GUIDELINES FOR

SPARK EIR PROGRAM

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Entrepreneur-In-Residence Program

Background and context: Entreprenuer-In-Residence, popularly referred to as EiR, is a program most commonly implemented in the startup ecosystem by various types of entities viz. VC Funds, Incubators, Institutions, Research/Innovation Labs, Corporate Accelerators etc. to serve different purposes. From an Incubator standpoint, the model has been primarily adopted to offer research fellows, early-career technologists, or even mature professionals, a soft landing option to ease their transition into a career as an entrepreneur. Generally, these EIRs are offered necessary facilities, resources, and services, including in most cases financial support, to help them manage this transition whilst at the same time accelerating their progress of building a venture on their own.

However, these EiR programs are offered on a time bound basis, usually ranging from 3 to 6 months, and in some cases extended up to 1 year. The financial support during the EiR program is most often offered in the form of a monthly stipend, paid directly to the individual, apart from a Startup Grant to help the EiR person meet the operating expenses incurred in technology/product development, building a team of competent professionals, setting up and operating a company etc.

The success of EiR programs is evaluated on the basis of outcomes, including metrics such as the % conversion from EIRs to Startups, number of commercial technologies/products amount of startup investments raised by EIRs etc.

Some of the most popular EiR programs are:

1. **NIDHI EiR** is a scheme sponsored by DST, and is implemented through the network of TBIs established with financial support from DST, with the chosen incubators offered grants-in-aid to operate the EiR program. http://www.nidhi-eir.in/, http://www.nidhi-eir.in/pdfs/NIDHI-EIR_guideline.pdf
2. **Kstart** is an EiR program supported by Kalaari Capital, among the most successful VC funds in India, https://kstart.in/entrepreneur-in-residence/

Case for offering EiR to iDEX SPARK Grantees

In the DISC challenges launched under the iDEX banner, in addition to **MSMEs** and **Startups**, applications for technology enabled solutions to the defence challenges were sought from ***Individuals*** including research or technology professionals currently employed in academia or the corporate sector. Several applicants would fall in this category, indicating a strong intent amongst professionals to take up innovation and entrepreneurship in the defence sector.

During the appraisal process of the product development execution plans and budgets presented by these DISC Winners, it was observed that several applicants under the Startup and Individual categories are unable to come up with an equal or higher Matching Contribution to the amount of fund sought under the SPARK Grants. More specifically the Cash part of their proposed matching contribution is very low, making their product development plans unviable. In addition, some of those who have applied under the category of Startups, are in the very early stage too and have made only minimal progress when compared to those in the Individuals category.

To bring a VC mindset to managing the disbursement of the Grants, and to practice a Product Management approach in managing the product development milestones and deliverables of the SPARK Grantees (who are in effect iDEX Startups irrespective of having applied under MSME, Startup or Individual categories), a framework for implementing Financial Diligence and Viability has been developed. The assessment and decisions made through this framework help in striking the right balance between extending adequate flexibility to the innovators (SPARK Grantees) and exercising sufficient control to ensure diligence, fairness, and overall viability of the projects to achieve the desired outcomes.

However, to keep fairness across the various kinds of applicants, this EiR program will be offered for just the first year to candidates, post which they will be required to raise matching funding.

The central focus of the SPARK framework is in measuring, mitigating and managing 4 types of risks, (a) ***Budget Diligence Risk, (b) Budget Viability Risk, (c) Product Viability Risk, and (d) Capacity & Competencies Risk***.

Based on the measure of these risks factors, the Winners have been grouped under 3 categories viz. ***Acceleration, Incubation, and Pre-Incubation***, described in the section below.

Categorization of SPARK Grantees on the basis of Assessment of Risk Factors

Budget Diligence Risk

1. Is the Product Development Budget (PDB) estimated accurately considering all costs vital and essential for completing the planned activities to realise the desired/viable product?

2. Is the PDB having a higher share of Prime (Direct) costs as compared to Overheads?

3. Is the matching contribution from the grantee higher than the funds sought from the SPARK Grant?

Rule-1:
If Prime Costs > 90%, BD Risk = LOW;
If Prime Costs > 70%, BD Risk = MEDIUM;
If Prime Costs < 70%, BD Risk = HIGH;
Rule-2:
If Total Matching Contribution (TMC) > 2 times SPARK Grant requested, BD Risk = LOW;
If Total Matching Contribution (TMC) > SPARK Grant requested, BD Risk = MEDIUM;
If Total Matching Contribution (TMC) < SPARK Grant requested, BD Risk = HIGH;

Budget Viability Risk

1. Is there sufficient Cash at the hands of the SPARK Grantee from both SPARK Grant funds and matching contribution to complete the planned statement of work for product development?

2. Is a significant share of the Cash part of matching contribution allocated to direct costs as opposed to other overheads?

3. Is the SPARK Grantee able to guarantee the availability of funds indicated as the Min. Cash contribution?

Rule-1:
If MC-Cash > 50% of TMC, BV Risk = LOW;
If MC-Cash > 25% of TMC, BV Risk = MEDIUM;
If MC-Cash < 25% of TMC, BV Risk = HIGH;
Rule-2:

If the Grantee is NOT able to show proof of availability of funds against minimum cash contribution, then BV Risk is HIGH, irrespective of assessment under Rule-1;

Note:

In computing the PDB, the Salary for Founders/Promoters should be capped at a total of 25% of the lesser of fair market salaries or the last drawn professional salary/fee. This Salary (Actuals) shall be included only under the Primary Overheads. The remainder 75% Accruals shall be considered as In-Kind part of the TMC, but not included in the PDB.

Product Viability Risk

1. Is the planned Product Specification in aspects of design, specifications, features & functionalities, system integration, deployment and user-acceptance, lifecycle maintenance and upgrade etc. validated to meet defence needs as issued in the form of Services Qualitative Requirements (QRs)?

2. Is the final deliverable of capable of meeting the QA and certification standards of military, and ready for being accepted for defence production, procurement or deployment?

Note:

Across the board for all Grantees, Product Viability Risk is = HIGH, barring few cases with LOW to MEDIUM PV Risk, and this can be mitigated or managed only when QRs for the desired product are developed jointly with the Nodal Agency, under the closer supervision and support of the PIs.

The extent of progress achieved in the past indicated by the higher share of Past Expenditures part of TMC, can be taken as the measure for the assessment of PV risk.

Capacity & Competencies Risk

1. Is the SPARK Grantee capable of building the team/company with the critical skills and expertise in the areas of innovation, technology and entrepreneurship to execute towards the desired outcomes?

2. Is the SPARK Grantee able to achieve maximum performance and 100% utilization of the planned/funded resources?

Rule-1:

Assessed based on the past track-record of the core team providing adequate assurance that the SPARK Grantee is capable of realising the desired/viable product by executing with strong performance in an accelerated manner;

Category	Budget Diligence Risk	Budget Viability Risk	Product Viability Risk	Capacity & Competencies Risk
Acceleration	Low	Low/Medium	Low/Medium	Low
Incubation	Medium	Medium/High	Medium/High	Low/Medium
Pre-Incubation	High	High	Medium/High	Medium/High

GUIDELINES FOR SPARK EIR

Objectives

The EiR program aims to accelerate the pace of progress achieved by the SPARK Grantees in significantly lowering the inherent degree of risks associated with the overall diligence and viability of their proposed product development plans and budgets, and with their own capabilities to effectively execute and achieved the desired outcomes. The EiR program implemented by the Partner Incubators, shall aim to nurture the development of the chosen SPARK Grantees (Startup or Individual) into competent innovators and capable entrepreneurs, who are expected to graduate to the Acceleration track within the maximum duration as is stipulated for each category of EIRs defined below.

To achieve this desired outcome, the EIRs shall be given adequate support, financial resources and mentoring to design and develop a subsystem of the viable end-product, demonstrating the technology/product capabilities critically needed to meet the needs of the military, as stated in the innovation challenge. The EIRs must aim to achieve the most critical milestone of sourcing funds in the form of Grants or Investments from other sources to increase their Matching Contribution, as only this will trigger their graduation out of the Pre-Incubation track into the Acceleration track. To do so it is recommended that the EIRs identify non-military applications for their technology/product, and pitch a new/differentiated solution to raise grants/investments from other sources, which is defined as ***Reference Product Innovation*** and described in further detail below.

Reference Product Innovation

During the tenure of the EiR program, the focus is entirely on accelerating the development of the EiR into a competent technology/product innovator in the chosen/relevant technology domain(s) but broadly aligned with the specific innovation challenge for which the EiR was originally selected as SPARK winner. To do so, it is recommended that the EiR aims to develop a fully-functional prototype of a subsystem of the desired military-grade product which will completely address the needs of the defence services. The definition of the target subsystem, referred to as the ***Reference Product Innovation (RPI)*** shall be approved by the PI after necessary consultation with the PMU of DIO. It is expected that the EiR under the guidance and mentorship of the PI shall submit a detailed project plan and budget for the proposed RPI to the PMU of DIO for seeking approval within ***30 calendar days*** from the date of commencement of the EiR program, as shall be notified in the EiR Grant Letter issued by the DIO.

To keep fairness across the various kinds of applicants and grants, this EiR program will be offered for just the first year to candidates, post which they will be required to raise matching funding.

Program Structure & Methodology

EiR Categories

In order to accommodate a few different profiles of prospective defence innovators/entrepreneurs that have emerged from among the group of SPARK Winners who have been assessed under the High-Risk category, two types of EIRs have been defined to help implement the program more effectively:

1. Early Career Professionals

For those SPARK Winners, whose Primary Applicant is a recent Graduate or early-career professionals, less than 10 years of relevant technical experience in academia or industry.

2. Experienced Professionals

For those SPARK Winners, whose Primary Applicant has more than 10 years of relevant technical experience in academia or industry, has shown a strong vision and intent to pursue entrepreneurship and has come out of any form of employment. The case involving the Primary Applicant being a Veteran from the Indian Defence Services, with sufficient technical experience, has demonstrated a strong vision and intent to pursue entrepreneurship in the defence sector, and has terminated service with the armed forces shall be considered under this category.

EiR Stipend

Startups or Individuals selected under this category shall receive a ***monthly stipend of up to Rs.30,000***, given only to the Primary Applicant, for a ***maximum duration of 12 months***. The total ***consolidated EiR Stipend shall not exceed Rs. 3.0 Lakhs per SPARK Grantee***, and irrespective of the outcomes at the end of the maximum tenure, the EiR Stipend shall be terminated. In addition, during the tenure of the EiR program, the EiR shall be eligible to receive access to coworking facilities, innovation/prototyping lab infra/resources and tech support, mentoring in the areas of technology, design, manufacturing, product innovation & management, business/market strategies, financial planning, fund raising and investments etc. from the Partner Incubator, which shall be directly funded by DIO to offer the requisite services and resources aforementioned.

SPARK EiR Grant

In addition to the EiR Grant, the SPARK Grantee shall be offered additional financial support under the SPARK Grant subject to a ***maximum of up to 30% of the total funding possible under the SPARK Grant*** during the tenure of the EiR.

This Startup Grant shall be offered by DIO to the Partner Incubator who shall own the responsibility of the effective utilization of the funds to meet the expenses incurred by the SPARK-EiR Grantee in the design and development of their proposed technology/product development.

To ensure fairness with other SPARK Grantees who have been offered financial support under the Incubation or Acceleration Track, it is recommended that the upper limit for the **TOTAL SPARK Grant -** maximum grant offered for those graduating from the Pre-Incubation (EiR) track, be ***capped at exactly 50% of the matching contribution proposed by the Grantee, at the time of graduating. This Total SPARK Grant shall include the EiR Stipend and the EiR Grant offered during the tenure of the EiR program.*** Only the portion of the TOTAL SPARK Grant remaining to be paid during the Accelerator track - referred to as the ***Net. SPARK Grant***, shall be paid in the form of tranches as per the regular milestones based payment described under the SPARK Grants guidelines.

A few scenarios are provided below as examples for better understanding the guidelines proposed:

<u>1: Graduating from EiR in 12 months after having successfully completed the RIP Milestone</u>

- Stipend offered during the tenure of the EiR program @Rs.25,000 pm (1) = Rs.3 Lakhs
- Funds provided under the SPARK Grant during the tenure of the EiR program (2) = Rs.25 Lakhs
    - **EiR Stipend + Grant (A)=1+2 = Rs.28 Lakhs**
- Matching Contribution proposed by the SPARK Grantee on graduation (B) = Rs.175 Lakhs
    - **TOTAL SPARK Grant (@50% of B) (C) = Rs.87.5 Lakhs**
    - **Net SPARK Grant (D) = C-A = Rs.59.5 Lakhs**

<u>2: Graduating from EiR in 12 months after having successfully completed the RIP Milestone</u>

- Stipend offered during the tenure of the EiR program @Rs.25,000 pm (1) = Rs.3 Lakhs
- Funds provided under the SPARK Grant during the tenure of the EiR program (2) = Rs.45 Lakhs
    - **EiR Stipend + Grant (A)=1+2 = Rs.51 Lakhs**
- Matching Contribution proposed by the SPARK Grantee on graduation (B) = Rs.300 Lakhs
    - **TOTAL SPARK Grant (@50% of B) (C) = Rs.150 Lakhs**
    - **Net SPARK Grant (D) = C-A = Rs.99 Lakhs**

Residential Incubation

In order to qualify for the EiR Grant and the additional SPARK Grant, the EiR is expected to operate in a ***fully-residential*** mode from the physical premises of the Partner Incubator on a 10*5 basis each week. During the tenure of the EiR program, the EiR shall work under the constant guidance of one or more Mentors who will be nominated by the Partner Incubator to monitor and report the progress of the EiR.

Budget & Timelines

Once the Reference Product Innovation (RPI) at a conceptual level is approved by the PMU of DIO, the project plan and the budget for the design and development of the RPI shall be submitted to the PMU of DIO for approval, with indication of goals and deliverables at specified milestones. The PMU of DIO shall approve the sanction of the Grant to fund the budget up to a ***maximum limit of 30% of the total funding possible under the SPARK Grant.*** The EiR and the Partner Incubator shall be allowed the option to source additional funds if the SPARK Grant offered is less than the minimum budget estimated to develop the RPI.

Outcomes & Deliverables

During the EiR tenure, the EIRs must achieve all of the following outcomes and complete the necessary deliverables so as to graduate from the pre-incubation track into the acceleration track.

1. Product Development & QA

Delivery of production-ready prototype of the RPI, having a high degree of relevance as a subsystem of the desired military-grade product which will meet the needs of the innovation challenge issued by defence services.

Challenge-Solution Fit

+ Completion of co-development of Product QRs with Nodal Agency and validation of Product concept to address desired scope;

+ Phase-1 of co-development of QA/Certification Plans with Nodal Agency, reviewed and validated by DGQA/DRDO Labs;

Technology Viability

+ Demonstrate PoC to validate functional fitness of the core technology developed/applied;

Product Viability

+ Completion of lab testing to demonstrate the feasibility of solution to address the core areas of the QR;

2. Operations

Incorporation

Incorporation of a Company, DIPP Registration, and Completion of exhaustive scope of registration, license, and approvals required Defence R&D/Production, Company Law and State Govt. Laws;

Team Building

+ Good progress achieved in the planning and hiring of top technical talent most capable of delivering the desired military-grade product;

+ Good progress achieved in the Constitution of Advisory Board with reputed experts;

Technical Operations

+ Comprehensive list of suppliers, providers, and consultants with approved contracts, required to develop military-grade product;

3. Financials & Investment

Funds for Matching Contribution

+ Guaranteed source of funds in the form of Grants or Investments from external sources, including the Partner Incubator’s Grants or Seed investments;

+ Total Matching Contribution in the form of Cash, In-Kind and Past-Expenditures should be minimum 2 times the funds sought under the SPARK Grant;

+ Min. 50% of the cash portion of matching contribution transferred to the company;

Business Plan

+ Sound planning of technology/product, market, and business strategy to emerge as a fully capable indigenous defence enterprise;

External Investments

+ Proof of equity/debt investments, enabling scaling up from prototype to defence grade production;

At any stage during the tenure of the EiR program, should the EiR (SPARK Winner) achieve all of these outcomes in a manner that is acceptable to the PMU of DIO, and the Grant Monitoring Committee constituted by the DIO, and with express approval from the CEO of DIO, then the EiR shall be considered for graduation from the Pre-Incubation track to the Acceleration Track. At this stage the EiR program shall be terminated and the SPARK Grantee shall be taken through the mainstream SPARK Grant procedures, to qualify for the full grant.

Differential Design for EiR Categories

#	Decision/Category	Early Career Professionals	Experienced Professionals
1	EiR Stipend Amount (Aggregate)	Max. Rs.1.5 Lakhs	Max. Rs.3.0 Lakhs
2	EiR Stipend Amount (Monthly)	Max. Rs.15,000pm	Max. Rs.30,000pm
3	EiR Duration	Max 12 months	Max 12 months
4	Max. Funding from SPARK Grant offered during EiR program *(% of maximum funding offered under SPARK Grant)*	20%	30%
5	Residential Incubation	Fully residential basis on 10*5 every week;	Fully Residential basis is optional;

Terms & Conditions

Support them to graduate into competent employees to become part of other iDEX startups, where their skills, developed modules, and experience gained can be exploited in the larger interests of iDEX program;

1. Project Management & Supervision

The EIRs irrespective of the category they belong to are expected to report to the **EiR Program Manager** for iDEX appointed by the respective Partner Incubator and at all times must be available for review by the PMU of DIO. The Program Manager shall oversee all their activities and act as the bridge between the EiR and the PMU of DIO. The EiR shall treat the Program Manager as the supervisor, offering their fullest support and ensuring that there is a professional relationship maintained at all times during the tenure of the EiR program. The role of the Program Manager is not to micromanage the daily activities of the EiR but only to make the process more effective and well coordinated, and to ensure timely and complete reports are sent to the PMU of DIO on a regular basis. The EiR shall be adequately responsible and self managed.

2. Mentoring by Experts

In addition to the Program Manager, the EIRs shall be assigned an **EiR Mentor** nominated by the Partner Incubator in consultation with the PMU of DIO. The EiR Mentor who shall act as the subject matter expert and guide the EiR in all aspects concerning the concept, technology, design, development of the prototype for the Reference Product Innovation. The Program Manager shall go with the advice and recommendations of the EiR Mentor in all matters concerning the EiR during the tenure of the EiR program. The EiR Mentor based on the need shall connect the EiR to other experts and facilitate other supports that shall help the EIRs accelerate their progress and achieve the desired milestones and deliverables in a timely manner.

3. Termination during the EiR program, initiated by the EiR

If at any stage during the tenure of the EiR program, the EiR decides to exit the program for any unavoidable reason(s), which is duly reviewed and accepted by the PMU of DIO and found genuine and acceptable, after taking the opinion of the respective PI, then the PMU after seeking approval of the CEO of DIO shall allow for such a premature exit from the program. Such cases shall be referred to as ***Authorised Voluntary Terminations***, whereas every other form of exit which is either not approved or arising from cases of absentia, absconding and/or other forms of incompetence etc. shall be treated as ***Unauthorised Voluntary Terminations***.

Authorised Voluntary Terminations

In these cases, the DIO shall strive to offer the EiR as smooth an exit as possible, and this shall be modelled on the same lines of employed professionals leaving a company after serving a notice period with honour, and commitment, befitting good professional ethics. The primary objective of managing such cases for the PMU of DIO shall be to safeguard the interest of DIO to the extent of ensuring that the funds offered to the EiR in the form of stipend and grant are not wasted. To do so, the PMU of DIO with the support of the respective PI shall come up with a transition plan and the EiR Notice Period, which will have to be duly served by the EiR providing fullest support to the PI in competing all the administrative tasks in ensuring a smooth conduct of the transition plan. In the case of the EiR not meeting the expectations of the transition plan, then the case shall be treated as Unauthorised Voluntary Terminations. The EiR Notice Period shall not exceed 30 calendar days from the date of formal submission of the Voluntary Termination Letter by the EiR to the PI. During the EiR Notice Period, the EiR stipend shall not be paid. All decisions concerning these cases shall depend on the performance and progress achieved by the EiR up until when termination has been initiated, the progress and performance so assessed shall influence the exact nature of the EiR transition plan and notice period and other aspects on a case-to-case basis.

The transition plan shall include any or all of these following decisions and corresponding activities to safeguard the larger interest of DIO:

i. Technology Transfer to another iDEX Startup involved in the challenge, either directly or through the PI, combined with a detailed documentation of the technical scope of work planned, progressed, or completed during the tenure of the EiR program;

ii. Complete audit, stock-taking and transfer of all the physical, digital, documentary materials borrowed, procured, created, or generated by the EiR, including registered/granted as Patents or other forms, all technical deliverables, drawings, designs, softwares, knowhow, prototypes, and all other forms of documents or materials in digital or in print format, over to another iDEX Startup or the PI;

iii. Signing of NDA and/or other agreements as may be deemed fit by the DIO, to safeguard the interests of privacy, confidentiality, and other factors concerned with the safeguarding of national security;

iv. Statement from EiR of complete surrender of all authorisations, entitlements etc. effected either directly or indirectly for the purpose of providing access, information, data etc.

v. No Dues Certificate shall be presented by the PI and approved by the PMU of DIO, after due transfer of the funds or payments not utilised by the EiR back to the PI;

Unauthorised Voluntary Terminations

In these cases, the DIO shall issue a legal notice to the EiR demanding repayment of the amount equal to the financial support offered in the form of EiR Stipend and EiR Grant along with the fair market value of the resources and services offered from the PI or other entities engaged by the PI or the DIO to support the EiR. On failing to do the needful within the stipulated timeframe, the DIO shall issue widely published notifications about the EiR in a manner that will potentially damage the professional reputation of the EiR and prevent the EiR from gaining grant, investment or employment in the future.

4. Termination during the EiR program, initiated by the PMU of DIO

If at any stage during the tenure of the EiR program, should the respective PI and/or the PMU of DIO observe that the progress or performance of the EiR is not meeting expectations despite sufficient notifications issued to the EiR, and suitable steps taken thereof to support the EiR, the PMU after consultation with the PI shall decide to terminate the EiR program and mandate a premature exit from the program. All these cases shall be handled as per the guidelines stated for ***Authorised Voluntary Transitions***, with some modifications as may be deemed necessary on a case-to-case basis.

5. Prototype Development Project Plan

On admission to the EiR program, within the first 30 calendar days the EiR under the guidance of the EiR Mentor shall submit to the EiR Program Manager for review and approval by the PMU of DIO, a detailed project plan and budget for the development of a production-ready prototype of the Reference Product Innovation. This plan should describe the following aspects in sufficient detail:

Minimum Usable Prototype (MUP) Concept

Description of the minimum scope of features and functionality that shall be designed and developed in order to be ready for conducting end-user trials, deployment and for rigorous testing and validation of the solution. The basic UI/UX that shall be necessary for the end-user to trial/test the MUP shall also be defined. Other details regarding the choice of technology and technical specifications of the MUP, the equipment and tools required for prototyping, resources and materials required in the form of components, supplies, samples etc. shall be described in detail.

Mentor Office Hours

Each EiR shall be entitled to a maximum of 3 hours/week of 1-on-1 mentoring with the EiR Mentor or other experts on need basis and as recommended by the EiR Mentor. The EiR Program Manager shall fix appointments based on the availability of the EiR Mentor and ensure smooth functioning of these meetings.

Assessment Milestones & Deliverables

Under the guidance of the EiR Mentor, the EiR shall define the interim milestones to review their performance and progress achieved in the prototyping program. For each of these milestones the specific deliverables in terms of the MUP design, functionality, UI/UX etc. shall be described. For each of the milestones, a status report shall be prepared by the EiR, and shall be submitted to the EiR Program Manager for review with the EiR Mentor, before being presented to the PMU of DIO. The action items recommended by the EiR Mentor shall be duly implemented by the EiR within the specified time period.

Budget for Prototyping Grant

The budget for the various costs involved in the prototyping activity shall be estimated and approved by the EiR Mentor, with the indication of the specific costs and the budget for each cost item. The EiR Program Manager shall ensure that the lowest possible rates are negotiated with the respective vendors and also check with Innovation Mentor for the possible reuse of components or supplies that are already available.

6. Prototyping Expenses (Cash Support)

As part of the EiR program, the Partner Incubator shall offer cash support for all expenses incurred during the process of designing and developing prototypes, using funds offered by the DIO under the SPARK Grant transferred to the Partner Incubator. The expenses covered shall only include the purchase of components & supplies for prototyping activities, the charges to be paid to vendors/suppliers for the manufacturing, assembling, testing or certification of the prototype, the expenses incurred in the travel & logistics involved in undertaking field visits, factory visits, customer trials & support etc.

The EiR Program Manager shall seek the approval of the EiR Mentor, with the indication of the specific costs and the budget for each cost item. The EiR Program Manager shall use this budget as the basis for approving all payments for the expenses incurred, and the specific approval of the Innovation Mentor is required for every payment. The EiR shall either pay for the expenses and claim a reimbursement from the Partner Incubator or shall submit the bills for payment directly by FORGE to the vendor/supplier. The EiR Program Manager shall determine the payment model based on the specific nature of each expense/cost item.
Note: *If the progress achieved by the EiR during the program is not meeting the expectations despite repeated efforts to improve the performance, then the financial support shall be terminated, and any components, supplies or parts purchased by the EiR shall be duly returned back to the Partner Incubator.*

7. IPR

During the EiR program all such IP (including registered/granted as Patents or other forms, all technical deliverables, drawings, designs, softwares, knowhow, prototypes, and all other forms of documents or materials in digital or in print format) created by the EiR independently, or in collaboration with experts assigned by the PI or directly engaged by the EiR and in any other manner possible, shall remain the joint property of DIO. This ownership of the IP by the DIO shall not under any circumstances be overridden by any forms of commitment or contractual obligations the EiR may have entered into with third-parties with or without the explicit consent and approval of DIO, before or during the tenure of the EiR.

It is assumed that the EiR shall appropriately create/modify all such IPR agreements related to sharing, ownership, licensing, transfer etc. to suitably include DIO as the joint owner too. All such IP agreements shall unconditionally and without exceptions abide to the IPR conditions laid out in the SPARK Grant agreement. On graduation to the Accelerator track, the IPR guidelines as have been outlined in the SPARK Grant Agreement shall take effect, and the ownership of the IP as granted or extended to DIO shall be substituted by the terms and conditions as defined in the SPARK Grant Agreement. This approach is recommended on the basis that upon successful graduation to the Accelerator track, the SPARK Grantee deserves to be treated on par with those that were selected directly to the mainstream accelerator track.

In the case of the SPARK Grantee not achieving the desired progress during the EiR programs and therefore not graduated to the Accelerator track, or if the SPARK Grantee voluntarily leaves before the due completion of the EiR program or doesn’t accept the terms and conditions to be complied with for admission to the Accelerator track, and/or in other circumstances of termination of the EiR program, all IP generated during the EiR program shall remain as the property of DIO. The decision regarding DIO allowing the EiR to possess continued custody, access or ownership of the IP shall be made by the CEO of DIO after seeking necessary approvals.