



Incubation Policy

June 2021
(Updated November 2021)

Contents

About IIITD Innovation & Incubation Center	3
Policy Objectives	4
Incubation Policy and Guidelines	4
Types of Support offered	5
Eligibility for Pre-Incubation	7
Eligibility for Incubation	7
Eligibility for Virtual Incubation	8
Incubation Admission Procedure.....	8
Stage 1: Submit Executive Summary/ Plan	8
Stage 2: Presentation	9
Result	10
Intellectual Property	10
Exit	10
Performance Monitoring	12
Financial Support Schemes.....	12
1. Entrepreneurship-in-Residence (EiR)	12
2. IIITD Alumni Fellowship (AF)	16
3. Seed Investment	21
Point of Contact	25
Apply for Incubation	25
Summary of Policy.....	26
Policy Administration	26

About IIITD Innovation & Incubation Center

IIITD Innovation & Incubation Center Delhi (**IIITD-IC**) Delhi is created for fostering innovation by supporting & promoting technology-based start-ups and providing an ecosystem for their growth by Incubating in the Center. The Center was established in June 2017 as a section 8 company in IIIT Delhi. The Incubation Center is actively involved in developing the paradigm of entrepreneurial mindset & environment of ideating, creating and commercializing the ventures at the institute or any other start-ups aligned to the core theme of Center. IIITD-IC is a DST's technology business incubator and TIDE 2.0 Center of MEITY. The Center is also recognized and supported by Dept. of Training and Technical Education (DTTE), Govt. of NCT of Delhi.

The main objectives of IIITD-IC are:

1. To promote innovation and assist start-up companies by establishing and providing physical infrastructure.
2. To provide incubation and acceleration services to innovation and start-up companies by facilitating technology and management consulting services and guidance.
3. To promote entrepreneurial activities and create a culture of entrepreneurship and innovation leading to start-up companies.

IIITD-IC is primarily focused on incubating start-up in technology domains so that start-up can leverage the expertise of IIIT Delhi by associating with some mentors from faculty, research scholars, or any other peer start-up. Start-up should be benefitted by Incubation in the Center is the main goal of IIITD-IC. Preferred thrust areas for the Incubation are:

1. Artificial Intelligence and Machine learning
2. Mobile Computing & IOT
3. Computational Biology

4. Wireless Technology & Signal Processing
5. Cyber Security
6. Digital Humanities & Social Sciences
7. Data Science & Big Data
8. Image Processing & Computer Processing
9. Human Computer Interaction & Design
10. Robotic & Drone Technology

Apply for Incubation at www.iiitdic.in/apply

Policy Objectives

The goal of IIITD Innovation and Incubation Center (IIITD-IC) at IIIT Delhi is to support ICT based start-up and promote technology-based entrepreneurship. With the vision for building a healthier ecosystem of Innovation and Entrepreneurship, IIITD-IC has adopted this Incubation Policy to provide guidance and management structure to facilitate the development of entrepreneurship. The scope of this document is to define the policies and procedures for the IIITD Innovation and Incubation Center.

Incubation Policy and Guidelines

IIITD-IC wishes to facilitate the creation of ideas and inventions that benefit society. The scope of this document is to define the policies and procedures for the operational matters related to the IIITD-IC. The policy is subject to periodical review and amendments. It will be the responsibility of the start-ups admitted to IIITD-IC to update themselves from time to time on amendments in Incubation policy and procedures. IIITD-IC 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.

Types of Support offered

1. Pre-incubation

- 1.1. Support offered to groups/teams having an idea which can be converted into a start-up venture and have not yet incorporated a company. The idea could be at the initial stage or developing a Proof-of-Concept.
- 1.2. Pre-incubation support can be offered to groups/teams from IIIT Delhi or outside of IIIT Delhi.
- 1.3. The period of Pre-incubation would be 3 months.
- 1.4. Pre-Incubation service fees details are provided in **Annexure I**.
- 1.5. The benefits of a pre-incubatee are summarized in **Annexure II**.

2. Incubation

- 2.1. Support offered to start-up ventures having registered entities and have developed initial prototype or validated their product/services in the market with some initial customers.
- 2.2. Any person desirous of availing incubation facilities has to incorporate a private/public private limited company (as defined in the Companies Act, 2013). This condition may be relaxed for recent graduates for 6 months, provided they incorporate their start-up within 6 months of Incubation at IIITD-IC.
- 2.3. The companies promoted by Faculty of IIIT Delhi shall be governed by policies for Faculty Entrepreneurship of the IIIT Delhi available at the office of Associate Dean IRD of IIIT Delhi. The companies promoted by full-time students at IIIT Delhi have to provide a No Objection Certificate and Self declaration about their company interest and IIITD-IC will not be responsible for any impact on their academic activities.
- 2.4. Other start-ups, not linked with IIIT Delhi, has to be Technology based company and would be encouraged to have an association with IIIT Delhi e.g., having a mentor or advisor from IIIT Delhi. Incubation Center will provide all support in facilitating the association. However, Incubation center can incubate and allow time to identify the mentor. Any other exceptions will be decided by the committee.

- 2.5. A company if promoted by an employee of Govt. / Organization shall be granted Incubation only upon submission of 'No Objection Certificate' from the competent authority or employer.
- 2.6. Incubation Fees are to be paid by start-up in advance as mentioned in Annexure I with an appropriate security deposit as per Incubation Services Agreement.
- 2.7. A graduated start-up shall not be incubated again for the same start-up venture.

3. Virtual Incubation

- 3.1. Support offered to start-up ventures having registered entities and do not require physical infrastructure (working space) at the Incubation Center.
- 3.2. Any person desirous of availing incubation facilities has to incorporate a private/public-private limited company (as defined in the Companies Act, 2013). This condition may be relaxed for recent graduates for the initial term, provided they incorporate within 6 months to 1 year of starting at IIITD-IC Delhi. The Incubatee has to sign a declaration(s).
- 3.3. Virtual Incubation fees indicated in Annexure I.
- 3.4. The virtual incubated company should be an ICT based company.

Eligibility for Pre-Incubation

It would be preferred that the founder should have completed the education of at least 10+2 level.

Eligibility for Incubation

It would be preferred that the founder should be enrolled/have completed graduation and preferably have a work/industry experience of about two years.

The start-up should be registered in India as a Company.

Eligibility for Virtual Incubation

It would be preferred that the founder should be enrolled/have completed graduation and preferably have a work/industry experience of about three years.

The start-up should be registered in India as a Company.

Incubation Admission Procedure

Application is accepted online from the incubation website www.iiitdic.in for Pre-Incubation, Incubation and Virtual Incubation. The Incubation procedure is shown in *Figure 1*.

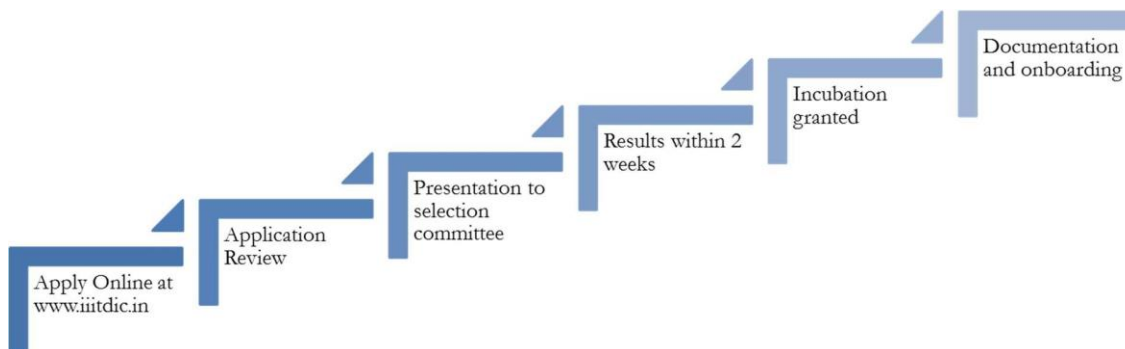


Figure 1: Procedure for Incubation

Stage 1: Submit Executive Summary/ Plan

As a first step in the admission process, the prospective start-up should submit an Incubation Application containing all the details of the start-up applicant like team members, the stage with a business plan and other relevant documents. The submitted application will be assessed by an internal review committee for comments on the technical and business,

feasibility of the idea. Evaluation of the proposal will be based on the several criteria including the following:

1. Strength of the product idea in terms of its novelty, technology content, innovation, timeliness and market potential.
2. Profile of the core team/ promoters
3. Intellectual Property generated and the potential of the idea for IP creation, or potential thereof
4. Stage of the Product/Start-up and time to market.
5. Commercialization prospect, potential demand and break-even period.
6. Scalability
7. Financial/ Commercial Viability
8. Funds requirement and viability of raising funds
9. Involvement of IIIT-Delhi faculty

Stage 2: Presentation

After the initial submissions, the evaluation committee will have a meeting with the company founders, during which the start-up founder will present their start-up describing critical aspects of the business plan to an evaluation committee. The presentation will be followed by a Q&A session. After the presentation, a final decision will be made regarding the start-up's selection for the Incubation. The start-up will be informed of the final decision after the presentation. The presentation through video conferencing is also permitted. Proposals that involve IIIT Delhi faculty, alumni and students may be given preference.

Research & Due Diligence:

Throughout the application process, on an as-needed basis, IIITD-IC will perform research and due diligence of the start-up, the management team, the industry, and the current and future competitive elements facing the

business. IIITD-IC may require further information from the applicant and may ask the applicant to revise the executive summary and/or presentation.

Result

The applicant will be informed of the final decision within two weeks of the presentation. If the Incubation is sanctioned, the applicant shall be offered pre-incubation, Incubation or virtual Incubation. On selection, the start-up Company has to sign an Incubation Agreement.

Intellectual Property

The Promoters should fill an IP declaration worksheet at the time of admission and declare the Intellectual Property developed and owned by the incubated company.

Exit

Pre-incubation gets terminated after a period of three months. One further extension can be granted for three months at sole discretion of Incubation Center.

For Start-ups under Incubation, the Incubation Agreement gets terminated automatically after a period of twenty-four months until & unless extended. One further extension can be granted for twelve months at sole discretion of Incubation Center.

For Start-ups under Virtual Incubation, the Virtual Incubation Agreement gets terminated after a period of twelve months. One further extension can be granted for twelve months at sole discretion of the Incubation Center. Incubation Agreement may also terminate forthwith on or prior to the term of the agreement as follows:

A. By the Incubator:

- i. if any default in payment of Incubation service charges or any financial fraud is played by the Start-up, by giving advance notice of 7 (seven) calendar days.
- ii. at any time, the Board of IIITD Innovation & Incubation Center decides to end the agreement by giving advance notice of one month.
- iii. any violation of any Statute, rules and regulations of IIIT Delhi/ Incubator on case-to-case basis, by giving advance notice of one month through the Start-up will be provided sufficient opportunity to represent and discuss the matter/case with Incubator
- iv. any other reason for which IIITD-IC may find it necessary for the Start-up to leave, by giving a notice of one month.

B. By Both Parties

By mutual written consent of the Incubator and the Start-up;

C. By the Start-up

By giving an advance notice of One (1) month to the Incubator in writing, and clearing all the dues as part of closing of agreement

D. By Graduation

Conditions of Graduation

- a. On completion of 24 (twenty-four) months from the date of execution of this agreement if no extension is provided by the Center
- b. On the completion of the extension period of maximum of 12 months after completion of 24 months.
- c. Start-up's team operating at Incubation Center crosses headcount

of 25 persons (including outsourced/contracted roles)

- d. The Start-up raises the turnover over INR 100 crore in any of the previous financial years (as per the definition of Start-up given at startupindia.gov.in as of date)
- e. The Start-up company completes 10 years of its incorporation as a private limited company registered as per the laws of India (as per the definition of Start-up given at startupindia.gov.in as of date)

Performance Monitoring

IIITD-IC will regularly review the progress and performance. The incubatee are encouraged to interact and discuss on the progress and growth plans on regular basis. A quarterly review is provisioned for assessment of incubatee on achievement of their milestones. The emphasis of evaluation will be on checking if the milestones specified in the business plan are met. For a company that has taken seed fund/investment, additional checks will be done on the financial health of the start-up in terms of its order booking, expenses, profitability, utilization of fellowship and seed money loan for the specified purposes and its ability to repay the loan. Further seed fund disbursement will be dependent on the progress shown in the previous appraisal. The incubatee may be asked to provide more frequent updates to IIITD-IC.

Financial Support Schemes

1. Entrepreneurship-in-Residence (EiR)

The EiR program at IIITD-IC aims to nurture innovative ideas by providing a support platform to entrepreneurs such that they can develop and validate their idea into a Proof-of-Concept with assistance from Incubation Center, IC's networks of mentors, infrastructure and lab facilities and access to industry. A maximum financial EiR support of INR 4 lakhs may be provided with Incubation at

IIITD Innovation & Incubation Center. Preferences shall be given to start-ups in the thrust areas of IIITD-IC.

Eligibility

EiR is given to the start-up company provided they are registered as Pvt. Ltd. at the time of receiving the EiR offer and incubated at IIITD-IC per incubation Agreement.

The application is open for all fulfilling the below conditions:

1. The start-up should be registered in India and promoters should be an Indian citizen having more than 50% shares in the start-up. He/She must not be a promoter or shareholder > 10% in another company.
2. The start-up should be operating in the thrust area of IIITD-IC.
3. At least one promoter of the start-up company should have a technical background and have completed a minimum of 4 years of formal full-time undergraduate/postgraduate education towards one or more-degree programs. A basic degree or diploma should be in science or engineering.

Or

3 years degree/diploma in areas of S&T with minimum of 2 years full-time post qualification working experience post the degree.

4. The applicant/start-up must have a definite Idea to be validated in the market and can be extended into a viable and scalable business.
5. The applicant mustn't have received any fellowship/grants from IIITD-IC prior to applying. If in case any other grant/fellowship/financial support is ongoing, the start-up must inform during the selection process.
6. During the EiR period, if the applicant secures any external funding/investments, the concerned entrepreneur/venture will be considered successfully graduated from EiR scheme and any further financial support will be discontinued. They can continue to be an

incubatee as per incubation terms.

How to Apply?

1. Applications for EiR are invited online on half yearly or quarterly based on availability of position
2. Interested and eligible companies have to apply online.
3. EiR can be offered directly to start-ups coming out of IIITD-IC events or cohorts.

Evaluation Process

A summary of the evaluation procedure is shown in Figure 2.



Figure 2: Summary of Evaluation procedure for EiR scheme

Evaluation Parameters

1. Start-up Idea and thrust area
2. Product and Start-up Details
 - 1) Uniqueness and feasibility of the Idea
 - 2) Innovation
 - 3) Societal Impact
 - 4) Sustainability
 - 5) Market Fit
 - 6) Background Knowledge of Market for Idea
 - 7) Business Model
 - 8) Project Time Frame
3. Promoters/Team Background
 - 1) Experience & Expertise
 - 2) Past Initiatives
 - 3) Personal Traits/Resume

4) Team Details – Size, expertise, background

Offerings to EiR

1. EiRs could be given maximum financial support of INR 4 Lakh that has a equity-free grant of INR 1.5 Lakh and INR 2.5 Lakh equity at 1% equity.
2. Availability of Technical & Business Mentors.
3. Regular performance monitoring and feedback.
4. Support in attending events, seminars and technical sessions.
5. Assistance in getting other grants, investments from Govt. and other organizations.
6. All the offerings available to Start-ups as mentioned in in Annexure-II.
7. Successful EiR's shall have the preference for seed grant investment support

Disclaimer

1. The applications received under the EiR are subject to due diligence of the screening process followed for this program.
 2. Shortlisting and Screening will be subject to the parameters other than the eligibility, such as Innovation, Potential for commercialization and venture creation, Team capability and Commitment, etc. If required, then the selection committee may call for additional information/presentation.
 3. The decision of the selection committee for approval for EiR in the Center and financial support and other benefits will be final, firm, and binding.
 4. The approved applicants will have to agree for Incubation with IIITD-IC as per its incubation policy/terms. The selected EiRs have to be incubated and sign an agreement for equity against EiR support.
 5. The selected EiRs has to be incubated at IIITD-IC for at least 18 months.
 6. Screening of applications could take 2-4 weeks from the date of receipt of applications as per the deadlines. Only selected candidates will be notified.
- No communication from IIITD-IC within the timeframe may be deemed as

a non-selection of your application for the program.

7. IIITD-IC will not provide any suggestion/explanation with regards to the decision taken on any application that is not selected irrespective of the outcome/decision.
8. Applications rejected or not considered can apply again in EiR or any other similar program as and when applications are called. Applicants can apply for Pre-Incubation/Incubation without being selected for EiR.

Support Terms

1. Maximum financial support of INR 4 lakhs will be provided based on the evaluation of the start-up.
2. The financial support will have two components in case of support of INR 4 lakh:
 - a. A grant of INR 1.5 lakhs without any equity
 - b. A grant of INR 2.5 lakhs against 1% equity.
3. The equity sharing with IIITD-IC as Seed Investment Policy of IIITD-IC annexed as in **Annexure IV**.

IIITD-IC shall not be under any obligation to fulfill the funding support in case the sources fund from the funding source/Government is not released in partial or full.

2. IIITD Alumni Fellowship (AF)

IIITD-IC, with the support of IIIT Delhi, has initiated an Alumni Fellowship Scheme'. . This fellowship supports the graduating student and alumni of IIIT Delhi, who has ideas dangling in their mind and want to pursue this further or initiate a start-up but does not have the necessary environment and financial support for its sustenance. The scheme extends the support to graduates who have left their full- time jobs (or planning to leave their jobs) to invest all their time and resources into their start-up and have a vision and motivation for a successful business venture, which also creates a national or global impact. The selected fellows will be

given fixed monthly emoluments of Rupees Twenty-Five Thousand for a period of six months and can be extended up to one year based on the scope and potential to develop such products for marketability, the requirements and performance as decided by a Selection cum Monitoring Committee at IIITD-IC.

Eligibility

The scheme is open to final year students of IIIT Delhi who are expected to graduate in the current year or next year or graduated within the last three years and want to work **Full Time** on their venture.

Evaluation Parameters

The applicants will be evaluated on below indicative parameters:

1. Applicants Background

- 1) Graduating Year
- 2) Experience & Expertise
- 3) Past Initiatives
- 4) Personal Traits/Resume
- 5) Recommendations, if any (Direct/LinkedIn)
- 6) Team Details – Size, expertise, background

2. Start-up Idea and thrust area

3. Product and Start-up Details

- 1) Stage
- 2) Novelty Innovation
- 3) Background Knowledge of Market for Idea
- 4) Draft Business Plan
- 5) Project Time Frame

Disclaimer

1. The applications received under the AF are subject to the due diligence of the screening process followed for this program.
2. Shortlisting and Screening will be subject to the parameters other than the eligibility, such as Innovation, Potential for commercialization and venture creation, Team capability and Commitment, etc. If required, then the selection committee may call for additional information/presentation.
3. The decision of the selection committee for approval for AF in the Center and financial support and other benefits will be final, firm, and binding.
4. The approved applicants will have to agree for Incubation with IIITD-IC as per its incubation policy/terms.
5. Screening of applications could take 2-4 weeks from the date of receipt of applications as per the deadlines. Only selected candidates will be notified. No communication from IIITD-IC within the timeframe may be deemed as a non-selection of your application for the program.
6. IIITD-IC will not provide any suggestion/explanation with regards to the decision taken on any application that is not selected irrespective of the outcome/decision.
7. Applications rejected or not considered can apply again in AF or any other similar program as and when applications are called. Applicants can apply for Pre-Incubation/Incubation/Virtual Incubation without being selected for AF.

Financial Support Terms

1. Monthly financial support of INR 25,000 shall be provided for an initial period of six months. Based on performance, the same may be extended by another six months. The maximum period for the fellowship will not exceed twelve months.
2. The financial support will be a grant. It won't have any equity component.

3. The selected fellow has to incubate his/her start-up venture at IIITD-IC. IIITD-IC shall not be under any obligation to fulfill the funding support in case the sources fund from the funding source/Government is not released in part or full.

3. Seed Investment

IIITD-IC offers Seed investment (seed funding) to start-ups for the purpose of scaling up. The maximum financial support will not exceed INR 10 lakhs. The application of Seed funding has to be applied online at <https://iiitdic.in/seed/>.

Eligibility

Seed Investment is not an automatic right for the incubated start-up. It is subject to fund availability and qualifying the eligibility criteria as established. For availing the seed investment from the Incubation Center, the applicant has to qualify the following criteria:

1. The applicant should be a private limited company incorporated under the Indian Companies Act.
2. The applicant has to be physically Incubated in IIITD-IC.
3. The applicant should be an incubated company for a period not less than 3 months as on the date of seed investment application.
4. The applicant should have a paid-up capital, not less than 1 Lakhs.

Process

A summary of the seed investment procedure is shown in *Figure 3*

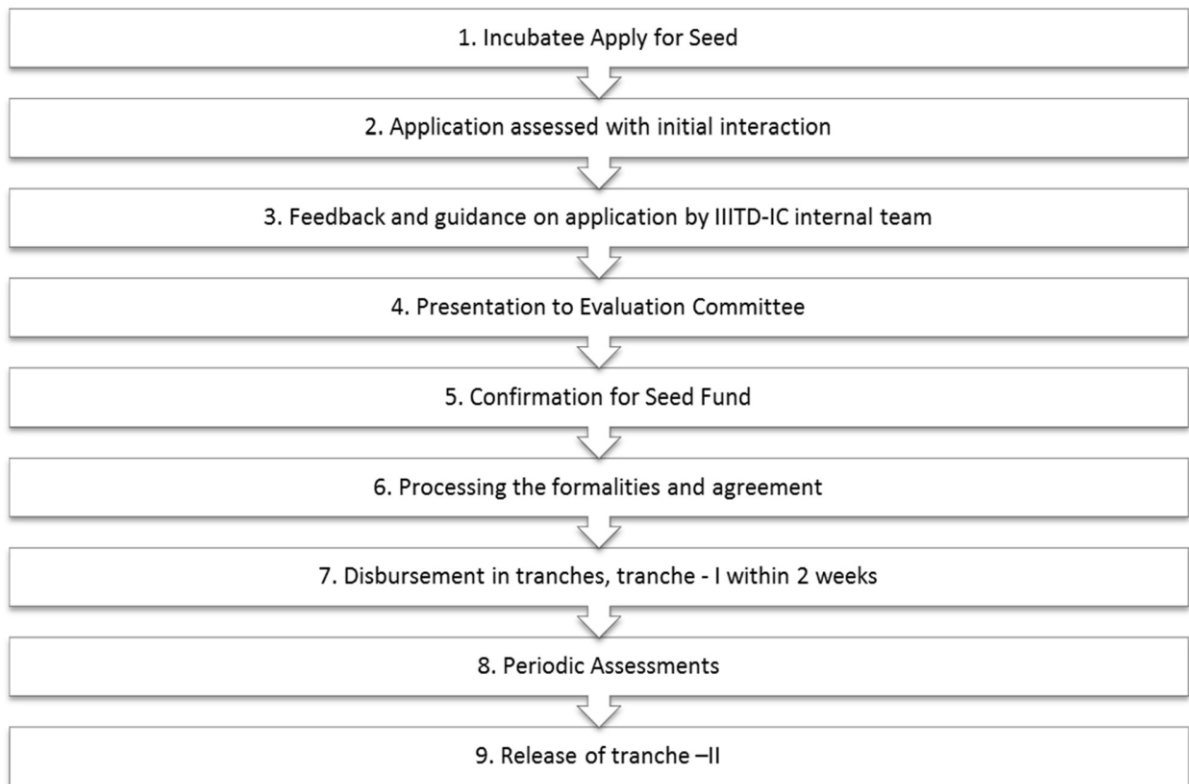


Figure 3: Summary of Seed Investment procedure

The seed investment shall have the following stages:

1. **Application:** Any incubated company desirous of obtaining seed investment and meeting the eligibility criteria shall make an application to the Incubation Center in an approved format.
2. **Evaluation:** The incubation center shall constitute a committee comprising of experts in the technology domain, financial experts, business experts, or any other person deemed fit to evaluate the seed investment application. The seed investment application may be evaluated on the following criteria:
 1. Technology innovation
 2. Business model innovation
 3. Market addressed
 4. Customer feedback

5. Scalability & potential
6. Competitor evaluation & pricing
3. **Sanction:** The Board of the Incubation Center based on the Evaluation Committee recommendations, may approve the investment which shall not exceed rupees ten lacs for any incubated company.
4. **Disbursement:** The Committee shall approve the release of investment linked to milestones and conditions deemed fit to ensure the proper utilization.
5. **Periodic Assessment:** The incubation Center shall evaluate the performance of the incubatee every quarter. The emphasis of evaluation will be on checking if the milestones specified in the incubation application have been achieved or not. The assessment will be done on the financial health of the start-up in terms of its order booking, expenses, profitability, and utilization of seed money investment for the specified purposes and its ability to repay the investment. Further seed fund disbursal will be dependent on the progress shown in the previous appraisal.

Terms and Conditions

1. The incubated start-up desirous of availing seed-fund shall submit a seed investment application duly signed by the promoters and directors.
2. The incubated company shall compensate for any loss or damage due to any act or omission by the incubated start-up, its promoters, directors or employees to Incubation Center or IIIT Delhi.
3. Any Intellectual Property that is solely created by the incubated start-up using investment from the Incubation Center shall be owned by the incubated start-up. However, the IIIT Delhi's IP Policy shall apply in case:
 - i. There is contribution from any faculty/students/staff from IIIT Delhi
 - ii. The IP was developed using funds, facilities and laboratory/equipment of IIIT Delhi and the start-up has not paid the charges for such utilization.

Notwithstanding anything contrary contained herein, the statute, rules and regulations of IIIT Delhi shall prevail over this policy.

The "Seed Investment Policy" is annexed as **Annexure IV**.

Point of Contact

For queries, feedback and discussions about Incubation Center please contact:

Manager (Incubation)

info@iiitdic.in

Phone 011-26907300 / 311 / 333

506, Fifth Floor, Seminar Building

Indraprastha Institute of Information Technology Delhi (IIIT Delhi)

Okhla Phase –III, Near Govindpuri Metro Station

New Delhi 110020

www.iiitdic.in

Apply for Incubation

You can apply through this link www.iiitdic.in/apply

Summary of the Policy

Category	Eligibility	Application Acceptance Criteria	Engagement Tenure	Key Stages of Application
Pre-Incubation	Preferably Founder should have completed the education of at least 10+2 level	<ul style="list-style-type: none"> Must have a technology-driven idea & team 	3 months	<ol style="list-style-type: none"> Online Application Evaluation by IIITD-ICTeam Issuance of LOI
Incubation	<ul style="list-style-type: none"> Preferably Founder should be enrolled/ have completed graduation Preferably Work / Industry experience of about 2 years Company should be registered in India 	<ul style="list-style-type: none"> Must have a technology-driven innovative idea. Must have a company incorporated as a private limited entity. Must take at least 1 seat at IC*** 	24 months	<ol style="list-style-type: none"> Online Application Screening by IIITD-ICTeam Evaluation by Committee Issuance of LOI
Virtual Incubation	<ul style="list-style-type: none"> Preferably Founder should be enrolled/ have completed graduation Preferably Work / Industry experience of about 3 years ** Company should be registered in India 		12 months	<ol style="list-style-type: none"> Online Application Evaluation by IIITD-ICTeam Issuance of LOI

**May be waived off for students/alumni companies.

***Not applicable for virtual incubation

Category	Eligibility	Application Acceptance Criteria	Engagement Tenure	Key Stages of Application
Alumni Fellowship	Founder should be alumni of IIIT Delhi, <i>having graduated within the preceding three years</i>	<ul style="list-style-type: none"> • Must have an ICT based technology-driven idea & team • Must have company incorporated as a private limited entity • Must get incubated at IIITD-IC • Must take at least 1 seat at IC 	12 months	<ol style="list-style-type: none"> 1. Online Application 2. Evaluation by IIITD-IC Team 3. Evaluation by Committee 4. Issuance of LOI
EiR	<ul style="list-style-type: none"> • Founder should have Enrolled/completed graduation (preferably engineering/technical degree) • Preferably Work / Industry experience of about 3 years* 		18 months	

* May be waived off for students/alumni companies.

Notes

1. Alumni Fellowship would be given to only one of the alumni co-founders of the start-up.
2. Maximum up to 4 alumni Fellowships to be operational / granted in a year.
3. While Alumni Fellowship could be granted to the individual, the EiR support has to be provided to a start-up.
4. EiR: It is mandatory to complete incubation period at IC if the start-up is given financial grant.
5. A start-up by IIITD students having IIITD alumni as co-founders can avail either student start-up benefits or alumni start-up benefits but not both.
6. All the definitions are mentioned in Annexure III.

Write to info@iiitdic.in for queries

Policy Administration

This version of the Incubation Policy has been reviewed and approved by the Advisory Committee in its Meeting on 30th July 2021, and hence will be considered in effect from this date.

For any clarifications / inputs / suggestions, please contact:

Alok Nikhil Jha
Chief Operating Officer
IIITD Innovation & Incubation Center

anikhil@iiitdic.in

9899898670

Room 513, Seminar Block, IIIT Delhi.

Any material changes in this version of the Incubation Policy will require the approval of two of the Directors of the Company. If considered necessary, they can also refer the necessary change to the Board for its approval.

ANNEXURES

Annexure I – Fees Structure

Category	Fees
Pre- Incubation	INR 3,000/- (one time)
Incubation	INR 6,000 / unit / month
Virtual Incubation	INR 18,000/- (one time)

Note:

1. IIITD-IC also provides Closed Area Facility (dedicated cabins) with Incubation Fees as follows:
 - a. Cabin with capacity of one unit – INR 9,000 per month
 - b. Cabin with capacity of two units – INR 12,000 per month
 - c. Cabin with capacity of three units – INR 18,000 per month
2. In addition to the above fees for dedicated cabins, a CAF charge of 10% would be levied on the Incubation Fees.

Annexure II – Offerings to the Startups

Table 1: Offerings by the Incubation Center

	Pre – Incubation	Incubation
Virtual Incubation	<p>For groups/teams having an idea but not associated with IIIT Delhi</p> <p>Offerings -</p> <ul style="list-style-type: none"> • Mentorship estimated in the range of 4 – 8 hours in a month • Access to meeting rooms twice a month with a minimum of 3 days advance notice and subject to availability. • Participation in IIITD's events at a 50% discount on the entry fee • Access to Design Innovation Lab for prototyping on a chargeable basis for consumables • Networking opportunity with incubated start-ups • Access to library services • Free credits (AWS, Digital Ocean, etc.) • Information about external events / activities 	<p>For registered companies not willing to take seats at IC</p> <p>Offerings -</p> <ul style="list-style-type: none"> • Mentorship estimated in the range of 8 – 12 - hours in a month • Access to meeting room once a week with a minimum of two days' advance notice and subject to availability. • Access to pool of mentors • One complimentary access to Entrepreneurship Training Programme • Access to one workstations/units for 90 days in a year with advance notice and subject to availability (not more than fifteen days in one go). • Access to design innovation lab • Connect with investors/VCs • Networking opportunity with incubated start-ups • Access to student interns on stipend as per T&P policy of IIITD • Access to library services • Free credits (AWS, Digital Ocean, etc.) • Information about external events/activities • All benefits as mentioned in the agreement
Incubation	<p>IIITD students/alumni/faculty/staff having an idea</p> <p>Offerings</p> <ul style="list-style-type: none"> • Mentorship estimated in the range of 4 – 8 hours in a month • Access to Design Innovation Lab for prototyping • Meeting with other incubated start-ups once a month • Networking opportunity with incubated start-ups • Free credits (AWS, Digital Ocean, etc.) • Communication about external events/activities 	<p>For registered companies taking seats at IC</p> <p>Offerings</p> <ul style="list-style-type: none"> • Mentoring and advisory • Access to dedicated/shared working space. • Access to design innovation labs and technology labs • Access to pool of mentors • Access to meeting rooms on booking and subject to availability. • Connect with investors/VCs • Networking opportunity with incubated start-ups • Access to student interns on stipend as per T&P policy of IIITD • Access to library services • Free credits (AWS, Digital Ocean, etc.) • Information about external events /activities. • Connect with Funding agencies and investors. • All benefits as mentioned in the agreement

Annexure III – Definitions

- 1.1. "Agreement" means the Incubation/Virtual Services Agreement together with its Schedules, as may be amended from time to time in accordance with the provisions contained herein.
- 1.2. "Alumnus / Alumni" means an individual who has successfully completed any of the courses from **IIITD** and has obtained the degree / certificate / diploma (as the case maybe).
- 1.3. "Alumni Startup" means a startup company whose promoter(s) is/are Alumni of IIIT Delhi and have atleast 50% stakes in the company.
- 1.4. "Cabin" means a dedicated room for business activities, with arrangement of workstations or tables/chairs in premises of **IIITD-IC**.
- 1.5. "Exit" means:
 - 1.5.1. The Start-up has completed the term of services agreement successfully, and has exited the incubation support while running the start-up
 - 1.5.2. The Start-up has not completed the term of services agreement but requested to terminate the agreement
 - 1.5.3. The Start-up has not abided by the clauses and rules mentioned as a part of this agreement and has been requested by IIITD-IC to terminate the agreement
 - 1.5.4. Also refer to "Exit" clause for interpretation of "Graduation"
- 1.6. "Facility" means the space provided by IIITD-IC to the various Start-ups to set up their individual operations and includes the common areas, lobby, staircase etc.
- 1.7. "Faculty" means an individual who has joined **IIITD** as a teaching staff and continues such engagement with IIITD throughout the tenure of this agreement.
- 1.8. "Faculty Startup" means a startup company whose promoter(s) is/are a Faculty at IIIT Delhi and have atleast 50% stakes in the company.
- 1.9. "Fee / Fees" means the monthly fee payable by the Start-up for various Incubation support services, Entrepreneurship facilitation services and use of Units to IIITD-IC in accordance with the terms contained herein.
- 1.10. "Host Institute" means the institution which is the promoter of the section 8 company

(IIITD-IC) i.e. Indraprastha Institute of Information Technology, New Delhi (IIIT Delhi).

- 1.11. “Incubation” means support and facilities provided by IIITD-IC during the tenure of incubation service agreement, to enable the founder / co-founders to transform an idea to take shape of a business venture, on best effort basis, with the specific role of an enabler, while the responsibility of outcome of said venture completely rests with the founders/co-founders.
- 1.12. “Student” means an individual who has joined any of the ongoing courses at **IIITD** and continues such enrolment throughout the tenure of the Agreement.
- 1.13. “Student Start-up” means a start-up company whose promoter(s) is/are a student of IIIT Delhi and have atleast 50% stakes in the company.
- 1.14. “Units” is equivalent to one workstation provided by IIITD-IC to the Start-up to set up their individual operations within the Facility and including but not limited to common areas such as the lobby, staircase and any maintenance services.

Annexure IV – Seed Investment Policy



SEED INVESTMENT POLICY

IIITD INNOVATION & INCUBATION CENTER

IIITD Innovation & Incubation Center (hereinafter "Incubation Center") is a not-for-profit company promoted by IIIT Delhi with an objective of promoting knowledge-based companies. The Center helps technopreneurs develop products and services that utilize the tangible and intangible resources at IIIT Delhi. This Policy establishes rules and regulations governing the seed investment process, including disbursement, evaluation, dispute resolution and other matters related to seed investment.

Section-1: DEFINITIONS

Unless defined herein, the terminology, words and phrases appearing in this Policy shall be interpreted as per the dictionary meaning or as used in business.

- 1.1 *Intellectual Property* means all statutory Intellectual Property recognized by the Indian Laws and this includes but not limited to know-how, patents, design, copyright, algorithms, trade mark, process specifications, software, source-code, trade-secret, etc.
- 1.2 *Conflict of interest* means any interest that affects the seed investment process.
- 1.3 *Non-dilutable Equity* means an equity whose ratio remains constant in respect of the promoters' equity; in case the promoters increase their equity then they shall have to give more equity so as to maintain the equity ratio. However, this is not applicable in case of third-party investment, including angel or venture capital funding.
- 1.4 *Incubated Company or Company*: Any company permitted to incubate by the Incubation Center and operate from the Incubation Center.

Approved in BM dt. 19th June 2020 1

Section-2: ELIGIBILITY

Seed Investment is not an automatic right of the Incubated Company. It is subject to the Incubated Company qualifying the defined eligibility criteria and availability of seed funds with the Incubation Center.

For availing the Seed Investment from the Incubation Center, the applicant has to meet the following eligibility criteria:

1. The applicant should be a Private Limited company incorporated under the Indian Companies Act.
2. The applicant should be an Incubated Company for a period not less than 3 months as on the date of applying for Seed Investment.
3. The applicant should have a paid-up share capital of not less than Rs. 1 Lakh.

Section-3: PROCESS

The Seed Investment process shall have following stages:

- 3.1 *Application:* Any Incubated Company desirous of obtaining Seed Investment and meeting the eligibility criteria as set in Section-2 hereinabove shall make an application to the Incubation Center in the approved format, duly signed by its promoters and directors.
- 3.2 *Evaluation:* The Incubation Center shall constitute a committee (hereinafter "Evaluation Committee") to evaluate the Seed Investment application, and this Committee shall comprise of at least:
 - a) Two Directors of the Incubation Center
 - b) CEO of the Incubation Center
 - c) Experts from technology, business, finance, startup ecosystem, etc.



Approved in BM dt. 19th June 2020 2

The Seed Investment application may be evaluated on the criteria that will be decided by the Evaluation Committee including but not limited to the following:

- 3.2.1 Technology innovation
 - 3.2.2 Business model innovation
 - 3.2.3 Market potential
 - 3.2.4 Customer feedback
 - 3.2.5 Scalability and potential
 - 3.2.6 Competitor evaluation and pricing
- 3.3 *Sanction:* Based on the recommendations of the Evaluation Committee and the Advisory Committee, along with the stipulated sanction conditions, the Chairman of the Incubation Center may approve the Seed Investment which shall not exceed Rs. Ten Lacs for an Incubated Company.
- 3.4 *Disbursement:* The Advisory Committee shall approve the release of Seed Investment which will be linked to performance milestones and conditions deemed fit, to ensure proper utilization of Seed Investment by the Incubated Company.
- 3.5 *Periodic Assessment:* The Incubation Center shall evaluate performance of the Incubated Company every quarter or earlier, if required. The emphasis of evaluation will be to periodically check if the milestones specified by the Incubated Company have been achieved or not. The assessment will be done on the financial health of the Company in terms of its revenues, expenses, profitability, and utilization of Seed Investment for the specified purposes. Any additional Seed Investment disbursements will be dependent on the progress shown in previous assessments.

RE

Approved in BM dt. 19th June 2020 3

Section-4: TERMS AND CONDITIONS

- 4.1 The Incubated Company shall compensate for any loss or damage to the Incubation Center or IIIT Delhi, which arises due to any act or omission by the Incubated Company, its promoters, directors, employees, etc
- 4.2 Any Intellectual Property that is solely created by the Incubated Company using investment from the Incubation Center shall be owned by the Incubated Company. However, the IIIT Delhi's IP Policy shall apply in case:
- i. There is contribution from any faculty/students/staff from IIIT Delhi
 - ii. The IP was developed using funds, facilities and laboratory/equipment of IIIT Delhi and the Incubated Company has not paid applicable charges for such utilization.

Notwithstanding anything contrary contained herein, the statute, rules and regulations of IIIT Delhi shall prevail over this Policy.

4.3 Consideration:

All the Equity shares issued by the Incubated Company against Seed Investment shall be held in the name of "IIITD Innovation & Incubation Center" and Incubation Center will be provided 0.4% of the promoters' non-dilutable equity for each Rs. 1 lakh or part thereof up to maximum of 4% of promoters' non-dilutable equity.

Section-5: EXIT

- 5.1 The Incubated Company can exit this Policy with respect to equity issued against Seed Investment, and this exit must take into account the following:
- i. On graduation of the Incubated Company from the Incubation Center, the Incubated Company has the first right to buy back the equity in the name of Incubation Center at the valuation being received from a third party. In case Incubated Company does want to avail the buy back option, the Incubation

RB

Approved in BM dt. 19th June 2020 4

ANNEXURE A

- Center shall have the right to sell the equity to a third party through private placement with a prior communication of the sale to the Incubated Company.
- ii. Any sale of equity amounting to change in control of the Incubated Company to another management/promoters or company must be communicated to the Incubation Center in advance. The Incubation Center must be included as a party in these negotiations. The valuation of the equity in such transactions must be approved by the Incubation Center for the deal to go through. These include, but are not limited to, mergers, acquisitions and sale of majority interest by the promoters in the Incubated Company.
- 5.2 Three months before the exit, the Incubated Company shall communicate to the Incubation Center its desire to buy back equity and specify one of the following options that it will like to adopt with respect to the Seed Investment:
- a) Value the equity based on Seed Investment plus 0.75 % per month from the first day of the month of disbursement of the Seed Investment; and pay back this amount to the Incubation Center.
 - b) Continue maintaining the equity structure with consent of the Incubation Center, until a third party invests in the Incubated Company at which point the Incubation Center will take a decision whether to continue or exit.
 - c) Get a mutually agreed valuation done by an independent party and buy back equity.

Section-6: AGREEMENT

A Shareholder's Agreement stipulating the conditions, shall be signed by both the Incubation Center and the Incubated Company before the disbursal of the Seed Investment. The Incubation Center will have the right to appoint an auditor to examine the books of account of the Incubated Company in case so desired.



Approved in BM dt. 19th June 2020 5

Section-7: USE OF SEED INVESTMENT

- 7.1 Seed Investment shall be utilized as per the Seed Investment utilization plan as approved by the Incubation Center.
- 7.2 Seed Investment is not for personal expenditure of directors, promoters or employees of the Incubated Company.
- 7.3 In case the Incubated Company misuses or violates any rules or guidelines of Seed Investment, then the Incubation Center shall have the right to suspend further disbursement, if remaining and recover the Seed Investment disbursed with a penal interest of 9% per annum from the first day of the month of disbursement of the Seed Investment.

Section-8: CONFLICT OF INTEREST

The Incubated Company shall expressly disclose all conflicts of interest, including any personal or professional association that may give rise to any conflict of interest.

Section-9: DISPUTE RESOLUTION

Any and all disputes between the Incubation Center and the Incubated Company shall be referred to Civil Courts of competent jurisdiction of Delhi.

RB

Approved in BM dt. 19th June 2020 6