

ENTREPRENEURSHIP CELL PROCEDURES

The St Aloysius Entrepreneurship Cell (SAEC) is a dedicated unit within St Aloysius Deemed to be University, Mangaluru, committed to nurturing innovation and entrepreneurial endeavours. SAEC is focused on fostering a thriving ecosystem that empowers individuals to translate their creative ideas into tangible products or services with a positive societal impact. By providing comprehensive support, including incubation facilities, mentorship, and financial assistance, SAEC aims to accelerate the growth of start-ups and drive economic development. Our emphasis on social and technology-based entrepreneurship underscores our commitment to addressing societal challenges through innovative solutions. To facilitate this, the Cell has adopted an Entrepreneurship Policy to provide guidance and management structure to facilitate the development of entrepreneurship. The scope of this document is to define the policy and procedures for the operational matters related to the St Aloysius Entrepreneurship Cell (SAEC).

The Process flow is as mentioned below:

1. Eligibility Criteria
2. Incubation Admission procedure
3. Infrastructure and Services provided to incubatees
4. Mandatory Mentorship
5. Period of Incubation/ Exit
6. Periodic assessment
- 7 Intellectual Property Evaluation
8. Seed funding
9. Business Plan Template
10. Conflict of interest
11. Disclaimer
12. Norms for faculty startup.
13. Incentives for faculty and student startup.
14. Agreements

The policy is subject to periodical review and amendments. It will be the responsibility of the student/faculty run companies admitted to SAEC to update themselves from time to time on amendments in Entrepreneurship Policy and procedures. St. Aloysius Deemed to be University, Mangaluru 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. Eligibility Criteria:

- Any person desirous of availing incubation facilities has to incorporate a private/public limited company under the Indian Companies Act and apply in the prescribed format 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 enterprises fostered by Faculty St. Aloysius Deemed to be University shall be governed by Faculty Entrepreneurship Policy as recognized by the University. The companies promoted by students enrolled for full-time Degree at an educational institution shall not be offered incubation if the student is holding an Executive position; however, companies promoted by students and faculty are eligible to apply for incubation provided the student/faculty is not actively engaged with the company beyond any engagement which may be permitted by the Institute.
- If an organization's regular workers or employees promote a company, they can only receive incubation if they provide a "No Objection Certificate" from their employer or the appropriate authority. On the other hand, businesses that have employees as shareholders are welcome to apply for incubation.
- A company's application will not be considered for incubation if it is currently offering or plans to start offering educational courses, training programs, including vocational training, or if it plans to do so during or after its incubation at SAEC.

2. Incubation Admission procedure:

All the applicants shall have to read and agree to the terms and conditions of the incubation after which their applications shall be processed.

STAGE 1: Submit Executive Summary/ Business Plan

A business plan, certificate of incorporation, and memorandum and articles of association should all be included in the incubator application, which is the initial stage in the admissions process for a new company. After that, SAEC will give the executive

summary to an internal review committee so they can offer feedback on the idea's viability from a technical and business standpoint.

Following are the Evaluation Criteria:

Some representative criteria to be applied for evaluation (not limited to these).

- ☐ Strength of the 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 five year projections of P&L, Balance Sheet and Cash Flows.
- ☐ Fund requirement and viability of raising finance.
- ☐ Time to market.
- ☐ Break-even period.
- ☐ India's commercial potential, requirement, and demand.
- ☐ Scalability

STAGE 2: Presentation to Evaluation Committee of SAEC

If the first assessment of the business plan or executive summary is favorable, SAEC will schedule a meeting with the founders of the company, and at that meeting, the company will be required to provide the evaluation committee a PowerPoint presentation outlining important components of the business plan. A Q&A session will take place after the presentation. A final decision about the company's admission into the incubator will be made following the presentation. Following the presentation, the company will be notified of the ultimate decision. It is also permissible to present via video conference. The evaluation committee will be composed of technical, financial, and other experts, as well as representatives from SAEC and SAU management.

Research & Due Diligence: Throughout the application process, SAEC will, in accordance with the requirement, conduct research and due diligence on the business, the management team, the industry, and the present and potential competitive elements facing the enterprise. SAEC has the right to request that the applicant amend the executive summary and/or presentation if more information is needed from them.

Non-Disclosure: SAEC, St. Aloysius Deemed to be University, Mangaluru, adheres to strict confidentiality throughout the application process. However, SAEC will not consent to any 'non-disclosure' agreements.

3. Infrastructure and services provided to the Incubatees:

Following are the services provided by SAEC to the incubatees:

a. Mentoring and Advisory Services:

- Strategic Check-ups: The SAEC Head will meet the company CEOs at least once a month for strategy reviews and discussion of operational issues.
- An incubated company can take a faculty advisor as a mentor on technology issues in the subjects available in SAU.
- The SAEC enterprises will also have access to specialized mentors who may help with specific strategic areas or offer project-oriented consultation. These agreements could start out as free of charge with the possibility for both sides to move up to a paid partnership later on.
- Consulting services from empanelled professionals are available to incubated companies.

b. Support for research activities/ Legal services / market accessibility

- Incubates can avail the expertise of the faculty and use the existing facilities in the Campus.
- Through their affiliated universities, SAEC may assist the incubatees with getting legal services, connecting with clients, and developing marketing strategies.
- SAEC may collaborate on a part-time basis with experts in the fields of management, IP, accounting, and law. Their services are available to the incubated enterprises. The service provider would charge for any direct services rendered to an incubatee.

c. University infrastructure:

SAEC may facilitate access to the University infrastructure or laboratories as per the norms of St. Aloysius Deemed to be University

The centre offers fully furnished space to the incubatees

1. Three Cubicles with seating capacity of two each with computer and printer, Wi-Fi facility etc.,
2. Ten cubicles with seating capacity of two each.

Besides this, we also have Seminar / Conference Halls.

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

- Office space.
- Computers -up to two on rental basis. More than two can be availed at market rates.
- Printer.
- Broad Band Internet Connection (wired and wireless)
- Standard Furniture as decided by SAEC.

d. Common Infrastructure:

SAEC provides a common pool of hard and soft infrastructure to be shared by all incubated companies. The following resources are provided:

- Fax machine.
- Photocopying machine
- Document Scanner.
- Access to college Library: Books, Subscription to IT, Business, Management and Trade journals and newspapers.
- Meeting/Conference room with Audio and projection equipment.
- Tele or Video conferencing facilities

4. Mandatory Mentorship:

Using the lab infrastructure and technical expertise of St. Aloysius Deemed to be University is one of Incubation's goals. Since SAEC offers incubation to companies, each firm that applies may choose one faculty member to serve as a mentor and assist the company with product development. In exchange for mentoring, the mentor must get at least 1% of the company's share equity.

Industry Mentor:

An industry mentor database has been established by SAEC. Within six months of joining SAEC, any startup that receives incubation can choose one industry mentor. If the incubatee chooses an industry mentor, the company must provide the mentor with at least 1% of the company's ownership in exchange for the mentorship.

5. Period of Incubation/Exit:

Tenure of Incubation:

The enterprises will have a two-year period during which they can remain in the incubator. At the University's exclusive discretion, they may receive up to two extensions of six months each.

EXIT

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

- Completion of two years stay (if no extension granted).
- Inadequate performance or unfeasibility of business proposal, as determined on an individual basis by SAEC.
- Promoters' unresolvable dispute, as determined by SAEC on an individual basis.
- Violation of the policy of SAU.
- 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.
- Change in promoters'/ founders' team without concurrence of SAEC.
- Any change of more than 50% of equity ownership would require a prior approval of SAEC.
- Any other reason for which SAEC may find it necessary for an incubated company to leave.

Regardless matter what is said elsewhere, SAEC's decision about an incubator business's exit will be final and cannot be contested by any company.

6. Periodic Assessment

Every three months, a committee appointed by SAEC will assess the incubatee's performance. The focus of the assessment will be on determining if the business plan's milestones have been reached. Further investigations into a company's order booking, expenses, profitability, use of the seed money loan for the intended purposes, and loan repayment capacity will be conducted for a company that has taken out a seed fund loan. Subsequent seed fund disbursements are contingent upon the advancement demonstrated in the prior evaluation.

Periodic assessment would vary depending on the stage of incubation the company is in. Some representative criteria for evaluation are:

A. Ideation / Innovation stage

- Concept development / Opportunity spotting
- Product Development
- Market assessment / Competition analysis
- First level Business Planning / Business Modeling
- Founding Team
- Intellectual Property Protection
- Seed Funding

B. Pre-Market Stage

- Proof of Concept/ Prototyping
- Product Development and enhancement
- Financial Assistance Required
- 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
- Mature Team Formation

D. Exit stage

- Going National / Global
- Full scale business Graduation
- Post incubation Survival

The incubatee may be asked to provide more frequent updates to SAEC

7. Intellectual Property Evaluation:

The incubatee should fill an IP declaration worksheet at the time of admission and declare the Intellectual Property developed and owned by the incubatee company.

- i. The incubatee company must submit a written request to SAEC if it wishes to use any of the SAU's intellectual property, including produced products, software codes, patents, copyrights, and registered designs. The University will determine the terms and conditions for such intellectual property license.
- ii. The business must disclose whether any students have worked with the technology and whether their contributions will be included in the final product (s).
- iii. If any intellectual property (IP) created through cooperative work with faculty members (who are not promoters) is being included into the product(s), the corporation must disclose it.
- iv. If SAUs, infrastructure (hardware, testing equipment, instrumentation, computer resources, processes) have been utilized in the development of the intellectual property or technology that will be incorporated into the product(s), the corporation is required to provide this information.

The company shall inform (if any) about any agreement with SAU that the IP has been assigned to the company for commercialization.

Instead of making direct payments to SAU, the entrepreneur would have the choice of first buying the IP rights from SAU and either being incubated or assigning equity to SAU.

Please refer the consideration section for details.

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 stay at SAEC.

Also, any IP developed during the stay would be maintained in the register.

Notwithstanding anything written above, Intellectual Property Rights will be governed institution's policy.

8. Seed Funding:

- Subject to the availability of funds, grants, or schemes intended for this purpose, SAEC may offer a seed fund. Only registered businesses will be eligible for seed funding, which will be awarded on the basis of each business's merits. Furthermore, a company's acceptance to SAEC does not guarantee that it will obtain initial funding.

- Following three months of incubation at SAEC, a company interested in receiving seed funding may submit an application for seed funding. The SAEC-determined eligibility requirements will determine whether or not the seed fund is approved. It would also be governed by the conditions listed in the SAEC Seed Funding Guidelines.
- The capital commitment made by the promoters to their companies will be one of the requirements for approving the seed fund. Companies with existing income streams or customer order bookings will be given preference. An application for a seed loan may be approved or denied solely at the discretion of SAEC, and that decision is final. If a seed loan application is denied, SAEC is not required to provide a reason.

Even though the seed cash may be approved at the time the admittance request is approved, its distribution is contingent upon the SAEC head being satisfied with the company's appropriate progress.

Notwithstanding anything contrary contained herein, the Seed fund sanction and disbursement shall be governed by Seed Fund Guidelines of SAEC.

9. Business Plan Template:

The following template can be used for creating a comprehensive business plan. Though the sequence shown is not mandatory, the plan must cover all the sections listed in the template:

- i. Introduction / Company overview
- ii. Concept / Proposition / Product description
- iii. Market opportunity
- iv. Competition survey
- v. Development plan and milestones
- vi. Marketing plan
- vii. Management / Organizational chart
- viii. Financials
- ix. Risks and de-risking strategies
- x. Appendix

10. Conflict of Interest:

In case of any conflict of interest, the decision of the Institution shall be final and binding upon the parties.

11. Disclaimer:

SAEC, of SAU does not guarantee success and/or feasibility of the technology transferred from the University. SAEC / SAU, 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 SAEC / SAU or any person representing them harmless from any loss including damage or penalty.

12. Norms for Faculty Start-ups:

- 1) Faculty members are encouraged to launch their businesses and enroll as incubatees at the institution's incubation center in order to support the expansion of entrepreneurial activities on campus and to fulfill their desire to become entrepreneurs. Faculty start-ups should only use ideas and technologies that come from within the university.
 - i. Role of faculty may vary from being an owner/ direct promoter, mentor, consultant or as on-board member of the start-up.
 - ii. Faculty engaging themselves in the start-up venture should ensure that the regular duties of teaching don't suffer owing to his/her involvement in the start-up activities.
 - iii. Faculty start-up may consist of faculty members alone or with students or with faculty of other institutes or with alumni or with other entrepreneurs.
- 1) In case the faculty/ staff holds the executive or managerial position for more than three months in a start-up, they will go on sabbatical/ leave without pay/ utilize existing leave. Faculty must clearly separate and distinguish on-going research at the institution from the work conducted at the start-up/ company.
- 2) If a faculty member is chosen for faculty start-up by an external national or worldwide accelerator, the management may grant the faculty a maximum leave of one semester or year (or even longer, based on the judgment of the review committee the University established).
- 3) Faculty must not accept gifts from the start-up.

- 4) Faculty must not involve research staff or other staff of institute in activities at the start-up and vice-versa.
- 5) Human subject related research in start-up should get clearance from ethics committee of the University.
(Faculty will abide by the regular norms of incubation centre apart from the above)

13. Incentives for faculty and Student start-ups

Faculty

- Permission will be given to faculty to start Start-up based on the technology developed in the lab at the institute.
- In case selection for acceleration or incubation, the faculty can take sabbatical leave (need to compensate the salary for the substitute) or other leave up to one semester or year or more based on committee recommendation. (In case the faculty leave after the sabbatical leave, the faculty should pay back the salary paid during sabbatical period or bond should be given to stay back for a minimum period of 3 years)
- Based on the grant of patent, the faculty will be rewarded with a certificate & Cash award
- Rewards for faculty who are mentoring the student start-ups within the campus incubation Centre. (Certificate).

Students

- Students involved in start-ups will be exempted from compulsory credits (2 credits)
- Start-ups may be chosen by student innovators and entrepreneurs in lieu of major projects, minor projects, seminars, summer training, and other requirements.
- A minimum of 50% attendance is required for student entrepreneurs and innovators to sit for the exam. (For practical disciplines, the department in question will make the final decision.)

14. Agreements

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

1. Incubation Agreement: Contain rules and other incubation norms, consideration, equity holding, etc. (Applicable to all.)
2. Seed-Fund Agreement: Contain rules of disbursement and repayment. (Applicable to incubatees availing seed-fund.)
3. Technology Commercialization Agreement: Applicable to incubatees using technology or IP developed by SAU.

ANNEXURE 1
INCUBATION APPLICATION FORM
(Kindly fill in whatever is applicable)

1. Name of the Applicant: (Please attach copy of Memorandum and Articles of Association of the Company)
2. Address of registered office:
3. Authorized capital
4. Share/Equity distribution
5. Name of Directors and Promoters:
6. Name of Faculty Mentor:
7. Business/ Idea Details
8. Title of your Business/Technology proposal for Incubation:
9. Brief Description of the Product/Services/Technology business you plan to incubate in SAEC
10. Brief description of the R&D efforts and other technological inputs you hope to resource from SAEC(Please also indicate names of faculty member(s), dept./centers of the Institute you plan to associate and equipments facilities to be used)
11. Have you interacted with the concerned faculty and has he/she/they consented to collaborate with you?
12. Why do you want to locate in the SAEC?
13. Infrastructure requirement for space, workstations or PCs:
14. List any special requirements for usage of SAU's laboratory facilities:
15. Specify requirement of Mentoring and other professional services/ support:
16. Indicate how your business might benefit from access to SAU's human and physical resources.
17. Have you prepared a Business Plan? If yes, please submit a copy. (Please look at the web-site for the suggested format).
18. Please indicate your sources of funds.

19. Profile of your Company (Type of business, details as date of registration etc., membership of stock exchange if any, key personnel/associates, specific achievements etc.)

20. Profile of Directors and Promoters: (Attach brief resume)

21. Please give names and address of up to three referees who are acquainted with your career profession/ achievement.

22. Any other detail which would help in evaluating your proposal

23. Declaration:

We hereby declare that we have read and understood the terms & conditions of the Incubation Agreement of SAEC including provisions relating to transfer equity and seed-capital guidelines, provided to me by the MCCIE office, and agree to sign the same once our company is approved for the incubation at SAU. We shall follow the rules and regulations of SAEC and SAU. The declaration and facts in the application are true and best to our knowledge and no material has been concealed.

Applicant/Director Applicant/ Director

Signature Signature

Name: Name:

Company Common Seal

Attachments

1. Certificate of incorporation
2. MoA & AoA of applicant company;
3. Business plan
4. Resume of Promoters

ANNEXURE 2

Seed Fund Guidelines

The processing of seed capital involves:

1. A startup (student/Faculty) desirous of getting seed loan may submit an application for seed fund after three months of incubation at SAEC.
2. The seed loan will be sanctioned based on the eligibility criteria as decided by SAEC. It would also be subject to the terms stipulated as per the Seed fund Guidelines of SAEC. One of the criteria for approval of the seed loan will be the contribution brought in by the promoters to the capital of their companies. Preference will be given to those startups who already have some sources of revenue or some customer order booking.
3. The final decision regarding it will be announced within a month. SAEC will have the sole discretion to sanction or reject an application for seed loan and the decision of SAEC in this regard shall be final. SAEC is not bound to give any reason in case an application for seed fund is rejected.
4. The applicant would then enter into a Seed Fund Agreement with the Institution.
5. After execution of agreement, the funds will be transferred to the project account within 10 days. Both the company's CEO and the SAEC coordinator will be in charge of the bank account.
6. Though seed loan may be sanctioned at the time of approval of the proposal for admission, disbursement shall be subject to SAEC Head's satisfaction over the suitable progress made by the company. Notwithstanding anything contrary contained herein, the Seed fund sanction and disbursal shall be governed by Seed Fund Guidelines of SAEC.
7. The company will be subjected to regular performance reviews.
8. Repayment Options: The repayment options have been decided by a committee comprising members from the grant agencies, advisory Board SAEC, Industry Experts, CA & legal consultant.

Option I: Full amount would be paid back with an interest, which will be prime lending rate of SBI (on the date of sanction) less 4% and remains fixed for the tenure of the loan.

Option II: 50% of the total seed fund sanctioned will be interest free loan; repayment would start after 18 months from the date of first disbursement. 50 % of the seed fund sanctioned would be convertible into equity (@ 5% equity against loan up to ₹ 5 lakh).

Option III: 75% of the total seed fund sanctioned will be a loan and will be paid back with an interest of PLR less 6%. 25% of the seed fund sanctioned would be convertible into equity (@ 3 % equity against loan up to ₹ 5 lakh) at par. (Subject to revision as per bank guidelines)

Option IV: 100 % of the seed fund sanctioned would be convertible into equity (@ 10% equity against loan up to ₹ 10 lakh)

ANNEXURE 3

IPR Declaration Form

We the following named inventors

1. Name, designation, Department & Contact details:

.....

have generated technical know-how, which in our opinion has significant economic importance and needs to be converted into patents. The title is:

.....

2. Name, designation, Department & Contact details:

..... have generated technical

know-how, which in our opinion has significant economic importance and needs to be converted into patents. The title is:

.....

3. Name, designation, Department & Contact details:

.....

have generated technical know-how, which in our opinion has significant economic importance and needs to be converted into patents. The title is:

.....

4. Name, designation, Department & Contact details:

.....have generated technical

know-how, which in our opinion has significant economic importance and needs to be converted into patents. The title is:

.....

IPR Ownership:

I. Was the intellectual property created with the significant use of funds or facilities administered by St. Aloysius Deemed to be University? Please describe your source of funding for the invention (**Name of the funding agency and copy of agreement, letter of intent if any**, must be enclosed with this form).

II. Was the intellectual property created (i) as a part of the normal professional duty or (ii) work for hire?

III. Was the intellectual property created in the course of or pursuant to a sponsored/consultancy research agreement with St. Aloysius Deemed to be University? If yes, please enclose a copy of MoU with concerned project.

IV. Was the intellectual property created as a part of academic research and training leading towards a degree or otherwise?

V. Was the intellectual property created outside their assigned/normal area of research/teaching? Please elaborate:

VI. REVENUE SHARING AMONG INVENTORS: Please disclose the extent of contribution of each inventor in the invention in percentage terms for revenue sharing.

NAME (INVENTOR)	% SHARE*	SIGNATURE
1.
2.
3.
4.

* If this column is not filled and signed then it will be assumed that all inventor(s) have equal contribution

VII. Is the invention published in open literature, if yes then please give details (Name & date of Publication):

.....

We give our consent to the above titled invention to be filed through Intellectual Ventures (IV).

We declare that all the correspondence related to IP shall be sent through St. Aloysius Entrepreneurship Cell (SAEC)

I/We undertake that all averments made in this declaration including the name of funding agency are correct to my/our knowledge. Funds and/or equipment(s) of no other funding from any other agency other than mentioned herein have been used in this invention. Also, no Intellectual Property generated from any other project is been included in this invention.

I/We undertake all liabilities that may arise out of this declaration and we absolve the Institution's authority from any such liability.

..... Date:
Signature

(Name)

..... Date:
Signature

(Name)

..... Date:
Signature

(Name)

..... Date:
Signature

(Name)

ANNEXURE 4
APPLICATION FORM
TO START AS A FACULTY ENTREPRENEUR
OR PARTICIPATE AS FACULTY ENTREPRENEUR IN STUDENT STARTUP

Date:

A) Academic Information (Separate form for each faculty involved in the Faculty Entrepreneurship activities)

1. Name of Faculty:

2. Department:

3. Academic Load on the Applicant:

No of teaching hours:

No of Research Students:

Ph.D.: M.A/M.Sc:

Research Projects/Consultancy Projects:

Administrative:

4. Any other relevant academic information:

B) Enterprise related information:

1. Name/Proposed Name of the Enterprise:

2. Name, designation and address of all Faculty / Staff /students of the University involved in this enterprise:

3. Is the enterprise: A start-up (expected date of incorporation)

Already Existing (year of incorporation_____)

Is the structure other than Private Limited Company? Yes/No

4. State Briefly the mission of the enterprise & the role of the Faculty in the Company:
(add separate paper, if required)

5. Briefly summarize the activities you plan to carry out in the Enterprise. Please also attach a Copy of the Memorandum of Association & Articles of Association.

6. Are you, in this enterprise, planning to use knowledge /technology/intellectual property developed at the institute? If yes, then briefly describe the above, including the persons involved.

7. What is the planned equity structure/distribution of the Enterprise?

8. Please state the number of hours likely to be dedicated in Faculty Company a week.

9. Please state, if there is any other information relevant to your Enterprise Declaration:

The activities of the Company are not in conflict with the interest of the institution and my participation in the company will not be in conflict of my assigned duties and responsibilities of the institution.

Signature (with date):

(Name of the Faculty)

Recommended & Forwarded by:

(Signature of Head of Department)

Recommended & Forwarded by:

(Signature of Dean, Faculty Affairs)

Approved by:

(Vice Chancellor)

Rev Dr Praveen Martis, SJ

Vice Chancellor