

KARPAGAM INNOVATION AND INCUBATION COUNCIL (KIIC)

INNOVATION AND STARTUP POLICY

ABSTRACT

The KIIC's Innovation and Start-up policy will encourage participation in activities linked to innovation and entrepreneurship among social innovators, students, faculty, and staff, also provide resources to support the development of startups and establish vibrant ecosystem that promotes innovation and entrepreneurship in this region. The goal of the Policy is to foster an entrepreneurial ecosystem in our society and integrate it into the academic curriculum and system. This framework will also aid in establishing uniformity for handling IPR ownership, technology licensing, and start-up policy, in accordance with National Startup Policy 2019, Tamil Nadu state Startup policy(2019-2023) and MHRD Guidelines.

PREAMBLE

Karpagam Innovation & Incubation Council (KIIC) has been established as a Section 8(not for profit) company, registered under the Indian Companies Act, 2013.and supported by DST, NSTEDB, Government of India .

KIIC acts as a "startup incubator" for startups that facilitates an entrepreneurial and innovative ecosystem for all the stakeholders, including students, faculty members, industries, investors, Alumni and society at large.

Now, KIIC is concentrating on innovations in the sector of Basic science and Health Computer Science Engineering and Technology, Management etc..

We are giving free incubation support and extending the handhold through mentoring, financial support, and marketing, KIIC seeks to develop and transform start-ups into successful businesses with a high impact on economy. It also promotes multidisciplinary advancement on a global scale.

Further. Meticulously planned core strategy starting from **identification, ideation, pre-incubation, incubation, startup, marketing, and commercialization** creates confidence and recognition for every young entrepreneur.

Vision

To be an excellent Incubator, self-sufficing, and establish innovative eco-system to sustenance global economy determined by startups and kindles the innovative mindset of ideators to help them be self-reliant.

Mission

To become the forerunner in augmenting Startup and innovation ecosystem for new ideas, with emphasis on modern technologies in sectors of Basic Science, Health, and other emerging areas, and be amongst the foremost incubators in India in these sectors.

Objectives

To achieve the aforementioned vision, KIIC proposes the following objectives:

- To determine the innovative ideas and supplement the fetus eventually to transform into a Start-up or entrepreneur endeavour.
- To apply the academic and industry knowledge to solicit an entrepreneur.
- To augment the innovative idea with all significant elements and resources abetting its transformation into a fruitful product or service.
- To associate with the stakeholders assisting to curb the barriers that hampers the growth of Start-ups.
- To serve entrepreneurs to leapfrog holistically with business expertise.
- To have a socio-economic transformation regionally through innovative solutions to the societal challenges
- To contribute to the nation's per capita revenue generation and balance of trade through the generation of skilled and innovative manpower and employment generation.

Definitions:

KAHE : Karpagam Academy of Higher Education

KIIC : Karpagam Innovation and Incubation Council

GB: Governing Board

Pre-incubation: Pre-incubation is the process that usually involves a technology-focused business idea or project, where startups that have started working alone or with a team but have not been incorporated to make this idea come true.

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

Start-up: An entity that develops a business model based on either product innovation or service innovation and makes it scalable, replicable and self-reliant.

Student Start-up: A Start-up that is initiated by student(s) enrolled in any academic institution.

Intellectual Property Rights Licensing: A licensing is a partnership between an Intellectual Property Rights (IPR) owner and another who is authorized to use such rights (licensee) in exchange for an agreed payment (fee or royalty).

Prototype: is an early sample, model, or release of a product built to test a concept or process.

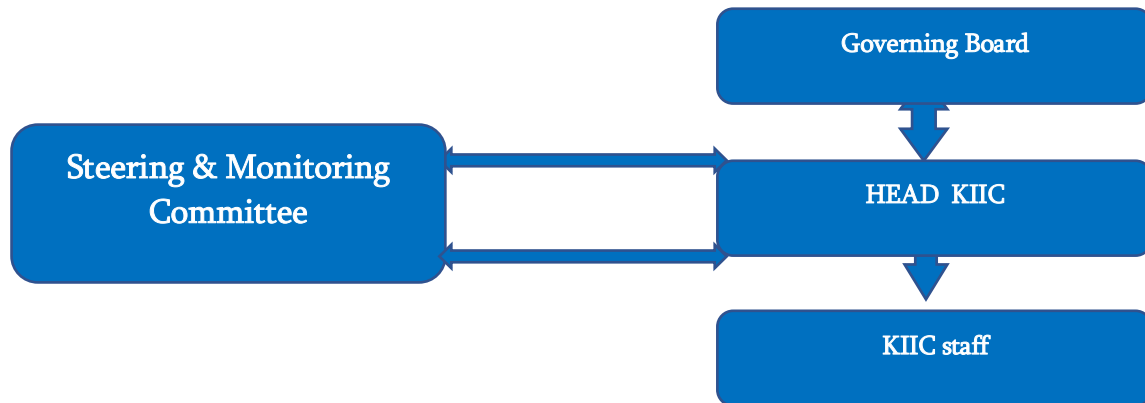
Scope

This policy covers the incubation program currently in place at KIIC as well as any related programmes and initiatives.

1. Eligibility
2. Admission procedure
3. Types of Start-Ups/ Companies
4. Norms for a Students driven startups
5. Recommendation to award Credits to a Student startup
6. Norms for Faculty /Staff Driven Startups
7. Incubation and Pre Incubation Support
8. The Funding resource
9. Intellectual Property rights

10. Periodic Assessment
11. Agreement
12. Rights to regulate policy
13. Tenure of Incubation
14. Disavowals
15. Period of Incubation/Exit

Governing Structure



Governing board

This shall be the highest decision-making authority and strategic roadmap defining the syndicate of KIIC. The President, Karpagam academy of higher education shall be its ex-officio Chairperson. The board shall have Head KIIC, a representative of DST, Industrialist, Bankers/ financial expert/ Angel investors, leading Entrepreneurs, Alumni Entrepreneurs, Patent Consultant and strategic partners and alliances as may be deemed necessary for quick disposal of matters under the purview of the governing board.

Key responsibilities of the governing board shall be: -

- To define the complete strategic roadmap for the KIIC.
- To decide on various proposals received for strategic alliance and partnerships
- To approve and monitor the budgets of KIIC.
- To constitute committees for the procurement of types of equipment, infrastructure, and other assets for KIIC.
- To appoint a steering committee and evaluation committee as per the incubation process laid down in this document.
- To consider and decide on any relaxations in terms of extension of tenure of incubatee, special privileges to the incubatees, etc., that may be brought to notice for necessary approvals.
- To Guide to frame incubation policies

1. Eligibility

- a) Any individual or Startup interested in using the incubation facilities of KIIC must submit an application in the format specified (Ref. Website) and include all necessary supporting documentation.
- b) The Startup promoted by students enrolled for full-time degree at an educational institute/ university shall be considered for pre incubation/incubation based on a case-to-case evaluation of the readiness of the student(s) to start the venture.
- c) Any startup that intends to create products or services that break the law, statutes, environmental laws, or ethical standards is not eligible for assistance from KIIC.

2. Incubation Admission Process

Step 1: Executive Summary and Business Plan Submission

- a) The prospective applicants should submit an Incubation Application containing the business plan/ Startup idea.
- b) Certificate of incorporation and Memorandum & Articles of Association (if incorporated already).
- c) The applicant(s) must present the executive summary to an incubation screening committee for feedback on the Startup idea's technical and commercial viability

Step 2: Presentation to Steering and Monitoring committee of KIIC

If the business plan or executive summary's initial assessment is favorable, KIIC will schedule a meeting with the founders of the company, during which the company will be required to present a business plan in front of the steering committee. The steering committee will make a final determination regarding the company's admission to the incubator following the presentation. The final decision will then be disclosed to the company. Under specific conditions, it is also acceptable to present through video conference.

The general evaluation standards are as follows

- Problem identified
- Proposed solution / innovation / technological feasibility
- Strength of core team / founders
- Potential of the idea for IP creation
- Financial / Commercial viability
- Market (opportunity / size / Sales plans
- Scalability
- Risks / Strategies for mitigating.

3. Types of Start-Ups/ Companies

We encourage and promote the following types of Startups

- a) Companies/Start-ups jointly owned by one or more individuals (or a student or a faculty member in collaboration with others)
- b) Companies/Start-ups jointly owned by one or many faculties along with any other Faculty from other institutions
- c) Companies/Start-ups owned by students/ alumni along with any others (Students from Other Institutions)

In the above said cases the students/ faculty will be founding members (proprietor) /directors/chairman/ members of the board of company/ start-up.

4. Norms for a Students driven startups

- a) Any (UG/PG /(Ph.D.) Research scholars) student, right from the first year of their program is allowed to set a startup (or) work part time/ full time in a startup or work as intern in a startup
- b) Any (UG/PG / (Ph.D.) Research scholars) student right from the first year of their program is allowed to earn credit for working on Innovative prototypes/business Models/ Pre incubation (case to case basis).
- c) Start Up activities will be evaluated based on the guidelines being given by the expert committee of the KIIC

- d) Allowing Student Entrepreneurs to use the address of pre-incubation and (or) incubation center (KIIC) to register their venture while studying in AICTE approved Institution.
- e) In accordance with the 2019 National Innovation Startup Policy, we recommend the students who have been incubated at KIIC to be permitted to take their Institute / University semester exams even if their attendance is below the minimum acceptable percentage, with the proper authorization from the KIIC Official.

(On case-to-case basis depends upon the applicability strength, societal benefits and quality of the Innovation and Subsequent engagement of the students with the/ her business)

- f) Encourage Many Startups with Inter-departmental and Inter institutional participation.
- g) Offering handhold support in resolving the hurdles and best placement support against failure of student startups.
- h) If any student discontinues his/her academic course from the Institute, he/she should inform the KIIC Office before 3 months and request permission to be raised to exit from the programme.(The decision of the governing board of the KIIC is final.)
- i) Any Students Innovators/entrepreneurs are allowed to opt their startup in place mini project /major project, seminar and summer training etc. (In plant training, Internship On job Training).
- j) Student's startups are to be evaluated by Expert committee, formed by KIIC

5. Norms for Faculty /Staff Driven Startups

- a) The Faculty members /Staff must clearly separate and distinguish on-going research at an Institute from the work conducted at the startup/company
- b) The Faculty members /Staff are allowed to undertake a start up on the technology developed by him/her in the lab at the AICTE approved Institute or previously developed elsewhere.
- c) Role of a Faculty members may be as owner/promoter /adviser/mentor/consultant. However, cannot take role of employee as CEO or other managerial role in his/ her startup and cannot draw salary from startup and He/ she can take share on profit and dividend only if any from startup as owner/shareholder.
- d) If a Faculty Members /staff who are incubated at KIIC as incubate, resigns from an Institute, or drop outs from Research, he/she should inform to the KIIC office before three months and request permission to be raised to exit/ continue from the incubation programme.(Decision will be taken on a case to case basis.)

6. Incubation and Pre Incubation Support

- a) Provision of relevant services like space, Seed funding, legal and patent support and mentoring support
- b) Pre-Incubation/Incubation facility will be accessible 24x7 to Incubatees
- c) KIIC may allow access to the Karpagam Academy of Higher Education's (KAHE) Library, laboratories and Computer Systems with Internet in accordance with guidelines of KAHE, subject to availability.

6.1 Common Infrastructure

KIIC provides a common pool of hard and soft infrastructure to be shared by all incubated companies. The following resources are provided:

- Library access
- Meeting/conference room with projection equipment
- Media facilities
- Canteen
- Xerox Shop

Upon admission to KIIC, the following facilities will be offered to be incubated Companies on an individual basis:

- Office space / CO working space
- Innovation Lab/Internet connection
- Standard furniture/ Systems as decided by KIIC

7. The Resource /Funding Includes.

- Raising funds through State and Central agencies such as DST, DBT, MHRD, AICTE, TDB, TIFAC, DSIR, CSIR, BIRAC, NSTEDB, NRDC, Startup India, Invest India, MeitY, MSDE, MSME, etc. and non- government sources should be encouraged.
- Sponsorship/ Donation from the Stakeholders
- Fundraising through the private and business sectors under the Corporate Social Responsibility (CSR) plan as per Section 135 of the Company Act 2013.
- Mentoring, Entrepreneurship skills development ,Key skill set programs and other relevant services may be offered through Preincubation/Incubation units in-return for fees, (or) zero payment basis

8. IP Ownership Rights for Technologies Developed at KIIC

(during the incubation tenure)

- When the resources of KIIC has been utilized by the innovator, IP ownership should be made jointly by the KIIC and the innovator will license together
- If the innovator has used the KIIC resources and doesn't want to share the IP rights with the KIIC , then it can be licensed to the inventor with royalty of less than or equal to 4% of the sales price given to the KIIC by the inventor
- On any dispute regarding IP ownership rights, a KIIC Steering committee will look into the issue and recommend.

9. Periodic Assessment

Performance of the incubatees will be evaluated in every 6 months by the Steering and Monitoring Committee.

Criteria:

- If the milestones specified in the business plan are met.
- For a company which has taken seed fund loan(or) Grant
 - Financial health
(booking, expenses, profitability, utilization of seed money loan (or) Grant for the specified purposes)
 - Ability to repay the loan (or) Usage of given Grant.
- Further seed fund (or) Grant disbursement will be dependent only on the progress.;
- Periodic assessment would vary depending on the startup stages of startups.

10. Agreements

Incubatee shall enter into the following agreements with the KIIC:

- Incubation Agreement:** Contain rules and norms of incubation, consideration, etc. (Applicable to all. A draft copy of this would be shared).
- Seed funding (or) Grant Agreement;** Contain rules of disbursement and repayment (as applicable).
(A draft of the seed fund/ grant agreement would be shared)

11. Right to Regulate Policy

- It is the responsibility of the KIIC team to interpret the policy, resolve disputes, implementing the policy and recommending changes in the policy from time to time to the Chairman;

- b) The Chairman shall consider Such Changes/ recommendations and take such decision thereon as he deems fit.
- c) The incubation policy may be reviewed on a yearly basis. If there is a need stemming from changes in the startup ecosystem in the country.

12. Tenure of Incubation

The company is permitted to stay in the period of maximum three years. Extension period may be given for 6 -12 months each at a time at the sole discretion of KIIC.

13. Disclaimer

KIIC does not guarantee that the technology transferred from the KIIC will be successful or feasible. Any person acting on that behalf is not responsible for any act or omission of the company incubated.

14. Graduation Exit

An incubated company will leave the incubator under the following circumstance:

- a) Completion of three years stay (if no extension granted) is generally considered as graduation
- b) Under performance or non-viability of business proposition as decided by KIIC on case to case basis
- c) Violation of KIIC policies / rule
- d) 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 or business plan
- e) Change in promoters/ founders team without concurrence of KIIC
- f) Any other reason for which KIIC may find it necessary for an incubated company to leave

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

Conclusion: The Innovation and Startup Policy for KIIC is designed to create a conducive environment for the development of innovative startups across the state. The policy framework outlined above will provide the necessary resources and support to help startups launch and grow their businesses successfully. By fostering a culture of innovation and entrepreneurship, KIIC aims to contribute to the development of a robust startup ecosystem in the region.

References

1. National INNOVATION and STARTUP Policy 2019 for Students and Faculty MHRD,GOI www.mhrd.gov.in / www.mic.gov.in
2. Tamil Nadu Startup and Innovation Policy – 2018-23, Entrepreneurship Development and Innovation Institute, Chennai, www.editn.in