STANDARD OPERATING PROCEDURE (SOP) FOR AIT INNOVATION SEED FUND FOR PRE-INCUBATION

INTRODUCTION

1.   Many students of AIT develop projects/innovations, which are technically sound, innovative and have considerable potential to develop as business idea/prototype.

2.   Most of these projects are essentially developed by UG students, with the aim of fulfilling the curricular requirements. Despite the potential of these innovative projects, they lack trials/ proper testing and finesse which is required for development of a working prototype. All such additional activities require some amount of expenditure which students cannot afford. Subsequently the idea/ innovation can be monetized by patenting it and inviting industry to commercialize the same. However neither the individual can raise such funds nor can college provide any substantial additional funds for each of these ideas.

3.   The institute is a member of Institute's Innovation Council, since 2018, which is an initiative of MHRD, AICTE. The institute has also established Innovation and Entrepreneurship Cell to encourage Innovation and Entrepreneurship amongst students.

4.   In the last three years, five student startups have been initiated out of which three are product based startups requiring intensive monitory support. These ideas and innovations can be monetized by patenting them and inviting industry to commercialize the same. However neither the individual can raise such funds nor can college provide any additional funds for each of these ideas.

5.   Many successful alumni have expressed their desire to assist such students and provide initial seed capital for such innovations. However as most of these alumni are abroad or away from AIT, they are not in a position to physically evaluate/assess the requirements of students and appropriately monitor utilization of such funds. They are hence demanding mechanism for formulating such donations and monitoring the recipient utilization.

6.   A separate Innovation Seed Fund will provide such mechanisms.

PROPOSAL

7.   To lay down the framework of creating an 'AIT Innovation Seed Fund' and formalize mechanisms for creation, contribution, disbursement and monitoring the usage of such fund.

DETAILED EXECUTION

8.   AIT Innovation Seed Fund will primarily focus on promoting as well as supporting innovation and entrepreneurship amongst students and recently graduated alumni.

Creation of Corpus

9. **Existing Alumni Fund.** AIT has an existing alumni association which is registered with the charity commissioner, Pune. There is a separate fund maintained by the college with Bank of Baroda, created out of contribution from Passing out students. This fund presently is utilized for the following activities.

   (a) Annual Alumni Meet expenditures.

   (b) Prizes for Best projects during UGCON – Amalgam Competition (annual project competitions).

   (c) Sponsoring special projects of students.

10. The existing alumni fund had a balance of Rs. 39 lakhs as on 01 Feb 2020. Portion of this fund (Rs 5 Lakh) has been diverted to AIT Innovation Seed Fund as approved by Alumni Council and AIT Management on 03 Feb 2020. This Rs 5.0 Lakh is the seed money/ corpus of the fund. There is separate account for this fund which is operated by AIT management. Details of the Account are as follows :-

   (a) Bank Name   - ICICI BANK, Bhosari Branch, Pune-411026.

   (b) Account No   - 215201001678

   (c) Account Holder - Director & Principal, Army Institute of Technology.

   (d) IFS Code   - ICIC0002152.

11. Any individual, employee, faculty, alumni, student or other organisation who is keen to promote innovation activities in AIT can transfer the amount to the above account as donation.

Governance and Operation of Fund

12. Committees for approval and monitoring of seed fund utilisations will be as given in succeeding paras.

13. **Approval Committee.** The committee for approval of seed fund disbursal will be as follows :-

   (a) Director, AIT.

   (b) President Institution Innovation Council (IIC) of AIT.

   (c) External domain expert (IPR/Incubation and Innovation).

   (d) In-charge I & E Cell.

   (e) President of Alumni Council or his assigned representative.

14. **Scrutiny By Approval Committee**. The approval committee will evaluate the proposals based on pre defined factors such as :-

    (a)   Innovation involved.

    (b)   Viability of business proposition.

    (c)   Market demand

    (d)   Mentoring/ subsequent venture capital available.

15. Approval committee will meet physically/ online. Minimum 2/3rd of members will be maintained for proceeding with the approvals.

16. **Monitoring Committee.** There will be a separate monitoring committee for effective utilisation of allotment of seed money to beneficiaries on well as status and inflow to the AIT Innovation Seed Fund. This committee will be as follows :-

    (a)   Dean R&D.

    (b)   Training and Placement Officer.

    (c)   I&E Cell In-charge   - Secretary

    (d)   Member from Alumni council.

17. **Operation of Account**. Operation of account (cheque signing, internet banking, etc) will be done as per other accounts of AIT.

Utilisation of Funds

18. Possible areas of utilization can be like follows:-

    (a)   Final year projects, which can lead to innovative business ideas which require seed money up to Rs. 1 Lakh.

    (b)   For start-up ideas, which can be incubated on campus. Beneficiaries of such funding could be students of AIT as well as alumni, who have passed out within previous two years.

19. In any case the limit of financial assistance for one idea/ project will be Rs 1 Lakh only. This limit can be revised by AIT management depending on status of fund and requirements of the project in every two years.

CONCLUSION

20. The above proposal is to create a formal mechanism to financially support early start-ups for their prototype/ product development, to build innovative ideas and project during initial stages.

21.   AIT Innovation Seed Fund will help kick start new ventures amongst students and recently passed out alumni of AIT. It will also provide a formal avenue for Alumni and other well wishers to donate towards innovation and start up activities in AIT.

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