



# THE NORTHCAP UNIVERSITY INNOVATION AND STARTUP POLICY

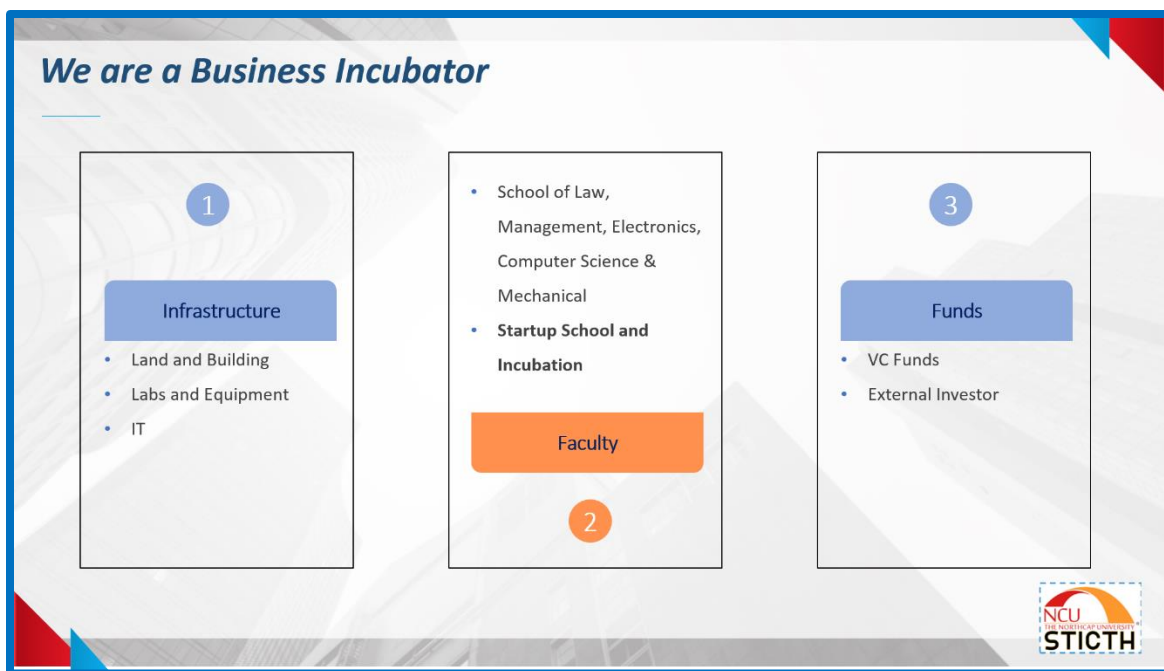


# THE NORTHCAP UNIVERSITY INNOVATION AND STARTUP POLICY

## I. Introduction

A. NCU STICTH is an Innovation and Startup program at the NORTHCAP UNIVERSITY for fostering innovations and nurturing tech & non-tech start-ups. It administers a business incubator which provides 'Idea to Company' support for entrepreneurship and facilitates the conversion of ideas into startup ventures.

B. It is one of the earliest incubators in HEIs with a startup school. Over the years NCU STICTH has come across the barriers that impede the startup activities beyond a point. NCU STICTH has come up with a robust Innovation and Startup Policy that addresses the pain points of entrepreneurs and offers opportunities and support to maximize success.



## II. Applicability:

A. This document contains the Policy and Procedures for operational matters related to following activities:

B. The NCU STICTH Innovation & Startup Policy 2021 policy therefore is applicable to all NCU STICTH supported entities and teams, which include start-ups, companies and individual teams supported:

1. NCU STICTH Startup School
2. Under pre-incubation programs (Pre-incubates)
3. Under Physical and Virtual incubation (Founders/ Companies/ Founder companies)
4. Under seed support programs of NCU STICTH

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5. Under accelerator programs with/without post program follow-on support
  6. Using co-working space without formal incubation support
  7. Under co-incubation program
  8. Early-Stage Investments
- C. Reference to start-ups, companies and teams under each of the above supported categories are interchangeable.

### III. This document covers the following processes:

- Introduction
- Applicability
- Eligibility
- Admission Process
- Intellectual Property (IP)
- Incubation Support (Details of Facilities)
- Physical infrastructure:
  - Lab
  - Utility
  - IT Support\*
- Funding
- Advisory and coaching
- Network
- Other Advantages
- Ecosystem advantage
- NCU STICTH brand
- Seed Support
- Periodic Assessment
- Information Submission
- Consideration
- Rental / Incubation fees
- Tenure in NCU STICTH/ THE NORTHCAP UNIVERSITY
- Exit
- Agreements
- Conflicts of interest & Confidentiality of Information, and Code of Conduct
- Disclaimer

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*The policy is subject to periodical review and amendments. It will be the responsibility of the companies admitted to/associated with NCU STICTH to update themselves from time to time on amendments in NCU STICTH policy and procedures. NCU STICTH 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.*

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## 1) Eligibility

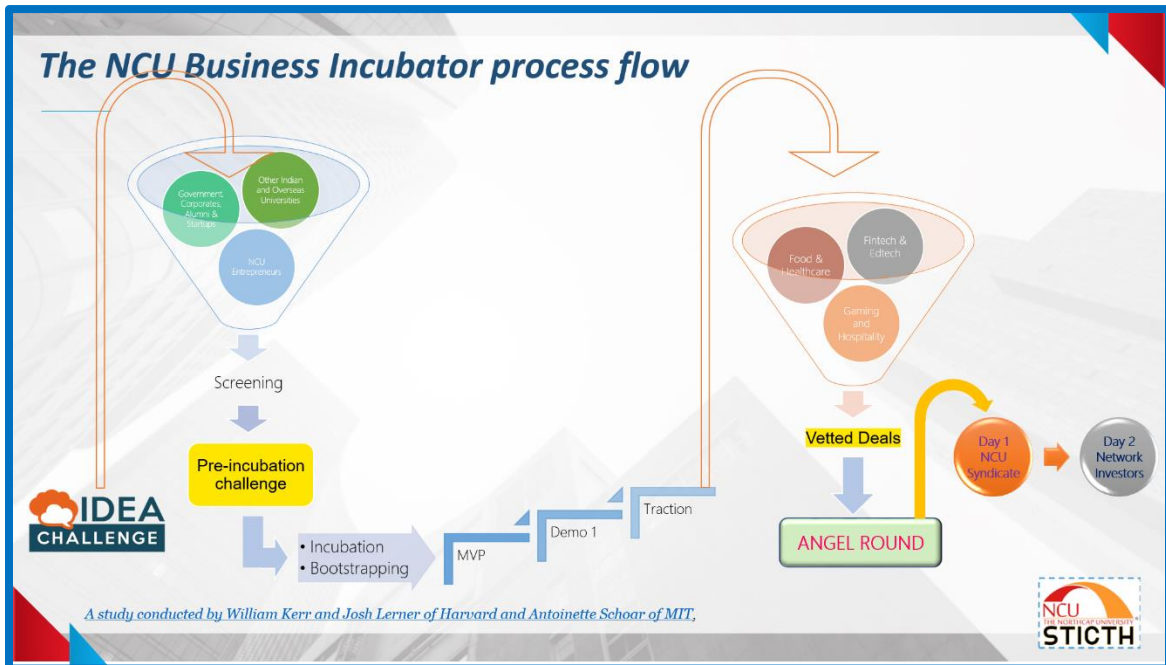
- a) Admission to NCU STICTH for incubation is open to Technology and Non-Technology and Social start-ups with preference to be given to start-ups having affiliation with THE NORTHCAP UNIVERSITY which includes:
  - i) Faculty members
  - ii) Students
  - iii) Alumni
  - iv) NCU STICTH R&D partners (sponsors of R&D and consultancy projects),
  - v) NCU STICTH partner universities (having R&D collaborations in place), and
  - vi) Government agencies associated with NCU STICTH's research and innovations.
  - vii) Permanent staff of NCU STICTH
  - viii) Technology / IP from NCU STICTH
  - ix) Applicants supported under any program managed by NCU STICTH.
  - x) Focus of NCU STICTH for incubation of proposals/business ideas shall be on the following basis:
    - xi) Idea Challenge Winners
    - xii) IP and Product Based Start-ups
    - xiii) Proposals with clear Market/ User validation.
    - xiv) Proposals with potentials for strong identifiable involvement or interaction with THE NORTHCAP UNIVERSITY faculty Proposals which will have high growth potential, social and strategic impacts,
    - xv) Proposals supported by any of Govt. (central/state) initiatives, where NCU STICTH support is a requirement.

*Certain programs may have their own eligibility norms and criteria for selection which will be as defined by the particular program.*

*Applications for admission to NCU STICTH will be made in the name of registered entity within the meaning of the Companies Act, 2013. If a company has not been registered, an application may be made in the names of all promoters/ founders; however, the promoters/ founders must ensure that the company is registered within a period of three months from the date of approval of the application for admission in NCU STICTH.*

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## 2) Admission Process



- a) Based on the merits of the case, the following processes could be adopted for evaluation of the idea/business plan for incubation/support purposes.
- b) Founders are selected based on two steps
  - i) Internal review (Comprising of NCU STICTH business team & senior members)
  - ii) External review by 2 or more reviewers (Comprising of experts from the domain, investor, industry, established entrepreneur, potential client/user).
- c) However, in the following cases the review process may be relaxed on case-to-case basis:
  - i) Serial Entrepreneurs
  - ii) Customer Validation and/or adoption
  - iii) Existing ventures with revenues (as deemed appropriate by the NCU STICTH experts)
  - iv) Have got funding by Angels, Angel Network or VC.
  - v) In case of pre-screened and previewed business ideas/cases by government grants/competitions, on their approval, the same may be directly admitted as per program requirements.

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*Incubation approval is subject to completion of satisfactory review process. NCU STICTH will have a sole discretion whether to admit or reject a proposal for incubation and the decision of NCU STICTH in this regard shall be final. NCU STICTH is not bound to give any reason in case a proposal is rejected.*

## 3) Intellectual Property (IP)

- a) If any venture involves Intellectual Property (IP) transfer and/or THE NORTHCAP UNIVERSITY Faculty involvement and/or usage of labs from THE NORTHCAP UNIVERSITY for incubating a start-up and/or for any other program, the following process will be followed:
- b) Approval required from the respective DEAN as per the IP/IPR policy of THE NORTHCAP UNIVERSITY.
  - i) NOC for starting a venture/association as an equity holder/mentor/advisor
  - ii) Approval of IP license/transfer in case THE NORTHCAP UNIVERSITY IP is involved.
  - iii) Even if there is no THE NORTHCAP UNIVERSITY IP, NOC from Dean is required for starting a venture as an equity holder/mentor/advisor.
  - iv) IP transfer/ IP licensing/ permission to use IP will be in favor of only the registered entity.
- c) IP from other sources:
  - i) If IP of any other organization or institution is involved, NOC from the said organization or institution should be obtained.
  - ii) In any of the above cases, if there are anyone/ team who has worked on the IP and if any of them is not part of the start-up, an NOC shall be obtained from such members for usage of the IP in the startup.

## 4) Incubation Support (Details Of Facilities)

- a) **Physical infrastructure:**
  - i) Furnished Office Space
  - ii) Shared resources: Meeting rooms, Conference rooms, Pantry
  - iii) Office productivity equipment: Photocopier, Shredder, Scanner, Projector, video audio conferencing facilities

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## b) Lab

- i) NCU STICTH Lab with Equipment and software tools, Facilitation for access to THE NORTHCAP UNIVERSITY Labs, and or of any other institute/organization. It will be subject to the said organization/ Institute's approval and policy.
- ii) THE NORTHCAP UNIVERSITY lab usage: If THE NORTHCAP UNIVERSITY labs are envisaged to be used during the course of association with NCU STICTH, explicit approval should be obtained from THE NORTHCAP UNIVERSITY including from the faculty-in-charge whose labs are going to be used. In addition, with view to ensure safety and security of all concerned, all compliances and procedures for lab usage should be strictly adhered to.

## c) Utility

- i) Electricity
- ii) Internet

## d) IT Support\*

- i) Cloud credits
- ii) Online platform

*(\*based on its availability at the time of the incubation. Incubator may withdraw the facility if the relationship with the concerned service provider ceases.)*

## e) Funding

- i) Upfront fund shall be accrued as evaluated by the NCU STICTH.
- ii) Potential for additional seed support in form of equity/convertible instrument/loan subject to NCU STICTH's investment guidelines from time to time.
- iii) Facilitation for Government funding programs.
- iv) Early-stage funding from external investors.

## f) Advisory and coaching

- i) Mentoring
- ii) Trainings and workshops
- iii) Free advisory from Experts- legal, CA, IP, fund raising. Areas may be added/ removed during the incubation. The supported entities however will have to pay for specific transactions.



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## g) Network

- i) Facilitation for NCU STICTH professionals and expert network
- ii) Facilitation for investors network
- iii) Facilitation for industry connection
- iv) Showcasing opportunities
- v) THE NORTHCAP UNIVERSITY network of alumni and experts

## h) Other Advantages

- i) THE NORTHCAP UNIVERSITY students-cum-founders will get additional advantage:
  - (1) Student founders shall be allowed to sit for the examination, even if their attendance is less than the minimum permissible percentage, with due permission from the institute.
  - (2) The student founders may be allowed to take a semester/year break (or even more depending upon the decision of review committee constituted by THE NORTHCAP UNIVERSITY) to work on their startups and re-join academics to complete the course.
  - (3) Student founders may earn academic credits for their efforts while creating an enterprise.
  - (4) THE NORTHCAP UNIVERSITY review committee, based on the progress made, may consider giving appropriate credits for academics.



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- i) **Ecosystem advantage**
  - i) Experiential learnings in incubator
  - ii) THE NORTHCAP UNIVERSITY ecosystem- technical resources and interactions, students, library, easy access to IP
- j) **NCU STICTH brand**
  - i) Media visibility

*Address for incorporation (for supported entities under physical incubation)*

*The ownership of all assets and facilities so provided as a part of supported entity supports and facilities rests with Incubator or THE NORTHCAP UNIVERSITY as the case may be.*

*No cost for electricity/internet consumption or any utility or service is charged separately to the Founders. However, NCU STICTH retains a right to limit the free electricity/internet consumption and other utility, beyond which charges will become payable by the Founders.*

## 5) Seed Support

- a) For additional funding, NCU STICTH supported entities may apply by way of Seed Support Application through a call-for-applications, which will be considered by investment committee. The seed support shall be in the form of equity/convertible instrument/loan. Additional investment will be subject to terms and conditions as per NCU STICTH's guidelines from time to time.

## 6) Periodic Assessment

- a) NCU STICTH/ THE NORTHCAP UNIVERSITY will periodically evaluate the performance of its Founders and pre-Founders. Founder companies will submit information to NCU STICTH/ THE NORTHCAP UNIVERSITY in a prescribed format. They will also be subject to an annual assessment by a committee comprising of external experts if necessary.
- b) A NCU STICTH supported entity which has taken seed support will have to submit additional information as may be asked by NCU STICTH. The un-disbursed portion of the seed support will be adjusted subject to the performance of the entity.
- c) It is mandatory for the Founder companies to submit a copy of their audited annual reports within a period of 7 days from the date of their finalization.

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## 7) Information Submission

- a) Founders and Founder's companies/ teams will submit information to NCU STICTH about all material changes or developments taking place in their companies from time to time. Such information could be (but not limited to) change in name of the company, change in NCU STICTH or product profile, change in directors, promoters or shareholders, acquisition of a new office, additional equity or debt investments. NCU STICTH may require Founder companies to submit other information as it deems fit. Prior concurrence of NCU STICTH should be obtained for effecting such changes.
- b) Besides the above, it may be called upon by any government organization/institution to share information regarding the incubated companies. NCU STICTH, may, accordingly, call for such information. NCU STICTH will take the responsibility not to share/disclose any company specific details without prior permission of said company but may use the information for consolidation purposes only when reporting.

## 8) Consideration

- a) In lieu of support and services to be provided by NCU STICTH/ THE NORTHCAP UNIVERSITY, the NCU STICTH supported entities will be subject to consideration
  - i) **Rental / Incubation fees**
    - (1) Equity and shareholding shall be the considered as the fee/charges as worked out between the founders and NCU STICTH.
    - (2) Pledge of shares as interim measure
    - (3) For any specific additional support or extension of incubation, additional consideration may be charged on case-to-case basis.
    - (4) NCU STICTH may dilute the consideration terms on a case-to-case basis when companies have achieved significant milestones as to revenues/investments at the time of making an application for incubation.

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## 9) Tenure in NCU STICTH/ THE NORTHCAP UNIVERSITY

- a) Tenure in THE NORTHCAP UNIVERSITY / NCU STICTH would depend on terms of particular program. Companies under formal incubation will be permitted to stay in NCU STICTH/ THE NORTHCAP UNIVERSITY, to begin with, for a period of 18 months. Further extension if any will be for another 18 months based on satisfactory performance review, the rental charges where physical incubation is provided will be levied as per prevailing market rates. Any stay beyond the total of 36 months is subject to NCU STICTH Board approval and will entail additional consideration, which terms will be decided at that point of time.

## 10) Exit

- a) Founder companies will leave the incubator under the following circumstances:
  - i) Completion of stay for eighteen months, unless the stay is extended by NCU STICTH.
  - ii) Underperformance or non-viability of the business proposition: criteria for the same will be decided and applied by NCU STICTH on the case-to-case basis.
  - iii) Irresolvable disputes between promoters/ founders. NCU STICTH will decide the position or point when disputes are deemed to be irresolvable.
  - iv) Change in promoter's/ founder's team or business profile of the company without concurrence of NCU STICTH.
  - v) When the company enters in an acquisition, merger or amalgamation deal or reorganization deal resulting in substantial change in the profile of the company, its promoters, directors, shareholders, products or business plans, or when a company plans for a public issue.
  - vi) Non-compliance of terms of NCU STICTH's terms and conditions
  - vii) Any other reasons which NCU STICTH may find it necessary for a Founder company to leave BI.
  - viii) Notwithstanding anything written elsewhere, NCU STICTH's decision in connection with the exit of an Founder company shall be final and shall not be disputed by any Founder company.

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## 11) Agreements

- a) The following agreements are required to be signed by the supported entities to the extent applicable:
  - i) Incubation agreement: Between NCU STICTH, supported entity and its Promoters for NCU STICTH's incubation support
  - ii) Founders' Agreement: Between the founders of the company, copy of which is shared with NCU STICTH
  - iii) Seed Support Agreement: Between NCU STICTH & seed supported company on sanction of seed support to the Founder company in THE NORTHCAP UNIVERSITY. Equity/Convertible Instruments (CCPS/OCPS)/Loan
  - iv) Program agreement/documents may be submitted as specified:
    - (1) *Articles of Association/Incorporation*
    - (2) *A non-disclosure agreement (NDA)*
    - (3) *Employee/Third party contracts and offer letters*
    - (4) *Shareholder's Agreement*
    - (5) *Bylaws*
    - (6) *Intellectual Property assignment agreements*
    - (7) *Website Terms of Use Agreement*

## 12) Conflicts of interest & Confidentiality of Information, and Code of Conduct

- a) Supported teams and companies will adhere to NCU STICTH's policies of Conflicts of Interest & Confidentiality, and Code of conduct as applicable at any given point of time.

## 13) Disclaimer

- a) The NCU STICTH supported entity will understand and acknowledge that NCU STICTH intends to provide supports and services to the Company in good faith to pursue its objective to promote entrepreneurship by converting innovative technologies to commercialization by incubating and supporting new enterprises. It is understood that by agreeing to provide various supports and services, NCU STICTH does not undertake responsibility for:
  - i) Ensuring success of a supported company, its products/ process/ services or marketability,

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- ii) Ensuring quality of support and services provided by NCU STICTH and BI to the complete satisfaction of the Founder companies or their promoters/founders.
- iii) Ensuring quality of services of the consultants engaged by the supported entities through THE NORTHCAP UNIVERSITY / NCU STICTH/ THE NORTHCAP UNIVERSITY network. supported entities will have to apply their judgements before associating with them.

*The supported entities agree that THE NORTHCAP UNIVERSITY / NCU STICTH/ THE NORTHCAP UNIVERSITY or their employees shall not be held liable for any reason on account of the above.*

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