amount (per project) Maximum		10 lakhs
Project Duration		3 years
Funding (Nature/ Pattern)		Ignition Grant
Expected Outcomes		• Start-ups • Prototypes developed • Technologies commercialized
Performance Metrics		Number of start-ups Technologies commercialized

2.2.2 Spin-offs

Scheme		Spin-off
Objective		To assist start-ups to spin off new product lines in the domain of IoT, accelerate the journey of idea to market by providing funding assistance for the new project, and take forward the innovations to the commercialization stage
Intended/ Targeted Beneficiary	Category	Start-up
Support Amount (per project) Maximum		10 lakhs
Project Duration		3 years
Funding (Nature/ Pattern)		Spin-off Grant
Expected Outcomes		• New Product lines of Start-ups • Prototypes developed • Technologies Commercialized
Performance Metrics		Technologies commercialized Number of Start-ups

3 Eligibility Criterion

3.1 Eligibility Criteria for Student Start-ups

1 The UG/PG students and research scholars enrolled in academic institutes approved by AICTE/UGC and

- who have formed a start-up OR
- who have a start-up idea

to develop a product or a service with market fit, viable commercialization, and scope of scaling, in the broad area of IoT.

2 The Start-up or the Start-up idea should be using technology in its core product or service, or business model, or distribution model, or methodology to solve the problem being targeted and should be in the broad area of IoT. Preference would be given to start-ups/start-up ideas for creating innovative solutions in technology focus areas of TIH-IoT.

3 Students should obtain the consent of their Faculty Advisor for applying to this program.

3.1.1 For Students having a start-up idea

Students with a start-up idea should get registered with a recognized Incubator for pre-incubation/incubation, within a stipulated period.

3.1.2 For Students having a start-up

1 Start-up should be recognized by Department for Promotion of Industry and Internal Trade (DPIIT), or should be eligible to be recognized by DPIIT.
2 Start-up should be registered for pre-incubation/incubation with a recognized Incubator or should get registered within a stipulated period.
3 Shareholding by Indian promoters in the start-up should be at least 51% at the time of application for the scheme, as per Companies Act, 2013 and SEBI (ICDR) Regulations, 2018.

3.2 Eligibility Criteria for Spin-offs

1 Start-up with an idea to develop a product or a service with market fit, viable commercialization, and scope of scaling in the broad area of IoT.
2 Start-up should be recognized by DPIIT, or eligible to be recognized by DPIIT.
3 Start-up should be registered for pre-incubation/incubation with a recognized Incubator or should get registered within a stipulated period.
4 The Start-up should be using technology in its core product or service, or business model, or distribution model, or methodology to solve the problem being targeted and should be in the broad area of IoT. Preference would be given to Start-ups creating innovative solutions in technology focus areas of TIH-IoT.
5 Shareholding by Indian promoters in the Start-up should be at least 51% at the time of application for the scheme, as per Companies Act, 2013 and SEBI (ICDR) Regulations, 2018.

4 Formation of Committees

4.1 Investment Committee (IC)

- Composition:

  The committee will consist of Professor-in-Charge (PiC), Chief Executive Officer (CEO)/ Chief Operating Officer (COO) and Chief Technology Officer (CTO). PiC will be the Chairperson and CEO/COO will be the Convener of the committee.

  - Role:
    - To drive the evaluation and monitoring process for TIH-IoT Start-ups & Spin-offs Program
    - Formation of Review Committee
    - Final approval of recommended projects by Review Committee
    - Oversight of Progress monitoring

4.2 Review Committee (RC)

- **Composition:**

  The RC will be appointed by the convener of IC and will comprise of 3 to 5 members, including a Convener. The committee must have a minimum of one member from each Group (as per the below) and the majority should be from Group 2 & Group 3 combined.

  - Group 1: ExeCom or nominated by ExeCom
  - Group 2: External Industry Experts from Expert Council or nominated by Expert Council members
  - Group 3: Representative of SINE or any other Incubator

  The Convener will be from Group 1.

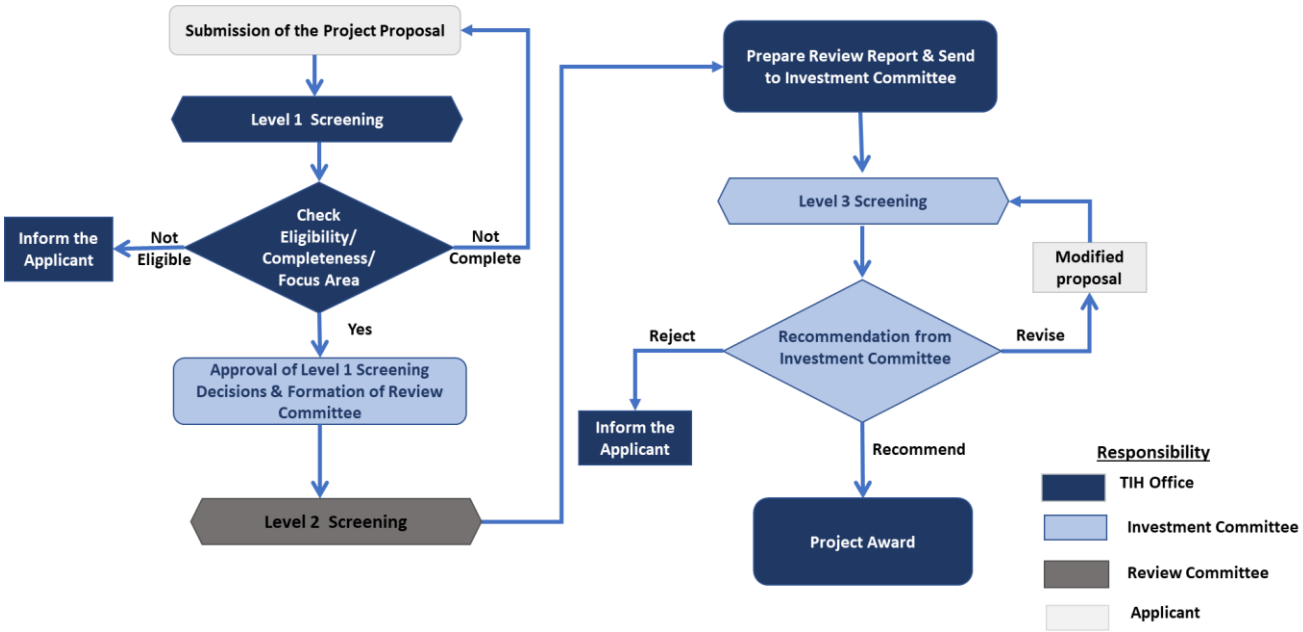
- **Role:**
  - Evaluate shortlisted applications from level 1
  - Participation in mid-term progress review

5 Review Process

Applicants need to submit the proposal in the prescribed format. For the selection of the proposals, three-level screening process, as detailed below, will be followed

- Level 1 screening: By TIH-IoT internal team based on eligibility criteria, TIH-IoT focus area, idea validation, etc.
- Level 2 screening: Shortlisted proposals after level 1 screening will be evaluated by the Review Committee based on the proposal submitted, presentation made, or any other method as may be decided by IC.
- Level 3 screening: Recommended proposals after level 2 screening will be reviewed and approved by the IC based on TIH-IoT priority areas.

The process flow has been represented in the below diagram:



6 Responsibility Matrix

6.1 Responsibilities of TIH-IoT

- Funds will be disbursed as per eligibility and terms and conditions stated/conveyed in the sanction order.
- TIH-IoT will monitor the progress of the projects and provide suggestions/mentorship if required.

6.2 Responsibilities of Grantee

- Grantee will use the fund only for the purpose it has been sanctioned.
- Grantee should inform TIH-IoT about any IP generated out of work undertaken by the Grantee.
- The progress of the project will be reviewed periodically by TIH-IoT.Grantee should provide the progress report as per the requirement of TIH-IoT.
- Grantee will submit Utilization Certificate/ Statement of Expenditure (UC/SE), and audited account statement as per the requirement of TIH-IoT.