

START-UP POLICY AT NIIC

(Nirmala Innovations and Incubation Centre)

In order to secure the status of an incubated firm at NIIC one needs to fill a formal application form. Once the application form is received it will be evaluated by Institutional NISP (National Institutional Start-up Policy) Committee members comprising of business promoters and technical experts. Upon completion of the initial screening process the applicant shall be contacted by the NISP Coordinator of NIIC to let the applicant know whether the application has been selected for the second stage or not. If our NISP Committee members consider the proposed business idea/plan to be viable and believes in our contributory role in establishing the business venture and to make it successful then we shall move forward in our venture with a formal meeting to discuss in detail about business idea and type of support the applicants are seeking. We expect to discuss the detailed feasibility study/major milestones along with a formal presentation on the way you wish to proceed with the venture. The next step involves the deliberation of the business idea with our senior management for their approval. Subsequently, a formal letter would be sent from NIIC informing the applicant about the final outcome of the application.

On successful completion of the above selection process we propose an agreement with the applicant that clearly defines the terms and conditions of our relationship with the firm for the period of stay at our facility in NIIC. Signing of agreement must be completed before allotment of the office space.

During the initial period of seven months the firm will be probationary and would be recognized in the pre-incubation phase. During this period we support the incubatees in establishing a fully operational business unit and monitor the development of the venture. On successful completion of the pre-incubation period, if the firm shows a strong resolve and signs of maturity as expected in the venture, then the status of the firm would upgrade to a incubating firm. We would be expecting a firm to reach its full potential by the end of third year (including the pre-incubation period) and provide assistance to the firm in stepping into the open market or to the next level at NIIC.

Ideally, the firm has to graduate out after successful completion of its incubation period at NIIC.

Incubation Policy and Policy Objectives

The goal of NIIC at Nirmala College of Pharmacy, Mangalagiri is to promote skill and technology based entrepreneurship and thereby facilitates practical application of the generated knowledge for public use after paying due attention to the Intellectual Property developed. NIIC- Nirmala College of Pharmacy wishes to provide the platform for development of ideas and inventions with a primary aim of benefit to the society. In this regard, NIIC- Nirmala College of Pharmacy, Mangalagiri has adopted this Incubation and Start-up Policy to provide guidance and promote entrepreneurship for the benefit of the society.

The scope of this document is to clearly define the rules, regulations and policies for the smooth functioning of NIIC at Nirmala College of Pharmacy, Mangalagiri. It covers the following processes:

1. Eligibility

The admission to NIIC can be in any one of the following categories:

CATEGORY 1:

Faculty, academic staff and students of Nirmala College of Pharmacy, Mangalagiri having the strong intent of trying out a novel skill/technological idea for up-scaling it to a commercial option, upgrading a proof of concept research, and establishing a skill/technology business venture qualify for a pre-incubation project. Ideally, it is expected that the innovator would like to apply for a patent and commercialize the technology and would move to the next level within a year from starting pre-incubation.

CATEGORY 2:

Technology/Skill Development based Start-up Company promoted by a first time entrepreneur desirous of forging R&D collaborations with the institute (NIIC, Nirmala College of Pharmacy, Mangalagiri) or a company, with an aim of commercializing a novel technological idea/product, scaling up a proven concept or proof of concept and establishing a technology business enterprise. The eligibility conditions for admission to NIIC for Category 2 are as follows:

- NIIC is open to the faculty, staff, alumni and students of Nirmala College of Pharmacy, Mangalagiri. NIIC would also welcome individual entrepreneurs from outside Nirmala College of Pharmacy, Mangalagiri.
- A company has to register itself with RoC (Registrar of Companies) to be incubated in NIIC (except Category 1). A company not registered with RoC (Proprietorship or Partnership) would have to complete it within 6 months of admission to NIIC or before the release of seed fund/grant, whichever is earlier. A company can exist as a private limited company, proprietorship or partnership before it is admitted into NIIC.
- NIIC would admit only technology/product based companies in pharmaceuticals, biotechnology, engineering discipline and service providing sectors. Acceptable business would involve innovative product, technology-based product, idea or service.
- Realistic and demonstrated significant growth of financial revenues should be observed within the initial five to seven years. The business plan has to be presented and submitted before the NISP Committee during the application phase.

CATEGORY 3:

Technology/ R&D unit of an existing small/ medium scale enterprise, industry association or an R&D company who desires to have a close technology interface with NIIC, Nirmala College of Pharmacy, Mangalagiri. The subsequent details of this policy are as applicable to Category 2 incubation projects.

Category 3 projects would be governed by individual contract with the specific company on a one to one basis.

2. Admission Process

The following admission process would be followed:

STAGE-1: SUBMIT SUMMARY REPORT / BUSINESS PLAN:

The first step in the admissions process, involves the evaluation of the executive summary report or the business plan submitted by the prospective company. NIIC will scrutinize the executive summary/business plan and decide on the feasibility of the proposal based on the advice of the internal review committee. NIIC does not ask for the submission of a final business plan for Category I applicants, but the incubator must receive a written declaration from the company's founders that they have thoroughly gone through the submitted business plan and have addressed all the issues that could otherwise have an impact on the overall progress and success of the business venture. Category II and III companies should compulsorily submit the business plan along with the application.

STAGE- 2: PRESENTATION BEFORE THE NIIC:

If the outcome of the initial evaluation of the business plan / executive summary is positive, NIIC will facilitate a meeting at NIIC with the representatives or founders of the company founders, during which the company will be expected to present its business plan with the help of a PowerPoint presentation describing and highlighting the critical aspects of the business plan before an evaluation committee. The presentation will be followed by questions from the evaluation committee. The final decision regarding the company's entry would be carried out within a week after the presentation and the company would be informed regarding the same.

RESEARCH & DUE DILIGENCE:

Throughout the application process, or as of when deemed necessary, NIIC will perform evaluation of research and due diligence of the company, its employees, the management committee members and help in identifying the appropriate industry, and assess the current and future competition faced by the business. NIIC may require additional information from the applicant, and may ask the applicant to resubmit the revised executive summary and/or presentation wherever deemed necessary.

NON-DISCLOSURE:

NIIC-Nirmala College of Pharmacy, Mangalagiri would strictly adhere to utmost confidentiality throughout the application process. However, NIIC-Nirmala College of Pharmacy will not sign any "**non-disclosure**" agreements.

DURATION OF APPROVAL PROCESS:

The duration of the approval process can take as long as six weeks. The duration of the approval process mainly depends on the preparedness of the prospective company. After successful completion of the admission process, the applicant would be informed about the appropriate time when they could move-in date.

DOCUMENTS REQUIRED:

A company desirous of being incubated in NIIC should submit the following documents:

1. Business Plan/ Executive Summary
2. Intellectual Property Component (declare in a worksheet)
3. Application for seed fund/grant (Only if required)
4. Detailed statement of infrastructure requirements

5. The details expected are – electrical load (in kV), power back up, office space (in sq meter), number of PCs (maximum of 5), any special lab/facility required, if the proposed company wants to be closely associated with any lab in the institute, furniture requirements, Telephone, Internet connectivity and alike. R&D Support required from NIIC-Nirmala College of Pharmacy, Mangalagiri, if any.

6. Statement of Purpose (what benefits and values does the company see from getting incubated in NIIC-Nirmala College of Pharmacy, Mangalagiri)

7. Schedule – proposed date of moving in and expected duration of stay

8. Memorandum of Association and Articles of Association (if the company has already been formed, otherwise needs to be submitted within 30 days from the starting date of incubation)

EVALUATION CRITERIA:

The following are some of the representative criteria for evaluation however, not limited to these:

1. Feasibility of the product idea in terms of its technology content, innovation, timeliness and market potential
2. Profile of the team members and its promoters
3. Intellectual Property generated and the market potential of the idea for IP Creation.
4. Financial Viability and sustainability with proposed projections for the next five years with respect to Profit & Loss, Balance Sheet and Cash movements.
5. Funds requirement and sources of raising finance
6. Time to market

7. Break-even duration

3. Infrastructure and Services provided to incubates

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

- Office space: Varies depending upon requirement
- Internet connection
- Phone (Intercom) – Bills generated have to be borne by the company
- Furniture

COMMON INFRASTRUCTURE to be shared by all incubatee companies:

- Fax machine — Photocopying machine
- Library
- Meeting/Conference room with projection equipment

INSTITUTE INFRASTRUCTURE:

NIIC will facilitate access to institute infrastructure as per norms of Nirmala College of Pharmacy, Mangalagiri.

SERVICES:

NIIC will associate with professionals for accounting, IP, legal and management expertise on a part-time basis. Incubating companies can avail these services. Mentoring and advisory services would be provided on request.

MARKET RESEARCH AND CONSULTING:

NIIC partner organizations provide consulting and market research services to incubatees. Services may include:

- Market research and analysis
- Valuation of Businesses

- Competitor Research
- Marketing plan formulation
- Regulatory assessment
- Consulting on strategies at various stages: Launch, Growth and Harvest of businesses.
- Any cost associated with any specialized consultancy work for a specific company has to be paid for by the incubatee directly.

4. Period of Incubation/ Exit

Companies will be permitted to stay in the incubator for a period of three years. Further extensions of 1 year may be granted with an evaluation by the Advisory Committee of NIIC fixed after 6 months.

EXIT:

An Incubatee company will leave the incubator under the following circumstances:

- Upon Completion of three year's of stay (if no extension sought or granted)
- Below par performance or loss of viability of business proposition as decided by NIIC advisory committee.
- Irresolvable promoters' disputes as observed by NIIC
- Gross Violation of any NIIC policy or misconduct.
- Sourcing substantial investment
- If the recruitment of employees of the incubatee exceeds as proposed and without approval from NIIC.
- Annual revenues of the incubatee or the Profit After Tax exceeds a certain value as decided by the NIIC committee.
- When the company participates in any contract or deal, change of ownership or stakeholders without the knowledge of NIIC
- Incubatee goes ahead with a public issue
- Any change of more than 50% of equity ownership would require a prior approval of NIIC

- Any other disciplinary reason for which NIIC may find it necessary for an incubatee company to leave. NIIC's decision in connection with the exit of an incubatee company shall be final and shall not be disputed by any incubatee company.

5. Intellectual Property evaluation

Promoters should submit an IP declaration worksheet at the time of admission. If some NIIC or Nirmala College of Pharmacy IP is being used, the worksheet should contain the following details.

- Intellectual Property that is being transferred from NIIC to the company. E.g., patent, software code, copyright, design registration, developed product, and alike.
- If any NIIC seed grants have been used in developing the technology which will be incorporated into the product(s) of the proposed company.
- If any students have contributed on the technology and if their work will be incorporated in the product(s).
- If funds from Government agencies (DST, MIT, BNRS, DBT) have been used in the development of technology. If yes, details in terms of sharing the IP.
- If collaborative work with faculty members of the College (who are not promoters) is being incorporated into the product(s).
- If any NIIC infrastructure (Testing setup, instrumentation, computing resources, processes) has been used in developing the technology that will be chargeable to the users.
- If any consultancy projects were executed in the proposed area; An agreement with NIIC that the IP has been assigned to the company for commercialization.

The incubatee would record the details of any IP (patents, licenses, copyrights etc.) that has been brought into the company prior or during their stay at NIIC. Also, any IP developed during the period stay should reflect appropriately in the record/register.

Notwithstanding anything written above, Intellectual Property Rights will be governed by the Intellectual Property Policy of NIIC.

6. Seed funding

NIIC may provide seed loan subject to the availability of funds/ grants/ schemes meant for the said purpose. Seed loan will be sanctioned only to the registered companies and shall be based on merits of each company and will remain the prerogative of NIIC. A company desirous of getting seed loan may submit an application for seed fund simultaneously with submission of the application for admission in NIIC. Sanction of seed loan will be decided based on the eligibility criteria as decided by NIIC.

7. Periodic Monitoring

A committee set up by NIIC will evaluate the performance of incubates every 3 months and would verify if the milestones specified in the business plan are met.