



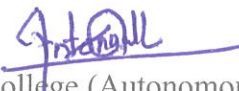
St. Albert's College (Autonomous)

An initiative of Archdiocese of Verapoly

Affiliated to Mahatma Gandhi University, Kottayam

(Accredited with "A" Grade by NAAC)

Policy and Procedures for Albertian Incubation Centre St. Albert's College (Autonomous)

Revised on: 08-07-2020
Approved by: Chairman 
St. Albert's College (Autonomous)

Prepared by:
Dean – Management Studies

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Approved by:
Chairman

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**Policy and Procedures for
Albertian Incubation Centre
St. Albert's College (Autonomous)**

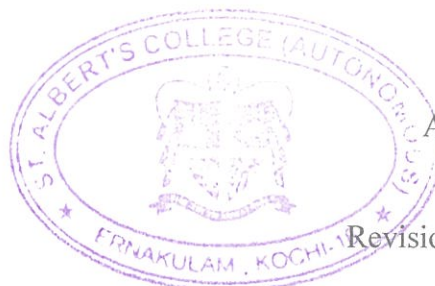
This document contains policy and procedures for operational matters related to Business Incubation at Albertian Incubation Centre [AIC] St. Albert's College (Autonomous). It covers the following processes:

1. Eligibility
2. Admission process
3. Intellectual Property
4. Seed Loan
5. Infrastructure
6. Other services
7. Periodic assessment
8. Information submission
9. Consideration
10. Tenure in Business Incubator (BI)
11. Exit (Graduation)
12. Conflicts of interest
13. Disclaimer
14. Agreements

The policy is subject to periodical review and amendments. It will be the responsibility of the companies admitted to AIC to update themselves from time to time on amendments in AIC policy and procedures. AIC 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.

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1. Eligibility

Admission to AIC is open to:

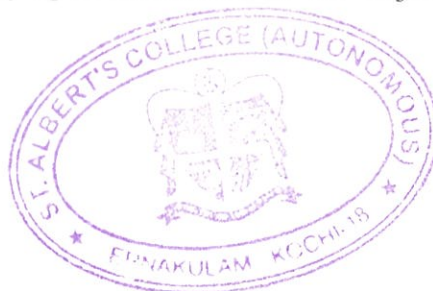
1. Faculty members of St. Albert's College (Autonomous) (current and former),
2. Students and Alumni of St. Albert's College (Autonomous)
3. Faculty members of other institutes
4. Students and Alumni of other institutes
5. Government and Private Employees
6. Self Help Groups

The proposals for business incubation must meet all the following parameters:

1. Any person desirous of availing incubation facilities has to incorporate a private/public limited company under the Indian Companies Act and apply in the prescribed format along with the required documents (If a company has not been registered, an application may be made in the names of all promoters/ Directors; however, the promoters/ Directors must ensure that the company is registered within a period of three months from the date of approval of the application for admission in AIC).
2. The companies promoted by students enrolled for a full-time degree programme at St. Albert's College (Autonomous) are eligible to apply for incubation provided the student is not actively engaged with the company during the class schedule.
3. The companies promoted by employees of St. Albert's College (Autonomous), provided that the employee is not actively engaged with the company during the official working hours.
4. A company if promoted by an employee of St. Albert's College (Autonomous) shall be granted incubation only upon submission of 'No Objection Certificate' from the Chairman. However, the incubating companies having employees as shareholders are eligible to apply for incubation, provided that the employee is not actively engaged with the company during the official working hours.
5. A company if promoted by an employee of any other institution or organisation shall be granted incubation only upon submission of 'No Objection Certificate' from their employer.

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2. Admission Process

All the applicants (Representatives of the Promoters/Directors have to initiate the application with the signatures of all the Promoters/Directors) shall have to read and agree to the “terms and conditions” of AIC, only then their applications shall be processed. While submitting the applications, applicants have to disclose information on executive involvement of the promoters/Directors in other companies or commercial entities.

Stage 1.

Submit Executive Summary/ Business Plan

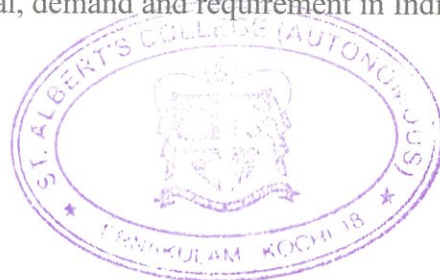
As a first step in the admission process, the prospective incubating company should submit an online Incubation Application (aic.alberts.edu.in) containing the Business plan, Certificate of incorporation (If a company has not been registered, the promoters/ Directors must ensure that the company is registered within a period of three months from the date of approval of the application for admission in AIC) and Memorandum of Association and Articles of Association. AIC, then shall present the executive summary to an internal review committee for comments on technical and business feasibility of the idea.

The Evaluation Criteria are as follows (not limited to these):

1. Strength of the product idea in terms of its technology content, innovation, timeliness and market potential, Cost-effectiveness.
2. Profile of the core team/ promoters.
3. Intellectual Property (IP) generated and the potential of the idea for IP creation.
4. Financial/ Commercial Viability and 5 year projections of Profit & Loss statements, Balance Sheet and Cash Flows.
5. Funds requirement and viability of raising finance.
6. Time to market.
7. Break-even period.
8. Commercial potential, demand and requirement in India.
9. Scalability.

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The company may also cover the basics of the business, namely, value proposition, products and services, market analysis, competition analysis, milestones and timelines, development and marketing plan, and, risk analysis.

Stage 2.

Presentation to Evaluation Committee of AIC

If the initial evaluation of the business plan / executive summary is positive, AIC will arrange a meeting with the company Directors, during which the company will be expected to present using power-point slides describing critical aspects of the business plan to the evaluation committee. The presentation will be followed by discussions. A final decision will be conveyed to the applicants regarding the company's entry into the incubator after the monthly AIC meeting.

AIC will rank the proposals if it is viable and space will be allocated to those ranked applicants as per the availability of space.

3. Intellectual Property

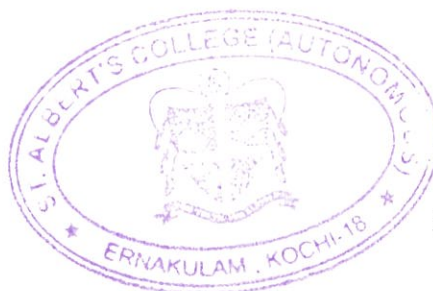
Intellectual Property (IP) can be a patent, software code, copyright, design registration, developed product, or alike. All the IP generated by an incubating company at AIC or IP generated by a graduated company from AIC within a period of 2 years from the date of exit from AIC will be with the St. Albert's College (Autonomous). The incubating companies at AIC have to follow the IPR policy of St. Albert's College (Autonomous).

IP for incubation purpose will be assessed based on the following details:

1. Whether any seed grant (from public or private sources) has been used in developing the technology which will go into the product(s) of the proposed company. If yes, details of the understanding with the funding agency in terms of sharing of the IP.
2. Whether any person other than the applicants has worked on the technology and if their work will be incorporated in the product(s). If yes, whether such other person has a right in IP ownership.

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3. The company shall inform if any student of St. Albert's College (Autonomous) has worked on the technology and if their work will be incorporated in the product(s). If yes, whether such student has a right in IP ownership.
4. The company shall inform if any IP has been generated as a result of the collaborative work with faculty members (who are not promoters) and is being incorporated into the product(s). If yes, whether such faculty has a right in IP ownership.
5. If the IP is developed at St. Albert's College (Autonomous), whether any infrastructure of the College (hardware, testing setup, instrumentation, computing resources, processes) has been used in developing the technology that will go into the product(s).
6. If the IP is developed at St. Albert's College (Autonomous), whether any consultancy project was executed in the proposed area.
7. A statement from the "owners/ innovators/ creators" of IP to the effect that they are the "owners/ innovators/ creators" of IP as the case may be.

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.

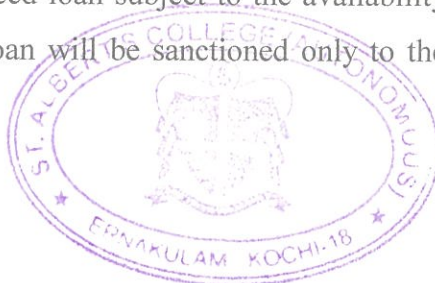
Applicants, who are current faculty or students of St. Albert's College (Autonomous), aspiring for incubation with the IP of the College, shall first approach St. Albert's College (Autonomous) for transfer of / licensing of/ permission to use IP in favour of prospective incubate companies. They will initiate a letter to Dean -R&D, St. Albert's College (Autonomous) and AIC requesting the transfer of St. Albert's College's (Autonomous) IP in favour of a start-up company in the Business Incubator intended to be promoted/ supported by the inventor.

IP transfer/ IP licensing/ permission to use IP will be in favour of only the registered companies.

4. Seed Loan

AIC may provide/support-for seed loan subject to the availability of funds/ grants/ schemes meant for this purpose. Seed loan will be sanctioned only to the registered companies and

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shall be based on merits of each company. Promoters/ Directors whose companies are not registered at the time of application shall not be eligible to receive seed loan until their companies are incorporated. Further, admission to AIC shall not automatically entitle the companies to seed loan.

A company desirous of getting seed loan may submit an application for seed fund on admission with AIC. Sanction of seed loan will be decided based on the eligibility criteria as decided by AIC. It would also be subject to the terms stipulated under specific grant or scheme as the case may be. Though seed loan may be sanctioned, disbursement shall be linked to the milestones. One of the criteria for approval of the seed loan will be to help the company reach the next stage in terms of product development or go-to-market stage. Preference will be given to companies with strong commitment and contribution from their promoters. AIC will have sole discretion to sanction or reject an application for seed loan and the decision of AIC in this regard shall be final. Seed loan will be disbursed to the selected incubating companies on the specified terms and conditions of Seed-Loan. AIC is not bound to give any reason in case an application for seed loan is rejected.

5. Infrastructure

Upon admission to AIC, the following facilities will be offered to the incubated companies on an individual basis:

1. Co-working space and facilities for operations.
2. Internet connection (on actual cost basis)
3. Phone connection (on actual cost basis)
4. Standard Furniture as decided by AIC.

Common Infrastructure: AIC provides a common pool of hard and soft infrastructure to be shared by all incubated companies (on actual cost basis). The following resources are provided:

1. A common Printer
2. Fax machine.
3. Photocopying machine.
4. Document Scanner.

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5. Library Access (both physical and digital)
6. Meeting/Conference room with projection equipment.
7. Training Room
8. Tele or Video conferencing facilities.
9. Common Amenities like washrooms, canteen, recreation facilities etc.

Institute infrastructure: AIC may facilitate access to the Institute infrastructure or laboratories as per the norms of St. Albert's College (Autonomous).

Services: AIC may associate with professionals for accounting, IP, legal and management expertise on a part-time basis. The incubated companies can avail their services with or without consideration (the details can be availed from the office of AIC). The possible services and support items are listed as follows:

1. Business Mentoring
2. Legal Support
3. Accounting Support
4. Secretarial Support
5. IP protection Support
6. Invention Studio/Makers Lab
7. Market Survey Support
8. Technology Support
9. Industry Connect
10. Investors Connect
11. Intern Support: To provide support, incubatees will be assigned an intern, if desired.

Mentoring and Advisory Services:

1. Strategic Check-ups: The AIC Coordinator will meet the company CEOs at least once a month for strategy reviews and discussion of operational issues.
2. An incubated company will have to take a faculty advisor as a mentor on technology issues.
3. Specialized mentors will also be made available to the companies to assist with particular strategic areas or to provide project-oriented consultation.

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If a company is provided with specialised capital equipment, rent on the same will be decided on a case-by-case basis. This would, however be finalised prior to approval of a proposal for admission to AIC or at the time of procurement of the equipment as the case may be.

6. Other Services

Apart from physical infrastructure as stated above, AIC intends to create certain other supports and services which would include:

1. Organising events to help companies in networking and showcasing their technologies,
2. Meetings with visitors of St. Albert's College (Autonomous) (such as alumni, Venture Capitalists, industry professionals).

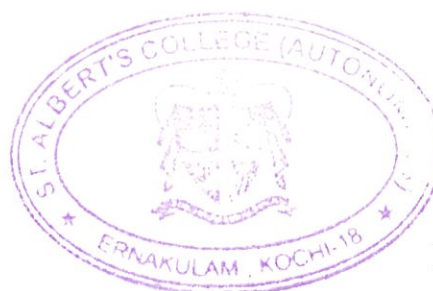
Incubatee companies can avail of the above support and services when offered by AIC. In addition, AIC will also build up information and knowledge pool to be useful generically for start-up companies. AIC will coordinate with Albertian Institute of Management/other departments of the College, on management education, technology appraisal and other training programmes designed for start-up companies.

7. Periodic assessment

AIC will evaluate the performance of incubatee companies periodically. Incubatee companies will submit report to AIC on quarterly basis in a prescribed format. The companies may also be subject to an annual assessment by a committee comprising of experts. A company which has taken seed loan will have to submit additional information as may be asked by AIC. The un-disbursed portion of the seed loan will be adjusted subject to the performance of the company. Incubatee companies will have to submit their annual reports along with financial statements of the previous financial year (also need to submit the financial projections forthcoming financial year) on or before 30th April.

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8. Information Submission

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

9. Consideration:

In lieu of support and services to be provided by AIC , the incubatee companies will be subject to consideration on following accounts to the extent applicable:

1. Monthly rent/ facilities charge at discounted rate for physical and soft infrastructure to be paid to AIC.
2. Consideration in the form of equity and/or revenue sharing of the respective companies for transfer/ licensing of / permission to use IP in favour of the incubatee companies and the facilities provided by AIC. The percentage of Equity and revenue sharing will be decided by AIC and the incubating company at the time of admission and is to be given in favour of AIC.
3. Consideration for usage of departmental laboratory facilities to be given to St. Albert's College (Autonomous).

The indicative range of the equity holding by AIC for infrastructure and IP will be 15%. The percentage of the equity holding of AIC shall be maintained at 15% irrespective of whether additional shares are issued or the shares of the Promoters are diluted (or in any other manner). If the company fails to raise investment from an Angel Investor, Venture Capital Fund or any other source for a period of five years from the date of the last issuance of shares in favour of AIC, AIC will have a right to sell its holding to the promoters of the Company or to any other individual/entity at a value which will be higher of book value and fair value or at any rate deemed by the AIC. Investment for the purpose of this section means an investment received in form of equity by the Company from any sources.

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10. Tenure in AIC

Companies will be permitted to stay in AIC, to begin with, for a period of 24 months. A nominal monthly charge will be levied to a company for the period of first 24 months which can be extended for another 24 months. Companies will have to pay the charge at the prevailing market rate if the company uses the facilities of AIC for more than 12 months of the extended period.

11. Exit (Graduation)

Incubatee companies will leave the incubator under the following circumstances:

1. Raising substantial investment from angel investor / Venture Capital Fund / any other investor– Rs. 1 crore (INR Ten Million) or more.
2. When the annual revenues of the company exceeds Rs. 1 crore (INR Ten Million) or when a company achieves a Profit before Tax of Rs. 50 Lakhs (INR Five Million).
3. Completion of stay for twenty four months, unless the stay is extended by AIC.
4. Underperformance or unviability of the business proposition: criteria for the same will be decided and applied by AIC on the case to case basis.
5. Irresolvable disputes between promoters/ Directors. AIC will decide the position or point when disputes are deemed to be irresolvable.
6. When the number of employees of the company exceeds seven.
7. When the company enters in an acquisition, merger or amalgamation deal or reorganisation 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.
8. Change in promoters'/ Directors team without concurrence of AIC.
9. Any other reasons which AIC may find it necessary for an incubatee company to leave Incubation Centre.
10. Exit by a company in writing to AIC for other reasons

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

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12. 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. AIC endeavours to draw a line between appropriate and inappropriate interactions among its board members, employees, mentors, consultants, affiliates, incubatee companies, their employees, persons connected to them or their promoters, employees and staff, various service providers and suppliers.

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 has to be signed by all the concerned parties. The policy makes all stakeholders related to AIC 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 judgement 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 AIC to resolve any dispute over such situation causing conflicts of interests.

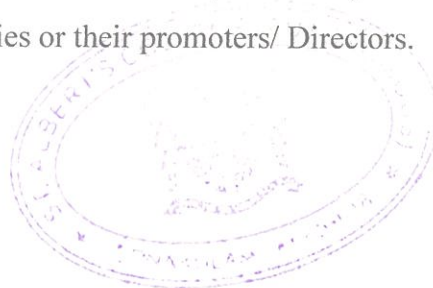
13. Disclaimer:

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

1. Ensuring success of an incubatee company, its products/ process/ services or marketability.
2. Ensuring quality of support and services provided by AIC to the complete satisfaction of the incubatee companies or their promoters/ Directors.

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3. Ensuring quality of services of the consultants engaged by the incubatee companies through AIC/ St. Albert's College (Autonomous) network. Incubatee companies will have to apply their judgements before getting in to a relationship with them.

The incubatee companies agree that AIC/ St. Albert's College (Autonomous) or their employees shall not be held liable for any reason on account of the above.

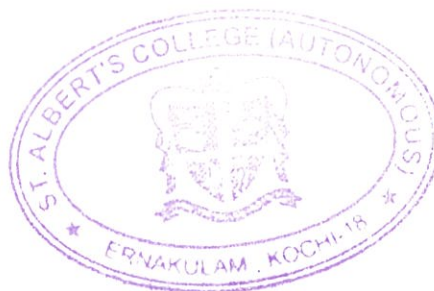
14. Agreements:

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

1. Service agreement:
2. Equity agreement:
3. Transfer of technology Agreement/ Technology License Agreement:
4. Loan Agreement:
5. Usage of Departmental Lab:
6. IPR Agreement

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