



**REVA**  
UNIVERSITY

Bengaluru, India



**REVA NEST**  
Technology Business Incubation Centre  
Incubation Policy



## **REVA NEST: Technology Business Incubation Centre Incubation Policy**

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## **REVA NEST: Introduction**

### **Introduction:**

REVA NEST is a Technology Business Incubator (TBI) that aims to build the entrepreneurial ecosystem by empowering and nurturing student start-ups and incubating innovative technology based start-ups at REVA University campus. It is registered as REVA ASPIRING YOUTH Foundation - RAY (Section 8 Company) under Companies Act 2013.

### **Governing Council members**

- Dr. P. Shyama Raju, Chancellor
- Dr. S. Y. Kulkarni, Vice Chancellor
- Dr. M. Dhanamjaya, Registrar
- Dr. V. G. Talwar, Advisor
- Dr. N. Ramesh, Dean-Training, Placement & Planning
- Dr. Beena G., Associate Dean
- Dr. Vasu M, DGM Accounts & Finance
- Dr. Kiran Kumari Patil, Director, UIIC
- Dr. M. L. Kalicharan, Director School of Legal Studies

### **Advisory Members**

- Mr. Srinivas Jamkhandi, Director at IISc – MSME Centre of Excellence
- Dr. S.K Prasad, Professor, School of Management Studies
- Dr. Shinu Abhi, Director- Corporate Training (REVA Academy for Corporate Excellence-RACE)
- Dr. Shubha A, Director, School of Commerce & Management Studies
- Dr. Sunil Kumar S Manvi, Director, School Of Computing And Information Technology
- Dr. Y Ramalinga Reddy, Director, School Of Civil Engineering
- Dr. R C Biradar, Director, School Of Electronics & Communication Engineering
- Dr. K S Narayana Swamy, Director, School Of Mechanical Engineering
- Dr. Rajashekhar Mandi, Director, School Of Electrical & Electronics Engineering
- Dr. S Senthil, Director, School Of Computer Science & Applications
- Dr. Payel Dutta Chowdhury, Director, School Of Arts & Humanities
- Dr. Vidya Shankar Shetty, Director, International Relations & Public Relations
- Dr. VidyaKumari S, Director, Performing Arts
- Dr. Divakar, Director, R&I
- Dr. Vimala Swamy, Director, Architecture

## **Incubation Policy**

This Section contains policy and procedures for operational matters related to REVA NEST. The policy is subject to periodical review and amendments. It will be the responsibility of the companies admitted to REVA NEST to update themselves from time to time on amendments in TBI policy and procedures. REVA NEST reserves the right to make an exception of all or any of the terms of policy for a particular company or a promoter on a case to case basis. It covers the following processes:

1. Vision, Mission and Objectives
2. Entry and Exit Guidelines
3. Incubator Administration Process
4. Infrastructure
5. Other Services
6. Periodic Assessment
7. Conflicts of Interest and Confidentiality of Information
8. Disclaimer
9. Agreements

## **1. Vision**

To create an ecosystem that will foster and support entrepreneurship by translating innovative technology ideas into successful ventures offering products, processes and services that greatly benefit the society at large.

## **Mission**

To provide conducive support system that helps in nurturing technology based innovative start-ups towards sustainability and scalability

## **Objectives**

- Nurturing start-ups at an early-stage and helping them overcome obstacles
- Offer training programs that helps in capacity building of start-ups
- Offer value-added services viz. legal, financial, technical, IPR and mentoring to incubates
- Establish Innovation centres and centres of excellence for Rapid Prototyping
- Facilitating business networking for better and faster enterprise growth
- Provide Global Exposure through corporate platforms and University partnerships

## **2. Eligibility:**

Admission to REVA NEST is open to:

- I. Registered Student of REVA University
- II. Current Faculty members of REVA University
- III. Alumni of REVA University
- IV. Start-up firms (Less than 2 year old)

## **Entry guidelines**

- Applicants must provide the required details and proposal for admission at REVA NEST.
- Applications for admission to REVA NEST will be made in the name of registered (unlisted) companies within the meaning of the Companies Act, 1956. Any and all applicants would be required to incorporate a “Private Limited Company with share capital” within six months of incubation
- The proposed idea for incubation must be technology based and innovative; if a similar product/technology already exists in the market, a value addition must be proposed.
- Before signing the agreement with REVA NEST companies/persons registering will have to submit the following documents:
  - ✓ PAN Card
  - ✓ Soft copy of the passport size photo of all promoters
  - ✓ ID and address Proof of Promoters (PAN CARD/DL/Passport)
  - ✓ Two References (Clients/Academics/Any Other)

- ✓ Company Incorporation Certificate (to be submitted within 6 months of registering at REVA- NEST)
  - ✓ Executive Summary of Idea
- Maximum 500 Sq feet space will be available for incubated companies (REVA NEST may consider providing extra space on case to case basis)

### **Exit Guidelines**

The Registered Company would be allowed to exit from REVA NEST upon one or the following:

- Completion of stay for 12-24 months, unless the stay is extended by REVA NEST.
- Underperformance or unavailability of the business venture by respective incubated company, criteria for the same will be decided and applied by REVA NEST management on case to case basis.
- When the annual turnover of the company exceeds Rs. 1 crore or when the Company's profit before tax exceeds Rs. 50 Lakhs annually.
- Raising substantial investment from angel investor/Venture Capital Fund/any other investor Rs 1 crore or more.
- When the number of employees of the Registered Company exceeds 20

### **3. Admission Process**

The steps below outline the admission process of Incubatee into REVA NEST.

**Step 1:** Pre applicant form submission. The incubatee sharing the intent using

- a) Email communication OR
- b) Questionnaire from the website.

**Step 2:** Initial scrutiny and formal application submission.

Upon receiving the intent, Manager REVA NEST will do the initial scrutiny and collects the following information.

- a) Business Plan.
- b) IP declaration worksheet, IP transfers agreement (as applicable).
- c) Statement of Purpose for incubation at REVA NEST.
- d) Statement of infrastructure requirements.
- e) Time Frame - anticipated duration of stay within REVA NEST should be within the maximum period permitted in terms of the incubation policy.

**Step 3:** Evaluation by REVA NEST

- a) Business Plan and Statement of Purpose evaluation by Incubatee evaluation committee regarding its potential for incubation.

b) Applicants may be invited with their teams to make a presentation on their proposal.

**Step 4:** Agreement signing and formal admission of Incubatee into REVA NEST

- a) The parties will agree on terms and conditions and sign the agreements as appropriate.
- b) The Incubatee will get formally admitted into REVA NEST after completing the registration.

**Step 5:** Seed loan, Additional facilities etc. on need basis.

- a) Incubatee can work with Manager, REVA NEST, for further requirements on seed loan and additional facilities.
- b) Manager, REVA NEST will facilitate the requirements based on eligibility and availability of the resources being requested.

*Note: The Business plan is expected to cover the basics of the Business, namely, value proposition, products and services, market analysis, competition analysis, funding requirements, capital structure, milestones and timelines, development and marketing plan, organizational structure, team, risk analysis and projected financials.*

#### **4. Infrastructure**

Upon admission to REVA NEST the following infrastructural facilities will be offered to the incubatee companies on an individual basis, apart from a set of shared/ common infrastructure mentioned hereinafter:

- Office space & basic furniture : Company specific
- Access to departmental laboratories and other resources of REVA University for their products development purposes
- Broad band Internet connection (chargeable basis)
- Telephone lines (chargeable basis)

Shared infrastructure includes

- Printer & Photocopier with Scanner
- Meeting/Conference room with projection equipment
- Pantry facilities
- Library facilities

## **5. Other Services**

Apart from physical infrastructure as stated above, REVA NEST intends to create certain other supports and services which would include but not limited to:

- Pool of mentors, experts in technology, legal, financial and related matters, with or without consideration
- Organising events to help companies in networking and showcasing their technologies
- Meetings with visitors of REVA NEST (such as alumni, Venture Capitalists, industry professionals)
- Consulting services

In addition, REVA NEST will also build up information and knowledge pool to be useful generically for start-up companies. REVA NEST will coordinate with Skill Development Centre at REVA University on management education and training programmes designed for start-up companies.

## **6. Periodic Assessment**

REVA NEST will evaluate the performance of incubatee companies periodically. Incubatee companies will submit information to REVA NEST office on quarterly basis in a prescribed format. The companies may also be subject to an annual assessment by a committee comprising of external experts. A company which has taken seed loan will have to submit additional information as may be asked by REVA NEST. The undisbursed portion of the seed loan will be adjusted subject to the performance of the company. Incubatee companies will have to submit their annual reports each year within a period of 2 months from the date of annual closing of accounts.

The performance of the incubatee will be reviewed by a duly formed 'Progress Review Team' chaired by the VC. This aspect may be part of the Non-Disclosure understanding between hosts and incubatee.

The incubatee may be required to deposit (refundable) 3 months agreed amount before occupying the allocated premises.

All "relevant" statutory rules of the State & Central Government must be complied with by the incubatee at all times.

## **7. Conflicts of Interest and Confidentiality of Information:**

REVA NEST endeavours to draw a line between appropriate and inappropriate interactions among its board members, employees, mentors, consultants, affiliates, incubatee companies, their employees, persons connected to them or their promoters, employees and staff, various service providers and suppliers. Conflicts between private interests and official responsibilities of all stakeholders must be handled in a transparent manner, and REVA NEST considers the full voluntary disclosure as the best mechanism for managing conflicts of interest. Any significant, direct or indirect, financial interests held by REVA NEST employees in any of companies supported by REVA NEST could involve possible conflict of interests. Persons associated with REVA NEST in various capacities other than for employment may also face situations leading to conflict of interests. The avoidance of such conflict is important to the integrity and philosophy of REVA NEST.

Conflict of interest guidelines policy and operating guidelines of REVA University, if any, must be reviewed and followed by all faculty, employees and students of REVA University who aspire to set up a company to be incubated in REVA NEST. A key requirement for them is that care must be taken to separate clearly and cleanly the personal financial aspects of the entrepreneurial activities from their respective roles, duties and responsibilities in REVA University. On admission in the Incubator, such entrepreneurial activities should not be confused with assigned duties of REVA University. The use of University facilities and equipment must be free from unauthorised or conflicting uses and must be compensated for as per the policies of REVA University. Appropriate judgement should be applied by all concerned parties while assessing the genuineness of conflicting interests. A committee may be set up by REVA NEST to resolve any dispute over such situation causing conflicts of interests.

## **8. Disclaimer**

The incubatee company will understand and acknowledge that REVA NEST intends to provide support and services to the Company in good faith to pursue its objective to promote entrepreneurship by converting innovative technologies developed in the Institute to commercialization by incubating and supporting new enterprises. It is understood that by agreeing to provide various support and services, REVA NEST does not undertake responsibility for:

- Ensuring success of an incubatee company, its products/ process/ services or marketability,
- Ensuring quality of support and services provided by REVA NEST to the complete satisfaction of the incubatee companies or their promoters/ founders.
- Ensuring quality of services of the consultants engaged by the incubatee companies through REVA NEST.

The incubatee companies agree that REVA NEST or their employees shall not be held liable for any reason on account of the above.

## **9. Agreements**

The following agreements are required to be signed by the companies to the extent applicable:

- I. Incubation Agreement (MoU):* Between REVA NEST & an incubatee company for admission of the company.
- II. Annexure to Incubation Agreement:* Salient rules forming part of Incubation Agreement

## **Salient Rules Forming Part of the Incubation Agreement**

REVA NEST is registered as REVA ASPIRING YOUTH Foundation (Section 8 Company) under companies Act 2013. The company hereinafter called the “Resident Company/Incubatee” as per the Incubation Agreement with the Institute for Synergistic collaboration through RAY Foundation has been permitted. If there is any conflict in the rules given below, with any of the clauses of the agreement mentioned above, the rules/clauses of the said agreement will prevail.

### **Rule-1**

#### **Tenure of Incubation**

The resident company/Incubatee will be permitted to incubate in REVA NEST for a period of Twelve Months. Further extensions can be granted at the sole discretion of REVA NEST. The resident company/Incubatee must inform the REVA NEST Management atleast one month before vacating the premises.

#### **Exit**

The resident company/Incubatee will be required to leave the incubator under the following circumstances:

- After the completion of the Incubation including extended incubation period, if any.
- Underperformance or in-ability to perform business as evaluated and decided by REVA NEST on case to case basis
- Irresolvable promoters' disputes in opinion of REVA NEST on case to case basis
- Violation of any rules and regulations of REVA NEST.
- Capital cash flow exceeds Rs 2 crores in the opinion of REVA NEST on case to case basis
- Number of employees of the incubatee exceeds 20
- When the annual gross revenues of the incubatee (excluding all the taxes) exceeds Rs. **Two crore or the Net Profit After Tax exceeds Rs. Fifty Lakhs**
- 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
- Incubatee plans for a public issue in the opinion of REVA NEST on case to case basis
- Change in promoters'/ founders' team in the opinion of REVA NEST on case to case basis.
- Any change of more than 50% of equity ownership unless approved by REVA NEST, in the opinion of REVA NEST on case to case basis
- Any other reason for which REVA NEST may find it necessary for an incubatee resident company to leave.

***Notwithstanding anything written elsewhere, REVA NEST decision in connection with the exit of an incubatee company shall be final and shall not be disputed by any incubatee company***

**Rule-2**

The Resident Company/Incubatee shall undertake Research & Development, Design/Testing, prototype development from REVA NEST premises but shall not carry out warehousing, storage, marketing sales or other commercial routine activity.

**Rule-3**

The REVA NEST address in REVA University campus, Bangalore **cannot** be used as the address of the Registered Office of the resident company/incubatee.

**Rule-4**

Subleasing or subletting of any kind of the space given by REVA NEST is not allowed. Non-observance of this rule will result in immediate expulsion.

**Rule-5**

If an incubatee/resident company require more space or has vacant space, a request for additional space/surrender of the space is required to be made to REVA NEST in writing.

**Rule-6**

All resident companies/Incubatees are required to observe health and safety standards. No hazardous material can be brought inside the complex without the prior approval of REVA NEST.

**Rule-7**

It is the responsibility of all the resident companies and their employees to use the common facilities e.g. common area, fax & other machines etc. with due diligence and care.

**Rule-8**

The Incubatee is also obliged to submit to REVA NEST one copy each of the Memorandum of Association, Articles of Association, and Annual Report (as and when approved by their Board of Directors).

**Rule-9**

Notwithstanding any issue/dispute pending between the Company and REVA NEST at the time of completion of the agreed tenure of incubation period, or if given an exit notice by REVA NEST the incubatee must vacate the allotted space unconditionally.

**Rule-10**

The Resident Company/Incubatees are required to keep the REVA NEST informed in advance for the following during the incubation period:

- a) Change of Name of Incubation Company to any other form of legal entity
- b) Any Major change in their incubation/business plans
- c) Change in their ownership pattern
- d) Change in their Board of Directors
- e) Disposal of assets

**Rule-11**

## Annexure - Incubation Agreement

REVA NEST reserves the right to release information regarding the Incubatee /the Incubation / the product or service to the media to promote REVA NEST for non-commercial purposes.

### **Rule-12**

All resident Companies incubated in the Centre would be required to submit their audited annual Balance Sheet to the Centre after graduating from the Centre.

### **Rule-13**

The incubatee companies will pay rent (Quarterly) applicable to them and the expenses related to common facilities and special services must be paid before 7<sup>th</sup> day of each month.

The applicable rent for \_\_\_\_\_ to avail Incubation facilities at REVA NEST is fixed at Rs \_\_\_\_\_ per seat per month.

### **Rule-14**

Facilities and infrastructure to the incubated companies are subject to the incubation agreement.

- Board/Meeting space
- Training Rooms
- Photocopying, scanning machines (Small Load)
- Pantry
- Library
- Semi furnished offices
- Internet connectivity

### **Declaration:**

I/We have clearly read and understood above terms and conditions set by REVA-NEST (Ray Foundation) and we declare that we are taking \_\_\_\_\_ at Incubation Center and agree to pay the applicable rent of Rs \_\_\_\_\_ per seat per month as mentioned in Rule No 13.

Signature:

Date:

### **REVA Technology Business Incubator**

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