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**KIPM College of Engineering and Technology**  
Plot BL 1&2, Sector 9, GIDA, Gorakhpur

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Approved by AICTE, New Delhi & Affiliated to AKTU Lucknow

# **INNOVATION & START-UP POLICY**

## **2021-22**



**MoE's  
INNOVATION CELL**  
(GOVERNMENT OF INDIA)



**INSTITUTION'S  
INNOVATION  
COUNCIL**  
(Ministry of HRD Initiative)

# **KIPM COLLEGE OF ENGINEERING AND TECHNOLOGY**

(Approved by AICTE, New Delhi & Affiliated to Dr. A P J Abdul Kalam Technical University)

UG Programs (CSE, EE, ECE, ME, CE)



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# KIPM COLLEGE OF ENGINEERING AND TECHNOLOGY

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## Message from the Chairman:



KIPM-College of Engineering and Technology (KIPM-CET), founded in the year (2012), has been promoting institutions which excel in varied fields such as Engineering & Technology, and Management to meet out the societal requirements. The current scenario requires an education system which brings innovation and entrepreneurs one of its focal point.

I firmly believe that the recommendations/guidelines provided in this document will pave way for developing and supporting an entrepreneurial culture at KIPM-CET and I wish a grand success for this mission. I appeal to *Innovation Cell KIPM* team to adopt and popularize these guidelines among the faculties, staffs and students and also encourage them to actively pursue the path of innovation and entrepreneurship.

**- Er. R. D. Singh**

# KIPM COLLEGE OF ENGINEERING AND TECHNOLOGY

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## Message from the Secretary:



KIPM-CET came into being on account of the continuous and magnanimous effort of a group of illustrious people from all walks of life during 2012. KIPM College of Engineering and Technology has been established by Ashutosh Shiksha Evam Seva Sansthan in 2012, offering quality education and preparing the student not only to meet the industry requirement but also for entrepreneurial journey. I am delighted that KIPM College of Engineering and Technology has come up with a nice start-up policy entitled as Innovation and Start-up Policy 2021 (ISP-KIPM 2021).

Surely, ISP-KIPM would be reformative tool to shape the career of the students, faculties and staffs at KIPM-CET. I hope, it will transform this college into an innovation-led campus, serving the society and country by all possible means. I appreciate the work done by all the members involved in framing of the ISP-KIPM 2021 and wish that, these policies & guidelines would be implemented in their true spirit.

**- Mr. Vinod Singh**

# **KIPM COLLEGE OF ENGINEERING AND TECHNOLOGY**

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## **Message from the Director:**



KIPM-College of Engineering and Technology is one of the foremost professional research-led institution, and internationally recognized for its professional and career-oriented education. Affiliated to AKTU Lucknow, the college has completed eight years of dedicated service to the people from different parts of the country in the field of Technical Education.

Ministry of Technical Education and AKTU, Lucknow has devised guidelines to promote innovation and entrepreneurship among the students and faculty of Higher Education Institutions (HEIs). Based on these guidelines, KIPM-CET has framed 'ISP-KIPM 2021' for the students, faculties and staffs of KIPM College of Engineering and Technology. Guidelines of 'ISP-KIPM 2021' will help in creating an efficient ecosystem in the college towards promotion of creative start-ups.

**- Dr. S. K. Pathak**

# **KIPM COLLEGE OF ENGINEERING AND TECHNOLOGY**

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## **INNOVATION AND START-UP POLICY KIPM 2021 (ISP-KIPM2021)**

### **1. Preamble**

The KIPM College of Engineering and Technology (KIPM-CET) is established by “Ashutosh Shiksha Evam Seva Sansthan” Trust, which emphasizes sprawling education evenly in the society. It was founded in the year 2012 by the man of amazing insight Er. R. D. Singh. His dreams and persistent efforts provided a platform for long unanswered inquisitive minds. KIPM-CET has been at the forefront of promoting creativity and incubating business ideas to provide an atmosphere where its students and faculty can explore their potential. As students are engaged in generating and implementing innovative ideas for solving problems of the real world, faculties of the college are continuously finding ways to launch business ideas to influence society.

In many cutting-edge science and technology fields, a significant number of Innovation Cell activities are being carried out by faculty members and students. Most of these innovative solutions, however, do not directly reflect consumer goods but benefiting society in different ways, including the industry's lack of interest in modern marketing and futuristic innovations. KIPM College of Engineering and Technology proposes that interested faculty members and students be encouraged to open companies, to be on the board of directors of such companies in the capacity of a director, chairman, or any such function. Engaged faculty members and students under Innovation Cell, are expected to make every possible effort to balance their academic responsibilities while assuming the position above.

The MoE Innovation Cell, other bodies of the Government of India, and Dr. A.P.J. Abdul Kalam Technical University is striving to provide an environment where its institutions and its graduates can achieve the full potential of the best-trained youth. What lies behind the evolution of culture is the need to acquire increasingly refined skills. When significant citizens of any culture have access to activities that are in line with their life goals, every culture gets its peak and this involves the creation of ongoing increasingly complex skills. KIPM -CET aims to kick-start and boost the entrepreneurial community of students by seamlessly combining innovative technology, and creative skills to solve real-life contemporary problems, leading to increased knowledge, wealth, and jobs for needy people.

### **2. Startup Policy**

In November 2016, All India Council of Technical Education (AICTE) released Start-up Policy document for AICTE approved institutions, to address the need of inculcating innovation and entrepreneurial culture in higher education institutions (HEIs). The policy

primarily focused on guiding the AICTE approved institutions in implementing Start-up Action Plan of Government of India.

In February 2019, Ministry of Human Resource Development (MHRD) along with AICTE Innovation Cell (MIC) released the National Innovation and Start-up Policy 2019 (NISP-2019) for students and faculties of HEIs. Based on NISP 2019, Kalam Centre for Innovation & Incubation of Start-ups (KCIIS) 2017, AKTU, Lucknow has released start-up policy guidelines for faculties, staffs and students to create a robust innovation and Start-up ecosystem in the University.

Based on the above policies, KIPM College of Engineering and Technology (KIPM-CET) has framed the Innovation and Start-up Policy (ISP-KIPM 2021) to cater to innovation and entrepreneurial needs of its students, faculty and staff.

## **2.1 Vision**

To develop an entrepreneurial environment through the advancement and consolation of college management, faculties, staffs, alumni and students.

## **2.2 Mission**

We are committed to groom Science & Technology driven Start-ups and Entrepreneurs by providing required eco-system, infrastructure, mentorship, financial and networking support.

## **2.3 Policy Statement**

To provide guidelines for establishing college environment for fostering innovation and entrepreneurial spirit among students, faculties and staffs, that promotes the establishment of Science & Technology Driven Start-ups which benefits the students, society, nation and beyond.

## **2.4 Policy Objectives**

- i. To develop an entrepreneurial environment through the advancement and consolation of college alumni and students.
- ii. To align college with the major initiatives like “Make in India”, “Start-up India” and other such programs in our nation, make an innovation cell and its policies.
- iii. To set-up an innovation cell, provide start-ups facilities such as mentoring, legal, financial, technological, infrastructural support, and intellectual property-related support.
- iv. To set-up a discussion forum, assist in the concerned area to foster faculty and student’s imagination, innovation, and entrepreneurial abilities.
- v. To set-up a promotion cell, for the speedy marketing and commercialization of inventions and technologies developed by Innovation cell faculties and students, provide required facilities.
- vi. To provide an accelerated track to monetization of innovations, services and products; through strategic alliances with government, industry and financial institutions.



- vii. To have a single policy regulating all the start-up activities of the college and to be governed by the "Innovation Cell KIPM" under one committee, which in turn is mandated by the management of KIPM-CET.

## **2.5 Applicability**

This policy is applicable to any person who receives any direct or indirect benefit under the programme when accepted into the ISP-KIPM programme:

- i. KIPM-CET students and faculties
- ii. KIPM-CET Alumni
- iii. KIPM-CET Staffs (Non-Technical)
- iv. Management of the KIPM-CET
- v. Any other person approved by the Start-up Governing Council, committee by research scholars and other institutions collaborating with KIPM-CET

Applications for admission to the Innovation Cell KIPM will be made on behalf of registered unlisted companies within the meaning of the 1956 Companies Act. Where a company has not been registered, an application can be made in the name of all the promoters/founders; however, the promoters/founders must ensure that the company is registered in the Innovation Cell KIPM within a period of three months from the date of approval of the application.

## **2.6 Norms of Admittance:**

### **2.6.1 Norms for Students Start-ups**

- i. Students will be allowed to set up a start-up (including social start-ups) and work part-time for these start-ups while studying.
- ii. Student entrepreneurs may earn academic credits for their efforts while creating an enterprise. Student Entrepreneurs can earn a maximum of 1 credit for innovative Proof of Concept (PoC) development (during 5<sup>th</sup> semester), maximum of 1 credit for prototypes or Minimum Viable Product (MVP) development (during 6<sup>th</sup> semester), maximum of 1 credit when the student teamed up and formulates a company with business plan in place (during 7<sup>th</sup> semester). TBI@KIPM-CET and ISP-KIPM 2021 committee will evaluate and recommend the credits.
- iii. Student inventors will also be allowed to opt for start-up in place of their mini project/ major project, seminars, summer trainings, with approval from Chief Coordinator (Academic), ISP-KIPM 2021 committee and head of the institution. Students will be permitted to use the start-up idea/prototype development as their major project work for the Institute academic requirements. The area in which student wants to initiate a start-up may be interdisciplinary or multidisciplinary.
- iv. KIPM-CET will exempt students affiliated with the TBI@KIPM-CET to avail maximum up to 20% attendance in any semester. Including this grace of 20% attendance, student should secure minimum attendance percentage as prescribed by KIPM-CET in each subject to appear for the end semester examination. Potential student entrepreneurs may be allowed to sit for the examination, even if their

attendance is less than the minimum permissible percentage, with due permission from the head of the institution.

- v. Students will be allowed for semester/year break or even more depending upon the decision of review committee constituted by the institute (after sixth semester), to work on their start-ups and re-join academics to complete the course.
- vi. Students who are under incubation, but are pursuing some entrepreneurial ventures while studying to be allowed to use their address in the institute to register their company with due permission from the head of the institution.

### **2.6.2 Norms for Faculty Start-ups**

- i. Faculties and departments of the institute have to work in coherence and cross-departmental linkages to be strengthened through shared faculty, cross-faculty teaching and research in order to gain maximum utilization of internal resources and knowledge.
- ii. Some of the relevant faculty members with prior exposure and interest should be deputed for training to promote innovation & Entrepreneurship.
- iii. Faculty and staff will be allowed to take off for a semester/year (or even more depending upon the decision of review committee constituted by the institute) as sabbatical/ unpaid leave/casual leave/earned leave for working on start-ups and come back. KIPM-CET will consider allowing use of its resource to faculty/students/staff wishing to establish start-up as a fulltime effort. The seniority and other academic benefits during such period may be preserved for such staff or faculty.
- iv. Those technologies which originate from KIPM-CET should be only taken for faculty start-ups.
- v. Role of faculty may vary from being an Owner/Direct promoter/Mentor/Consultant or as On-Board member of the start-up.
- vi. KIPM-CET will develop a policy on 'conflict of interests' to ensure that the regular duties of the faculty don't suffer owing to his/her involvement in the start-up activities.
- vii. Faculty start-up may consist of faculty members alone or with students or with alumni or with faculty of other institutes or with other entrepreneurs.
- viii. For staff and faculty, KIPM-CET 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.
- ix. 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. Faculty must clearly separate and distinguish on-going research at the institute from the work conducted at the start-up/company.
- x. A Company owned or co-owned by a faculty/staff will normally be required to incubate at TBI@KIPM-CET. However, in exceptional cases, where the faculty/staff

- wants to incubate outside the institute, a sufficient justification has to be provided for the approval of the Institute. Decision of the Institute is final and binding in this case.
- xi. Faculty must not accept gifts from the start-up.
  - xii. Faculty must not involve research staff or other staff of institute in activities at the start-up and vice-versa.
  - xiii. Human subject related research in start-up should get clearance from ethics committee of the institution.
  - xiv. In case of selection of a faculty start up by an outside national or international accelerator, a maximum leave (as sabbatical/existing leave/unpaid leave/casual leave/earned leave) of one semester/year (or even more depending upon the decision of review committee constituted by the institute) may be permitted to the faculty.
  - xv. Participation in start-up related activities will be considered as a legitimate activity of faculty in addition to teaching, R&D projects, and industrial consultancy and management duties and will be considered while evaluating the annual performance of the faculty. Every faculty is encouraged to mentor at least one start-up.

## 2.7 Important Terminology used in Policy

**Accelerators:** Start-up Accelerators design programs in batches and transform promising business ideas reality under the guidance of mentors and several other available resources.

**Angel Fund:** An angel investor is a high network individual who invests his or her or her personal capital and shares experiences, contacts, and mentors (as possible and required by the start up in exchange for equity in that start up). Angels are usually accredited investors. Since their funds are involved, they are equally desirous in making the start-up successful.

**Co-Creation:** Co-creation is the act of creating together. When applied in business, it can be used as 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.

**Equity:** An equity share, commonly referred to as ordinary share also, represents the form of fractional or part ownership in which shareholder, as 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.

**Entrepreneurial Culture:** A culture/society that enhances the exhibition of the attributes, values, beliefs and behaviors that are related to entrepreneurs.

**Entrepreneur:** An individual who has an entrepreneurial mindset and wants to make his/her idea successful.

**Entrepreneurship Education:** Entrepreneurship education seeks to provide students with the knowledge, skills and mentoring to encourage entrepreneurial success in a variety of settings.

**Fab or Prototype lab:** A fab lab is a small-scale workshop offering digital fabrication. A fab lab is typically equipped with an array of flexible computer-controlled tools that cover several different length scales and Various materials, with the aim to make almost anything.

**Hackathon:** A hackathon is a design sprint like event in which computer programmers and others involved in software development, including graphic designers, interface designers, project managers and others, often including domain experts, collaborate intensively on software projects.

**Inculcation:** Incubation is a unique and highly flexible combination of business development processes, infrastructure and people, designed to nurture and grow new or innovative and small businesses by supporting them during the early stages of development.

**Intellectual property Rights (IPR) 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).

**Pre-incubation:** It typically represents the process which works with entrepreneurs who are in the very early stages of setting up their company. Usually, entrepreneurs come into such programs with just an idea of early prototype of their producer or service.

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

**Seed fund:** Seed fund is a form of securities offering in which an investor invests capital in a start-up company in exchange for an equity stake in the company.

**Start-up:** An entity that develops a business model based on either product innovation or service innovation and makes it scalable, reliable and self-reliant and as defended in Gazette Notification No. G.S.R. 127 (E) dated February 19,2019.

**Faculty/Staff/Student Start-up:** A Start-up that is initiated by Faculty(s), Staff(s) or student(s) enrolled in any academic institution recognized/approved by AICTE.

**Technology Business Incubator (TBI):** TBI is an entity, which helps technology-based with all the necessary resources/support that are needed to evolve and grow into a natural business.

**Technology Commercialization (TC):** TC is the process of transitioning technologies form the research lab to the marketplace.

**Technology Capital Licensing:** Agreement whereby one of a technological intellectual property (the licensor) allows another party (the licensee) to use, modify, and/or resell that property in exchange for a compensation.

**Technology Readiness Level (TRL):** It is the most well-known form of start-up funding. Venture Capitalists (VCs) typically reserve additional capital for follow-up investment

rounds. Another huge value that VCs provide is access to their networks for employees or clients for product or services of the start-up.

- TRL 0: Idea-Unproven Concept, no testing has been performed.
- TRL 1: Basic Research- Principals postulated and observed but no experimental proof of concept available.
- TRL 2: Technology Formulation- Concept and application have been formulated.
- TRL 3: Applied Research- First Laboratory test completed; Proof of Concept (PoC)
- TRL 4: Small Scale Prototype built in a laboratory environment (“Ugly” Prototype)
- TRL 5: Large Scale Prototype tested in intended environment
- TRL 6: Prototype System tested in intended environment close to expected performance.
- TRL 7: Demonstration System operating in operational environment at pre-commercial scale
- TRL 8: First of kind commercial system manufacturing issues resolved.
- TRL 9: Full Commercial application Technology available for consumers

## **2.8 Strategies & Governance**

- i. The Innovation Cell In-charge of the college will hold the responsibility to promote innovation, entrepreneurship and start-ups in the Institute.
- ii. The following facilities and teams will be collectively headed by Innovation Cell In-charge towards implementation of ISP-KIPM 2021 policy and promotion of start-ups:
  - a) Entrepreneurship and Management Development Cell (EMDC)
  - b) Innovation Cell KIPM-CET (IC KIPM-CET)
  - c) Intellectual Property Rights (IPR) Cell
- iii. Technology Business Incubator @ KIPM-CET (TBI@KIPM-CET) - A separate entity registered under Society Registration Act 1975.
- iv. These Pre-Incubation and Incubation facilities will be made accessible 24x7 to students, staff and faculty of all disciplines and departments across the institution.
- v. A sustainable financial strategy has been defined in order to reduce the organizational constraints to work on the entrepreneurial agenda.
- vi. Investment into “Innovation Fund” for these activities would not to be less than 1% of the total annual budget of the Institute.
- vii. The strategies for raising funds from diverse sources will be devised. Bringing in external funding through government (state and central) such as DST, DBT, MHRD, AICTE, TDB, TIFAC, DSIR, CSIR, BIRAC, NSTEDB, NRDC, Start-up India, Invest India, MeitY, MSDE, MSME, etc. and non-government sources will be encouraged.
- viii. KIPM-CET may also raise funding through sponsorships and donations. KIPM-CET will actively engage alumni network for promoting Innovation & Entrepreneurship (I&E) and tap private and corporate sector funds under Corporate Social Responsibility (CSR) as per Section 135 of the Company Act 2013.
- ix. KIPM-CET will be the driving force in developing entrepreneurship culture in its vicinity (regional, social and community level). This shall include giving opportunity

for regional start-ups, provision to extend facilities for outsiders and active involvement of the institute in defining strategic direction for local development.

- x. KIPM-CET will offer mentoring and other relevant services through Pre-incubation/Incubation units in-return for fees, equity sharing and (or) zero payment basis.
- xi. Intellectual Property (IP)/technology information based on which a business is proposed to be promoted/established. In the case of the creation of IP/technology at KIPM-CET, a copy of KIPM-CET's letter of approval for the transfer/licensing/permission to use IP in favour of prospective incubators.
- xii. The business plan must cover all aspects, including: business overview, value proposition, goods and services, analysis of the market and competition, sales model, milestones and timelines, growth and marketing plan, organizational structure, core staff, risk analysis, criteria for financing and estimated financials.
- xiii. Applicants can include such additional data as they believe will assist in evaluating their proposal. The Business Plan will be screened by the authorized committee on the basis of the submitted documentation to determine the suitability of the proposal for further assessment by expert representatives of its potential for incubation. The expert representatives shall then carry out a thorough review, including financial and technical due diligence of the proposal, for the assessment of the proposal. Depending on the essence of the proposal, the expert members will be invited/ named.
- xiv. Through their teams, applicants can be invited to make a presentation on their plan. Members can request any additional information from the applicants and/or review the proposal in order to allow the expert members to make an appropriate decision. KIPM-CET will handle submissions with the utmost confidentiality.
- xv. Any representative (but not limited to) requirements to be applied for evaluation:
  - Power of the product concept in terms of its content in technology, creativity, business potential for timeliness and scalability
  - IP already created and the potential of the idea for IP development
  - Strength of the core team
  - Product/idea potential for 'Make in India' promotion and job development
  - Need of funds and feasibility of raising financing
  - Marketing time
  - Time of break-even
  - Percentage of use of facilities, personnel, expertise, current IP and other facilities existing with KIPM-CET or its other incubated companies or its successfully incubated companies in the past.

## **2.9 Nurturing Innovation and Start-ups**

### **2.9.1 Innovation Cell KIPM-CET (IC KIPM-CET)**

- i. To work in accordance with the Annual calendar activities prescribed by the MIC and promote innovation-led activities.
- ii. All facilities in IC KIPM-CET are made available to students, faculty and staff 24x7.

- iii. Organize periodic workshops/seminars/interactions with entrepreneurs, investors, professionals and create a mentor pool for student innovators/Hackathons, idea competition, mini-challenges etc. with the involvement of industries.
- iv. Innovation Cell KIPM-CET comprises President, Vice President, Convenor, Faculty Coordinator, Innovation Ambassadors, Faculty and Student Coordinators for various activities, Departmental Faculty Coordinators and student members.

### **2.9.2 Technology Business Incubator @ KIPM-CET (TBI@KIPM-CET)**

- i. TBI to provide incubation facilities.
- ii. TBI comprises Chief-Coordinator, Manager, Project Coordinators and Technical staff.
- iii. All facilities in TBI are made available to students, faculty and staff 24x7.
- iv. Prototyping Lab will host regular training programs to promote innovation activities among students/faculties and facilitate them to convert their ideas into prototype.
- v. TBI may also link the start-ups to other seed-fund providers/angel investors/venture capitalists or itself may set up seed-fund once the incubation activities mature.
- vi. TBI will extend this start-up facility to alumni of the institute as well as outsiders.

### **2.9.3 Entrepreneurship and Management Development Cell (EMDC)**

- i. Spreading awareness among students, faculty and staff about the value of entrepreneurship and its role in career development.
- ii. All facilities in EMDC are made available to students, faculty and staff 24x7
- iii. To promote entrepreneurship as a viable career and provide pre-incubation support to innovators/students to culminate in campus start-ups/new ventures.
- iv. EMDC comprises Overall Coordinator, Departmental Faculty Coordinators, Departmental Student Coordinators and student members.

**2.9.4 KIPM-CET** will facilitate the start-up activities/technology development by allowing students/faculties/staffs to use institute infrastructure and facilities, as per the choice of the potential entrepreneur in the following manners:

- i. Short-term/six-month/one-year part-time entrepreneurship training.
- ii. Mentorship support on regular basis.
- iii. Facilitation in a variety of areas including technology development, ideation, creativity, design thinking, fund raising, financial management, cash-flow management, new venture planning, business development, product development, social entrepreneurship, product costing, marketing, brand- development, human resource management as well as law and regulations impacting a business.
- iv. To support early-stage innovators for prototyping, KIPM-CET has two funding schemes to support
  - a) KIPM-CET student seed money support up to Rs.10,000/- per idea (TRL 0-3)
  - b) KIPM-CET spark fund support up to Rs.50,000/- per idea (TRL 4-5)

A separate committee will receive the applications then shortlist worthy ideas which are scalable and monitor the progress of sanctioned ideas.

- v. In addition, to channelize and create innovation pipe line and pathways for innovators/Entrepreneurs at Institute level, mentoring and networking will be done to help them to pitch in their ideas for various schemes.
- vi. License institute IPR.
- vii. In order to attract and retain right people, institute should develop academic and non-academic incentives and reward mechanisms for all faculty/staff who actively contribute and support entrepreneurship agenda and activities.
- viii. The reward system for the staff may include sabbatical leave, office and lab space for entrepreneurial activities, reduced teaching loads, awards, trainings, etc.
- ix. Evaluation of annual performance will be made by the Monitoring committee.
- x. 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
- xi. A start-up may choose to avail only the support, not seed funding, by the institute on rental basis.
- xii. Institute wills update/change/revise performance evaluation policies for faculty and staff based on innovation policy periodically.

## **2.10 Services**

ISP-KIPM 2021 plans to provide other support and services in addition to the physical infrastructure, including:

- i. Registration of a corporation and filings
- ii. Accountancy Programs
- iii. Programs of HR
- iv. Legal filings for Intellectual Property (Copyrights, Trade Marks, Patents)
- v. Training/Conferences/Workshops
- vi. Support for Seed Funding
- vii. Grants from the Public Body
- viii. Introductions for venture capitalists/Angels Investors
- ix. Meetings with KIPM College visitors (such as alumni, VCs, professionals from the industry)
- x. Showcasing the incubated companies of KIPM-CET by networking and events

## **2.11 Periodic Assessment**

KIPM Innovation Cell Team will evaluate the performance of incubate companies, who will be required to submit information on a quarterly basis in a prescribed format. Additionally, incubate companies may also be subjected to annual assessments. Assessment criteria, formats and frequency will be intimated to incubate companies by the IC KIPM-CET.



## **2.12 Tenure**

Companies will be allowed to remain in the incubator of KIPM College, to begin with for a period of 18 months that may be extended at each point to another 12 (6+6) months after study. For this 30-month period, the business will pay a nominal monthly fee. The IC KIPM-CET can at its sole discretion, allow companies to further extend their stay for a maximum of 12 months, for which they will have to pay the fees at the prevailing market rate to be determined by KIPM-CET. Based on market conditions and other variables, the initial duration of 18 months which vary and is therefore only a general guideline and not a standard.

## **2.13 Submitting details**

Information will be sent to the IC KIPM-CET, TBI@KIPM-CET & Director's at KIPM-CET by incubation companies:

- i. On any material changes or innovations taking place from time to time in their businesses. This information may be (but is not limited to a change in company name, a change of company or product profile, a change of management, promoters or shareholders, the purchase of a new office, additional investment in equity or debt. KIPM-CET can require other information to be submitted by incubate companies as it sees fit. Prior approval should be sought from the IC KIPM-CET to make certain changes.
- ii. On all organizational, financial and other metrics mandated by the Start-up Governing Council & Committee in the required formats and frequency mandated by the Start-up Governing Council & Committee.
- iii. The incubated business shall at all times request the prior permission of the IC KIPM-CET to participate in any case, to pursue external investment, to gain recognition or to attend any public or private event outside the college in general.
- iv. If permission is given to participate in such an event, the IC KIPM-CET, TBI@KIPM-CET must pre-approve all presentation materials, publicity materials, etc., and any media statements, press releases, presentations, speeches should recognize the contribution of KIPM-CET.

## **2.14 Exit to Exit**

Under the following conditions, incubated businesses have to/would exit the incubator:

- i. Upon completion of the stay for a duration of 30 months, unless the stay has been prolonged or for a shorter period by KIPM-CET.
- ii. Any act of indiscipline or non-compliance with political matters.
- iii. Violation of the law of the land, including infringement of any intellectual property.
- iv. Any act which brings disrespect to the college/university.
- v. Under-performance or unviability of the business proposal: KIPM-CET will determine and apply the same parameters on a case-by-case basis.
- vi. Irresolvable differences between proponents/founders. When disputes are considered to be irresolvable, KIPM-CET will determine the status or the point.

- vii. When a corporation enters into an acquisition, merger or amalgamation arrangement or reorganization agreement, resulting in a significant shift in the image of the company, its promoters, employees, shareholders, goods or business plans, or when the company is preparing a public issue.
- viii. Shift of the team of promoters/founders without IC KIPM-CET & TBI@KIPM approval.
- ix. Any other reasons which KIPM-CET may find it appropriate for an incubate company to leave.

Notwithstanding anything written elsewhere the decision of KIPM-CET relating to the removal of an incubate company shall be final and shall not be questioned by any incubate company.

### **3. Equity Based Strategy**

KIPM-CET can take 1% to 3% of equity/share in the start-up/company, based on brand used, faculty contribution, support provided and use of the IPR of the institute, instead of support and services to be provided. The actual proportion will be discussed with the company, Society, Businessman and approved in writing. Depending on various factors, including but not limited to the resources, time and support provided by the University, the actual percentage will vary. A separate equity allocation agreement will be signed with the company outlining KIPM-CET's rights and the allocation and exit conditions. Through its Special Purpose Vehicle Entity specifically created for this purpose or any other entity as authorized by the Start-up Governing Council & Committee, KIPM-CET may take the equity thus assumed.

#### **Product Ownership Rights for Technologies Developed at the Institute**

a. When institute facilities / funds are used substantially or when IPR is developed as a part of curriculum/ academic activity, IPR is to be jointly owned by inventors and the institute.

I. Inventors and institute could together license the product / IPR to any commercial organization with inventors having the primary say. License fees could be either / or a mix of

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

II. An institute may not be allowed to hold the equity as per the current statute, so SPV may be requested to hold equity on their behalf

III. If one or more of the inventors wish to incubate a company and license the product to this company, the royalties would be no more than 4% of sale price, preferably 1 to 2%, unless it is pure software product. If it is shares in the company, shares will again be 1% to 4%. For a pure software product licensing, there may be a revenue sharing to be mutually decided between the institute and the incubated company.

b. On the other hand, if product/ IPR is developed by innovators not using any institute facilities, outside office hours (for staff and faculty) or not as a part of curriculum by student, then product/ IPR will be entirely owned by inventors in proportion to the contributions made by them. In this case, inventors can decide to license the technology to third parties or use the technology the way they deem fit.

- c. If there is a dispute in ownership, a minimum five membered committee consisting of two faculty members (having developed sufficient IPR and translated to commercialization), two of the institute's alumni/ industry experts (having experience in technology commercialization) and one legal advisor with experience in IPR, will examine the issue after meeting the inventors and help them settle this, hopefully to everybody's satisfaction. Institute can use alumni/ faculty of other institutes as members, if they cannot find sufficiently experienced alumni / faculty of their own.
- d. Institute incubation center will only be a coordinator and facilitator for providing services to faculty, staff and students. They will have no say on how the invention is carried out, how it is patented or how it is to be licensed. If institute is to pay for patent filing, they can have a committee, which can examine whether the IPR is worth patenting. The committee should consist of faculty who have experience and excelled in technology translation. If inventors are using their own funds or non-institute funds, then they alone should have a say in patenting.
- e. All institute's decision-making body with respect to incubation / IPR / technology-licensing will consist of faculty and experts who have excelled in technology translation. Other faculty in the department / institute will have no say, including heads of department, heads of institutes, deans or registrars.
- f. Interdisciplinary research and publication on startup and entrepreneurship will be preferred and promoted by the institution.

#### **4. Agenda of Academics**

- i. Adequate recognition/citation/awards for their achievements will be granted to student start-ups or alumni start-ups (within 3 years of graduation), who have had an exceptional effect & who have an early-stage link with KIPM-CET (Detailed in section 2.6 of this policy)
- ii. The idea of a student entrepreneur in residence is approved by KIPM-CET. Students would be allowed to apply for an official leave grant of one year at a time during their studies for entrepreneurial initiatives.
- iii. Excellent students who choose to pursue entrepreneurship will take a one-year break, as the academic system enables students to take entrepreneurship credit courses when they are introduced and offered to pursue full-time entrepreneurship. Thus, a student would be eligible for a 4-year degree only if he is able to meet all the degree requirements within 6 years of entering the study programme. This six-year cycle would include a period of leave for entrepreneurship.
- iv. A special Faculty Upgradation Scheme will be instituted. University professors working for a defined time together with students at KIPM-CET to move out and pursue entrepreneurship (sabbatical as governed by Faculty Rules) and on failure/good completion will be able to enter back.
- v. Also, from the first year of college, student entrepreneurs working on a start-up concept may be allowed to convert their start-up project to degree completion as their final year project.

- vi. Students in the final year of KIPM-CET will be expected to take up and solve a real-life practical problem as part of the academic curriculum through their final year project. The Centre for Entrepreneurship Education & Growth will help students who have completed the best of these projects and who want to turn their projects into products/services and want to set up start-ups.
- vii. Students leaving the college or dropping out of their academic courses will need to give written advance notice and request permission to continue or exit the programme. The decision of the Governing Council will be final.

## **5. Revision of Eligibility and frequency**

- i. Had his/her Start-up registered with a DIPP (Department of Industrial Policy and Promotion) and should have a legitimate CIN (Company Identification Number). The essence of the undertaking is the LLP (Limited Liability Partnership) or Pvt. Ltd.
- ii. The IC KIPM-CET & TBI@KIPM-CET should be incubated.
- iii. The necessary documents should have been forwarded to the In-charge Innovation Cell KIPM-CET.
- iv. The quarterly report of the Start-up should have been sent to the IC KIPM-CET, TBI@KIPM-CET & Director's Office.
- v. Should provide evidence of customer revenue generation by balance sheets or ledger of accounts.
- vi. Start-ups that have raised funds from a VC or Seed Capital in the calendar year will be given due consideration. In the name of his or her start-up for the calendar year, cash reward OR prize money was earned. The award frequency is annual (declared annually in January)

### **5.1 Specifications of submission**

- i. At the end of the calendar year on the basis of the documents submitted during the year, the overall business conducted and the money earned by the start-up will be determined.
- ii. A start-up that has grown a broader customer base
- iii. Markets reached out and grabbed shares.
- iv. Observance of ethical practices.
- v. The company's sales and expenditure statements for the current fiscal year.
- vi. The company's balance sheets (for the past 3 years)

All of the above eligibility and requirements are to be provided with the necessary documentation and sent to the IC KIPM-CET, TBI@KIPM-CET and Director's Office KIPM-CET.

## **6. Best Honor for Entrepreneurs - Alumni**

- i. An alumnus of KIPM-CET should be one of the founders of the start-up.
- ii. Should have had an exceptional impact (within 5 years of graduation) & had an early-stage relationship with KIPM-CET.

- iii. Should have his/her Start-up registered with a DIPP and should have a valid CIN. The essence of the undertaking is the Pvt. Ltd, Ltd.
- iv. The relevant documents should be sent to the IC KIPM-CET, TBI@KIPM-CET and Director's Office at the KIPM-CET.
- v. The quarterly report of the start-up should have been sent to the Innovation Cell and Director's Office at the KIPM-CET.
- vi. Should have proof of customer revenue generation through balance sheets or ledger accounts.
- vii. Start-ups that have raised funds from a VC or Seed Funding in the calendar year will be given due consideration. In the name of his or her start-up for the calendar year, cash reward OR prize money was earned.

## **7. Virtual Incubation**

Digital Incubation is an incubation term that enables an incubator to be part of an incubator without being physically placed on the premises of the incubator. KIPM-CET is open to virtual incubation and will extend all support to other incubates that are physically placed, as made available. This will be regarded as an exception and as accepted by the Start-up Policy Governing Council, on a case-by-case basis. All policy rules (as applicable) shall apply to a virtually incubated business/founders/students/faculty, as they would apply to a non-virtually incubated company/founders/students/faculty in the normal course.

## **8. Accommodation at Campus**

Subject to availability, an incubator can be provided with campus accommodation, on a payment basis. The monthly rent would have to be charged by Incubator as per KIPM-CET standards.

## **9. Accordations**

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

- i. Agreement on Service: Between KIPM-CET and Incubator, for the company's admission to the KIPM-CET. This is the Master Services Agreement which contains Terms of Service, Anonymity, Non-Compete
- ii. Compromise on Equity: Between the KIPM-CET / KIPM-CET Funding Agency and the business Incubate for the equity holding of KIPM-CET in the Incubate Business
- iii. Technology/Technology License Agreement Transfer: Between KIPM-CET & the Incubator for Technology Transfer Business KIPM-CET in favour of incubated companies
- iv. Usage of tools from the IC KIPM-CET Lab: Between the KIPM\_CET & an incubate company to use departmental capital KIPM-CET by the incubation company in compliance with the prevailing KIPM College.

## **10. Settlement of Dispute, Authority, Non-Compete, Confidentiality**

All aspects of this policy will be regulated by the management of the KIPM-CET or/and by three-member of Start-up Policy Governing Council explicitly set up and mandated to control the policy, to approve any derogations and to make changes to the policy as deemed necessary from time to time. The decision taken by the College Management & Governing Council of KIPM-CET will be final. The Governing Council will decide any conflicts, if any. Any further escalation of the dispute will be subject to arbitration under the Indian Arbitration Act following the decision of the KIPM-CET Management/Governing Council. All disputes would be discussed only in the district court of Gorakhpur, India. The confidentiality and non-compete agreements as written from time to time are bound by students, staff and all stakeholders within the programme.