



**DEEN DAYAL UPADHYAYA  
GORAKHPUR UNIVERSITY  
GORAKHPUR**

**POLICY  
DOCUMENT**

Internal Quality Assurance Cell (IQAC)

# **INCUBATION AND ENTREPRENEURSHIP POLICY**

# INCUBATION AND ENTREPRENEURSHIP POLICY

## INTRODUCTION

Deen Dayal Upadhyaya Gorakhpur University has established an incubation centre with the aim of encouraging the good start up ideas and entrepreneurs. A section 8 company by the name of Poorvanchal Incubation Council (PIC) has been registered. This initiative of DDU Gorakhpur University is in accordance with Self-Reliant India mission of Government of INDIA. The incubation centre will support those innovative ideas and businesses which will help the country as a whole or will help in developing the Poorvanchal region of Uttar pradesh in particular.

## INCUBATION PROTOCOL

Incubation is a business support process that accelerates the successful development of start-up and fledgling companies, also referred to as ‘clients’ [of the incubator], by providing entrepreneurs with an array of targeted resources and services. These services are usually developed or orchestrated by incubator management and offered both in the business incubator and through its network of contacts. Business Incubation thus can be said to refer to complex services and special environment provided temporarily for start-up enterprises with the aim of improving their chance of survival in the early phase of the life span and establishing their later intensive growth.

## WHO IS AN ELIGIBLE INCUBATEE?

An incubatee’s project should fulfil the following criteria to be eligible to enrol under the incubation program. The criteria given below are not exhaustive and can only be an indicative one. Individual incubators may have their own selection grids which might include their incubation priority areas for incubation. For example, some of the incubators may have special emphasis for green incubation, affirmative action or thrust area focus.

The selection of entrepreneurs for membership in BI will be based on the recommendation of an expert committee specifically set up for the purpose. The general criteria for acceptance are the following:

1. The business activity proposed is in the advanced technology area. The company must meet the definition of a “technology-based company” (An organization which pursues commercial applications of science/technology - based innovations; employs a high percentage of technicians, engineers, or scientists; or requires extensive R&D to produce new products or services).
2. The proposed venture is either a company or a partnership or a sole proprietorship.
3. Demonstrate a need for incubator services.
4. Demonstrate capability for business viability and growth.
5. The business plan submitted by the entrepreneur is sound and passes the review of the expert committee.
6. In the absence of a proper business plan, the request for membership will be accepted provisionally if the business proposal looks prima - facie promising to the expert committee.

7. The business proposed should have significant technology content/ employment potential / revenue generation potential/ export earning potential.
8. The entrepreneurs may or may not have a track record in undertaking entrepreneurial ventures.
9. A first-time entrepreneur should have the requisite aptitude in promoting the venture (The expert committee will assess this through personal interview, review of past activities, background check, references etc.).

### **Pre-Incubation**

The enrolment into the BI programme involves the following:

- Submission of application
- Review by expert committee
- Post admission process
- Non-Disclosure Agreement

#### **Submission of application package includes: -**

- a. Prescribed application form
- b. Entrepreneur's business plan.
- c. Entrepreneur's tax returns for prior three years, if applicable.
- d. Venture Team Profile
- e. Constitution of the incubatee company

### **Review by expert committee:**

The expert committee reviews the application based on but not limited to the following criteria:

- a. Merit of the business proposal.
- b. Background and experience of the entrepreneur.
- c. financial viability.
- d. Status of the business plan, market research & feasibility studies.
- e. Growth potential.
- f. Applicant's commitment-both financial and personal time-to the venture.
- g. Business references.
- h. Make-up of the management team.
- i. To what extent is the entrepreneur developing technology, or using technology for a unique business purpose?



- j. How effectively does the entrepreneur demonstrate an understanding of the environment facing the venture in its target markets, and a reasonable strategy to achieve stability and growth?
- k. How clear is the entrepreneur's need for the types of services that the incubator offers?
- l. Is the venture product or service-based?
- m. Market knowledge and experience (market definition, markets services, competition, SWOT analysis etc.)

The entrepreneur gives a presentation of the business plan to the expert committee and clarifies all their questions. This is followed by Due Diligence by the Expert Committee (including background and credit check of entrepreneur) and their decision.

### **Post Admission Process**

Once the decision is made to admit the entrepreneur to the incubation programme of TBI, the following activities are undertaken:

- 1) License agreement is executed between BI and the entrepreneur.
- 2) BI and the entrepreneur will sign a mutual nondisclosure agreement (NDA)
- 3) Jointly set short-term objectives for the venture's performance.
- 4) Develop a written plan of work for the venture with milestones.
- 5) Set up the venture's financial management and budgeting systems.
- 6) Identify mentors, consultants, service providers or resource centers to assist the entrepreneur in achieving his goals.

This marks the enrolment of the incubatee into the BI programme.

### **Incubation**

1. Period of Incubation:
2. Prototyping
3. Pilot phase and successful completion of pilot phase
4. Estimating financial needs during incubation phase
5. Start up financing
6. Issues involved during incubation
  - Treatment & Recording of Research & Development (R&D) expenditure.
  - Human Resources.

- Organizational policies and structures
- Legal
- Patents copyrights, trademarks
- Vetting of contracts.

7. Statutory registrations and compliances

8. Advocating the need for outsourcing of accounts, HR & legal functions.

## **GRADUATION**

The venture shall graduate from the incubation programme when any one of the following conditions is fulfilled.

- i. The revenue stream of the company is adequate for self- sustenance.
- ii. The entrepreneurs have been able to tie up investors to finance the expansion plans of the venture and the incubator support is no longer necessary.
- iii. The entrepreneurs have sold the venture to a larger company.
- iv. Expiry of the period specified in the license agreement.

If any of the above events takes place the venture will be treated as graduated from incubation programme and the membership in the incubator will be discontinued.

## **SUSTENANCE AND GROWTH**

Graduation is only one of the milestones in the journey to eventual sustenance and growth. During incubation most of the entities take the form of a sole proprietorship or partnership, which entails restrictions on the quantum of capital that can be raised as well as on the quality of management of the organization.

## **ENGAGING WITH ENTREPRENEURS**

Incubation is a business support process that accelerates the successful development of start-up and fledgling companies, also referred to as ‘clients’ [of the incubator], by providing entrepreneurs with an array of targeted resources and services. These services are usually developed or orchestrated by incubator management and offered both in the business incubator and through its network of contacts.

Business Incubation thus can be said to refer to complex services and special environment provided temporarily for start-up enterprises with the aim of improving their chance of survival in the early phase of the life span and establishing their later intensive growth.

This section deals with policies and processes which will act as guidelines for **DDUGU Incubation Center** while engaging with potential entrepreneurs and incubate Induction policy and review guidelines.

## GENERAL SELECTION CRITERIA

1. The start-ups working only in the following domains will be incubated:
  - Agriculture
  - Food science and Technology
  - Traditional/Ayurvedic systems for Health, Skin, Food etc.
  - Nutricereals and wellbeing
  - Natural Ingredients
  - Herbs processing and export
  - Biotechnology
  - Value chain
  - IT, ICT, IoT, ML, Technology
  - Data Sciences and AI technology
  - Block chain technology
  - Machinery and equipment
2. If the applicant is working on an area which is similar or has potential conflicts of interest with another start-up that is already reside with, **DDUGU Incubation Center** will not support such start-ups until previous start-up leaves the incubator.
3. If the applicant has not incorporated the company, the applicant will have to incorporate the company within a period of three months from the date of approval for incubation at **DDUGU Incubation Center**. The incorporation could be in the format of private company, LLP, partnership, or proprietorship.
4. The business must be in early stages of development. Early stage usually means within the first two years of business operations, but start-up companies involved in a significant change in direction or launching a new business product may also be considered.

## INCUBATE TYPE

An incubatee's project should fulfill the following criteria to be eligible to enroll under the incubation program. The criteria given below are **not exhaustive and can only be an indicative one**. **DDUGU Incubation Center** may have its own selection grids which might include their incubation priority areas for incubation. For example, some of the incubators may have special emphasis for green incubation, affirmative action or thrust area focus.

The selection of entrepreneurs for membership in BI will be based on the recommendation of an expert committee specifically set up for the purpose. The general criteria for acceptance are the following:

1. The business activity proposed is in the advanced technology area. The company must meet the definition of a “technology-based company” (An organization which pursues commercial applications of science/technology - based innovations; employs a high percentage of technicians, engineers, or scientists; or requires extensive R&D to produce new products or services).
2. The proposed venture is either a company or a partnership or a sole proprietorship.
3. Demonstrate a need for incubator services.
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5. The business plan submitted by the entrepreneur is sound and passes the review of the expert committee.
6. In the absence of a proper business plan, the request for membership will be accepted provisionally if the business proposal looks prima - facie promising to the expert committee.
7. The business proposed should have significant technology content/ employment potential / revenue generation potential/ export earning potential.
8. The entrepreneurs may or may not have a track record in undertaking entrepreneurial ventures.
9. A first-time entrepreneur should have the requisite aptitude in promoting the venture (The expert committee will assess this through personal interview, review of past activities, background check, references etc.).

The focus incubatee type of the **DDUGU Incubation Center** can be the following:

- Student Entrepreneur from University
- Spin-off from University or R&D Centre
- Start-up companies
- Individuals with an innovative idea with commercialization potential

As a general screen, evaluate the business activity proposed by the incubatee is in the advanced technology area. The company must meet the definition of a “technology-based company” (An organization which pursues commercial applications of science/technology - based innovations).

**Selection mechanism**

The selection mechanism comprises of following four phases:



**a. Pre-incubation:**

This phase involves submission of application package including:

- a. Prescribed application form
- b. Entrepreneur's business plan
- c. Entrepreneur's tax returns for prior three years, if applicable.
- d. Team Profile
- e. Type of company (Private Limited/LLP etc.)

**b. Review by DDUGU Incubation Center team**

The application will initially be screened by the DDUGU Incubation Center. Incubation team for assessing the suitability of the proposal for further evaluation by expert members regarding its potential for incubation. The team will conduct initial screening of potential incubates based on following parameters:

1. Domain focus matching with incubator focus
2. No conflict of interest with existing incubated start-ups
3. All documentation completes as per requirement
4. Background of Promoters/founders
5. End user pain points
6. Product market gap
7. Value proposition
8. Technology solution details
9. Business plan

**c. Review by expert committee:**

The expert committee reviews the application based on but not limited to the following criteria:

- a. Merit of the business proposal.
- b. Background and experience of the entrepreneur.
- c. Financial viability.
- d. Status of the business plan, market research & feasibility studies.
- e. Growth potential.
- f. Applicant's commitment-both financial and personal time-to the venture.

- g. Business references.
- h. Makeup of the management team.
- i. To what extent is the entrepreneur developing technology, or using technology for a unique business purpose?
- j. How effectively does the entrepreneur demonstrate an understanding of the environment facing the venture in its target markets, and a reasonable strategy to achieve stability and growth?
- k. How clear is the entrepreneur's need for the types of services that the incubator offers?
- l. Is the venture product or service-based?
- m. Market knowledge and experience (market definition, markets serviced, competition, SWOT analysis etc.)

The entrepreneur may be asked to give a presentation of the business plan to the expert committee and clarify all their questions.

#### **CONSTITUTION OF EXPERT COMMITTEE**

Expert committee can constitute of 2-4 team members including the following:

- a) At least one technology advisor/mentor/consultant who could understand and comment on the technology feasibility of the submitted idea. The technology advisor could also be a PIC faculty.
- b) At least one business/commercialization advisor/mentor/consultant who could understand and comment on the business and commercialization potential of the submitted idea.

#### **d. Post Admission Process:**

Once the decision is made to admit the entrepreneur to the incubation programme of DDUGU Incubation Center the following activities are undertaken:

- 1) DDUGU Incubation Center and the entrepreneur will sign a mutual nondisclosure agreement (NDA) and MoU for incubation \*jointly set short-term objectives for the venture's performance.
- 2) Develop a written plan of work for the venture with milestones.
- 3) Set up the venture's financial management and budgeting systems.
- 4) Identify mentors, consultants, service providers or resource centers to assist the entrepreneur in achieving their goals

This marks the enrolment of the incubatee into the DDUGU Incubation Center.

## Virtual incubation policy

To be able to give access to the facilities of DDU GU Incubation Center across pan India for entrepreneurs, DDUGU Incubation Center will accept virtual incubates.

The incubates will pay a standard annual fee as per the fee structure and will get access to lab and production facilities on "Pay per use" model.

## FEES

**The incubates will have to pay fees as per the following structure:**

Modules	Access	Fee (in Rs)	Comments
Annual fee	Access to incubator's partners, mentors, technology advisors, business consultants, access to works, IP facilitation for pre-defined time.	20,000 per annum	Applicable both for virtual and physical incubates
Rental fee	Access to common lab instruments, consumables have to be arranged by the incubatee	Rs 5000 per seat OR Rs 100/sq ft of lab space	Applicable for physical incubates
Pay per use	Access to specialized lab instruments	Pay per use fee defined by DDUGU Incubation Center	Applicable both for virtual and physical incubates

DDUGU's Incubation Center can also accept equity in lieu of rental and pay per user fees based on mutual agreement between **DDUGU Incubation Center** and incubates. The incubate will have to pay Annual fee which is mandatory. In case of equity engagement, a special expert committee will be constituted which should comprise of the following:

1. VC/Other senior officer of the Host Institution (Chairman)
2. One faculty of the host institution who has no conflict of interest with the proposed incubate (Coordinators/ Advisory committee members)
3. CEO/Incubation manager
4. 2-4 external committee members with at least one member who can advise on technology feasibility and one member who can advise on the commercialization feasibility



### **Provision for the Students/members of the host institute to become incubatee**

Provision for the members of the host institutes to become incubatee and clause for the same. (may refer the National Innovation and Start up Policy 2019 for students/ faculties/ staff [https://mic.gov.in/assets/doc/startup\\_policy\\_2019.pdf](https://mic.gov.in/assets/doc/startup_policy_2019.pdf))

### **Equipment - Fair use policy**

The Lab equipment has been provided as a facility/common resource for all incubates. Therefore, the fair use of Lab equipment will also be responsibility of all incubates. The use of lab equipment will be governed by following policies and guidelines:

1. Any equipment being provided by **DDUGU Incubation Center** is to be returned on “as is where is” basis.
2. The incubatee will have to handover the equipment to DDUGU Incubation Center when it is stipulated by the funding agency.
3. Consumables and small/common instruments (like pipette) must be arranged by the incubates. **DDUGU Incubation Center** can provide small/common instruments on temporary basis (upto 1 month) till the incubates arrange their own.
4. Utmost care should be taken to ensure proper use of all laboratory equipment. Cost of repair of equipment due to gross negligence or improper use shall be the responsibility of the users.
5. Any person found to be misusing the equipment will be given one warning and after that he/she will be barred from using any equipment in the facility for 10 days.
6. Lab equipment should not be used without training and authorisation by the **DDUGU Incubation Center** team.
7. Entry in the logbook provided with the equipment is a must along with Log-in time and out time.

### **INTELLECTUAL PROPERTY POLICY**

**DDUGU Incubation Center** team will not claim ownership of IP owned by entrepreneurs. However, as part of the support services, the **DDUGU Incubation Center** team would facilitate the incubates in IP application by connecting with selected panel of IP professionals, attached with the **DDUGU Incubation Center**.

#### **e. Exit policy**

### **TIME LIMIT**

Start-ups will be permitted to stay in **DDUGU Incubation Center**, to begin with, for a period of 30 months. The start-ups may be permitted to extend their stay for a maximum period of another 42 months.



## GRADUATION

**DDUGU Incubation Center** will have following additional milestones for graduation/exit of start-ups:

- Raising substantial investment from angel investor / Venture Capital Fund / any other investor.
- When the annual revenues and profits of the company is significant enough to be self-sustainable.
- When the company enters in an acquisition, merger or amalgamation deal or reorganisation deal resulting substantially a change in the profile of the company, its promoters, directors, shareholders, products or business plans, or when a company plans for a public issue.
- Change in promoters' / founders' team without concurrence of **DDUGU Incubation Center**.
- Change in business model without concurrence of **DDUGU Incubation Center**.

## NON-PERFORMANCE OF THE INCUBATES

Incubates will submit their business status information to **DDUGU Incubation Center** management on half yearly basis which **DDUGU Incubation Center** team will evaluate with the help of external experts/mentors. In case the evaluation outcome suggests that the incubates are underperforming or any issue in business viability, the incubatee company will be given a notice period of 6 months to either improve the performance or provide evidence of business viability. If failed to do that, incubates will be asked to leave.

## EVIDENCE OF NON-DISCIPLINARY ACTIVITY

Incubates will be asked to leave **DDUGU Incubation Center** without any notice, in case an expert committee finds evidence of involvement of incubated start-up and/or team members in non-disciplinary activity such as following:

1. Criminal activities
2. Against the constitution/ Government of India
3. Breach of Fair use policy towards Lab facilities and Instruments
4. Any other activity which could be deemed as non-disciplinary as per **DDUGU Incubation Center** management and expert committee

## ENGAGEMENT WITH MENTORS

Mentorship is a relationship in which a more experienced or more knowledgeable person helps to guide a less experienced or less knowledgeable person. The mentor may be older or younger than the person being mentored, but they must have a certain area of expertise. The purpose of mentoring is to tap into the existing knowledge, skills, and experience of high performing employees and transfer these skills to newer or less experienced employees to advance their careers. It can help the mentee develop new skills and a larger network. It is always good to have mentors on the board.

## IDENTIFICATION OF MENTORS

While searching for a good mentor considers these seven key qualities:

- Ability and willingness to communicate what you know
- Preparedness
- Approachability, availability, and the ability to listen
- Honesty with diplomacy
- Inquisitiveness
- Objectivity and fairness
- Compassion and genuineness

## TYPE OF MENTORS (BUSINESS, TECHNICAL, SKILL BASED ETC.)

Mentors need to be identified based on the requirement of the startups and PIC. The mentors can be from pure technical area, business mentors, financial mentors, mentors for broader market networks etc. Mentors also can be seen from the angle of their financial engagement. Some mentors do it for their satisfaction are philanthropic mentors, some charge per time sitting fees, programme-based mentorship on consolidated charges, some mentors take the equity in the startups/enterprise. The PIC manager should have the skill to engage all types of mentors and match make them with entrepreneur/startups.

## ENGAGING WITH MENTORS

**Objective:** Consultants/Mentors are professional experts hired on short-term basis only for the completion of specific tasks and assignments related to organisation or of its projects. Separate and limited contracts, defining their job description, timeline, deliverables, reporting procedures and payment details will be issued to consultants. They will be paid on daily/monthly/weekly basis depending upon the nature of their assignment. They will not be considered as full-time or part-time employees of the project.

## CRITERIA AND LIMITATIONS:

- (i) Consultants may be engaged to undertake specific jobs of a specialized nature or for attending to specific and time bound jobs and not for routine day to day work.
- (ii) Consultants may be engaged on full time or part time basis. Full time Consultants will not be allowed to take up any other assignments during the period of Consultancy. No such restriction shall prevail for part time consultants.
- (iii) Strength of the Consultants/Mentors should be as per the requirement.
- (iv) Keeping in view the requirement of the project, Consultants/Mentors with experience and background in the related field may be appointed from reputed institutions/ organizations/Government /Private industry/ freelance consultant/ mentor.

**Period of engagement:** Consultants/Mentors should be appointed for a period not exceeding 3 years in one go. CEO will be competent to appoint a consultant In exceptional circumstances where extension beyond three years is considered necessary, approval of the EC/Board of Directors will be mandatory. In any case, the total period of Consultancy shall not exceed 5 years at a stretch in each individual case.

**Performance Appraisal:** CEO shall review the performance of Consultants/Mentors on half-yearly basis from the date of their engagement before the extension is considered by the appropriate authorities.

**FEE:**

- (i) Consultants/Mentors will be engaged only on a consolidated fee and no other allowances will be payable to them. The fee payable to full time Consultants/Mentors may be decided after considering all relevant factors and subject to a ceiling of Rs.50,000/- per month. No dearness allowance, CCA, HRA, or any other relief will be provided to the Consultants/Mentors.
- (ii) For part time Consultants/Mentors there will be a ceiling of Rs. 30,000/- per month with no DA, CCA, HRA or other relief.
- (iii) Depending upon the performance of Consultants/Mentors, resulting in increase of profitability of the project or reduction in expenses, suitable hike in consolidated fee can be considered by the Executive Committee/BOD in the consolidated fee. However, frequency of such review shall not exceed more than once in one financial year in each individual case.

**Powers of the Consultants/Mentors:** Since Consultants/Mentors/Experts are to be engaged on short-term contract basis, they will not be delegated with any financial/ administrative powers.

**Travelling Allowance/Daily Allowance (TA/DA):** TA/DA will be allowed to Consultants/Mentors as per normal rules applicable in the maximum of pay of any serving officer equivalent to the rank of Lead Officers.

**Telephone:** Consultants/Mentors are not entitled to residential Telephone facility.

**Transport:** Consultants/Mentors are not entitled to transport facility for journeys between residence and office as well as for private purposes. However, reimbursement of conveyance charges could be considered on the same terms and conditions applicable to serving officers of the equivalent rank for performing official duties.

**Residential Accommodation:** Consultants/Mentors will not be allowed residential accommodation nor will house rent allowance be provided.

**Leave:** Consultants/Mentors will not be allowed either earned leave, medical leave, or encashment of earned leave. However, they will be allowed casual leave as per the rules applicable to regular staff working in the project.

**Honorarium policy**

The drawl of the fees and allowances by the members of the Committees will be governed by the following rules.

**Sitting fee:** At the rate of Rs.2000/- per meeting shall be paid to a member attending meeting of the Association, Executive Committee, or any other committee/sub-committee of PIC provided that no member shall be paid more than Rs.5000/- on this account irrespective of the number of meetings he attends on a particular day.

**Journey by Air:** One standard fare for each single journey as per TA rules will be reimbursed. In addition, the committee members may also entitle to receive incidental expenses to a maximum of Rs.1200/. It will be applicable for onward and return journey separately.

**Journey by Rail:** The members of the Committees who are entitled to travel by II AC/ IAC, will be reimbursed the fare of the class actually traveled.

**Journey by Road:** If the journey is performed by a member in his own car or by hiring a full vehicle, he shall be entitled to claim road mileage @ Rs.20/- per km. No incidentals shall be allowed for journeys by road.

**Non-availment of Accommodation:** As and when guest house accommodation is not available in PIC or at other places where meetings are held, at the time of meetings, the office may arrange hired accommodation as per the fitness of the event.

The members of the Committees may have option either to stay in hotel as per TA/DA rule applicable to Committees members or may draw the fixed amount of Rs.7500/- per day in lieu of hotel facilities. Members of the Committees who opt to avail the fixed amount, may make their own arrangement of lodging/boarding at the place of meeting. Their claims for accommodation and food will be reimbursed as per TA rules.

**Local Conveyance:** The members of the Committees, who do not ask for vehicle shall have the option to claim actual conveyance charges in lieu of the official car based on certificate issued by them.

When car of the PIC or free conveyance is used by a member, he will not be entitled to any conveyance charges for that journey. For journeys performed in their own cars by local members for attending meeting, road mileage @ Rs.20.00 per km for the distance availed will be allowed.

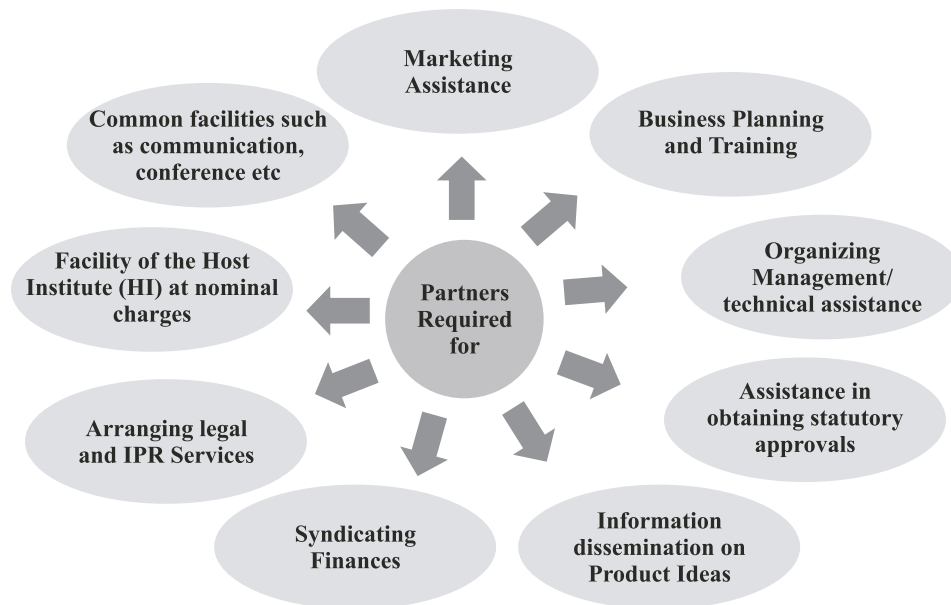
If available, return tickets at reduced rates should always be purchased when the member expects to perform the return journey within the period for which return tickets are available. The allowance for the onward and return journey when such a ticket is available will be actual cost of the return ticket plus twice the incidental expenses admissible for a single journey.

**Assessing of TA/DA bills:** Bills for TA/DA of the members of the Committees may be passed by the Chief Executive Officer, PIC.

**Exceptions:** Based on the donors requirement and funds provision the head of PIC will have the discretion to change the slabs.

## Partnering

### Type of Partner to change



### KEY EVENTS TO ATTEND

- Global Bio India
- FICCI startup events
- CII startup events
- Bio Asia, Hyderabad
- ISBA Bi-annual conference
- Other startup events organized by DBT, DST, ISBA, NITI Aayog, ICAR etc.

### Key associations to join

#### INDIAN STEPS AND BUSINESS-INCUBATOR ASSOCIATION (ISBA) - A paid membership

#### Internal operations and human resource planning and management

The importance of internal control procedures and HR lies in the efficient, effective, and compliance-oriented environment internal controls create an environment of confidence. Within this environment, internal control procedures work to identify control points - a position within an HR process where an error or irregularity is likely to occur -- pinpoint control point risks and then mitigate or eliminate each risk. Strong controls along with sound risk management procedures frees HR, management personnel and the PIC DDUGU GORAKHPUR-G to focus on achieving strategic goals.

**HR manual which will include policies, procedures, and benefits for employees of PIC DDUGU GORAKHPUR such as follows:**

### **Creation of posts**

**Number of posts:** The number and nature of posts and hierarchical structure in a category and the tenure of the posts will be fixed by the Board of members/Executive Committee or by such an authority who is empowered to do so from time to time. The initial assessment has to be done by the chief executive which will be put before board members. Once the structure and numbers of the manpower is agreed upon, the recruitment process can start.

### **Recruitment**

**Appointing Authority:** The Board of members/Executive Committee shall be the appointing authority for various categories of posts. The Board/Executive Committee may from time to time, delegate its powers in this regard to such authorities as it may deem fit.

**Mode of Recruitment:** Recruitment to a post under the project will be made under one of the following modes:

- a. By direct recruitment
- b. By contracts
- c. ad-hoc and contingent appointment

**Direct Recruitment :** Applications for various posts shall be invited by advertising the post. The posts to be filled by direct recruitment shall be filled through selection committee appointed to select candidates for various posts in the project in accordance with the rules.

The Appointing Authority shall frame Recruitment Rules and selection criteria for filling up various categories of posts in the project.

**Appointment by Contract:** A person may be appointed to any post on contract for a fixed period on such terms and conditions as the appointing authority may deem fit provided suitable employees are not available within the project for that post.

**Ad-hoc Contingent appointment :** An employee may be appointed on ad-hoc basis on a leave or short-term vacancy on such terms and conditions as the appointing authority may decide.

Persons who are appointed on daily wages or monthly fixed wages shall be not entitled to benefits of leave, other benefits provided to other regular employees of the project as per rules. They will not be regularized till they comply with the provisions of recruitment in force.

**Qualifications :** As provided in the Recruitment Rules and as decided by the Appointing Authority for filling up various categories of posts in the project.



**Selection Committee :** The Appointing Authority will form a selection committee for conducting written tests or interview of candidates. The committee should comprise of: As provided in the Recruitment Rules and as decided by the Appointing Authority for filling up various categories of posts in the project.

1. Chairman
2. Member Secretary
3. 1-2 experts having experience of incubator management
4. Representation from the SC/ST category
5. One of the selection committee members should be a female

**Advertisement for recruitment :** The Appointing Authority will decide the selection criteria for the posts on case-to-case basis. PIC DDUGU GORAKHPUR may advertise for the open posts in at least a local paper and a national newspaper along with social media platforms of the incubator.

The posts may be filled through walk-in interviews. A written test can be conducted before the interviews in case the number of candidates is on higher side. At least 15 days notice has to be provided to the candidates for attending the interview/written test whichever is applicable.

Support from a professional HR consulting agency may be taken for help in identifying and screening of candidates as per the selection criteria.

#### **Probation period of employment**

**Probation :** Every employee selected by direct recruitment shall be appointed on probation for a period of six months.

- (i) The appointing authority may if it thinks fit in the case of any employee extend the period of probation, total probation period being not more than ONE year.
- (ii) In case he is not found suitable for the job, he/she shall be reverted to his original post or discontinued / terminated.

**Submission of Assessment Reports during Period of Probation :** All employees in the project are initially appointed on probation for a period of six months. The appointing authority may if it thinks fit, in case of any employee, extend the period of probation, the total probation period being not more than one year. In order to confirm the employee concerned, an assessment report on his work and conduct.

#### **Termination of Service:**

The services of direct employee on probation may be terminated by the Appointing Authority without assigning any reason by giving 30 days' notice, if the service rendered by the employee is less than 3 months.

The services of temporary employee shall terminate:

- a) If his appointment is made for a specified period, on the expiry of such period, or
- b) If his appointment is made against a temporary post, on the abolition of the post or on the expiry of the period for which the post is created.

The services of an employee who has been in continuous employment exceeding three months but less than a year could be terminated by giving at least 14 days' notice in writing or 14 days salary in lieu of such notice.

The services of an employee who has been in continuous service for a period of one year or more could be terminated by giving him at least 30 days' notice in writing or 30 days salary in lieu of such notice.

The services of an employee who has been confirmed in any post could be terminated by giving him at least 1 months' notice in writing or one months' salary in lieu thereof by the Executive Committee:

- c) On his being declared medically unfit for service by a competent authority not below the rank of a Civil Surgeon of the Government Hospital.
- d) Not with-standing anything contained in this regulation the appointing authority shall, if he is of the opinion that it is in the Project's interest so to do, have the absolute right to retire any employee of the Project by giving him a notice of not less than three months in writing or three months' pay and allowances in lieu of such notice.

The services of an employee shall be terminated forthwith without any notice in the following circumstances, after observing the procedure laid down in these regulations.

- a) Absence from duty for ten days or more without notice in writing or without sufficient reasons.
- b) Willfully causing loss or damage to the business/property of the project.
- c) When the period of his/her continuous service in the project does not exceed three months.
- d) For any other kind of misconduct or misbehavior.

**Re-engagement :** The broad guidelines for this purpose for re-engagement of retired officers as Advisor / Consultant to work in the project may be regulated under the rules applicable and at the discretion of the competent authority.

**Resignation :** Any employee may resign from the service of the project by giving notice prescribed as under:

- (i) 24 hours' notice in writing in advance if the employee has been in continuous employment for a period not exceeding 3 months.
- (ii) 14 days' notice in writing in advance or a sum equivalent to 14 days salary in lieu of such notice if the employee has been in continuous employment for less than a year but more than 3 months.
- (iii) 30 days' notice in writing in advance or a sum equivalent to 30 days salary in lieu of such notice if the employee has been in continuous employment for one year or more.
- (iv) Resignation will be deemed to be operative only after it has been accepted by the appointing authority.

### **Pay schedule**

**Pay scales:** The scale of pay of various posts in the project shall be as determined by the Board of members/ Executive Committee from time to time and by the Donors.



**Initial Pay:** An employee shall on his initial appointment to a post on a time scale of pay, draw pay at the lowest stage of the time scale unless the appointing authority decides that he/she shall draw pay at higher stage.

**Increments:**

- (i) Annual increment may be given to the employees on completion of one year provided they worked for six months in the preceding year. The date of first increment will be the date on which future increments will continue to be drawn.
- (ii) The annual increments of the employees who are appointed on contract basis, shall be granted in accordance with their terms of deputation/ contract.
- (iii) The Board of members may in recognition of the exceptional merit of any employee sanction to him such additional increments as it may deem fit.

**Drawl of Pay :**

- (i) An employee shall be entitled to draw pay of the post to which he/she is appointed from the date on which he assumes charge of that post. In case an employee assumes charge in the afternoon he shall be entitled to draw pay from the following date.
- (ii) Pay in respect of any month shall become due on the last working day of that month.

**Leave policies**

**Right to Leave:**

- (i) No leave of any kind or category can be claimed as of right and the grant of leave shall be subject to the exigencies of service and work and the circumstances of each case.
- (ii) An employee shall be liable to be recalled from leave other than medical leave if the exigencies of work so require.

**Procedures and other General Matters Regarding Grant of Leave:**

- (i) An employee shall before proceeding on leave give an application and shall state in writing any change in his address while on leave and shall keep the project informed of subsequent changes in such addresses.
- (ii) The project shall maintain leave account in respect of every employee and on request he/she may be intimated of the amount of leave due to him/her.
- (iii) PIC DDUGU GORAKHPUR-G employees may work from/ at remote locations also in extreme circumstances or otherwise after approval from competent authority. In such cases, work from home days will be counted under duty days.

**Sunday or Holiday to Count as Part of Leave except Casual Leave:** A Sunday or holiday falling between the first and the last day of any period of leave shall count as part of the leave except in the case of casual leave.

**Casual Leave:**

- (i) The amount of casual leave to be admissible to employees of the project in a calendar year will be 6 days.
- (ii) Regarding the number of days of CL that could be granted to an employee at a stretch, it is left to the discretion of the sanctioning authority depending upon the exigency of service and the necessity of the applicant.
- (iii) Grant of additional number of casual leave to an employee in addition to the already sanctioned casual leave depends upon the availability of the same in his/her CL account.
- (iv) Casual leave cannot be accumulated or carried forward from year to year and shall be deemed to have lapsed if not availed of during the year.
- (v) Application for casual leave should be submitted in advance and employee should proceed on leave only after obtaining prior sanction
- (vi) If an employee remains absent for one day or more days due to unavoidable circumstances beyond his control, he should intimate his intention of remaining absent by any possible communication such as phone, email, oral message etc. and should submit the application for sanction of casual leave already enjoyed immediately after he resumed his duties.
- (vii) Casual employees appointed on daily wages are not entitled to casual leave.

**Paid/Earned Leave:**

- (i) The amount of paid/Earned leaves to be admissible to employees in a calendar year will be 12 days.
- (ii) Regarding the number of days of Paid leaves that could be granted to an employee at a stretch, it is left to the discretion of the sanctioning authority depending upon the exigency of service and the necessity of the applicant.
- (iii) Paid leaves can be accumulated or carried forward from year to year
- (iv) Application for paid leaves should be submitted in advance and employee should proceed on leave only after obtaining prior sanction
- (v) If an employee remains absent for one day or more days due to unavoidable circumstances beyond his control, he should intimate his intention of remaining absent by any possible communication such as phone, email, oral message etc. and should submit the application for sanction of paid leave already enjoyed immediately after he resumed his duties.

### **Sick Leave:**

- (i) The amount of sick leaves to be admissible to employees in a calendar year will be 6 days.
- (ii) Regarding the number of days of Sick leaves that could be granted to an employee at a stretch, it is left to the discretion of the sanctioning authority depending upon the exigency of service and the necessity of the applicant.
- (iii) For requesting sick leaves more than 3 continuous days, the employees will have to submit a medical certificate
- (iv) Sick leaves cannot be accumulated or carried forward from year to year
- (v) If an employee remains absent for one day or more days due to unavoidable circumstances beyond his control, he should intimate his intention of remaining absent by any possible communication such as phone, email, oral message etc. and should submit the application for sanction of casual leave already enjoyed immediately after he resumed his duties.

**Extraordinary Leave :** This leave may be granted to any employee in special circumstances mentioned below:

- a) When no other leave is, by rule, admissible.
- b) This kind of leave shall be sanctioned as leave without pay.
- c) It shall be at the discretion of the sanctioning authority to fix the amount of extraordinary leave to be granted in each case.
- d) If an employee fails to resume duty on the expiry of extraordinary leave without giving any intimation within 10 days, he shall automatically cease to be in the service of the Project.
- e) During the period of extraordinary leave, the employee is strictly prohibited to accept or take any private employment.

**Return to Duty :** No employee shall return to duty before expiry of the period of leave granted to him except with the permission of the authority which sanctioned the leave.

**Overstay After Expiry of Leave or Absence Otherwise :** An employee who remains absent on expiry of his leave or otherwise absents himself shall not unless the competent authority otherwise direct be entitled to any pay and allowances for the period of such absence, and shall be deemed to have resigned from the service of the Project if the period of such absence exceeds 10 days without proper reason, intimation and without justification.

### **Authority for Grant of Leave:**

**Authorities for granting various kinds of leave in relation to employees shall be as under**

<b>Authority</b>	<b>Categories of employees</b>
1 President/ Chairman	Full powers to the level of CEO and equivalent
2 CEO	Full powers in respect of all officers and staff

### **1.1.6 Work hours and time keeping**

Normally the office hours and scheduled leaves are governed by the host organization. PIC DDUGU GORAKHPUR provides the list of leaves every year which will be strictly followed by the PIC DDUGU GORAKHPUR. Besides any other issue related to this would be as per the host institution.

## **CONDUCT AND DISCIPLINE**

### **General:**

- (i) Every employee shall always, maintain absolute integrity; maintain devotion to duty; and do nothing which is unbecoming of an employee of the Project.
- (ii) No employee shall, in the performance of his official duties or in the exercise of the powers conferred on him, act otherwise than his best judgment except when he/she is acting under the direction of his superior officials.
- (iii) Every employee shall abide by and comply with the regulations of the Project and all orders and directions of the superiors.
- (iv) Every employee shall discharge his duty to the best of his ability in the interest of the Project.

The staff of PIC DDUGU GORAKHPUR shall also follow/observe all the orders issued by GoI from time to time with reference to conduct and discipline. Whenever an employee is found guilty of a misconduct enumerated in Rules, competent authority may take suitable decision equal to with the nature and gravity of misconduct.

### **Official secrecy**

The practice of talking loosely about the working or business of PIC DDUGU GORAKHPUR is not in the interest of the institution. This practice is likely to lead to dangerous consequences so far as the reputation of the organisation is concerned. It should be remembered that as a business organisation, its work, deliberations, etc., are always of a confidential nature. Even among themselves, the staff should avoid talking of the business, financial position, etc., of the institution. Passing of information to outsiders insofar as the working of the institution is concerned is fraught with greater risk as people are likely to take undue advantage to gain their own ends, or to jeopardize the institution. Even from the point of view of discipline, such a practice is wrong. The staff working in PIC DDUGU GORAKHPUR should be extremely discreet and cautious in expressing any opinion or discussing the affairs of the institution. In any case, no one should pass on any information about the working and business of the institution to outsiders.

If any instance comes to notice where the spirit of the contents of this order are disregarded, a very serious view shall be taken, and the staff will be liable to suitable action.

Papers or record pertaining to the Project shall be treated as strictly confidential and shall not be discussed, or talked about loosely in office or with outsiders, and they should not be shown to anybody.

## Important decisions

- (i) The whole time of an employee shall be at the disposal of the Project, and he may be employed by the Project for the performance of such duties as may be assigned to him from time to time. No employee shall without the previous sanction of the competent authority engage in any other trade or business or accept any other employment while on duty or on leave.
- (ii) PIC DDUGU GORAKHPUR cannot afford to keep the people unoccupied as it can adversely affect its business.
- (iii) All the staff members are expected to keep the Project's interest above all and not to hesitate to voluntarily take up the job of other colleagues in Section who are otherwise busy in some important official work.
- (iv) Every employee on entry into service shall abide by the staff regulations of the Project and that he shall maintain discipline.
- (v) All employees shall serve the Project faithfully and honestly and pledge themselves to maintain the strictest secrecy regarding the Project's affairs.
- (vi) An employee shall have to abide by staff regulations and service conditions if they are amended or changed by the Project from time to time.
- (vii) An employee will be responsible and accountable for all his acts, deeds and things done in connection with the work or duties entrusted to him and he should not act, work or behave in any way and manner which may harm the cause of the Project and may prove prejudicial to or against the interest of the Project.

**Holidays :** The Project shall observe such holidays as are declared by the Host Organization.

When the Host organization declares holiday on certain occasions on short notice. In such situations, the project shall observe a closed holiday on those days as per the orders.

**Residuary Conditions of Service:** Any matter relating to the conditions of service of an employee for which no provision is made in regulations shall be determined by the Board of members.

**Amendments/modifications to the staff regulations:** Any change in amendments/additions/deletions in these staff regulations shall be made in consultation with Board of members.

## Employee assessment

**Formats :** A few formats have been designed for use in the project with reference to service matters.

### (1) Proforma for obtaining assessment report on work, conduct and performance of employees

1. Name of the employee
2. Designation
3. Place of posting
4. Date of joining the Project

5. Due date of confirmation
6. Whether copies of necessary certificates received from the employee?
7. Whether police verification report received?
8. Assessment of work, conduct and performance

(State outstanding/very good/good/fair/poor as may be deemed fit against each column).

- (i) Intelligence & general ability.
  - (ii) Job knowledge
  - (iii) Initiative
  - (iv) Promptness & accuracy in doing work
  - (v) Reliability
  - (vi) Punctuality in attendance
  - (vii) Capacity for assuming responsibility
  - (viii) Integrity
  - (ix) Ability to control subordinates
  - (x) How the officer performed the specific duties and responsibilities assigned to him?
  - (xi) Self-expression (oral/in writing)
  - (xii) Decision making
  - (xiii) Knowledge of trends, developments, new techniques, current practices, etc., pertaining to his/her work.
  - (xiv) Any lapses on the part of the officer.
9. Whether any disciplinary case is pending against him/her.
  10. Give details of the job assigned to the official and state his/her performance against the job assigned.
  11. Whether any target for doing the work was fixed for the employee? If yes, whether the targets were achieved? Please give details.

Recommended for confirmation/not

Recommended for confirmation

Signature of the Reporting

Officer Name and Designation with Date



## Financial powers

Classification of items of expenditure and financial powers of Chief Executive of PIC DDUGU GORAKHPUR will be as given below:

<b>Nature of power</b>	<b>Extent of power</b>
Sanctioning tour programme and counter signature of TA bills	Full powers including for self.
Sanctioning tour advances for self, other staff working under him	Full, subject to the condition that the adjustment of account bills is submitted within 30 days in each case.
Power to restrict the frequency and duration of journey in each case	Full powers for including for self
Sanctioning reimbursement of cancellation charges on unused railway tickets / air tickets	Full powers for all staff working under him excluding self
Expenditure on approved Training activities including payment of TA/DA as per approved norms and purchase of training material and other associated expenses	Full Powers
Expenditure on approved workshops, meetings etc. (excluding training), including associated expenses incurred as per approved programme guidelines	Full Powers
Sanction of registration charges at symposia / seminar at national level	Full in case of such charges relating to the approved / sanctioned project
Capital expenditure on equipment and works	Full to the limit of sanctioned quantity / budget for each approved item
Conveyance hire	Full powers
Purchase of books, publications and reprints of scientific papers	Up to Rs.50,000 per annum
Keeping funds in Nationalized / Scheduled Banks as and when need arises for short terms ranging up to 90 days	Full powers.
Printing of annual report, Brochures, Pamphlets, preparation of banners and other Misc. items relating to the project	Full powers

Printing of stationery / visiting cards and binding etc.	Full powers subject to budget provisions
Local purchase of items of immediate needs	Up to Rs.25,000 per annum subject to observance to prescribed procedures
Incurring recurring expenditure on maintenance and repairs of office equipment, machinery being used for the project	Up to Rs.1 lakh per annum beyond Rs. 1 lakh, the Director and President/Chairman of the society can sanction
Payment of charges on postages (including courier) telegrams, telex, fax, telephone bills, internet use, cell phone etc.	Full
Sanctioning of casual leave	Full, excluding for himself
engagement of interns, helpers, casual labourers, data collectors approved for the project	Full powers
Hiring of contractual staff against approved posts in the project including sanctioning of compensation package, eligibility, renewal of contract etc. NOTE: The posts under the project can be filled up through hiring from the open market	Full powers, provided that the contracts shall be for a period not exceeding 12 months at a time.
Approval of procurement of services (including hiring of auditors) for specific tasks	Full Powers
Approval / sanction of payment of monthly remuneration / honorarium / wages for approved contractual staff. NOTE: All contracts will be subject to review and renewal on an annual basis and will require approval of the Executive Committee	Up to Rs.5.00 lakh at a time subject to a maximum of Rs.50 lakh per annum.
Enhancement of wages of part time workers and Casual employees engaged in the project.	Full powers.
Organizing training programmes and fix fee and sanction honoraria	Full powers.
Power to declare the completion of probation of the staff working in the project	Full powers.



Filling up of vacant posts	Full subject to observance of rules and regulations prescribed for the project under intimation to the Director
Participation in exhibitions / extension activities	Full powers
Capital expenses	Full powers for works subject to the condition that the work has been approved by the Director, budget provision for the items is available and prescribed procedure
Fixture and furniture purchase and repairs	Full subject to observance of prescribed rules and procedures
Legal charges, to engaging advocate to advice, defending / conducting legal cases concerning the affairs of the project / society and sanctioning of legal fee and other expenses	Full powers. Legal advice may be obtained in advance where necessary.
Indents, contracts and purchase	Full powers subject to observance of prescribed rules and procedures
Advertisement charges	Full powers.
Declaration and disposal of obsolete surplus and unserviceable store	Full powers
Petty works and repairs	Full powers up to Rs.3.00 lakhs in each case.
Executing contracts, deeds and other instruments for and on behalf of the project	Full powers to the extent the CEO is competent to sanction expenditure for the purpose subject to prescribed procedure
Advance to staff for various project purposes	Full powers
Engaging chartered accountant / firm of CA(s) as Auditor to audit project accounts and sanction for payment of remuneration	Full powers
Sanctioning for hiring of consultants / consultancy agencies for implementation of project work	Full powers, however approval of the Director for amount exceeding Rs.5 lakh in each case is taken
Civil works including renovation and remodelling	Rs.50 lakhs provided any repairs or any small works executed either departmental or outside agency is limited to Rs.10 lakhs in each case subject to availability of funds under the capital works.
Approval for holding of workshops, symposia, conferences, meetings and sanction of expenditure to be incurred	Full powers provided programme is approved by the competent authority of HI

Expenditure on office expenses such as stationery, computer accessories, office equipment, office furniture, broadband internet connection, etc.	Full powers
Procurement of goods	Up to Rs.10.00 lakhs in each case
Release of funds to incubators for business operations.	Full powers
Release of payment to contractors against sanctioned expenditure / approved bills.	Full powers
Renewals of Annual Maintenance contracts (AMC) for computers & other Electrical equipment	Full powers
Sanctioning the refund of EMD / security deposit to parties	Full Powers
To approve payment to implementing partner of various incubators etc.	Full Powers
To approve settlement of bills of travel agents for rail/air tickets booked for officers/staff after certification by concerned staff	Full Powers
To forward the applications of employees for higher posts outside PIC.	Full powers in respect of employees of the project.
To incur expenditure on account of providing Tea, Coffee, Lunch, in meetings of Staff/Officers/ outsiders	Full Powers
To issue certificate to the employees regarding period of service and residential address.	Full Powers
To sanction expenditure incurred on professional fee.	Full Powers
To sanction Gift Items in the interest of maintaining business relations of the project.	Full powers subject to an annual ceiling of Rs.50000.
To sanction hotel entertainment bills of guests.	Up to Rs.15000 at a time.

**General:**

1. All financial powers will be exercised subject to budget provisions and keeping into consideration the best economical interest of the Project.
2. The Officers concerned to whom powers have been delegated shall remain responsible to the Director/President of the society for powers sub-delegated to them. They will ensure that the powers sub-delegated to them are exercised judiciously and within the rules/regulations and procedure prescribed by the project.
3. Where procedures have not been laid down, these will be prescribed by the Chief Executive Officer keeping in view the overall policy of the project.
4. Sanctions would be given by the authorised officers within the powers delegated to them provided they are not part of a proposal for purchase/expenditure of higher amount.
5. As and when an officer to whom the powers have been sub-delegated proceeds on tour/leave etc. for a period exceeding three days, he will ensure that necessary arrangements with the prior approval of Director/President of the society, if necessary are made for smooth working in the project.

Quotation from the other parties, preferably those holding the dealer-ship of company of repute and offered guarantee about the genuineness of the products, be called and based on recommendations of committee the purchase order be placed accordingly.

**Self-Sustainability Planning**

The incubator needs to become financially self-sufficient and sustainable in long term. The primary sustainability strategy for these Incubators is to generate as much revenue from operations as possible from rents, fees-for-service, sale of equity stakes in client firms, and royalty streams. In addition, Incubator managers learn to effectively write project proposals for additional funding and are adept at preparing and submitting timely budgets and reports.

**The matter of Incubator Sustainability:**

A business incubation programs undergo a life-cycle development process like that of their client firms:

**Foundation Phase**

Prior to launch, all quality incubation environments need to go through a period of planning, feasibility study, raising finance, marketing, relationship building, and putting together the right management team and Board. During the Foundation Phase, a number of critical elements need to be put in place that will define the incubation environment and its offering to and impact on the clients and the wider economy. These key elements include the defining characteristics that make business incubation different to other forms of business support and provide the cornerstones for the development of a mature and sustainable incubation environment.

Consideration needs to be given to the development of mechanisms which would ensure more rigorous assessment of PIC viability and potential performance prior to selection. If a project does not have a reasonable chance of being

financially self-sufficient (from operations) within five to ten years, then, by definition it is not feasible unless it can be demonstrated that it would be able to rely on continued support from local government, academia, industrial park, etc. to cover the operational deficit.

Self-sufficiency typically requires that the Incubator has access to facilities rent-free; has opened the facility in a debt-free position; has determined “market rate” for comparable space, and charges at or only slightly below market rate for Incubator space, i.e., sells the value proposition; maximizes the utilization of space.

Although there are no guarantees regarding Incubator success or sustainability, a feasibility study does mitigate risk, identifies obstacles, and offers solutions, based on experience. Furthermore, Incubator project sponsors who have participated in a thorough-going feasibility assessment will better understand what an Incubator is, the climate for business Incubation in their community, the market for services the Incubator proposes to provide, and the commitments necessary to develop a viable program.

### **Development Phase**

This period contains a number of different phases of development and can span many years. The early years, after launch, will continue to focus heavily on marketing and relationship building as it is primarily a time of building up critical mass, ‘deal flow’ (i.e., the flow of sustainable business entities through the Incubator), the networks and cash flow. As incubation environments mature, so they can spend more time building up the services and resources offered to clients, including specialist services/facilities.

Incubation teams may also start to look outside the immediate incubation environment to identify ways in which the Incubator could influence wider economic development. They will also be concerned with issues such as availability of grow-on space for their graduating clients. However, this is also a period in which many incubation environments are faced with and should anticipate a decrease in and possibly the removal of any subsidies they might have had in the early years of development. Therefore, there will be an emphasis on developing the business model to be sustainable.

### **Mature Incubation Phase**

The aim for most incubation teams is to eventually run a high quality, flexible, ‘full service’ incubation environment that is sustainable in its own right, that has a quantifiable impact on the wider economy, that can be seen to be a catalyst for economic development, and that is creating successful, sustainable ventures. The mature incubation environment may become more specialized. Many develop a group of former clients as part of the business support networks for existing clients. Although reaching a ‘mature’ phase of development is the aim of most incubation environments, their ability to reach this phase will be influenced heavily by the availability of funding and other resources.

Sustainability is the focus of a mature Incubator. When I refer to “sustainability” in the general sense, I rely on this definition: “The ability of a Business Incubation Program to replace donor support with income that is generated from operating revenues (e.g., rents, training, consulting activities, fees-for-service, equity and royalty streams, etc.) and supplemented, when necessary, by long-term financial commitments from local sources (e.g., rent free facilities, seconded staff, long-term agreements to cover operating deficits, etc.)”

**Model:**

Financial sustainability is only one part of the picture. We must also be concerned with the sustainability of the Incubator's mission, i.e., the continued commitment to the impact model.

Sustainability of an Incubator's mission requires sustaining the long-term motivation of local stakeholders and Incubator management to contribute to the Incubator's operations. Strategies for increasing and ensuring local commitment will be discussed in detail below in the following sections while for now we will focus on strategies to improve the financial sustainability of business Incubators.

**Following points need to be kept in mind for sustainability**

- Need to recruit the appropriate incubation personnel, i.e., with people with relevant educational backgrounds and/or who have actually started their own business initiatives and succeeded (or failed);
- The Incubator managers need to be given more decision-making responsibility and authority.
- Incentive needs to be given to the managers to improve their performance.
- Selection of proper incubates and take equity for the business services.
- Proper exit strategy needs to be chalked out, which may change for different company
- Rents and fees for service are to be fixed at market rate and flexible to generate more income
- The incubation must run as private entity and not as like government institutions with no cost-benefit focus.

**Raising seed funds for start-ups**

- DST NIDHI SSS
- BIRAC Seed Fund
- Startup India Seed Fund
- MoAFW RABI Grant
- NidhiPrayas
- Angel Funds
- CSR Funds

