

POLICY FOR INCUBATION

INTRODUCTION

In tune with the global trends in higher technological level, Loyola Academy encourages entrepreneurship among the faculty, staff, alumni, and students. Loyola Academy will directly and actively support the incubation of companies incubated by its students, faculty and alumni. A centre with the primary objective to provide Incubation support to Students, Faculty and Alumni willing to start their own venture was established in the year 2016. A physical centre that extends various forms of support for start-ups and engages in specified relationships with them on behalf of Loyola Academy.

The goal of Loyola academy Innovation and Incubation Centre is to promote technology based entrepreneurship and thereby facilitate practical application of knowledge that benefit society.

The scope of this document is to define the policies and procedures for the operational matters related to the Innovation and Incubation Centre, Loyola academy. It covers the following processes:

1. Eligibility:

Any student desirous of availing incubation facilities has to incorporate a private/public limited company under the Indian Companies Act and apply in the prescribed along with required documents. No application for incubation can be entertained if the applicant has not incorporated a private/public limited company under the Companies Act. Companies that are promoted by students enrolled for full-time Degree at an educational institute 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.

2. Admission Procedure:

Following admission procedure would be followed:

All the applicants shall have to read and agree to the terms and conditions of the incubation, their applications shall be processed only when they agree to the terms and conditions of Loyola Incubation Centre.

- ❖ Submit Executive Summary or Business Plan: As a first step in the admissions process, the prospective company should submit an Incubation Application containing the business plan, Certificate of incorporation and Memorandum & Articles of Association. Loyola Incubation and Innovation Centre shall present the executive summary to an internal review committee for comments on technical and business feasibility of the idea.

Evaluation Criteria: Some representative criteria to be applied for evaluation (not limited to these)

1. Strength of the product idea in terms of its technology content, innovation, timeliness and market potential.
2. Profile of the core team/ promoters
3. Intellectual Property generated and the potential of the idea for IP creation

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4. Financial/ Commercial Viability and 5 year projections of Profit & Loss Account, Balance Sheet and Cash Flows
5. Funds requirement and viability of raising finance
6. Time to market
8. Commercial potential, demand and requirement in India
9. Scalability

❖ **Presentation to Evaluation Committee of Loyola Incubation and Innovation Centre:** If the initial evaluation of the business plan / executive summary is positive, Loyola academy Innovation and Incubation Centre will arrange a meeting with the company founders, during which the company will be expected to present a presentation describing critical aspects of the business plan to an evaluation committee. The presentation will be followed by discussion. After the presentation, a final decision will be made regarding the company's entry into the incubator. The company will be informed of final decision execution of the Minutes of the said Meeting.

3. Infrastructure and Services Provided to Incubates:

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

- Office space
- Computers – up to two on rental basis.

More than two can be availed at market rates.

- Printer
- Internet connection
- Phone connection– Each company will pay the rentals and bills
- Standard Furniture as decided by Loyola Academy.
- One Accommodation to Director/Promoter depending upon the availability (One room in Agricultural Block)

Common infrastructure: Loyola academy provides a common pool of hard and soft infrastructure to be shared by all incubate companies.

Following resources are provided:

- Computers
- Photocopying machine
- Document Scanner
- Library: Management Books, Subscription to IT, Business, Management and Trade journals and newspapers
- Meeting/Conference room with projection equipment

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- Tele or Video conferencing facilities

Institute infrastructure: Incubation centre may facilitate access to institute infrastructure or Laboratories as per norms of Loyola academy.

Services: Loyola academy may associate with professionals for accounting, IP, legal and management expertise on a part-time basis. Incubate companies can avail of their services. Any direct services provided to an incubate would have to be paid for by the incubate to the service provider.

- **Intern Support:** Also, to provide support in management, incubates will be assigned an MBA student, if desired. Mentoring and Advisory Services

- **Strategic Checkups:** The Loyola academy Innovation and Incubation Centre Head will meet with company CEOs at least once per month for strategy reviews and discussion of operational issues.

- An incubate company has to take a faculty advisor as a mentor on technology issues.
- Specialized mentors are also available to the companies to assist with particular strategic areas or to provide project-oriented consultation. These arrangements may begin as a pro bono arrangement with an option for both parties to graduate to a paid relationship.
- A incubate company may avail of consulting services by empanelled professionals of SIIC.

4. Mandatory Mentorship:

One of the objectives of Incubation is to utilize the technical expertise and lab infrastructure of Loyola academy, thus every company that is offered incubation at Loyola Academy has to select one faculty from the college who shall act as mentor of the Incubate and guide the company on product develop. The incubate has to offer minimum 1% of share equity to the mentor as a consideration of mentorship.

Industry Mentor: Every incubate company incubated at Loyola academy may select one Industry mentor within six months from the date of joining incubation centre. In case the incubate opts for an industry mentor the incubate company has to offer minimum 1% of equity to the mentor as a consideration of mentorship.

5. Period of Incubation/ Exit:

Companies will be permitted to stay in the incubator for a period of two years. Maximum two extensions may be granted for 6 months each at a time at the sole discretion of the Institute.

Exit: An Incubate company will leave the incubator under the following circumstances:

- Completion of two years' stay (if no extension granted)
- Underperformance or non-viability of business proposition as decided by SIIC on case to case basis
- Irresolvable promoters' disputes as decided by Loyola academy Innovation and Incubation Centre on a case to case basis
- When the company enters in an acquisition, merger or amalgamation deal or reorganization deal resulting in a substantial change in the profile of the company, its promoters, directors, shareholders, products or business plan.

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6. Intellectual Property Evaluation:

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

1. In case the incubate company is desirous of using the Intellectual Property of Loyola Academy like patent, software code, copyright, design registration, developed product, etc. Then the company shall make such request in writing to Loyola academy Innovation and Incubation Centre.
2. The company shall inform if any student has worked on the technology and if their work will be incorporated in the product(s).
3. The company 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 company shall inform if any Loyola Academy 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 company shall inform if any about any agreement with Loyola Academy that the IP has been assigned to the company for commercialization.
6. **Seed funding:** Loyola academy Innovation and Incubation Centre may provide seed loan subject to the availability of funds/ grants/ schemes meant for this purpose. Seed loan will be sanctioned only to the registered companies and shall be based on merits of each company. Further, admission to Loyola academy Innovation and Incubation Centre shall not automatically entitle the companies to seed loan. A company desirous of getting seed loan may submit an application for seed fund after three months from the date of admission in Loyola academy Innovation and Incubation Centre. Sanction of seed loan will be decided based on the eligibility criteria as decided by Loyola academy Innovation and Incubation Centre. It would be also subject to the terms stipulated as per the Seed funding Guidelines of Loyola academy Innovation and Incubation Centre.
7. 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 companies who already have some sources of revenue or some customer order booking.
8. **Periodic Assessment:** The incubate company has to submit a yearly audited statement of profit and loss account and unaudited quarterly statement about the activities. However, incubate may be asked to provide more frequent updates to Loyola academy Innovation and Incubation Centre.
10. **Auditing / Accounting & Compliances Norms :** The Incubate Companies during the period of Incubation at the Centre will mandatorily get their accounts audited and their books of Account are open for Inspection by the empanelled Chartered Accountants of the Centre.

The policy is subject to periodical review and amendments. It will be the responsibility of the companies admitted to incubation centre to update themselves from time to time on amendments in Incubation policy and procedures.

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The board may have following composition:

Fr. Dr.P.Anthony (SJ)	Principal
Fr. D. V. Balaswamy (SJ)	Vice- Principal
Mr. K. Surya	Entrepreneur
Dr. A. Sai Harini	Member
Dr. T. Suchitra Naidu	Member
Mrs. K. Rama	Member
Mrs. Anjani Kumari	Member
Dr. P. Suresh Kumar	Member
Ms. Sharon	Member
Mr. Akansha Rai	Member