



IKP ACCELERATOR
Fall 2017 - Medical Technologies

CALL FOR APPLICATIONS
APPLY BY SEPTEMBER 24, 2017

AN IKP KNOWLEDGE PARK INITIATIVE

IN PARTNERSHIP WITH

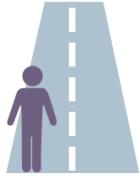
*BIOTECHNOLOGY INDUSTRY RESEARCH ASSISTANCE COUNCIL (BIRAC),
DEPARTMENT OF BIOTECHNOLOGY, GOVERNMENT OF INDIA, AND
INNOVATION ACCELERATION GROUP, UNIVERSITY OF CALIFORNIA, BERKELEY*



*Up to INR 46 Lakh in Support from BIRAC SEED Fund and IKP
Classes and Office Hours from the Innovation Acceleration Group, University of California, Berkeley
Demo Days and Investors connects in Bangalore and the Bay Area*

MEDTECH

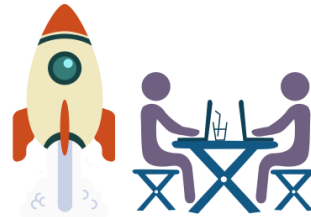
the startup way



find a product
(or idea) that is popular but not yet perfect

make a **prototype**

show the prototype to 100 people, iterate, build, test



make **the product**

find a person with a lot of money, an **investor**

IKP Accelerator
Iterate, Pivot,
Get ready to scale



sell your product
to 1 million people

list your company on stock exchange or find a strategic buyer

your investor, your co-founder, and you all make money when you **sell shares**



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For more information, please write to accel@ikpknowledgepark.com



INTRODUCTION

The Indian startup ecosystem is one of the fastest growing across the world. We have had considerable success in different sectors such as e-commerce, foodtech, energy etc, but the Medical Technology Industry is a key element to cement India's place as one of the most impactful. In Indian healthcare, there is significant spending in the private sector, giving us an opportunity to develop reliable, low cost solutions to address a market of over a billion people. The same innovations could seamlessly be adapted in Africa, parts of southeast Asia, and South America. Healthcare in India represents all the emerging markets, with a sprinkling of the developed markets. We are uniquely positioned to innovate not just for India and other emerging markets, but also build solutions that could be relevant to US, Europe, Japan and other developed markets. The opportunity to innovating for the next 6 billion is knocking upon our doors.

Having worked with over 200 startups (through funding or physical incubation) in the past 10 years, IKP has a deep understanding of the difficulties faced by medical devices startups. Companies such as Consure, Mitra Biotech, Remidio, Windmill Health, have received funding from IKP Knowledge Park or IKP Investment Management Company. Laurus Labs incubated at IKP in 2007, went public in December 2016. Funding, mentorship, advisory support, infrastructure and a vibrant community are essential to quick success of a medical device startup. **The IKP Accelerator, Medical Technologies - Fall 2017 program** is an initiative to encourage and nurture medical technology innovations.

The financial investment is made possible with support of the Sustainable Entrepreneurship and Enterprise Development Fund (SEED Fund) program of BIRAC, and with investment from IKP Knowledge Park.

The coursework is designed in partnership with the Innovation Acceleration Group (IAG), University of California (Berkeley). The coursework focuses on understanding the customer, technology and design reviews, iterative prototyping and testing, design for manufacturability, regulatory affairs, pricing research, target market identification, entry validation, understanding customer feedback, getting access to the next round of funding, and reducing the time to market.

The program will help Medical Technology Startups by:

1. Reducing the time between iterations prototyping with access to infrastructure
2. Providing access to hospitals to test and validate the solutions
3. Investing INR 15-30 Lakh per startup (direct EQUITY investment) from the BIRAC SEED Fund
4. Mentorship support from the Innovation Acceleration Group, University of California, Berkeley
5. Mentorship from India based MedTech startup founders and professionals
6. Potential investment from IKP's India Innovation Fund 2
7. Demo Days with Venture Capitalists and Impact Investors in India, and the Bay Area

The IKP Accelerator is the best platform to gain speed, get a footing on the world stage, and get trained to embrace the bigger goals of global impact.



FOCUS AREAS

The program is seeking startups working in the space of Medical Devices, Diagnostics, Drug Delivery methods, Digital Health, Data Science/AI/ML Applications for healthcare, and Technology Enabled Business Models. Startups looking for the first few customers to get customer validation will benefit greatly from the IKP Accelerator program.

Note: New drug discovery, vaccines and biologics, may not be considered for the Fall 2017 program.

ELIGIBILITY

To be eligible for the Fall 2017 Cohort, the applicant should satisfy ALL of the following criteria:

1. The applicant startup should be registered as a Pvt Ltd Company, or as an LLP as on September 24, 2017.
2. The startup should have two or more founders
 - a. If the startup has two founders, each founder should hold more than 25% equity as on September 24, 2017
 - b. If the startups has three or more founders, each Founder should hold more than 15% equity as on September 24, 2017
3. The startup should have more than 51% ownership by Indian Nationals. More than 49 % investments by OCI/PIO or any foreign entity will lead to ineligibility.
4. The startup should have a functional demonstrable prototype that can get into clinical validation within 2 months.
5. The startup should have raised INR 30 Lakh or more from other sources (grants, angels, investors, family, friends) outside of the founder's / director's contributions.
6. Startup is willing to relocate at least two senior members (preferably founders) to Bangalore, and work out of IKP EDEN with the other teams of the cohort for the duration of the program.
7. Startup is willing to participate in the program and accept the investment terms offered by the program (refer section on Funding).

The Bangalore - Bay Area Advantage



Up to
INR 46 Lakh
in Funding per
startup



Classes and
office hours to
refine strategy
and market fit



Access
Networks in
India and the
Bay Area



Gain Valuable
Time in getting
your Product to
Market

APPLICATION PROCESS

All applications must be submitted before 11:59 PM IST, September 24, 2017 on the Gust portal:

<https://gust.com/programs/ikp-eden-med-tech-accel-fall-2017>

Note: If you wish to sign an NDA with IKP before submitting the application, please write to accel@ikpknowledgepark.com.

SELECTION CRITERIA AND PROCESS

Selection Criteria

The following are the criteria for selection of candidates for the Fall 2017 Cohort

1. Team composition and strength
2. Healthcare / Medical Need Addressed and Product Market Fit
3. Market Size and Potential Return on Investment
4. Strength of Intellectual Property owned by the startup
5. Willingness to accept investment from the program (refer section on funding)
6. Willingness to participate and commit to the program (see section below)
7. Alignment with the goals of the Fall 2017 Cohort

Expectations from Applicants

1. Participants must be ready, willing and able to learn and work on their business ideas throughout the entire program; including outside customer research and completed preparation of work
2. Participants must post all hypotheses, interviews and validations to their slide deck, prepare updates via PowerPoint and attend all lectures/office hours
3. Participants should expect to commit at least 20 hours per week. This includes talking to customers, potential partners, competitors, mentor sessions, office hours, creating deliverables, presenting team slides and attending lectures. NOT building a product.
4. Participants must learn through the Customer Discovery process, which may include pivoting business models to meet customers' needs (product development does not count)
5. Participants must be willing to succeed and fail as a team, as well as work within the uncertainty of a chaotic environment based on a new venture that engages directly with customers and experts

Selection Process

The following are the different stages of the program, and with selection at each stage

1. Applications close by 11:59 PM, IST, September 24, 2017.
2. Applications will be scrutinized, and 15 teams will be invited for the Bootcamp conducted by the Innovation and Acceleration Group, University of California, Berkeley. The bootcamp will be held at IKP EDEN, Bangalore, on Oct 6,7,8, 2017.
3. Ten of the 15 teams will be invited to join the cohort starting Oct 29, 2017.
4. Five of the teams will be invited to University of California, Berkeley in February 2018.

PROGRAM STRUCTURE AND TIMELINES

The table below describes the different stages of the program.

STAGE OF PROGRAM	TIMELINE	LOCATION
Application and Screening	September 2017	Remote
Bootcamp (15 teams)	October 6-8, 2017	Bangalore
Signing, On boarding	October 2017	Remote
Invitation to IKMC (15 teams)	October 29-30, 2017	Hyderabad
Acceleration: Stage I (10 teams)	Week 1 - Week 16*	Bangalore
Acceleration: Stage II (5 teams)	Week 17 and 18*	Bay Area

* Refer table below for exact dates

The table below describes the different activities that will be part of different stages of the program.

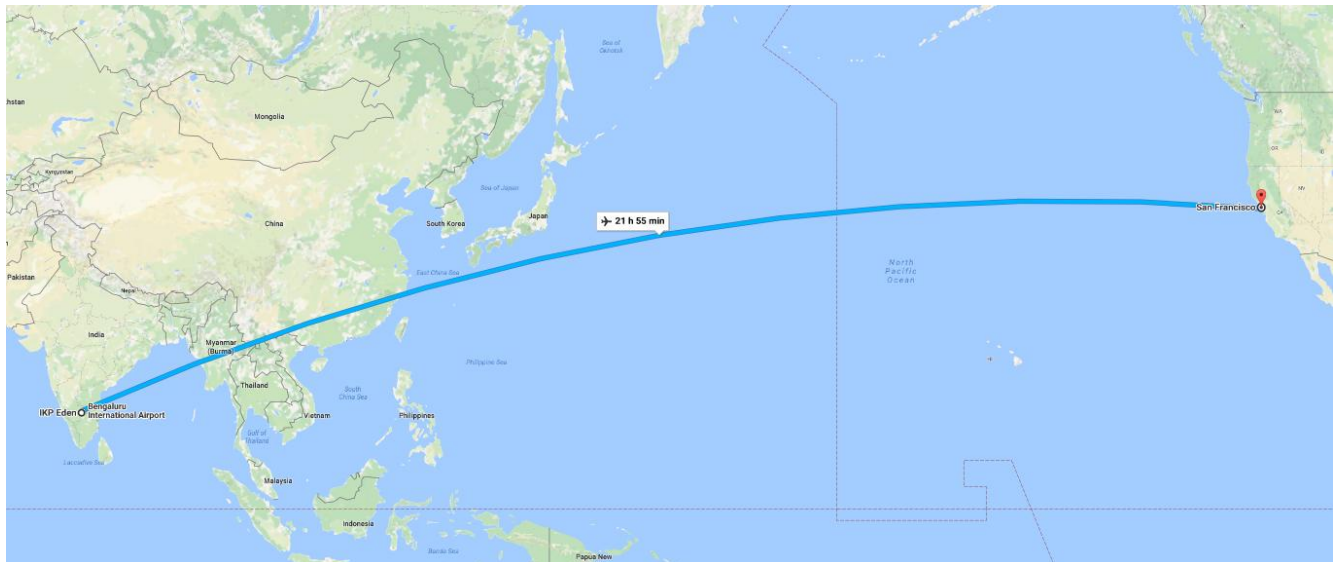
Color Scheme: ■ Handled by IAG, UC Berkeley ■ Handled by Bangalore/India based mentors

Note: For a detailed list of mentors, refer the Final Section on Mentors

DATE	WEEK	ACTIVITY
September '17		
1		Launch of Call
24		Close of Applications
24 to 27		Screening of candidates
28		Call for Bootcamp (15 candidates)
30		Send preparatory material to Bootcamp participants
October '17		
6,7,8		Bootcamp - Selection of candidates (10 selected, 2 waitlisted) IAG Sessions 1-3 Opportunity Assessment, Business Model design & Customer Development Product Market Fit, Value Proposition, Customer Segments Customer Interviews - Best Practices, Interpreting Results
19,20		Finalizing agreements with 10 candidates
21	Week - 0	Assignment Booklet handed over to cohort
29,30	Week - 1	Start of Accelerator, IKMC - IKP's annual conference
31	Week - 1'	Start of Stage 1 (10 teams go through Stage 1 in Bangalore)
November '17		
1 to 4	Week - 1'	Mentoring Session 1 - Clinical Immersion, Introduction to Local Hospitals / Doctors
5 to 11	Week - 2	IAG Session 4 - Revenue Model Review , Team presentations
12 to 18	Week - 3	Mentoring Session 2 - Technology Feasibility; Feedback from IAG
19 to 25	Week - 4	Mentoring Session 3 - Design for Manufacturing-I; Feedback from IAG
26 to 30	Week - 5	Mentoring Session 4 - Regulatory Affairs-I; Feedback from IAG
December '17		
1 to 2	Week - 5'	As Above
3 to 9	Week - 6	IAG Session 5 - Distribution Channels, Team presentations,

10 to 16	Week - 7	IAG Session 5' - Story Telling, Pitching, Raising Money
17 to 23	Week - 8	Mentoring Session 5 - Emerging Market Strategy; Feedback from IAG
24 to 30	Week - 9	Mentoring Session 6 - Regulatory Affairs-II; Feedback from IAG
31	Week - 10	
January '18		
1 to 6	Week - 10'	Mentoring Session 7 - Design for Manufacturing-II; Feedback from IAG
7 to 13	Week - 11	IAG Session 6 - Online Pitch
14 to 20	Week - 12	Mentoring Session 8 - Business Plan and Financial Review; Feedback from IAG
21 to 27	Week - 13	Mentoring Session 9 - Design Review; Feedback from IAG
28 to 31	Week - 14	Mentoring Session 10 - Pitch to India Investors; Feedback from IAG
February '18		
1 to 3	Week - 14'	As above
4 to 10	Week - 15	Mentoring Session 11 - Pitch preparation; Feedback from IAG
11 to 17	Week - 16	Demo Day - Bangalore
		End of Stage 1, Start of Stage 2 (5 teams travel to the Bay Area)
18 to 24	Week - 17	IAG Session 7 - Onsite at UC Berkeley Pitch Editing, Investment Readiness, Team Dynamics Review
25 to 28	Week - 18	IAG Session 8 - Onsite at UC Berkeley, Demo Day, Wrap up, Awards
March '18		
1 to 3	Week 18'	Back up
4 to 10	Week 19	Back up
11 to 17	Week 20	Back up

Connecting the Best Startup Ecosystem to the Fastest Growing One



FUNDING AND SERVICES SUPPORT

Startups selected for the IKP Accelerator - Fall 2017 Medical Technologies cohort will receive support in funding and in services. All support provided to the startups will be treated as Compulsorily Convertible Debentures (CCDs). CCDs help avoid negotiation on startup valuations, and allows the startup to convert the investment during the next funding round.

Note: Please refer FAQs for a note on convertible debentures.

The CCDs issued will have the following terms:

Discount rate: 12% per annum

Cap on Valuation: 12.5x on the total value of the CCDs drawn (translates to 8% equity).

NOTE: If your startup has received an investment from an institutional investor, and your valuation is higher than the proposed cap, IKP will work with you to identify the new cap for the CCDs issued by the IKP Accelerator.

Term: 2 years (or) when next round of investment is raised, whichever is earlier

Funding Support (Direct Investment as Cash)

IKP Accelerator - Fall 2017 Medical Technologies Cohort startups will receive between INR 15 Lakh to INR 30 Lakh as direct funding investment. This investment is made possible through the BIRAC's Sustainable Entrepreneurship and Enterprise Development Fund ("SEED Fund").

The exact amount of investment given to each startup will depend on the requirement of the startup, and the decision of the investment committee set up by the partners. The startup will have to accept a minimum of INR 15 Lakh as a CCD as direct funding investment.

Services Support

IKP Accelerator - Fall 2017 Medical Technologies Cohort startups will receive advisory and mentorship support between October 2017 and February 2018. The program is divided in two stages. This component of the service will be valued as per the table below:

Stage	Dates	Location	Convertible Debenture Value
Stage I (10 teams)	Oct 29, 2017 to Feb 15, 2018	Bangalore	INR 8 Lakh (apart from direct investment of INR 15 Lakhs or more)
Stage II (5 teams)	Feb 16, 2018 to Feb 28, 2018	Bay Area	INR 8 Lakh (apart from additional direct investment)

For activities in each stage of the program, please refer to the previous section PROGRAM STRUCTURE AND TIMELINE.

In essence, the startup agrees to take a minimum of INR 23 Lakh (INR 15 Lakh as monetary investment, and INR 8 Lakh) as a convertible debenture on October 20, 2017. At the end of Stage 1, if the team is invited to visit the Bay Area by IAG, the team agrees to take an additional convertible debenture of INR 8 Lakh (total of INR 31 Lakh). The startup can request to draw an additional INR 15 Lakh as monetary investment, taking the total value of the CCDs to INR 46 Lakh.

ABOUT THE PARTNERS

Biotechnology Industry Research Assistance Council (BIRAC) (www.birac.nic.in)

BIRAC is a not-for-profit Section 8, Schedule B, Public Sector Enterprise, set up by the Department of Biotechnology (DBT), Government of India as an Interface Agency to strengthen and empower the emerging Biotech enterprise to undertake strategic research and innovation, addressing nationally relevant product development needs. BIRAC is a new industry-academia interface and implements its mandate through a wide range of **impact initiatives**, be it providing access to risk capital through targeted funding, technology transfer, IP management and handholding schemes that help bring **innovation excellence** to the biotech firms and make them globally competitive.

IKP Knowledge Park, Genome Valley, Hyderabad, India (www.ikpknowledgepark.com)

The mission of IKP Knowledge Park (IKP) is to create a world-class ecosystem for fostering leading-edge innovation in India. The Hyderabad campus was set up as a not-for-profit research park in 1999. IKP's hardware incubator and makerspace, IKP-EDEN has been operational since September 2015. Hitherto, IKP has supported over 260 R&D based companies from six countries, through provision of shared space and facilities, incubation, mentorship and funding, including 200+ startups.

Innovation Acceleration Group, University of California, Berkeley

(<http://www.innovationaccelerationgroup.com>)

The Innovation Acceleration Group at University of California, Berkeley, facilitates the market delivery of customer-validated innovation, focused on leveraging new technologies and establishing disruptive business models. The team comprising of Andre Marquis, Mark Searle and others enable scalable growth, starting with the Lean LaunchPad method (pioneered by Steve Blank) that has been adopted by the US National Science Foundation, National Institutes of Health and Department of Energy (representing >\$65 billion/year in research).

The team has worked with:

1. Team Innovein, (from their 2015 LAUNCH accelerator) to get into YCombinator and receive an oversubscribed multi-million dollar round of financing.
2. DeviceFarm, which has raised over \$2 million for their novel antifungal treatment with investors including Scott Adams of Dlibert fame.
3. Zephy Biosciences, which has raised over \$2 million venture capital and was acquired by Bio-Techne Corporation for an undisclosed sum.
4. Entrepreneurs who have raised over \$15 million in the last 2 years

MENTORS

Mr. Andre Marquis is currently the Executive Director of the Innovation Acceleration Group at UC Berkeley Executive Education. He was most recently the Executive Director of the Lester Center for Entrepreneurship at the Haas School of Business. At UC Berkeley, he and his team built a scalable, global infrastructure to deliver leading-edge, hands-on training to hundreds of teams and thousands of entrepreneurs and corporate innovators and their Faculty and mentors. These world-class programs including America's Greatest Makers, the Bay Area NSF Innovation Corps, Innovate for Digital India, \$1.3m Make It Wearable Challenge (driving corporate innovation on Intel's computing platforms in 27 countries), Innovate for Digital India, LAUNCH Startup Accelerator, Global Social Venture Competition as well as other Bay Area and international programs in dozens of countries.

Outside of UC Berkeley, Andre has a long record of starting successful biotechnology and IT ventures with a particular focus on winning in markets where scalability is critical. Two Web companies he helped start became publicly traded and a third was acquired by Amazon for over \$190 million. The Chorus Group at Eli Lilly, which he co-founded, is a significant lean business model innovation that has dramatically speeded up and lowered the cost of drug development. Drawing on this industry and innovation expertise, Andre and his team are redefining how to teach the process of evidence-based entrepreneurship and corporate innovation while creating scalable enterprises and driving deep culture change simultaneously ([linkedin.com/in/andremarquis/](https://www.linkedin.com/in/andremarquis/))

Mr. Mark Searle is Managing Director of the Innovation Acceleration Group at UC Berkeley Executive Education, and former Senior Fellow for Global Programs at the Haas School of Business, Lester Center for Entrepreneurship. He is an award-winning international serial entrepreneur in domains ranging from 3D printing & rapid prototyping to enterprise software, cloud computing and consumer Internet. He brings 20 years of experience as co-founder, CEO and COO of a number of early-stage and growth-stage technology startup companies.

Mark has led and taught Innovation and Entrepreneurship programs sponsored by major corporations including Intel, and in collaboration with universities and government agencies around the world, including Spain, India and Saudi Arabia, among others. He served as Founder and CEO of SenSage [acquired by NASDAQ: KEYW] and LogSavvy, as CEO of Europe-based Kinamik Data Integrity, and as COO at Plynetics Corp., Cybergold [NASDAQ: CGLD] and Internet Pictures Corp. [NASDAQ: IPIX]. Companies under Mark's leadership have won numerous awards including: "Top European ICT Startup" (Eurecan); "Innovate 100" most innovative startups, "Red Herring 100" Top North American Startups, and others. He holds an MBA from Harvard Business School, an AB with honors from Princeton University and was a Distinguished Graduate Student Instructor at UC Berkeley. ([linkedin.com/in/marksearle/](https://www.linkedin.com/in/marksearle/))



Dr. Bala Manian, Serial Entrepreneur, Founder Reamatrix, Director, Syngene, Former Director, Biocon (<https://www.linkedin.com/in/bala-manian-29aa891b/>)

Dr. Ravi Ramaswamy, Sr. Director & Head - Health Systems at Philips Innovation Campus, Bangalore ([linkedin.com/in/ravi-ramaswamy-06337ab/](https://www.linkedin.com/in/ravi-ramaswamy-06337ab/))

Dr. Tanjore Balgesh, CEO, Gangagen, Former CEO, Astra Zeneca India ([linkedin.com/in/balganesh-tanjores-bbb477a0/](https://www.linkedin.com/in/balganesh-tanjores-bbb477a0/))

Mr. DA Prasanna, Managing Partner, Acunova Life Sciences, Former Vice Chairman WIPRO ([linkedin.com/in/d-a-prasanna-49a7092/](https://www.linkedin.com/in/d-a-prasanna-49a7092/))

Mr. Sharad Sharma, Founder, iSpirt Foundation, Former CEO, AT&T India, Former CTO, Yahoo India ([linkedin.com/in/sharadsharma/](https://www.linkedin.com/in/sharadsharma/))

Ms. Deepanwita Chattopadhyay, Chairman and CEO, IKP Knowledge Park, Chairman, Support Elders ([linkedin.com/in/deepanwitachattopadhyay/](https://www.linkedin.com/in/deepanwitachattopadhyay/))

Mr. Raghu Dharmaraju, Country Head (India), enviu, Former COO, Embrace Innovations ([linkedin.com/in/raghuramd/](https://www.linkedin.com/in/raghuramd/))

Dr. Sridhar Ramamanathan, VP Technology, HealthCubed, Former CEO, Reamatrix India ([linkedin.com/in/sridhar-ramanathan-548ba31/](https://www.linkedin.com/in/sridhar-ramanathan-548ba31/))

Mr. Ranajit Sen, Former VP, Business Development, Shantha Biotech, Startup Mentor ([linkedin.com/in/ranajitsen/](https://www.linkedin.com/in/ranajitsen/))

Mr. Rajesh Rai, Angel Investor, Former CEO, IKP Investment Management Company ([linkedin.com/in/rrai1/](https://www.linkedin.com/in/rrai1/))

Mr. Rama Bethmangalakar, Former Principal, VenturEast ([linkedin.com/in/rama-bethmangalkar-1664a4/](https://www.linkedin.com/in/rama-bethmangalkar-1664a4/))

Mr. Manav Subodh, Co-Founder 1M1B, Director, Innovation Acceleration & Berkeley Executive Education, University of California, Berkeley ([linkedin.com/in/manavsubodh/](https://www.linkedin.com/in/manavsubodh/))

Principal

Mr. Vikraman Venu, CEO, IKP EDEN, Vice President, IKP Knowledge Park ([linkedin.com/in/vikramansaranyan/](https://www.linkedin.com/in/vikramansaranyan/))

For more information, please write to accel@ikpknowledgepark.com



FAQs

1. Which entities can apply?

Only Pvt Limited Companies, LLPs with more than 50% ownership by Indian Nationals can apply. The entity should have 2 or more Founders. If the entity has 2 Founders, each Founder should hold more than 25% equity as on the date of application and through the duration of the program. If there are 3 or more Founders, each Founder should hold more than 15% equity in the startup during the program.

2. When is the application Deadline?

11:59 PM (IST) on September 24, 2017

3. Where and how do we submit the application?

All applications must be submitted on <https://gust.com/programs/ikp-eden-med-tech-accel-fall-2017>.

4. What are the criterion for judging?

Team composition, Need Addressed, Return on investment, Market Size, Product Market Fit.

5. Will IKP or the partners own any Intellectual Property?

All Intellectual Property will reside with the applicant startup. None of the program partners will share the Intellectual Property of the startup. Complete confidentiality will be maintained by the program partners.

6. If my startup is not selected, do any of the partners still have access to my IP?

If you are not chosen for the IKP Accelerator, IKP and the partners will take sufficient measures to protect any confidential information shared by you during the selection process of the program.

7. How can IKP Knowledge Park help with mentoring?

IKP Knowledge Park has supported over 260 companies and innovators so far, including 200 startups, the largest being Laurus Laboratories with over 2000 employees and over Rs. 2000 Crore revenue. IKP has an extensive network of global experts in India for review, monitoring and mentoring awardees. The shared life sciences facilities offered by IKP is in Hyderabad while its hardware facility is in Bangalore. IKP also offers support in patent search and IP filing.

8. How is the selection review process structured?

Applicants will submit their short proposal by 11:59 PM on September 24th, 2017 (IST). An expert panel will evaluate the proposals for novelty and feasibility and shortlist 25-30 proposals. The IKP team will have follow up calls / site visits with these teams. Fifteen teams will be called for the Bootcamp on Oct 6,7,8, 2017. Out of these 15, only 10 teams will be selected for Stage 1 the program. The program officially begins on October 29, 30, 2017, at IKMC, IKP's annual conference.

9. What are compulsorily convertible debentures (CCDs)?

A convertible debenture (or convertible note) is an investment vehicle often used by seed investors investing in startups who wish to delay establishing a valuation for that startup until a later round of funding or milestone. Convertible notes are structured as loans with the intention of converting to equity.

A convertible debenture cap sets the maximum valuation at which the investment made via the convertible note can convert into equity. Investors in the convertible note typically get converted at the lesser of the valuation of the next qualified priced round and the convertible debenture cap.

Once the next round of investors have determined a price, the convertible debenture converts into shares at a discount to the investment round price to reward for the additional risk IKP took on by investing early. The amount of equity that a note converts into depends on the price of the next round.

NOTE: The examples below are purely for illustrative purposes

Example 1: Cap is less than next valuation

You take INR 10 Lakh as a CCD with discount rate at 12% per annum, and cap of INR 4 Crore. After 12 months, you raise Series A at a 6 Crore valuation. The CCD is now valued at INR 11.2 Lakh (10 Lakh +12% for 1 year), and converts to 2.8% equity.

Explanation: $11.2 \text{ Lakh} / 4\text{Cr} = 2.8\%$ (CAP of 4 Cr is less than 6Cr, the current valuation)

Example 2: Cap is greater than next valuation

You take INR 1Crore as a CCD with discount rate at 11% per annum, and cap of INR 10 Crore. After 24 months, you raise Series A at a 8 Crore valuation. The CCD is now valued at INR 1.21 Crore (1 Cr + 11% for 2 years), and converts to 15.125% equity.

Explanation: $1.21 \text{ Cr} / 8\text{Cr} = 15.125\%$. Current valuation of 8Cr is less than the cap of INR 10Cr.

Example 3: Drawing multiple CCDs, with a moving cap

You take INR 15 Lakh as a CCD with discount rate at 12% per annum, and cap of 15x. After 6 months, you take an additional CCD of INR 10 Lakh at 12% per annum, and cap of 15x. After an additional 18 months, you raise an investment at an INR 6 Crore valuation.

Explanation:

At month 0, the CCD is INR 15 Lakh, and the cap is INR 2.25 Cr

At month 6, the total CCD is worth INR (15Lakh+6%) + 10 Lakh = INR 25.90 Lakh

At month 6, the cap has moved to INR (25.90 Lakh *15) = INR 3.885 Cr

At month 24, the CCD is now worth $25.90\text{Lakh} * 1.12^{1.5} = \text{INR } 30.699 \text{ Lakh}$ (12%/year for 1.5 years)

Cap of INR 3.885 Cr is less than the INR 6 Crore valuation.

Equity Share = $30.699 \text{ Lakh} / 3.885 \text{ Cr} = 7.90\%$ equity.

**For more information,
please write to
accel@ikpknowledgepark.com**