



STARTUP POLICY

(as approved in the 11th Academic Council dated 16th September 2022)

**BODOLAND UNIVERSITY
RANGALIKHATA, DEBORGAON
KOKRAJHAR-783370**

1. Vision and Objectives of the Startup Programme of the University

1.1 Bodoland University (the University), through the Bodoland University Startup Programme (BUSUP) is keen on promoting innovation and entrepreneurship by encouraging and supporting the students, faculty members, alumni of the Institute, and start-up entrepreneurs across the Bodoland Territorial Region to translate their ideas into business models and make their products/services ready for commercial use.

1.2 Towards this extent, the University draws upon the National Innovation and Startup Policy, 2019 (NISP- 2019) of the Ministry of Education, Government of India (GOI).

2. Eligibility for Incubation

2.1 The following criteria are considered as per the Dept. for Promotion of Industry and Internal Trade (DPIIT), GOI startup recognition¹ for eligibility of Bodoland University Startups (BUS).

2.1.1 Company Age - Period of existence and operations should not be exceeding 10 years from the Date of Incorporation.

2.1.2 Company Type - Incorporated as a Private Limited Company, a Registered Partnership Firm, or a Limited Liability Partnership

2.1.3 Annual Turnover - Should have an annual turnover not exceeding Rs. 100 crores for any of the financial years since its Incorporation

2.1.4 Original Entity - Entity should not have been formed by splitting up or reconstructing an already existing business.

2.1.5 Innovative & Scalable - Start-up idea should be innovative and such start-up entity should work towards development or improvement of a product, process, or service and/or have scalable business model with high potential for creation of wealth & employment.

3. Admission Process

3.1 The admission to the BUSUP as an incubated venture could be done via two mechanisms.

3.1.1 Admissions under Government incubation or CSR support schemes:

3.1.1.1 If the applicants have applied under a given scheme, then the process of screening, shortlisting and selection will get guided by the respective schemes, as may be outlined in the bipartite agreement between the University and the project granting agency. The magnitude and nature of the funding support, and the period of incubation would be primarily guided by the scheme. However, unless the scheme mandates otherwise, the incubation period shall be for minimum period of 6-12 months, in one or more installments, up to a maximum of three years from the first date of incubation.

3.1.2 Other Admissions: If the applicant has applied for incubation support:

3.1.2.1 Founders will be asked to send their business plan and supporting documents in a pre-defined template/format. Based on the documents submitted, a Selection-cum-Evaluation Committee² (SCEC) will do further evaluation for potential incubation. The SCEC will meet at least once every quarter and take up the applications for consideration.

3.1.2.2 The incubated ventures after showing progress, become eligible to apply for prototyping funding support. Such support is subject to the availability of funds and would only be given on loan/equity basis. All such investment decisions would be made by the Investments Committee³ (IC). Based on the stage of the startup, the IC would propose the funding support, its extent, nature, and tenure. If equity is the preferred mode of funding support, it could be considered subject to a minimum of 1% equity stake (of the total outstanding shares) with a fixed exit clause that will be applicable for all the incubated ventures.

3.1.2.3 Credentials of the founding team, technical feasibility and commercial viability of the proposal and potential for large value impact such as social and/or strategic impact; employment and/or revenue generation; and which can bring visibility to the incubation center, would get preference. The University would strive to bring equity and diversity, subject to fulfilment of the mandatory requirements for incubation support.

3.1.2.4 Both registered and unregistered companies will be allowed for incubation support. However, the unregistered companies should get registered within 9 months after being accepted for incubation at the University. However, this requirement may get relaxed for the ventures incubated under government schemes, provided the scheme guidelines permit such relaxation.

4. Services Offered

4.1 Support provided to selected ventures:

4.1.1 Regular review & mentoring by BUSUP team/mentors, alumni, and industry experts.

4.1.2 Mentorship, training, and consulting support from Bodoland University faculty.

4.1.3 Prototyping and commercialization support to select ventures - both at ideation and prototype stage.

4.1.4 Shared/dedicated workstation with office infrastructure & shared support services.

4.1.5 Opportunity to be part of capacity building, networking, and fund-raising events/workshops at the University.

4.1.6 Access to the knowledge resources of the University such as library resources - books, journals, periodicals and databases, student consulting through business competitions and live projects.

- 4.1.7 Media coverage and networking opportunities
- 4.1.8 Access to Professional Services - Legal, IP, Web/App Development, etc.
- 4.1.9 Preference in funding support in sponsored programs, to the extent possible and permissible.
- 4.1.10 Apply on behalf of the incubate venture to external funding agencies.

4.2 Capacity Development Programs/Events/Activities for Entrepreneurs

- 4.2.1 Knowledge series by industry experts
- 4.2.2 Experience and exposure series by proven and successful start-ups
- 4.2.3 Classes by Bodoland University faculty members on key management concepts
- 4.2.4 Launchpads or Pre-incubation programs
- 4.2.5 Bootcamps
- 4.2.6 Entrepreneurship Development Programs
- 4.2.7 Management Development Programs for management of new or early-stage ventures
- 4.2.8 Faculty or Mentor or Incubator Manager Development Programs
- 4.2.9 Networking and Investor Pitch Events
- 4.2.10 Industry/CXO Lecture Series
- 4.2.11 Workshops & Seminars

5. Confidentiality of Information

5.1 The University will adhere to confidentiality requirements throughout the journey of the startup i.e., starting from the application stage, mentoring stage, and graduation/exit stage. Further, finer details of confidentiality of information shall be guided by the relevant clauses of Investment Agreement, which shall be executed in the due course of time.

6. Investment Models

6.1 There are 4 major business models available for providing incubation services and generating revenue. The University will follow all the existing investment policies 4, as outlined:

6.1.1 Rent Model: As per this model, startups may be charged rent on a monthly/yearly basis for the infrastructure (co-working spaces, lab facilities, etc.) provided in the Incubation center.

6.1.2 Equity Model: As per this model, Bodoland University may take equity shares of the startups with a minimum of 1% equity stake (of the total outstanding shares depending upon the stage/valuation of the startup, which would be decided based on the recommendations of the SCEC and the IC) in return for the services provided at/by the incubation center. Depending upon the progress, duration and additional services offered to the startup, an additional equity (say 1-2%) may be added, subject to a maximum of 3 years of incubation. When the startups raise additional funding, the University i.e., the incubator shall be given an exit option by such start-up entity by way of returning the

equity investment. Till the venture exits from the Incubation Center or till the venture raises substantial investment from angel investors, venture capitalists, etc., The University holds the right to decide on maintaining the shares or diluting the shares. If the venture does not raise any investment till a certain time (5 years after incorporation or as decided by the IC), the founders of the company will be liable to buy the shares from University at a value (inflation adjusted) as may be decided by the IC.

6.1.3 Royalty Model: As per this model, startups may pay royalty on the revenue earned by them on a monthly or quarterly or yearly basis till a certain time of operations. In general, the royalty is limited to around 5% of sales. The exact percentage may be decided through mutual agreement between the startup, SCEC and the IC.

6.1.4 Deferred Debt Model: As per this model, the services provided to the startup are valued but not charged to the startup during the incubation phase. The charges will be in the form of debt payable by the startup to the University. The repayment (full or partial amounts) can start after the startup reaches a certain stage i.e., reaches certain amount of revenue, or certain duration after graduation from the University, subject to a maximum of 10 years after incubation phase. This model depends on the performance of the startup in the long term.

6.1.5. Crowdfunding Model: The startup may seek crowdfunding through the University.

6.1.6 Angel Investors: The startup may seek funding from Angel investors through the University.

6.1.7 The IC, in consultation with the SCEC of Bodoland University will take a decision on the case-to- case basis, except for the funded programs where the scheme guidelines would be followed. Decisions would be taken along with the signing of the contract, which shall be executed within two months from the start of the incubation. In case of a disagreement in the suggested terms of agreement, the IC reserves the right to terminate the incubation period, at any time. In such cases, the incubated venture would be asked to pay the rent for two months of incubation, as per the applicable rates under the rent model of the University. However, looking at financial liquidity, sustainability, and long-term growth perspectives, the University may issue guidelines to the IC from time to time.

7. Support for Students and Faculty at the University for promoting the entrepreneurship

7.1 For Bodoland University Students

7.1.1 Application inviting students to “Startup” will be announced at the start of the 3rd Semester. Interested student(s) shall apply before the mid-term examinations of 3rd Semester. An Idea Evaluation Committee (IEC) constituted by the Vice-Chancellor would be formed for shortlisting the venture ideas for incubation at the University. The entire process of selection would be completed before the end of the Semester 3. In the first year, only up to a maximum of 10 students (irrespective of the no. of ventures) would be allowed to opt for incubation of their ideas. Those shortlisted may apply for the benefits stipulated in the policy.

7.1.2 For promoting the culture of innovation within the student community, the University proposes the following support:

7.1.2.1 Decreased credit requirements

7.1.2.2 Summer Internship Support: Students who chose to do their ventures would get relaxation from the requirements of mandatory summer internship. They, however, will have to work on their venture and show measurable progress.

7.1.2.3 Relaxed attendance requirements: The mandatory attendance requirement of such students would be relaxed to promote flexibility in working on their ventures. While students are encouraged to attend all the classes, such candidates will not be penalized if the attendance is less than 75% in each course but above 50 percent.

7.1.2.4 Year Break: If the student chooses to take a break from study for working full-time on his/her venture, it shall be allowed, with a maximum break of one year. Such breaks shall be awarded only after completion of the first year of coursework requirements. However, the student shall strictly join back the program in the second year in the subsequent academic year. S(he) will be considered an alumnus of the batch with which (s)he completes the requirements of the degree. However, such provisions will not be available for students who are (required to go) on slow track. The conditions for joining back in the subsequent academic year would be the following:

- a) Incubation of the venture at the University.
- b) Certificate of incorporation of their venture.
- c) Certified quarterly progress report from the Incubator.

7.1.2.5 Seed/Prototyping Fund Support: Bodoland University will explore possibilities of creating a seed or and prototyping fund support for startups with a preference given to student and alumni startups.

7.2 For Faculty Members

7.2.1 Participation in startup related activities would be considered as a permitted activity of the full-time faculty of the institute.

7.2.2 Faculty may get associated with a startup for short durations in the capacity of startup mentors. Such activities of the faculty will be recorded by the University and reported in the prescribed format by the Academic Registrar on a regular basis to be counted under the Faculty Work Norms. Suitable guidelines for accounting for such work points, and the list of permitted activities will be notified by the competent authority, from time to time.

7.2.3 Apart from being involved with the startup in the capacity of mentor, faculty is also allowed to be an owner, promoter, consultant, or as a board member of the startup. However, in any case, the faculty concerned shall not hold any executive position in such ventures.

7.2.4 Faculty members may take shares in lieu of charging for their consulting- cum- advisory work for the startups (sweat-equity). However, the allocated shares shall not exceed 9.5% of the total outstanding shares of the company. Any time spent with the incubated venture (e.g., as consultant) will be treated under the “Professional Activities”

of the terms and (service) conditions of employment of faculty and the corresponding guidelines and norms will apply. This applies to the income generated from the exit from such ownership or equity holdings.

7.2.5 Faculty may get associated with the venture by assuming a non-executive board positions. The guidelines under the FWN shall apply. Any sitting fee involved shall come under the purview of “Professional Activities” as stated above.

7.2.6 Faculty members may also involve themselves in the start-up by providing capital investment in return for shares. The faculty concerned may retain all shares thus allotted and the transaction will be treated purely as a private commercial transaction of no concern to the Institute. In such cases, the faculty concerned must sign a “No Conflict-of-Interest” disclosure. However, this is applicable only for the period when the startup is incubated at the University. For investments made in such firms after the end of incubation period at the University, the investment will be treated as completely a private (personal) investment of the faculty concerned.

The startups in which a faculty member has invested capital will not be allowed to claim work units or compensation for any advisory and mentorship rendered by them for such ventures. Also, such activities shall be treated as personal-work, and they shall do the same without compromising any of their institutional academic, research and administrative work responsibilities, duties, and commitments.

7.2.7 There shall be no overlap or double counting any time, for the time spent or work done by the faculty for the startups, i.e., as regards counting under FWN, Professional Activities etc., whether the benefit is in monetary or non- monetary terms.

Notes:

- a) Notwithstanding anything contained herein, the regulations and service conditions of the University and; the MoA and the AoA of the BUSUP; the guidelines, advisories, and rules of the GOI as regards the nature and extent of involvement and investment in ventures (for-profit or not-for-profit) shall apply at all times to the faculty of the Institute.
- b) Formulation of Rules governing the implementation of the Policy (after it is approved for the first time by the University), would be taken up and approved as stated herein, prior to implementation.
- c) Due provisions shall be built-in to ensure that conflicts of interest and/or related-party transaction issues do not arise. Provisions for due voluntary disclosures shall be put in place and Corporate good-governance principles would be drawn upon.
- d) The Rules would also ensure that no liability (financial, legal etc.) devolves on the University or its implementing agency on account of the actions (by design or ignorance) of the incubated ventures or of the faculty investing in or being associated with the ventures.
- e) The Rules would be vetted by the Company Secretary of repute and by a corporate lawyer identified by the University, followed by the Assam Government Standing Counsel.
- f) The Rules would thereafter be approved at the level of Academic Council of the University and the Executive Council of the University.

8. Assessment of Ventures

8.1 The University will develop a detailed review cum mentorship plan for the startups, which are incubated under the government schemes, and the existing entities granted admission in BUSUP. Startups will be advised to submit the progress of their ventures on a fortnightly, monthly, or quarterly basis in the format as may be prescribed by the University. The start-up entities will be subject to assessment by the Expert Committee on a regular basis, duly taking into consideration, their performance evaluated by mentors, industry leaders, and faculty. A start-up entity which has taken seed fund, grant from the government or CSR funding will need to submit additional information as may be sought by the University, as per the policy guidelines and MoU signed between Bodoland University and the organization or the Dept./Ministry concerned. The un-disbursed portion of the seed loan will be adjusted, subject to the performance of the company.

8.2 Startup founders need to be in constant touch with the University and give updates about the changes and developments in their ventures i.e., changes in venture names, registration of ventures, changes in founding team, etc. The SCEC and the IC will work (formed as per annexures A & B) in tandem, to evaluate the performance and to determine the disbursement of funds accordingly.

9. Graduation of Ventures

9.1 The exits of the startups incubated under the government schemes/programs will be guided according to the respective programs (as mentioned in the relevant contractual agreement).

9.2 For other startups, Incubation Agreement gets terminated automatically after a certain duration (say 12 months) or as per the termination-period mutually agreed upon at the beginning of the incubation. Further extensions may be granted two times of six months each at the second and third instances, depending on the performance, requirement and acceptability to the startup and the discretion of SCEC of the University.

9.3 If startups raise investments from angel investors/venture capitalists, they may leave the incubation unit based on mutual consent. However, if such startup wishes to continue, they shall be allowed to complete their term, provided the scheme under which they are incubated allows so.

9.4 If a startup reaches certain scale and size and cannot be recognized any longer as such under the DPIIT Startup recognition (or startup eligibility criteria of the University), they will graduate from the incubation unit.

9.5 If a startup is acquired or merged with other startups or organizations, which results in major change in the business model of the company, team of founders or directors, they will get terminated from incubation unit.

9.6 Startups will be terminated from the program if they fail to meet the performance expectations of the University.

9.7 Any other criteria as may be outlined by the IC may necessitate graduation or exit of the start-up, voluntary or involuntary.

10. General Terms & Conditions

10.1 Agreements may be signed between the startup and the University on a case-to-case basis; such as Incubation Agreement, Non-Disclosure agreement (NDA), Equity agreement, etc.

10.2 Bodoland University or its implementing agency will not hold or be responsible for any accrued liability of any startup due to any of its activities, at any stage in the incubation period.

10.3 The University will not force any startup to issue equity from the start of incubation support. Startups may be given certain time (3 months) to experience the services offered by the University and only then decide on the equity sharing model between the startup and the University.

11. Saving Clause

11.1 Where any doubt or dispute arises as to the interpretation of any of the provisions of this Policy, the matter shall be referred for decision to the (i) the Chairman of the Board of the University in the case of the incubated ventures; (ii) the Academic Registrar in the case of students; and (iii) the Registrar in the case of the faculty. The Vice-Chancellor shall also be the appellate authority.

11.2 No act of the University or its implementing agency constituted by the Competent Authority or any other body set-up under this Policy shall be invalid merely by reason of: any vacancy or defect in the constitution thereof; or any irregularity in its procedure not affecting the merits of the case; or any defect in the selection, nomination or appointment of a person acting as a member thereof.

11.3 The Vice-Chancellor, may, if it is considered so necessary and expedient, make such provisions or take such (remediation) measures for removal of difficulties arising from the implementation of this Policy; or effect improvements therein.

Annexure-A

Selection-Cum-Evaluation Committee.

The University would constitute a Screening-cum-Selection Committee (SCEC), every year. The Committee may meet at least once in a quarter to review the available proposals for incubation support from the applications pool (other than those under government programs). The Committee may lay down the process for final selection of the incubated venture. Based on its assessment, the Committee would send its recommendations to the University for extending incubation support.

For funded programs, the SCEC would be formed based on the scheme guidelines, but to the extent possible, members of the SCEC would feature in such committees.

The composition of the SCEC is as follows:

1. One Industry Expert
2. One faculty member from the Entrepreneurship area of the University
3. A minimum of one faculty member from Finance and Banking area of the University
4. One successful Entrepreneur graduated from any incubator.
5. Respective Program Director(s) or nominee(s), in case of funded programs
6. COO, BUSUP (Member-Convener)

Note: Members to be mutually exclusive. The Chairman of the SCEC shall be as may be nominated by the Vice-Chancellor who reserves the right to change the composition of the SCEC, anytime.

Annexure-B

Investment Committee

The Investment Committee (IC) would be responsible for the judicious and rational distribution of the existing resources to the incubatee startups - from the funded programs or otherwise. The IC would meet every quarter or on need basis to evaluate the seed money requirement of the startup. It would evaluate the requests for funding proposals and approve the seed money support and the terms and conditions for the same. It may also evaluate the utilization of the seed support and liquidation decisions of the seed money at the time of exit/graduation of the startup from the University.

For funded programs, the IC may get reconstituted based on the requirements of the scheme guidelines, based recommendations of the respective Program Director(s).

The composition of the IC is as follows:

1. One faculty member from the Finance area (preferably with expertise in investments, finance ,banking and valuation)
2. At least one faculty member from the University (preferably from the Entrepreneurship Area)
3. One successful Entrepreneur graduated from any incubator.
4. One Industry expert in startup funding, financing, banking, investments, valuation etc.
5. Respective Program Director(s) or nominee(s), for funded programs.
6. CFO, BUSUP- (Member Convener)
7. COO, BUSUP-FIELD (invitee).

Note: Members to be mutually exclusive. The Chairman of the IC shall be as may be nominated by the Vice-Chancellor who reserves the right to change the composition of the IC, anytime.

Disclaimer

The incubatee venture will understand and acknowledge that Bodoland University intends to provide support and services to the venture in good faith to pursue its objective to promote entrepreneurship. It is understood that by agreeing to provide various supports and services, Bodoland University does not undertake responsibility of:

- (a) Ensuring the success of an incubatee venture, its products/ process/ services or marketability.
- (b) Ensuring quality of support and services provided by the University to the complete satisfaction of the incubatee ventures or their promoters/ founders.
- (c) Ensuring quality of services of the consultants engaged by the incubatee ventures through the University. Incubatee ventures will have to apply their judgements before getting into a relationship with them.
- (d) The incubatee ventures agree that Bodoland University or its representative shall not be held liable for any reason on account of the above. Further , Bodoland University or its representative shall not be liable for any acts or omissions of the incubated venture.
- (e) The above policy is subject to periodical review and amendment at any time.
- (f) Any/all disputes between the parties shall be referred for arbitration to the Vice-Chancellor, Bodoland University or person so nominated by him/her, whose decision will be final and binding upon the parties. The place of arbitration shall be Kokrajhar, Assam.
- (g) Force majeure shall not be a reason for non-performance for the incubatee venture and shall be the sole discretion of the University