Sant Longowal Institute of Engineering & Technology
(Deemed-to-be-University)
Longowal, Distt. Sangrur, Punjab-148106

Institute Innovation Cell (IIC)

SLIET POLICY FOR PRE-INCUBATION OF STARTUPS

1 Vision

To nurture and inspire young entrepreneurial talent to pursue innovation and entrepreneurship by creating a vibrant and conducive startup ecosystem.

2 Mission

- To support various aspects of innovation and entrepreneurship.
- To establish a vibrant and dynamic startup ecosystem across all departments of the institute.
- To establish processes that guide and validate the conversion of innovative ideas into sustainable startups.

3 Objectives

The objectives of this policy are:

- To provide a platform for faculty members and students to pursue innovative ideas and contribute to economic development.
- To build and strengthen an entrepreneurial culture within the institution.
- To promote knowledge-based and innovation-driven enterprises.
- To create employment opportunities for students and young entrepreneurs.
- To motivate educated youth to consider entrepreneurship as a preferred career option.
- To support early-stage entrepreneurship development, including pre-startup and post-startup growth phases.
- To facilitate commercialization of innovative technologies and products developed within the institute.

4 Pre-Requisites for Startups

To be considered for incubation support, the startup should satisfy the following conditions:

4.1 **Market Fit and Scalability:** The startup must have a business idea that can be developed into a product or service with clear market fit, commercial viability, and scalability.

4.2 **Core Technology Integration:** The startup should utilize technology in its core product, service, business model, or operational methodology to address a targeted problem.

4.3 Priority Sectors: Preference shall be given to startups working in focus areas including: Social Impact, Waste Management, Water Management, Financial Inclusion, Education, Agriculture, Food Processing, Biotechnology, Healthcare, Energy, Mobility, Defense, Space, Railways, Oil & Gas, and Textiles, etc.

4.4 Permissible Co-Support: The Startup may avail external support in the form of competitive prize money, innovation grants, subsidized workspace, founder allowances, or access to institutional laboratories and prototyping facilities. Such support shall be permitted under this policy, subject to compliance with the applicable terms and conditions.

4.5 Seed Support Limits: A startup applicant may avail seed support in the form of grants and debt or convertible debentures once each, strictly in accordance with the applicable scheme guidelines.

4.6 Financial Assistance Disclosure :

4.6.1 The Startup shall promptly disclose to IIC SLIET any grant, investment, financial assistance, or funding received or proposed to be received from any government, private, institutional, or other funding source during the tenure of support.

4.6.2 The Startup shall inform the concerned funding agency about the financial assistance received from IIC SLIET to ensure transparency, comply with funding guidelines, and avoid duplication of financial support.

5 Eligibility

- Individual/Team comprising students, faculty and staff members of SLIET.

6 Facilities Available to Startups

The Institute Innovation Cell (IIC) shall provide the following facilities, subject to availability:

- Furnished, semi-furnished, or unfurnished workspace.
- Shared or dedicated incubation space.
- Internet connectivity, Electricity and water facilities.
- Access to laboratories, workshops, and prototyping facilities.
- Mentoring and advisory support.
- Startup ecosystem networking support.
- Interaction with industry experts.
- Investor networking opportunities with Angel Investors and Venture Capitalists.
- Entrepreneurship development and training programs.
- Access to software, licensed tools, and digital resources as approved by the Institute.
- Any other equipment, facilities, or support deemed necessary for startup development and approved by the Evaluation Committee.

7 Duration

- The duration of the incubation of the start-up in IIC SLIET is initially of 02 years, extended by 01 year with the recommendation of evaluation committee constituted by IIC SLIET.
- After 03 years (02 + 01), startup has to pay administrative charges to IIC, if want to continue the incubation.

8 Funding Support (Pre-Incubation Seed Fund Support)

- **Seed Funding:** The Institute may provide seed funding support of up to Rs. 2,00,000/- (Rupees Two Lakh only) per startup, as recommended by the Evaluation Committee constituted by IIC SLIET.
- **Application and Budget Submission:** The applicant shall submit the prescribed application form along with a detailed budget plan, clearly indicating the proposed utilization of funds. The application and budget proposal shall be reviewed and approved by the Evaluation Committee before the release of funds.
- **Pre-Incubation Fund Support:** The seed fund may be utilized for idea validation, proof of concept (PoC), prototype development, market validation, patent filing, company establishment, and other startup-related activities approved by the Evaluation Committee.

8.1 Institute Equity Participation

In consideration of seed funding, incubation support, mentoring, infrastructure, and other resources provided by the Institute, SLIET may hold an equity stake in the startup. The percentage of equity shall be determined by the Institute on a case-by-case basis (1% to 10%) and shall be specified in the incubation agreement signed between the startup and the Institute.

8.2 Scope of the Policy

This policy governs all startups receiving support under the incubation program and covers:

- Seed fund allocation and utilization.
- Eligible and non-eligible expenditures.
- Financial monitoring mechanisms.
- Reporting and compliance requirements.
- Milestone-based fund disbursement.
- Audit and evaluation procedures.

9 Fund Utilization Policy

The seed fund shall be utilized only for activities directly related to startup development, innovation, and commercialization.

9.1 Budget Submission

The startup shall submit a detailed budget plan before the release of seed funding. The proposed budget plan may comprehensively include expenses related to travel and field activities, official company registration and establishment, branding, advertisement, customer acquisition, market validation and other startup related activities. Furthermore, it should account for financial requirements towards prototype development and implementation, rigorous product testing, verification, patent filing, intellectual property protection, specialized software, equipment acquisition, and overall technology development, alongside any other startup-related expenditure specifically approved by the Evaluation Committee.

9.2 Core Expenditure Breakdown

9.2.1 Product Development

The core funding for product development can be flexibly allocated to cover essential technical and operational expenses. This includes costs incurred during prototype design and fabrication, product testing, and validation, as well as broader research and development (R&D) activities.

9.2.2 Market Validation

The allocation for market validation encompasses comprehensive field operations aimed at evaluating commercial viability. This includes executing systematically designed customer surveys and feedback collection alongside extensive market research, competitor analysis, etc.

9.2.3 Travel and Field Activities

Expenditures dedicated to travel and field activities are allowed exclusively to facilitate ecosystem engagement, executing industrial visits, real-time market surveys, direct customer interactions, and extensive field trials or active testing activities. It is strictly monitored that a maximum of 20% of the total sanctioned seed funding amount may be legally utilized towards Travel Allowance (TA) .

9.3 Non-Eligible Expenses

The seed funding allocation is strictly prohibited from being misutilized on non-essential operational areas. It shall not be used for the personal expenses of the founders or the direct purchase of land, permanent assets, etc. Furthermore, the funds cannot be applied toward the repayment of any existing loans or financial liabilities, entertainment-related activities, or expenses completely unrelated to progressive startup development, as well as any activity explicitly prohibited by law.

10 Fund Distribution Mechanism

The seed fund shall be distributed in phases to ensure effective utilization and continuous monitoring.

- **Compliance for Fund Release:** The next installment of funding shall be released only after submission and approval of the Utilization Certificate (UC) and progress report.
- **External Funding Support:** Assistance in securing external funding through Angel Investors, Venture Capitalists, CSR funds, Government schemes, and other funding agencies will be provided wherever feasible.

Phase	Stage / Activity	Fund Release	Monitoring Mechanism	Expected Deliverables
Phase I	Concept Development & Feasibility Validation **(TRL 1 to TRL 4)**	50% of sanctioned amount (Rs.1,00,000)	Review of the startup proposal, innovation potential, technical feasibility, market need, and progress made towards concept validation by the Evaluation Committee.	Refined concept, feasibility validation report, market assessment, and implementation plan.
Phase II	Prototype Implementation & Product Validation **(TRL 5 to TRL 9)**	Remaining 50% (Rs.1,00,000) or in installments (20% +30%)	Submission of Utilization Certificate (UC), supporting bills, expenditure statement, technical progress report, and prototype demonstration for review by the Evaluation Committee.	Functional prototype, testing and validation results, customer feed-back, and readiness for incubation support.
TOTAL		**Rs. 2,00,000/- (Two Lacs only)**		

* The detail of TRL levels is attached at Annexure-A.

11 Monitoring and Evaluation

To ensure proper utilization of funds and achievement of startup objectives, the following monitoring mechanism shall be followed:

11.1 Evaluation Committee

IIC SLIET shall constitute an Evaluation Committee comprising representatives from the Institute, industry experts, startup mentors, and subject experts. The Committee shall be responsible for startup selection, progress review, fund disbursement recommendations, and performance evaluation.

11.2 Progress Review

The startup shall submit periodic progress reports to the Evaluation Committee. The committee shall review technical, financial, and business progress at regular intervals.

11.3 Utilization Certificate and Supporting Documents

The startup shall submit a Utilization Certificate (UC) for all expenditures incurred from the seed fund. The startup shall also submit copies of bills, invoices, receipts, payment records, and other supporting documents related to the utilization of funds. Release of subsequent funding installments shall be subject to verification and approval of the Utilization Certificate and supporting documents by the Evaluation Committee.

11.4 Financial Audit

The startup shall maintain proper records of expenditure and supporting documents. The Institute reserves the right to conduct financial audits whenever required.

11.5 Final Evaluation

At the end of the incubation period, the startup shall submit:

- Final technical report.
- Fund utilization report.
- Prototype/product demonstration.
- Future business and commercialization plan.

12 Promotion and Publicity Requirement

All publicity, branding, promotional activities, product launches, media interactions, exhibitions, competitions, and public announcements related to the startup shall prominently acknowledge the support of Institute Innovation Cell (IIC), SLIET Longowal. Wherever applicable, the startup shall display the logo and name of IIC SLIET in its promotional material. All promotional activities supported through seed funding shall be carried out under the banner of IIC SLIET.

13 Intellectual Property Rights (IPR)

All patents, publications, products, and technologies developed with support from IIC SLIET shall acknowledge the contribution of the Institute wherever applicable.

14 Resolution of Conflicts and Appeals

Any dispute arising under this Policy shall be subject to the jurisdiction of the courts at Sangrur, Punjab.