

**Appendix-79**  
**Resolution No. 14-5**

**University of Delhi**  
**The Innovation and Startup Policy, 2023**

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## **1. Preamble**

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Entrepreneurial endeavours are inherently linked with the economic growth of a country. Ever since the Government of India launched the *Startup India Initiative* in 2016 to make India a conducive space to start and grow a business, there has been a paradigm shift in terms of how investors and potential entrepreneurs view Startups. This shift has transformed startup-culture by promoting, encouraging and empowering the youth to be innovative with their startup ideas.

The Indian government has envisioned to make the youth future-ready by transforming the Indian education system, which can be achieved by providing accessible, equitable, accountable and quality-based education. The National Education Policy 2020 is student-centric, creation-centric, innovation-centric and research-centric, which clearly reflects that the government focuses on project-based and experiential learning, encouraging entrepreneurship and research. It is an unprecedented reform, given that despite being rooted in Indian ethos, it seeks to assimilate global perspectives. To become the knowledge centre of the world, it is imperative that we understand our rich heritage. An initiative in this regard is the establishment of the Indian Knowledge Systems (IKS) Division, which provides opportunities to learn from the advancements of ancient Indian civilisations. In this tech-driven dynamic world, the emphasis has to be given to honing skills and a multidisciplinary approach. It is required to have a mindset of identifying the problems involving social issues, finding their viable solutions and building a sustainable business around these solutions that result in generating employment opportunities.

The University of Delhi is a premier central university with a rich academic and research culture. The University encourages innovations, startups, and entrepreneurship among the students, researchers, faculty, staff, etc., in accordance with the vision of Atma Nirbhar Bharat of the Government of India. To effectively realise this vision, the University established a Section-8 company **Udhmodya Foundation** in 2022. The vision statement of the Foundation is '*To create and empower a dynamic entrepreneurial ecosystem where ideas inspire, innovate and sustain.*'

The policy outlines the desirable approaches, expected outcomes, and likely impacts created at the micro and macro levels over the short and long term. The policy covers aspects of Intellectual Property ownership, revenue-sharing mechanisms, norms for technology transfer and commercialisation, equity sharing, etc. Resource mobilisation plans will be made for supporting pre-incubation, incubation infrastructure, and other facilities. The policy defines a

sustainable financial strategy to reduce the organisational constraints to work on the entrepreneurial agenda.

This document describes startups enabling institutional infrastructure and techniques for fostering innovations and startups. It also describes the innovation pipeline and paths for entrepreneurs at the institution level and the pedagogy and learning interventions for entrepreneurship development collaboration. Institute engagement in co-creation, business relationships, and knowledge exchange are also extensively covered. This policy also addresses the problem of Entrepreneurial Impact Assessment. This policy is consistent with the University of Delhi's IPR policy, which addresses all intellectual property and product ownership rights issues. This policy aims at being instrumental in bringing about a startup revolution.

## **2. Definitions**

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Following is a compilation of key terms to provide a common understanding crucial to implementing and interpreting the policy. The terms are broadly defined as stated in the 'National Innovation and Startup Policy 2019' (NISP 2019) to enhance clarity and align with the objective.

1. **Accelerators:** Startup Accelerators design programs in batches and transform promising business ideas into reality under the guidance of mentors and several other available resources.
2. **Angel Fund:** An Angel Fund is a money pool created by high-net-worth individuals, generally called angel investors, for investing in business startups. An angel investor is a wealthy individual who invests their personal capital and shares experiences, contacts, and mentors (as possible and required by the startup in exchange for equity in that startup). Angels are usually accredited investors. Since their funds are involved, they are equally desirous of making the startup successful.
3. **Business Incubator:** It is an entity which helps startup businesses with all the necessary resources/support that the startup needs to evolve and grow into a mature business.
4. **Cash Flow Management:** It is the process of tracking how much money is coming into and going out of the business.
5. **Co-creation:** It is the act of creating together. When applied in business, it can be used as an economic strategy to develop new business models, products and services

with customers, clients, trading partners or other parts of the same enterprise or venture.

6. **Equity:** An equity share, commonly referred to as an ordinary share, also represents the form of fractional or part ownership in which a shareholder, as a fractional owner, undertakes the maximum entrepreneurial risk associated with a business venture. The holders of such shares are members of the company and have voting rights.
7. **Corporate Social Responsibility:** It is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public.
8. **Cross-disciplinary practices:** It refers to teaching, learning, and scholarship activities that cut across disciplinary boundaries.
9. **Entrepreneurial Culture:** A culture/society that enhances the exhibition of the attributes, values, beliefs and behaviours that are related to entrepreneurs.
10. **Entrepreneurial Individual:** An individual who has an entrepreneurial mindset and wants to make their idea successful.
11. **Entrepreneurial Education:** It seeks to provide students with the knowledge, skills and motivation to encourage entrepreneurial success in a variety of settings.
12. **Experiential Learning:** It is the process of learning through experience and is more specifically defined as learning through reflection on doing.
13. **Financial Management:** It is the application of general principles of management to the financial possessions of an enterprise.
14. **Hackathon:** A hackathon is a sprint-like event in which computer programmers and others involved in software development, including graphic designers, interface designers, project managers, and others, often including domain experts, collaborate intensively on software projects.
15. **Host Institution:** It refers to well-known technology, management and R&D institutions that work for developing startups and contributing towards developing a favourable entrepreneurial ecosystem.
16. **Incubation:** It is a unique and highly flexible combination of business development processes, infrastructure and people, designed to nurture and grow new and small businesses by supporting them through the early stages of development.
17. **Institute:** It refers to the University of Delhi/Udhmodya Foundation in this document.
18. **Intellectual Property Rights Licensing:** It is a partnership between an intellectual property rights owner (licensor) and another party (licensee) who is authorised to use such rights in exchange for an agreed payment (fee or royalty).

19. **Knowledge Exchange:** It is a process that brings together academic staff, users of research and wider groups and communities to exchange ideas, knowledge and expertise.
20. **Pedagogy and Experiential Learning:** It refers to specific methods and teaching practices (as an academic subject or theoretical concept) applied to students working on startups. The experiential learning method will be used for teaching 'startup related concepts and contents' to introduce a positive influence on the thought processes of students. Courses like 'business idea generation' and 'soft skills for startups' would demand experiential learning rather than traditional classroom lecturing. Business cases and teaching cases will be used to discuss practical business situations that can help students to arrive at a decision while facing business dilemma(s). Field-based interactions with prospective customers and support institutions will also form a part of the pedagogy, which will orient the students as they acquire field knowledge.
21. **Pre-incubation:** It typically represents the process which works with entrepreneurs who are in the very early stages of setting up their company. Usually, entrepreneurs come into such programs with just an idea of an early prototype of their product or service. Such companies can then graduate into full-fledged incubation programs.
22. **Prototype:** It is an early sample, model, or release of a product built to test a concept or process.
23. **Science Park:** A science park, also known as a research park, technology park or innovation centre, is a purpose-built cluster of office spaces, labs, workrooms and meeting areas designed to support research and development in science and technology.
24. **Seed Fund:** It is a form of securities offering in which an investor invests capital in a startup company in exchange for an equity stake in the company.
25. **Special Purpose Vehicle:** Special purpose vehicle, also called a special purpose entity, is a subsidiary created by a parent company to isolate financial risk. Its legal status as a separate company makes its obligations secure even if the parent company goes bankrupt.
26. **Startup:** An entity that develops a business model based on either product innovation or service innovation and makes it scalable, replicable and self-reliant and as defined in Gazette Notification No. G.S.R. 127(E) dated 19<sup>th</sup> February 2019.
27. **Technology Commercialisation:** It is the process of transitioning technologies from the research lab to the marketplace.

28. **Technology Licensing:** Agreement whereby an owner of a technological intellectual property (the licensor) allows another party (the licensee) to use, modify, and/or resell that property in exchange for a compensation.
29. **Technology Management:** It is the integrated planning, design, optimisation, operation and control of technological products, processes and services.
30. **Venture Capital:** It is the most well-known form of startup funding. Venture Capitalists (VCs) typically reserve additional capital for follow-up investment rounds. Another huge value that VCs provide is access to their networks for employees or clients for products or services of the startup.

### **3. University of Delhi**

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The University of Delhi is a premier university of the country with a venerable legacy and international acclaim for its highest academic standards, diverse educational programmes, distinguished faculty, illustrious alumni, varied co-curricular activities and modern infrastructure. The University has always sustained the highest global standards and best practices in higher education. Its long-term commitment to nation-building and unflinching adherence to universal human values are reflected in its motto: 'Nishtha Dhriti Satyam' (Dedication, Steadfastness and Truth). Established in 1922 as a unitary, teaching and residential university by the Act of the erstwhile Central Legislative Assembly, a strong commitment to excellence in teaching, research and social outreach has made the University a role model and trendsetter for other universities. The President of India is the Visitor, the Vice-President is the Chancellor and the Chief Justice of the Supreme Court of India is the Pro-Chancellor of the University. Beginning with three colleges and 750 students, it has grown into one of the largest universities in India with 16 faculties, over 80 academic departments, 91 colleges and over seven lakh students. Drawing students and faculty from across India and abroad, the University has emerged as a symbol of excellence, integrity and openness of *mansa* (thought), *vaacha* (speech) and *karmana* (action). Prof. D.S. Kothari in Physics, Prof. T.R. Sheshadri in Chemistry, Prof. P Maheshwari in Botany and Prof. M L Bhatia in Zoology were the distinguished faculties who started teaching at the University of Delhi to act as role models. Five Departments, namely Chemistry, Geology, Zoology, Sociology and History have been awarded the status of the Centres of Advanced Studies. These Centres of Advanced Studies have carved a niche for themselves as centres of excellence in teaching and research in their respective areas. In addition, a good number of

the University departments are also receiving grants under the Special Assistance Programme of the UGC in recognition of their outstanding academic work.

On 1<sup>st</sup> May 2022, the University of Delhi entered its glorious centenary year. As an Institution of Eminence, the University of Delhi remains committed towards making a significant contribution to society through its research and other academic activities. In accordance with its mission, the University of Delhi has established its own incubator, the Udhmodya Foundation, which helps people transform their ideas into successful ventures by giving them the tools and support they need to get through typical roadblocks and improve their chances of success.

A business incubation centre housed within an educational institution has the potential to encourage creativity and entrepreneurialism among the students, faculty members, staff and others, therefore contributing to economic growth and fostering the birth of new ideas. Additionally, educational institutions may find it easier to recruit and keep top talent with the assistance of an incubation centre. This is because students and faculty members are more willing to remain in a community that provides opportunities for entrepreneurialism and innovation.

## **4. Udhmodya Foundation**

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The word 'Udhmodya' symbolises the rising Sun embarking on a journey to success through innovation. To make this a reality, the University of Delhi has established a Section-8 company, Udhmodya Foundation, in its pursuit of entrepreneurial endeavours. The core objective of the Foundation is to drive innovation by supporting budding entrepreneurs to ideate, collaborate, develop their ideas, and grow their startups.

The **Vision Statement** of the Foundation is as follows:

*To create and empower a dynamic entrepreneurial ecosystem where ideas inspire, innovate and sustain.*

The **Mission Statement** of the Foundation is as follows:

*To support and nurture innovators, new and early-stage enterprises to help them become successful and sustainable.*

### **4.1 Objectives of the Foundation**

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Udhmodya Foundation was established as a Section-8 Company with License Number 107658 and CIN number U85300DL2022NPL399787, as per the 2013 Companies Act of



Govt. of India. The company runs a Business Incubator (BI) of the University of Delhi. Udhmodya Foundation was established with the following objectives:

1. **Fostering a Culture of Innovation:** The Foundation is determined to promote a culture of innovation and creativity, encouraging out-of-the-box ideas and experimentation.
2. **Envisioning a Community of Startups:** The Foundation's core philosophy is to build an inclusive and diverse community of startups and entrepreneurs where collaboration, knowledge sharing, and mentorship is valued.
3. **Driving Economic Growth:** The Foundation is committed to boost the economic growth of our country through the success of startups and the development of novel and innovative products and services in pursuit of the government's target to achieve a \$5 trillion economy.
4. **Connecting Startups with Resources:** The Foundation facilitates its network of investors, industry experts, and key stakeholders to help the startups secure funding, partnerships, and other resources.
5. **Providing Incubation Facility in Hybrid Mode:** The Foundation provides shared office space and labs to its incubate-startups, allowing them to work in a collaborative environment and access all the necessary equipment and infrastructure in physical as well as virtual modes.
6. **Offering Mentorship and Guidance:** The Foundation provides expert mentorship, coaching and guidance to help startups refine their ideas, business models, build their teams and navigate the challenges of entrepreneurship.
7. **Catalyst for Innovation and Entrepreneurship:** The overall vision of the Udhmodya Foundation is to be a catalyst for innovation and entrepreneurship, playing a key role in the development of new businesses and the startup ecosystem.

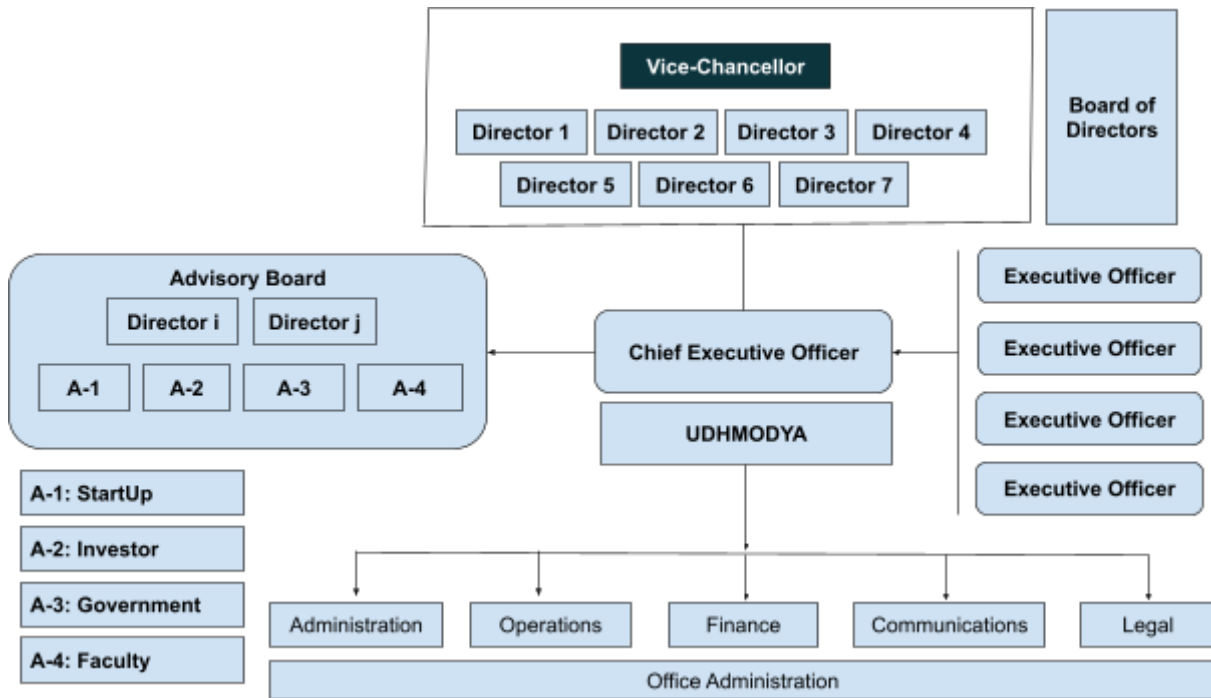
The Foundation intends to support entrepreneurs in developing and validating their business concepts, obtaining the necessary business skills and knowledge, and establishing connections with other actors in the innovation ecosystem. It aims to host various seminars, speaker sessions, unique games, ideathons, hackathons, workshops, startup summits and contests for budding and visionary entrepreneurs, and provide them with working space, seed capital, mentorship, consulting, and networking opportunities.

## **4.2 Governance and Structure**

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The policy guidelines on Startups and Entrepreneurship have been outlined with a core objective of facilitating students, faculty and staff from the University and other innovators to partake in innovation and entrepreneurial activities and inspiring them to reflect upon entrepreneurship as a dynamic and valuable career avenue. The University of Delhi, through Udhmodya Foundation, is determined in its objective of becoming a stepping stone for the students, faculty, staff and other innovators in their entrepreneurial journeys. The University of Delhi, through Udhmodya Foundation, will establish processes and mechanisms for the easy creation and nurturing of startups and enterprises by faculty/staff members. The following guidelines have been laid down for the governance of the Foundation:

1. University has a distinct University-Innovation Council (IC), IPR Cell, and Udhmodya Foundation to engage in its vision of Startup Ecosystem facilitating sustainable growth.
2. The key emphasis of the policy shall be developing and encouraging the stakeholders to participate in pre-incubation processes, potentially leading to idea-development, innovation and in the creation of startups ventures.
3. The policy shall also lay emphasis on capacity building, orienting the stakeholders towards a vibrant ecosystem of innovation and entrepreneurship, development of technologies, and creation of patentable know-how and achievable solutions relevant to industry and society.
4. Implementation of the policy will be the under the purview of Udhmodya Foundation.



### 4.3 Financial Strategies

The financial strategies of the Foundation are as follows:

1. Access to finance is pivotal to address the funding needs of a startup. The University will play a decisive role in enabling the youth by providing seed money through Udhmodya Foundation.
2. Capital Funding for all activities pertaining to policy implementation, innovation and entrepreneurship shall be met by Udhmodya Foundation.
3. Udhmodya Foundation may consider mobilising additional resources by conducting various programs.
4. External funding through government (state and central) such as DST, DBT, MoE, AICTE, TDB, TIFAC, DSIR, CSIR, BIRAC, NSTEDB, NRDC, Startup India, Invest India, MeitY, MSDE, MSME etc., may also be encouraged to cater to support-funding at the suitable time.
5. Private and corporate sectors may be approached to generate funds under the Corporate Social Responsibility (CSR) initiative as per Section 135 of the Company Act 2013.
6. Sponsorship and donations may be obtained from the business community and alumni networks for promoting and strengthening entrepreneurial spirit and culture.
7. Financial institutions may be approached for the best possible economical avenue.

The University of Delhi, through Udhmodya Foundation, will support startup activities and technology development by providing access to the Institute's infrastructure and facilities according to the entrepreneur's preferences in the following manner:

- (a) Short-term (6-12 months), part-time entrepreneurship training.
- (b) Ongoing mentorship support.
- (c) Assistance in various areas, such as ideation, creativity, design thinking, technology development, fundraising, financial management, cash flow management, new venture planning, business development, product development, social entrepreneurship, product costing, marketing, brand development, human resource management, and legal and regulatory matters affecting a business.
- (d) Linking startups to other seed-fund providers/angel funds/venture funds or providing seed funding.
- (e) Licensing the Institute's IPR in accordance with policy/guidelines.

## **4.4 Facilities Available at the Foundation**

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Transforming innovation initiatives into creating new value, growth, and revenue always comes with a risk. But with the right support and guidance, it's also where the greatest rewards can be won. On these lines, Udhmodya Foundation aims to help startups establish the path to growth, setting clear ambitions, guidelines, and operational frameworks through its pre-incubation and incubation facilities. Udhmodya Foundation is committed to providing resources, support, and guidance to help early-stage startups grow and succeed. Here are some facilities that the Foundation provides:

1. **Office Space:** It provides startups with dedicated office space fully equipped with desks, chairs, and other necessary office equipments. This office space is designed to provide a professional working environment for startups, which can help them build credibility and foster collaboration among team members.
2. **High-Speed Internet:** Fast and reliable internet access is essential for any modern startup to operate effectively. Udhmodya Foundation provides startups with high-speed internet access to ensure that they can communicate and work online without any disruptions or delays.
3. **Meeting Rooms:** Private meeting rooms are an important facility provided by the Foundation. These rooms provide startups with a quiet and professional environment to meet with potential investors/ partners/ clients and discuss important matters without any interruptions.
4. **Pre-incubation Facilities:** These have been tailor-crafted in consultation with the experts to deliver comprehensive solutions for the initial stages of startup. This makes the entire process smooth during the incubation process and allows autonomy in decision making for executing the programs with regard to innovation, IPR and Startups.
5. **Mentorship and Coaching:** Access to experienced mentors and coaches is a valuable resource that the Foundation provides to startups. Mentors and coaches can provide startups with guidance, advice and networking opportunities that can help them navigate the challenges of starting and growing a business.
6. **Networking Events:** Udhmodya Foundation regularly organises networking events and workshops to help startups connect with other entrepreneurs and industry experts. These events provide startups with opportunities to learn from others, share experiences, and develop new partnerships.

7. **Access to Funding:** The Foundation has partnerships with venture capitalists or angel investors who are interested in investing in early-stage startups. These partnerships provide startups with access to funding and investment opportunities that can help them scale their businesses.
8. **Legal and Financial Services:** Legal and financial services such as accounting, legal advice and tax consulting are important resources that the Foundation may provide to startups. These services can help startups navigate complex legal and financial issues, which can be challenging for early-stage businesses.
9. **Shared Services:** Shared services such as IT-support, administrative assistance and marketing support can help startups save money and focus on their core business activities. The Foundation may provide access to these shared services to help startups minimise their operational costs and improve their efficiency.
10. **Round-the-Clock Support:** The Foundation provides access to its facilities and extends round-the-clock support to all the startups.

Additionally, the Foundation provides startups with access to other essential resources and services. For example, it provides startups with access to prototyping labs and testing facilities depending on the nature of the business and availability of the resources with the Foundation and University of Delhi. These resources can be expensive for startups to acquire on their own, so having access to them through the Foundation can be extremely beneficial. Furthermore, Udhmodya Foundation offers workshops and training programs that help startups develop their skills and knowledge in areas such as marketing, sales and financial management. These programs can help startups build a strong foundation for their businesses and avoid common mistakes that can hinder their growth.

## **4.5 Activities Conducted by the Foundation**

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The activities conducted by the Foundation include, but are not limited to, the following:

1. Udhmodya Foundation is determined to build a thriving community of entrepreneurs by regularly organising training programs, ideathon/hackathon, workshops, bootcamps, etc. imparting startup learning solution with pedagogical and practical impact.
2. A diverse range of activities and programs consisting of counseling, consulting, mentorship and networking services will be outlined to bridge the gap between theory

and practice, leading to achieve a commercial aptitude required for the success of any startup.

3. Talk-shows, Lecture series, Leadership summit involving industry experts will be planned to inspire and encourage the youth to enthusiastically take charge of their professional journeys by gaining a deep understanding of core business trends and competencies.
4. Udhmodya Foundation may initiate an annual 'AWARD FOR EXCELLENCE IN INNOVATION AND ENTREPRENEURSHIP' to acknowledge and encourage outstanding ideas, successful enterprises and contributors for promoting innovation and startup ecosystem within the University and beyond.
5. Awareness drives emphasising the significance of creating new business avenues and the entrepreneurial process as a whole; showcasing testimonies of our country's entrepreneurial culture and activities will form an intrinsic part of the Foundation's calendar of activities.
6. Knowledge exchange drives shall be organised to promote innovation & entrepreneurship and to streamline collaboration and partnerships across domestic and international levels. This will further encourage the engagement of international resources in academic, research and innovation pursuits.
7. University shall establish Technology Transfer Unit (TTU) to streamline the commercialisation of technology developed during any stage of the incubation cycle.

## **5. Who can be an Incubatee?**

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The four categories of Incubatees are as follows:

1. **Category I (Student)**

It includes all the students who are enrolled in any course/programme (Undergraduate/ Postgraduate/ Ph.D./ Other) of the University of Delhi.

2. **Category II (Faculty Member)**

It includes Senior Professors, Professors, Associate Professors and Assistant Professors (Permanent/ Temporary/ Adhoc/ Visiting/ Guest/ Contractual/ Any other) working at the Departments/ Centres/ Colleges of the University of Delhi. This category shall also include reemployed Professors, Emeritus Professors, Adjunct Professors, Professors of Eminence, Honorary Professors, Former Faculty Members, etc., of the Departments/ Centres/ Colleges of the University of Delhi.

**3. Category III (Staff Member)**

It includes non-teaching employees (Permanent/ Temporary/ Visiting/ Adhoc/ Guest/ Contractual/ Any other) of the University. This category shall also include all former non-teaching employees of the University of Delhi.

**4. Category IV (Others)**

It includes any individual/group of individuals who do not fall in any of the above categories and are prospective entrepreneurs. This category shall also include all the alumni of the University of Delhi.

## **6. Rules and Regulations for Startups**

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This section focuses on various rules and regulations that are required to be adhered to by each and every incubatee registered for support from the Udhmodya Foundation.

### **6.1 General Rules and Regulations**

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This section includes the rules and regulations that are applicable to any individual belonging to Category I-IV and who is a founder/owner or co-founder/co-owner/direct promoter/board member or having an operational role (such as Consultant, Technical Adviser, CEO, Marketing Manager, etc.) in a company funded/supported by Udhmodya Foundation.

1. Category to be defined on the basis of largest shareholder of the company.
2. Co-founders can be from different categories.
3. The majority of the founders or shareholders, or the members of the core team must hold Indian citizenship.
4. Incubatee registration requests can only be submitted to Udhmodya Foundation on behalf of registered unlisted businesses as defined by the Companies Act 2013. If a company has not yet been incorporated, an application may be made on behalf of all promoters or founders. However, the promoters or founders must ensure that the firm is registered in the incubator no later than three months after the application's approval date.
5. Human-subject related research in Startup should get clearance from the Ethics Committee. The Ethics Committee shall be constituted by the competent authority of the Udhmodya Foundation/University of Delhi.
6. There will be no restriction on shares that an individual can own in the company.



7. The Foundation may consider providing accommodation on campus for registered incubatees for a limited period, subject to the availability of accommodation.
8. Startups can acquire licenses for technology jointly held by the University of Delhi or Udhmodya Foundation or incubator of constituent colleges (in case the incubatee is registered with the incubators of such colleges) on favourable terms, including equity in the venture, license fees, and/or royalty payments.
9. The individual whose startup is in the incubation process with Udhmodya Foundation can use the address of the Foundation with prior permission from the authorities.
10. Period of Pre-incubation and Incubation will be as follows:
  - (i) Pre-Incubation period from 6 month to 1 year
  - (ii) Incubation Period 24 month and extendable upto 36 months subject to the recommendation of the Udhmodya Foundation.

## **6.2 Specific Rules and Regulations for Category I**

The following rules and regulations are specific to the individuals belonging to the Category I:

1. The individual is permitted to work on their startup or intern/part-time with startups incubated at recognised higher education institutions/incubators while studying, subject to approval from the University, based on the committee's recommendation.
2. The individual can choose to pursue a startup instead of their project (minor/major), seminars, summer training, etc. However, they must explain how they will distinguish their work at the startup from academic activities at the Departments/ Centres/ Colleges of the University of Delhi.
3. The individual can earn academic credits for their work in creating an enterprise. The Udhmodya Foundation shall give credits to respective individuals in a manner as prescribed .
4. The individual may be allowed to sit for examinations even if their attendance is lower than the minimum required percentage, subject to the recommendation from Udhmodya Foundation or incubator at the respective college of the University of Delhi and the approval from the respective HOD/ Dean/ Principal.
5. The individual may be allowed by the University to take a break of one year or longer to work on their startups and resume their academic studies after the break. The

individual must submit the application to Udhmodya Foundation or incubator at the respective college of the University of Delhi, which shall be forwarded to the concerned Dean/Principal for permission and approval after due diligence.

6. The University of Delhi may offer a two-year deferred placement opportunity for students to pursue their startup ventures, with the implementation guidelines developed by the Udhmodya Foundation.

## **6.3 Specific Rules and Regulations for Category II and III**

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The following rules and regulations are specific to the individuals belonging to Category II and III:

1. The individual should sign an undertaking for 'Conflict of Interest' to ensure that their regular duties shall not suffer owing to their involvement in the startup.
2. If the individual holds an executive or managerial position for more than three months in a startup, then they shall go on a sabbatical leave/ leave without pay/any other leave as per applicable rules and regulations of the University of Delhi.
3. The individual must not accept gifts from the startup.
4. The individual cannot include research resources of the University in their startup activities.
5. Participation in startup related activities shall be considered as a legitimate activity of the individual in addition to their duties at the Departments/ Centres/ Colleges of the University of Delhi.
6. For an individual engaged in startup ecosystem in an administrative or executive position, as a mentor, or having direct involvement in startup, they shall be given two hours of relaxation in their workload.
7. The involvement of an individual (only for Category II) in startup ecosystem in an administrative or executive position or direct involvement in a startup shall be counted in their academic score for their career advancement or shortlisting of candidates for interview, in a manner as specified by the University of Delhi.
8. The individual will have to take NOC from their respective institutions before getting involved in the incubation and start up activities

## **6.4 Finance Rules and Regulations**

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The following financial provisions shall apply to all the startups registered with Udhmodya Foundation:

1. The shareholder of Udhmodya Foundation shall not take any equity in any company incubated in Udhmodya Foundation.
2. The company must have its own funding and accounting procedures in line with existing industry norms and ensure annual audit and other regulatory compliance.
3. Startups must open a current account immediately upon registration of the company, and all Udhmodya Foundation funding will be transferred to the company account.
4. In the pre-incubation stage, money will be given in the saving account of the incubatee post the receipt of the utilisation certificate and bills. However, in special cases, the pre-incubation committee may recommend stipend, sustainable allowance, prototype grant to the incubatees prior to the expenditure subject to the approval of the Board of Udhmodya Foundation.
5. Startups must submit an annual Utilization Certificate.
6. Udhmodya Foundation may take 2% to 9.5% equity/stake in the startup/company based on brand used, faculty services, faculty contribution, support provided by the University of Delhi/ Udhmodya Foundation, and use of the University's IPR. Other factors considered include space, infrastructure, mentorship support, seed funds, support for accounts, legal, patents, etc. The Udhmodya Foundation equity/stake in the startup will be based on the recommendation of the Finance Review Committee.
7. The money (honorarium, salary, consultancy or remuneration in any other form) paid to the founding members of the company will be counted entirely as income of the involved faculty members during the incubation period. After the company moves out of Udhmodya Foundation, the faculty member may take long leave and work with the company or may earn in the form of consultancy as per the applicable rules and permission of the University.
8. For faculty and staff startups, Udhmodya Foundation will not take more than 20% of shares that faculty/staff takes while drawing full salary from the institution; however, this share will be within the 9.5% cap of company shares, listed above.

9. There shall be no restriction on shares that faculty/staff can take, as long as they do not spend more than 20% of office time on the startup in advisory or consultative roles and do not compromise with their existing academic and administrative work/duties.
10. In case of compulsory equity model, startups shall be given a cooling period of 3 months to use incubation services on rental basis, to make a final decision based on satisfaction of services offered by the Udhmodya Foundation.
11. In that case, during the cooling period, the University/Udhmodya Foundation will not force startups to issue equity on the first day of granting incubation support.
12. The faculty member associated shall ensure that at no stage any liability shall accrue to Udhmodya Foundation because of any activity of any startup.
13. University's/Udhmodya Foundation's decision-making bodies with respect to incubation / IPR / technology-licensing will consist of faculty and experts who have excelled in technology translation.
14. The students involved must ensure that the University of Delhi or Udhmodya Foundation shall not be liable for any of the activities of the startup at any time.
15. The seed support will be based on the recommendation of the Finance Review Committee/Investment Committee of Udhmodya Foundation.
16. Proposals/projects/ideas that have already been evaluated by national/international organisations and received funding will be given priority for support.

## **7. Process of Admittance at the Pre-incubation Stage**

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The provisions with respect to admittance of funding shall be governed by the decision taken by Udhmodya Foundation from time to time. The process for admittance at the pre-incubation stage are as follows.

1. **Submit an Application:** Startups typically need to submit an application to the Foundation that includes information about their business idea, team, market research and financial projections. The application may also require the submission of other documents, such as a business plan or pitch deck.
2. **Screening and Evaluation:** The Foundation will screen and evaluate the applications based on the criteria outlined in the policy document. This may include assessing the

viability of the business idea, the commitment and skills of the team, the clarity of the goals and objectives, and the plan for funding and revenue generation.

3. **Selection and Invitation:** The Foundation will select a group of startups to be invited for further discussions. These discussions may include interviews, meetings with mentors and coaches, and presentations to a selection committee. The idea/prototype must be eligible for pre-incubation as decided by the committee and registered as a startup under a form of a business entity like a Partnership Firm, LLP, Private Limited Company, or One Person Company to receive seed support.
4. **Pre-incubation Program:** If the startup is selected, it may be invited to participate in a pre-incubation program. This program may include training workshops, mentorship sessions, and networking events to help startups refine their business ideas and build a strong foundation for their businesses. The continuance of any startup in the pre-incubation stages as well as the release of funds, if any, will be subject to quarterly performance review.
5. **Graduation to Incubation Stage:** After successfully completing the pre-incubation program, startups may be invited to join the incubation program. This program provides startups with access to all the facilities and resources of the Foundation, as well as ongoing mentorship and support to help them grow and succeed. The potential startup under the pre-incubation stage shall be promoted to the incubation stage as per the recommendation of the performance review committee.

Startups should research the specific requirements and guidelines of the Udhmodya Foundation and follow the instructions provided.

## **8. Process of Admittance at the Incubation Stage**

The provisions with respect to admittance of funding shall be governed by the decision taken by Udhmodya Foundation from time to time. The process for admittance at the incubation stage are as follows.

1. **Application and Screening:** Startups typically need to submit an application to the incubation foundation that includes information about their business idea, team, market research, financial projections and progress made during the pre-incubation stage. The application may also require the submission of other documents, such as a business plan or pitch deck. The incubation foundation will screen and evaluate the applications based on the criteria outlined in the application guidelines.

2. **Interviews and Due Diligence:** After the screening and evaluation process, the Foundation will select a group of startups to be invited for further discussions. These discussions may include interviews, due diligence, and presentations to a selection committee. The Foundation may also verify the information provided by the startup through reference checks, background checks, or other means.
3. **Selection and Acceptance:** After the interviews and due diligence process, the Foundation will select a group of startups to be invited for incubation. These startups will receive an offer of acceptance and will need to sign a contract that outlines the terms and conditions of the incubation program. Once the idea/prototype is eligible for a startup, as decided by the committee, it must be registered under a form of a business entity like a Partnership Firm, LLP, Private Limited Company, or One Person Company, and startups must be able to provide a copy of the registration certificate/letter.
4. **Incubation Program:** Once accepted, startups will have access to all the facilities and resources of the Foundation, as well as ongoing mentorship and support to help them grow and succeed. The incubation program may include training workshops, mentorship sessions, networking events and access to legal and financial services. The program is designed to help startups accelerate their growth and achieve their goals.
5. **Graduation and Follow-up Support:** After completing the incubation program, startups may graduate from the program and continue to receive follow-up support from the incubation foundation. This may include ongoing mentorship, access to networking events and additional resources to help them continue to grow and scale their businesses.

Startups should research the specific requirements and guidelines of the Udhmodya Foundation and follow the instructions provided.

## **9. Process of Admittance for Virtual Incubation**

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Virtual incubation is an incubation model that allows startups to participate in an incubation program remotely, using online tools and resources. The process for virtual incubation may include the following steps:

1. **Application:** Startups interested in virtual incubation will need to submit an application to the Udhmodya Foundation, which typically includes information about their business idea, team, market research, and financial projections. The application

may also require the submission of other documents, such as a business plan or pitch deck.

2. **Screening and Evaluation:** The Foundation will screen and evaluate the applications based on the criteria outlined in the application guidelines. This may include assessing the viability of the business idea, the commitment and skills of the team, the clarity of the goals and objectives, and the plan for funding and revenue generation.
3. **Selection and Acceptance:** After the screening and evaluation process, Udhmodya Foundation will invite selected startups for further discussions. These startups may be invited to participate in an online interview or pitch session to further assess their fit for the program. The program will then extend offers of acceptance to successful applicants.
4. **Onboarding and Orientation:** Once accepted, startups will go through an onboarding and orientation process to familiarise themselves with the virtual incubation program and the online tools and resources available to them. This may include setting up access to online collaboration tools, scheduling mentorship sessions, and attending online training workshops.
5. **Virtual Incubation Program:** During the virtual incubation program, startups will have access to all the online facilities and resources of the incubation program, as well as ongoing mentorship and support to help them grow and succeed. The program may include online training workshops, mentorship sessions, networking events, and access to legal and financial services. The program is designed to help startups accelerate their growth and achieve their goals, even when participating remotely.
6. **Graduation and Follow-up Support:** After completing the virtual incubation program, startups may graduate from the program and continue to receive follow-up support from the incubation program. This may include ongoing mentorship, access to networking events, and additional resources to help them continue to grow and scale their businesses.

It's important to note that the specific process for virtual incubation may vary depending on the virtual incubation program. Startups should research the specific requirements and guidelines of the program they are interested in applying to and follow the instructions provided.

## **10. Exit Policies**

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Anyone of the following policies may be adopted by Udhmodya Foundation for different startups to exit from an incubation program. The terms and conditions of the exit policy shall be decided by Udhmodya Foundation at the time of signing the contract and may vary from case-to-case basis.

1. **Graduation:** Graduation is the most common exit policy from incubation programs. Graduation typically occurs when a startup has completed the incubation program and is ready to move on to the next stage of their growth. Graduating startups may receive a certificate or other recognition from the Udhmodya Foundation of their completion of the program.
2. **Time-based Exit:** Some incubation programs may have a time-based exit policy that requires startups to exit the program after a certain period, regardless of their progress or success. This time period shall be determined by Udhmodya Foundation or may be negotiated as part of the contract.
3. **Milestone-based Exit:** Some incubation programs may have a milestone-based exit policy that requires startups to achieve certain milestones or goals in order to remain in the program. If a startup fails to achieve these milestones, it may be required to exit the program.
4. **Mutual Agreement:** Some incubation programs may have a mutual agreement exit policy that allows both the startup and the Foundation to terminate the contract if either party is not satisfied with the progress or results of the program. This may be negotiated as part of the contract.
5. **Equity-based Exit:** Some incubation programs may have an equity-based exit policy that allows Udhmodya Foundation to take an equity stake in the startup in exchange for continued support and resources. This equity stake may be determined by the terms of the contract.

It's important for startups to carefully review the terms of the contract and understand the exit policies of the incubation program they are applying to. This can help them plan their growth strategy and ensure that they are able to exit the program successfully and continue to grow their business.



## **11. Intellectual Property and Product Ownership**

In accordance with the guiding framework- National Innovation and Startup Policy 2019, the following provisions shall apply for incubatees.

1. Any intellectual property or product developed while utilising the facilities/ funds/ support of Udhmodya Foundation will be jointly owned by creators/ authors/ inventors and Udhmodya Foundation.
2. Such intellectual property or product can only be licensed jointly by creators/ authors/ inventors and Udhmodya Foundation to any commercial organisation. The inventors shall have the primary say in such transactions.
3. The Consideration for License as mentioned above shall be in the form of a license fee to be paid by the licensee, which could be either/ or a mix of:
  - (i) Upfront fees or one-time technology transfer fees.
  - (ii) Royalty as a percentage of the sale price.
  - (iii) Shares in the licensee company.
4. The License fee shall be examined and recommended by a separate committee of the Technology Transfer Office (TTO) of the University on a case-to-case basis.
5. All the Benefits of clauses 3(i), 3(ii), and 3(iii) shall be transferred to Udhmodya Foundation.
6. Udhmodya Foundation will hold equity on behalf of the University of Delhi.
7. In case one or more of the inventors wish to incubate a company within Udhmodya Foundation and license the intellectual property or product to their own company, then:
  - (i) The License fees would be exempted for an initial period of three years.
  - (ii) The license agreement shall be revisited and modified into an exclusive and extended period with royalty considerations, the quantum of which shall be determined by Udhmodya Foundation once the startup venture establishes commercial viability within the limited exclusive period.
  - (iii) The exclusivity of the license to the startup shall be forfeited in case the startup fails to achieve commercial breakthrough within the stipulated period.
8. In case one or more of the inventors wish to incubate a company outside Udhmodya Foundation and license the intellectual property or product to the company, then:
  - (i) The royalty shall be paid to Udhmodya Foundation, and
  - (ii) The rate of royalty shall not be more than 4% of the sale price.

- (iii) The royalty shall preferably be at the rate of 1% to 2% to Udhmodya Foundation and if it is equity in the company, then equity will be at the rate of 1% to 4%.
9. All the issues related to royalty/equity between Udhmodya Foundation and the incubated company will be examined and handled by a separate committee of the TTO office of the University on a case-to-case basis within the ceiling as mentioned in this policy and other relevant guidelines of the government.
10. The IPR cell of the University or incubation centre will have no say on how the invention is carried out, how it is patented or how it is to be licensed. They will only play the role of a coordinator and facilitator for providing services to faculty, staff and students. If the University is to bear the cost for patent filing, then a 3-member committee shall be constituted consisting of an experienced faculty with expertise in technology translation. The committee will be constituted of:
- (i) Two faculty members (having developed sufficient IPR)
  - (ii) One legal advisor with experience in IPR
- The role of the committee will be to examine the strength of the IPR/invention, i.e., whether the IPR/invention is patentable/ protectable or whether it is worth patenting/ protecting.
11. All the decisions with respect to incubation/ IPR/ technology-licensing will be taken by all the decision-making bodies of the University, which will consist of seasoned faculty and experts in technology translation, in accordance with the guidelines of the Ministry of Education, Government of India. Other faculty members in the Department/University, including Heads of Department, Heads of Colleges, Deans or Registrars, will have no say in this regard.

## **References**

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1. National Innovation and Startup Policy 2019 for Students and Faculty, Ministry of Education, Government of India
2. The Innovation and Incubation Policy, Delhi Technological University, Delhi
3. <https://www.jru.edu.in/wp-content/uploads/NISP>
4. [https://www.srkrec.edu.in/files/mandates/SRKR\\_In](https://www.srkrec.edu.in/files/mandates/SRKR_In)
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