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COLLEGE OF ENGINEERING AND TECHNOLOGY
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Included under section 2 (f) & 12 (B) of the UGC Act, 1956
Grade B++ (2.91) NAAC Accredited

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Date: 31/10/2020

The committee deputed for the formulation of Innovation and Entrepreneurship Policy document for SSBT pre-incubation center formed the policy document. The policy document is verified and approved. The policy document is attached herewith.



Kz
31.10.2020
Principal

POLICY AND PROCEDURES FOR SSBT PRE-INCUBATOR

SSBT's College of Engineering and Technology Bambhori, Jalgaon



SECTION 1: INTRODUCTION

1.1 Rationale

21st century, specifically in India, with its younger population, skilled and aspirational requires creating opportunities to participate optimally in the market. The market, which is likely to ride on globalization, internet, embedded technologies, agribusiness, etc., will bring about fundamental transformations in the way a business is set up and run. India is a slow starter in setting up facilities such as Incubators to promote a culture of entrepreneurship, Incubatee startups and actively contribute to product, service and online businesses.

MHRD, AICTE and NITI Aayog have been encouraging higher educational institutions to actively engage in promotion of entrepreneurship, innovation and skill building. AICTE especially has framed up National Innovation and Startup Policy 2019 for students and faculty of Higher Education Institutes

Govt's initiatives, such as Startup India, Make in India, Stand up India, and Credit availability have kindled entrepreneurship aspirations, particularly among youth. Innovators, students, entrepreneurs, alumni and employees in formal / informal sector are looking for support to commercialize their ideas.

Preamble: Shrama Sadhana Innovation and Entrepreneurship Development Cell (SSIEDC) extended its activities to the department level to develop culture of Innovation, Pre-Incubation, Internship, Entrepreneurship and Start-ups. It provides a platform to students to discuss the innovative ideas, identify the socio-technical issues, and convert their innovative ideas into commercially viable products. It is a platform for nurturing, encouraging and developing innovation and entrepreneurial skills among college students. It ventures in technology, engineering and other interdisciplinary areas with the expertise of repute. The regular events like entrepreneurial talk series, workshops and seminars, brainstorming sessions and arranging competitions for innovations have offered a good innovation and entrepreneurial culture in the institute.

1.2 Need for promoting Social Entrepreneurship

Social enterprises combine professionalism of business ventures, innovative ways of solving various persisting social, economic and environmental problems and potential of scaling up to reach large segment of population affected by a problem with an affordable solution, product, service or alternative ecosystem. Social Enterprises (SE) improves efficiency, effectiveness and problem solving perspective to deal with development issues. Instead of creating alternative options for the bottom of the pyramid, the SEs uses market mechanism to generate impact that improves well-being of bottom of the pyramid. Scale / replicability and sustainability of SEs improves affordability, accessibility, availability and acceptability of solutions designed. SEs are latest innovation in business models that converges business principles, development



perspective and sustainable solutions that are relevant for people, planet and prosperity. To include this aspect of social entrepreneurship in the students of SSBT's COET as well as providing training and mentorship to them. SSBT has facilitated Pre-incubator under Shram Sadhana Innovation & Entrepreneurship Development Center. This Pre-Incubator will focus on promoting innovation, entrepreneurship investment and accelerates social business and its impact.

1.3 Pre-Incubator at SSBT

SSBT has a focus on social innovation, social entrepreneurship and social businesses. SSBT's thrust on excellence; ethics and social responsibility are visible in course curriculum, pedagogy, evaluation, various activities, community outreach and networking. SSBT encourages entrepreneurship, especially socially responsible perspective, among the faculty, staff, research scholars, students, alumni, etc. SSBT will directly and actively support the Pre-Incubation of "SSBT Incubated Companies" by its faculty / staff / research / students / alumni / business partners. Some of these companies may be founded based in part or in full on IP developed by SSBT, or jointly with it in collaborative mode. SSBT may also provide Pre-Incubation support to external Start-ups with which faculty / staff / research / students / alumni / business partners are associated as consultants or mentors. Such external Start-ups may sometimes license IP developed by SSBT. The commercialization of advanced solutions developed at the Incubator as a result of Pre-Incubation will greatly benefit the Incubator as well as society at large and will contribute to the economic growth of our country.

Mechanism and Pathways for students as an Entrepreneur at Institute Level for creation and nurturing of innovative mindset /startups / enterprises for students following objective and plan are adopted:

Objectives:

- 1) **Student-Society Connect:** To develop platform for students in order to identify and understand societal issues and facilitate them to find technological based innovative solution.
- 2) **Student -Technology Connect:** To organise seminars, workshops, expert talks and training programs for the student members.
- 3) **Student-Innovation-Entrepreneurship Development:** To inculcate responsibilities among the students, about the need of innovations, technological interventions and entrepreneurship development.
- 4) **Student-Innovative – Idea Exchange:** To create an enabling environment for the sharing of idea and resources within the knowledge ecosystem to identify problems and develop scientific and technological solutions.

To achieve these objectives various activities will be conducted. They are as follows

Activities:

- 1) Awareness through expert talks.
- 2) Scientific/ Technological Solution to Local Problems.
- 3) Technological Demonstrations and Industrial Interactive Sessions.
- 4) Group Discussion and Brain Storming Sessions.



5) Skill Development through Trainings.

Action Plan: In order to conduct the above activities, the proposed action plan is as follows:

Educate (First Year): During first year of study, students will be provided opportunities to listen deliberations of Alumni, Motivators and industrial experts in addition to faculty members to educate them on need of analysis, problem identification and awareness of modern technological aspects. In addition, the focus will be on systematic learning practice and importance of communication skill.

Empowerment (Second Year): The students will be empowered In the second year to excel in their branch of engineering through students will ne empower. Group Discussion and Brain Storming Sessions as well as Skill Development through Trainings.

Energise (Third Year): The practice of learning and skills developed will make the students to showcase their knowledge and build confidence in them. This will further improved interacting with industry experts as well as Technological by Demonstrations and Industrial Interactive Sessions.

Entrepreneurship (Final Year): The students will be involved in developing new ideas and provided with ample space for creating new ideas to develop Scientific/ Technological Solution to Local Problems, to work for Innovative products, viable and feasible service solutions and knowledge addition in engineering and technology.

For these above practices systematic plans will be devised and information will be disseminated to the students and faculty members by the Cell coordinators and departmental coordinators. Once in a month, review meeting will be held and progress of the activities monitored by the coordinators of different activities.

1.4 About this document

The policy, thus prepared and accepted by the governing council, is subject to periodical review and amendments. It will be the responsibility of the companies admitted to SSBT Pre-Incubator to update themselves from time to time as per the amendments in Incubator policy and procedures. SSBT 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.

1.5 Pre-Incubator's Governance Structure

SSBT through Pre-Incubation intends to extend its expertise, experience and network to promote, nurture and Incubatee impact ventures, supporting alumni, students, faculty and others. This document establishes the context, policy and procedures for operationalizing this vision by creating dedicated resources.

The Pre-Incubator will have a Governing Council (GC). The GC will have the following composition: The GC will have six members, as specified below:

- 1) Principal, SSBT's COET - Chairperson.



- 2) Professor-in-charge – Incubator Professor to be nominated by the Principal, SSBT's COET.
- 3) Two external Experts having a good track record in incubating companies.
- 4) Two external Experts with experience in Venture Capital/Private Equity.
- 5) Two Alumnus Entrepreneur with an interest in social venturing
- 6) A nominee from Pre-Incubator in India

Except the ex-officio members, the remaining members will serve for a period of up to three years, and can be re-appointed for further periods. The Principal, SSBT's COET, will nominate the initial GC, which will make subsequent appointments.

The GC shall constitute, appoint, monitor and dissolve standing committees that shall support executive team on various functions of incubator. The GC will set up the following standing committees:

- 1) Investment Committee;
- 2) Screening committee;
- 3) Progress review Committee;
- 4) Innovation and Immersion Committee; and
- 5) Alumni and Industry Engagement Committee

In addition to its above members, the GC may invite experts in finance, audit, IPR, and other such areas, to its meetings as needed. It may also constitute sub- committees including such outside experts for specific tasks when needed.

Any changes in this document, addition, deletion, modification, rephrasing, etc., are to be approved by GC; adopting a due process of meeting to discuss the changes and adopting them with a consensus.

Any procedure in this document shall be approved by Incubator in Charge with the approval of the Principal – SSBT's COET.

1.6 Type of Startups and Eligibility

Definitions

Incubator Fellows: Any permanent faculty/staff on duty or on short/long leave, research scholars, students, alumni, company/startup, innovator or entrepreneur, currently registered with the incubator.

Incubator: An unit in the institution set up for the primary purpose of promoting and fostering Pre-Incubation of Social / Impact Business Start-up Ventures involving one or more Incubator Member(s), by administering and implementing Incubator's policies on Pre-Incubation. The Pre-Incubator entity shall act as a physical and/or virtual unit that extends various forms of support for Start-ups and engages in specified relationships with them on behalf of Incubator.

Incubator Incubated Company (Henceforth called COMPANY): A registered Company promoted and / or invested in by Pre-Incubator Member(s) singly or jointly with others, or those Incubated by any of the Incubators located in SSBT campus or



elsewhere, and declared by the **Pre-Incubator** as such, or an external start-up declared by the **Pre-Incubator** as such.

External Start-up (ESU): A registered Company promoted and invested in by non-Incubator Member(s) and not located in the Pre-Incubator premises.

1.7.1 Type of Start-ups at the Pre-Incubator

The Pre-Incubator may be actively involved in Pre-Incubation of a Start-up company promoted by one or more MEMBER, or by others.

- MEMBER may promote Incubated Company (COMPANY).
- MEMBER can be involved with an External Startup (ESU).

1.7.2 Eligibility and Selection Criteria

A team, with at least two persons with full time commitment as founders, preferably with complementary skills, is eligible to apply. Founders with less than 18 years will be considered with stated consent of parents. Founder team with the following attributes or team composition will be encouraged

- 1) The founders known to each other for some time (at least one year)
- 2) Innovation of the idea
- 3) Viability of solutions – product or service

The following shall be preferred at the time of selection as one of the founders:

- i. Registered Students of SSBT's COET
- ii. Current Faculty members of SSBT's COET
- iii. Alumni of SSBT's COET
- iv. Business Partners of SSBT's COET

The following selection criteria shall be used for selecting the Incubatees.

- a) **Viable Product / Service:** Incubatees having a viable product / service, acquired reference customers, a sound business plan for gaining traction, understanding of investment requirement, and a robust set of co-founders.
- b) **Addressing profound problem / needs / gaps:** The Incubatee solution addressing a real life and compelling problem, needs or gaps, existing or unfolding one (not perceived but can get traction).
- c) **Innovation:** Incubatee having a combination of two or more aspects of new technology, component, gadgets, goods, products, process or marketing etc. for establishing an innovation.
- d) **Team Strength:** Successful applicants shall demonstrate a startup thinking: leadership skills to bootstrap a venture in a resource constrained scenario, vision, intelligence, risk taking, problem solving, resilience, curiosity, responsiveness, follow through, working as a team, found a co-founder and known each other and worked on the idea for at least one year, inclusive and holistic perspective and flair for technology.
- e) **Implementation:** Applicants must provide the required details and proposal for getting an admission in the Pre-Incubator. Applications for admission to Incubator will be made in the name of registered (unlisted) companies within the meaning of the Companies Act, 1956. If a company has not been registered, an application



may be made in the names of all promoters/ founders; however, the promoters/ founders shall be encouraged to register a company once the market fit for the product/service is established.

1.7 Pre-Incubation support for Companies

1.8.1 Incubator's active support to startup COMPANY

The Pre-Incubator will carry out on behalf of the institute all dealings with Start-ups directly and/or through its incubators. It will also determine whether a Start-up is to be designated as an "Incubator Incubateed Company" (COMPANY). Incubator will actively support the COMPANY with a combination of service, which could include:

- a) **Appropriate and affordable space:** Incubator will provide co-working space with access to various facilities for effective functioning with deferred payment options.
- b) **Appropriate and affordable support services:** Incubator will provide services such as access to office, operational space and laboratories, fabrication of prototypes, legal and finance services, IPR, market research, hiring of human resource, business management advice, seed fund (where applicable), logistics, storage, distributions, networking, secretarial, monitoring, etc.
- c) **Mentoring Support:** The Pre-Incubator will assign a designated one or more mentors to each Incubatee.
- d) **Entrepreneurship Education:** Pre-Incubator will provide access to learning opportunities in the campus, online and elsewhere. This continuing education format shall assist entrepreneurs and their core team to acquire knowledge, skills and practices that will support them in running their companies sustainably and successfully. In addition, the entrepreneurship education programme at the pre-incubator shall focus on facilitating Incubatee to adopt design thinking, outside-in-perspective, community immersion for customer centric focus, co-creation possibilities (amongst startups, with communities. Governments and NGOs), and collaboration for resource optimization.
- e) **Co-working space:** Available for Incubatee, local entrepreneur; and early stage start-ups
- f) **Branding:** The start-ups shall be permitted to brand 'Incubated at SSBT Pre-Incubator' wherever appropriate.

Pre-Incubator's active support will be provided nominally for duration of three years from the date of formal approval. There may be a Pre-Incubation period of at most one year. However, on a case-by-case basis, the Incubator may decide to support a COMPANY for a maximum period of five years from the date of formal approval, if such support is warranted.

1.8 Support to Startup - Consideration

In lieu of support and services to be provided by Incubator, the Incubatee companies will be subject to consideration on following accounts to the extent applicable:



- Monthly rent/ facilities charge at discounted rate for physical infrastructure to be paid to Incubator.
- Consideration in the form of equity and/or revenue sharing of the respective companies for transfer/ licensing of / permission to use IP in favor of the Incubatee companies and the facilities provided by Incubator. The percentage of Equity and revenue sharing will be decided by Incubator and is to be given in favor of Incubator. Incubator may ask for additional equity from the companies to whom Incubator has supplied specialized equipment's.

The Incubatee Company shall allot 2.5 to 9.5% of the equity to Incubator towards Pre-Incubation and shall be maintained by issuing additional shares or diluting the shares of the Promoters or in any other manner till the Company exits from the Incubator or the Company and Promoters raise investment from an Angel Investor, Venture Capital Fund or any other source. Equity will be decided based on various factors such as: duration of the Pre-Incubation support needed by the company, financial condition of the company, revenue of the company etc.

If the company fails to raise investment from an Angel Investor, Venture Capital Fund or any other source for a period of five years from the date of the last issuance of shares in favor of Incubator, Incubator will have a right to sell its holding to the promoters of the Company at a value which will be higher of book value and fair value, and promoters of the Company will be bound to buy the shares from Incubator as stated above. Investment for the purpose of this section means an investment received in form of equity by the Company from any sources other than its promoters the value of which as well as premium thereon are at least three times more than paid up capital and premium amount respectively.

1.9 Member's / Incubator's involvement in ESUs

1.10.1 MEMBER's / INCUBATOR's involvement in External Start-up

A MEMBER will be permitted to involve with an ESU, either on a full-or part-time basis as promoter/adviser/consultant/any other approved role. The MEMBER will be permitted to use specified physical and/or intellectual resources (e.g., workshop equipment, laboratory instruments, computing resources, and assistance of MEMBER) of SSBT Incubator as per its prevailing consultancy and research norms. Any such use of SSBT resources will be governed by an agreement, which will include the contents and implications of the prevailing SSBT IPR policy.

If a MEMBER makes financial investments in an ESU,

- (1) Without making any other contribution in the form of technical/managerial consulting advice, or
- (2) Any involvement of SSBT in the form of any commercial transactions of IP, or
- (3) Any use of SSBT facilities, such investments will be treated as a private matter of the MEMBER.

The Incubator will have no role to play in such instances. The MEMBER should however declare this to SSBT in order to avoid any conflict of interest situation.



If the ESU awards a consultancy project to the MEMBER, the prevailing SSBT rules and regulations for consultancy projects will apply.

If, however, the MEMBER, and/or Incubator or any of its designated entities, are provided shares in the company as compensation in part or full for technical/managerial consulting or for any support extended by Member, SSBT, or Incubator, the MEMBER and/or Incubator may be considered to be involved in the Pre-Incubation of the ESU. In such a case, the ESU may seek to be designated as a COMPANY by the Incubator. The Incubator will then take an appropriate decision based on the significance of the role played by the MEMBER / Incubator in the ESU.

Only a Start-up formally designated as an “SSBT Incubator Incubated Company” by Incubator may publicize itself as such. All other Start-ups must desist from using the name or logo of SSBT in their publicity material in spite of any other form of engagement they may have with SSBT.

1.10 Tenure and Graduation / Exit

1.11.1 Tenure in Incubator

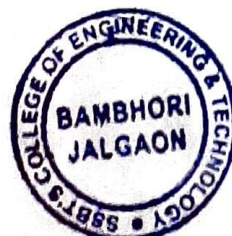
Companies will be permitted to stay in Incubator, to begin with, for a period of 24 months. Incubator may, at its own discretion, permit companies to extend their stay for a maximum period of another 12 months.

If a company is provided with specialized capital equipment, rent on the same will be decided on a case-by-case basis. This would, however be finalized prior to approval of a proposal for admission to Incubator or at the time of procurement of the equipment as the case may be.

1.11.2 Exit from Incubator

Incubatee companies will leave the incubator under the following circumstances:

- a) Raising substantial investment from angel investor / Venture Capital Fund / any other investor.
- b) Completion of stay for 24 months, unless the stay is extended by Incubator.
- c) Underperformance or unviability of the business proposition: criteria for the same will be decided and applied by Incubator on the case to case basis.
- d) Irresolvable disputes between promoters/ founders. Incubator will decide the position or point when disputes are deemed to be irresolvable.
- e) When the number of employees of the company exceeds 20.
- f) When the company profit exceeds Rs. 2 crores.
- g) When the company enters in an acquisition, merger or amalgamation deal or reorganization deal resulting substantially a change in the profile of the company, its promoters, Principals, shareholders, products or business plans, or when a company plans for a public issue.
- h) Any other reasons which Incubator may find it necessary for an Incubatee



company to leave Incubator.

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

1.11 Conflict of Interest and Confidentiality

1.12.1 Conflicts of interest and confidentiality of information

Incubator endeavors to draw a line between appropriate and inappropriate interactions among its board members, employees, mentors, consultants, affiliates, Incubatee companies, their employees, persons connected to them or their promoters, employees and staff, various service providers and suppliers. Conflicts between private interests and official responsibilities of all stakeholders must be handled in a transparent manner, and Incubator considers the full voluntary disclosure as the best mechanism for managing conflicts of interest. Any significant, direct or indirect, financial interests held by Incubator employees in any of companies supported by Incubator could involve possible conflict of interests. Persons associated with Incubator in various capacities other than for employment may also face situations leading to conflict of interests. The avoidance of such conflict is important to the integrity and philosophy of Incubator.

Conflict of interest guidelines policy and operating guidelines of SSBT, if any, must be reviewed and followed by all faculty, employees and students of SSBT's COET who aspire to set up a company to be Incubated in Incubator. A key requirement for them is that care must be taken to separate clearly and cleanly the personal financial aspects of the entrepreneurial activities from their respective roles, duties and responsibilities in SSBT. On admission in the Business Incubator, such entrepreneurial activities should not be confused with assigned duties of SSBT. The use of SSBT facilities and equipment must be free from unauthorized or conflicting uses and must be compensated for as per the policies of SSBT. Appropriate judgment should be applied by all concerned parties while assessing the genuineness of conflicting interests. A committee may be set up by Incubator to resolve any dispute over such situation causing conflicts of interests.

1.12 Pre-seed Funding

The Incubatee Company can apply for pre-seed funding. The maximum amount allotted per Incubatee shall not exceed Rs. 2 lakhs.

1.13 Key success criteria for the incubator

Success criteria for the incubator and key performance aspects for Incubatees are listed in



this section.

1.14.1 Success criteria for the incubator

Pre-Incubator shall document, report and accept feedback on the following success criteria. The GC shall periodically review (annually or as informed) and provide feedback and viable options for improvements. They are:

1. Funding secured for incubator: Corpus generated; government / CSR grants
2. Number of Incubatee enrolled
3. Number of Incubatee commercializing their idea
4. Number of Incubatee attracting seed funding
5. Follow on funding for incubators
6. Quantum of pre-seed fund disbursed
7. Diversity of networks and partnerships
8. Number of events / activities organized in collaboration with partners
9. Revenue generated from services and investment in startups

1.14.2 Success criteria for the Incubatee

1. Time taken at each stages – Idea, prototype, revenue, scale up / replication
2. Grants / Investment raised
3. Achievement of Business Plans in different year

1.14 Withdrawal of Support

SSBT reserves the right to withdraw its support to any Start-up that it engages with, following a due process of notice. This may involve withdrawal of access to SSBT's facilities, and/or withdrawal of permission to MEMBER to engage further with the Start-up in any manner, though they and the Incubator can continue to hold the shares they already possess in the Start-up. It will also involve withdrawal of the status of the Start-up as a COMPANY, from which point the Start-up will be required to desist from advertising itself as such thereafter. Should the need arise, the Incubator may also seek modifications to the agreement signed with the Start-up through an amendment, in order to protect SSBT's fair name and its interests.

1.15 Protection of SSBT's fair name

When a Start-up is designated as a COMPANY, it is permitted to advertise itself as such wherever such advertisement is appropriate. However, such advertising carries with it the risk that in case the COMPANY indulges in improper behavior or dealings, SSBT's fair name will be tarnished by association with the COMPANY. In order to protect itself from such risks, SSBT, through the Incubator, may seek a seat on the Board of the COMPANY, without liability, in order to ensure transparency in all its dealings. The Incubator may seek access to the un-audited and audited balance sheets of the COMPANY. In certain cases, the Incubator may even seek visibility of payments above a specified value made by the COMPANY, before such payments are made. All such requirements will be specified in the agreement that will be entered into by the Incubator with the COMPANY.



SECTION 2: PROCEDURES

2.1 Incubatee

2.1.1 Application

The applicants will be required to submit a document in the form of presentation, video / audio clips or business plan. These could be uploaded in the designated website or email to a designated email id. The applicants will be required to present their ideas to a panel consisting of a few members of standing committees. Viable ideas that align with Incubator expectation will be asked to fill an application form.

2.1.2 Screening and Selection

The application and documents submitted will be screened by the pre-selection team for assessing the potential for Pre-Incubation at the incubator. Detailed scrutiny including financial and technical due diligence of the proposal shall be reviewed by experts having technical, business, financial, social, economic and environment sector expertise.

Applicants may be invited with their teams to make a presentation on their proposal. In order to enable the expert members to take an appropriate decision, members may ask for any additional information from the applicants and/or revision in the proposal.

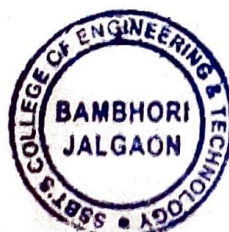
The Incubator will have a sole freedom to decide whether to admit or reject a proposal for Pre-Incubation and the decision of Incubator in this regard shall be final. Incubator is not bound to give any reason in case a proposal is rejected.

2.1.3 Onboarding (and signing of agreements)

The Incubatee Company will understand and acknowledge that Incubator 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, Incubator does not undertake responsibility for:

- Ensuring success of an Incubatee company, its products/ process/ services or marketability,
- Ensuring quality of support and services provided by Incubator to the complete satisfaction of the Incubatee companies or their promoters/ founders.
- Ensuring quality of services of the consultants engaged by the Incubatee companies through Incubator / SSBT network.

The Incubatee companies agree that Incubator / SSBT or their employees shall



not be held liable for any reason on account of the above.

2.1.4 Mentoring

- Pool of mentors, experts in technology, legal, financial and related matters, will be provided to the incubatee company through Pre-incubation in-return for fees, equity sharing and (or) zero payment basis. The modalities regarding Equity Sharing in Start-ups supported

2.1.5 Progress Review

2.1.5.1 Periodic assessment

Incubatee companies will submit information to Incubator on quarterly basis in a prescribed format. The companies may also be subject to an annual assessment by a committee comprising of external experts.

Incubatee companies will have to submit their annual reports as and when required.

2.1.5.2 Information Submission

Incubatee companies will submit information to Incubator 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 business or product profile, change in Principals, promoters or shareholders, acquisition of a new office, additional equity or debt investments. Incubator may require Incubatee companies to submit other information as it seems fit. Prior concurrence of Incubator should be obtained for effecting such changes.

2.1.6 Infrastructure & other support

Upon admission to Incubator, the following infrastructural facilities will be offered to the Incubatee companies on an individual basis, apart from a set of shared/ common infrastructure mentioned hereinafter:

- Office space: Company specific (recommended - 10 persons)
- Internet connection
- Standard Office Furniture
- Uninterrupted Power supply
- Printer
- Photocopier
- Scanner



- Teleconferencing facilities
- Meeting/Conference room with projection equipment
- Pantry facilities
- Common secretarial pool/staff (depending on availability of such staff with Incubator)

Apart from physical infrastructure as stated above, Incubator will provide access to the following:

- Organizing events to help companies in networking and showcasing their technologies,
- Meetings with visitors of SSBT (such as alumni, VCs, industry professionals).

2.2 Incubator Fellow's engagement

2.2.1 Incubator Fellow Registration

The MEMBER must begin his / her engagement with a COMPANY by submitting a proposal through Head of his / her Department, who will determine the eligibility of the MEMBER to engage with a COMPANY or ESU. After ascertaining eligibility, Dean (Admin) will forward the proposal to the Incubator. After the Incubator accepts the proposal, the MEMBER will be authorized to perform the actions necessary for Pre-Incubation or Incubation, including registration of the Start-up, fund raising, team development, product/services development, consulting, market research and development, etc.

Prior to embarking on these activities, an agreement must be signed between the concerned COMPANY / ESU and the Incubator to establish the mode and nature of involvement of the MEMBER in the COMPANY / ESU. Such an agreement is necessary with a COMPANY / ESU when:

- its shares are given to the Member or the Incubator as compensation in part or in full for the MEMBER's contribution, and/or
- SSBT's IP is licensed to the COMPANY/ESU, which wishes to pay for the same in part or full in the form of shares.

In addition, the COMPANY / ESU must also enter into an agreement with SSBT through the Office of the Dean (Consultancy) if

- the COMPANY / ESU intends to pay cash in part or in full to SSBT for licensing IPR owned by SSBT Incubator
- the MEMBER provides consultancy to the COMPANY / ESU or undertakes research-based consultancy as per consultancy norms while on duty.

2.2.2 Modes of MEMBER's engagement with Start-ups (COMPANY or ESU)

Incubator will negotiate with the COMPANY or ESU the amount of shares that the Incubated company will allot to Incubator at par value in lieu of SSBT's Pre-Incubation and other services provided. This share will be first



negotiated with the company before Incubator acquires shares through faculty / staff / student involvement (as discussed below). Incubator's total holding in a company at any time should not exceed 9.5% of the total allotted shares of the Start-up from all kinds of services provided, IP provided and the faculty- share (as discussed below).

2.2.2.1 Faculty / Staff involvement

- **Capital Investment:** Faculty / Staff may be involved in the Start-up by providing capital investment alone in return for shares, with no other managerial, technical or mentorship involvement whatsoever. All shares thus allotted can be retained by the concerned Faculty / Staff, and the transaction is treated as a purely private commercial transaction of no concern to the institute. The member must declare this to SSBT / Incubator, so as to avoid conflict of interest situations.
- **Sabbatical / EOL:** Faculty / Staff MEMBER may avail of sabbatical / EOL as per the prevailing SSBT leave rules and may work full time for the COMPANY or ESU. If the compensation to the faculty / staff for this is through shares of the COMPANY / ESU in part or in full, in lieu of cash payment, the MEMBER must declare the same to the Incubator. No compensation is due to SSBT as long as the involvement of the MEMBER, for which the compensation was paid, completely ceases after the leave period. Member must not involve himself / herself in any capacity with the company / ESU except as shareholder on re-joining SSBT after sabbatical / EOL. In case, he / she is involved as a mentor, consultant or any other form other than a shareholder after sabbatical / EOL, rules applicable will be same as that of part-time.

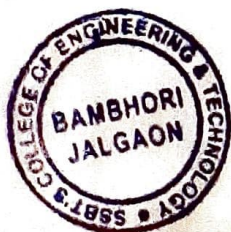
2.2.3 Role of Fellows in Start-up

The MEMBER may play an executive role / non-executive role in a Start-up depending on whether they will be engaged fulltime or part-time. The MEMBER may be involved full time only after obtaining permission from the Institute for the appropriate type of leave. The part-time engagement will be as per existing SSBT consultancy norms. The MEMBER can take up an executive role only if they are engaged fulltime with the Start-up.

2.2.4 Member Engagement - Conflict of interest

When a MEMBER utilizes leave of absence (Sabbatical / EOL, or any applicable equivalent) for direct, active participation in a COMPANY / ESU, it is obligatory that the concerned Head(s) of Department be informed at least three months in advance. Shorter notice needs to be specifically approved by the Head of Department. This is to ensure that the academic programs of SSBT are not affected.

It is essential that the MEMBER must avoid any conflict of interest between their roles in SSBT and in the COMPANY / ESU. This is particularly important if there are SSBT resources in their control, which are also sought by the Start-up with which they are involved. A similar situation arises if they are developing IPR in a research activity / project in SSBT that is closely



related to the IPR they may be developing when on leave and working in the Start-up. Another situation arises when the relative shareholding of the MEMBER and Incubator is sought to be changed by infusion of fresh capital in the Start-up by the MEMBER. While such a move could be a bona-fide move on the part of the MEMBER to support the Start-up, it could potentially have a mala-fide motive of changing the relative shareholding pattern prior to some anticipated upward evaluation and infusion of investment by other parties. Yet another potential conflict of interest arises when shares are allotted by a Start-up to a close relative (spouse, children, and parents) of a MEMBER who is involved with the Start-up.

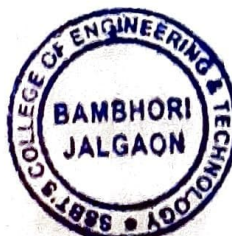
The Incubator will determine the potential areas/activities where there is conflict of interest in the case of each MEMBER who applies for approval for engaging with a Start-up, and arrive at an agreed upon methodology for ensuring transparency in decision making in respect of these activities/areas. The Incubator may, if it chooses to, set up an - oversight committee of Faculty / Staff for specific relationships to ensure that conflicts of interest do not arise. The Incubator may also require the MEMBER to declare their financial interests, and those of their close relatives, in the Start-up, at the time of engagement, as well as whenever a change in such interests takes place due to additional investment in the Start-up, or payment / share allotment by the Start-up. In any case, every MEMBER involved with a Start-up must file a declaration periodically with the Incubator irrespective of whether there is a change in their financial interests in the Start-up or not. The required periodicity will be determined by the Incubator.

The Incubator reserves the right to obtain a third- party evaluation of the value of the Start-up's shares before an MEMBER or their evaluation will be carried out in a reasonable time-frame. If the Incubator deems it fit, it may choose to make an investment in the Start-up of its own at the same price applicable to the MEMBER and obtain shares for the corresponding amount. The Incubator reserves the right to make the acceptance by the Start-up of the additional investment by the MEMBER or their close relative(s) conditional on the acceptance of the corresponding additional investment by the Incubator.

In case a member of the Incubator Governing Council has shares in a COMPANY, the Governing Council will determine whether the said member should resign from the Council, in order to avoid potential conflict of interest, or only free himself / herself when matters pertaining to the Start-up with which he / she is involved are discussed.



Principal
SSBT's College of Engineering and Technology, Bambhori
Jalgaon



List of Abbreviations

1. SSBT :- Shram Sadhana Bombay Trust's College of Engineering and Technology
2. MHRD :- Ministry of Human Resource and Development
3. AICTE :- All India Council for Technical Education
4. NITI Ayog :- National Institution for Transforming India
5. Gol :- Government of India
6. SSIEDC :- Shram Sadhana Innovation and Entrepreneurship Development Cell
7. GC :- Governing Council
8. ESU:- External Start-up
9. SE:- Social Enterprises
10. EOL:- Extra-ordinary Leave

