

Virtual and Co-Working Incubation Guidelines In MGUIF

Under the IT & Startup Policy 2022, MGUIF has taken various steps to strengthen the startup ecosystem and promote startups across the state. As per the current process followed, incentives stated in the policy for startups are routed through the incubators.

1. INCUBATION PROCESS

A. Pre Incubation Process

- Enquiry
- Application
- Screening
- Incubation Committee
- Formalisation

B. Post Incubation Process

1. Mature startups may apply for independent shared space incubation and working towards innovation, development or improvement of products or process or services or if it is a scalable business model with potential of employment generation or wealth creation.
2. Up to a period of ten years from the date of incorporation/ registration, if it is incorporated as a private limited company (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 ,2018) in India.
3. **Admission** to MGUIF involves: submit an e-application, screening (proposals are examined with technical team or Incubation Committee) and a final approval by an Incubation Committee. An Agreement is executed to

commence formal incubation under MGUIF. Incubation support is offered for 11 months.

Active Support to company from MGUIF

- permission to use branding in the form of “Incubated by MGUIF
- advice pertaining to legal and commercial IPR transactions,
- office and operational space,
- permission to use laboratories, workshop facilities and equipment,
- logistics support,
- business management advice,
- networking support,
- mentoring,
- seed-fund when possible,
- monitoring,

Virtual Incubation Rent and policy

May be a concept of incubation that gives a chance to an incubatee to use MGUIF as a platform for developing innovative business solutions without being physically located at MGUIF premises. Virtual incubates like students from MGU has only need to pay 8000/-+GST for eleven months and the incubates apart from MGU need to pay 10,000+GST for eleven months. One time payment system are only allowed for virtual incubates. Through this scheme, the virtual incubatee utilizes the intellectual resources of MGUIF with its concomitant financial benefits. And, the school and students are exposed to the numerous business environments.

CO-Working Space-Rent and Policy

For Co-working space need to pay 3000/-+GST, 500/- for mail handling and 500/- for using systems. If Companies are demented more than 2 seats, the rent will change based on square feet/Cubicle. At the time admission for blocking the seat need to pay Three times of rent as Deposit for 11 months and every year there is a 5% increase in rent as well

1. ELIGABILITY

Applications for admission will be prepared within the name of registered unlisted companies within the meaning of the Company Act, 2013. If a corporation has not been registered, an application could also be made within the names of all promoters/ founders; however, the promoters/ founders must make sure that the corporate is registered within a period of three months from the date of approval of the appliance for admission in MGUIF.

2. ADMISSION PROCESS

The admission process could also be of the subsequent nature –

- a) Select the Talent - Incubate- Graduate
- b) Select the thought - test the thought -market feasibility- business plan -start the venture - arrange for seed fund- mentorship program- incubate the start-up-graduate, OR
- c) Select the new technology-refine and upgrade the technology- correlate with the entrepreneur- mentor -incubate-graduate.

At the opening level, the potential incubates for admission in MGUIF Business Incubation Centre will be required to submit an application. Upon affirmative preliminary assessment, applicants will have to submit a detailed proposal consisting of

Business Plan for the first Eleven months of the incubation period. The business plan should include: company description, value proposition, products and services, market and competition analysis, revenue model, milestones and timelines, development and marketing plan, organizational structure, core team, risk analysis, funding requirements and projected financials. Applicants may provide additional information which may help in the assessment of their proposal.

ii. A company is proposed to be promoted/ founded with the Details of IP/ technology. In case the IP/ technology is developed at MGUIF, a copy of letter of approval from MGUIF for transfer of / licensing of/ permission to use IP in favor of prospective incubatee companies. Based on the documents submitted, the Business Plan will be screened by the MGUIF team for assessing the suitability of

the proposal for further evaluation by expert members regarding its potential for incubation. Detailed scrutiny including financial and technical due diligence of the proposal shall then be administered by the expert members for evaluation of the proposal. Some special criteria to be applied for evaluation (but not limited to these):

- i. Potential of the product in terms of its technology content, innovation, timeliness and market condition.
- ii. IP already generated and the potential of the idea for IP creation
- iii. Strength of the core team.
- iv. Funds requirement and viability of raising finance
- v. Time to market
- vi. Break-even period the expert members would be invited/ identified counting on the character of the proposal. Applicants could also be invited with their teams to form a presentation on their proposal. In order to enable the expert members to require an appropriate decision, members may invite any additional information from the applicants and/or revision within the proposal. Submissions to MGUIF will be kept Confidential. MGUIF will have a sole discretion whether to admit or reject a proposal for incubation and therefore the decision of MGUIF in this regard shall be final. MGUIF is not bound to give any reason in case a proposal is rejected.

4. INFRASTRUCTURE

Upon admission to MGUIF, the subsequent infrastructural facilities are going to be offered to the incubated companies on a private basis, aside from a group of shared/ common infrastructure mentioned hereinafter: a. Office space b. Internet connection c. Personal Computers (as per availability) All these facilities are going to be provided by MGUIF on a pay-per-use basis. Each incubate will need to pay the monthly rent (as decided by MGUIF) and bills for facilities and physical infrastructure provided. Subject to availability, an incubatee could also be given extra infrastructural facilities, requested for within the application form aside from mentioned above, on a pay-per-use basis. An incubatee won't be allowed to use any

infrastructural facility that he/she doesn't indicate on the appliance form. If the is unable to supply all requested facilities, then it'll inform the applicant before the commencement of the time period .While the incubatee will try its best to supply the mentioned/requested for infrastructural facilities to its incubatees . Incubatees can't be legally held liable for failure to try to to so. If so desired by the incubatee, incubator will allow access to other departmental laboratories and other resources of MGUIF for his or her products development purposes. However, this may be wiped out how to avoid clashes with the traditional course structure of the concerned discipline. Further usage of such resources shall get on commercial basis and in conformity with the policies of MGUIF. On the completion of the incubation or when the Resident company leaves the MGUIF business incubation centre thanks to the other reason, all the furniture, space and the other facilities provided shall be surrendered to MGUIF in fitness (after allowing normal wear and tear within the case of equipments). All costs incurred for such restoration to fitness shall be borne by the resident company and just in case MGUIF has got to incur any longer expenditure to urge the equipment or the space back to fitness then an equivalent shall be recovered from the resident company and/or its directors or promoters. All dues should be cleared by the resident company before it leaves the incubation otherwise, all outstanding dues shall be recovered from the corporate or its directors and/or promoters. Apart from company specific infrastructure as stated above, MGUIF will provide certain facilities be shared by all incubatee companies which might include:

- Printers
- Photocopier
- Scanner
- Teleconferencing facilities
- Meeting/Conference room with projection equipment
- Pantry facilities
- Recreational facilities
- Electricity

4. SERVICES

In addition to physical infrastructure, MGUIF intends to supply other support and services including:

- i. Company registration and filings
- ii. Accounting services
- iii. HR services
- iv. Legal
- v. property (Copyrights, Trade Marks, Patent) filings
- vi. Training/Conferences/Workshops
 - a. Training in business management: structured short courses
 - b. Training in business communication: written also as verbal
 Governmental Agency funding
- vii. Networking and linkages with MGUIF Alumni for mentorship, funding, technical expertise and market access Venture capitalists/Angels/Investors Introductions
- viii. Meetings with visitors of MGUIF(such as alumni, industry professionals) Showcasing MGUIF incubated companies through networking, events, entrepreneurship meets.

5. MENTORS

Mentors stand to realize the satisfaction of creating a difference in fledgling entrepreneurs' life and contributing back to the society. Additionally, they also get to stay in-tuned with new technologies, people, and networks by working with the young entrepreneurs. Faculty mentoring are going to be available on a pay-per-use basis as are going to be industry mentoring which can be arranged by Incubator.

6. PERIOD OF INCUBATION AND EXIT (GRADUATION)

MGUIF, by default, will allow a period of incubation of Eleven months. This will be extended to Seventeen months on approval from the MGUIF. After Seventeen months, if the incubatee wishes, he/she can continue at MGUIF for 6 more months by paying running costs – this being subject to approval from MGUIF. After this era, the incubatee are going to be obliged to exit the incubator. Incubatee firms/companies may graduate from the MGUIF under the subsequent circumstances:

- a. Raising substantial investment (Rs. 50 lakhs or more) from sources like angel investor/ risk capital Fund /any other investor.

- b. Completion of tenure, unless stay is extended by MGUIF.
- c. Underperformance or unavailability of the business proposition: criteria for this may be decided and applied by the MGUIF on a case by case basis.
- d. Irresolvable disputes between promoters/ founders, or the other circumstances where MGUIF finds it necessary for the incubatee to go away.
- e. Number of employees of the firm/company if crosses 20.
- f. Annual revenues of the firm/company if crosses Rs. 25 lakhs or firm/company or achieves a Profit Before Tax of Rs. 25 Lakhs or more
- g. Firm/Company enters in a purchase, merger or amalgamation or reorganization deal leading to a considerable change in firm's/company's profile, promoters, directors, partners or shareholders, products or business plans, or firm/company plans for a public issue Decisions regarding graduation or further extension to tenure are going to be made on a case by case basis by the IC management supported the above considerations

7. PERIODIC ASSESSMENT MGUIF

Will evaluate the performance of incubatee companies, who are going to be required to submit information on a quarterly basis during a prescribed format. Additionally, incubatee companies can also be subject to annual assessments. The MGUIF business incubation committee can also reserve other criteria because it deems fit, to gauge the performance of the incubatee. MGUIF reserves the proper to terminate the time period of an incubatee, if his/her performance evaluation report is unsatisfactory.

8. INFORMATION SUBMISSION

Incubated companies will submit information to MGUIF about all material changes or developments happening in their companies from time to time. Such information might be (but not limited to) change in name only of the company, change in business or product profile, change in directors, promoters or shareholders, acquisition of a replacement office, additional equity or debt investments. Prior concurrence of MGUIF should be obtained for effecting such changes.

9. DISTRIBUTION (REVENUE)

Will take stake in the revenue generated by the incubatee for the services rendered towards him. The service model proposed is distribution (5%) with the potential incubates for a period of three years from the date of graduation.

10. RULES

- All incubatees are required to watch health and safety standards. No hazardous material are often brought inside the complex without the prior approval of MGUIF. All the incubatees are required to stay a primary aid kit in their modules.
- Incubatees should always inform the institute about any visitor from abroad, foreign collaboration and/or foreign partner/director, and abide by the rules/procedures hip within the Institute.
- No incubatee or its employee can display notices or signage except on the provided notice boards and therefore the space provided for such signage.
- Incubatee should always maintain the noise levels at minimum and, no abnormal noise by any machine or by their employees or visitors should be made. Any complaint of high background level will end in appropriate action by MGUIF.
- Subleasing of any quite the space given at MGUIF isn't allowed. Non-observance of this rule will end in immediate expulsion.

- No routine sales/marketing operation are going to be permitted from the MGUIF.
- Incubatee may use internet and PC facility for business purposes only.

11. CONFLICTS OF INTEREST AND CONFIDENTIALITY

When an individual plays two separate roles in two different positions and he/she uses one position for his/ her personal benefit within the other role, a situation resulting in conflict of interest arises. MGUIF will strive for keeping harmony in between its board members, employees, mentors, consultants, affiliates, incubatee companies, 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 during a transparent manner, and MGUIF considers full voluntary disclosure

because the best mechanism for managing conflicts of interest. Since situations resulting in conflict of interests are inevitable, it's expected that the interested persons follow transparency in their actions supported full disclosure of relevant information by them. Following guidelines are suggested for management of actual or potential conflict of interests and to deal with disputes arising out of conflict of interests and maintenance of confidentiality: i. Appropriate disclosure of the conflicting situations involved during a decision or transaction ii. Abstaining from participating in deciding process or transactions involving such situations iii. Obtaining appropriate approvals to avoid conflicts iv. Reporting of the breach of the policy without deliberate intention or knowledge. A committee could also be found out by MGUIF to resolve any dispute over such situation causing conflicts of interests. Further during the method of incubation, certain proprietary information can also be exchanged between various parties which are of confidential or sensitive nature. The confidentiality of such information must be maintained.

12. AGREEMENTS

The agreements which are required to be signed by the firms/companies (or individuals) to the extent applicable are as follows: i. Service Agreement- Between MGUIF and Incubatee company for admission of the corporate to MGUIF ii. Equity Agreement- between MGUIF and Incubatee Company for MGUIF equity holding within the Incubatee company iii. Transfer of Technology/Technology License Agreement- Between MGUIF & an incubatee company for transfer of technology from MGUIF in favour of incubatee companies iv. Usage of Host Institution Lab Resources-Between MGUIF & an incubatee company for usage of departmental resources of MGUIF by the incubatee company as per the prevailing policy of MGUIF

13. DISCLAIMER

The incubatee company will understand and acknowledge that MGUIF intends to supply supports and services to the corporate in straightness to pursue its objective to market entrepreneurship by converting innovative technologies developed within the Institute to commercialization by incubating and supporting new enterprises. it's understood that by agreeing to supply various supports and

services, MGUIF doesn't undertake responsibility for Successful implementation of an incubatee company, its products/ process/ services or marketability.

Reference: IIT Madras, KSUM

Thank you!
