

**Policy and Guidelines for**  
**DIAT INNOVATION & INCUBATION CENTRE**



**DEFENCE INSTITUTE OF ADVANCED TECHNOLOGY(DU)**

**Pune - 411025**

1. The goal of DIAT Innovation & Incubation Centre at DIAT (DU), Pune is to promote technology-based entrepreneurship and thereby facilitate practical application of knowledge for public use. The scope of this document is to define the policies and procedure for the operational matters related to the DIAT IIC at DIAT (DU), Pune. It covers the following process:

- (a) Eligibility
- (b) Admission procedure
- (c) Infrastructure and Services provided to incubates
- (d) Mandatory Mentorship
- (e) Period of Incubation / Exit
- (f) Intellectual Property evaluation
- (g) Seed funding
- (h) Consideration
- (i) Conflicts of interest
- (j) Periodic Information Submission
- (k) Disclaimer
- (l) Agreements
- (m) Auditing / Accounting & Compliances norms

2. The policy is subject to periodical review and amendments. It will be the responsibility of the companies admitted to DIAT IIC to update themselves from time to time on amendments in Incubation policy and procedures. DIAT 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.

- (a) **Eligibility.** Admission to DIAT IIC is open to :
  - (i) Faculty Members / Students / Alumni.
  - (ii) Any general public with a technology / Innovative idea.

3. Any person desirous of availing incubation facilities has to incorporate a private/public limited company under the Indian Companies Act and apply in the prescribed format (attached herein as Annexure I) along with required documents. No application for incubation can be entertained if the applicant has not incorporated a private/public limited company under the Companies Act.

4. The companies promoted by Faculty of DIAT shall be governed by Faculty Entrepreneurship Policy as approved by the Institute (attached herein as Annexure II).

5. Companies that are promoted by students enrolled for full-time Degree at an educational institute shall not be offered incubation if student is holding Executive position, however companies promoted by student are eligible to apply for incubation provided student is not actively engaged with the company beyond any engagement which may be permitted by the Institute.

(b) **Admission Process.** Based on the initial scrutiny of affirmative assessment, applicants will be asked to submit a formal application for admission in to DIAT IIC. The application form can be collected from the office of DIAT IIC or can be downloaded from its website. All the applicants shall have to read and agree to the “terms and conditions” of the incubation, their applications shall be processed only when they agree to the “terms and conditions” of DIAT IIC.

(i) **Business Plan.**

(aa) The business plan is expected to cover the basics of the business, namely, value proposition, products and services, market analysis, competition analysis, funding requirements, capital structure, milestones and timelines, development and marketing plan, organizational structure, team, risk analysis, break-even period and projected financials. Applicants may give any additional information as they think would help in the assessment of their proposal.

(ab) Based on the documents submitted, the application will be screened by an expert team for assessing the suitability of the proposal for further evaluation by expert members regarding its potential for incubation. Business plan will be reviewed by experts having technical, business and financial expertise.

(ii) **Evaluation Criteria.** Some representative criteria to be applied for evaluation (not limited to these):

(aa) Strength of the product idea in terms of its technology content, innovation, timelines and market potential.

(ab) Profile of the core team / promoters.

(ac) Intellectual Property generated and the potential of the idea for IP creation.

(ad) Financial/Commercial Viability and 5 year projections of Profit & Loss account, Balance Sheet and Cash Flows.

(ae) Funds requirement and viability of raising finance.

(af) Time to market.

(ag) Break-even period.

(ah) Commercial potential, demand and requirement in India.

(ai) Scalability.

6. If the initial evaluation of the business plan/ executive summary is positive, DIAT IIC will arrange a meeting at IIC with the company founders, during which the company will be expected to present a presentation describing critical aspects of the business plan to an evaluation committee, constitution of the committee is mentioned as per Annexure IV. The presentation will be followed by questions. After the presentation, a final decision will be made regarding the company’s entry into the incubator. The company will be informed of final decision execution of the Minutes of the said meeting. Such presentation through video conferencing is also permitted.

(c) **Infrastructure and Services of DIAT IIC.**

(i) Upon admission to DIAT IIC, the following facilities will be offered to the incubate companies on an individual basis:

- (aa) Office space.
- (ab) Computers – up to two. More than two can be availed at market rates.
- (ac) Printer.
- (ad) Internet connection.
- (ae) Phone connection.
- (af) Standard Furniture as decided by DIAT IIC.
- (ag) Common infrastructure: DIAT IIC provides a common pool of hard and soft infrastructure to be shared by all incubate companies. Following resources are provided:

- (aaa) Fax machine.
- (aab) Photocopying machine.
- (aac) Library: Management Books, Subscription to IT, Business, Management and Trade journals and newspapers.
- (aad) Meeting/Conference room with projection equipment.
- (aae) Tele or Video conferencing facilities.
- (aaf) Institute Infrastructure: DIAT IIC may facilitate access to institute infrastructure or Laboratories as per norms of DIAT.
- (aag) Common secretarial pool / staff.
- (ah) Intern Support: Also, to provide support in management, incubates will be assigned a Technology Management Student, if desired.
- (ai) Services: DIAT IIC may associate with professionals for accounting, IP, legal and management expertise on a part-time basis. Incubate companies can avail of their services. Any direct services provided to an incubatee would have to be paid for by the incubate to the service provider.

(d) **Mandatory Mentorship.**

(i) An incubate company has to take a faculty advisor as a mentor on technology issues.

(ii) Specialized mentors are also available to the companies to assist with particular strategic areas or to provide project-oriented consultation. These arrangements may begin as a pro bono arrangement with an option for both parties to graduate to a paid relationship.

(iii) Mandatory Mentorship. One of the objectives of Incubation is to utilize the technical expertise and lab infrastructure of DIAT, thus every company that is offered incubation at DIAT IIC has to select one faculty from DIAT who shall act as mentor of the Incubatee and guide the company on product develop. The incubatee has to offer minimum 1% of share equity to the mentor as a consideration of mentorship.

(e) **Period of Incubation/Exit.** Companies will be permitted to stay in DIAT IIC for a maximum period of three years. A nominal monthly charge will be levied to the company. DIAT IIC may, at its own discretion, permit companies to extend their stay for a maximum period of another 12 months. Companies will have to pay the charge at the prevailing market rate for the extended period, which would be for the facilities being used by them. An Incubatee company will leave the incubator under the following circumstances:

- (i) Completion of three years stay (if no extension granted).
- (ii) Underperformance or non-viability of business proposition as decided by DIAT IIC on case-to-case basis.
- (iii) Irresolvable promoters “disputes as decided by DIAT IIC on a case-to-case basis.
- (iv) Violation of any DIAT policy.
- (v) When the company enters in an acquisition, merger or amalgamation deal or reorganization deal resulting in a substantial change in the profile of the company, its promoters, directors, shareholders, products or business plan.
- (vi) Change in ‘promoters / founders’ team without concurrence or DIAT IIC.
- (vii) Any change or more than 50% of equity ownership would require a prior approval of DIAT IIC.

Notwithstanding anything written elsewhere, DIAT IIC’s decision in connection with the exit of an incubate company shall be final and shall not be disputed by any incubate company.

(f) **Intellectual Property Evaluation.**

- (i) The company should fill an IP declaration worksheet at the time of admission and declare the Intellectual Property developed and owned by the incubated company.
- (ii) In case the incubated company is desirous of using the Intellectual Property of DIAT like patent, software code, copyright, design registration, developed product, etc. then the company shall make such request in writing to DIAT IIC. The terms and conditions for such IP licensing shall be decided by the Institute as per rules governed by DIAT IP Cell.
- (iii) The company shall inform if any student have worked on the technology and if their work will be incorporated in the product(s).

(iv) The company shall inform if any IP has been generated as a result of the collaborative work with faculty members (who are not promoters) and is being incorporated into the product(s).

(v) The company shall inform if any DIAT infrastructure (hardware, testing setup, instrumentation, computing resources, processes) has been used in developing the IP or technology that will go into the product(s).

(vi) The company shall inform of the agreement, if any, with DIAT that the IP has been assigned to the company for commercialization.

(vii) The entrepreneur would have the option of first purchasing the rights of IP from DIAT and then being incubated or assigning equity to DIAT in lieu of the direct payments to the Institute.

(vii) The incubatee would maintain a register with the details of any IP (patents, licenses, copyrights, etc.) that has been brought into the company prior or during their stay at DIAT IIC. Also, any IP developed during the stay would be maintained in the register.

Notwithstanding anything written above, Intellectual Property Rights will be governed by the Intellectual Property Policy of DIAT.

(g) **Seed Funding.**

(i) DIAT IIC may provide seed loan subject to the availability of funds / grants / schemes meant for this purpose. Seed loan will be sanctioned only to the registered companies and shall be based on merit of each company. Further, admission to DIAT IIC shall not automatically entitle the companies to seed loan.

(ii) A company desirous of getting seed loan may submit an application for seed fund after admission in DIAT IIC. Sanction of seed loan will be decided based on the eligibility criteria as decided by DIAT IIC. It would be also subject to the terms stipulated as per the seed funding guidelines of DIAT IIC.

(iii) One of the criteria for approval of the seed loan will be the contribution brought in by the promoters to the capital of their companies. Preference will be given to companies who already have some source of revenue or some customer order booking. DIAT IIC will have sole discretion to sanction or reject an application for seed loan and the decision of IIC in this regard shall be final. DIAT IIC is not bound to give any reason in case an application for seed loan is rejected.

(iv) Though seed loan may be sanctioned at the time of approval of the proposal for admission, disbursement shall be subject to satisfaction of DIAT IIC that suitable progress has been made.

Notwithstanding anything contrary contained herein the seed fund sanction and disbursal shall be governed by Seed Fund Guidelines of DIAT IIC.

(h) **Consideration.** DIAT IIC will charge the incubates for infrastructure and services, seed loan and DIAT Intellectual property. This payment would be in the form of service charges and equity share as per following details. Liability fee (paid-up), equity of 3% would be assigned to DIAT for providing incubation facility, infrastructure services in all cases.

(i) **Conflicts of Interest.** In case of conflict of interests the decision of Institute shall be final and binding upon the parties. The faculty member should submit conflict of interest disclosure statement (Annexure III) before joining IIC.

(j) **Periodic Information Submission.** DIAT IIC will evaluate the performance of incubate companies periodically. Incubate companies have to submit the information to DIAT IIC on quarterly basis in a prescribed format. The companies may also be subject to an annual assessment by the committee comprising of external experts. Incubatee companies have to submit information to DIAT IIC about all material changes or developments taking place in their companies from time to time. Such information could be changed in business or product profile, change in directors, promoters or shareholders, additional equity or debt investments. Prior concurrence of DIAT IIC should be obtained for effecting such changes.

(k) **Disclaimer.** DIAT IIC does not guarantee to company incubated about success and / or feasibility and warrantee technology transferred from DIAT. DIAT or DIAT IIC or any person representing DIAT or DIAT IIC shall not be liable for any acts or omissions of the incubate company, however, in case of any such event the incubatee company shall do all that is required to hold DIAT or DIAT IIC or any person representing DIAT or DIAT IIC harmless from any loss including damage. penalty.

(l) **Agreements.** All incubatee shall to enter into following agreements with the4 Institute:

(i) **Incubation Agreement:** Containing rules and other incubation norms, consideration, equity holding, etc. (Applicable to all).

(ii) **Seed-Fund Agreement:** Containing rules of disbursement and repayment. (Applicable to incubatee availing seed fund).

(iii) Technology Commercialization Agreement: Applicable to incubate using technology or IP developed by DIAT

The Incubate Companies during the period of Incubation at the Centre will mandatorily get their accounts audited and their books of account are open for Inspection by the empaneled Chartered Accountants of the Centre. Compliances as laid down by the Companies Act 2013 are binding on the Incubate Companies. The companies will give a quarterly report on the compliances adhered as laid down in the Companies Act. Non-Compliance of the same would liable to penalty / strict action by the Centre:

(i) Non adherence to the first warning of the non-compliance by the said Incubate Company will attract penalty of Rs 1000/- which will be billed with the facilities due.

(ii) An action against the non-adherence to the second writing by the Incubate Company will make the Company ineligible to apply for Seed fund at the Centre.

(iii) An action against the non-adherence to the third warning in the form of notice to vacate the residential premises allotted to them.

(m) **Terms and Conditions**. The Licensee shall not cause may disturbance, annoyance, nuisance, damages to IIC or the peaceful functioning of other units in other premises in IIC, DIAT(DU) Campus and shall not create any obstructions in the common areas. No acts subversive of discipline or those which may tarnish the name or reputation of DIAT IIC or DIAT (DU) shall be indulged in by the incubate DIAT IIC shall always be in possession of the licensed premises and shall have full right to control the access to the Licensed Premises and structures therein or any part thereof, incubates shall allow persons and vehicles entering and leaving DIAT IIC to be examined by the staff of DIAT IIC or any agency authorized by DIAT IIC for the purpose of checking and security measures.

The Licensee shall use the licensed premises only for the purpose for which it was allotted and also take care not to store any combustible materials or articles prohibited under law. The Licensee shall not use the license for any purpose other than the one for which it is now permitted, without the previous written consent of DIAT IIC.

The incubates shall not, without the previous written permission of DIAT IIC, alter, improve or make structural alteration to the licensed premises permitted to be used by the Licensee and it is not obligatory on the part of DIAT IIC to give such permission if in their opinion such alternation / addition / removal are not required to be done.



This agreement can be terminated by giving 30 days written notice of termination by either party to the other. Further, if the Licensee violates any of the conditions hereinabove mentioned or such other rules and regulations framed by DIAT IIC or DIAT (DU) from time to time, DIAT IIC shall have every right to terminate the agreement and evict the Licensee from the premises forthwith. Notwithstanding the period mentioned herein or any of the clauses contained herein, DIAT IIC shall always have the right to terminate this license agreement at any time without assigning any reasons whatsoever the Licensee hereby agrees to abide by all such decisions without raising any objections.

### **Business Plan Template**

7. The following template shows a possible structure for a comprehensive business plan, The shown sequence is not mandatory, however the business plan must cover all the issues listed in the template. Recommended subscriptions in a business plan:

- (a) Introduction / Company overview
- (b) Concept / Proposition / Product description
- (c) Market opportunity
- (d) Competition survey
- (e) Development plan and milestones
- (f) Marketing plan
- (g) Management / Organizational chart
- (h) Financials
- (i) Risks and de-risking strategies



**DEFENCE INSTITUTE OF ADVANCED TECHNOLOGY**  
**Innovation & Incubation Centre**

**Application form for membership Institute Incubation Centre(IIC)**

1. Name of the Applicant (*Please attach copy of Memorandum and Articles of Association of the Company*)
2. Address of registered office
3. Authorized capital
4. Share / Equity distribution
5. Name of Directors and Promoters
6. Name of Faculty Mentor
7. Business / Idea Details
8. Title of your Business/  
Technology proposal for  
Incubation
9. Brief Description of the Product  
/ Services / Technology  
business you plan to incubate in  
DIAT(DU)

10. Brief description of the R&D efforts and other technological inputs you hope to resource from DIAT(DU) *(Please also indicate names of faculty member(s), Dept. / Schools / Centers of the Institute you plan to associate and equipments facilities to be used)*
11. Have you interacted with the concerned faculty and has he/she/they consented to collaborate with you?
12. Why do you want to locate in the DIAT (DU)?
13. Infrastructure requirement for space, workstations or PCs
14. List any special requirements for usage of DIAT(DU) laboratory facilities
15. Specify requirement of Mentoring and other professional services / support
16. Indicate how your business might benefit from access to DIAT(DU)'s human and physical resources
17. Have you prepared a Business Plan? If yes, please submit a copy. *(Please look at the website for the suggested*
18. Please indicate your sources of funds
19. Profile of your Company *(Type of business, details as date of registration etc. membership of stock exchange if any , key personnel / associates, specific achievements etc.)*

20. Profile of Directors and Promoters: (Attach brief resume)
21. Please give names and address of up to 3 referees who are acquainted with your career profession / achievement.
22. Any other detail which would help in evaluating your proposal

Declaration

We hereby declare that we have read and understood the terms & conditions of the Incubation Agreement of Defence Institute of Advanced Technology (DU) Pune (DIAT (DU)) including provisions relating to transfer equity and seed-capital guidelines, provided to me by the DIAT IIC Office, and agree to sign the same once our company is approved for the incubation at DIAT(DU). We shall follow the rules and regulations of Incubation Centre and DIAT(DU), Pune. The declaration and facts in the application are true and best to our knowledge and nothing material has been concealed.

Applicant / Director

Signature

Name

Applicant / Director

Signature

Name

Company Common Seal

Attachments

- MoA & AoA of applicant company
- Business Plan
- Certificate of incorporation
- Resume of Promoters

## **DIAT FACULTY ENTREPRENEURSHIP POLICY**

### **Preamble**

1. Faculty members at DIAT are continuously engaged in knowledge generation and dissemination. A large number of R&D activities are being carried out by faculty members and students in several cutting-edge science and technology areas. However, most of these research outcomes do not get translated into commercial products, benefiting the society in general, due to several reasons including lack of interest in the industry in commercializing new and futuristic technologies and restriction on the Institute's employees to start entrepreneurship. Towards this end, DIAT, in line with the best practices of other institutes of higher learning across the world, encourages interested faculty members to incorporate start-ups to engage in the businesses, that are direct result of the research and development activities of the faculty member of DIAT, be on the board of such start-ups in the capacity of a Director, Chairman, Promoter or any such role, subject to the terms and conditions of this faculty entrepreneurship policy. It is expected that faculty members will make all efforts to balance their academic responsibilities while assuming the above role and will respect the adherence of this policy.

### 2. **Definitions.**

(a) 'Promoter' means a promoter as defined under section 2(69) of Companies Act 2023.

(b) 'Executive capacity' shall mean a role of Director or Chief Executive Officer, Chief Operating Officer or Manager or any person, enjoying similar role, by whatever name called, in the Start-up.

(c) 'Equity' shall mean liability free equity shares (fully paid up) of the Start-up, having voting rights in the Start-up.

(d) 'Incubation' shall mean a start-up, having at least one faculty member from DIAT in Executive Capacity in the start-up, and the start-up has incubated in DIAT, with an objective of using seed fund and / or research grant and / or office space.

3. **Kinds of Start-up.** DIAT encourages and prioritizes the Start-ups in the following order:

(a) Start-ups jointly owned by the faculty members and / or graduating students alumni (alongwith possible others).

(b) Start-ups owned by the faculty members (one or many) alongwith possible others.

4. **Start-ups Eligible Under this Policy.** Such a Start-up must pursue business that are direct result of the research and development activities of the faculty member of DIAT which, however, does not preclude continuation of research initiated by a faculty member before joining the Institute. In such cases, the faculty member(s) and student(s), if applicable, will be known as funding member(s)/Promoter(s) of the Start-up. A faculty member may also be associated with the start-up in an executive Capacity such as Director, Chief Executive Officer, Chief Operating Officer etc. A faculty member must not pass on the technology and / of know-how developed at DIAT to any entity without the knowledge of and / or explicit permission from the Institute.

5. **Start-ups Not Eligible under this Policy.** A faculty member cannot associate, either as a Promoter or in an 'Executive Capacity' with:

(a) Start-up involved in Teaching and / or development of educational content. On the other hand, innovative technology platforms facilitating delivery of content is permissible. For such platforms, the content may be licensed from DIAT.

(b) Start-up whose business will be to provide consultancy services.

(c) Such class of Start-up that may be prescribed and notified by DIAT from time to time.

#### **Role of the Faculty Member.**

6. (a) Only those technologies would be taken for faculty start-ups which originate from within the same institute:

(i) Role of faculty may vary from being an owner / direct promoter, mentor, consultant or as on-board member of the start-up.

(ii) The faculty member should adhere to the DIAT policy for 'conflict of interests' (annexure III) to ensure that the regular duties of the faculty don't suffer owing to his/her involvement in the start-up activities.

(iii) Faculty start-up may consist of faculty members alone or with students or with faculty of other institutes or with alumni or with other entrepreneurs.

(b) In case the faculty / staff holds the executive or managerial position for more than three months in a start-up, they will go on sabbatical / leave without pay / utilize existing leave.

(c) Faculty must clearly separate and distinguish on-going research at the institute from the work conducted at the start-up.

(d) In case of selection of 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.

(e) Faculty must not accept gifts from the start-up.

(f) Faculty must not involve research staff or other staff of institute in activities at the start-up and vice-versa.

(g) Human subject related research in start-up should get clearance from ethics committee of the institution.

### **Usage of Institute Resources and IP Rights.**

7. As stated in the preamble, faculty members of DIAT are only allowed to incorporate Start-ups whose business objectives can only be fulfilled by using know-how and / or technologies developed at DIAT, including the cases where the initial IP development may have been carried out by the faculty member before joining the Institute. Thus, it is critical that there is clarity vis-a-vice policy of usage of institute resources, know-how developed using institute resources and IP Rights.

(a) In the event the start-up uses any 'know-how' for business purpose in the Start-up, which has not been secured through any IP prospects, then the faculty member has to disclose the source of origin of such 'Know how'

(b) In the event the faculty member(s) would want to use existing Intellectual Property developed at DIAT and protected by filing/grant of patent where DIAT is an applicant & the faculty member is an inventor, then the faculty member(s) may request for assignment of the IP from the Institute to the start-up, the grant of which may be guided by the policy stated below: -

(i) The faculty member would submit an application for the same to the Director IIC.

(ii) Upon obtaining permission, the Start-up may initiate the process of getting the IPR assigned to it. However, the cost of the assignment process will have to be borne by the start-up.

(iii) In case the start-up agrees to sublicense the assigned IPR(s) to any other entity, then the licensing revenue generated by the start-up, will be distributed among the inventors and the Institute, as per the IPR policy of the Institute.

(iv) In any case, DIAT reserves the 'First Right of Refusal' for any IPR generated in the Institute.

Note : It should be noted that assignment of patent to the start-up often helps a start up to raise funds as investors prefer to invest in a start-up whose IPR is not encumbered. However, it is not mandatory for a faculty member entrepreneur to get the IPR assigned to his/her start-up. This is purely a facilitation policy and not a restrictive policy.

8. It should be noted that these clauses are inclusive of the possibility that the initial IPR may have been developed outside of DIAT. However, the Institute is not in a position to evaluate and monitor such a claim. Therefore, in the larger interest of the institute and persons associated with the start-up, the start up will be permitted to use the laboratory, library and other such facilities to which the funding faculty member(s) is entitled. In lieu of this, the Institute may - (i) hold a certain percentage of equity in the Start up OR (ii) ask for a share of revenue of the Start-up OR (iii) ask for a combination of equity and revenue sharing.

9. The start up may also use the testing facilities as per the prevailing norms of the institute. During the incubation period within the campus, the startup may be allowed to use the laboratory facilities – captive infrastructure of the incubator as well as different state of the art centers of DIAT – as per the declared rates applicable for any faculty member of DIAT. Utilization of lab facilities will be subject to availability of the resources. Priority is granted to DIAT projects and students.

### **Disclosure and Compliance**

10. Financial and non-financial disclosure agreement will be signed as per the existing institute norms. At all times, the faculty member must ensure that the Startup / Startups he/she is associated with as a promoter or in an 'Executive Capacity' is compliant with all the norms of Govt. of India. Non-compliance by the individual faculty member shall have no bearing on DIAT.

### **Support from other Faculty Members**

11. Support from other faculty members of the institute during and after the incubation period would be treated under the institute's consultancy norms (other than assigned faculty mentor(s)).

### **Support from Students**

12. Any support received from student for the faculty Start up would be as per the existing guidelines of the Institute.



### **Outsourcing of Sponsored Research / Consultancy Assignment.**

13. Outsourcing of full /part of Institute's projects to faculty Start ups would be governed by the existing policies of the institutes. In case such policy is not available then the outsourcing decision would be undertaken on a case-by-case basis by a committee comprising Professor-in-Charge (Innovation & Incubation), Head of the concerned department and a representative from sponsoring agency.

### **Funding for the Start-up.**

14. The Startup will have its own funding and accounting procedures in line with the existing industry norms. Subject to availability of funds, Institute may also provide Seed loans to such Start ups which will be governed by the Institute norms.

### **Methodology.**

15. The process of entrepreneurship will be as below:

(a) A faculty member will submit the duly filled application form (Annexure I) for establishing a new venture to the Vice Chancellor. This form needs to be forwarded by series of offices as indicated in the document.

(b) Once permitted, the faculty member may form a startup. A faculty member may approach the incubation center of DIAT even before formation of a Start up for in principle approval of the incubation.

(c) For the incubation of the faculty member's startup, evaluation will be as per the policy of the Institute's incubation Centre.

(d) Upon approval, the Institute and the faculty member may negotiate and enter into an agreement for financial consideration by the Startup towards DIAT which will consist of consideration via equity shares in the Startup and / or a share in the revenue of the Startup, as mentioned below:

(i) **A liability free fixed equity of 10% in the Startup.** DIAT will reserve the right to liquidate any or all of the equity shares after seven years of formation of the Start up while the Startup will reserve the first right of refusal for purchase of the equity shares from DIAT.

OR

(ii) A pre-determined. And agreed upon, share in the revenue of the Startup, measured in terms of cost of units of product or services rendered by the Startup, at fair market value on a given date.

OR

(iii) A combination of liability free equity in the Start-up and share in the revenue of the Startup, measure in terms of cost of units of product or services rendered by the Startup, at fair market value on a given date.

(iv) In case the institute provides loan to the startup, the Startup will have to enter into a debt funding agreement with the Institute. Financial consideration, in lieu of the loan, may be levied separately.

**Exit.**

16. The Startup shall work towards a plan that would give DIAT an exit. It should be noted that the FEP will cease to be in effect, other than the part governing his/her responsibility towards DIAT as listed in points at Para 6 above, once the 'Exit', as defined in here, take place:

(a) Startup raises investment at a valuation of 30 crores or more. This value may be changed from time to time.

OR

(b) 7 years from the date of incorporation of the Startup and the Startup has graduated from incubation.

*Whichever between (a) or (b) happens earlier.* OR

(c) The faculty member relinquishes executive position in the Start-up and / or ceases to be a promoter of the Startup.

**Facilitation Charges.**

17. For Research Grant. If the Startup applies for a research grant, overhead (10% of the total budget) must be budgeted separately in the grant application. This condition may be relaxed at the sole discretion of Vice Chancellor, DIAT.

### **Resolution Charges.**

18. In situations in which the objectivity of a faculty member – due to his/her association with the Startup – could reasonably be questioned, the Vice Chancellor, DIAT may established an independent committee to investigate the operation of the Startup and possible conflict of interest between the functioning of the Startup and the academic duties of the faculty member(s) associated with the Startup.

19. The faculty may appeal to the Board of Governors of the institute for a review of the committee decisions. The decision of the Board, in this regard, would be final.

**CONFLICT OF INTEREST DISCLOSURE STATEMENT**

I solemnly state that the contents of this statement are true to the best of my knowledge and belief and that there is no conflict of Interest between the activities of the Start-up and Research and Development Activities conducted by me as a faculty member of the Institute. This statement cancels nothing and that no part of it is false.

Signature.....

Place : .....

Date :.....

**COMMITTEE OF INNOVATION & INCUBATION CENTRE**

Following committee will evaluate the potential for Incubation of start-up:

- (i) Vice Chancellor – Chairman
- (ii) Director CTP
- (iii) Dy Director/Joint Registrar CTP-MS
- (iv) Dean (SR)
- (v) Dean (Acad)
- (vi) Member from any other Incubation Centre
- (vii) Subject Expert
- (viii) Finance officer- DIAT
- (ix) Members co-opted (case to case basis)

Place : .....

Signature.....

Date :.....

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