



DA-IICT CENTRE FOR ENTREPRENEURSHIP AND INCUBATION

General rules and regulation for incubation at DCEI

The Centre for Entrepreneurship and Incubation at DA-IICT (DCEI) is set up to promote the culture of innovation and entrepreneurship among the DA-IICT fraternity.

Eligibility, Admission to DCEI and Intellectual Property (IP), Seed loan, Infrastructure support, Mentoring services and Tenure/ Graduation are discussed below:

Eligibility:

Admission into DCEI is currently open to graduates of DA-IICT. Students enrolled in a program of study and not in final year cannot be the sole part of any proposal. However, they are allowed to be part of a team.

Students can seek mentoring / counselling support from Institute faculty. However any direct involvement of faculty members as owner / promoter in the start up would require prior approval of the Institute.

Admission to DCEI:

Applicants for admission into DCEI are required to submit an executive summary (ES) along with a Business Plan as per the format and guidelines available on <http://ceid.daiict.ac.in>. Companies are to give a signed disclosure statement about the originality of the idea. While submitting ES, applicants will disclose information on involvement of promoters/ founders in other companies/ commercial entities.

For admission into DCEI, the company has to be registered as per the companies act or should get the registration done within 3 months of joining DCEI.

Business Plan will be screened by DCEI executive council. Applicants may also be invited to make a presentation on their proposal.

Business Plan will be reviewed by experts (other than DCEI employees) having technical, business and financial expertise.

Some criteria for evaluation (not limited to these):

1. Strength of product in terms of technology content, innovation, timeliness and market potential.

2. IP already generated and the potential of the idea for IP creation.
3. Strength of core business team.
4. Funds requirement and viability of raising finance.
5. Break even period.

DCEI will have the sole discretion whether to admit or reject a proposal for incubation and the decision of DCEI in this regard shall be final. DCEI is not obligated to give any reason in case a proposal is rejected.

Seedloansupport:

DCEI may provide seed loan to companies registered as per companies act, 1956 based on merit and need. Admission into DCEI does not guarantee seed loan support.

A company in need of seed loan may apply for the same. DCEI will decide based on conditions of the funding organization(s), some of which are briefly summarized below:

Seed loan would be in the form of soft loan (low interest) spread over 2-3 years and subject to satisfactory performance.

Seed loan amount would be up to a maximum of 80% of the project cost.

Seed loan can be used for procuring equipments/consumables, paying staff salaries, subsistence allowance of promoters and other contingencies.

50% of the money lent to the company has to be returned at the end of 2 years. The interest on soft loan is currently set at 6%. EMI payment is to start after one year of admission to DCEI.

Remaining 50% is to be recovered in the form of an (undiluted) equity at the rate of 5 – 8 % from the company.

Preference in award of seed loan may be given to companies having strong commitment and contribution from their promoters. DCEI will have sole discretion to sanction or reject any seed loan and DCEI is not obligated to give any reason for rejection of the same.

InfrastructureSupport:

Following Infrastructure facilities will be offered to the incubating companies on an individual basis:

Office space, PCs, Internet connection, Telephone lines

Commonfacilities:

Printer, Fax, Scanner, Photocopier, Common secretarial pool/ staff (depending on availability)

Facilities/Maintenancecharges

Electricity, telephone/ fax charges as per actual are payable by incubatee. There will be nominal charges towards rent, internet (basic use), printing/ Xerox and facilities maintenance.

Mentoring/Interactionservices:

Incubating companies can also get benefited from other services which include:

Pool of mentors in technology, finance, legal and other related matters.

Meeting with visitors of DA-IICT (such as VCs, Alumni, Industry Professionals etc).

Networking seminars.

Tenureat DCEI:

Stay at DCEI can be up to two years. Based on the work progress, it may be extended by a maximum of one more year. However companies will have to pay charges as per market rates for the usage of DCEI facilities during the extended stay.

Seed loan support is only for physical incubation.

Exitpolicyfromthe DCEI:

A company will cease to be an incubatee under following circumstances:

It receives funding to the tune of Rs 2 crores or more from VCs or angel investors.

Its employee strength reaches more than 20.

Completion of two years.

Infeasibility/ under performance of the business idea put forth by the company.

Irresolvable disputes between promoters/ founders of the company.

Any other reasons on grounds of which DCEI determines the incubating company has to leave.