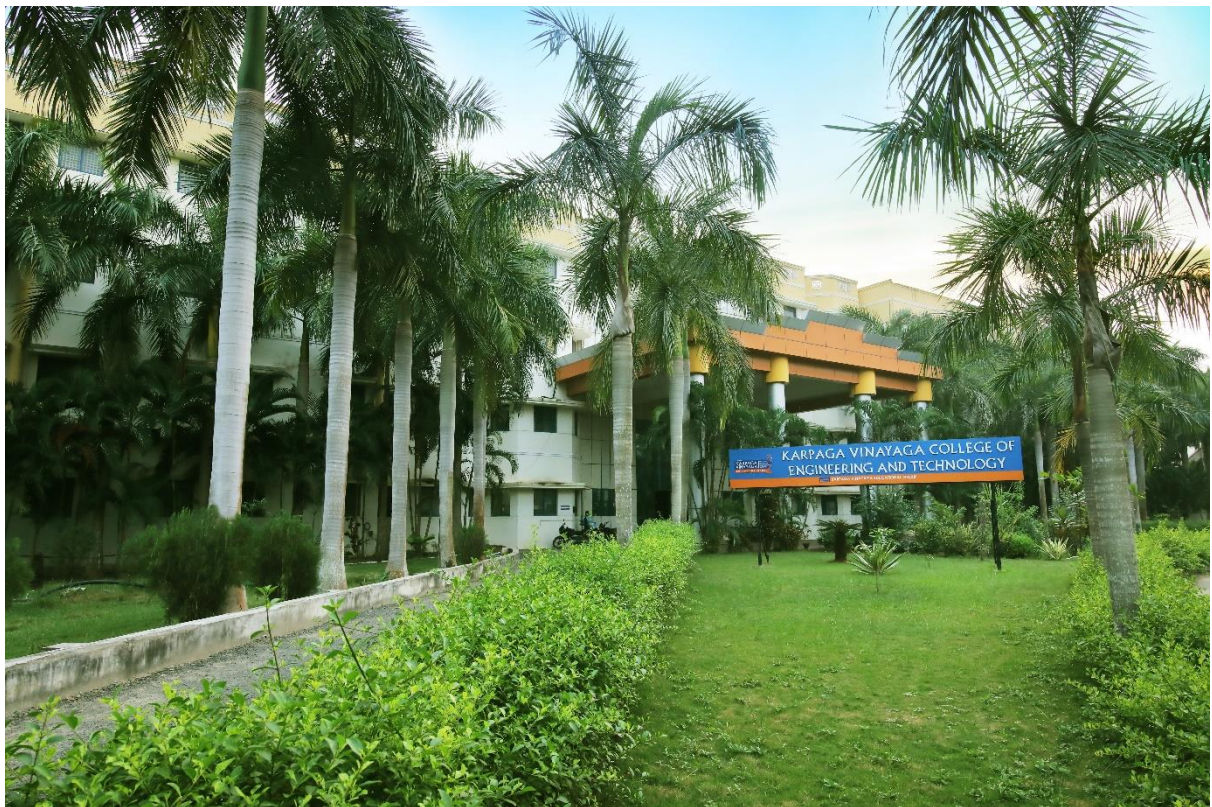


KARPAGA VINAYAGA

COLLEGE OF ENGINEERING AND TECHNOLOGY



Innovation, Incubation and Start-up Policy

Introduction:

The Karpaga Vinayaga College of Engineering and Technology is a premier technical institution in the industrial city of Chennai. The college was started in the year 2001 by Honourable Thiru. S.Regupathy, Founder and currently the Minister for Law, Govt of TamilNadu. Ever since its inception it has set the stage for quality technical education for the rural students. The Institution is affiliated to Anna University, Chennai and approved by the AICTE, NewDelhi. The college offers Ten undergraduate programmes in the disciplines of AUTO, BME, BT, CSE, CIVIL, ECE, EEE, MECH, Artificial Intelligence and Robotics and seven post-graduate programmes viz., MBA, MCA, M.E-CSE, M.E-Big Data, M.E-Biometrics& Cyber Security, M.E-MFG and M.Tech - BT. The institution is accredited by NAAC. The institution is recognized by the UGC under 12(B) and 2(f) category. KVCET has been recognized as a “Scientific and Industrial Research Organization” (SIRO) by the Department of Scientific and Industrial Research (DSIR).

KVCET has established its Business incubator with a main aim to nurture ideas from professionals / students/ local community and foster such entrepreneurial ideas in a supportive environment before they become attractive for venture capital. The Incubation center aims to promote and support untapped creativity of individual innovators and to assist them to become technology based entrepreneurs. It also seeks to promote networking and forging of linkages with other constituents of the innovation chain for commercialization of their developments, provide support and training for students and innovators who are interested in converting their social ideas into social startup. Incubation Centre, KVCET will provide necessary infrastructure, prototype development support, research assistance, help in getting funding, business consulting assistance, mentoring and guidance to make their idea into a successful venture. Incubation Centre at KVCET will be adopting the proposed Incubation Policy to provide guidance and management structure to facilitate development of entrepreneurship and Innovation. The proposed Innovation and Incubation policy will be applicable for all startups, present incubates under KVCET Incubation center and also for other Incubation center which will be established by KVCET in future.

Objectives:

- To create awareness about the importance of entrepreneurship among the students and local community.
- To promote new technology/ knowledge/ innovation based startups.
- To promote design thinking process among the incubates and provide the platform for speedy commercialisation of technology.
- To enhance the domain knowledge / skills to develop the innovative products / services.
- To build a vibrant startup ecosystem, by establishing a network between academia, financial institutions, industries, and other institutes.

Scope of this Policy:

The scope of this document is to define the policies and procedures for the operational matters related to the Incubation Center, Karpaga Vinayaga College of Engineering and Technology (KVCET). The scope of incubatee entry/exit policy covers all the prospective Incubation candidates, pre-incubatees, student, alumni, faculty and public incubatees (physical and virtual) including existing firms interested in incubating spin-off ideas. It covers the following processes:

1. Thrust Areas
2. Eligibility
3. Admission procedure
4. Selection Process
5. Infrastructure and Services provided to incubates
6. Mandatory Mentorship
7. Period of Incubation/ Exit
8. Intellectual Property evaluation
9. Seed funding
10. Periodic assessment
11. Consideration
12. Conflicts of interest

13. Disclaimer

14. Agreements

15. Auditing/Accounting & Compliances norms

The policy is subjected to periodical review and amendments. It will be the responsibility of the companies admitted to Incubation Centre at KVCET to update themselves from time to time on the amendments in Incubation policy and procedures. Incubation Centre, KVCET 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.

Thrust Areas

Incubation Centre, KVCET will support students and innovators who are having an idea with high impact and which has very good opportunity to be a successful startup. Any Individual / group of people (students or faculty or general public or mix of the two) can initially propose an idea (to Incubation Centre, KVCET) with prime features as mentioned below

(a) Innovativeness

(b) Commercial viability

(c) Technical feasibility

(d) Social sensibility

(e) Scalability

INCUBATION CENTER KVCET accepts ideas from diverse domains as mentioned below

- Bio Technology
- Bio-Medical instrumentation
- Health
- Agriculture
- Building Materials/Construction Technology
- Electricity, New and Renewable Energy and Environmental sustainability
- Electric Mobility
- Emission Control Systems and products

- Solar Photovoltaic systems and design optimisation
- Education
- Information & Communication Technology (ICT)
- Manufacturing Automation and Engineering
- Additive Manufacturing
- Water, Sanitation and Solid-Liquid Waste Management
- Waste heat Recovery Systems
- Telecommunication
- Cyber Security
- Artificial Intelligence and Remote Monitoring
- Drone Technology
- Other emerging areas of social / national importance

Types of Start-up Ventures/Enterprises:

Incubation Centre, KVCET is set up to promote innovation and entrepreneurship by converting and translating technology ideas and innovation in various disciplines of science and engineering into products, processes and services for commercial exploitation and the benefit of society to accomplish its goal. Incubation Centre's support to enterprises may fall under one of the following categories.

Category I :

Ventures that qualify as a nursery Incubation project initiated by one or more members of the academic staff, students and/or alumni of KVCET or other premier institutes, or some other technology promotion agency with a view to trying out a novel technological idea for upgradation to a commercial proposition, scaling up a laboratory proven concept, and setting up a technology business enterprise.

Category II:

Technology-based startup company promoted by some of the existing Entrepreneur desirous of R&D partnership with the Institute (Incubation Centre, KVCET) or company with a view to

trying out a novel technological idea for upgradation to a commercial proposition along with Incubation Centre, KVCET.

Category III:

Technology/R&D unit of an existing small/medium size enterprise, industry association or a R&D Company who desires to have close technology interface with Incubation Centre, KVCET.

Source of Incubatees:

- Incubation Centre, KVCET will organize ideathons, boot camps, Idea fests, and/ or Idea fair for general public / alumni / students from other campuses as startup idea screening event(s) either on its own or in collaboration with one or more event partners. Shortlisted finalists from such programs will be identified as potential incubatees in Incubation Centre, KVCET.
- Incubatees can also be selected if they approach directly. After considering the credentials pertaining to commitment, attitude and track record, the team/individual and evaluating the guidelines mentioned in may be given the status of incubatee at Incubation Centre, KVCET.
- Ideas screening committee constituting Center coordinator, one technical expert and one business expert can evaluate the idea and induct the promoter/s as incubatee.

Eligibility Criteria:

Any Individual / group of people (students or general public or mix of the two) desirous of availing Incubation facilities has to apply in the prescribed format along with required documents as per Annexure. After successful evaluation of their documents, if they deemed to be eligible, he/she shall be called as Incubatee.

Admission Procedure:

Following admission procedure would be followed:

All the applicants have to go through the following process for getting eligibility as an incubatee in the Incubation Centre, KVCET.

Documents to be submitted

- PAN/Aadhar card
- Permanent address proof
- Executive Summary or Business Plan (shall present the executive summary to an internal review committee for comments on technical and business feasibility of the idea) *.
- Two references
- Filled-in application with passport size photograph of incubatee.
- Signed agreement (between incubatee & incubator) indicating incubatee agreeing to abide by the rules and regulations to be adhered to by incubates.

Evaluation Criteria

- Strength of the product idea in terms of its technology content, innovation, timeliness, market potential, need and scope.
- Profile of the core team
- Intellectual Property generated and the potential of the idea for IP creation
- Financial/ Commercial Viability and 3 year projections of Profit & Loss Account, Balance Sheet and Cash Flows.
- Funds requirement and viability of raising finance.
- Commercial potential, demand and requirement in India
- Time to market and Break-even period
- Scalability
- Faculty/Industry Mentor Details and Recommendation Letter (Optional)

***Budding innovators will be provided guidance in developing the business plan by the Incubation Centre.**

Presentation to Evaluation Committee of Incubation Centre:

If the initial evaluation of the business plan / executive summary is positive, Incubation Centre, KVCET will arrange a meeting with the Promoter, during which the promoter will be expected to present a presentation describing critical aspects of the business plan to an evaluation committee. The presentation will be followed by questions. After the presentation, a final decision will be made regarding the incubatee 's entry into the incubator. The expert panel will carefully evaluate the business idea, social impact, market availability, potential value of the technology, growth prospects, innovative content and promoter team strength of the applicant. The expert panel will recommend a meritorious applicant for incubation. The expert panel will consist of experienced and qualified professionals from specific industry, leading bankers, seasoned venture capitalists, academicians and successful alumni entrepreneurs. The constitution of the evaluation committee will be decided by the Incubation Centre, KVCET based on the expertise needed.

Research & Due Diligence:

Throughout the application process, on an as-needed basis, Incubation Centre, KVCET will perform research and due diligence of the incubatee, the management team, the industry, and current and future competitive elements facing the business. Incubation Centre, KVCET may require further information from the applicant, and may ask the applicant to revise the executive summary and/or presentation. Incubation Centre, KVCET may at its discretion seek advice of various government bodies like DSIR, DST, MNRE, DBT, MSME, etc.

Security Deposit:

Before commencement of the Incubation period, the incubatee has to pay a refundable security deposit of Rs. 5000 (Rupees Five Thousand only) to Incubation Centre, KVCET. This amount would be paid back to the incubate after completion of the Incubation period—provided the incubate has a normal exit. Incubate has to provide names of at least two persons as probable sponsors. Innovation Centre, KVCET reserves the right to relax this norm on case to case basis if necessary.

Annual Registration Fee:

The incubate company will become a legal member of Incubation Centre, KVCET after registration and will be entitled to avail various facilities offered by the Incubation Centre, KVCET. The incubatee shall pay an amount of Rs. 2000/- (Rupees Two Thousand only) to Incubation Centre, KVCET towards the annual registration fee to be paid at the time of execution of this agreement and subsequently within fifteen days of the beginning of each year counted from the date of this agreement and shall continue to maintain their registration as long as they are permitted by the Governing Body of Incubation Centre, KVCET to have association. Innovation Centre, KVCET reserves the right to relax this norm on case to case basis if necessary.

Non-Disclosure:

Incubation Centre, KVCET adheres to strict confidentiality throughout the application process. Incubation Centre, KVCET will sign the "non-disclosure" agreements as followed in normal practice.

Infrastructure of Incubation Centre, KVCET:

Upon admission to Incubation Centre, KVCET, the following facilities will be offered to the incubatees on an individual basis:

1. Office space
2. Computers – up to two on rental basis. More than two can be availed at market rates.
3. Internet connection
4. Phone connection– Each company will pay the rentals and bills
5. Standard Furniture as decided by Incubation Centre, KVCET.

Common infrastructure: Incubation Centre, KVCET provides a common pool of hard and soft infra-structure to be shared by all incubatees. Following resources are provided:

1. Photocopying machine
2. LCD Projector

3. Document Scanner
4. Library Access Facilities
5. Meeting/Conference room with projection equipment
6. Tele or Video conferencing facilities
7. Printer
8. Central Lab facilities (Based on the need of institute facilities, laboratories might be used which will be decided by the Principal of the college on case-to-case basis)

Services of INCUBATION CENTRE KVCET:

Incubation Centre, KVCET will offer following support services (who will be employed on part time basis/depending on the college policy) like:

- Professionals for accounting
- Experts with IP Knowledge
- Legal expertise
- Management expertise
- Common secretarial pool/staff
- Intern Support from students of the KVCET

Mentoring Services

- An incubatee has to take faculty advisors from the KVCET as mentor/advisor on technology and business development issues. The incubatee is also allowed to take specialized mentors from Industries/research institutes/Govt. organizations to assist with particular strategic areas or to provide project-oriented consultation.
- An incubatee may avail of consulting services by empanelled professionals of Incubation Centre, KVCET.

Use of KVCET's Infrastructure

If so desired by the incubatee, KVCET may permit use of other departmental laboratories of KVCET for their product development and testing purposes. However, this will be done in a way to avoid clashes with the normal course structure, Lab classes of the concerned discipline.

Further usage of such resources shall be on commercial chargeable basis which will be decided by KVCET's concerned Department along with the Incubation Centre, KVCET based on the facilities and equipments planned to be used by the incubatee for development and testing.

Tenure of Incubation:

An Incubatee will be permitted to stay in the incubator for a period of maximum two years. Maximum two extensions may be granted for 6 months each at a time at the sole discretion of the Institute.

Exit: An Incubatee will leave the incubator under the following circumstances:

1. Completion of two years' stay (depending upon the students course year when applied) (if no extension granted)
2. Underperformance or non-viability of business proposition as decided by Incubation Centre, KVCET on case to case basis.
3. Irresolvable promoters' disputes as decided by Incubation Centre on a case to case basis.
4. Violation of any Incubation Centre's policy
5. Change in Incubatees' team without concurrence of Incubation Centre.
6. Any other reason for which Incubation Centre may find it necessary for an incubate company to leave.

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

Periodic assessment:

The incubatee has to submit a yearly account statement and unaudited quarterly statement about the activities.

Intellectual Property:

Any IPR related activity will be dealt as per IPR policy of KVCET. Promoter should fill an IP declaration worksheet at the time of admission and declare that the Intellectual Property developed and owned by the incubatee during Incubation will be in association with Incubation Centre as per KVCET IP Policy

1. In case the incubatee is desirous of using the Intellectual Property of KVCET like patent, software code, copyright, design registration, developed product, etc. Then the incubatee shall make such request in writing to KVCET. The terms and conditions for such IP licensing shall be decided by the Institute.
2. The incubatee shall inform if any students have worked on the technology and if their work will be incorporated in the product(s).
3. The incubatee shall inform if any IP has been generated as a result of collaborative work with faculty members (who are not promoters) is being incorporated into the product(s).
4. The incubatee shall inform if any Incubation Centre, KVCET infrastructure (hardware, testing setup, instrumentation, computing resources, processes) has been used in developing the IP or technology that will go into the product(s).
5. The incubatee would maintain a register with the details of any IP (patents, licenses, copyrights etc) that has been brought by them during their stay at Incubation Centre, KVCET. Also, any IP developed during the stay would be maintained in the register.
6. When institute facilities / funds are used substantially or when IPR is developed as a part of curriculum/ academic activity, IPR is to be jointly owned by inventors and the institute.
7. On the other hand, if product/ IPR is developed by innovators not using any institute facilities, outside office hours (for staff and faculty) or not as a part of curriculum by student, then product/ IPR will be entirely owned by inventors in proportion to the contributions made by them. In this case, inventors can decide to license the technology to third parties or use the technology the way they deem fit.
8. If there is a dispute in ownership, a minimum five-member committee consisting of two faculty members (having developed sufficient IPR and translated to commercialization), two

of the institute's alumni/ industry experts (having experience in technology commercialization) and one legal adviser with experience in IPR, will examine the issue after meeting the inventors and help them settle this, hopefully to everybody's satisfaction. Institute can use alumni/ faculty of other institutes as members, if they cannot find sufficiently experienced alumni / faculty of their own.

Seed Funding:

Incubation Centre, KVCET may provide seed loan subject to the availability of funds/ grants/ schemes meant for this purpose. Further, admission to Incubation Centre, KVCET shall not automatically entitle the incubatees to seed loan and shall be based on merits of each company.

An incubatee desirous of getting seed loan may submit an application for seed fund after six months from the date of admission in Incubation Centre, KVCET. Sanction of seed loan will be decided based on the eligibility criteria as decided by Incubation Centre, KVCET.

Purpose of Seed Fund/Loan

Seed fund/loan is provided for the promotion of incubator to the next phase of the journey.

The seed loan is provided for the following purposes:

1. Procurement of equipment/ tools/components/parts/consumables.
2. Procurement of raw material
3. Machining cost
4. Fabrication cost
5. Registration fee
6. Validation/Testing
7. Cost of any other relevant item

Incubation Centre, KVCET will have sole discretion to sanction or reject an application for seed loan and the decision of Incubation Centre, KVCET in this regard shall be final. Incubation Centre, KVCET is not bound to give any reason in case an application for seed loan is rejected.

Though seed loan may be sanctioned at the time of approval of the proposal for admission, disbursement shall be subject to satisfaction of Incubation Centre, KVCET that suitable progress has been made.

Business Plan Template

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 Subsections in a business plan:

1. Introduction / Incubatee Details
2. Concept / Proposition / Product description
3. Need for the promotion/Market opportunity
4. Competition survey if any.
5. Development plan and milestones
6. Marketing plan
7. Management / Organizational chart
8. Financials Implications
9. Risks and de-risking strategies

Conflicts of Interest:

In case of conflict of interests the decision of Institute shall be final and binding upon the parties.

Special Provision for Biotech and Pharma companies/incubatees

For companies in the area of Biotech and Pharma the time to market is generally more than their non-Pharma/Biotech companies. This is mainly due to the peculiar nature of product and number of regulatory procedures required to be followed before commercial launch of the products.

In such cases the incubate company may request for extension of Incubation period. INCUBATION CENTER KVCET may grant such extension based on the requirements of the incubate.

Revenue sharing

Incubation Centre, KVCET shall have a stake in revenue generated by the incubatee for the services rendered to him. The service model proposed is revenue sharing of 2% from the profit for lifelong. For Internal Students and Faculty Startup, the revenue sharing will be 10% for a period of five years from the date of graduation.

The rental for the working space is free for first year of incubation and will be charged Rs.3000 per month from the subsequent years till graduation. Innovation Centre, KVCET reserves the right to relax this norm on case to case basis if necessary.

Norms for KVCET Students Start-ups :

- Students will be allowed to set up a start-up and work part-time for these start-ups while studying.
- Students will also be allowed to opt for start-up in place of their mini project/ major project, seminars, summer trainings, with approval from head of the department and head of the institution. Students will be permitted to use the start-up idea / prototype development as their major project work for the Institute academic requirements. The area in which student wants to initiate a start-up may be interdisciplinary or multidisciplinary.
- The Institution will exempt students affiliated with the Incubation Centre @KVCET to avail maximum up to 20% attendance in any semester. Including this grace of 20% attendance, student should secure minimum attendance percentage as prescribed by Anna University in each subject to appear for the end semester examination.
- Students who are under incubation, but are pursuing some entrepreneurial ventures while studying to be allowed to use their address in the institute to register their company with due permission from the head of the institution.

Norms for KVCET Faculty Start-ups:

- Faculty and departments of the institute have to work in coherence and cross departmental linkages to be strengthened through shared faculty, cross-faculty

teaching and research in order to gain maximum utilization of internal resources and knowledge.

- Some of the relevant faculty members with prior exposure and interest should be deputed for training to promote innovation & Entrepreneurship.
- Faculty and staff will be allowed to take off for a semester / year (or even more depending upon the decision of review committee constituted by the institute) as sabbatical/ unpaid leave/ casual leave/ earned leave for working on start-ups and come back. KVCET will consider allowing use of its resource to faculty/students/staff wishing to establish start-up as a fulltime effort. The seniority and other academic benefits during such period may be preserved for such staff or faculty.
- Role of faculty may vary from being an owner/ direct promoter, mentor, consultant or as on-board member of the start-up.
- KVCET will develop a policy on 'conflict of interests' to ensure that the regular duties of the faculty don't suffer owing to his/her involvement in the start-up activities.
- 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.
- For staff and faculty, KVCET can take no-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.
- No restriction on shares that faculty / staff can take, as long as they do not spend more than 20% of office time on the start-up 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 start-up, then they will go on sabbatical/ leave without pay/ earned leave.
- Faculty must clearly separate and distinguish on-going research at the institute from the work conducted at the start-up/ company.
- A Company owned or co-owned by a faculty/ staff will normally be required to incubate at KVCET Incubation Centre. However, in exceptional cases, where the faculty / staff /wants to incubate outside the institute, a sufficient justification has to be provided for the approval of the Institute. Decision of the Institute is final and binding in this case.

- Faculty must not accept gifts from the start-up.
- Faculty must not involve research staff or other staff of institute in activities at the start-up and vice-versa.
- In case of selection of a 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.
- Participation in start-up related activities will be considered as a legitimate activity of faculty in addition to teaching, R&D projects, industrial consultancy and management duties and will be considered while evaluating the annual performance of the faculty. Every faculty is encouraged to mentor at least one start-up.

Agreements:

The following agreements are required to be signed by the companies to the extent applicable:

a. Incubation Agreement:

Between Incubation Centre, KVCET and incubatee company for admission of the company in Incubation Centre, KVCET.

b. Non-Disclosure agreement (NDA):

Between Incubation Centre, KVCET and incubatee company/Client for availing R&D services in Incubation Centre, KVCET on a case to case basis.

c. Equity agreement:

Between Incubation Centre, KVCET, and incubatee company and its Promoters for KVCET Incubation Centre's equity holding in the incubatee company.

d. Transfer of technology Agreement/ Technology License Agreement:

Between Incubation Centre, KVCET and incubatee company/licensee for transfer of technology from Incubation Centre, KVCET in the favour of Licensee.

e. Loan Agreement:

Between Incubation Centre, KVCET and incubatee company on sanction of the seed loan to the incubatee company in Incubation Centre, KVCET.

f. Usage of Lab:

Between KVCET Departmental lab and an incubatee company for usage of departmental resources of Incubation Centre, KVCET by the incubatee company as per the prevailing policy of Departmental lab of KVCET.

Legal Disclaimer and Regulations

Legal Disclaimer

- The incubatee will understand and acknowledge that Incubation Centre, KVCET intends to provide technical 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 by both that by agreeing to provide various supports and services, Incubation Centre, KVCET shall endeavor for:
- Ensuring quality of support and services provided by the Incubation Centre to the satisfaction of the incubate companies or their promoters/ founders.
- Ensuring quality of services of the consultants engaged by the incubate companies through Incubation Centre, KVCET network. Incubate companies will also have to apply their judgments before getting in to a relationship with them.
- KVCET will not be responsible for any loss or damage to property and life caused by the product being developed or its operation at customer premises. No guaranty and warranty claims can be made on KVCET for non-performance of the products. However, KVCET may advise the Incubation Centre, to extend technical help in solving the problem and guiding the entrepreneurs to improve the product performance.

- Incubation Centre, KVCET or any person representing Incubation Centre, KVCET shall not be liable for any acts or omissions of the incubatee, however, in case of any such event the incubatee shall do all that is required to hold Incubation Centre, KVCET any person representing Incubation Centre, KVCET, harmless from any loss including damage, penalty. Any loss caused to Incubation Centre, KVCET by the incubatee companies, KVCET shall be entitled to recover the charges, fines, penalties imposed by statutory authorities under HSE or any other statutory authorities from the incubatee companies
- The incubatee companies agree that KVCET- Incubation Centre or their employees shall not be held liable for any reason on account of the above.
- Notwithstanding anything written elsewhere, KVCET's decision in connection with the exit of an incubatee company shall be final and shall not be disputed by any incubatee company.
- Incubation Center - KVCET does not guarantee to company incubated about success and/or feasibility and warrant technology transferred from KVCET or any person representing KVCET.
- The incubatee would be required to sign the document titled Legal Disclaimer before the commencement of the Incubation period.

Regulations

- All incubatees are required to observe health and safety standards. No hazardous material can be brought inside the complex. On special cases, when such materials are required for the product development, it has to be brought with prior approval of Incubation Centre, KVCET by following necessary safety standards are to be followed. SOP for handling such material is to be submitted to Incubation Centre, KVCET, while taking permission.
- All the incubatees are required to keep a first aid kit available at the working place.
- Incubatees are required to keep the Institute informed about any visitor from abroad, foreign collaboration and/or foreign partner/director, and abide by the rules/procedures in vogue in the Institute. In case of a foreign visitor, the copies of their passport and Visa are to be submitted to Incubation Centre, KVCET in advance.

- No incubatee or its employee can display notices or signage except on the provided notice boards and the space provided for such signage.
- Incubatee should observe that noise levels are kept at minimum and, no abnormal noise by any machine or by their employees or visitors should be made. Any complaint of high noise level will result in appropriate action by KVCET.
- Subleasing of any kind of the space given at Incubation Centre, KVCET is not allowed. Non-observance of this rule will result in immediate expulsion.
- The KVCET's address cannot be used as the address of the Registered Office of the incubatee.
- No routine sales/marketing operation will be permitted from KVCET. The entrepreneurs may carry it out from his registered office.

Rules for Incubatee companies

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 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 of the same would liable to penalty/strict action by the Centre

- 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 along with the charges of 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 after clearing their dues within 7 days of the notice.