



SPARKLE CINE
Empowering Entrepreneurship

Science **P**romotion through **A**dvancement of **R**esearch &
Knowledge for **L**ife through **E**ntrepreneurship

Centre for **I**Nnovation & Entrepreneurship

Policy & Framework



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Preamble



SPARKLE signifies Science Promotion through Advancement of Research & Knowledge for Life through Entrepreneurship, & CINE stands for Centre for INnovation & Entrepreneurship. SPARKLE CINE is a Section 8 company established under the aegis of JSS Academy of Higher Education & Research for the purpose of promoting translation of educational excellence to ideas and to catalyse the power of the idea towards innovation and entrepreneurship focused on advancement of Science.

JSS Academy of Higher Education & Research (JSS AHER) is one of the leading Educational Organizations located in the city of Mysuru, Karnataka, INDIA. Having ranked among the top 500 Universities in the World by The Times Higher Education (THE) World Universities Ranking framework (2019) and graded “A+” by National Assessment and Accreditation Council (NAAC), the Deemed to be University has strong foundation of research, innovation and entrepreneurial thrust, with health care, life sciences, pharma and management as the major focus arenas.

Vision

To Inspire academia and young minds to Invent, Innovate and Incubate to foster Entrepreneurship

Mission

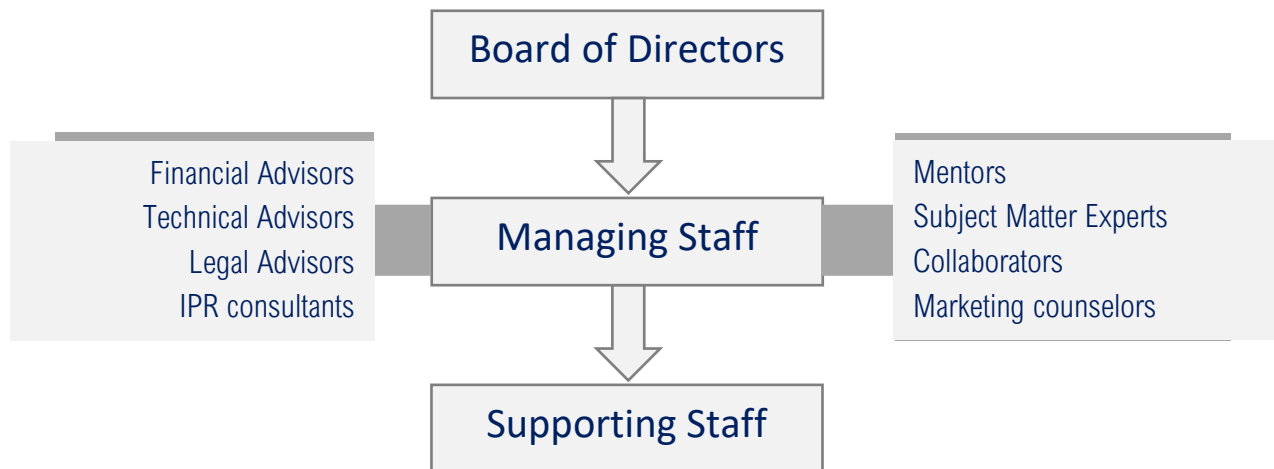
Promotion of Science by advancement of Research and Knowledge through Entrepreneurship

Efficient Networking for promotion of industrious start-ups

Objectives

- To promote entrepreneurial development activities and create culture of entrepreneurship and innovation
- To assist start-up companies by providing physical infrastructure & logistic mentorship support for incubation
- To provide academic & research support to start-ups by facilitating idea validation, technology development, prototyping, testing, clinical trials and consultation services

Organizational Structure

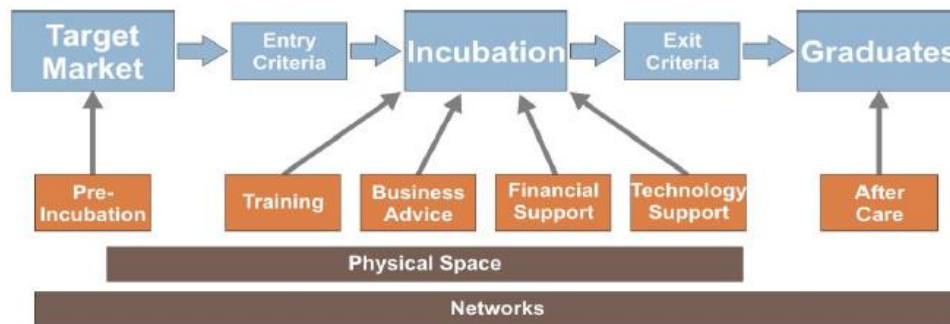


Thrust Areas



SPARKLE CINE is a healthcare incubator with specific focus on medical devices, biotech, pharma sector, life & allied health sciences and management. The specific fields of specialization in each of the thrust areas are mentioned, in which adequate support and networking is available to sustain the needs of the growing entrepreneurs.

Working model



Ideas with potential market translation are considered the starting point of the workflow. Post screening by expert selection committee, the prospective ideas and innovations will be guided either to register as a start-up or will be included as pre-incubation depending on staging of the idea and business acumen of the inventors. The pre-incubation facility prepares the naïve team for start-up registration through mentoring. Once the Eligibility criteria is met, the start-up can be registered and incubated, further which the services and the value-added services can be effectively utilized for progress. Governed by the progress, the incubates either evolve and graduate out as per the graduation policy or are governed as per the exit criteria. Each of the process is explained in detail further.

Value-added services

- Day to day logistic Mentoring
- Capacity building programs & entrepreneurship development programs
- Collaborative Technical support (Design, Development and Testing)
- Financial support for selected start-ups (Seed Support, Innovation, Refinement & Commercialization Grant for deserving start-ups)
- Consultation & Legal advices regarding Intellectual Property management.
- Academic & research Laboratory facility support on permission to approved protocols
- Networking with collaborators and consenting research laboratories
- Network with hospital for guided clinical trial testing
- Consultancy with the animal house for guided animal testing studies
- Consultation on Market Information (Product Development Strategies, Business Intelligence and Business Architecture)

Eligibility for Inclusion/Admission

Students, faculty and alumni of JSS AHER who are desirous of registering a start-up under the Indian Companies Act are given the privilege for incubating with SPARKLE CINE as per the framework. The National Innovation & start-up policy-2019 by MHRD shall be the guiding framework for the faculty driven start-ups.

The Incubation facility is also open for external start-ups pertinent to the thrust areas who are registered as public/private limited company under the Indian Companies Act can apply and avail the incubation facility on recommendation of the expert selection committee.

Any company that is or proposing to be engaged in imparting educational courses and/or training program including vocational programs or is planning to undertake such activities during or after its incubation, which are conflicting with the modus operandi of JSS AHER are deemed not eligible for incubation.

Inclusion/Admission process



Incubation: As a first step in the admission process, the prospective company should submit an Incubation Application (Annexure 1) containing the Business plan, Certificate of incorporation and Memorandum & Articles of Association (if the start-up is already registered under the Indian Companies act). The executive summary should be presented to the Expert Selection Committee for comments on technical and business feasibility of the

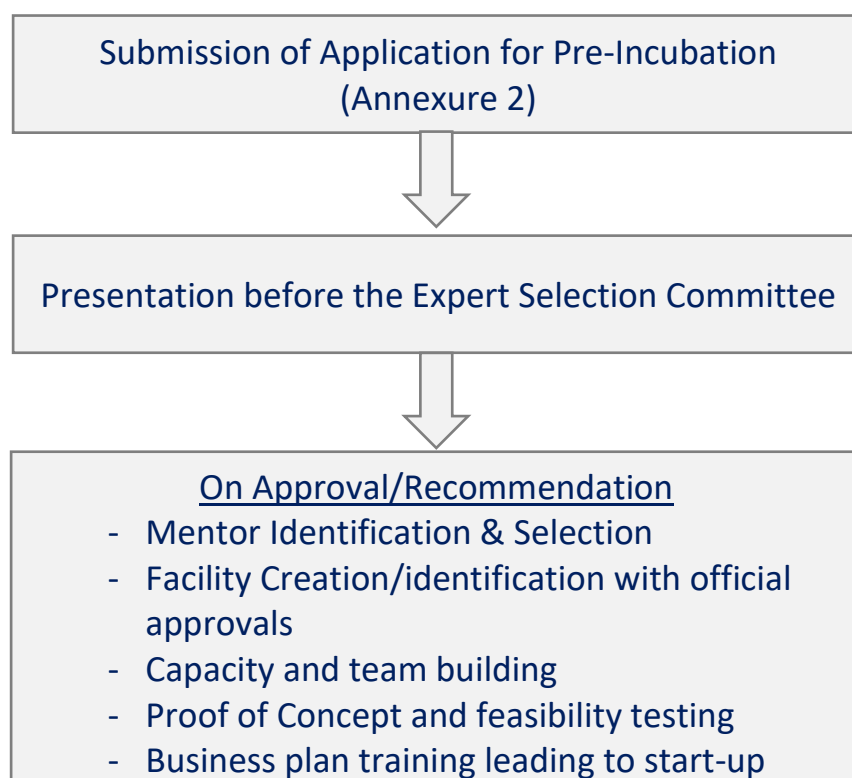
idea. As per the recommendations, the start-up can avail the incubation facilities after registration and signing the terms and conditions of SPARKLE CINE.

Pre-Incubation: Innovations for pre-incubation can be submitted to SPARKLE CINE. Typical consideration for Pre-Incubation is for students, faculty, alumni or early start-ups who have an idea or technology that has significant potential for being incorporated into an independent start-up venture, but need more mentoring regarding technology de-risking following more proof-of-concept studies or aggregating certain key missing components prior to new venture creation.

Example situations are:

- A research group has promising early-stage technology leads and results. It needs a stage of Proof-of-Concept (POC) studies and market research before creating a start-up venture.
- An entrepreneur has an attractive business idea and some elements of the technology but needs to complete the technology components or carryout further POC studies or bring-in one or more technology provider partners.
- A young (less than 3 years) start-up company that needs to go through Proof-of-Concept (POC) Studies before becoming investment ready.

For availing the benefits of pre-incubation, the idea needs to be submitted to SRARKLE CINE in the prescribed format (Annexure 2). Following the review by the expert selection committee and on their recommendation, the requisites of the pre-incubation are mentioned and implemented. The proposal may be called for a presentation before the committee.



Selection Criteria

The following selection criteria are considered (but not limited to)

- Strength of the product idea in terms of its technology content, innovation, timeliness and market potential
- Profile of the core team/ promoters
- Intellectual Property generated and the potential of the idea for IP creation
- Financial/ Commercial Viability and projections of Profit, Loss and Cash Flows
- Funds requirement and viability of raising finance
- Time to market from present state
- Break-even period
- Commercial potential, demand and requirement in India
- Scalability

Infrastructure and Services provided

I. Upon admission to SPARKLE CINE Incubation, the following facilities will be offered to the incubate companies on an individual basis:

- Office space
- Computers – up to two on rental basis. More than two can be availed at market rates.
- Printer
- Internet connection
- Phone connection– Each company will pay the rentals and bills
- Standard Furniture as decided by SPARKLE CINE.

II. Common infrastructure: SPARKLE CINE provides a common pool of hard and soft infrastructure to be shared by all incubate companies. Following resources are provided:

- Fax machine
- Photocopying machine
- Document Scanner
- Library: Management Books, Subscription to IT, Business, Management and Trade journals and newspapers
- Meeting/Conference room with projection equipment
- Tele or Video conferencing facilities

III. Institute infrastructure: SPARKLE CINE may facilitate access to JSS AHER academic & research infrastructure/laboratories as per JSS AHER norms with prior approval & permission.

IV. Services:

SPARKLE CINE may associate with professionals for accounting, IP, legal and management expertise on a part-time/consultation basis. Incubate companies can avail benefit of their services. Any direct services provided to an incubate would have to be paid for by the incubate to the service provided

Mentoring and Advisory Services

- Strategic Check-ups: The SPARKLE CINE administration will meet with company CEOs/team leads at least once per month for strategy reviews and discussion of operational/logistic issues.
- A incubate company may take a faculty advisor as a mentor for guidance on Subject matter issues.
- Specialized mentors/Industry mentors, if required, may be made available on prior request through the partnerships of JSS AHER & its Collaborations who can assist with strategic areas or to provide project-oriented consultation. Financials will be decided as per the degree of assistance requested and on mutual consent between the incubate and the mentor through SRAPKLE CINE.
- A incubate company may avail consulting services by professionals through SPARKLE CINE

IV. Mandatory Mentorship for student Pre-Incubation/Incubation: One of the objectives of Incubation is to utilize the expertise and academic infrastructure of JSS AHER, thus every student driven innovation/company that is offered pre-incubation/incubation at SPARKLE CINE has to select one faculty from IIT Kanpur who shall act as mentor of the Incubate and guide the company on product development. The incubate has to offer minimum 1% of share equity to the mentor as a consideration of mentorship

Period of Incubation & Graduation/Exit policy

Companies/Start-ups will be permitted to stay in the incubator for a period of two years. Maximum two extensions may be granted for 6 months each at a time at the sole discretion of SPARKLE CINE depending on the progress made.

Graduation/Exit:

An Incubate company will leave the incubator under the following circumstances:

- Completion of two years" stay (if no extension granted)
- Underperformance or non-viability of business proposition as decided by SPARKLE CINE on case to case basis
- Irresolvable promoters "disputes as decided by SPARKLE CINE on a case to case basis
- Violation of any SPARKLE CINE and/or JSS AHER core policy
- 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.
- Change in promoters'/ founders' team without concurrence of SPARKLE CINE.
- Any change of more than 50% of equity ownership would require a prior approval of SPARKLE CINE.
- Any other reason for which SPARKLE CINE may find it necessary for an incubate company to leave.
- For companies in the area of Biotech and Pharma the time to market is generally more. This is mainly due to the nature of product and number of regulatory procedures required to be followed before commercial launch of the products. In such cases the incubatee company may request for extension of incubation period. SPARKLE CINE may grant such extension on case to case basis on the requirements of the incubate, considering the previous track records.

Notwithstanding anything written elsewhere, SPARKLE CINE Directors' decision in connection with the exit of an incubate company shall be final and shall not be disputed by any incubate company.

Intellectual Property Rights

Companies/Promoters/Start-ups should fill an IP declaration worksheet at the time of admission and declare the Intellectual Property developed and owned by the incubate company.

- In case the incubate company is desirous of using the Intellectual Property of JSS AHER like patent, copyright, design registration, developed product, etc. Then the company shall make such request in writing to JSS AHER through SPARKLE CINE. The terms and conditions for such IP licensing shall be decided by the Institute as per recommendations of Advisory Committee.
- The company shall inform SPARKLE CINE if any students have/had worked on the technology and if their work will be incorporated in the product, with disclosure of the facilities & role of the JSS AHER that were instrumental in product/technology creation.

- The company shall inform if any IP that has been generated as a result of collaborative work with faculty members (who are not promoters) is being incorporated into the product(s).
- The company shall inform if any JSS AHER infrastructure has been used in developing the IP or technology/product(s).
- The company shall inform SPARKLE CINE, if any, about any agreement with JSS AHER or other institutions/companies that the IP has been assigned to the company for commercialization.
- The entrepreneur would have option of first purchasing the rights of IP from JSS AHER and then being incubated.
- The incubate 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 SPARKLE CINE. 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 JSS AHER.

Seed Funding and Grants

Admission to SPARKLE CINE shall not automatically entitle the companies/Start-ups to seed funds/grants. The funds will be sanctioned only to the registered incubates and shall be based on merits of each company/Start-up. A company desirous of getting seed funds/grants may apply for seed fund after three months from the date of admission to SPARK CINE. Sanction of seed loan will be decided based on the eligibility criteria as decided by SPARKLE CINE. SPARKLE CINE and JSS AHER will have sole discretion to sanction or reject an application for seed fund/grant and the decision of the concerned authorities in this regard shall be final. SPARKLE CINE or JSS AHER is not bound to give any reason in case an application for seed fund/grant is rejected. With approval of seed funds/grants, the periodic progress of the incubatee/ pre-incubatee will determine the continuity of the funds, which may be subjected to discontinuation, with discretion of the Directors, if progress is not satisfactory.

Monitoring, Assessment and Periodic Review

A committee set up by SPARKLE CINE will evaluate the performance of incubate/pre-incubatee every 3 months. The emphasis of evaluation will be on checking if the milestones specified in the business plan are met. For a incubatee/ pre-incubatee which has taken seed fund, additional checks will be done on the financial health, implementation and progress in terms of its order booking/expenses/profitability/utilization of seed money depending on the stage of incubatee/ pre-incubatee. Further seed fund disbursement will be dependent on the progress shown in previous appraisal.

Periodic assessment would vary depending on the stage of incubation the company is in. Some representative criteria for evaluation are:

A. Ideation / Innovation stage

- Concept development / Opportunity spotting
- Product Development
- Market assessment / Competition analysis
- First level Business Planning / Business Modeling
- Founding Team
- Intellectual property protection
- Seed Funding

B. Pre-Market Stage

- Proof of Concept/ Prototyping
- Product Development and enhancement
- Financial Assistance Required
- Test marketing
- Full scale business planning including production, sales and sourcing

C. Implementation Stage

- Full scale Business Planning
- Pitching for Venture Funding
- Scaling up operations
- Large scale commercialization
- Mature Team Formation

D. Graduation/Exit stage

- Scale up to National / Global levels and expansion prospects and plans
- Previous track records

Equity and Shares

- In return of the services and facilities that are offered, the institute may take 2% to 9.5% equity/ stake in the startup/ company, based on brand used, faculty contribution, support provided and use of institute's IPR. Factors for consideration should be space, infrastructure, mentorship support, seed funds, support for accounts, legal, patents and any other facility/advantage on a case-to-case basis.
- For staff and faculty, institute can take not more than 20% of shares that staff / faculty takes while drawing full salary from the institution; however, this share will be within the 9.5% cap of company shares, listed above. No restriction on shares that faculty / staff can take, as long as they do not spend more than 20% of office time on the startup in advisory or consultative role and do not compromise with their existing academic and administrative work / duties. In case the faculty/ staff holds the executive or managerial position for more than three months in a startup, then they will go on sabbatical/ leave without pay/ earned leave.

Auditing

The Incubate Companies during the period of Incubation at SPARKLE CINE will mandatorily get their accounts audited and their books of Account are open for Inspection by the empanelled 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

Non-Compliance to auditing, financial schedule, policy of SPARKLE CINE & JSS AHER would be liable to penalty/strict action.

- Non-Adherence to the first warning of the non-compliance by the said Incubate Company will attract penalty of Rs. 2000 which will be billed with the facilities due
- An action against the Non-Adherence to the second warning by the Incubate Company will make the Company ineligible to apply for Seed fund at the Centre

- An action against the Non-Adherence to the third warning in the form of notice to vacate the residential premises allotted to them
- Gross act of violation, subjected to legal implication, will be at the sole discretion of the Board of Directors and authorities of JSS AHER

Disclaimer

In case of any conflicts of interests, the decision of SPARKLE CINE and JSS AHER shall be final and binding upon the parties.

SPARKLE CINE and JSS AHER does not guarantee success and/or feasibility of the technology transferred from the Institute. SPARKLE CINE, JSS AHER or any person representing them shall not be liable for any acts or omissions of the incubated company. However, in case of any such event the incubated company shall do all that is required to hold SPARKLE CINE, JSS AHER or any person representing them harmless from any loss including damage and penalty.



SPARKLE CINE
Empowering Entrepreneurship

Application Form for Incubation

1. Start-up Name: _____

2. Company Name, if registered: _____

3. No. of Founders & their Name & description:

4. Industry: _____

5. Stage of Business: Prototyping/Under Validation/Early/Growth: _____

6. Investment raised, if any: _____

7. Already Incubated somewhere? If yes, details: _____

8. Contact Number: _____

9. Email id: _____

10. Address: _____



Permission for engaging in Pre-Incubation/Incubation

1. Name, Address, E-mail, Mobile:

2. Contact Details of Parents (for current students) :

3. Department:

Program:

Year:

Batch of admission:

4. Idea/innovation/Start-up activity proposed within 500 words: *(Attach writeup in separate sheet with problem statement, need for the innovation/idea/start-up, concept design if any, study conducted details for feasibility tests if any, publications done if any related to the idea)*

5. Number of Hours per month expected towards this activity:

6. Title of the product/service or company: (for start-up companies)

7. Applicant’s role:

8. Other person(s) involved/Faculty mentors identified:

I, (Name of the student) declare that I have read and understood all the rules and regulations regulating the commercial activities applicable to students. I agree to abide by them. I also undertake to repay dues (if any) towards SPARKLE CINE/JSS AHER.

.....
Signature
Name:
Date:

Endorsement by the Parent/Guardian

.....
Name:
Date:

Recommended By

.....
Head of the Department, with Date & Seal