

Centre for Pharmaceutical Innovation and Entrepreneurship (CPIE)

Introduction: NIPER-SAS Nagar plans to set up incubator center named, Center for Pharmaceutical Innovation and Entrepreneurship (CPIE), to promote industry and entrepreneurs to incubate innovation using NIPER's facilities, creative manpower and research eco-system. At present, NIPER S.A.S. Nagar is offering a space of approximately 4500 sq. ft. build-up space (present Engineering Building) for incubation of start-ups for five number of start-ups (of 500 Sq. Feet each) to promote Pharma and related sectors.

Objective: The broad objectives of the incubator would be –

1. Foster and sustain entrepreneurial spirit
2. Set up an end-to-end pharmaceutical research, technology generation and manufacturing system for entrepreneurs and MSME sector.
3. Create an in-licensing and out-licensing eco-system for research led entrepreneurs and MSMEs
4. Create and offer specialized services to its niche sector
5. The space will be provided for start-ups* for setting up their offices or labs for promoting interaction among faculty and industry to provide an academic ambience as well mentorship, and to encourage students to eventually emerge as entrepreneurs;
6. Incubating novel technology and business ideas into viable commercial products or services.

Guidelines: The guidelines focus on following aspects –

- 1) Membership Eligibility Admission Criteria
- 2) Activities permitted
- 3) Terms of Residency including Charges to be levied for start-ups
- 4) Exit Policy
- 5) Management
- 6) Offerings
- 7) Agreements

*For this purpose, "Startup" has been defined to mean an entity incorporated or registered in India, with an annual turnover not exceeding Rs. 25 crore in any preceding financial year, and working towards innovation, development of new products, or services driven by technology or intellectual property.

Additionally, it has been provided that the entity:

- should not be formed by splitting up, or reconstruction, of a business already in existence;
- shall cease to be a Startup if its turnover exceeds Rs.25 crore in any preceding financial year, or it has completed 5 years from the date of incorporation/ registration.
- will be eligible for tax benefits only after a certificate is obtained from the Inter-Ministerial Board set up by the DIPP for this purpose.

Membership Eligibility Admission Criteria –

Residency applications will be considered, keeping in view the following points:

- Incubator shall offer spaces to entrepreneurs who have the intention of working on the novel research lead or technological ideas of their own or sourced from any of the NIPERs or any other source, for scaling it up for the commercial purposes, companies registered as MSMEs which could either set up their unit alone or in research partnership with any of the NIPERs or large pharma units which require space to set up their incubation facility for a specific process or product for a limited period.
- Faculty, students from research / academic institutes, working in pharmaceuticals, other than NIPER, either alone or supported by some other technology promoting body like, Technology Development Board (TDB), TIFAC, DST, DSIR, TIFR etc. with objective of exploring a novel technological idea or scaling up a laboratory proven concept in pharma and related areas.
- Technology based start-up companies related to pharma and allied sectors are encouraged to apply. The product or services should be based on new technologies or technologically innovative concepts.
- Technology/R&D unit office of an enterprise, industry association/ an R&D company which desires to have a technology interface with NIPER S.A.S. Nagar.
- The entrepreneur is expected to have adequate technical education or business experience to exploit the technology.
- The prospective member in CPIE has to prepare and submit a written business plan at the time of application. The plan should provide details about key focus, market analysis, customers, costs, pricing and cash flow forecasts. (Format for the business plan is available online). Shortlisted applicants shall be invited to present their proposal in front of the Screening Committee.
- Emphasis of the incubator will be on the R&D intensity so the applicant should clearly indicate in advance the area/s of technology to be addressed and the departments/centers/facilities/laboratories and faculties of NIPER to collaborate with on a regular basis during Incubator residency.

- Preference will be given to applicants who have strong technical background and also have plans for long-term collaboration with the departments/centers of NIPER. Ideas generated by students, and faculty members of the Institute will be given priority (subject to clearance by statutory bodies for participation in CPIE as incubatee).
- Incubatee has to be an Indian start-up. Persons holding Overseas Citizens of India (OCI), Persons of Indian Origin (PIO) would be considered as Indian citizens.
- The shareholding by Indian promoters in the start up should be at least 51 per cent.

Modification and Maintenance of allocated space:

- The entrepreneur/industry is expected to make their own arrangements for interior decoration and furniture including air-conditioning, false ceiling etc. as per their specific requirements and have to bear the subsequent cost of repair and maintenance of space provided.

Activities Permitted:

- The activities permitted shall be in the pharmaceutical and allied areas and include product development, product innovation, simulation, prototyping, pilot experimentation, web-based training, surveys and similar other technology related work.
- No regular or routine manufacturing or commercial supply activities are expected to take place in the incubation premises.
- The emphasis is on R&D and technology consultations with the resident faculty experts in the institution and simultaneously helping NIPER students and scholars to get training and motivation for self-employment and entrepreneurship.
- Activities carried out at incubator should not have direct conflict of interest with the activities of NIPER. The decision of the 'screening committee' shall be final and binding.
- Marketing of products will not be permitted from the Incubator. The incubatee shall not use NIPER logo for any purpose whatsoever.

Terms of Residency including Charges to be levied:

- Residency period will be for three (3) years extendable by another two (2) years.
- Each applicant approved for availing space by the Managing Committee, will have to execute a License Agreement for space utilization with the Institute.
- Each successful applicant, admitted as a resident member of the Incubator, will have to pay **INR 34** per square feet per month, as rent for the office space. The utilization charges will be subject to enhancement every two (2) years.
- Each successful applicant must pay to the Institute charges towards utilization of power, water and network facilities according to usage.
- Charges for facilities like the seminar hall, conference room, auditorium, guest house, training hostel etc. shall be charged on usage basis at 50% of the applicable rates for the industry.
- The core facilities available at NIPER such as Central Instrumentation Lab (CIL), National Bioavailability Center (NBC), National Toxicology Center (NTC), Technology Development Center (TDC), among others can be utilized by members of the Incubator on payment of nominal charges as approved for SMEs under Small and Medium Pharmaceutical Industries Centre (SMPIC) which shall be reviewed by the Managing Committee from time to time.
- All members approved for the Incubator residency will be required to share the profits (minimum of 5% of the profits after tax) and 6-8% of the equity, as negotiated between incubatee and CPIE-NIPER.
- Incubator address in the Institute cannot be used as the address of the Registered Office of the Resident Company.

Periodic assessment

CPIE-NIPER will evaluate the performance of incubatee companies periodically. Incubatee companies will submit information to CPIE-NIPER on quarterly basis in a prescribed format. The companies may also be subject to an annual assessment by a committee comprising of external experts.

A company which has taken seed loan, from any agency, will have to submit additional information as may be asked by CPIE-NIPER.

Incubatee companies will have to submit their annual reports within a period of 7 days from the date of their approval.

Exit Policy:

Incubatee companies will leave the incubator under the following circumstances:

1. Completion of stay for thirty six months, unless the stay is extended by CPIE- NIPER.
2. Underperformance or non-viability of the business proposition: criteria for the same will be decided and applied by CPIE-NIPER on the case to case basis.
3. Irresolvable disputes between promoters/ founders. CPIE-NIPER will decide the position or point when disputes are deemed to be irresolvable.
4. When the number of employees of the company exceeds 20.
5. When the company enters in an acquisition, merger or amalgamation deal or reorganisation deal resulting substantially in a change in the profile of the company, its promoters, directors, shareholders, products or business plans, or when a company plans for a public issue.
6. Change in promoters'/ founders' team without concurrence of CPIE-NIPER.
7. Any other reasons which CPIE-NIPER may find it necessary for an incubatee company to leave CPIE-NIPER.
8. Voluntary exit by the incubate subject to clearance of all the dues.

Notwithstanding anything written elsewhere, Director – NIPER’s decision in connection with the exit of an incubatee company shall be final and shall not be disputed by any incubatee company.

- The successful applicant shall unconditionally agree to vacate the office space for the next Incubator applicant (in the waiting to move in) at the time of completion of the agreed tenure of incubation period irrespective of the fact that any issues are pending between the member and the CPIE.

Management:

An Institute-level Empowered Committee, to be called ‘Managing Committee’, is to be constituted for the management of the CPIE. This Committee would be responsible for, among other things:

- Finalization of the Membership criteria and terms and conditions (including space utilization fees) from time to time
- Screening of applications from prospective clients and final selection
- Periodic monitoring of progress of members and review of their performance, especially relating to technical collaboration with NIPER departments/facilities/centers/faculty.
- All matters relating to interaction between the Incubator members and NIPER system, including those concerning sharing of resources, etc.

The Managing Committee with the approval of Director, NIPER – SAS Nagar, will have full authority over all matters pertaining to Incubator, including that of revoking the membership of a Resident Company if it fails to fulfill the laid down criteria of eligibility or deviates significantly from its original plans and commitments.

In case of any dispute / issue the decision of Director, NIPER-SAS Nagar shall be final and binding on the parties.

NIPER CPIE Offers:

Essentially, the CPIE at NIPER is able to support the “Space, Services and Knowledge” requirements of startups in Pharma and allied sectors. At present, ‘seed funding’ facility is not provided but it is expected to be added in future.

NIPER CPIE offers the following for start-ups and residents – Even though the offerings are not restricted to following, CPIE offers:

- Infrastructure facility like space, electricity, water, communication facility, auditorium, seminar halls, guest house etc.
- Know-how in terms of publications, technology, patents, etc. as permissible under statutes and IPR policy of NIPER
- Access to facilities such as TDC, NBC, NTC, CIL, among others

- Opportunity to develop technology through license to the incubatee
- Platform to network with funding agencies
- Facility to seek inputs on IPR issues
- Mentoring
- Support in terms of professional consultancy

Agreements:

The following agreements are required to be signed by the companies to the extent applicable:

Service agreement:

Between CPIE-NIPER & an incubatee company for admission of the company in CPIE-NIPER.

Equity agreement:

Between CPIE-NIPER, an incubatee company and its Promoters for CPIE-NIPER 's equity holding in the incubatee company, as applicable.

Transfer of technology Agreement/ Technology License Agreement:

Between NIPER-SAS Nagar & an incubatee company for transfer of technology from NIPER-SAS Nagar in favour of incubatee companies, as applicable.

Usage of Departmental Lab:

Between NIPER-SAS Nagar & an incubatee company for usage of departmental resources of NIPER-SAS Nagar by the incubatee company as per the prevailing policy of NIPER-SAS Nagar.

Disclaimer:

The incubatee company will understand and acknowledge that CPIE-NIPER intends to provide supports and services to the Company in good faith to pursue its objective to promote entrepreneurship by converting innovative technologies developed in the Institute to commercialization by incubating and supporting new enterprises. It is understood that by agreeing to provide various supports and services, CPIE-NIPER does not undertake responsibility for:

- Ensuring success of an incubatee company, its products/ process/ services or marketability,
- Ensuring quality of support and services provided by CPIE-NIPER to the complete satisfaction of the incubatee companies or their promoters/ founders.
- Ensuring quality of services of the consultants engaged by the incubatee companies through CPIE-NIPER, NIPER-SAS Nagar network. Incubatee companies will have to apply their judgements before getting in to a relationship with them.

The incubatee companies agree that NIPER-SAS Nagar / CPIE-NIPER or their employees shall not be held liable for any reason on account of the above.