

BUSINESS INCUBATION GUIDELINES & POLICY

Developed and executed by



ABESEC Startups Lab

Supported by



Ministry of Micro, Small & Medium Enterprise
Govt. of India

&



ABES Engineering College
19th Km Stone, NH-24, Ghaziabad
Uttar Pradesh, India

Visit us: www.abes.ac.in Email: info@abes.ac.in, asl@abes.ac.in

The **policy** is subject to periodical review and amendments. It will be the responsibility of the companies admitted to **ABESEC Startups Lab (ASL)** to update themselves from time to time on amendments in the Incubation policy and procedures. **ASL** reserves the rights to make an exception of all or any of the terms of the policy for a particular company or a promoter on a case to case basis.

1(a) Genesis:ABESEC Startups Lab

In tune with the global trends in higher technological level, ABESEC encourages entrepreneurship **among** the Faculty, Staff, Alumni, and Students. ABESEC will directly and actively support the incubation of companies incubated by its Students, Faculty and Alumni. ABESEC will also provide incubation support to external startups.

1(b) Definitions

ABESEC Startups Lab (Henceforth called ASL): A center with the primary objective to provide Incubation support to Students, Faculty and Alumni and external members willing to start their own venture. A physical center that extends various forms of support for Startups and engages in specified relationships with them on behalf of ABESEC.

ABESEC Incubated company (Henceforth called Incubatee): A registered company promoted by faculty, staff, alumni, students and external members singly or jointly.

2. Types of Startups

ASL will be actively involved in pre-incubation and incubation of Startup Companies promoted by one or more ABESEC students or faculty or jointly or by external members.

3. ASL Board

The board may have following composition:

- | | |
|--|--------------------|
| ▪ Director, ABESEC | : Chairperson |
| ▪ Director R&D, ABESEC | : Member |
| ▪ Dean AcademicS, ABESEC | : Member |
| ▪ Director or its representative, MSME-DI, New Delhi | : Member |
| ▪ Mr. Satish Kr. Sharma, Chairman, IIA, Ghaziabad | : Member |
| ▪ Mr. B K Sahu, Dy. Manager, NRDC, New Delhi | : Member |
| ▪ Dr. Jaitender Singh, Director, PHDCCI, New Delhi | : Member |
| ▪ Mr. Shivam Dikshit, Co-founder, IoTfy, New Delhi | : Member |
| ▪ LDM or its representative, Syndicate Bank, Ghaziabad | : Member |
| ▪ Two HODs (<i>For tenure of 1 year</i>)* | : Member |
| ▪ Two faculty members below the age of 45, probably trained in Entrepreneurship under Govt. sponsored FDP or programme(<i>For tenure of 1 year</i>)* | : Member |
| ▪ Head-ASL | : Member Secretary |

** Nominated by Director, ABESEC*

4. ABESEC Startups Lab (ASL)

The ASL will carry out incubation services & support on the behalf of institute. ASL will deal directly with Startups/Incubatee. ASL will support the startups by providing following services:

Individual Basis

- Office Space
- Intercom
- Seed fund/Linkage with govt. grant-in-aids (whenever possible)

Shared Basic

- Library, laboratories/workshop facilities and equipment
- Conference/meeting room
- Networking
- Mentoring and training support
- Monitoring

Active support will be provided for duration of three years from the date of formal approval. There may a pre-incubation period of six to one year, depends upon stage of idea and decided by case to case basis.

Vision

Reduce the risk of doing innovation or business through mentoring and support to youth willing to become Innovator or Entrepreneur.

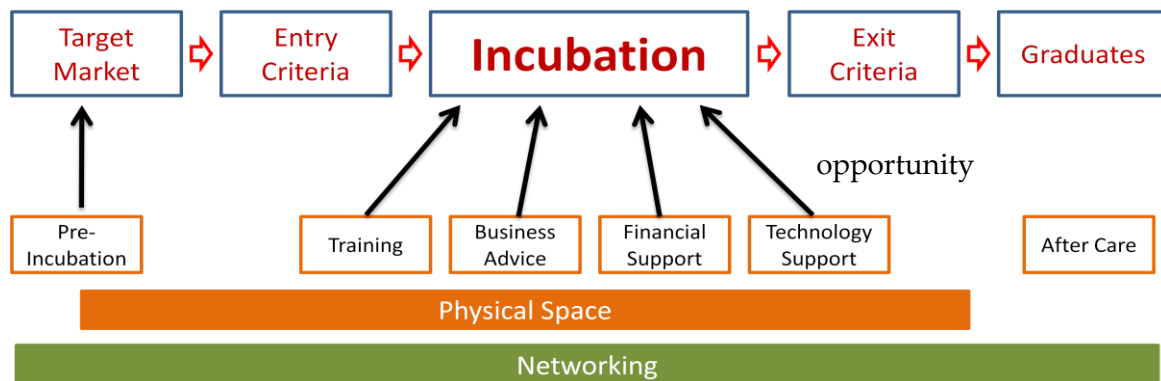
Mission

Create an ecosystem for nurturing young mind by way of spreading innovation & entrepreneurial culture and quality incubation support.

Objective:

- To spread the culture of entrepreneurship & innovation in the society
- To motivate youth to become “job creator rather than job seeker”
- To provide all possible support to test his/her business idea or innovation
- To develop engineering/management faculty as mentor

- To establish the connect between SMEs and Academics for R&D and consultancy



5. Incubation Eligibility

Any student, faculty, alumni or external member willing to avail incubation facilities at ASL has to incorporate a private limited company /LLP/Partnership firm/Proprietorship under the Indian Companies Act and apply in the prescribed format (Anx-I) along with the required documents.

6. Entry Procedure

Step 1: Submission of Business Plan

The prospective company should submit an Incubation Application (**see Anx-I**) containing the Business plan, Certificate of incorporation and Memorandum & Articles of Association (if incorporated). ASL then shall present the executive summary to an internal review committee for comments on technical and business feasibility of the idea.

Evaluation Criteria:

1. Strength of the product idea in terms of its technology content, innovation, timeliness and market potential.
2. Profile of the core team/ promoters& mentor(s)
3. TRL Level
4. Funds requirement and viability of raising finance.
5. Scalability

Step 2: Presentation to ASL Board

If the initial evaluation of the business plan is positive, ASL will arrange 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 ASL Board (refer point no. 3). 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 company will be informed of the final decision after the presentation.

7. Mentorship

Faculty members of the institute may become the mentor of the company incubated at ASL. Incubatees are also free to opt external faculty or industry expert/professional a mentor in their company. The incubateemay offer consultancy charges to the mentor (ABESEC faculty). The consultancy charges are not applicable if the faculty involved in the company in the role of Partner.

8. Tenure of Incubation

The companies will be permitted to stay in the incubator for a period of three 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:

- Completion of three years stay (if no extension granted).
- Underperformance or non-viability of business proposition as decided by ASL on case to case basis.
- Change in promoters'/ founders' team without concurrence of ASL.
- Any other reason for which ASL may find it necessary for an incubated company to leave.

9. Review and assessment

ASL will evaluate the performance of incubatees every 3 months. The emphasis of evaluation will be on checking if the milestones specified in the business plan are met. For a company which has taken grant-in-aid (under any govt. scheme), additional checks will be done on the financial health of the company in terms of its order booking, expenses, profitability, utilization of fund for the specified purposes.

10. Conflicts of Interest

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

Disclaimer:

ASL, ABESEC does not guarantee success and/or feasibility of the technology transferred from the Institute. ASL/ABESEC or any person representing them shall not be liable for any acts or omissions of the incubated company. However, in case of any such event the incubated company shall do all that is required to hold ASL/ABESEC or any person representing them harmless from any loss including damage, penalty.

Agreements:

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

1. Incubation Agreement: Contain rules and other incubation norms, consideration, charges, etc. (Applicable to all, see Anx-II)
2. Tri party Agreement: Contain rules of disbursement and repayment as per MSME, Govt. of India guidelines. (Only applicable to incubatees availing MSME fund.)

11. Charges

ASL will charge the incubatees for infrastructure and services. This payment would be in the form of service charges.

Incubatee Type	Office Rent	Internet Charges	Electricity Charges	General Service	IPR & Legal services
ABESEC Student/ Faculty	Ist 6 Months: ₹500/- Next 6 Months: ₹1000/- Next 12 Months: ₹1500/- Next 12 Months: ₹3000/-	Nil	Fixed ₹500/- per month	Nil	Actual basis
ABESEC Girls Student	Ist 12 Months: ₹500/- Next 12 Months: ₹1000/- Next 12 Months: ₹1500/-	Nil	Fixed ₹500/- per month	Nil	Actual basis
Alumni	Ist 12 Months: ₹1000/- Next 12 Months: ₹2000/- Next 12 Months: ₹3000/-	#Fixed ₹1000/- per month	Fixed ₹1500/- per month	Fixed ₹1000/- per month	Actual basis
External Member	₹3000/- per month	#Fixed ₹1500/- per month	Fixed ₹1500/- per month	Fixed ₹1500/- per month	Actual basis

#Subject to avail the facility

ABESEC-Business Incubator

(Supported by: ABES Engineering College, Ghaziabad)

APPLICATION FORM

1.	Name of the Company/Applicant: (Please attach copy of Company's registration (if already registered))	
2.	Address of registered office:	
3.	Name of Promoter(s): (Attach profile of each)	1. _____ 2. _____
4.	Name of faculty Mentor (if identified): (Attach profile)	
5.	Details about business idea (Attach extra sheets if required)	
6.	Technology Readiness Level	
7.	Have you interacted with the concerned faculty and has he/she/they consented to collaborate with you?	
8.	Infrastructure requirement for space, workstations or PCs:	
9.	Specify requirement of Mentoring and other professional services/support:	
10.	Have you prepared a Business Plan? If yes, please submit a copy.	
11.	<p>Declaration:</p> <p>We hereby declare that we have read and understood the terms & conditions of the Incubation Agreement of ABES Engineering College, Ghaziabad including provisions relating to transfer equity and seed-capital guidelines, provided to me by the ASLOffice, and agree to sign the same once our company is approved for the incubation at ABESEC. We shall follow the rules and regulations of Incubation Center and ABESEC. The declaration and facts in the application are true and best to our knowledge and nothing material has been concealed.</p>	

Promoter 1

Signature

Name:

Promoter 2

Signature

Name:

Promoter 3

Signature

Name:

Promoter 4

Signature

Name:

Company Common Seal

Documents Enclosed:

1. Certificate of incorporation (if already registered)
2. Business plan
3. Resume of Promoters
4. ID & address proof of all promoters

<On ₹100/- Stamp paper>

Agreement for Business Incubation

This Agreement is made on this day of 20__ by and between _____, a Company registered under the _____, having its registered office at _____ through its Directors and the promoters _____ (herein after referred to as "Incubatee" which expression shall include unless it be repugnant to the context or meaning thereof mean and include their successors, representatives, assigns, promoters etc.)OF THE FIRST PART

AND

ABES Engineering College, Ghaziabad an Institute created under the Society registration Act 1860 (Name of society: Society for Educational Excellence, Ghaziabad) (hereinafter referred to as 'ABESEC' which expression shall include unless it be repugnant to the context or meaning thereof ABESEC has established a ABESEC Startups Lab (startups support system, hereinafter referred to as ASL) with a mission to create an ecosystem for nurturing young mind by way of spreading innovation & entrepreneurial culture and quality incubation support.....OF THE SECOND PART.

ASL and ABESEC are same parties for the purpose of this agreement. ASL is the operating and implementing body of ABESEC. Similarly Incubatee also after the exit from ASL denotes second party.

NOW IT IS DULY COMMUNICATED AND HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

ABESEC agrees to incubate _____ in the ABESEC Startups Lab at ABESEC. The purpose of incubation unit will be to:

1. Purpose

- i. Provide incubation services and support for the sustainability of enterprise. Interact with, and resource technology/expertise from faculty members and laboratory infrastructure in the various departments and centers of the Institute.
- ii. Help in getting other kinds of techno-managerial expertise required that is not available within the institute.

- iii. Incubating novel technology and business ideas into viable commercial products or services.

2. Tenure of Incubation

The Incubatee has been using the facilities of ASL with effect from _____ and is carrying out full-fledged activities as a Incubatee. ASL has been extending all the facilities of incubation from the said date.

2.1 ABES-EC will permit Incubatee Company to commence incubation in ASL with effect from _____ and the incubation shall expire on _____.

2.2 The period of Incubation can be extended only by ABES-EC at its discretion if a request is made by the company.

3. Facilities and Infrastructure

That ABES-EC will provide facilities to the Incubatee as per the regulations framed by the institute in this regard and as amended from time to time. The facilities and infrastructure more specifically are as follows:

Individual Basis:

- Office Space
- Intercom
- Internet
- Laboratory/Workshop

3.1 Common infrastructure

BI provides a common pool of hard and soft infrastructure to be shared by all incubatee/Incubatee companies. Certain resources can be provided on charge basis by ABES-EC on request of the Incubatee company and subject to the rules and regulations in this regards as applicable from time to time. The facilities are:

- Meeting/Conference Room
- Pantry
- Printer
- Scanner

3.2 Institute infrastructure

ASL will facilitate access to the Institute's infrastructure on request of the Incubatee company/incubatee as per policy/administrative channel made by ABES-EC in this regard.

The facilities will remain under the overall control of ABESEC and will be available to the Incubatee company only for specific activities.

3.3 Services of Professionals

ASL may identify and associate professionals for accounting, IP, legal and management expertise on a part-time basis. Incubatee/Incubatee Company can avail of their services on prescribed charges. Any direct services provided to an incubatee would have to be paid for by the incubatee to the service provider on mutually agreed terms and conditions.

3.4 Mentoring and Advisory Facilities: Incubatee Company or Incubatee may tieup with internal/external mentor primarily for technical issues. The terms and conditions in this regard have to be worked out by the Incubatee company/incubatee with the mentor concerned and intimated to ASL.

4. Exit

4.1 That the Incubatee Company shall surrender and vacate the premises on ABES-EC on a notice by ASL no advance notice is required to be given by ASL to the Incubatee company.

4.2 Completion of incubation period.

4.3 Matured enough to sustain in the outside environment.

5. Amendments Notwithstanding anything contained hereinabove ASL may at any time amend all or any part of the agreement and its annexure and the Incubatee Company/ Incubatee shall be bound by the said amendments. The amendments shall be applicable with immediate effect.

6. Arbitration: Any/all disputes between the Incubatee company/ incubatee shall be referred for arbitration to the person so nominated by the Director, ABESEC under the Indian Arbitration & Conciliation Act whose decision shall be final and binding upon the parties. The place of arbitration shall be Ghaziabad.

7. ABESEC reserves its right to nominate a representative on the Board of Director of the Incubatee Company/Incubatee.

In witness whereof parties hereto have signed this Incubation Agreement on the date and year mentioned hereinbefore.

For & on behalf of

Signature

Name

For & on behalf of

ABESEC

Signature

Name

Designation
Seal

Designation
Seal

Witness (Name & Address)

1.
.....

Witness (Name & Address)

1.

2.
.....

2.