

Policy and Procedures

for Companies

Incubated By

Indigram Labs Foundation

Indigram House, B-1/B-1

Mohan Co-operative Industrial Estate

New Delhi - 110044

Introduction

Indigram Labs Foundation (ILF) was founded in October 2015, as a technology business incubator under section 8 (Not for Profit Company) of companies act 2013, Indigram Labs is supported by National Science and Technology Entrepreneurship Development Board (NSTEDB), Department of Science and Technology, Government of India. Indigram Labs is committed to foster and nurture viable business ideas in the fields of Agriculture, Food Processing, Renewable Energy and Rural Healthcare. We create an entrepreneurial ecosystem for individuals with creative minds and ideas with potential to grow full – fledged business enterprises which can touch & transform rural lives.

This document contains policy and procedures for operational matters related to Incubated companies at Indigram Labs. It covers the following processes:

1. Eligibility
2. Admission process
3. Seed Support
4. Incubation support
5. Periodic assessment
6. Information submission
7. Consideration
8. Tenure of Incubation
9. Exit (Graduation)
10. Conflicts of interest
11. Disclaimer
12. Agreements

The policy is subject to periodical review and amendments. It will be the responsibility of the companies admitted to/associated with Indigram Labs to update themselves from time to time on amendments in the policy and procedures. ILF reserves the rights 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.

1. Eligibility

Admission to Indigram Labs Foundation will be granted only to companies covering all the following points

- The company should be registered under 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.)
- The operations of the company should fall under any of the below industry
 - a. Agriculture Technology and Food Processing
 - b. Clean energy and Automation
 - c. Rural Healthcare
 - d. Education and skill development

Applicants must fulfill the eligibility criteria as above for making an application for admission in ILF, even in case of ILF's virtual incubation and or pre-incubation programme.

2. Admission Process

Based on the merits of the case, the evaluation of the idea/business plan for incubation purposes, any of the following processes could be adopted.

Through two levels of review process:

- Internal review- by senior business team members. A pitch template will be shared with the applicant for presenting to the internal team. This may take a few iterations till desired clarity of the idea/business is achieved.
- External review- A business plan/deck is prepared after satisfactory internal review by the applicant. This is then sent to two/three experts for their opinion/feedback. Experts could be from the domain, investor, established entrepreneur, potential client/user. Applicants may be asked to present to the concerned experts and feedback sought.

In case of pre-screened and previewed business ideas/cases by government grants/competitions, on their approval, the same will be directly taken for pre-incubation or incubation as the case may be.

Incubation approval is subject to completion of satisfactory review process.

ILF will have a sole discretion whether to admit or reject a proposal for incubation and the decision of ILF in this regard shall be final. ILF is not bound to give any reason in case a proposal is rejected.

3. Seed Support

The Incubatee companies may get Seed fund support under NIDHI- Seed Support System by National Science and Technology Entrepreneurship Development Board, Department of Science and Technology, Govt. of India. Applications for which will be considered by Seed Support Management Committee. It will be subject to the guidelines of DST from time to time.

4. Incubation Support

DETAILS OF FACILITIES

Physical infrastructure:

- Fully furnished Office Space
- Shared resources: Meeting rooms, Conference rooms, Pantry
- Office productivity equipment: Fax, Photocopier, Shredder, Scanner, Projector
- Lab: ILF Lab with Equipment and software tools, Facilitation for access to RnD collaboration with universities and institution subject to case to case basis

Utility#:

- Electricity
- Internet
- Infrastructure support

IT Support@:

- Cloud credits
(@Several large companies offer the services only to startups Incubatee at a recognized incubator. The support being offered to the companies is based on its availability at the time of the incubation. Incubator may withdraw the facility if it is withdrawn by the service provider.)

Financial Support:

- Funding through ILF internal sources
- Seed fund support under NIDHI – Seed support management
- Funding is facilitated through angel investors, venture capitalists and other financial institution.
- Investors meet is conducted regularly

Advisory and coaching:

- Mentoring
- Trainings and workshops
- Free advisory from Experts- legal, Accounting, IP. Addition expert area may be added during the incubation. The Incubatees however will have to pay for specific transactions.

Network:

- Facilitation for business, professionals and expert network
- Facilitation for investors network
- Facilitation for industry connection
- Showcasing opportunities

Ecosystem advantage:

- Experiential learning in incubator
- Host organization (ISAP) ecosystem- technical resources and interactions, network of more than 300 professionals from agriculture and allied fields and approx 5 lakhs farmers from 18 states.
- Media visibility
- Address for incorporation (for resident incubatees under physical incubation)

Notes:

- 1) If physical incubation: The Incubatee will pay monthly rentals of infrastructure facilities as per the agreement
- 2) The Incubatee shall pay for the usage of fax machine and photocopier on actual basis.
- 3) The ownership of all assets and facilities so provided as a part of Incubatee supports and facilities rests with ILF as the case may be.
 - Pre Incubatees will be provided all the above incubation support except funding
 - Virtual Incubatees will be provided all the above incubation support except physical office space.

5. Periodic assessment

ILF will evaluate the performance of Incubatee companies periodically. Incubatee companies will submit information to ILF in a prescribed format. (This can be obtained from ILF office or can be downloaded from its website.) The companies will also be subject to an annual assessment by a Committee comprising of external experts.

A company which has taken seed support will have to submit additional information as may be asked by ILF. The un-disbursed portion of the seed support will be adjusted subject to the performance of the company.

It is mandatory for the Incubatee companies to submit a copy of their audited annual reports within a period of 7 days from the date of their finalization.

6. Information Submission

Incubatee companies will submit information to ILF 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. ILF may require Incubatee companies to submit other information as it deems fit. Prior concurrence of ILF should be obtained for effecting such changes.

Besides the above, as ILF is government recognised technology business incubator, it may be called upon by any government organization/institution to share information regarding the Incubatee companies. ILF may, accordingly, call for such information. ILF will take the responsibility not to share/disclose any company specific details without prior permission of said company but may use the information for consolidation purposes only when reporting.

7. Consideration

In lieu of support and services to be provided by ILF, the Incubatee companies will be subject to following consideration.

- Utility charges as per the incubation agreement
- Equity and Revenue share up to maximum 6%

For any specific (e.g. pre-incubation, etc)/additional support or extension of incubation, additional consideration may be charged on case to case basis.

8. Tenure

Companies will be permitted to stay in ILF, to begin with, for a period of 36 months. Further extension if any will be for another 24 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 60 months is subject to ILF Board approval and will entail additional consideration to ILF including higher rentals, which terms will be decided at that point of time.

9. Exit (Graduation)

Incubatee shall be allowed to exit or shall be dismissed from TBI upon the happening of one Or more of the following events:

- Underperformance or unavailability of the business venture by the Incubatee, for which the criteria shall be decided and applied by ILF on case to case basis.
- Annual turnover of the Incubatee exceeding INR 5,00,00,000 (Indian Rupees Five Crores Only) or when the Incubatee's profit before tax exceeds INR 1,00,00,000 (Indian Rupees One Crore Only) annually.
- Raising substantial investment from angel investor/venture capital fund/any other investor of INR 25,00,00,000 (Indian Rupees Twenty Five Crores Only) or more.
- Number of employees of the Incubatee exceeding 40.
- Completion of stay for thirty six months, unless the stay is extended by ILF.
- Irresolvable disputes between promoters/ founders. ILF will decide the position or point when disputes are deemed to be irresolvable.
- Change in promoters'/ founders' team without concurrence of ILF.
- When the company enters in an acquisition, merger or amalgamation deal or re-organisation 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.
- Any other reasons which ILF may find it necessary for an incubatee company to leave Incubation support.

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

10. Conflicts of interest and confidentiality of information

When a person plays two separate roles in two different positions and he/ she uses one position for his/ her personal benefit in the other role, a situation leading to conflict of interest arises. ILF endeavors 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 ILF considers the full voluntary disclosure as the best mechanism for managing conflicts of interest.

Since situations leading to conflicts of interests are inevitable, a transparent policy, based on full disclosure of relevant information by the concerned parties, and discouraging their influence on decisions and activities to avoid personal benefit to them, is appended hereto as **Appendix A**. The policy is not exhaustive, and hence situations having potentials for conflicts of interest though not covered in the policy will nonetheless be subject to the policy. The policy makes all stakeholders related to ILF and incubatee companies 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.

This policy also deals with maintenance of confidentiality of proprietary information.

A committee may be set up by ILF to resolve any dispute over such situation causing conflicts of interests.

11. Disclaimer

The Incubatee Company will understand and acknowledge that ILF intends to provide supports and services to the Company in good faith to pursue its objective to promote entrepreneurship by converting innovative technologies to commercialization by incubating and supporting new enterprises. It is understood that by agreeing to provide various supports and services, ILF 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 ILF 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 ILF/ISAP network. Incubatee companies will have to apply their judgments before getting in to a relationship with them.

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

12. Agreements

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

- Incubation agreement:
Between ILF, the incubatee company and its Promoters for ILF's equity holding and incubation support being provided.
- Seed Support Agreement:

Between ILF, incubatee company & its promoters & DST on sanction of seed support to the incubatee company under NIDHI – SSS by National Science and Technology Entrepreneurship Development Board,

Department of Science and Technology, Govt. of India. It will be subject to the guidelines of DST from time to time. (CCPS/ OCPS/Equity)

Appendix A

Policy on Conflicts of Interests and Confidentiality

1) Introduction:

Indigram Labs is committed to foster and nurture viable business ideas in the fields of Agriculture, Food Processing, Renewable Energy and Rural Healthcare. We believe that there is no dearth of ideas but mentoring, an initial push which will make the difference between an unfulfilled dream and a flourishing business. We create an entrepreneurial ecosystem for individuals with creative minds and ideas with potential to grow full – fledged business enterprises which can touch & transform rural lives.

In this process, however, complexities surrounding actual and potential conflict of interests and commitment are also involved. When an individual holds two positions in different roles, and when he/she tries to use one position for personal benefits of his/her aspirations in another, a situation of conflict of interest arises. Certain positions held by employees of ILF which are of trust and confidence owes fiduciary responsibilities to those to whom ILF provides supports and services. Any significant, direct or indirect, financial interests held by ILF employees in any of companies supported by ILF could involve possible conflict of interests. Persons associated with ILF 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 ILF.

Further during the process of incubation, certain proprietary information may also be exchanged between various parties which are of confidential or sensitive nature. The confidentiality of such information needs to be maintained.

1. Policy objective:

The intent of this document is not to eliminate all possible situations leading to conflict of interests, an obvious impossibility. Rather, it is to enable an interested person to recognize situations that may be subject to question, to take steps to minimize such conflicts and to ensure that such situations are Properly reviewed and, if necessary, corrected. All potential conflict of interest situations should be Handled in a manner and all relevant activities are conducted in a manner consistent with the values of ILF and public values and interests. This policy makes all stakeholders related to ILF aware that no one should use his/her position in one role for 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.

Also, each party in receipt of confidential information should restrict the use of such information for the purpose for which it is disclosed. Concerned parties should safeguard and protect confidentiality of information by using the same degree of care as they would use to protect their own information of like nature to prevent unauthorized disclosure.

2. Definitions:

- a. “Associates/ Affiliates”- means any person or entity directly or indirectly controlling or Controlled by the other party or two parties are under a common control of one Party.
- b. “Confidential information”- means any information, whether in written, visual or oral form, disclosed by a disclosing party to the receiving party based on discussion or understanding between them, and-
 - which is clearly labeled or marked as ‘confidential’, ‘sensitive’ or its equivalent if disclosed in tangible form, or
 - which is concerning / provided by the disclosing party and is not known or generally available to the public at large, or
 - the nature of which should reasonably have been understood by the receiving party as being proprietary and confidential to the disclosing party.

Notwithstanding the above, Confidential Information shall not include any information which:

- i. is or becomes publicly known through no wrongful act on the receiving party’s part; or
 - ii. is already known to the receiving party at the time of disclosure; or
 - iii. is rightfully received by the receiving party from a third party without breach of obligation to maintain confidentiality by the receiving party, or
 - iv. is furnished to a third party by the disclosing party without a similar restriction on such third party’s rights; or
 - v. is independently developed by the receiving party without breach of any agreement with the disclosing party; or
 - vi. is explicitly approved for release by the disclosing party; or
 - vii. is required to be disclosed by the receiving party under any prevailing law or to a court of competent jurisdiction or any appropriately empowered governmental agency.
- c. “Conflict of interest”- in this policy refers to a situation in which financial or other personal considerations compromise, or have an appearance of compromising an individual’s professional judgement and ability to perform his/ her responsibilities to ILF or Incubatee companies as the case may be. This also includes certain gray situations or gray areas that might involve the appearance of conflict.
 - d. “ILF members”- means employees, board members, advisory board members, associated mentors.
 - e. “Incubatee Company” - means a company admitted to the Business Incubator administered by ILF.
 - f. “Interested person”- means any person having any direct or indirect, actual or potential, financial or personal interest because of their relationships with ILF or Incubatee companies in ILF.

3. Scope:

This policy applies to all interested persons. This will include:

- ILF members who can have actual and potential interest which are conflicting with the activities of the Business Incubator or incubatee companies,
- Incubatee companies, their promoters, employees and staff, or their affiliate or associate company.

4. Situations leading to Conflict of Interests:

Certain situations leading to conflict of interests are explained herein below. However the list is not exhaustive, and hence situations having actual or potentials for conflicts of interest though not covered in this document will nonetheless be subject to this policy.

- An ILF member is in a position to influence a departmental decision which could benefit an incubatee company in which he/ she is an interested person.
- An ILF member is in a position to circumvent prevailing policies for making use of ILF's various facilities for the benefit of an incubatee company in which he/ she is an interested person.
- An ILF member is in a position to make use of the suppliers and service providers of ILF for undue advantage of an incubatee company in which he/ she is an interested person.
- An ILF member procures consultancy assignments or other business in name of ILF and out sources them to the incubatee company in which he/ she is an interested person.
- When an ILF member is in a position to influence policy decisions of ILF with an intention to benefit an incubatee company in which he is an interested person.
- Use of ILF employees to perform a work for an incubatee company without any compensation when the work is not related in any way for their job role.
- A person who is interested in one Incubatee Company and also involved in a decision-making process affecting other incubatee companies leads to situation of conflict of interest.
- When an incubatee company, its promoters, employees and staff or any interested person acts in manner to benefit the incubatee company at the disadvantage of ILF.
- An incubatee company, its employees and its staff having access to ILF resources are in position to exploit them by bypassing ILF's policies.
- When ILF members, promoters, employees and staff of Incubatee companies are neglecting their respective commitments to ILF for their association with incubatee companies.
- ILF employees and associates are in position to use sensitive information pertaining to incubatee companies for their personal advantage.

5. Confidentiality of information:

ILF members and associates, incubatee companies, their promoters, employees and staff may come in possession of proprietary information which may be of confidential or sensitive nature. Recipients of such information should make all efforts to preserve confidentiality of such information. They should not disclose or use it for their financial or personal benefits without explicit approval of the disclosing party.

6. Management of conflict of interest:

Since situations leading to conflict of interests are inevitable, it is expected that the interested persons follow transparency in their actions based on full disclosure of relevant information by them. Following guidelines are suggested for management of actual or potential conflict of interests and to address disputes arising out of conflict of interests and maintenance of confidentiality:

- Appropriate disclosure of the conflicting situations involved in a decision or transaction,
- Abstaining from participating in decision making process or transactions involving such situations,
- Obtaining appropriate approvals to avoid conflicts,
- Reporting of the breach of the policy without deliberate intention or knowledge.

If any dispute arises in terms of this policy, the same should be reported to the Chief Executive Officer/Chief Mentor (ILF),

If required, Chief Executive Officer/Chief Mentor (ILF) will refer the matter to the Chairman, ILF or the Director ILF as the case may be, whose decision in the matter shall be final.