

**INNOVATION AND ENTREPRENEURSHIP DEVELOPMENT CENTRE  
(IEDC)**

**GUIDELINES**

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**National Science & Technology Entrepreneurship Development Board (NSTEDB)  
Department of Science & Technology  
Technology Bhawan  
New Delhi 110016**

**The mission of the IEDC Scheme is to –**

*"Develop institutional mechanism to create entrepreneurial culture in academic institutions to foster growth of innovation and entrepreneurship amongst the faculty and students"*

## **Introduction :**

In India, a large number of Science & Technology institutions as well as institutions of higher learning have emerged since Independence as a result of systematic and conscious initiatives of the Government. Many of these are comparable to the best institutions in the world. These institutions are churning out large number of trained manpower, thus fulfilling the need of the industry, R&D institutions and other sectors of economy. In the wake of economic liberalisation during the 1990s, significant number of institutions of higher learning have also been promoted by the private sector. In order to make optimal use of facilities, expertise and know-how available in these institutions for the benefit of the society, it is necessary that appropriate links are established between them and the industry. In addition, young technocrats are also looking out for opportunities to exploit their full potential by setting up their own ventures thus becoming “job generators” rather than “job seekers”. This necessitates systematic interventions and new instruments which could facilitate the development and growth of new ventures by Scientists and technocrats. In this context, some of the mechanisms which have become popular the world over include Science Parks, Technology Parks, Technology Business Incubators, Technopolis, Schools of Small Business Development, Innovation Centres, Entrepreneurship Development Cells (EDCs) etc.

The new education policy of 1986 has emphasized the need for vocationalisation of education at various levels. Thus, it is necessary to develop mechanisms so that academic institutions could focus their attention on entrepreneurship & self-employment in addition to their present mandate of churning out trained manpower. Adequate infrastructure is available at most of the academic institutions for promoting Entrepreneurship. What is required is to fill the gaps in the form of trained faculty and focused programmes to inculcate entrepreneurial spirit amongst the Science and Technology (S&T) persons.

For India to assume leadership in industrial production of even a few items of sophisticated nature in the 21st century, it will be essential that a considerable cross section of S&T community (scientists, technologists, engineers) to choose Entrepreneurship as their vocation rather than merely assuming supervisory/managerial positions in various enterprises. By opting to Entrepreneurship as their careers, these persons would be able to influence decisions in respect of products and processes of their ventures. Thus, they would be able to participate directly in the economic development of the country. Hence the need to promote Entrepreneurship among Science, Technology and Management students.

The Department of Science & Technology, Government of India has a programme to set up Entrepreneurship Development Cells (EDCs) in educational institutions. Already, EDCs have been established in more than 50 Science & Technology institutions. It is now felt necessary to look at the concept of EDCs afresh so that these could meet the challenges posed by the current economic liberalization and globalization era. Thus, the new/revised guidelines have been formulated.

## **The Scheme**

The revised scheme would be titled **Innovation and Entrepreneurship Development Centre (IEDC)**. The salient features of the scheme are as follows –

- IEDC to be focused on deliverables that have to be defined at the beginning of the project and be assessed and reviewed during the course of the project.
- The duration of the IEDC to be five years.
- The proposal for a new IEDC has to indicate innovative project(s) for support. Before approaching DST for IEDC support the Host Institutions (HI) have to identify about 7-10 innovative projects. HIs would be required to make presentations indicating the technical and financial details.
- Five such new project(s) would be supported in a year.
- The projects may be students projects or faculty projects with students' involvement with a high degree of innovation in them.
- As far as possible the projects may be multi-disciplinary in nature.

## **Objectives of the IEDC**

1. To act as an institutional mechanism for providing various services including information on all aspects of enterprise building to budding S&T entrepreneurs.
2. To create Entrepreneurial culture in the Parent Institution and other institutions in the region and to promote the objectives of NSTEDB, including programmes related to women and weaker sections of the society.
3. To inculcate a culture of innovation driven entrepreneurship through student projects.
4. To catalyse and promote development of S&T knowledge-based enterprises and promote employment opportunities in the innovative areas.
5. To respond effectively to the emerging challenges and opportunities both at national and international level relating to SMEs and micro enterprises.

## **Functions of IEDC**

- ❖ To organise Entrepreneurship Awareness Camps, Entrepreneurship Development Programmes, Faculty Development Programmes and Skill Development Programmes in the college/institution for the benefit of S&T persons.
- ❖ To initiate five innovative student projects each year for new innovative product development.
- ❖ To organize Business Plan Competitions every year.
- ❖ To guide and assist prospective entrepreneurs on various aspects such as preparing project reports, obtaining project approvals, loans and facilities from agencies of support system, information on technologies, etc.
- ❖ To arrange interaction with entrepreneurs and create a mentorship scheme for student entrepreneurs.
- ❖ To facilitate creation of entrepreneur's club in each college to foster culture of entrepreneurship amongst students

- ❖ To act as a Regional Information Centre on business opportunities, processes, technologies, market, etc. by creating and maintaining relevant data bases.
- ❖ IEDCs would also sensitise the management of the institutions regarding the importance of entrepreneurship and integrate their activities with the Host Institutions.

### **Criteria for selection of an Institution to set up IEDC**

- The institution should be a University/deemed to be University or a premier Institute/College offering Engineering, Technology, Science & Management courses at degree level or above for at least 5 years. In case of a college/institute, it should be duly recognised and affiliated and while in case of the private institutions, it should be promoted by a Trust or a Society registered under relevant Acts besides being recognized/affiliated to AICTE/Universities.
- Qualified and dedicated faculty in various disciplines with a good Research & Development base and background in industry related activities.
- Adequate space for locating the Cell including the modifications proposed to be carried out in the building, availability of utilities like electricity, water, telephone installation and internet connectivity.
- Availability of workshops, laboratories and computational facilities.
- Library with a good collection of books and journals.
- Experience in Entrepreneurship Development and Promotion and Industry related activities such as Consultancy, Product Development, Testing, Calibration, etc.

### **Status of the IEDC**

The IEDC should function as a separate entity within the Parent Institution. It should function as a Central Facility of the institution and not as a facility for a particular Department of the parent institution.

The IEDC should enjoy independent administrative and financial status for ensuring effective and speedy implementation of the programmes and activities. It should have effective linkages with different Departments, Centres and other facilities of the institution to spread entrepreneurial culture for optimal utilisation of the expertise, resources and know-how available. It should network with other agencies involved in entrepreneurship development.

### **Funding mechanism & financial guidelines**

The parent institution shall submit the proposal for setting up of an IEDC as per the proforma placed at Annexure-I. The NSTEDB (DST) would provide financial assistance to the institution selected for establishment of IEDC, towards its recurring expenditure (Project Development

Cost, Travel, Training and Contingencies, etc.) upto five full operational years. However, the financial assistance from NSTEDB would be available in the project mode on a year-to-year basis, based on successful implementation of the IEDC project. **The NSTEDB would also provide limited one time non-recurring financial assistance, up to a maximum of Rs.7.00 lakhs, required for the purchase of PC with printers, UPS, library books, journals, laptop, multimedia projector, office communication equipment like fax, scanner etc.**

The parent institution should provide the IEDC support of two members of the faculty, 1500 sq.ft of dedicated space, a counseling room, office furniture, facility of conference hall/ auditorium, telephone and internet connection etc.

The recurring budget will be provided for each year of operation with a maximum of five years, **subject to the performance being satisfactory**. The activities of IEDC would be reviewed annually by the National Level Advisory Committee on IEDC constituted by DST. IEDCs would submit their budget proposals, duly approved by their Advisory Committees, to DST. The various budget heads under which funding is provided are –

Sl.No.	Budget Head	Maximum Amount Rs
1.	Project Development Cost (Max. of 5 student projects in a year @ Rs.1.00 lakhs per project).	5,00,000
2.	Contingencies including honorarium to IEDC coordinator, travel and misc. expenditure	3,00,000
	<b>Total recurring Grants (maximum) per year</b>	<b>8,00,000</b>

The Project Development Expenditure of Rs.1,00,000/- per project would cover the following expenditure-

- a. Rs.10,000/- to the mentor for providing guidance to the project/team.
- b. Rs.10,000/- per student subject to a maximum of Rs.30,000/- (if the no. of team members is more than 3 it would be distributed equally. If the No. of team members is less than 3 the excess money would be used for expenditure listed in item Sl. No. c)
- c. Rs.60,000/- for cost of raw material, contingencies and Product Development Cost

***IEDCs can approach EDII, Ahmedabad under the National Implementing and Monitoring Agency for Training (NIMAT) scheme for the funding of EACs, EDPs, FDPs & TEDPs. For the conduct of Skill Development training programmes (STST) IEDCs may apply directly to NSTEDB.***

The above funding is just indicative and may vary from case to case.

### **Financial discipline and guidelines**

The IEDC will maintain a separate bank account which will be a scheduled bank which will be jointly operated by the coordinator of IEDC and the Head of the Institution or a person nominated by the Head of the Institution. The grants-in-aid is credited to the account and will be utilized solely for the activities of IEDC all financial receipts/funds received by IEDC shall be

credited to this account. Surplus funds and revenue earned should be credited to corpus funds to continue the activities of IEDC beyond the project life (maximum 5 years). However, DST grants-in-aid or interest earned thereon should not be used to create the corpus. The accounts should be audited either by the Chartered Accountant in case of private Institution or by the Financial head in case of the Government Institution or as per the norms of the parent institution. The IEDC should also maintain a separate stock register for the assets created.

### **Organisational requirements**

The IEDCs will function under the guidance and control of the Head of the Parent Institution. Its activities will be monitored by an Advisory Board and a Management Committee.

### **Advisory Board**

For the effective implementation of the programmes and setting up of the IEDC an Advisory Board would be constituted by the Parent Institution immediately after the sanction of the IEDC by the DST. The Advisory Board will lay down policy guidelines, fix up physical and financial targets, suggest measures for raising funds, effective utilisation of facilities and expertise available in the parent Institute and sourcing of expertise and facilities from other institutions in the region. *The Advisory Board should meet at least twice a year and should hold its first meeting within four months of receipt of grants-in-aid.*

The Advisory Board should have the following composition:

1. Head of the Parent Institution - Chairman
2. Representative of NSTEDB, GOI
3. Two senior faculty members from relevant Departments of the Institution
4. Representative of Directorate of Industries/General Manager of DIC
5. Representatives of SIDBI and NABARD
6. Representative of Lead Bank
7. Two Members from Industry Associations/Entrepreneurs
8. Two representatives from reputed R&D institutions of the region
9. Co-ordinator of IEDC - Convener

### **Manpower for the EDC**

*The appointment of all the staff of IEDC would be on contractual and honorarium basis. Their appointments are co-terminus with the project. The contract would be renewed every year subject to satisfactory performance. There will be no liability of any sort whether direct or indirect on Department of Science and Technology, Government of India.*

## **Evaluation, Performance guidelines and reporting**

The IEDC would prepare an Action Plan for each financial year and fix physical and financial targets to be achieved during the year. These plans and targets should be duly approved by the Advisory Board of the Cell. The Action Plan and Targets should be finalised by 30th April of the financial year. The Action Plan along with the financial requirements for the year should be submitted to DST by 15th May for timely release of funds. No request for funding would be entertained after 30th September of the financial year.

The institution will also submit a report on the progress made by EDC in the previous Financial Year to the DST latest by 30th April of the following year.

**The participation of the IEDC staff in the Annual Review Meeting is mandatory.** Adequate travel grants have been provided for this in the annual budget.

## **Utilisation Certificate and Statement of Audited Expenditure**

The IEDC will submit Utilisation Certificate and Statement of Audited Expenditure annually in the prescribed proforma of DST and also a list of assets created to DST. Similar requirements should also be met in case of funds raised from other sources/sponsors.

## **Process for submission of application for setting up of an IEDC**

The institution which fulfils the above criteria may submit the proposal to the NSTEDB Secretariat in the prescribed proforma given in Annexure I. **The proposal must include a Certificate to be signed by the Head of the institution as given in Annexure-II.** The proposal received will be scrutinised by a sub-committee to ensure the fulfilment of the prescribed criteria. Subsequently, the proposal will be considered by the National Expert Advisory Committee of the scheme. The selected / short-listed parent institution will be asked to make a detailed presentation of strategies, road map of implementation and methodologies before the National Experts Advisory Committee.

## ANNEXURE - I

### **PROFORMA FOR PROPOSAL TO BE SUBMITTED BY THE INSTITUTIONS WILLING TO SET UP INNOVATION AND ENTREPRENEURSHIP DEVELOPMENT CENTRE (IEDC)**

1. Name of the College/Institution/University
2. Name of the Head of the Institution
3. Complete contact address
4. Year of Establishment
5. Status :Whether Government/Private/Aided\Self financing\Deemed University  
(If private name Trust, enclose Memorandum of Association, and last three yr. accounts)
6. Programmes run (UG/PG) – please indicate
7. Has it been accredited, if so, indicate the rating
8. Infrastructure available – give details

Space (ii) Faculty strength ( indicate department wise and qualification wise) (iii) Labs (iv) Library (v) Basic office facilities

9. Placement record in percentage – details or last 2 years
10. Are the management programmes being contacted, if so, give details
11. Indicate your R&D strength
12. Achievements in product development area, if so, please mention
13. Indicate the annual budget of the institution
14. Record of alumni as first generation entrepreneurs
15. Experience in conducting entrepreneurship related programmes
16. Give plan of IEDC activities for first three years
17. Has any area earmarked for setting up of IEDC, if so, give details, area etc.

The following information must be taken into account while planning to set up the IEDC:

1. It will be advisable that the institution will identify existing faculty for sustaining the Cell recurring support from Department of Science and Technology is withdrawn.
2. The faculty should have been trained in Entrepreneurship Development by approved institutions include EDII, Ahmedabad or any of its regional offices; NIESBUD, NOIDA; NISIET, Hyderabad; IIE, Guwahati; any of the FDPs sponsored by NSTEDB, etc.
3. The proposal must be accompanied by a document ensuring commitment of the institution for long term involvement in the form of the following -
  - Managing committee resolution and/or
  - Syndicate resolution approving the proposal
  - Certificate duly signed by the head of the institution (Annexure-II)
  - Details of Project Staff
19. Give estimate of revenue generation of IEDC activities (3-5 YRS)
20. Indicate institution's willingness to continue the IEDC activities after the Department stops funding (enclose certificate from the Head of Institution/Syndicate/Senate/Management board resolution etc)
21. Indicate time frame to attain self-sufficiency and plan of continuation of IEDC after DST stops funding
22. Linkages with other institutions of the region as well as the industries.
23. Any other strength

## ANNEXURE- II

### **CERTIFICATE TO BE ENCLOSED WITH THE PROPOSAL ON ESTABLISHMENT OF INNOVATION & ENTREPRENEURSHIP DEVELOPMENT CENTRE (IEDC)**

*This is to certify that*

1. The grants-in aid as may be available from the Department of Science & Technology (DST), Government of India, will be used to meet the expenditure against establishment of an Innovation and Entrepreneurship Development Centre (IEDC) in this College/University/Institute for the period of one year. The renewal of sanction of recurring grant for subsequent years will be at the discretion of the DST for which fresh proposal will be submitted to DST.
2. The proposed IEDC to be established in this College/University/Institute will be under the administrative control of the undersigned.
3. No administrative, financial or any other liability will be attached to DST after expiry of the period for which the grant will be sanctioned
4. It will be the responsibility of the College/University/Institute to continue the IEDC activities after expiry of the period of assistance from DST, with out any further recurring financial assistance from DST.
5. The institution also agrees to meet the shortfall in the budget of the IEDC in case IEDC is not able to generate the desired level of revenue.
6. The College/University/Institute will provide office space, class rooms, furniture, secretarial assistance etc. and other administrative facilities for smooth operation of the IEDC.
7. The College/University/Institute will take into its books all equipment and assets purchased under the sanction given by DST for which a separate asset register shall be maintained
8. All recruitment will be made for IEDC on the basis of the guidelines supplied by NSTEDB secretariat and as per usual procedure followed in the College/University/Institute.
9. An advisory Committee on IEDC will be constituted immediately after receipt of approval of DST on the proposal. A representative of the Secretariat of NSTEDB will be included in the Committee
10. Six monthly reports on the performance of the IEDC will be submitted to DST regularly.

Signature of Head of the Institution

Seal

**GUIDELINES FOR SUBMISSION OF DETAILS OF THE STUDENT PROJECT**

The student project should submit the complete details about the project, the financial requirement and the possible market for the product. The project information may cover the following aspects:

**THE BUSINESS**

- The product/service/idea.
- The technology behind the product of the service
- Possible innovation at a later stage
- Scalability
- The market (the size of the market and its growth potential)

**2. THE TEAM**

- Brief description of each member of the team stating qualification and other details
- Whether any mentor has been identified or not
- Whether any preliminary discussion has been done with the mentor
- Whether any of the team members participated in any entrepreneurship related programmes

**3. THE SUPPORT SYSTEM**

- Is the host institution capable of supporting the team in the project
- Does the host institution have necessary equipments and hardware for the development of the project and subsequent testing.

**4. THE FINANCIAL REQUIREMENT**

- The cost of purchase of raw materials
- The cost of contingencies
- Product development cost and
- Any other expenditure