

**Report on Internship training at  
Centre for Incubation and Business Acceleration**



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In Partial Fulfilment of the requirement for the Degree of

**Masters of Business Administration**

By

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# DECLARATION

I, Mr. Kapil P. Sinaidesai, hereby declare that the following internship report at CIBA Assagao has been prepared by me during the period from 17th Jan 2022 to 07th May 2022 under the guidance of Prof. Nilesh Borde (Mentor), Goa University Department of Management Studies (MBA), Taleigao Goa.

I also declare that this project has not been submitted nor shall it be submitted in future to any other university or institution for the award of any other degree or diploma.

Student Signature:

(Kapil Sinaidesai)

Place:

Date:

Signature of guide:

Prof. Nilesh Borde)

# ACKNOWLEDGEMENT

The project is never the work of an individual. It is moreover a combination of idea, suggestions, reviews, contribution and work involving many people. It cannot be completed without guidance and assistance.

I wish to express my sincere appreciation and gratitude and thanks to Mr. Dattaram Palni, Incubation manager, Assagao, for giving me the opportunity to carry out my study during the tenure of my internship.

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## **ABBREVIATION**

NPV- Net Present Value

IRR- Internal Rate of Return

RAC- Refrigerator and Air Conditioning

F&B- Food & Beverage



## **INTRODUCTION**

Centre for Incubation & Business Acceleration a technology business incubator based in Goa and Mumbai, supporting Start-ups by providing services such as Incubation, modern office spaces, coaching, networking opportunities, seed funding, and rapid 3D printing and prototyping etc. CIBA has offices in three locations: Verna in South Goa, Assagao Mapusa in North Goa, and Vashi in Mumbai. Over the last six years, CIBA has supported over 100 start-ups in fields such as IT, biotech, food processing, agriculture, healthcare, clean technology, and social enterprises. CIBA is one-stop support system for start-ups and transforming Goa and Mumbai into innovation hubs, CIBA is committed to growing a collaborative entrepreneurial network. CIBA is supported by the Government of India and the Government of Goa through several agencies because it is a non-profit organisation.

CIBA was founded with the goal of fostering an entrepreneurial culture among technocrats by promoting entrepreneurship as a viable career option and assisting in the development of generations of Job Creators rather than Job Seekers. It has been relentlessly pursuing that objective by bolstering entrepreneurs in the state with a robust foundation in technology and a desire for creativity.

## **SWOT Analysis of Centre for Incubation and business Acceleration (CIBA)**

### **Strengths**

1. CIBA has excellent infrastructure at all three locations.
2. CIBA has their personal attorneys to legal counsel to assist with legal procedures.
3. CIBA offers access to consultants and other specialists with extensive expertise and experience.

4. CIBA has a strong network of entrepreneurs and industry mentors.
5. CIBA offers services such as co-living, which allows entrepreneurs to live and work at the same location 24 hours a day.
6. CIBA is the first of its kind to open a business incubator to young, innovative technology-based businesses.
7. CIBA offers the ideal atmosphere for start-ups.
8. CIBA receives support from both the Central and State Governments.
9. Luxurious Co-living areas at Verna centre for incubates and entrepreneurs.
10. To date, CIBA has nurtured and incubated more than 140 start-ups.
11. Created employment for more than 500 job seekers in the supported start-ups.
12. More than 220 Million in rupees have been raised as of today.

## **Weakness**

1. There is a marketing gap at CIBA. People in Goa are still unaware of the existence of Business Incubation and Acceleration Centres.
2. At the Assagao Centre, there is a staffing shortage.
3. The CIBA website is out of date.
4. There is insufficient marketing to raise awareness of CIBA.
5. There is no job security for employees, which de-motivates CIBA personnel.
6. CIBA is not self-sufficient because it receives funds from various government entities.
7. Its Incubates do not receive regular consultation.
8. A significant portion of CIBA's resources remain utilized.

## **Opportunities**

1. Increase turnover by putting more emphasis on marketing.
2. To establish a CIBA Financial Consultancy service.
3. Generate additional revenue by renting out a meeting space
4. Begin assisting social media-based micro e-commerce enterprises.

5. Establishing a consultancy service to assist aspiring entrepreneurs with legal compliance.
6. CIBA has a lot of space that might be used to produce revenue for the organisation, such as letting out cottages.

## Threats

1. A lack of awareness as many individuals are unfamiliar with CIBA.
2. The non-committal indications at times by the Government departments.
3. Because CIBA has access to both state and Central Government, Government procedures can be slow at times, limiting CIBA's ability to work effectively.
4. The likelihood of a start-up failing is very high.

## VRIN Analysis

Resources	Valuable	Rare	Inimitable	Non-Substitutable	Competitive indications
Mentors	Yes	No	No	No	Competitive parity
In campus living space	Yes	Yes	Yes	No	Unused competitive advantage
Human Resource	Yes	No	No	Yes	Competitive parity
Angel Investors	Yes	No	No	Yes	Competitive parity
Food processing Labs	Yes	Yes	No	No	Temporary competitive advantage

## Interpretation

Mentors, Human Resources, and Angel Investors are key assets held by CIBA, giving the organisation a competitive advantage. Living space on campus is a firm resource that is valuable, unique, and inimitable, yet it is a replaceable resource, therefore it has an unused competitive advantage. Food processing lab is a valuable and rare business resource that offers a temporary competitive edge.



# **INDUSTRY ANALYSIS**

## **Porter's five Forces of Analysis**

### **1. Competitive Rivalry (High)**

**Competitors:** In the incubator industry, there is a lot of competition. When it comes to the start-up ecosystem, India ranks third with the third-highest number of start-ups, trailing only China and the United States. In India, there are 284 incubation centres (including government-supported and private incubation centres) as of 2019.

**Switching Costs:** Consumers have a low cost of switching, which leads to increased competition.

### **2. Threat of New Entrants (Low)**

**Hug Costs:** Many potential entrants will be deterred by the need for large capital investments, which will function as a barrier to entry. Only those who can afford a large initial commitment will attempt to enter.

**Legal and Government Created Barriers:** Permits and licences, as well as government and regulatory procedures, could be a significant barrier to entry.

### **3. Bargaining Power of Buyers (Moderate)**

**Buyer Concentration:** Customers for Business Incubators are largely start-ups. Currently, there are fewer and more concentrated start-ups. The revenue of the business incubator will be based on these few customers, and it will be unable to disregard any requests made by them.

**Price Sensitivity:** Customers, I've discovered, aren't sensitive to price adjustments; otherwise, they'll quit incubating, and the incubator won't be able to ignore their requests. However, CIBA has its own credit limit, which he cannot exceed.

### **4. Threat of Substitutes (Moderate)**

**Substitute Availability:** There are no perfect substitutes for Business Incubation; however there are alternatives such as Academic institutions, Non-profit development corporations, Meet-up Platforms, University Accelerators, and Public Programs that can assist start-ups in different ways.

**Quality of Service:** When compared to these options, the quality and number of services given by Business Incubator is superior.

### **5. Bargaining Power of Suppliers (High)**

In order to provide services to start-ups and incubates, business incubators and accelerators need to have access to consultants and other specialists with the appropriate skills and experience, such as a legal consultant for legal formalities, right mentor for incubate etc. One of an incubator's most significant functions is to connect an entrepreneur with consultants and experts. This demonstrates the importance of maintaining solid ties with suppliers. Suppliers, on the other hand, have the power to

define terms, set prices, and determine availability schedules. As a result, Supplier Bargaining Power is high for Business Incubators.

## **PESTLE Analysis**

### **1. Political Factors**

As incubators are funded by the government, changes in the ruling party's policy may have an impact on the incubation centre. Various programmes for start-ups have been launched by the NDA government in the past few years, providing financial assistance to new businesses. Schemes such as CMRY, PMEGP, Mudra Yojana, and Stand-Up India have a favourable impact on the growing number of start-ups in India.

### **2. Economic Factors**

A decrease in loan interest rates will result in more start-ups, whilst an increase in loan interest rates will result in a reduction in start-up growth. If lending rates fall, the ease of doing business will improve, particularly for start-ups, resulting in an increase in entrepreneurship.

### **3. Social Factors**

As the population grows, so does the unemployment rate. When people are unemployed, they will consider starting their own business, resulting in a demand for incubation centres. Factors such as the consumer's preferences are also crucial. People's preferences will have an impact on incubators if they opt to work from home rather than join the incubation centre.

### **4. Technological Factors**

People can now work from home due to advances in technology where two or more employees can collaborate on the same project from the comfort of their own homes which can affect the space allocation business of incubation.

### **5. Environmental Factors**

The environmental factor is unlikely to have a significant direct impact on the incubation industry.

### **6. Legal Factors**

Consumer protection laws, antitrust law, labour laws, and health & security law are all examples of this factor. These factors can have an impact on how a company functions, including its cost structure.

# **FEASIBILITY REPORT ON AGNEL VOCATIONAL TRAINING INSTITUTE**

The project report is prepared for setting up of Vocational training institute at a CIBA facility at Assagao. The aim is to utilize the facility to its capacity to generate additional revenue by catering to the demand in Vocational training.

## **Abstract**

The project topic being “Feasibility Report on Agnel Vocational Training Institute” under which study try to find profitability of starting a Vocational training institute that offers home nursing, RAC and Food & Beverage course. For the purpose of study primary data has been collected from the institutes which provides same courses. Data of two institutes for each course has been handled throughout the study. To generate outcome, relationship between demand and time has been tested and demand is forecasted using ‘Regression’. Feasibility report is prepared using the forecasted demand and NPV, IRR and Payback period method were used to ascertain the profitability. Conclusion derived on the basis of analyses that the project is profitable.

## **CIBA’s objective towards setting up the Agnel Vocational Training institute**

- To utilize the Facility and resources to its capacity.
- To generate more income from the resources available.
- To cater to the demand of vocational education.

## **Project Question**

- What is the demand for Home nursing, Refrigerator & Air Conditioning and Food & Beverage Course?
- What is the profitability of the proposed plan?

## **Objective of the study**

This project makes an attempt to find the profitability of proposed Vocational training institute.

1. To forecast and study the demand for Home nursing, Refrigerator & Air Conditioning and Food & Beverage Course.

2. To ascertain the profitability of the Agnel Vocational training institute

## **Methodology**

### **Data Collection**

- Data on Number of Applications received collected from other vocational institutes for the three courses to forecast the demand.
- Personal interview of the Head of CIBA.

The data collected was then coded into excel, where regression was run to forecast the demand for the courses.

## **Limitations**

The data collected was from two Industrial Training Institutes for each course due to time constraints which can be a disrupting factor in the forecasted result.

## **Project Hypothesis**

Regression hypothesis of Home Nursing course, RAC course and Food Production course.

$$Y = \beta_0 + \beta_1 X$$

$$H_0: \beta_1 = 0 \text{ vs. } H_1: \beta_1 \neq 0 \text{ at } \alpha = 0.05$$

H<sub>0</sub>: There is no relationship between Demand and Time.

H<sub>1</sub>: There is a relationship between Demand and Time.

## DATA ANALYSIS AND INTERPRETATION

**Objective 1:** To forecast and study the demand for home nursing, Refrigerator & Air Conditioning and Food & Beverage Course.

### Action

To achieve the above mentioned objective, the regression test was run on the data. In the regression test the demand was the dependent variable and time was independent variable. To test the Hypothesis P value was considered. P-value of Home nursing, RAC and Food & Beverage comes up to be 0.0002, 0.0341 and 0.0087 respectively, which is less than 5% level of significance.

If  $P \text{ value} < 0.05$ , we reject the null hypothesis.

If  $P \text{ value} > 0.05$ , we failed to reject the null hypothesis.

Hence, we reject the Null hypothesis which means there is relationship between Demand and Time.

Since there is a relationship between demand and time, demand forecasting for further years is possible.

To forecast demand formula used is

$$Y = \beta_0 + \beta_1 X$$

$Y$  = Dependent variable

$\beta_0$  = Intercept

$\beta_1$  = Slope of the line

$X$  = Independent Variable

Table 1 Demand and supply for the courses.

Year	Home Nursing course			RAC course			Food production course		
	Aggregate Demand	Aggregate Supply	Surplu s	Aggregate Demand	Aggregate Supply	Surplu s	Aggregate Demand	Aggregate Supply	Surplu s
2010-11	-	-	-	32	40	-8	-	-	-
2011-12	-	-	-	38	40	-2	-	-	-
2012-13	-	-	-	42	40	2	-	-	-
2013-14	-	-	-	33	40	-7	-	-	-
2014-15	34	40	-6	39	40	-1	44	40	4
2015-16	35	40	-5	50	40	10	44	40	4
2016-17	39	40	-1	36	40	-4	44	40	4
2017-18	43	40	3	50	40	10	59	40	19
2018-19	44	40	4	46	40	6	68	40	28
2019-20	48	40	8	46	40	6	49	40	9
2020-21	18	40	-22	10	40	-30	32	40	-8
2021-22	16	40	-24	15	40	-25	42	40	2
2022-23	56	40	16	52	40	12	69	40	29
2023-24	59	40	19	54	40	14	72	40	32
2024-25	62	40	22	55	40	15	75	40	35
2025-26	65	40	25	57	40	17	79	40	39
2026-27	68	40	28	58	40	18	82	40	42

In the above table, Aggregate demand from year 2010 to 2022 was used to forecast the demand for the year 2022 to 2027. Aggregate demand is combination of number of applications received by the institutes for the said courses. Aggregate supply is maximum number of seats two institutes can offer and the surplus column indicates the number of students that the new institute can cater.

For the home nursing course the forecasted figures for year 2022-23 is 56, 2023-24 is 59, 2024-25 is 62, 2025-26 is 65 and 2026-27 is 68. For the RAC course the forecasted figures for year 2022-23 is 52, 2023-24 is 54, 2024-25 is 55, 2025-26 is 57 and 2026-27 is 58 and for the Food & Beverage course the forecasted figures for year 2022-23 is 69, 2023-24 is 72, 2024-25 is 75, 2025-26 is 39 and 2026-27 is 82. It can be seen that the demand for courses appears to be higher than the supply and it continue to grow over the years.

**Objective 2:** To ascertain the profitability of the Agnel Vocational training institute.

Table 2 Cost of required fixed asset for the institute

Sr. no	Particulars	Qty	Rate	Amt
1	Nursing Equipment			2,50,000
2	RAC Equipment			2,50,000
3	F & B Equipment			2,00,000
4	Practical Table (100 x 140 cm)	3	7500	22500
5	Instructor Chairs (W x H: 54 cm x 104 cm (1 ft 9 in x 3 ft 4 in)	6	3500	21000
6	Student Chairs (Length ( 17 inches), Width ( 18 inches), Seating Height (18 inches), Overall Height ( 33 inches )	60	2700	162000
7	Instructor tables (Height x Width: 76 cm x 114 cm (2 ft 5 in x 3 ft 8 in)	6	5700	34200
8	White board big size (180 x 90 cm)	6	3700	22200
9	Cupboard (78h x 36w x 19D inch)	6	7800	46800
10	Racks (80h x 35w x 17D inch)	6	2800	16800
11	Glass Cupboard (75h x 35w x 17D inch)	2	11900	23800
	Total			10,49,300
12	Laptop	1	25000	25000
13	PC	1	30000	30000
14	Printer	1	5400	5400
	Total			60400
15	Projector	1	25000	25000
	Total Initial Out Flow			11,34,700

The above table shows requirements of assets for the proposed plan of Vocation training institute. After considering cost of all the assets the institute will have to spend Rs.11, 34,700.

Table 3 Cash flow statement

<b>CASH FLOW STATEMENT</b>							
	<b>PARTICULARS</b>	<b>01-04-2022</b>	<b>31-03-2023</b>	<b>31-03-2024</b>	<b>31-03-2025</b>	<b>31-03-2026</b>	<b>31-03-2027</b>
	OUTFLOW	11,34,700					
	REVENUE						
	Nursing		5,60,000	6,98,250	7,71,750	8,10,338	8,50,854
	RAC		4,20,000	5,14,500	5,78,813	6,88,787	7,65,769
	F & B (2 Courses Per Year)		5,80,000	6,72,000	7,71,750	9,02,948	9,72,405
	Total Revenue		15,60,000	18,84,750	21,22,313	24,02,072	25,89,028
LESS	VARIABLE EXPENSES						
	Consumables		90,000	94,500	99,225	1,04,186	1,09,396
	Repair & Maintenance		26,233	27,544	28,921	30,367	31,886
	FIXED EXPENSES						
	Rent		5,40,000	5,67,000	5,95,350	6,25,118	6,56,373
	Salary		8,64,000	9,07,200	9,52,560	10,00,188	10,50,197
	Advertisement		15,000	15,750	16,538	17,364	18,233
	Miscellaneous Expenses		19,950	23,888	27,011	30,793	33,183
	Water Bill		26,400	27,720	29,106	30,561	32,089
	Electricity		32,400	34,020	35,721	37,507	39,382
	EXPENSES		16,13,983	16,97,622	17,84,432	18,76,085	19,70,740
	Profit Before Interest Tax and Depreciation		-53,983	1,87,128	3,37,880	5,25,987	6,18,289
LESS	DEPRECIATION		1,39,090	1,14,933	97,291	83,873	73,272
	Profit Before Interest & Tax		-1,93,073	72,195	2,40,590	4,42,115	5,45,017
LESS	INTEREST ON LOAN		0	0	0	0	0
	Profit Before Tax		-1,93,073	72,195	2,40,590	4,42,115	5,45,017
LESS	TAX		0	0	0	0	0
	Profit After Tax		-1,93,073	72,195	2,40,590	4,42,115	5,45,017
ADD	DEPRECIATION		1,39,090	1,14,933	97,291	83,873	73,272
	NET FLOW	-11,34,700	-53,983	1,87,128	3,37,880	5,25,987	6,18,289
	Cumulative Cash flows		-	-			
			11,88,683	10,01,554	-6,63,674	-1,37,687	4,80,602

Pay Back Period	4 Years 3 Months Approx.
IRR	9%
NPV	₹ 1,43,251.75

The above table shows the cash flow of the proposed institute when the demand is taken as per the forecasted figures. Payback period is 4 years & 3 months approximately derived from the cumulative cash flows. Internal rate return is acceptable when IRR is higher than cost of capital, in the proposed plan calculated IRR is 9% which is appears to be higher than Cost of



capital. Net present value shows a positive value of Rs. 1, 43,251. Hence the proposed plan is profitable to the CIBA.

Table 4 sensitivity analysis

Sensitivity Analysis		
	Optimistic	Pessimistic
	5% increase in revenue but does not exceed Full Occupancy	5% decrease in revenue
NPV	5448527	-295180
IRR	18%	-1%
Payback period	3 years & 7 months Approx	5 years & 2 months Approx

Net present value is negative in the pessimistic condition and to accept the project NPV has to be above zero, then it is considered to be financially worthwhile. NPV in optimistic condition is positive. IRR in optimistic condition is above the 6% Cost of capital, hence the project is feasible but in pessimistic conditions IRR is below the cost of capital, the project is not doable in pessimistic condition.

## Conclusion

NPV is positive in the expected cash flows derived from the forecasted figures. Study concludes that the proposed plan is feasible. The project will generate revenue in the form of rent to the CIBA and will recover the investment in 4 Years and 3 months approximately as per forecasted cash flows. The project will be profitable to the CIBA.

## Learning derived from the project

- Understanding on the amount of capital need to begin and operate the business.
- Ways and skills to approach higher authorities for data collection and to conduct market survey.
- To ascertain the economic viability of a proposed plan before starting actual business project.
- Scrutiny of primary data as per project requirement.
- To analyse and interpret the financial statements.

## ANNEXURE-I

### Questionnaire to Institutes

Name of the institute	_____
What is the duration of the course?	_____
What are the fees of the course?	_____
What is the size of the batch?	_____
Is there an entrance exam for the course?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If no then on what basis the candidates are selected for the course?	_____

How many applications received for the course during the following years?	
Years	No. of Applications received
2010-11	_____
2011-12	_____
2012-13	_____
2013-14	_____
2014-15	_____
2015-16	_____
2016-17	_____
2017-18	_____
2018-19	_____
2019-20	_____
2020-21	_____
2021-22	_____