Policy
of
UTTISHTHATI FOUNDATION (UTF)

a

DST-Sponsored

i-Technology Business Incubator
(a section 8 company)

of

NATIONAL INSTITUTE OF TECHNOLOTY HAMIRPUR (H.P)

October 2024

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1) About Uttishthati Foundation (UTF)

Uttishthati Foundation (UTF) a section-8 company (i-TBI-NITH), established in September 2023, at NIT Hamirpur (H.P) Campus,is a nonprofit organization which offers about 7700 Square feet space of incubation facility to help innovative idea to start, scale up and accelerate. The incubator is supported by NIDHI – TBI program of Department of Science and Technology, Ministry of Science and Technology, Govt. of India.

UTF, i-TBI-NITH provides access to R&D facilities of NITH, network of mentors, Govt. funding etc. to the startup ecosystem. It is committed to provide basic setup for budding entrepreneurs and to schematize entrepreneurial and startup related activities like-expert talks, sensitization workshops, innovation challenges etc.

2) Objective

- To support early-stage startups by providing mentorship, physical Infrastructure and guidance.
- To refine business ideas, products and services by providing supporting environment which fosters innovation & creativity.
- To create a culture of entrepreneurship and innovation.

3) Governance Structure

UTF will be governed by Board of Directors whereas, all recommendations regarding policy, operation protocols etc. will be deliberated at Board of Governors. Director NIT Hamirpur will be the Chairperson of the Board of Governors. The constitution of BoG of UTF will be as per i-TBI guidelines, however, board may invite experts in legal, finance and other such areas to the meeting(s) if needed. It may also constitute subcommittees including external experts for carrying out special tasks as and when required.

4) Incubation policy and guidelines

a) General Terms: -

1	Duration of incubation	The incubation program has an initial duration of one year with quarterly review to determine progress. At the end of one year, the incubation support can be extended further based on progress and need for incubation support. However, the maximum duration is capped at three years.
2	Type of incubation	Incubation Program [Physical/Hybrid] • **Physical Incubation:** The startups maintain a regular presence in

	incubation	the work space at the incubation center by renting the space. The students of NIT Hamirpur will be considered physical incubatees, even when they don't use the space at the incubation center. ● **Hybrid incubation:** The startups may not rent the incubation space, rather visit the incubation center to access lab facilities and/or for other mentoring/operational meetings/events.
3	**Incubation support**	Incubation Support will include: ● Subsidized work space ● Subsidized lab access ● Technical and Business Mentoring ● Networking with Industry/Stakeholders ● Access to expert sessions/speaker sessions Any other support available from time to time
4	**Funding support**	● Incubation program does not contain financial support by default. The funding under the funding schemes (for example, Ignition Grant) will be opened to incubated and external startups, based on fund availability, from time to time. The startups will be selected by the Selection Committee for Ignition Grant. Incubation selection process and selection for a grant program/scheme are two separate selection processes).

5	**Selection process**	**Steps in Incubation Program Selection Process:**
		1. **Applicants apply on the online application portal of incubation centre**
		    a. A template slide deck/detailed application form may be provided
		2. **Application Screening by Incubation team**
		    a. Purpose: check eligibility of candidate, basic sanity test of the applicant;
		    b. The selection criteria may include:
		        ■ Suitability of Founders'/Team's Background, Technical Feasibility, Business Feasibility, Incubation Fit for NITH [Rating on a 5 point scale]
		        ■ Qualitative comments by committee members
		3. **Final Presentation to a incubation program selection committee Chair: Faculty Incharge/Co-InchargeMembers: Faculty Co-incharge/ Incubation** CEO/Manager/Associate

		Invited Members: Business Expert, Technical Expert
		The decision will be minuted. The minutes mention details of applications received by incubator, screened by incubation team with reasons for rejection, and selected teams in final presentation along with reasons for rejection/selection.
		Quorum: 2 members (1 from each category) in addition to the Committee Chair
6	**Condition for incubation support**	• Company Registration as Private Limited company within a period of 3 months incubation. • Founding team must have a Founders agreement. • Execution of incubation agreement. • Any other condition that i-TBI-NITH may stipulate at the time of incubation. Indian nationals - individually or as a group/team can apply Students, faculty, industry professionals can apply For working professionals/students hybrid incubation programs are available.
7	**Consideration**	For additional space, extension of stay there will be extra consideration applicable and will be decided on case-to case basis as under. Consideration for both Virtual and Physical Program: Incubation Fee Model: The incubation center will charge a monthly fee of INR 5,000 (GST extra, if applicable) for the incubation services. Incubation Fee+Equity Model: Alternatively, the incubation center, based on the selection committee's recommendation (and subject to negotiation with the startup), may charge a mentoring equity of 2% (where suitable and practical), in which case the monthly fee will be INR 2500 (GST Extra). The incubation center may take additional equity in case of seed investment provided by the incubator, subject to the funding agency guidelines.
8	**Space Rental and Lab Usage**	The workspace rent will be on subsidised rates, as notified from time to time (paid basis). The space allocation is subject to availability of suitable workplace only, and not a matter of right.

	Charges	Rate per square feet for work/open area: Rate to be decided later
		Rate per dedicated room (size to be specified): Rate to be decided later
		Rate per workstation in co-work space: Rate to be decided later
		Access to laboratories can be provided to incubated startups on paid basis, as per the rates applicable to internal stakeholders of NIT-Hamirpur. (The list of labs, equipment available, and rates may be provided on the website).
9	Startup Performance Review	Quarterly (at least one mentor/expert from relevant area).

b) Incubation Support: -

i.   Physical infrastructure:

- Fully furnished office space

- Shared resources: Meeting rooms, Conference rooms, Pantry

- Office productivity equipment: Photocopier, Shredder, Scanner, Projector/Interactive Panel

- i-TBI Labs (equipment and software tools), Facilitation for access NIT-H labs and workshop

ii.   Utility:

- Electricity

- Internet

  # Neither the cost for electricity/internet consumption or any utility nor any service is charged separately to the incubates. However, incubator retains a right to limit the free electricity/internet consumption and other utility, beyond which charges will become payable by the incubates.

iii.   Ignition grant:

- Ignition grant up to Rs. 10 Lakhs for physical incubation and up to Rs. 2.0 lakhs for virtual incubation on completion of 6 (six) months from the execution date of the incubation agreement and review of incubation milestones.

- Facilitation for government funding programs

- Opportunity to apply for Prototyping grant (Rs. 7-10 Lakhs) for hardware startups (Subject to eligibility and selection process and availability of funds**)**

iv. **Advisory and coaching:**

- Mentoring

- Trainings and workshops

- Free advisory from Experts-legal, CA, IP. Additional expert area may be added during the incubation. The company/incubate however will have to pay for specific transactions.

v. **Network:**

- Facilitation for business, professionals, and expert network

- Facilitation for investors network

- Facilitation for industry connection

- Showcasing opportunities

vi. **Ecosystem advantage:**

- Experiential peer group learning's with other startups, mentors.

- NITH ecosystem-technical resources and interactions, students, library etc.

- Media visibility

- Address for incorporation (for resident incubates under physical incubation)

- NITH Brand

Notes:

- In case of physical incubation: the incubate will have to deposit Rs. 10,000/- (Rs. Ten thousand only) with i-TBI NIT-H as non-interest-bearing returnable security deposit. The said amount will be returned at the time of vacating the incubator after deducting outstanding dues and/or after adjusting for any potential cost to the incubator, if any.

- The incubate shall pay for the usage of photocopier on actual basis.

- The ownership of all assets and facilities so provided as a part of incubate support and facilities rests with incubator or NITH.

- Pre-Incubates (Pre-incubation) will be provided with all the above incubation support except funding.

- Virtual incubates will be provided with all the above incubation support except physical office space.

5) Eligibility and Application process

Uttishthati Foundation (UTF) is open to all entrepreneurs and startup working in science and technology related solution across the nation with novel idea. Application should be made in the name of registered company as per startup India Guidelines and if the company is not registered then application will be in the name of promoters/founders. It will be the responsibility of founder to register the company within three months from the date of approval of the application.

Promoters/founders and startups can apply through Uttishthati Foundation (UTF) Uttishthati Foundation (UTF), i-TBI-NITH website. https://nith.ac.in/ITBI/index.html.

6) Selection Process for incubation

The startups shall be incubated in the following three modes: -

a) **Direct applications: -**

- Applications received through the UTF application portal.

- Screening of received applications by UTF office and external expert committee.

- Review to be conducted by the UTF executive team. If required, on a case-by-case basis, a committee may be proposed to evaluate the startups. The executive team will evaluate the startup on certain parameters, like those below but not limited to:

  i. Startup team and their profiles.
  ii. Shareholding structure
  iii. Problem statement addressed.
  iv. Novelty of idea/ product
  v. Customer base and market
  vi. Any existing IP
  vii. Business model and revenue generation
  viii. Funding for startups
  ix. A clear startup roadmap
  x. Go-to- Market strategy
  xi. Potential for traction, scale, and regional/global expansion.

- If the startup is already at the revenue-generation stage, the process can be accelerated, and the executive team can decide whether it should be incubated or not.

- Additionally, to speed up the incubation process of meritorious startups, the **UTF** executive team can fast-track startups for incubation that have already undergone technical, financial, and market due diligence, such as those that have already received funding through government startup funding programmed (other government programs) or have received private investment.

b) **Through Cohorts:** **UTF** will also be organizing cohort programs, including pitching competition, funding schemes, incubation programs, acceleration programs, etc. Upon selection, a few shortlisted startups may also be offered incubation at **UTF** based on satisfactory performance in the cohort.

c) **For Early-stage startups:** For entrepreneurs who are at the idea stage and wish to create a startup, UTF may offer pre-incubation support in terms of mentorship. The UTF executive team may decide to evaluate the entrepreneurs and their startups for incubation in the future if they are found to be performing satisfactorily.

The applicant will be informed of the final decision within two weeks of the presentation. If the incubation is sanctioned, the applicant shall be offered physical incubation or virtual incubation. On selection, the start-up Company must sign an Incubation Agreement with **UTF**.

7) Selection Process for funding

The evaluation committee may decide to fund/invest in the startups depending upon the detailed financial plans submitted by the startups and post completing the financial due diligence. Guidelines for ignition grant as Anx-I

8) Modes of Engagement with Startup

UTF may charge base equity ranging from 2-4% from the incubating startups for incubation support, depending upon the stage at which the startup is. The percentage will be negotiated and decided by the executive team of UTF based on parameters like: -

- Start-up team and their profiles.
- Shareholding structure
- Problem statement addressed
- Novelty of idea/product
- Customer base and market
- Any existing IP
- Business model and revenue generation plan
- Funding for startups
- A clear start-up roadmap
- Go-to- Market strategy.
- Potential for traction, scale, and regional /global expansion.

The Besides this, depending upon case-to-case basis the following models of engagement can also be explored in case of mature startups:

- Royalty sharing on sales of the company/product
- Soft loans
- Percentage sharing in projects jointly taken up from the industry/govt.
- Hybrid engagement (debt-equity model)
- Any other model deemed fit by the executive committee to onboard good startups.

9) Performance monitoring

UTF will regularly review the progress and performance. The incubates are encouraged to interact and discuss on the progress and growth plans on regular basis. A quarterly review is provisioned for assessment of incubate on achievement of their milestones. The emphasis of evaluation will be on checking if the milestones specified in the business plan are met. For a company that has taken seed fund/investment, additional checks will be done on the financial health of the start-up in terms of its order booking, expense, profitability, utilization of fellowship and seed money loan for the specified purposes and its ability to repay the loan.

10) Disclosure of any conflict of interest by staff/students/faculty startups of NIT Hamirpur

The staff/students/faculty startups of NIT-H applying for incubation at UTF, upon selection, should be required to disclose any conflict of interest .

11) Intellectual property

The promoters should provide a declaration at the time of admission and declare the Intellectual Property is developed and owned by the incubated company. In case of the IP owned by any other entity a NOC will be required by the startups.

12) Exit

1) Incubation gets terminated after a period of three months. However, further extension can be granted for three months at sole discretion of UTF.
2) For start-ups under incubation, the incubation agreement (both physical and virtual) gets terminated automatically after a period of twelve months until & unless extended. Further extension can be granted up to twelve months at sole discretion of UTF.
3) Incubation Agreement may also be terminated forthwith on or prior to the term of the agreement as follows: -
   - On completion of 36 (thirty-six) months from the date of execution of this agreement if no extension is provided by the Centre.
   - Start-up team operating at UTF crosses head count of 20 persons.
   - The Start-up raises the turnover over INR 100 crore in any of the previous financial years (as per the definition of Start-up given at www.startupindia.gov.in as of date)
   - The Start-up company completes 10 years of its incorporation as a private limited company registered as per the laws of India (as per the definition of Start-up given at www.startupindia.gov.in as of date.

Anx-I

<u>Guidelines of Ignition Grant under i-TBI-DST project</u>

1. i-TBI will provide Ignition grant (grants-in-aid), a funding support to innovators/ start-ups to convert their ideas into prototype/products that have potential for commercialisation. The maximum funding support to an innovator/start-ups will be up to Rs. 10 lakhs, however the final amount is subject to the approval of the selection committee.

2. **Selection of innovators/ start-ups:–** The i-TBI shall invite the proposal from Innovators / start-ups through open call for selecting the innovators / start-ups for providing ignition grant. i-TBI's will constitute the Screening and Monitoring committee to select the innovators / start-ups on the basis of certain parameters at their centre. This committee will ensure the smooth implementation of the program including the selection of innovators for ignition grant and monitoring their progress. This monitoring committee may comprise of the members/representatives of STEP/TBI, Technical expert, domain experts, financial expert, entrepreneur, NSTEDB, DST etc. and may be chaired by Head of the Host institute.

3. Following General and Eligibility Criteria may be follow for selecting the Innovators / start-ups for ignition grant:-

   3.1 General Criteria: –
   - The ignition grant shall be for development of prototype/products.
   - The ideas and innovations should be based on technology and science.
   - The product prototype has to be a physical product.
   - Idea or Innovations should have a roadmap towards commercialization.
   - Prototype must be capable of being completed within 12 to 14 months.
   - The ignition grant support can be provided – min Rs. 2.00 lakhs to max. upto Rs.10 lakhs to the innovator/startup
   - Applicants can be individual innovators or early-stage startups.
   - The IP generated if any, should vest with the Innovator(s) or the Start up.
   - Applicants will have ownership of the Project knowhow or IP of the proposed products or right to use knowhow or IP if it is owned by a third party.
   - Innovators should have technical skills or background.

   3.2 Eligibility Criteria: –
   - An individual innovator without having a startup or founder of a startup can apply for ignition grant.
   - In case of an applicant being an individual innovator without having a startup applying for grant
     - ➤ The applicant has to be an Indian Citizen with a government approved proof of nationality such as a valid passport, voter's id, ADHAAR etc.
     - ➤ The applicant should be minimum of 18 years of age, as on the date of application.

   - In case of an applicant being a co-founder of a Startup applying for grant:

- The applicant has to be an Indian citizen with a government approved proof of nationality such as a valid passport, voter's id etc.
- The applicant should be minimum of 18 years of age, as on the date of application.
- The startup should be incorporated in India with a minimum 51% of its equity held by Indian citizens.
- The startup should not be more than 2 years of existence.
- The startup should not have annual turnover exceeding Rs. 25 lakhs for any of the financial years since its inception.

3.3 Notwithstanding the above, the followings will not be considered

- Projects related to Pure Software development, e-Commerce, Service solutions, App based solutions.
- Funding research or student internship in Academic institutions or R& D organisations.
- Proposals for the products having crossed the prototype level are not eligible for support under ignition grant.

3.4 Guideline for Usage of funds:-

- Outsourcing Charges for R & D or Design Engg. or Consultancy or Testing or Expert cost
- Raw material or Consumables or Spares
- Fabrication or Synthesis charges of working model or process
- Business Travel and Event participation Fees (Ceiling 10% of approved project cost)
- Patent filing Cost – (PCT- Ceiling 10% of approved project cost)
- Contingency - (Ceiling 10% of approved project cost)

3.5 Ignition grant will not be used:-

- To pay the grantee or their relatives.
- To repay pre-existing loans or other commitments of the innovator.
- To pay rents, creation of infrastructure facility like shed, creation of movable property, creation of permanent facilities etc.
- As a stop gap arrangement to support any other professional pursuits.