



## Incubation Policy BML Munjal University, Gurugram

**Institute of Innovation  
& Entrepreneurship (I<sup>2</sup>E)**

**propel**  
Incubator@BMU

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## 1. Introduction

BML Munjal University is of the belief that innovation and entrepreneurship are critical to address the challenges and problems being faced by all sections - industry, academia, policy makers and civil society. The university encourages innovation and entrepreneurship amongst all constituents - students, staff, and faculty.

## 2. Vision

- Create eco-system to encourage innovation & entrepreneurship among students and faculty.
- Nurture 'ENTREPRENEURS' who are innovative, tenacious, ethical and have a great zeal to create economic value and societal impact through their ventures.
- Seek to advance and disseminate best in class, contemporary knowledge, and practices in the field of Innovation and Entrepreneurship.

## 3. Mission

- Conduct programs, courses, events, challenges, and other engagements to ignite spirit of innovation and entrepreneurship among students, faculty, and community.
- Build a network with entrepreneurs, mentors, experts, and service providers to be leveraged for the benefit of the budding start-ups.
- Drive active engagement of industry in the innovation activities being conducted by I<sup>2</sup>E.
- Collaborate with academia, policy makers and industry for creation of research-based knowledge in innovation and entrepreneurship.

## 4. Scope

The incubation policy will cover the matters related to the operations of Propel, the university incubator and related centres which are managed by Propel.

## 5. Eligibility

The following can apply for admission to Propel.

- Students (current/alumni), staff and faculty of all the schools, programs of the university.
- R&D and industry partners of the university
- Students, staff, and faculty of the education institutions having MoU with BMU.
- Applicants supported under any program managed by Propel or the university.
- Individual innovators, founders of startups who are not covered in points given above but are keen to build a startup.

## 6. Admission Process

The applicants are required to submit the application to be considered for joining the programs being conducted by Propel. Propel would lay emphasis on the following while considering the applications for admission.

- Proposals with Innovation and IP component
- Proposals with high growth potential, social and strategic impacts
- Proposals with the core team having a good background and credentials to execute the project.



- d) Proposals having good technical and commercial viability.
- e) Proposals with potential for large resource generation, impact value and visibility to Propel and BMU their incubation activities,
- f) Proposals supported by any of Govt (central/state) initiatives, where incubation support is a requirement.
- g) Proposals with potentials to engage the students, staff, and faculty of the university.

Certain programs may have their own eligibility norms and criteria for selection which will be as defined by the particular program.

Applications for admission to Propel will be made in the name of registered entity within the meaning of the Companies Act, 2013. If a company has not been registered, an application may be made in the names of all promoters/ founders; however, the promoters/ founders must ensure that the company is registered within a period of three months from the date of approval of the application for admission to Propel.

Based on the initial scrutiny of incubation application and affirmative assessment, applicants will be asked to give presentation via physical or virtual mode to explain their project in detail. The presentation and discussion will be with a set of experts comprising of both internal and external members.

However, in the following cases the review process may be relaxed on case-to-case basis:

- a) Serial Entrepreneurs
- b) Customer Validation and/or adoption
- c) Existing ventures with revenues of Rs.50 lacs or above
- d) Have got funding by Angels, Angel Network, VC of up to Rs.30 lacs.

In case of pre-screened and previewed business ideas/cases by government grants/competitions, on their approval, the same may be directly admitted as per program requirements.

Propel or the review committee members are not obliged to sign any non-disclosure agreement (NDA) during the admission process. Any such request from applicant will be considered on case-to-case basis. The right to decide on such requests rests with Propel.

Admission to Propel or any of its programs is subject to completion of satisfactory review process. Propel will have the sole discretion on whether to admit or reject a proposal for incubation and the decision of Propel in this regard shall be final. Propel will not be bound to give any reason in case a proposal is rejected.



## 7. IPR usage

The startups can apply to use IPRs where the university or Propel is one of the owners. The usage of such IPRs would be basis the IPR policy of the university. In case the IPR being used is owned by others without the university or Propel being one of the holders, then the NOC from the relevant holders need to be obtained by the startup.

## 8. Infrastructure & Facilities

The selected applicants would have the access to the following.

- a) Furnished working space
- b) Personal Computers (CYOD)
- c) Telecom facility
- d) Internet connectivity
- e) Multi-function printer
- f) Conference room equipped with projection and tele-presence facilities
- g) Pantry facilities
- h) Library resources
- i) University labs and centres

Propel will facilitate the incubatee companies to access the laboratories and other resources of the university for their development purposes. Access and usage of such resources would be with permission of the concerned department to avoid conflict with departmental activities and objectives. Further usage of such resources shall be on commercial basis and in conformity with the policies of the university for consultancy/sponsored projects prevailing from time to time. Augmentation of equipment or other facilities in the laboratories and other resources shall be the prerogative of the concerned department.

All incubatee companies will primarily locate into Propel.

The access to some or all the above infrastructure and facilities could entail applicants paying certain fees or giving share in equity to Propel. This would be decided mutually between Propel and the applicant.

Apart from the facilities and the infrastructure listed above, Propel would provide the following to the admitted startups.

- a) Pool of mentors, with or without consideration.
- b) Organising events to help companies in networking and showcasing their technologies,
- c) Meetings with visitors of Propel (such as successful entrepreneurs, VCs, industry professionals).
- d) Access to professionals with legal, financial, and accounting expertise
- e) Interaction with potential investors
- f) Facilitation of applications for grants from various government bodies and or corporate venture entities
- g) Facilitate to file for IP protection, patents, trademarks, and copyrights etc.





## **9. Seed Fund**

Propel may provide grant, seed fund/ soft loan subject to the availability of funds/ grants/ schemes meant for this purpose. Seed Fund will be sanctioned only to the registered companies and shall be based on merits of each company. Further, admission to Propel shall not automatically entitle the companies to seed fund/loan. Individual Innovators can be sanctioned with Monthly Fellowship and Individual Innovator grant as per the decision of Propel and the guidelines under various schemes.

A startup desirous of getting seed fund may submit an application for the seed fund to Propel. Approval and sanction of seed loan will be decided based on the eligibility criteria as decided by Propel. It would be subject to the terms stipulated under specific grant or scheme. Though seed loan may be sanctioned, disbursement shall be linked to the milestones.

## **10. Periodic Assessment**

Propel will evaluate the performance of incubatee startups on periodic basis. Incubatee startups will submit information to Propel in a prescribed format. The startups may also be subject to assessment by a committee comprising of experts, including external.

A startup which has taken seed fund will have to submit additional information as may be asked by Propel. The un-disbursed portion of the seed loan will be adjusted subject to the performance of the company. Incubatee startups will have to submit their progress/annual reports to Propel.

## **11. Information Submission**

Incubatee startups will submit information to Propel about all material changes or developments taking place in their companies from time to time. Such information could be (but not limited to) change in name of the company, change in business or product profile, change in directors, promoters or shareholders, acquisition of a new office, additional equity, or debt investments. Prior concurrence of Propel should be obtained for effecting such changes. Propel may require incubatee startups to submit other information as deemed necessary by Propel.

## **12. Consideration**

The following consideration would be applicable towards the support and services provided by Propel to the incubatee startups. These will be subject to extent applicable.

- Monthly rent/ facilities charge at discounted rate for physical infrastructure to be paid to Propel.
- Consideration in the form of equity and/or revenue sharing of the respective companies for transfer/ licensing of / permission to use IP in favour of the incubatee companies and the facilities provided by Propel. The percentage of Equity and revenue sharing will be decided by Propel and BMU on case-to-case basis and is to be given in favour of Propel/BMU.
- Propel may ask for additional equity from the companies to whom Propel/BMU has provided funds.
- Consideration as per university usage policy for usage of university laboratory facilities.
- The indicative range of the equity holding by Propel for infrastructure, fund and IP will be 3-9 %.

The above will be subject to change from time to time by Propel. The equity shall be issued in favour of legal entity decided by Propel.



### 13. Tenure in Propel

Tenure in Propel would depend on terms of particular program. Startups under formal incubation will be permitted to stay in Propel, to begin with, for a period of 18 months.

Further extension if any will be for another 18 months based on satisfactory performance review, the rental charges where physical incubation is provided will be levied as per prevailing market rates. Any stay beyond the total of 36 months is subject to Propel approval and will entail additional consideration, which terms will be decided at that point of time.

### 14. Exit (Graduation)

Incubatee startups will leave the incubator under the following circumstances.

- a) Completion of stay for eighteen months unless the stay is extended by Propel.
- b) Raising substantial investment (Rs. 2 crores or more) from angel investor / venture capital fund / any other investor.
- c) When the number of employees of the company exceeds 10
- d) When the annual revenues of the startup exceed Rs. 2 crores or when a startup achieves a Profit before tax of Rs. 60 Lakhs.
- e) Underperformance or non-viability of the business proposition: criteria for the same will be decided and applied by Propel on case-to-case basis.
- f) Irresolvable disputes between promoters/ founders. Propel will decide the position or point when disputes are deemed to be irresolvable.
- g) Change in promoters'/ founders' team or business profile of the company without concurrence of Propel.
- h) When the company enters in an acquisition, merger or amalgamation deal or reorganisation deal resulting in substantial change in the profile of the company, its promoters, directors, shareholders, products, or business plans, or when a company plans for a public issue.
- i) Non-compliance of terms and conditions of the incubation agreement.
- j) Any other reasons for which Propel may find it necessary for an incubatee startup to exit.

Notwithstanding anything written elsewhere, Propel's decision in connection with the exit of an incubatee startup shall be final and shall not be disputed by any incubatee startup.

Notice period of one month will be given to the incubatee companies for the exit or extension.

The following needs to be completed.

- a) Physical transfer of the shares from/to the incubator.
- b) All the financial obligations should be settled
- c) All the resources provided to the incubatees should be returned to the incubator
- d) Details of new location should be provided to the incubator
- e) Feedback



### **15. Conflicts of interest and confidentiality of information**

Propel endeavours to draw a line between appropriate and inappropriate interactions among its board members, employees, mentors, consultants, affiliates, incubate companies, their employees, persons connected to them or their promoters, employees and staff, various service providers and suppliers. Propel considers the full voluntary disclosure as the best mechanism for managing conflicts between private interests and official responsibilities of all stake holders.

All stakeholders related to Propel and incubatee companies should be aware that no one should use his/ her position in one role for the personal gains in the other role, and when necessary, explicit permission of relevant stakeholder may be obtained. Appropriate judgment should be applied by all concerned parties while assessing the genuineness of conflicting interests.

### **16. Disclaimer**

The incubatee company will understand and acknowledge that Propel intends to provide supports and services to the company in good faith to pursue its objective to promote entrepreneurship and supporting new enterprises. It is understood that by agreeing to provide various supports and services, BMU-Propel does not undertake responsibility for following:

- a) Ensuring success of an incubatee startup, its products/ process/ services or marketability
- b) Ensuring quality of support and services provided by BMU or Propel to the complete satisfaction of the incubatee startup or their promoters/ founders
- c) Ensuring quality of services of the consultants engaged by the incubatee companies through the Propel network. Incubatee startups will have to apply appropriate judgements before getting into a relationship with them.

The incubatee startups agree that BMU, Propel or their employees shall not be held liable for any reason on account of the above.

Propel and BMU reserve the right to change any of these terms at any time at the discretion of its management.



Registrar  
BML Munjal University