

Kalpataru Vidya Samsthe (R) Estd : 1961

# KALPATARU INSTITUTE OF TECHNOLOGY

(Affiliated to Visvesvaraya Technological University, Belgaum & Recognised by A.I.C.T.E., New Delhi)

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Ref No. : 760/1-2023-24

Date 13.10.2023

To  
The Ministry of Education's Innovation cell,  
All India Council for Technical Education (AICTE),  
Nelson Mandela Marg, VasantKunj, New Delhi -110070.

Subject: Letter of Approval of updated Kalpataru Innovation & Startup Policy on 13<sup>th</sup> Oct 2023.

Dear Sir/ Madam,

With reference to the above subject, as per Admin Remarks received by MoE Cell the Institution is revised and updated the **Kalpataru Innovation & Startup Policy** for students and faculty of the institution as per the guidelines of framework of higher education institutes by MHRD introduced in the year 2019. The Head- Kalpataru Technology Business Incubator briefed about the revised policy to the Management, Council Members at Kalpataru Institute of Technology (KIT).

#### Admin Remarks

The name of your policy should not be NISP. You have to form a different name like your institute name followed by I&E policy. The policy may contain some more details regarding equity shares.

#### Updation / modification

1. Name of the Policy changed to Kalpataru Innovation & Startup Policy.
2. Equity Shares Policy changed and details drafted in the NISP Policy.
3. IPR rights

With reference to the above, Kalpataru Innovation and Startup Policy (KISP) for Kalpataru Technology Business Incubator (KTBI) at Kalpataru Institute of Technology (KIT) is developed as per the guidelines of National Innovation & Startup Policy (NISP). KISP prepared to enable the KIT to actively involve Students, Faculties, Staff, Alumni and Public towards innovation and entrepreneurship for initiating Start-Ups.

Further it was briefed to the council members that the proposed MHRD scheme will enhance academics and co-curricular activities through project based learning/ hands on experience.

After the deliberation on the NISP framework and proposed MHRD innovation and startup policy, benefits of implications, the Management approved the implementation of the Kalpataru Innovation & Startup Policy at KIT.

Thanking you,

Yours faithfully,

PRINCIPAL  
Kalpataru Institute of Technology  
Tiptur - 572 201.



**KALPATARU INNOVATION AND STARTUP POLICY (KISP)**

**KALPATARU TECHNOLOGY BUSINESS INCUBATOR (KTBI)**

**KALPATARU INSTITUTE OF TECHNOLOGY (KIT)**

**N.H.206, B.H.Road, Vidya Nagar,**

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## **1. Kalpataru Institute of Technology (KIT)**

Kalpataru Innovation and Startup Policy (KISP) for Kalpataru Technology Business Incubator (KTBI) at Kalpataru Institute of Technology (KIT) is developed as per the guidelines of National Innovation & Startup Policy (NISP). KISP prepared to enable the KIT to actively involve Students, Faculties, Staff, Alumni and Public towards innovation and entrepreneurship for initiating Start-Ups.

Business Incubator (KTBI) framework will facilitate uniformity across KIT in terms of intellectual property ownership management, technology licensing and institutional startup policies, thereby enabling the creation of a robust innovation and startup ecosystem across KTBI. Innovation and entrepreneurship must become one of the focal points of today's education system with a focus on creating economic centers. To achieve these milestones, systems and mechanisms must be developed to transform the current demographic dividends into high-quality technical human resources that could eventually create centers for wealth creation through startups and entrepreneurship.

Kalpataru Institute of Technology is located in Tiptur which is near Bengaluru. Tiptur is rich in multiple natural resources and has wide opportunities in agricultural sector such as value-added products in the cultivation of coconuts, arecanuts, millets and other agricultural products. Kalpataru Institute of Technology is constantly working to connect with all the opportunities available in and around Tiptur by adopting new technologies in the curriculum, practices, creating awareness and training students to come up with new ideas to start their own business.

## **2. Institute Innovation Cell**

KIT has established an Institute Innovation Cell was started with the objectives of integrating and synchronizing the outcomes of engineering and management students of KIT to promote Entrepreneurship and its promotion will evince greater interest among the students, alumni and unemployed youths to pursue entrepreneurial career and support local industries. Starting from its inception, ED Cell has conducted workshops related to Entrepreneurship.

IIC to grow as a major hub for innovation, incubation and entrepreneurship in the valley, time and again, it has been felt that a state-of-the-art Incubation Centre is required to allow it to pursue its vision and mission.

### **3. Kalpataru Technology Business Incubator (KTBI)**

A Technology Business Incubator (KTBI) is a type of business incubator focused on supporting startups that use modern technology as a primary means of innovation. KTBI is formed to receive funding or other forms of support from the State/ Central Government to achieve its vision through the mission. The primary objective of Kalpataru TBI is to assist, promote entrepreneurship in creation and economic development by providing affordable workspace, shared facilities, mentoring, training, information and access to professional networks for selected groups of entrepreneurs.

#### **3.1. Objectives of KTBI**

- 1) To support and encourage innovative technology-based start-ups by offering technology support/mentoring, infrastructure, networking and facilitating a host of other resources that may be required for the start-ups to survive and scale up and thus the start-ups impact the core sectors of economy.
- 2) To encourage start-ups to take up socially relevant problems in the areas such as education, agriculture, sanitation, drinking water, energy and others to provide solutions and aspire them to achieve this by scouting, incubating and hand holding such business in their initial stages and also providing technical assistance to help them grow.
- 3) To enable grassroots innovations to sustain, scale up and grow.
- 4) To carve a position as a top-class Technology Business Incubator and reach out to corporate bodies, philanthropists, foundations, development agencies, government bodies and other institutions to expand the scope of its operation and scaleup.
- 5) Kalpataru Technology Business Incubator may accept domestic and foreign contribution from eligible donors; seek government funding or grants or contribution or monetary assistance in the form of contributions. It shall also be eligible to accept funds under corporate social responsibility (CSR) provision as contained in the Companies Act 2013, as amended from time to time.



### **3.2. Vision of KTBI**

To be a leading promoter of innovation and entrepreneurship that fosters synergy between innovators, academia and industry to create a start-up ecosystem that develops original technologies to support ideas generated and transform them into products and services that provide innovative solutions to societal problems which contributes to increasing knowledge, wealth and employment in our society.

### **3.3. Mission of KTBI**

- 1) To motivate, mentor, shape and promote out of the box thinking and development of innovative ideas, activities connected to Ideation, Pre-incubation and Incubation to support startups.
- 2) To create an ecosystem in campus to nurture innovation for encouraging entrepreneurship through industry collaborations by providing incubation facilities and services for greater societal impact.
- 3) To support and encourage innovative technology-based startups by offering tech support/mentoring, infrastructure, networking and facilitating a host of other resources that may be required for the start-ups to survive and scale up and thus the start-ups impact the core sectors of economy.
- 4) To provide the platform for strategic alliance and network building activities to link startup resources, Incubation centers, Investors and promoters leading to nourishing solution.
- 5) To support the students, faculties, staff and public to participate in Innovation and Entrepreneurship (I&E) related activities, thus encouraging to consider start-ups and entrepreneurship as a career option.

### **3.4. Kalpataru TBI Board of Directors**

This will be the highest decision-making body and strategic plan defining the KTBI syndicate. The Board will have representatives from the Management, Industry, Government Institutes and the Principal.

#### **Some of the key responsibilities of the board are**

- Defining the overall strategic plan for TBI.
- Deciding on various accepted proposals for strategic alliance and partnership for the benefit of the hatchery.
- Approving and monitoring budgets for various executions.
- Formation of committees with regard to the acquisition of equipment, infrastructure and other assets for the center.
- Appointment of the CEO of KTBI and creation of a recruitment committee for staff recruitment.
- Appointment of expert committees and evaluation committees according to the incubation process specified in this document.
- Release of any nature in terms of extension of tenure of incubator etc. which may be notified for necessary approvals.
- Delegation of powers - financial and administrative - to the CEO of TBI.

### **3.5. Kalpataru Incubate Selection Committee (KISC)**

This is a peak body of leading experts from various backgrounds who would select the incubates that have passed the evaluation process as defined in this document. The Kalpataru Incubate Selection Commission will consist of experienced and qualified professionals from related industries, leading bankers, seasoned venture capitalists, academicians and successful alumni entrepreneurs for evaluation of the Proposal.

Selection Committee can be modified on need based to the nature of the proposed startup activity. If there is a need of experts from outside for evaluation, the board can seek the help and include in the Committee for particular decision or opinion.

The members of the ISC are appointed by the KTBI Board of Directors. However, they will work independently and their role will remain limited to the selection of incubates. The ISC's selection recommendations are binding on the board. In case of any expansion sought by any existing incubator, the Board may recommend a re-evaluation of the ISC along with new applicants. Members are not entitled to any reward. However, TBI will pay for their travel and accommodation. ISC will not report to any of the TBI officials or commissions.

### **3.6. CEO of KTBI**

The Chief Executive Officer, who is appointed by the Board of Directors, is responsible for the initial launch of the Center and later for the day-to-day activities and the powers are authorized to carry out the activities.

The key functions of the KTBI CEO are:

- To carry out Day-to-day operation of the center.
- To Conven meetings of the Board of Directors and other committees/groups as necessary to carry out duties.
- To enter into agreements, memorandum of understanding, certifications from competent bodies like ISO.
- To conduct Workshops, Seminars, Conferences and trainings which are essential.
- To represent TBI in all forums as may be necessary for the operation of the center.
- To keep financial and other types of office records.
- Center operation in accordance with approved budgets for operating expenses.
- To procure resources including human resources for TBI according to guidelines approved by the Board of members.
- Ensuring strict adherence to guidelines, procedures and rules set by the board and/or competent authority.

### **3.7. Kalpataru TBI Staff**

TBI will have a flat organizational structure that will enable efficient management along with fast communication.

1. CEO
2. Department Coordinators
3. Student Coordinators

The Staff would be expanded and appointed as need based.



### **3.8. Scope of KTBI**

The Incubation and Innovation Policy is the policy document that is applicable to all incubation activities in the Centre, the policy is applicable to

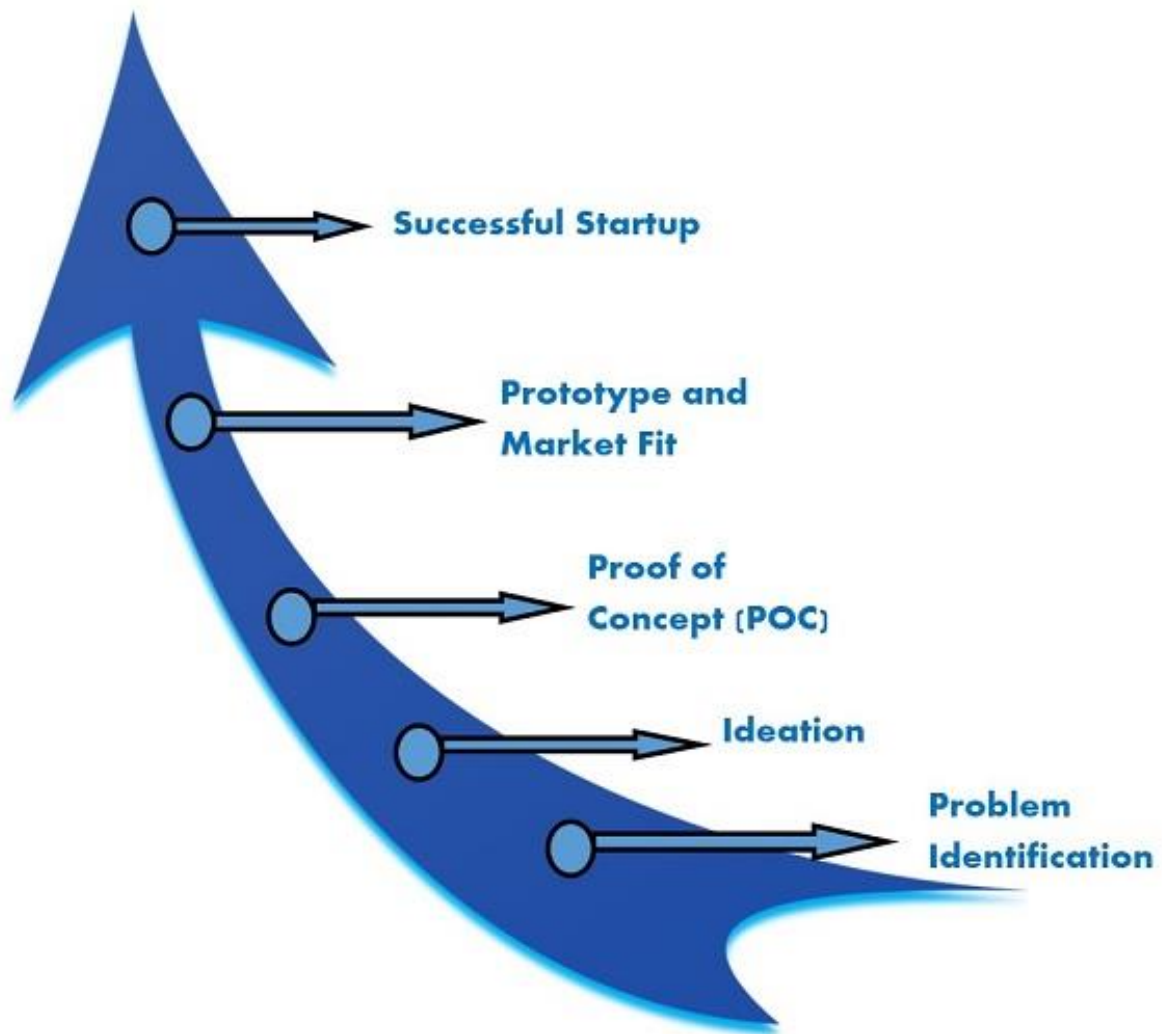
1. Pre-Incubation
2. Incubation
3. Virtual Incubation (for companies located outside the KTBI campus)

It covers the following points:

1. Thrust Areas
2. Eligibility & Selection criteria
3. Admission procedure
4. Services provided by KTBI
5. Period of Incubation
6. Periodic assessment
7. Intellectual Property
8. Financial Support
9. Equity Policy of the KTBI
10. Nurturing Innovations and Start-ups.
11. Documents required
12. Conflicts of Interests
13. Disclaimer
14. Terminologies
15. Annexures

The policy is subject to periodical review and amendments. It will be the responsibility of the companies admitted to KTBI to update themselves from time to time on amendments in Incubation policy and procedures. Kalpataru Technology Business Incubator reserves the rights to make an exception of all or any of the terms of policy for a particular company or a promoter on a case-to-case basis.

### 3.9. Journey of Startups



Journey of Start-ups at KTBI

<b>Eighth Sem</b>	<b>Enterprise Management</b> <b>Software Tools</b> <b>Scaling up Enterprise</b>
<b>Seventh Sem</b>	<b>Project Management</b> <b>Internship with start-up</b> <b>Supply Chain Management</b>
<b>Sixth Sem</b>	<b>Economics for Entrepreneurs</b> <b>Effective Leadership and Communication</b> <b>Customer Relationship Management</b>
<b>Fifth Sem</b>	<b>Product and Service Development</b> <b>Digital Marketing</b> <b>Introduction to IPR</b>
<b>Fourth Sem</b>	<b>Prototype Development</b> <b>Sales and Marketing Strategies</b> <b>Introduction to the rapid Prototype tools and techniques</b>
<b>Third Sem</b>	<b>Engineering Design basics</b> <b>Design Thinking</b>
<b>Second Sem</b>	<b>Business Plan Development</b> <b>Enterprise Development Skills</b>
<b>First Sem</b>	<b>Basics of Entrepreneurship</b> <b>Identification of Startup and Markets</b> <b>Identification and Development of PoC</b>

**3.09.Flow Chart for Engineering Students towards Startups.**

### **3.10. Thrust areas**

Different Sectors where incubation can be provided are among, but not limited to:

- Cognitive Technologies, Artificial Intelligence (AI), Virtual Reality (VR), Big Data, Cybersecurity.
- Educational Technology (Edtech), Virtual Education
- Financial Technology (Fintech), E-Commerce, FMCG, Food and beverages, Delivery Services
- Textiles, apparels and accessories
- Healthcare Technology, Leisure and entertainment
- Clean Mobility, Tourism, Travel
- Automobiles and auto components.
- Construction and engineering.
- Advance Technologies in Agriculture and Agri allied sectors, Urban Drones, Vertical farming, urban agriculture, gardening, beautification and other productive uses, green energy, Bio Diesel, Bio Gas.
- Specially focused on Coconut, Arekanut, Pepper etc.,
- Solar and Wind Energy Technology
- Water projects include rain water, oceans, lakes, rivers, streams and underground water. Water Resource Engineering and Management
- Other emerging areas or of social / national importance

### **3.11. Eligibility & Selection Criteria**

A start-up applying to the Incubation Program at KTBI will be selected based on following criteria:

1. A start-up must be working on an innovative idea/technology/product/service.
2. A start-up that will preferably have a market ready prototype or Proof-of-Concept (PoC), or willing to commit to convert their idea into prototype during the tenure of the Pre-incubation Program.
3. A start-up that has a strong business proposal, can confidently pitch to investors and raise funds, can be scaled up and become self-sustainable in 18 – 24 months' time.
4. A start-up that offers technology/ service/ agri-allied/ education or business enabled solutions with a social and strategic impact.
5. A start-up company should incorporate as per the Companies Act 2013 or as per the law prevailing in the country and at least 51% of the start-up company should be owned by Indian nationals (directly or indirectly).
6. Startup company should have a clear IP strategy which has to ensure that they have all required IP rights (if applicable), including any technology license or patent assignment, to take the technology ahead.

A start-up applying to the Incubation Program at KTBI Incubate will not be considered for incubation if the proposed idea/ innovation/ technology or business plan falls under following conditions:

- 1) Start-ups working as a Proprietorship Company or Public Limited Company is not eligible.
- 2) The incorporated start-up must not be older than 7 years from the date of registration/ company incorporation.
- 3) The incorporated start-up's annual turnover (as defined in the Companies Act, 2013) in any preceding financial year must not exceed ₹ 5 crore.
- 4) The incorporated start-up must not be formed by splitting up, or reconstruction, of a business already in existence.

- 5) Any company that is engaged or is proposing to be engaged in activities that are in conflict with KIT, like imparting educational courses and/or training programs including vocational trainings or is planning to undertake such activities during the incubation period shall require explicit permission from KIT approval such companies shall be offered the incubation.
- 6) Start-ups proposing products, services or processes which lack novelty with no or limited incremental value, Proposals those are not scalable and sustainable.
- 7) Start-ups with proposals that do not have potential for commercialization, or Start-ups proposing products, services or processes with no differentiation factor.
- 8) The selected proposal of promoters/founders of the start-up must ensure that they have to provide the incorporation certificate or they have to incorporate the company as per the Companies act 2013 within a period of three months from the date of signing of the incubation agreement with the KTBI or as per the directions of Board of Directors.
- 9) The startup or innovation promoted by Faculty of KTBI shall be governed by BOD and approved by the Principal of KIT.
- 10) The Student/Faculty/Staff should possess the No Objection Certificate from Principal.
- 11) Regular Government staff or employee shall be offered incubation only upon submission of 'No Objection Certificate' from the competent authority or employer. However, companies having faculty, students or employees as shareholders are eligible to apply for incubation.



### 3.12. Admission Procedure

Once, the application is screened, it would be evaluated by Kalpataru Incubate Selection Committee and asked for pitch presentation, if the proposal is feasible in nature, then selection committee recommends for incubation, discusses the requirement and equity, signing the required agreements.

Present students/ faculty/ staff should take the permission from HoD of their concerned departments duly signed by Principal as per standard format (No Objection Certificate duly signed by HOD of the Department and Principal). If the students seek special time to concentrate on startup company, he/she should take permission from HoD and Principal as per the standard format (Special Permission to Startup Activities duly recommended by HoD and Principal).

In case of Alumni / Public, CEO has to forward the application in front of the Selection Committee for further process.

**Table 3.1. Showing the Stages Application to Incubation facility.**

<b>Stage- 1</b>	<b>Online / Offline Submission of the Application.</b>
	<b>Preliminary Screening.</b>
	<b>Evaluation by Kalpataru Incubate Selection Committee.</b>
<b>Stage- 2</b>	<b>Pitch presentation before the Selection Committee.</b>
	<b>Recommending potential Startups for incubation.</b>
	<b>Discussion regarding requirements and incubation agreements.</b>
<b>Stage- 3</b>	<b>Induction to incubation facility.</b>

#### **Stage- 01- Submission of Application, Screening, Evaluation**

As the first step in the Incubation and Virtual Incubation admission process, the prospective proposer/candidate should submit an offline/ online application through our website along with the Business Plan, Certificate of Incorporation and Memorandum and Articles of Incorporation, required infrastructure and rationale for selecting KTBI. to promote incubation. KTBI will then submit the summary to the Selection Committee (KISC) for comments on the technical and commercial feasibility of the idea.

In the case of pre-incubation, the applicant should submit a pre-incubation application offline or through our website containing all mandatory information. KTBI will submit a proposal to the KISC to comment on the actual need for pre-incubation services for this idea.

The applicant must provide all the necessary details as mentioned in the online application form. Incomplete application forms will not be considered for screening.

## **2) Preliminary screening**

The offline/ online application submitted by the applicant will undergo a preliminary screening process to assess eligibility based on the criteria listed above as per KTBI policies. The pre-screening process will also include due diligence on the information submitted by the start-up in terms of authenticity of information, ownership of IP/know-how, legal status of the start-up (if already incorporated) etc. The pre-screening will be done by an internal screening committee of KTBI consisting of CEO of KTBI.

## **3) Evaluation by Kalpataru Incubate Selection Committee.**

The "Selection Committee" at KTBI will evaluate the business proposal in terms of the nature of the business model, level of product/service innovation, market size, idea feasibility and scaling potential, pre-earnings valuation of the company and financial structure and revenue model.

Evaluation criteria would include the following:

- ✓ Product idea in terms of technological content, innovation, timeliness and market potential.
- ✓ Profile of core team/promoters.
- ✓ Created intellectual property and idea potential to create IP.
- ✓ Financial/business viability and 5-year P&L, balance sheet and cash flow projections.
- ✓ Need for funds and viability of raising funds.
- ✓ Time to market.
- ✓ Breakthrough period.
- ✓ Business potential, demand and requirement in India.
- ✓ Scalability.

## **Stage- 02- Final Pitching, Selection and Induction**

### **1) Pitch presentation before the Selection Committee.**

Based on the recommendations of the 'Selection Committee' at KTBI, the shortlisted start-ups will be invited to make a final pitch before the 'Selection Committee' - constituted by the CEO of KTBI. The presentation will be followed by a Q&A session. After the presentation, a final decision will be made to accept the company as a start-up. Presentation via video conference is also allowed.

### **2) Recommending potential Startups for incubation.**

A "Selection Committee" will recommend startups for the incubation program at KTBI based on an evaluation of the business proposal in terms of business complexity and level of effort required, market capitalization, financial needs, growth timelines, and risk-reward analysis.

### **3) Discussion regarding requirements and incubation agreements.**

Start-ups recommended by the "Selection Committee" for the incubation program at KTBI will be invited to negotiate the terms of the "Incubation Agreement" under which KTBI will provide incubation support to the start-ups. Physical or virtual support requirements, service support required by the startup, rental details, royalty rates, legal compliance, termination conditions and NDA requirements will be discussed.

## **Stage 03- Induction to Incubation facility.**

Once the start-up agrees to the terms of the "Incubation Agreement" and signs the agreement, it will be admitted to the KTBI incubation program and can start using the facilities available at KTBI.

### **Research & Due Diligence:**

During the application process, KTBI will conduct research and due diligence on the company, management team, industry and current and future competitive elements facing the business as needed. KTBI may request additional information from the applicant and may ask the applicant to revise the summary and/or presentation.

### **Non-Disclosure:**

KTBI will strictly maintain confidentiality throughout the application process. However, KTBI will not sign any "non-disclosure" agreements.

### **3.13. Services Provided by KTBI**

**Office Infrastructure:** (Not for virtually incubated startups)

- ❖ State-of-the-art infrastructure
- ❖ Wi-Fi, Internet connection
- ❖ Office Space
- ❖ Seminar Hall of KIT, Auditorium of KIT
- ❖ Front Office Support
- ❖ Continuous power supply
- ❖ Access to the laboratory
- ❖ 24×7 access
- ❖ Parking space
- ❖ Security with CCTV
- ❖ Computers – up to two on rental basis. More than two can be availed at market rates.
- ❖ Co-working space for Pre-incubated innovations.
- ❖ Multi-functional printer (Photocopying, printing and scanning on commercial charges)
- ❖ LCD Projector

KTBI will facilitate access to KIT's institute infrastructure/Library/Laboratories as per the norms of KIT.

#### **Mentorship Program:**

Incubator will connect incubates with sector and project relevant Mentors who will be experts and business leaders in the particular domains. An incubated company may be provided, based on demand, with a faculty advisor as a mentor on technology issues. But pre-incubated company must have to take a faculty advisor from KIT as a mentor on technology issues.

#### **Investor Connect:**

Learn pitching and raise funds successfully. Networking opportunities and get chance to pitch in front of Angel Investors and Venture Capital Firms.

#### **Lab and Testing Infrastructure:**

Get access to the laboratory infrastructure at KIT for developing and testing prototypes in Automation, Renewable Energy Tech, Water Resource Engineering, Agro Tech and allied sectors.

### **Entrepreneurship Training:**

Training and Workshops are focusing on various aspects of building sustainable and successful start-ups including business planning, marketing, diligence, funding and scale up. Incubated companies will get special discounts on Minor Certification Course in Entrepreneurship Development.

### **Internship and Recruitment Connect:**

Explore possibilities of hiring interns and team members from a rich ecosystem of highly trained graduates and post-graduates from KIT and associated academic institutions. Also, to provide support in management, incubates will be assigned an MBA student, if desired.

### **Legal and IP Support:**

Get access to high quality legal advisory from service partners and IP services to protect your technology and product. KTBI may associate with professionals for accounting, IP, legal and management expertise on a part-time basis. Incubate promoters can avail of their services. Any direct services provided to incubate would have to be paid by incubate to the service provider.

### **Business and Finance Advisory:**

Create investible business plans and get advice on financial planning from seasoned Entrepreneurs and Industry Leaders.

### **3.14. Period of Incubation**

Pre-incubated startup will be permitted to stay in the incubator for a period of maximum 6 months. Additional two months extension may be granted at the sole discretion of KTBI depending upon the performance of startup. Incubated startup (Physical or virtual) will be permitted to stay in the incubator for a period of maximum two years. Maximum two extensions may be granted for 6 months each at a time at the sole discretion of the KTBI.

**Exit order by KTBI:** An incubated company may be asked to leave the incubator under the following circumstances:

- a) Completion of period of incubation as per agreement. (if not extended)
- b) Underperformance or non-viability of business proposition as decided by Internal Review Committee of KTBI on case-to-case basis.
- c) When the annual turnover of the company exceeds INR 5 cr., or as stated by the Government of India.
- d) Irresolvable promoter's disputes as decided by KTBI on a case-to-case basis.
- e) Violation of KIT's policy.
- f) When the company enters in an acquisition, merger or amalgamation or reorganization deal resulting in a substantial change in the profile of the company, its promoters, directors, shareholders, products or business plan.
- g) Change in promoters'/ founders' team without concurrence of KTBI.
- h) Any other reason for which KTBI or KIT may find it necessary for an incubated company to leave.

Notwithstanding anything written elsewhere, KTBI's / KIT's decision in connection with the exit of an incubated company/startup shall be final and shall not be disputed by any company/startup.

### **Exit from Startup Company themselves**

When the startup company wants to leave KTBI, then Startup Company has to fulfill the following conditions.

- Startup company agreements should clear all liabilities to KTBI.
- If Startup Company got grants / seed up capital / finance support, it has to follow the rules of that signed company/institution.
- In the case of intellectual property, Startup Company should transfer all the rights to KTBI. Startup Company will not be allowed to use the same brand, idea, technology outside of KTBI.



### **3.15. Periodic Assessment**

Periodic assessment would be carried out by Internal Review Committee (IRC) and vary depending on the stage of incubation the company is in. The incubate startup company has to submit a yearly audited statement of profit and loss account and unaudited quarterly statement about the activities. And pre-incubated startup has to submit quarterly performance review report. However, incubate may be asked to provide more frequent updates to KTBI.

Some representative criteria for evaluation are as follows:

#### **(a) Ideation / Innovation stage**

- Background of entrepreneurs/ team
- Concept development / Opportunity spotting
- Product Development
- Market assessment / Competition analysis
- First level Business Planning / Business Modelling
- Intellectual Property Protection
- Seed Funding

#### **(b) Pre-Market Stage**

- Proof of Concept/ Prototyping
- Product Development and enhancement
- Financial Health
- Test marketing
- Full scale business planning including production, sales and sourcing

#### **(c) Implementation Stage**

- Full scale Business Planning
- Pitching for Venture Funding
- Scaling up operations, Large scale commercialization
- Team Formation

#### **(d) Exit stage**

- Going National / Global
- Exit options for KTBI
- Full scale business Graduation
- Post incubation Survival

Compliances as laid down by the Companies Act 2013 are binding on the Incubate promoters. Incubated companies will give a quarterly report on the compliances adhered as laid down in the Companies Act.

Non-Compliance of the same would liable to penalty/strict action by the KTBI as following-

- Non-Adherence to the first warning of the non-compliance by the said Incubated Company will attract penalty of Rs. 1000 which will be billed with the facilities due.
- An action against the non-adherence to the second warning by the Incubated Company will make the Company ineligible to apply for any funding at KTBI.
- An action against the non-adherence to the third warning in the form of notice to vacate the premises allotted to them and may result in end of incubation.

#### 4. Strategy & Management of KIT

- 1) Kalpataru Technology Business Incubator (KTBI) is formed under the eminent advisory board in which the Institute and Management is agreed and framed the objectives, vision, mission and the strategies to run the KTBI.
- 2) Development of entrepreneurship support will be one of the main dimensions of Kalpataru Institute of Technology (KIT) strategies. In order to facilitate the development of the entrepreneurial ecosystem in KIT and the surrounding area, specific objectives and related performance indicators will be defined regularly for evaluation.
- 3) At the KIT level, a resource mobilization plan was developed to support innovation, pre-incubation, incubation infrastructure and facilities. A sustainable financial strategy will be defined to reduce organizational constraints in working on the business agenda.
  - i) Investments in entrepreneurial activities will be part of the institutional financial strategy. **At least 1% of the institution's total annual budget will be allocated** to finance and support activities related to innovation and startups through the creation of a separate "Innovation Fund".
  - ii) The strategy will also involve raising funds from various external funding sources through Government (State and Central) such as DST, DBT, MOE, AICTE, TDB, TIFAC, DSIR, CSIR, BIRAC, NSTEDB, NRDC, Startup India, Invest India , MeitY, MSDE, MSME, NAIN, VGST, KSCST, ELEVATE-100 etc. and non-govt sources.
  - iii) To support technology incubators, KIT will approach the Government, Private and Corporate Sectors to generate funds, AIC, ACIC, MSME, DSTE and also under Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013.
  - iv) KIT will raise funds through sponsorships and donations. We will actively involve the alumni network in supporting innovation and entrepreneurship.
  - v) Alumni Network: KIT will raise funds through sponsorships and donations. KIT will actively involve the alumni network in supporting innovation and entrepreneurship.
- 4) To speed up decision-making, hierarchical barriers will be minimized through the empowerment of the KIT team and individual autonomy and ownership of initiatives will be encouraged.

- 5) The importance of innovation and business plans will be known across KIT. It will be promoted and highlighted in the institution's academic calendar programs such as conferences, convocations, workshops, etc.
- 6) The action plan will be formulated at the KIT level with well-defined short-term and long-term goals.
- 7) KIT will develop and implement an institution-wide strategy and policy for innovation and entrepreneurship to integrate entrepreneurial activities across different centers of excellence, departments, faculties and career services within the institution, breaking silos.
- 8) A product-market strategy for start-ups can be developed by KIT on a case-by-case basis.
- 9) The development of a culture of entrepreneurship should not be limited to the boundaries of the institution.
  - i) KIT will be the driving force for the development of the culture of entrepreneurship in its surroundings (regional, social and community level). This includes providing opportunities for regional startups, ensuring the expansion of facilities for outsiders and actively involving the institution in defining the strategic direction for local development.
  - ii) Strategic international partnerships should be developed through bilateral and multilateral channels with international innovation clusters and other relevant organizations. In addition, international exchange programs, internships and the involvement of international faculties in the field of innovation and entrepreneurship will also be supported.

## **5. Organizational Capacity, Human Resources and Incentives**

- 1) KTBI will hire employees with strong innovation and business/industry experience, demeanor and attitude. This will help in promoting innovation and entrepreneurial culture.
- 2) Some of the relevant faculty members with previous experience and interest should be entrusted with training to promote innovation and entrepreneurship.
- 3) In order to achieve better involvement of employees in business activities, the KTBI policy for career development of employees should be developed with continuous up skilling.
- 4) KIT faculty and departments will work in coherence and inter-departmental links will be strengthened through shared faculty, inter-faculty teaching and research in order to achieve maximum use of internal resources and knowledge.
- 5) External subject matter experts such as visiting lecturers or alumni may be regularly engaged for strategic advice and skills not available internally.
- 6) Faculty and staff will be encouraged to take courses in innovation, business management and business development.
- 7) To attract and retain the right people, KIT will develop academic and non-academic incentives and reward mechanisms for all employees and stakeholders who actively contribute and support the business agenda and activities.
- 8) The employee reward system may include time off, office and laboratory space for business activities, reduced tuition, awards, training, etc.
- 9) Stakeholder recognition may include an offer to use facilities and services, a strategy for shared risk, such as visiting faculty, scholarships, affiliations, etc.
- 10) A performance matrix will be created and used to evaluate annual performance.
- 11) Student Orientation Session: At the beginning of first semester Orientation programs will be conducted for creating awareness on startups and guiding towards innovation.

## **6. Start-ups Enabling KTBI infrastructure**

Pre-incubation and incubation facilities will be created to support innovation and startups. Incubation and innovation can be organically linked and efforts will be made to link innovation to businesses with financial success.

- a) KTBI will create a Center for Innovation, Incubation, Entrepreneurship and Startups, under which there will be a Center for Innovation, a technological business incubator and a student Innovation and Entrepreneurship Club will operate on the basis of resource mobilization from internal and external sources.
- b) The pre-incubation/incubation facility will be accessible 24 hours a day, 7 days a week for students, staff and faculty of all disciplines and departments throughout the institution, including startups from the immediate vicinity.
- c) The pre-incubation facilities will be managed by the KTBI, a separate entity registered under Section 8 of the Companies Act, 2013. This will allow technology business incubators greater freedom of decision-making with less administrative hassles in implementing related programs on innovation, IPR and startups. Moreover, they will have better accountability towards the investors supporting the incubation facilities.
- d) The Technology Business Incubator (TBI) will offer mentoring and other relevant services through the pre-incubation/incubation process in exchange for fees, equity sharing and/or zero payment basis. The ways in which equity is shared in startups supported through TBI will depend on the services offered.

## 7. Caring for innovation and startups

- a) KTBI will establish processes and mechanisms for the easy creation and maintenance of startups/enterprises by students, staff (including temporary or project workers), faculty, alumni and potential applicants for startups outside the institutions.
- b) The technological business incubator will define its processes and ensure the achievement of the following:
  - i) Incubation Support: Pre-incubation and incubation facilities for start-ups by students, staff and faculty for a mutually acceptable time frame.
  - ii) KTBI will be able to license the intellectual property of the developed technology on simple terms, either in terms of equity in the business and/or royalties and/or royalties to avoid early stage financial burden.
  - iii) KTBI may allow its students/employees to work on their innovative projects and establish startups (including Social Start-ups) or work as interns / part-time in startups (incubated in any recognized incubators) while studying/working with due approval from the concerned authority . Student entrepreneurs can earn credits for working on innovative prototypes/business models. KTBI will develop clear guidelines for formalizing this mechanism. Student inventors can have it tooopt for startup instead of your mini project/big project, seminars and summer training. The field in which the student wants to initiate a startup can be interdisciplinary or multidisciplinary. However, the student must describe how they will separate and clearly differentiate their ongoing research activities as a student from the work performed at the startup.
- c) Students who are in incubation period but doing some business activities during their studies will be allowed to use their address in the institute to register their company with proper recommendation of the Principal and permission of the Principal of Kalpataru Institute of Technology.
- d) Student Entrepreneurs will be allowed to appear in the examination even if their participation is less than the minimum permissible percentage, with due recommendation from the Heads of the respective Departments and Principal with the approval of the Principal of Kalpataru Institute of Technology. .
- e) Student entrepreneurs may receive academic credits for their efforts in creating a business. KTBI will form a review committee for the startup students based on the progress made. May consider awarding appropriate credits for academics. KTBI will consider allowing its students to take a semester/year break (or more, depending on the review board's decision) to work on their startups and rejoin academics to complete the course. As the university and other statutory bodies are yet to approve, the above system is not operational in KTBI till date.



- f) KTBI will explore the provision of accommodation to entrepreneurs within the campus for a period of time.
- g) KTBI may allow faculty and staff to leave for a semester/year (or longer, depending on the review committee's decision) as leave/unpaid leave/earned leave for work on launch and return. The institution may consider allowing faculty/students/staff who wish to start a startup to use its resources as a full-time job. Seniority and other academic benefits during such period may be retained for such staff or faculty.
- h) KTBI will launch start-up and entrepreneurial subjects for students. However, in the long term, the institution may decide to start a part/full time MS/MBA/PGDM (Innovation, Entrepreneurship and Venture Capital Development) program where one can earn a degree in incubating and nurturing a start-up company as per the guidelines issued. according to AICTE.
- i) KTBI will facilitate start-up activities/technology development by enabling students/faculty/staff to use the infrastructure and facilities of the institution as per the choice of the potential entrepreneur in the following ways:
  - i) Short-term/ six-month/ one-year part-time business training.
  - ii) Regular mentoring support.
  - iii) Facilitation in various areas including technology development, ideation, creativity, design thinking, fundraising, financial management, cash flow management, new venture planning, business development, product development, social entrepreneurship, costing, marketing, brand development, human resource management as well as laws and regulations affect business.
  - iv) The institution can also connect the startups with other seed fund providers / angel funds / venture funds or itself can start a seed fund once the incubation activities mature. In addition, necessary incentives in terms of resources, infrastructure, finance, time and support for students and faculty will be provided as needed.
  - v) IPR Licensing Institute as specified.
- j) In return for services and facilities, the Technology Business Incubator may take 2 to 9.5% equity/stake in the startup/company based on brand used, faculty contribution, support provided and use of intellectual property rights of the Institute (limit 9.5 % so that the institution has no legal liability arising from the start-up. The institution will usually have much lower equity holdings unless its full-time employees have substantial holdings). Other factors to consider should be space, infrastructure, mentorship support, seed funds, account support, legal regulations, patents, etc.

- i) For employees and teachers, the institute cannot take more than 20% of the shares that the employees/faculty take when drawing their full salary from the institution; however, this share will be within the 9.5% ceiling of the company's shares listed above.
- ii) No limit on shares that faculty/staff can take as long as they do not spend more than 20% of the startup's office time in an advisory or consulting role and do not compromise their existing academic and administrative work/responsibilities. If faculty/staff hold an executive or management position in a startup for more than three months, they will go on leave/unpaid leave/earned leave.
- iii) In case of Compulsory Equity Model, a 3 month cooling off period may be given to the Startup to avail incubation services on lease basis to take final decision based on satisfaction with the services offered by TBI.
- k) TBI will also provide services based on a combination of equity, fee and/or zero payment models. Thus, a startup may choose to only use support, not seed funding, from TBI on a lease basis.
- l) TBI could extend this trigger to alumni of the institution as well as outsiders.
- m) Participation in startup-related activities must be considered a legitimate activity of the faculty in addition to teaching, research and development projects, industrial consulting and management duties and must be taken into account in the evaluation of the faculty's annual performance. Each faculty may be invited to mentor at least one startup.
- n) Product development and commercialization as well as startup participation and nurturing would now be added to the faculty responsibilities pool and each faculty would choose a combination of these activities (in addition to the minimum required teaching and leadership) and then respective faculty are evaluated for performance accordingly and promotion.
- o) The institution may also need to update/amend/revise the performance appraisal policy for faculty and staff as mentioned above.
- p) KTBI and TBI shall ensure that at no stage shall they incur any liability on account of any activity of any Startup.

## **8. Intellectual Property/ Product ownership rights for technologies developed at Kalpataru Institute of Technology**

a) Where KTBI facilities/funds are substantially used or intellectual property rights are developed as part of the curriculum/academic activity, the intellectual property rights are to be jointly owned by the inventors and Kalpataru Institute of Technology.

i) Inventors and KTBI may license the product / intellectual property rights to any commercial organization with the inventors having the upper hand. License fees can be either/or a combination of these

- 1) Upfront fees or one-time technology transfer fees
- 2) Royalty as a percentage of the sale price
- 3) Shares in the company licensing the product

ii) For licensing of pure software products, revenue sharing may be mutually agreed between the KTBI and the incubating company. If one or more inventors wish to incubate a company and license that company's product, royalties will not exceed 4% of the sales price, preferably 1-2% if it is not a pure software product. If it is shared in the company, the shares will again be 1% to 4%.

b) On the other hand, if the product/IPR is developed by innovators who do not use any KTBI facilities, outside office hours (for staff and faculty) or is not part of the curriculum by a student, then the product/IPR will be fully owned by the inventors in proportion to their contributions. In this case, inventors may choose to license the technology to third parties or use it in any way they see fit.

c) If there is an ownership dispute, a minimum five-member committee consisting of two faculty members (with sufficient intellectual property rights and transferred to commercialization), two KTBI experts/graduates (with technology commercialization experience) and one legal advisor with expertise knowledge of intellectual property rights, after meeting with the inventors, will investigate the problem and help them solve it, hopefully to everyone's satisfaction. KTBI may use alumni/faculty of other institutes as members if they cannot find sufficiently experienced alumni/faculty of their own.

d) The KTBI innovation center or technological business incubator will only be a coordinator and facilitator for the provision of services to educators, staff and students. They will have no effect on how the invention is carried out, how it is patented or how it is to be licensed; however,

clarification can be sought in specific cases. When KTBI pays to file a patent, the institution sets up a committee to examine whether the intellectual property rights are worth patenting. The committee should consist of teachers with experience and expertise in technology translation. If inventors use their funds or non-institutional resources, then only they should have a say in patenting.

e) Decision making body of KTBI regarding technology incubation / IPR / Licensing will consist of faculty and experts who have excelled in technology translation. Kalpataru Institute of Technology will promote interdisciplinary research and publications on startups and entrepreneurship.

## **9. Creation of an innovation channel and pathways for entrepreneurs at the KTBI level**

a) To ensure that as many students as possible are exposed to innovation and pre-incubation activities at their early stage and to support the journey from idea to innovation to market, mechanisms will be designed at the KTBI level.

a) Entrepreneurship and its role in career development or employability will be part of the KTBI business agenda.

b) Students / staff will learn that innovation (technology, process or business innovation) is a mechanism to solve societal and consumer problems. Entrepreneurs will innovate by focusing on a niche market.

c) Students will be encouraged to develop an entrepreneurial mindset through experiential learning by exposing them to training in cognitive skills (e.g. Design thinking, critical thinking, etc.) And inviting local entrepreneurs or first-generation professionals to reach out to young minds. Initiatives such as ideation and innovation competitions, hackathons, workshops, bootcamps, seminars, conferences, exhibitions, mentoring by academics and industry, real-life challenges, awards and recognition will be organized regularly.

d) Motivate students to promote startup activities through training and business related activities will be integrated.

b) KTBI will connect their startups and companies to the wider entrepreneurial ecosystem by supporting students who show potential in the pre-startup phase. Connecting student entrepreneurs with real-life entrepreneurs will help them understand the real challenges they may face as they navigate the innovation funnel and increase the likelihood of success.

c) KTBI shall establish Institutional Innovation Councils (IICs) as directed by the MOE Innovation Cell and allocate an appropriate budget for its activities. IICs should guide institutions in carrying out various activities related to innovation, startups and business development. A concerted and focused effort needs to be made to identify, seek, recognize, support and reward proven student ideas and innovations and further facilitate their entrepreneurial journey.

d) Financial support will be provided to potential entrepreneurs to strengthen the innovation funnel in KIT.

- i) Networking events should be organized to create a platform for budding entrepreneurs to meet investors and pitch their ideas.
- ii) Provision of business incubation facilities: premises at subsidized costs. Labs, research facilities, IT services, training, mentoring, etc. will be accessible to new startups.
- iii) A culture needs to be fostered so that they understand that money is not FREE and is venture capital. Although funding carries risk on the entrepreneur, it is the responsibility of the entrepreneur to make every possible effort to demonstrate that the funding agency handled the funding correctly. The entrepreneur must use and return these funds.
- e) KTBI shall develop a ready calculator Innovation Tool KTBI to be maintained on the home page of the institution to answer the doubts and queries of the innovators and obtain the facilities available in the institution.



## 10. Standards for establishing a faculty

- a) For better coordination of business activities, Kalpataru Institute of Technology will create norms for start-up faculties. Only these technologies will be adopted for the starting faculties under KIT.
- i) The role of faculty can vary from being an owner/direct promoter, mentor, consultant or board member of a startup.
  - ii) KTBI will work to develop a “conflict of interest” policy to ensure that faculty's regular responsibilities do not suffer from their involvement in start-up activities.
  - iii) The establishment of a faculty may consist of faculty members alone, with students, from faculty of other institutes, from graduates or from entrepreneurs.
- b) In the event that teaching staff/employees hold an executive or managerial position in a startup for more than three months, they will go on leave/leave without pay/use existing leave.
- c) Faculty must clearly separate and differentiate the ongoing research in KTBI from the work carried out in the startup/company.
- d) In the case of the selection of the start of the faculty by an external national or international accelerator, the maximum leave (such as sabbatical / current leave / unpaid leave / occasional leave / earned leave) for one semester/year (or even more depending on the decision of the review committee compiled by KIT) can be faculty allowed.
- e) The faculty may not accept donations from the startup.
- f) The faculty may not involve researchers or other workers of KTBI activities in the start-up and vice versa.
- g) Research related to a human subject in a startup should obtain permission from the ethics committee of KIT.

## **11. Pedagogical and educational interventions for business development**

- a) A diversified approach should be adopted to achieve the desired learning outcomes, which will include interdisciplinary learning using mentors, labs, case studies, games, etc. instead of traditional lecture.
- i) Student clubs/bodies will be formed to organize competitions, boot camps, workshops, awards etc. These bodies will be involved in KTBI strategy planning to improve student thinking and responsiveness.
  - ii) KTBI will launch an annual 'INNOVATION & ENTREPRENEURSHIP AWARD' to recognize outstanding ideas, successful ventures and contributors for supporting the innovation and entrepreneurship ecosystem within the institution.
  - iii) In order to create awareness among the students, the teaching methods will include business failure case studies and reports on actual experience of start-up companies.
  - iv) Failure tolerance and support: Our systems are not designed to tolerate and support failure. Failures need to be thoroughly discussed and debated to imbibe that failure is a part of life and thus help reduce the social stigma associated with it. This will be part of KIT's philosophy and culture.
  - v) Innovation champions will be nominated from within students/faculty/staff for each department/stream of study.
- b) Entrepreneurship education will be imparted to students at curricular/co-curricular/extracurricular level through optional/short term or long term courses on innovation, entrepreneurship and business development. Verified learning outcomes will be made available to students.
- i) In the area of entrepreneurship education, the expertise of external stakeholders will be integrated to develop a culture of cooperation and engagement with the external environment.
  - ii) At the beginning of each academic session, KTBI will conduct an induction program on the importance of innovation and entrepreneurship to acquaint the newly admitted students with KIT's entrepreneurship agenda and available support systems. The business education curriculum will be continuously updated based on the results of business research. This will also include case studies on failures.
  - iii) Linkage with industry will be used to conduct research and technology surveys, research, innovation and market intelligence trends.

- iv) Sensitization of students will be done to understand the expected learning outcomes.
- v) Student innovators, startups and experts must engage in a dialogue process to create a need-based strategy.
- vi) Tailored teaching and training materials will be developed for start-ups.
- vii) It should be noted that not everyone can become an entrepreneur. An entrepreneur is a leader who would successfully transform an innovation into a product. Others can join the leader and work for the startup. It is important to understand that business is about taking risks. It is necessary to carefully assess whether the student is able and willing to take the risk.
- a) Pedagogical changes need to be made to ensure that the maximum number of student projects and innovations are based on real-life challenges. The learning interventions developed by KTBI to inculcate an entrepreneurial culture will be continuously revised and updated.

## **12. Cooperation, Co-Creation, Business Relations and Knowledge Exchange**

a) Stakeholder engagement will be paramount in the business agenda of Kalpataru Institute of Technology. KTBI finds potential partners, resource organisations, micro, small and medium enterprises (MSMEs), social enterprises, schools, alumni, professional organizations and entrepreneurs to support entrepreneurship and co-create programmes.

- i) To promote co-creation, two-way flow/exchange of knowledge and people will be ensured between institutions/organizations such as incubators, Software Technology Parks of India and Science Parks etc.
- ii) KTBI will organize networking events to better engage colleagues. It will open up opportunities for staff, faculty and students to have a constant flow of ideas and knowledge through meetings, workshops, collaboration space and lectures etc.
- iii) KTBI will develop mechanisms to capitalize on the knowledge gained through this collaboration.
- iv) Care ensures that events do not become the ultimate goal. The first goal of the technology business incubator will be the creation of successful businesses.

b) KTBI shall develop policies and guidelines for establishing and managing relationships with external stakeholders, including the private sector.

c) Knowledge exchange through collaboration and partnership will be part of the KTBI policy. The institution will provide support mechanisms and guidelines for establishing, managing and coordinating these relationships.

- i) Through formal and informal mechanisms such as internships, teaching and research exchange programs, clubs, social gatherings, etc., KTBI faculty, staff and students will have opportunities to connect with their external environment.
- ii) The connection of KTBI with the external environment must be supported by the absorption of information and experience from the external ecosystem into the environment of the institution.
- iii) A Single Point of Contact (SPOC) mechanism will be established in KTBI for students, faculty, associates, partners and other stakeholders to ensure access to information.
- iv) KTBI will design mechanisms to ensure maximum utilization of business opportunities with industrial and commercial collaborators.
- v) Knowledge management will be carried out by KTBI through the development of an innovative knowledge platform using its own information and communication technology (ICT) capabilities.

### **13. Business impact assessment**

a) Assessment of the impact of the institution's entrepreneurial initiatives, such as pre-incubation, incubation and entrepreneurial education, will be carried out regularly using well-defined evaluation parameters.

i) Monitoring and evaluation of knowledge exchange initiatives and involvement of all departments and faculties in entrepreneurial teaching and learning will be evaluated.

ii) Number of startups created, support system provided at institution level and participant satisfaction, new business relationships created by KTBI will be recorded and used for impact assessment.

iii) Impact will also be measured for the support system provided by KTBI to student entrepreneurs, faculty and staff for pre-incubation, incubation, protection of intellectual property rights, industry linkages and exposure to the entrepreneurial ecosystem, etc.

b) Strategy formulation and impact assessment will go hand in hand. Information about the impact of activities will be actively used in the creation and revision of the business strategy.

c) Impact assessment to measure success will be in terms of sustainable social, financial and technological impact on the market. Developing a sustainable business model is essential for pre-commercial innovation. Commercial success is the only measure in the long run.

All the above draft rules and regulations on NISP will become operational once the University, Govt. and other statutory bodies approve academic programs.

## **14. Financial Support**

Based on the ideas submitted by students and faculty, financial support will be given to the best ideas for PoC development and product commercialization with capital / equity in the startup.

The institute would also approach external government funding agencies (state and central) like Karnataka Startup, DST, DBT, MHRD, NIDI PRAYAS, NSTEDB, NRDC, Startup India, MeitY, MSME etc. and non-government sources would be encouraged.

To support technology incubations within the institute, institutes can reach out to the private and corporate sectors to generate corporate social responsibility (CSR) funds.

The Institute would actively involve the alumni network in the promotion of Innovation and Entrepreneurship (I&E) and invite them for angel funding in Start-ups as well.

KTBI may provide seed fund/loan subject to the availability of funds/ grants/ schemes meant for this purpose. Seed fund/loan will be sanctioned only to the registered companies and shall be based on merits of each company. Further, admission to KTBI shall not automatically entitle the promoters to seed fund/loan.

A promoter desirous of getting seed fund/loan may submit an application for seed fund after three months from the date of admission in KTBI. Sanction of seed loan will be decided based on the eligibility criteria as decided by KTBI. Information regarding available seed fund/loan will be provided only to the incubated startups.

KTBI will have sole discretion to sanction or reject an application for seed loan and the decision of KTBI in this regard shall be final. KTBI is not bound to give any reason in case an application for seed loan is rejected.

Though seed loan may be sanctioned at the time of approval of the proposal, disbursement shall be subject to satisfaction of Internal review Committee (IRC), that suitable progress has been made. Notwithstanding anything contrary contained herein the Seed fund sanction and disbursal shall be governed by Board of Directors of KTBI.

## 15. Equity Policy of the KTBI

- 1) In return of the services and facilities, institute may take 2% to 9.5% equity/ stake in the start-up company, based on brand used, faculty contribution, support provided and use of institute's IPR (a limit of 9.5% is suggested so that institute has no legal liability arising out of start-up. The institute should normally take much lower equity share, unless its full-time faculty/ staff have substantial shares). Other factors for consideration should be space, infrastructure, mentorship support, seed funds, support for accounts, legal, patents etc.
- 2) For staff and faculty, institute can take no-more than 20% of shares that staff / faculty takes while drawing full salary from the institution; however, this share will be within the 9.5% cap of company shares, listed above.
- 3) Ideally students and faculty members intending to initiate a start-up based on the technology developed or co-developed by them or the technology owned by the institute, should be allowed to take a license on the said technology on easy term, either in terms of equity in the venture and/ or license fees and/ or royalty to obviate the early-stage financial burden.
- 4) No restriction on shares that faculty / staff can take, as long as they do not spend more than 20% of office time on the start-up in advisory or consultative role and do not compromise with their existing academic and administrative work / duties. In case the faculty/ staff holds the executive or managerial position for more than three months in a start-up, then they will go on sabbatical/ leave without pay/ earned leave.
- 5) In case of compulsory equity model, Start-up may be given a cooling period of 3 months to use incubation services on rental basis to take a final decision based on satisfaction of services offered by the institute/incubator. In that case, during the cooling period, institute cannot force start-up to issue equity on the first day of granting incubation support.
- 6) The institute should also provide services based on mixture of equity, fee-based and/ or zero payment model. So, a start-up may choose to avail only the support, not seed funding, by the institute on rental basis. Institute could extend this start-up facility to alumni of the institute as well as outsiders.

## 16. Documents required

S.#	Name of the Document	Type of the Document
1	Application Form Online/ Offline	First Step
2	Pre Incubation Application	First Step
3	Full CV's of the Promoters along with Passport Size Photos	First Step
4	Blue Print of Business Plan	After first round of discussion
5	Company Incorporation Certificate	After incubation within 3 months
6	Memorandum of Association	After incubation within 3 months
7	No Objection Certificate for Students/ Faculty/ Staff from HoD & Principal.	Before applying
8	Special Permission Certificate for Students/ Faculty/ Staff from HoD & Principal	Before applying
9	Memorandum of Articles	After approval
10	Articles of Association	After approval
11	Last One Year Bank Statement	Existing Companies
12	Three Years Balance Sheet	Existing Companies
13	Incubation Agreement	After approval
14	Seed Fund/ Loan agreement	After approval
15	Equity agreement	After approval
16	Technology Commercialization agreement	After approval
17	Non-Disclosure agreement	After approval
18	Self leaving agreement by Startup Company	After incubation

All incubate shall enter into following agreements as per decided after discussion with Board of Directors of KTBI:

- Incubation Agreement with KTBI: Containing rules and other incubation norms, consideration, equity holding, etc. (Applicable to all except pre-incubated startups)
- Seed-Fund/loan Agreement with KTBI: Containing rules of disbursement and repayment. (Applicable to incubated startup/company availing seed-fund/loan)
- Technology Commercialization Agreement with KIT: Applicable to incubate using technology or IP developed by Kalpataru Institute of Technology.
- Non- Disclosure Agreement (NDA): Between KTBI and incubate company/Client for availing R&D services in KIT on a case-to-case basis.
- Equity Agreement between KTBI and incubate company.
- Loan Agreement between KTBI and incubate company on sanction of the seed loan to the incubate company.
- Usage of Lab between KIT lab and incubate.



## 17. Conflicts of Interests

The inventor(s) are required to disclose any conflict of interest or potential conflict of interest. If the inventor(s) and/or their immediate family have a stake in a licensee or potential licensee company then they are required to disclose the stake they and/or their immediate family have in the company. Under these circumstances, it must be ensured by the inventor(s) that their entrepreneurial activities do not have an adverse impact on inventor(s) teaching, research and any other institutional responsibilities. **KIT and KTBI shall ensure that at no stage shall they incur any liability on account of any activity of any Startup.**

## 18. Disclaimer

The incubate company will understand and acknowledge that KTBI 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, KTBI does not undertake responsibility for:

- Ensuring the success of an incubate company, its products/ process/ services or marketability.
- Ensuring quality of support and services provided by KTBI to the complete satisfaction of the incubate companies or their promoters/ founders.
- Ensuring quality of services of the consultants engaged by the incubate companies through KTBI network. Incubate companies will have to apply their judgements before getting in to a relationship with them.
- The incubatee companies agree that KTBI or their employees shall not be held liable for any reason on account of the above.

## 19. Terminologies

Accelerators	Startup Accelerators design programs in batches and transform promising business ideas into reality under the guidance of mentors and several other available resources.
Angel Fund	An angel investor is a wealthy individual who invests his or her personal capital and shares experiences, contacts, and mentors (as possible and required by the startup in exchange for equity in that startup). Angels are usually accredited investors. Since their funds are involved, they are equally desirous in making the startup successful.
Cash flow	Cash flow management is the process of tracking how much money is coming into and going out of your business.
Co-creation	Co-creation is the act of creating together. When applied in business, it can be used as is an economic strategy to develop new business models, products and services with customers, clients, trading partner or other parts of the same enterprise or venture.
Compulsory Equity	An equity share, commonly referred to as ordinary share also, represents the form of fractional or part ownership in which a shareholder, as a fractional owner, undertakes the maximum entrepreneurial risk associated with a business venture. The holders of such shares are members of the company and have voting rights.
Equity to Institution	An equity share, commonly referred to as ordinary share also, represents the form of fractional or part ownership in which a shareholder, as a fractional owner, undertakes the maximum entrepreneurial risk associated with a business venture. The holders of such shares are members of the company and have voting rights.
Corporate Social Responsibility	Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public.
Cross-disciplinary	Cross-disciplinary practices refer to teaching, learning, and scholarship activities that cut across disciplinary boundaries.
Entrepreneurial culture	A culture/ society that enhance the exhibition of the attributes, values, beliefs and behaviors that are related to entrepreneurs.
Experiential learning	Experiential learning is the process of learning through experience, and is more specifically defined as learning through reflection on doing.
Hackathon	A hackathon is a one day or two days event in which computer programmers and others involved in software development, solving local and rural problems including domain experts, collaborate intensively on software projects.
Incubation	Incubation is a unique and highly flexible combination of business development processes, infrastructure and people, designed to nurture and grow new and small businesses by supporting them through the early stages of development.
Innovative	Any idea capable of introducing new or descriptive technology in the

Project	development of new or existing products, processes or services, capable of addressing the emerging or present challenges before the society at large in an effective manner.
Intellectual Property Rights Licensing	A licensing is a partnership between an intellectual property rights owner (licensor) and another who is authorized to use such rights (licensee) in exchange for an agreed payment (fee or royalty).
ED Cell	Entrepreneurship and Development cell, SIT has been established
IRC	Internal Review Committee- Underperformance or non-viability of business proposition as decided by Internal Review Committee of KTBI on case-to-case basis.
Quarterly Performance Review report.	Pre-incubated startup has to submit quarterly performance review report.
Five member committee.	If there is an ownership dispute, a minimum five-member committee consisting of two faculty members, two alumni/industry experts and one legal advisor with IPR experience or at the discretion of board / CEO.

**-The End-**