



INCUBATION POLICY (INCUBATION & ENTREPRENEURSHIP CELL)

DOC201709060001

RNB GLOBAL UNIVERSITY

RNB Global City, Ganganagar Road,
Bikaner, Rajasthan 334601

Prologue

The RNB Global University's **Incubation and Entrepreneurship Cell (I & EC)** enables students to get firsthand experience in entrepreneurship, promote innovation driven activities at the institute and provide comprehensive and integrated range of support including space, mentoring, training programs, networking and an array of other benefits.

RNB Global University – Bikaner is committed to promote and support technological based Entrepreneurship and Innovation skills amongst its students to serve to the nation and society.

Objective

1. To create employability and entrepreneurship skills amongst its students.
2. To promote new technology/knowledge/innovation based startups.
3. To provide a platform of technologies development jointly with the university and incubatee.
4. To build a vibrant startup ecosystem, by establishing a network between academia, financial institution, industries and other institutions.
5. To provide cost effective, value added services to startups like mentoring, legal, technical, intellectual property related services.

RNB Global University – Bikaner in its endeavor to adopt the **Incubation and Entrepreneurship Cell (I&EC)** Policy to provide guidance and management structure to facilitate the development of entrepreneurship and inventions that benefit to the society through the Incubation and Entrepreneurship Cell (I&EC) of the university.

Incubation and Entrepreneurship Cell (I&EC) of RNBGU is supported by the management of the university under the aegis of Seth Jagannath Bajaj Foundation Trust and its faculty mentors to nurtures ideas for startups and entrepreneurs.

Vision

RNBGU's Incubation and Entrepreneurship Cell (I&EC) is poised to provide a suitable space for young entrepreneurs to transform and capitalize their innovation into a feasible business opportunity with minimum risk.

Mission

The mission of RNBGU's Incubation and Entrepreneurship Cell (I&EC) is to strengthen the hands of young entrepreneurs to nurture and empower them to serve to the society by way of providing them the opportunities to experiment and realize their innovation into reality.

RNBGU & Unique Endeavor:

RNBGU welcomes-

- A.** Startups at the initial stages,
- B.** Industry and Corporate houses with the innovative ideas for the development business and commercial viable opportunities,
- C.** Expert mentors to extend help to realize startups dreams.

RNBGU encapsulates herein the scope of this document to define the policies and procedure for the operation of the incubation cell of the university.

- 1. Eligibility Norms,
- 2. Admission procedure,
- 3. Infrastructure and Services available to incubate,
- 4. Mentorship Policy,
- 5. Period of Incubation/ Exit.
- 6. Intellectual Property Evaluation.
- 7. Seed Funding.
- 8. Periodic Assessment Procedure,
- 9. Conflicts of interest Policy,
- 10. Disclaimer,
- 11. Agreements.

RNBGU reserves the right to review and amendments the policy time to time as per the demand and need of the industry under concurrence with the government policies and rules. Moreover, the university expects from the companies under incubation process of the university update themselves from time to time on amendments in the Incubation policy and procedures.

Incubation Eligibility

- 1. Any person or group of persons desirous of availing incubation facilities of the university has/ have to incorporate a registered Partnership firm/ sole proprietorship firm/ private/public limited company under the Indian Companies Act and apply in the prescribed format along with the required documents. No application for incubation shall be entertained if the applicant has not incorporated a private/public limited company under the Companies Act or completed the legal compliances as prescribed by the Indian Law.
- 2. The companies promoted by Faculty of **RNB Global University – Bikaner (Rajasthan)** shall be governed by **Incubation and Entrepreneurship Cell (I&EC) Policy** as approved by the University.

3. The companies promoted by students enrolled for full-time Degree at an educational institute shall not be offered incubation if the student is holding an Executive position. However, companies promoted by students are eligible to apply for incubation provided the student is not actively engaged with the company beyond any engagement which may be permitted by the Institute.
4. A company which is promoted by regular staff or employee of an organization or corporate house shall be granted incubation only upon submission of 'No Objection Certificate' from the competent authority or employer.

Incubation Admission procedure

It is mandatory to endorse agreement upon all the terms and conditions of the Incubation and Entrepreneurship Cell (I&EC) of the university before proceeding to the process of the incubation as set-forth herein.

STAGE 1: Submit of Business Proposal and Executive Summary/ Business Plan

As a first step, the prospective company should submit an Incubation Application containing the Business plan, Certificate of incorporation and Memorandum & Articles of Association etc. Thereafter shall present the executive summary/ business plan to an internal review committee for comments on technical and business feasibility of the idea.

Evaluation Criteria: The expert technical team of RNBGU will undertake the following activities to proceed further:

1. Ascertain and evaluate the strength of the business plan idea in terms of its technology innovation, timeliness and market feasibility.
2. Profile of the management/ promoters.
3. Intellectual Property Rights and its adherence.
4. Financial/ Commercial Viability and 5 year projections of P&L, Balance Sheet and Cash Flows.
5. Funds requirement and viability of raising finance.
6. Working capital requirement for initial two years.
7. Break-even period.
8. Commercial potential, demand and requirement in India.
9. Maintenance of Supply Chain with the special focus on Raw Material procurement and market potential with disposal of waste and by-products.
10. Legal compliances especially with Pollution Control Board Norms adherence.

STAGE 2: Presentation to RNBGU Incubation Evaluation Committee.

The promoters of the project must satisfy the evaluation team by providing all necessary information to the expert team of RNBGU at the time of filing the application for the setting up of the project under incubation initiative of RNBGU.

Incubation and Entrepreneurship Cell (I&EC) of the university shall invite for a meeting with the company founders, during which the company will be expected to present a PowerPoint presentation describing critical aspects of the business plan to the evaluation committee. The presentation will be followed by Q&A session. After the presentation, a final decision will be made regarding the company's entry into the incubator. The university will intimate to the company its final decision after the presentation.

Infrastructure and services provided to the Incubates

Once the business plan is accepted by the university, the following facilities will be offered to the incubated companies on an individual basis:

1. Office space.
2. Computers - Up to two to three on rental basis. More than three can be availed at market rates.
3. Printer.
4. Broad Band Internet Connection(wired and wireless)
5. Phone connection - Each company will pay the rentals and bills.
6. Standard Furniture as decided by Incubation and Entrepreneurship Cell (I&EC) of the university.

Common Infrastructure

The University shall provide a common pool of hard and soft infrastructure to be shared by all incubated companies. The following resources are provided:.

1. Photocopying machine.
2. Document Scanner.
3. Access to college Library:
4. Management Books,
5. Subscription to IT, Business, Management and
6. Trade journals and newspapers.
7. Meeting/Conference room with Audio and projection equipment.
8. Tele or Video conferencing facilities.

Institute infrastructure:

The University may facilitate access to the Institute infrastructure or laboratories as per the norms as deem fit by the time.

The incubator shall be under obligation to provide guidance to the B.Tech and MBA student or to any one to whom the university desires to do so.

Mentoring and Advisory Services:

The RNBGU Mentoring and Advisory Services will ensure the following tasks time to time:

1. The Incubation and Entrepreneurship Cell (I&EC) peer team may meet with the Principal of the incubate each month for the strategic review and discuss the nuances of the operational issues,
2. An incubated company will have to take a faculty advisor as a mentor on technical issues,
3. The university will provide special advisors as a mentor to assist with particular strategic issues to provide specific consultations as per the demand of the project.
4. These arrangement will be based upon mutually agreed paid agreements.

Mentorship

Every Incubate company, to whom is offered incubation, by RNBGU's Incubation and Entrepreneurship Cell (I&EC) has to select one faculty member from the University who shall act as a mentor to the incubated company and guide the company on product development.

Industry Mentor:

RNBGU has created a database of Industry mentors. Every company incubated at RNBGU's Incubation and Entrepreneurship Cell (I&EC) may select one Industry mentor within six months from the date of joining the center. In case the incubate opts for an industry mentor, the company has to offer a minimum 2% of equity to the mentor as a consideration of mentorship.

Tenure of Incubation

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

Exit: An incubated company will leave the incubator under the following circumstances:

- A. Completions of two years stay (if no extension granted).
- B. Underperformance or non-viability of business proposition as decided by RNBGU's Incubation and Entrepreneurship Cell (I&EC) on case to case basis.
- C. Violation of RNBGU's Incubation and Entrepreneurship Cell (I&EC) policy.
- D. When the incubate company enters in an acquisition, merger or amalgamation or reorganization deal resulting in a substantial change in the profile of the company, its promoters, directors, shareholders, products or business plan.
- E. Change in promoters'/ founders' team without concurrence RNBGU's Incubation Cell.

- F. Any other reason for which RNBGU's Incubation and Entrepreneurship Cell (I&EC) may find it necessary for an incubated company to leave.

Notwithstanding anything written elsewhere, RNBGU's Incubation and Entrepreneurship Cell (I&EC), experts decision in connection with the exit of an incubated company shall be final and shall not be disputed by any company in any manner.

Periodic Assessment

- A committee set up by RNBGU's Incubation and Entrepreneurship Cell (I&EC) will evaluate the performance of incubatee every 3 months.
- The emphasis of evaluation will be checking the progresses of the project specified in the business plan are met.
- Further seed fund disbursal will be dependent on the progress shown in previous appraisal.

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

Preliminary Stage

- A. Product Development
- B. Market assessment / Competition analysis
- C. First level Business Planning / Business Modeling
- D. Founding Team
- E. Seed Funding

Pre-Market Stage

- A. Product Development and enhancement
- B. Financial Assistance Required
- C. Test marketing
- D. Full scale business planning including production, sales and sourcing

Implementation Stage

- A. Full scale Business Planning
- B. Pitching for Venture Funding
- C. Scaling up operations
- D. Large scale commercialization
- E. Mature Team Formation

Exit stage

Going National / Global

Conflicts of Interest

In case of any conflicts of interests, the decision of RNBGU shall be final and binding upon the parties.

Disclaimer:

RNBGU's Incubation and Entrepreneurship Cell (I&EC) does not guarantee success and/or feasibility of the technology transferred from the Institute. RNBGU or any person representing them shall not be liable for any acts or omissions of the incubated company.

Agreements:

All incubates shall enter into the following agreements with the Institute:

1. Incubation Agreement: Contain rules and other incubation norms, consideration, equity holding, etc. (Applicable to all.)
2. Seed-Fund Agreement: Contain rules of disbursement and repayment. (Applicable to incubates availing seed-fund.)
3. Technology Commercialization Agreement: Applicable to incubates using technology or IP developed by RNBGU.

Seed Funding

RNBGU may provide seed loan subject to the availability of funds/ grants/ schemes meant for this purpose. Seed Money Grant Loan will be sanctioned only to the registered companies and shall be based on the merits of each company. Further, the admission to RNBGU's Incubation and Entrepreneurship Cell (I&EC) shall not automatically entitle the companies to seed loan.

A company desirous of getting seed loan may submit an application for seed fund after three months of incubation at RNBGU Incubation and Entrepreneurship Cell (I&EC). The seed loan will be sanctioned based on the eligibility criteria as decided by RNBGU. It would also be subject to the terms stipulated as per the Seed funding Guidelines of RNBGU.

One of the criteria for approval of the seed loan will be the contribution brought in by the promoters to the capital of their companies. Preference will be given to the companies who have some sources of revenue or some customer order booking.

RNBGU will have the sole discretion to sanction or reject an application for seed loan and the decision of RNBGU in this regard shall be final.

RNBGU's Incubation and Entrepreneurship Cell (I&EC) 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 RNBGU's Incubation and Entrepreneurship Cell (I&EC) Expert Committee recommendation on satisfaction over the suitable progress made by the company.

Broad Areas of Business Plan

The following areas can be used for creating a comprehensive business plan.

1. Introduction / Company overview
2. Concept / Proposition / Product description
3. Market opportunity
4. Competition survey
5. Development plan and milestones
6. Marketing plan
7. Management / Organizational chart
8. Financials
9. Risks and de-risking strategies
10. Appendix

Conflicts of Interest:

In case of any conflicts of interests, the decision of RNBGU's Incubation and Entrepreneurship Cell (I&EC) shall be final and binding upon the parties.

Seed Fund Guidelines

The processing of seed capital involves:

1. A company desirous of getting seed loan may submit an application for seed fund after three months of incubation at RNBGU.
2. The seed loan will be sanctioned based on the eligibility criteria as decided by RNBGU's Incubation and Entrepreneurship Cell (I&EC). One of the criteria's for approval of the seed loan will be the contribution brought in by the promoters to the capital of their companies. Preference will be given to the companies who already have some sources of revenue or some customer order booking.
3. The final decision regarding it will be announced within a month. RNBGU's Incubation and Entrepreneurship Cell (I&EC) will have the sole discretion to sanction or reject an application for seed loan and the decision of RNBGU's Incubation and Entrepreneurship Cell (I&EC) in this regard shall be final. RNBGU is not bound to give any reason in case an application for seed loan is rejected.
5. The applicant would then enter into a Seed Fund Agreement with RNBGU's Incubation and Entrepreneurship Cell (I&EC).
6. The company will be subjected to regular performance reviews.

7. Repayment Options: The repayment options have been decided by a committee comprising members from the grant agencies, advisory Board RNBGU's Incubation and Entrepreneurship Cell (I&EC), Industry Experts, CA & legal consultant.

Option I:

Full amount would be paid back with an interest, which will be prime lending rate of SBI (on the date of sanction).

Option II:

50% of the total seed fund sanctioned will be interest free loan; repayment would start after 18 months from the date of first disbursement.

Option III:

75% of the total seed fund sanctioned will be a loan and will be paid back with an interest equal to SBI rate of interest at that time.