



Policy and Procedure for Business Incubation

Hosted By

POORNIMA BUSINESS INCUBATION CENTRE

POORNIMA GROUP

ISI-2 RIICO Institutional Area, Sitapura, Jaipur-302022



The intent of this document is not to eliminate all possible situations leading to conflict of interests, an obvious impossibility. Rather, it is to enable an interested person to recognize situations that may be subject to question, to take steps to minimize such conflicts and to ensure that such situations are properly reviewed and, if necessary, corrected. All potential conflict of interest situations should be handled in a manner and all relevant activities are conducted in a manner consistent with the values of PBIC, Poornima Group and public values and interests. This policy makes all stakeholders related to PBIC and Business Incubator aware that no one should use his/her position in one role for personal gains in the other role, and when necessary, explicit permission of relevant stakeholder may be obtained.

Introduction

Poornima Business Incubation Centre (PBIC) 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 for the benefit of society. To accomplish its goal, PBIC runs and manages a Business Incubator (BI) at Poornima Group to facilitate incubation of new enterprises with innovative technologies by admitting them in BI and providing them physical, technical and networking supports and services.

This document contains policy and procedure for operational matters related to PBIC. It covers the following processes:

1. Eligibility
2. Admission process
3. Intellectual Property process
4. Incubation support
5. Periodic assessment
6. Information submission
7. Tenure in PBIC
8. Exit (Graduation)
9. Conflicts of interest
10. Disclaimer

The policy is subject to periodical review and amendments. It will be the responsibility of the student/companies admitted to/associated with BI to update themselves from time to time on amendments in BI policy and procedures. PBIC reserves the rights to make an exception of all or any of the terms of policy for a particular student or a promoter on a case to case basis.



1. Eligibility

1.1 Admission to PBIC is open to any of the following from Poornima Group:

- Students & Alumni
- Poornima Group's R&D partners (sponsors of R&D and consultancy projects),
- Poornima Group's partner universities (having R&D collaborations in place), and
- Government agencies associated with Poornima Group's research and innovations.
- PBIC alumni on selective basis.
- Applicants supported under any program managed by PBIC.

Focus of PBIC for incubation of proposals/business ideas shall be on the following basis:

- IP Based Start-ups
- Physical Products
- Proposals with potentials for strong identifiable involvement or interaction with Poornima Group faculty
- Proposals which will have social and strategic impacts,
- Proposals supported by any of GoI (central/state) initiatives, where PBIC support is a requirement.

1.2 Applicants must fulfill the eligibility criteria as above for making an application for admission in the BI, even in case of PBIC's virtual incubation and or pre-incubation programme.

2. Process

- Applicants may visit PBIC to discuss their business ideas. If the business plan is ready, they may also submit the same with PBIC. The Business Plan could be in form of document of maximum 20 pages or a detailed presentation. This can be submitted in PBIC. PBIC may invite applicants to make presentation for internal review purpose. Thereafter, the business proposal for incubation is subject to review by external experts.
- If team members consist of a faculty member from Poornima Group, he or she needs to obtain permission from the offices of Dean (R&D) and Dean (Faculty affairs) to be part of the venture.



- If the team includes a pursuing student, he or she will obtain permission from his or her faculty guide and/or head of department for starting a venture and business incubation in PBIC. A letter from guardian may also be needed. This is to avoid any academic or social conflict vis-a-vis incubatee students as also with PBIC.
- If the applicant is not a registered company, the applicant will have to register a company within a period of three months from the date of approval for admission in the Business Incubator.
- Incubatee student will enter into necessary agreements on the approval of the admission in the Business Incubator.
- Incubatee student will be subject to continual reporting as per the Business incubator policy.

Based on the merits of the case, the evaluation of the idea/business plan for incubation purposes, any of the following processes could be adopted.

2.1. Through two levels of review process:

□ Internal review- by senior faculty members. A pitch template will be shared with the applicant for presenting to the internal team. This may take a few iterations till desired clarity of the idea/business is achieved.

□ External review- A business plan/deck is prepared after satisfactory internal review by the applicant. This is then sent to two/three experts for their opinion/feedback. Experts could be from the domain, investor, established entrepreneur, potential client/user. Applicants may be asked to present to the concerned experts and feedback sought.

2.2. In case of pre-screened and previewed business ideas/cases by government grants/competitions, on their approval, the same will be directly taken for pre-incubation or incubation as the case may be.

2.3. All other cases will be processed as in (i) above with internal review followed by atleast two external reviews.

Incubation approval is subject to completion of satisfactory review process.



PBIC will have a sole discretion whether to admit or reject a proposal for incubation and the decision of PBIC in this regard shall be final. PBIC is not bound to give any reason in case a proposal is rejected.

3. Process for Intellectual Property transfer

3.1 .Approval required from:

- a) Dean FA - NOC for starting a venture/association as an equity holder/mentor/advisor
- b) Dean R&D - Approval of IP license/transfer in case Poornima Group IP is involved

-If there is no IP, NOC for starting a venture/association as an equity holder/mentor/advisor with an acknowledgment that there is no IP.

The companies or promoters/founders may have to pay consideration in lieu of the transfer / licensing of/ permission to use IP in their favor, which will be decided by PBIC.

IP transfer/ IP licensing/ permission to use IP will be in favor of only the registered entity.

4. Incubation Support

DETAILS OF FACILITIES

4.1. Physical infrastructure:

- Furnished Office Space (shared)
- Shared resources: Meeting rooms, Conference room, Internet, Computer system
- Office productivity equipment: Printer, Projector
- Lab: PBIC Lab with Equipment and software tools, Facilitation for access to Poornima Group Labs

4.2. Utility#:

- Electricity
- Internet

(# No cost for electricity/internet consumption or any utility or service is charged separately to the Incubatees. However, Incubator retains a right to limit the free electricity/internet consumption and other utility, beyond which charges will become payable by the Incubatee.)

4.3. Advisory and coaching:



- Mentoring
- Trainings and workshops
- Free advisory from Experts- legal, CA, IP. Addition expert area may be added during the incubation. The Incubatees however will have to pay for specific transactions.

4.5. Network:

- Facilitation for business, professionals and expert network
- Facilitation for investors network
- Facilitation for industry connection
- Showcasing opportunities

4.6. Ecosystem advantage:

- Experiential learning in incubation Centre
- Poornima Group ecosystem- technical resources and interactions, students, library, easy access to IP
- PBIC-Poornima Group brand
- Media visibility

Notes:

- The ownership of all assets and facilities so provided as a part of Incubatee supports and facilities rests with Incubator or Poornima Group as the case may be.
- Pre Incubatees will be provided all the above incubation support except funding
- Virtual Incubatees will be provided all the above incubation support except physical office space.

5. Periodic assessment

PBIC will evaluate the performance of incubatee students periodically. Incubatee students will submit information to PBIC in a prescribed format. (This can be obtained from PBIC office) The students will also be subject to an annual assessment by a committee comprising of external experts.

6. Information Submission

Incubatee students will submit information to PBIC about all material changes or developments taking place in their companies from time to time. Such information could be (but not limited to) change in name of the company, change in business or product profile, change in directors, promoters or shareholders, acquisition of a new office, additional equity or debt investments. PBIC may require incubatee students to submit



other information as it deems fit. Prior concurrence of PBIC should be obtained for effecting such changes.

Besides the above it may be called upon by any government organization/institution to share information regarding the incubated students. PBIC may, accordingly, call for such information. PBIC will take the responsibility not to share/disclose any company specific details without prior permission of said company but may use the information for consolidation purposes only when reporting.

7. Tenure in PBIC

Students will be permitted to stay in BI, to begin with, for a period of 18 months. Further extension if any will be for another 18 months based on satisfactory performance review, the rental charges where physical incubation is provided will be levied as per prevailing market rates. Any stay beyond the total of 36 months is subject to PBIC Board approval and will entail additional consideration to PBIC including higher rentals, which terms will be decided at that point of time.

8. Exit (Graduation)

Incubatee students will leave the incubator under the following circumstances:

- Completion of stay for eighteen months, unless the stay is extended by PBIC.
- Underperformance or unviability of the business proposition: criteria for the same will be decided and applied by PBIC on the case to case basis.
- Irresolvable disputes between promoters/ founders. PBIC will decide the position or point when disputes are deemed to be irresolvable.
- Change in promoters'/ founders' team without concurrence of PBIC.
- When the company enters in an acquisition, merger or amalgamation deal or reorganization deal resulting substantially a change in the profile of the company, its promoters, directors, shareholders, products or business plans, or when a company plans for a public issue.
- Any other reasons which PBIC may find it necessary for an incubatee student to leave BI.

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



9. Conflicts of interest and confidentiality of information

When a person plays two separate roles in two different positions and he/ she uses one position for his/ her personal benefit in the other role, a situation leading to conflict of interest arises. PBIC endeavors to draw a line between appropriate and inappropriate interactions among its board members, employees, mentors, consultants, affiliates, incubatee students, their employees, persons connected to them or their promoters, employees and staff, various service providers and suppliers. Conflicts between private interests and official responsibilities of all stakeholders must be handled in a transparent manner, and PBIC/ BI considers the full voluntary disclosure as the best mechanism for managing conflicts of interest.

This policy also deals with maintenance of confidentiality of proprietary information.

A committee may be set up by PBIC to resolve any dispute over such situation causing conflicts of interests.

10. Disclaimer

The incubatee student will understand and acknowledge that PBIC intends to provide supports and services to the Student 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 that by agreeing to provide various supports and services, PBIC does not undertake responsibility for:

- Ensuring success of an incubatee student, its products/ process/ services or marketability,
- Ensuring quality of support and services provided by PBIC to the complete satisfaction of the incubatee students or their promoters/ founders.
- Ensuring quality of services of the consultants engaged by the incubatee students through PBIC/ Poornima Group network. Incubatee students will have to apply their judgments before getting in to a relationship with them.

The incubatee students agree that PBIC/ Poornima Group or their employees shall not be held liable for any reason on account of the above.

11. Agreements



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

- Incubation agreement:

Between PBIC, the incubatee student and its Promoters for PBIC's equity holding and incubation support being provided..

If required, Chief Executive Officer/Chief Operating Officer/ Professor-in-Charge (PBIC) will refer the matter to the Chairman, or the Director POORNIMA GROUP as the case may be, whose decision in the matter shall be final.