

INCUBATION AND INNOVATION POLICY

(Provisional Draft)



AnkurGECA Incubation Centre Foundation (AICF)

SUPPORTED BY

In Pursuit of Technical Excellence

Government College of Engineering

Station Road, Osmanpura, Aurangabad-431005

[An Autonomous Institute of Government of Maharashtra]

Phone:(0240) 2366111

Fax:(0240) 2332835

Web-<http://www.geca.ac.in>



Policy Drafting and Implementation Team

- 1. Dr. Pranesh Murnal**
Director, AICF
- 2. Mr. Vivek Bhonsle**
Director, AICF
- 3. Smt. Sushama Agrawal**
Associate Professor, ETX Department, GECA and Faculty Coordinator, AICF
- 4. Dr. Shilpa Kabra**
Assistant Professor, IT Department, GECA and Faculty Co-coordinator, AICF
- 5. Mr. Krushna Amilkanthwar**
Incubation Manager, AICF

Contents

- DEFINITION-4**
- DEFINITION OF START-UP:4**
- PREAMBLE-4**
- ABOUT AICF-5**
 - VISION:6**
 - MISSION:6**
 - GOVERNING COUNCIL-6**
 - ADVISORY COMMITTEE-6**
 - MENTOR POOL-6**
- SCOPE-7**
 - 1. THRUST AREAS-7**
 - 2. ELIGIBILITY-8**
 - For Pre-incubation-8**
 - For Incubation and Virtual incubation-8**
 - 3. SELECTION CRITERIA-9**
 - 4. ADMISSION PROCEDURE-9**
 - 5. SERVICES PROVIDED BY AICF- 12**
 - 6. PERIOD OF INCUBATION- 13**
 - 7. PERIODIC ASSESSMENT- 14**
 - 8. INTELLECTUAL PROPERTY- 15**
 - 9. SEED FUNDING- 15**
 - 10. CONSIDERATION- 15**
 - 11. AGREEMENTS- 16**
 - 12. CONFLICTS OF INTERESTS- 16**
 - 13. DISCLAIMER- Error! Bookmark not defined.**

DEFINITION-

- ‘Technology Business Incubation’ includes but not limited to developing technology developed at the Institute into products and services for commercial activities.
- ‘Intellectual Property’ includes but not limited to know-how, patents, design, process specifications, trade-secret, etc.
- ‘Incubatee’ or ‘Company’ bears the same meaning for the purpose of this policy. Any company permitted to be incubated by the Institute and operate from the incubator shall be called ‘Incubatee’ or ‘Company’.
- Executive position: means that person is authorized by the company to sign the documents on behalf of the company, enter into legal and binding agreement.
- Non-commercial activity: The companies shall neither be allowed to give campus address in legal registrations nor can they use Institute’s address in sales.

DEFINITION OF START-UP:

As per the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India notification vide No. 236 dated 11 April 2018, an entity shall be considered as a Start-up:

- a) Upto a period of seven years from the date of incorporation/registration, if it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India. In the case of Start-up in the biotechnology sector, the period shall be upto ten years from the date of its incorporation/ registration.
- b) Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded INR 25 crores.
- c) Entity is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation. Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a ‘Start-up’.

PREAMBLE-

“It’s lonely at the top” is a common expression among business leaders, but rings especially true in the life of an emerging entrepreneur. Not only do startup business owners act as sole risk-takers and shareholders, but they also simultaneously assume the roles of CEO, manager, custodian, and everything in between. This can be an exhilarating, yet intimidating and lonely, experience.

A report by IBM Institute for Business Value and Oxford Economics found that 90 percent Indian startups fail within the first five years. For this reason, the public and private sectors have increasingly recognized the importance of supporting startup businesses in these critical early years of growth.

It started with the National Science and Technology Entrepreneurship Development Board (NSTEDB) which launched the Science and Technology Entrepreneurs Park in the late 1990s and the Technology Business Incubators in the early 2000s. Today, many universities and autonomous organizations are

setting up incubators on or off campus. Most of the institutes have set up incubation facilities that are open to other institutes and entrepreneurs as well. The Government of India through Department of Science and Technology (DST), Department of Biotechnology (DBT), Technology Information and Forecasting Assessment Council (TIFAC) and Development Financial Institutions such as Small Industries Development Bank of India (SIDBI), has contributed significant risk funding to promote an entrepreneurial spirit among faculty members and students besides designing an effective policy framework. The Ministry of Finance has also committed significant funds in Venture Capital by setting up the India Aspiration Fund.

The startup ecosystem growth has also brought together faculty members and students across universities and institutions in India to collaborate and start their own ventures. Increasingly, research work is being translated into commercial ventures.

Educational institutes allow a sneak peek into the future, and the cutting edge research and innovation occurring in the campus rubs off on the students. There is nothing more exciting than seeing the “Next Big Thing” early, probably in an institute lab, for an ambitious student or group of students.

The other important thing that institutes provide is the alumni network. A good alumni network is probably the easiest way for a startup entrepreneur to reach out to someone at the top of the industry and get some help, connections or even funding. Alumni of an institutes usually have a soft corner for people from their own institute and can go out of the way to help them out. This “paying it forward” ethos tends to be strong among alumni networks and can be a tremendous source of disruptive jumps that an entrepreneur needs. Alumni-student mentorship programs are now being encouraged as an important tool for encouraging entrepreneurship and students working with startups today constitute a key element in this process.

Despite all these initiatives, there exists a threat to the development of a startup ecosystem at institutes due to the prevailing social and family conventions and peer pressure for placement in secure jobs with predictable monthly income and the relative difficulty of doing business in India. However, with increase in ease of doing business ranking there is a consensus amongst all, that India has potential and the know-how to become a more innovation-driven economy than what it is today and the entrepreneurial spirit at the institutes is probably more willing than ever.

ABOUT AICF-

AnkurGECA Incubation Centre Foundation (AICF), is a section 8, non-profit organization registered under the support of Government College of Engineering, Aurangabad. The incubation centre started its activities from Jan 2018 as a startup cell of our institute with an objective to develop innovative thinking culture in campus and support college projects of students to become business products. Organised various events to support innovations through competitions and a small support fund for innovations. To expand its reach, it got registered as a separate legal entity in Nov 2019. The goal of AICF is to promote technology-based entrepreneurship and thereby facilitate practical application of knowledge for the public.

With an infrastructure facility of 7000 sq. ft. area, the incubation centre provides a platform for entrepreneurs to pioneer themselves into the world of technology-based business careers. The main aim of the Incubator is to provide support and training for students and innovators who are interested in converting their ideas into startup. The incubator is designed to support entrepreneurs in terms of infrastructure, co-working space, consultation, mentorship, business plan assistance, growth acceleration, product prototyping, project report, financial loans and soft commercial launch to make technology-based

business successful. It provides a highly innovative and supportive environment to upsurge productivity and reduce the flaws.

VISION:

To be a leading promoter of innovation and entrepreneurship that fosters synergy between the innovator, academia, and the industry to create a startup ecosystem.

MISSION:

- To motivate, build and promote out of the box thinking and development of innovative ideas.
- To create an ecosystem in campus to nurture innovation for promoting entrepreneurship through industry collaborations by providing incubation facilities and services for greater social impact.
- To promote activities related to Ideation, Pre-incubation and Incubation to support startups

GOVERNING COUNCIL-

The Governing Council would comprise of following members:

- a) Director 1- Chairman, BoM
- b) Director 2- Principal, GECA
- c) Faculty Coordinator nominated by GECA
- d) Faculty Co-coordinator nominated by GECA
- e) Chief Executive Officer nominated by GECA
- f) Incubation Manager appointed by GECA

ADVISORY COMMITTEE-

Advisory Committee approved by Governing Council can provide general guidance, potential funding sources, resource network access, and mentoring support for incubator staff and incubated startups. Additionally, committee members can help to raise general awareness of incubator activities in nearby regions.

The advisory committee will be made up of individuals that share the incubator's vision and can help the incubator fulfill its mission. The advisory committee will be composed of approximately six to fifteen members with relevant sector expertise and experience of the entrepreneurial ecosystem. Apart from Governing Council, at a minimum, the committee should be constituted with representation from local business leadership, industrial association, financial services, legal services, alumni of parent institute and the members of nearby ecosystem enablers.

MENTOR POOL-

Building a pool of mentors with varied backgrounds and experiences is of paramount importance to create a holistic environment for startups. This pool should essentially comprise college alumni, experts from the relevant sectors and other industry experts, corporates with experience in the field, individuals with manufacturing and product experience, individuals with technology background, individuals with strong legal and regulation footage, people from the financial sector with funding experience and successful entrepreneurs, who have done it all.

The real value in mentoring happens when people explore deeper issues such as identity, beliefs, interest, motivation and career paths. Because mentors and mentees interact in a variety of different ways that goes

beyond subject expertise, so it is vital that the pool is wide enough to provide a good match. Mentors should typically be driven by social motives such as ‘giving back’ or a desire to see development in the local community.

SCOPE-

The Incubation and Innovation Policy is the policy document that is applicable to all incubation activities in the centre, the policy has three major components:

1. Pre Incubation
2. Incubation
3. Virtual Incubation (for companies located outside the GECA campus)

It covers the following points:

1. Thrust Areas
2. Eligibility
3. Selection criteria
4. Admission procedure
5. Services provided by AICF
6. Period of Incubation
7. Periodic assessment
8. Intellectual Property
9. Seed funding
10. Consideration
11. Agreements
12. Conflicts of interest
13. Disclaimer

The policy is subject to periodical review and amendments. It will be the responsibility of the companies admitted to AICF to update themselves from time to time on amendments in Incubation policy and procedures. Government College of Engineering, Aurangabad reserves the rights to make an exception of all or any of the terms of policy for a particular company or a promoter on a case to case basis.

1. THRUST AREAS-

Different Sectors where incubation can be provided are among, but not limited to:

- Renewable Energy Technology
- Automation Technology
- Water Resource Engineering and Management
- Agro Technology and Allied sectors
- Other emerging areas or of social / national importance

2. ELIGIBILITY-

For Pre-incubation-

Only student, staff, alumni or persons associated through extension services of the college desirous of availing pre-incubation facilities has to apply in the prescribed format (Annexure-1) along with required documents. He/she shall be called as Pre-incubatee.

For Incubation and Virtual incubation-

Any one desirous of availing incubation facilities has to incorporate as a company under the Indian Companies Act and apply in the prescribed format (Annexure-2) 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.

The Applicant for AICF Incubation Program can be a start-up formed by an individual entrepreneur or group of entrepreneurs that have not incorporated under either of the legal entities. In such cases an application may be made in the names of all promoters/founders of the start-up. However if selected for the Incubation Program, the promoters/founders of the start-up must ensure that their start-up is incorporated under either of the legal entities within a period of three months from the date of signing of the incubation agreement with the AICF.

Also, the following eligibility criteria will be applicable to the Applicant:

- a. Start-ups working as a Proprietorship Company or Public Limited Company is not eligible.
- b. The incorporated start-up must not be older than 7 years from the date of registration/ company incorporation.
- c. The incorporated start-up's annual turnover (as defined in the Companies Act, 2013) in any preceding financial year must not exceed ₹ 5 crore.
- d. The incorporated start-up must not be formed by splitting up, or reconstruction, of a business already in existence.
- e. The incorporated start-up must be working towards development of innovative products/ processes/services and must have a scalable business model with a high potential of employment generation or wealth creation.

The startup or innovation promoted by Faculty of GECA (Autonomous) shall be governed by GECA and approved by the Institute. Companies that are promoted by students in GECA shall not be offered incubation if student is holding Executive position, however companies promoted by students are eligible to apply for incubation provided student is not actively engaged with the company beyond any engagement which may be permitted by the Institute.

Regular Government staff or employee shall be offered incubation only upon submission of 'No Objection Certificate' from the competent authority or employer. However, companies having faculty, students or employees as shareholders are eligible to apply for incubation.

Any company that is engaged or is proposing to be engaged in activities that are in conflict with GECA, like imparting educational courses and/or training programs including vocational trainings or is planning to undertake such activities during the incubation period shall require explicit permission from GECA upon Institutes' approval such companies shall be offered the incubation.

3. SELECTION CRITERIA-

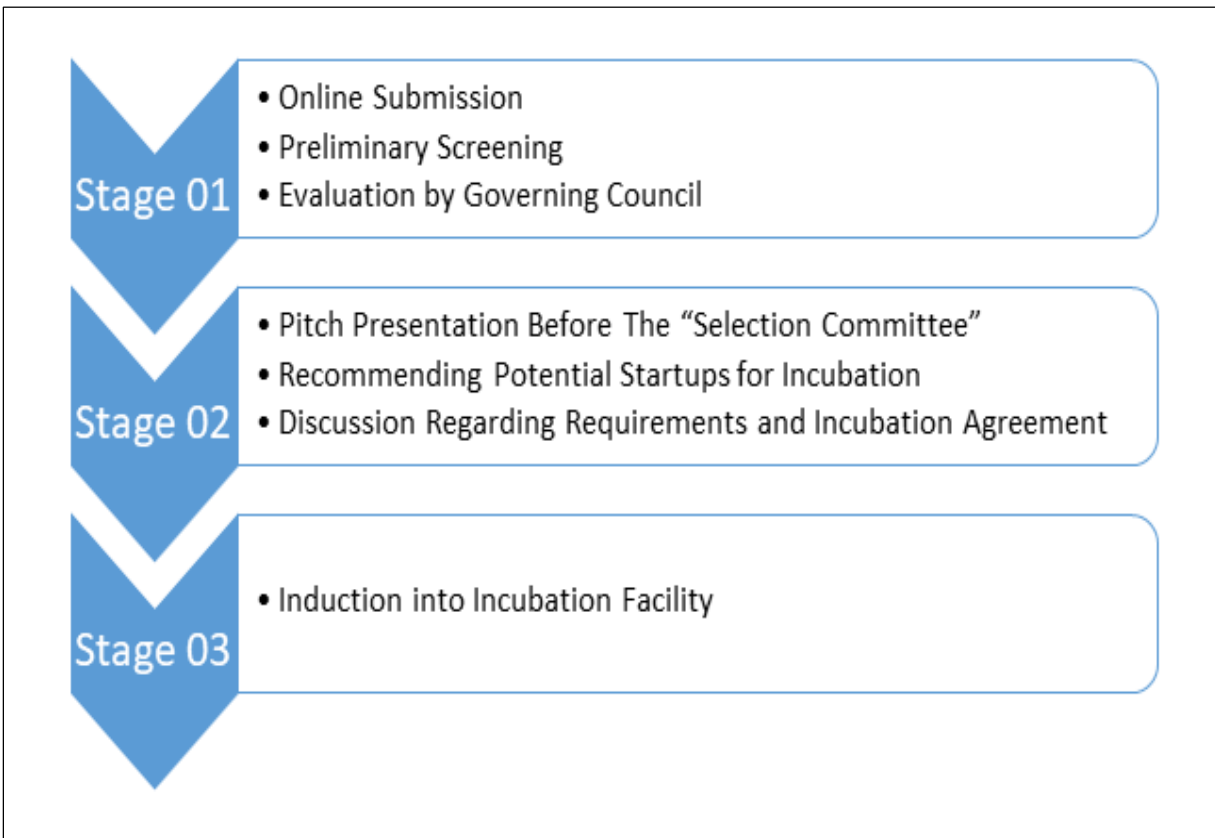
A start-up applying to the Incubation Program at AICF will be selected based on following criteria:

1. A start-up must be working on an innovative idea/technology/product/service in one of the trust areas
2. A start-up that is willing to pursue the Incubation Program full time with no other concurrent commitments during incubation period.
3. A start-up that will preferably have a market ready prototype or Proof-of-Concept (PoC), or willing to commit to convert their idea into prototype during the tenure of the Pre-incubation Program.
4. A start-up that will preferably have a clear IP strategy and a technology commercialization plan that will create jobs.
5. A start-up that has a strong business proposal, can confidently pitch to investors and raise funds, can be scaled up and become self-sustainable in 18 – 24 months' time.
6. A start-up that offers technology enabled solutions with a social and strategic impact.
7. A start-up that has a potential for large resource generation and can create an impact value and visibility for AICF.
8. A start-up that is incorporated under either of the legal entities and under Eligibility, will have to meet the following additional criteria:
 - a. At least 51% of the start-up company should be owned by Indian nationals (directly or indirectly).
 - b. The start-up company has to ensure they have all required IP rights (if applicable), including any technology license or patent assignment, to take the technology ahead. The start-up company may also be required to ensure that they will have Freedom to Operate.
9. A start-up applying to the Incubation Program at AICF Incubatee will not be considered for incubation if the proposed idea/ innovation/ technology or business plan falls under following conditions:
 - a. Start-ups proposing products, services or processes which lack novelty with no or limited incremental value.
 - b. Start-ups have been formed by splitting up or reconstruction of a business already in existence.
 - c. Start-ups with proposals that do not have potential for commercialization, or Start-ups proposing products, services or processes with no differentiation factor
 - d. Start-ups with proposals those are not scalable and sustainable.

4. ADMISSION PROCEDURE-

Note- For GECA members the applications shall be processed once the applicant(s) has taken due recommendation from respective HoD and approval from Principal for Faculty members, full time students and research scholars and read & agreed to the “terms and conditions” of AICF.

The Selection Committee (SC) constituted by the Director, Governing Council would be setup to evaluate and carry out the selection procedure. The SC will consist of experienced and qualified professionals from specific industry, leading bankers, seasoned venture capitalists, academicians and successful alumni entrepreneurs.



STAGE 01- ONLINE SUBMISSION AND PRELIMINARY SCREENING

1) Online Form Submission

As a first step in the admissions process of incubation and virtual incubation, the prospective Promoter/candidate should submit an Online Application through our website along with the business plan, Certificate of incorporation and Memorandum & Articles of Association, Infrastructure required and Justification for choosing AICF for incubation support. AICF then shall present the executive summary to the Selection Committee (SC) for comments on technical and business feasibility of the idea.

In case of pre-incubation, applicant should submit a pre-incubation Application through our website containing all mandatory details. AICF shall present the proposal to an SC for comments on actual need of pre-incubation services for the idea.

The applicant must give all necessary details as indicated in the online application form. Incomplete applications forms will not be considered for screening.

2) Preliminary screening

The online application submitted by the applicant will undergo a preliminary screening procedure to assess the eligibility based on criteria listed above as per AICF Policy. Preliminary screening process will also involve a due diligence on the information submitted by the start-up with regards to authenticity of the information, IP/Know-how ownership, legal status of start-up (if incorporated already) etc. The preliminary screening will be done by internal screening committee of AICF formed by the Director, AICF.

3) Evaluation of Business Proposal

“Selection Committee” at AICF will evaluate the business proposal for nature of business model, level of product/service innovation, market size, idea feasibility and scaling potential, pre-revenue evaluation of the company and financial structure and revenue model.

The evaluation criteria would include the following:

- Product idea in terms of its technology content, innovation, timeliness and market potential.
- Profile of the core team/ promoters.
- Intellectual Property generated and the potential of the idea for IP creation.
- Financial/ Commercial Viability and 5-year projections of P&L, Balance Sheet and Cash Flows.
- Funds requirement and viability of raising finance.
- Time to market.
- Break-even period.
- Commercial potential, demand and requirement in India.
- Scalability.

STAGE 02- FINAL PITCHING, SELECTION AND INDUCTION

1) Invitation for Final Pitch Presentation

Based on the recommendations of the “Selection Committee” at AICF, shortlisted start-ups will be invited to give a final pitch presentation before the “Selection Committee”- constituted by Director, Governing Council at AICF.

The presentation will be followed by Q&A session. After the presentation, a final decision will be made regarding the acceptance of the company as a start-up. The presentation through video conferencing is also permitted.

2) Recommending Start-up for the Incubation Program

The “Selection Committee” will recommend start-ups for the Incubation Program at AICF based on evaluation of the business proposal for complexity of venture & level of required effort, market capitalization, financial need, timeline of growth and risk & reward analysis.

3) Invitation to discuss the Requirements & Incubation Agreement

The start-ups recommended by the “Selection Committee” for the Incubation Program at AICF will be invited to discuss the terms of ‘Incubation Agreement’ under which incubation support will be provided to start-ups by AICF. The requirement of physical or virtual support, support towards services required by start-up, rent details, royalty rates, legal compliance, exit terms and NDA requirements will be discussed.

STAGE 03- INDUCTION INTO THE INCUBATION PROGRAM

Once start-up agrees to the terms of ‘Incubation Agreement’ and executes the agreement, they will be inducted into the Incubation Program of AICF and can start using the facilities available at AICF.

Research & Due Diligence:

Throughout the application process, on need basis, AICF will perform research and due diligence of the company, management team, industry, and current and future competitive elements facing the business. AICF may seek further information from the applicant and may ask the applicant to revise the executive summary and/or presentation.

Non-Disclosure:

AICF will strictly adhere to confidentiality throughout the application process. However, AICF will not sign any 'non-disclosure' agreements.

5. SERVICES PROVIDED BY AICF-

Office Infrastructure- (Not for virtually incubated startups)

Upon admission to AICF, the following facilities will be offered to the incubate companies on an individual basis:

1. Office space
2. Computers – up to two on rental basis. More than two can be availed at market rates.
3. Internet connection
4. Phone connection– Each company will pay the rentals and bills
5. Standard Furniture as decided by AICF.

Note- Pre-incubated innovations will get co-working space instead of office space

Common infrastructure: AICF provides a common pool of hard and soft infrastructure to be shared by all incubate promoters. Following resources are provided:

1. Multi-functional printer (Photocopying, printing and scanning)
2. LCD Projector
3. Meeting/Conference room with projection equipment
4. Tele or Video conferencing facilities
5. Pantry

Institute infrastructure:

AICF will facilitate access to institute infrastructure/Library/Laboratories as per the norms of GECA.

Mentorship Program-

Incubator will connect incubatees with sector and project relevant Mentors who will be experts and business leaders in the particular domains. An incubated company may be provided, based on demand, with a faculty advisor as a mentor on technology issues. But pre-incubated company must have to take a faculty advisor from GECA as a mentor on technology issues.

Investor Connect-

Learn pitching and raise funds successfully. Networking opportunities and get chance to pitch in front of Angel Investors and Venture Capital Firms.

Lab and Testing Infrastructure-

Get access to the laboratory infrastructure at AICF for developing and testing prototypes in Automation, Renewable Energy Tech, Water Resource Engineering, Agro Tech and allied sectors.

Entrepreneurship Training-

Training and Workshops focusing on various aspects of building sustainable and successful start-ups including business planning, marketing, diligence, funding and scale up. Incubated companies will get special discounts on Minor Certification Course in Entrepreneurship Development.

Internship and Recruitment Connect-

Explore possibilities of hiring interns and team members from a rich ecosystem of highly trained graduates and post-graduates from GECA and associated academic institutions. Also, to provide support in management, incubates will be assigned an MBA student, if desired.

Legal and IP Support-

Get access to high quality legal advisory from service partners and IP services to protect your technology and product. AICF may associate with professionals for accounting, IP, legal and management expertise on a part-time basis. Incubate promoters can avail of their services. Any direct services provided to incubate would have to be paid by incubate to the service provider.

Business and Finance Advisory-

Create investible business plans and get advice on financial planning from seasoned Entrepreneurs and Industry Leaders.

6. PERIOD OF INCUBATION-

Pre-incubated startup will be permitted to stay in the incubator for a period of maximum 6 months. Additional two months extension may be granted at the sole discretion of AICF depending upon the performance of startup.

Incubated startup (Physical or virtual) will be permitted to stay in the incubator for a period of maximum two years. Maximum two extensions may be granted for 6 months each at a time at the sole discretion of the AICF.

Exit-

An incubated company may be asked to leave the incubator under the following circumstances:

- a) Completion of period of incubation as per agreement. (if not extended)
- b) Underperformance or non-viability of business proposition as decided by Internal Review Committee of AICF on case to case basis.
- c) When the annual turnover of the company exceeds INR 5 cr., or as stated by the Government of India.
- d) Irresolvable promoter's disputes as decided by AICF on a case to case basis.
- e) Violation of GECA's policy.
- f) When the 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.
- g) Change in promoters'/ founders' team without concurrence of AICF.
- h) Any other reason for which AICF or GECA may find it necessary for an incubated company to leave.

Notwithstanding anything written elsewhere, AICF's decision in connection with the exit of an incubated company/startup shall be final and shall not be disputed by any company/startup.

7. PERIODIC ASSESSMENT-

Periodic assessment would be carried out by Internal Review Committee (IRC) and vary depending on the stage of incubation the company is in. The incubate startup company has to submit a yearly audited statement of profit and loss account and unaudited quarterly statement about the activities. And pre-incubated startup has to submit quarterly performance review report. However, incubate may be asked to provide more frequent updates to AICF.

Some representative criteria for evaluation are as follows:

- (a) Ideation / Innovation stage
 - Background of entrepreneurs/ team
 - Concept development / Opportunity spotting
 - Product Development
 - Market assessment / Competition analysis
 - First level Business Planning / Business Modelling
 - Intellectual Property Protection
 - Seed Funding

- (b) Pre-Market Stage
 - Proof of Concept/ Prototyping
 - Product Development and enhancement
 - Financial Health
 - Test marketing
 - Full scale business planning including production, sales and sourcing

- (c) Implementation Stage
 - Full scale Business Planning
 - Pitching for Venture Funding
 - Scaling up operations
 - Large scale commercialization
 - Team Formation

- (d) Exit stage
 - Going National / Global
 - Exit options for AICF
 - Full scale business Graduation
 - Post incubation Survival

Compliances as laid down by the Companies Act 2013 are binding on the Incubate promoters. Incubated companies will give a quarterly report on the compliances adhered as laid down in the Companies Act.

Non Compliance of the same would liable to penalty/strict action by the AICF as following-

- Non Adherence to the first warning of the non-compliance by the said Incubated Company will attract penalty of Rs. 1000 which will be billed with the facilities due.
- An action against the Non Adherence to the second warning by the Incubated Company will make the Company ineligible to apply for any funding at AICF.
- An action against the Non Adherence to the third warning in the form of notice to vacate the premises allotted to them and may result in end of incubation

8. INTELLECTUAL PROPERTY-

Startup promoters should fill an IP declaration worksheet at the time of admission and declare the Intellectual Property developed and owned by the incubate promoter.

1. In case the incubate company is desirous of using the Intellectual Property of GECA like patent, software code, copyright, design registration, developed product, etc. Then the company shall make such request in writing to AICF. The terms and conditions for such IP licensing shall be decided by the Institute.
2. The promoter shall inform if any students have worked on the technology and if their work will be incorporated in the product(s).
3. The promoter shall inform if any IP has been generated as a result of collaborative work with faculty members (who are not promoters) is being incorporated into the product(s).
4. The promoter shall inform if any GECA infrastructure (Hardware, testing setup, instrumentation, computing resources, processes) has been used in developing the IP or technology that will go into the product(s).
5. The promoter shall inform (if any) about any agreement with GECA that the IP has been assigned to the company for commercialization.

The incubatee would maintain a register with the details of any IP (patents, licenses, copyrights etc.) that has been brought into the company prior or during their incubation at AICF. Also, any IP developed during the stay would be maintained in the register.

Notwithstanding anything written above, Intellectual Property Rights will be governed by the AICF and GECA.

9. SEED FUNDING-

AICF may provide seed fund/loan subject to the availability of funds/ grants/ schemes meant for this purpose. Seed fund/loan will be sanctioned only to the registered companies and shall be based on merits of each company. Further, admission to AICF shall not automatically entitle the promoters to seed fund/loan.

A promoter desirous of getting seed fund/loan may submit an application for seed fund after three months from the date of admission in AICF. Sanction of seed loan will be decided based on the eligibility criteria as decided by AICF. Information regarding available seed fund/loan will be provided only to the incubated startups.

AICF will have sole discretion to sanction or reject an application for seed loan and the decision of AICF in this regard shall be final. AICF 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, disbursement shall be subject to satisfaction of Internal review Committee (IRC), that suitable progress has been made.

Notwithstanding anything contrary contained herein the Seed fund sanction and disbursal shall be governed by Governing Council of AICF.

10. CONSIDERATION-

AICF will charge for infrastructure and services from the incubated startups while pre-incubation facilities are free of cost.

This payment would be in the form of service charges and equity share as per following details.

- For physical incubation- Recommended fee of INR 1000.00/2 persons/month and 2 to 9.5 percent equity (subject to approval of Governing Council of AICF, fee may be reduced or waived-off based on status of applicant)
- For Women entrepreneurs and Differently abled entrepreneurs- Recommended fee of INR 800.00/2 persons/month and 2 to 9.5 percent equity (subject to approval of Governing Council of AICF, fee may be reduced or waived-off based on status of applicant)
- For virtual incubation- Recommended fee of INR 600.00/2 persons/month and 2 to 9.5 percent equity (subject to approval of Governing Council of AICF, fee may be reduced or waived-off based on status of applicant)

However, AICF may at its discretion revise the rates from time to time.

11. AGREEMENTS-

All incubate shall to enter into following agreements as per decided after discussion with Governing Council of AICF:

- A. Incubation Agreement with AICF: Containing rules and other incubation norms, consideration, equity holding, etc. (Applicable to all except pre-incubated startups)
- B. Seed-Fund/loan Agreement with AICF: Containing rules of disbursement and repayment. (Applicable to incubated startup/company availing seed-fund/loan)
- C. Technology Commercialization Agreement with GECA: Applicable to incubate using technology or IP developed by Government College of Engineering, Aurangabad (Autonomous).

12. CONFLICTS OF INTERESTS-

Certain situations leading to conflict of interests are explained herein below. However, the list is not exhaustive, and hence situations having actual or potentials for conflicts of interest though not covered in this document will nonetheless be subject to this policy.

- (a) AICF or GECA member is able to influence a departmental decision for acquisition of laboratory and other equipment which could benefit an incubated startup/company in which he/ she is an interested person.
- (b) GECA member in a position to circumvent prevailing policies for making use of GECA's facilities for the benefit of an incubated startup/company in which he/ she is an interested person.
- (c) GECA member in a position to make use of the suppliers and service providers of GECA for undue advantage of an incubated startup/company in which he/ she is an interested person.
- (d) GECA member procures consultancy assignments or other business in name of GECA and outsources them to the incubated startup/company in which he/ she is an interested person.
- (e) AICF or GECA member in a position to influence policy decisions of AICF or GECA with an intention to benefit an incubated startup/company in which he is an interested person.
- (f) Use of GECA students or employees to perform a work for an incubated startup/company without any compensation when the work is not related in any way for their academic pursuits.
- (g) A person who is interested in one incubated startup/company and involved in a decision-making process also affecting other incubated startup/companies leads to situation of conflict of interest.
- (h) When an incubated startup/company, its promoters, employees and staff or any interested person acts in manner to benefit the incubated startup/company at the disadvantage of AICF or GECA.
- (i) An incubated startup/company, its employees and its staff having access to AICF or GECA resources are in position to exploit them by bypassing AICF's or GECA's policies.

- (j) When AICF or GECA members are neglecting their respective commitments to AICF or GECA for their association with incubated startup/companies.
- (k) AICF employees and associates are in position to use sensitive information pertaining to incubated startup/companies for their personal advantage.
- (l) Conflict of interest of any sort not limited to blood relations, spouse, etc. should be avoided.

13. DISCLAIMER-

The pre-incubated/incubated startup/company must understand and acknowledge that AICF intends to provide supports and services to the Company in good faith to pursue its objective to promote entrepreneurship by converting innovative technologies developed to commercialization by incubating and supporting new enterprises. It is understood that by agreeing to provide various supports and services, AICF does not undertake responsibility for:


- (a) Ensuring success of an incubated startup/company, its products/ process/ services or marketability,
- (b) Ensuring quality of support and services provided by AICF to the complete satisfaction of the incubated startup/companies or their promoters/founders.
- (c) Ensuring quality of services of the consultants engaged by the incubated startup/companies through AICF network. Incubated startup/companies will have to apply their judgments before getting in to a relationship with them.
- (d) The incubated startup/companies agree that AICF or their employees shall not be held liable for any reason on account of the above.
- (e) AICF does not guarantee success and/or feasibility of the technology transferred from the Institute. GECA or any person representing them shall not be liable for any acts or omissions of the incubated company.

The above policy is subject to periodical review and amendment at any time.


Any/all disputed between the parties shall be referred for arbitration to the Director, AICF or person so nominated by him/her, whose decision will be final and binding upon the parties. The place of arbitration shall be Aurangabad.

Date- 27th August 2021

Place- Aurangabad


Dr. Pranesh Murnal
Director, AICF


Mr. Vivek Bhonsle
Director, AICF


Smt. Sushama Agrawal
Faculty Co-ordinator, AICF


Dr. Shilpa Kabra
Faculty Co-coordinator, AICF


Mr. Krushna Amilkanthwar
Incubation Manager, AICF