






UPES

UPES Centre for Innovation and Entrepreneurship (UCIE)

Incubation Policy with effect from 16 Oct 2017

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This document is the UPES Incubation Policy and is meant for public circulation

1. Preamble :

India is one of the youngest nation in the world and creation of employment opportunities for millions through innovation and entrepreneurship and creation of wealth/value in the economy is a national need and priority to tap into the demographic dividend that the nation has. The Government of India and the Ministry of Education has come up with many policy guidelines in recent past promoting the culture of entrepreneurship at the universities that can facilitate and encourage the entrepreneurial journeys of students, faculty and staff members through incubation, acceleration, fund-raising and provision of critical support for the success of their respective business ideas.

UPES has always tried to create a conducive environment for its students, faculty and staff members to attain excellence through research, innovation and entrepreneurship. To further promote the spirit of entrepreneurship among the university community through a set of policy guidelines, that are benchmarked with and are in line with the best practices of other institutes of higher learning across the world, UPES will support and create a hub of vibrant start-ups through various progressive measures such as providing grants, seed funding, office space, necessary leaves, access to R&D and other facilities, networking opportunities with the potential investors etc.

2. Introduction

UPES Centre for Innovation and Entrepreneurship (UCIE) was set up in January 2013 to promote innovation and entrepreneurship by converting and translating potential business ideas and innovation into products, processes and services for commercial exploitation and the benefit of society. Considering the expansion of activities of UCIE, it is deemed expedient to design and lay down a Policy of Incubation to steer such activities.

3. Objective of UCIE

The mandate of the centre is to assist the UPES community entrepreneurs (faculty, staff, alumni and students) as well as the external community entrepreneurs in commercializing their product/service ideas and/or accelerate their growth. UCIE's mission is to synchronize and synergize the interactions between various stakeholders of Entrepreneurship Ecosystem with utmost importance on enabling startups to become successful entrepreneurial ventures through its structured programs and events.

The process of translating knowledge in various disciplines into products, processes and services for commercial exploitation will also benefit the society at large and UCIE shall be used as a vehicle to achieve the same.

4. Definitions

Corporate Social Responsibility

The term Corporate Social Responsibility draws its meaning from the definition of the term from Companies Act 2013, as amended from time to time.

Incubation

Incubation is a process of nurturing business ideas to maturity through a structured approach involving requisite support from internal and external sources.

Incubatees

All business entities admitted under the incubation process of the University and as under this policy.

Innovation

The term has the following meaning in the context of Incubation policy of UPES.

- 1) Business Model Innovation
 - a. Changing the way business is done in terms of capturing value
- 2) Marketing Innovation

- a. Development of new Marketing methods with improvement in product design or packaging, product promotion or pricing.
- 3) Organizational Innovation
 - a. Creation or alteration of business structures. Practices or Models and may therefore include Process, Marketing and Business Model Innovations
- 4) Process Innovation
 - a. Implementation of a new or a significantly improved production or delivery method
- 5) Product Innovation
 - a. Introduction of a new good or service that is new or substantially improved. It may include improvements in functional characteristics, technical abilities, ease of use or any other dimension.
- 6) Service Innovation
 - a. Similar to product innovation except that innovation relates to services
- 7) Supply Chain Innovation
 - a. Occurs in sourcing of inputs products from suppliers and delivery of output products to customers

Start up

An entity will be considered a startup:

- Up to a period of seven years from the date of incorporation/registration. For biotechnology firms, that period is ten years:
 1. Provided it has an annual turnover not exceeding Rs 25 crore in any preceding financial year, and
 2. If it works towards innovation, development or improvement of products or processes or services, or if it's a scalable business model with a high potential of employment generation or wealth creation

With respect to startups in the biotechnology sector, an entity shall cease to be a startup on completion of ten years from the date of its registration or if its turnover for any previous year exceeds Rs 25 crore, according to the notification.

UCIE

UPES Centre for Innovation and Entrepreneurship is a Business Incubator created by UPES under this Policy.

UPES

UPES means 'University of Petroleum and Energy Studies', a University established under the University of Petroleum & Energy Studies Act, 2003, enacted by the State of Uttarakhand, having its campus at Villages Bidholi and Kandoli, District Dehradun, Uttarakhand

UPES Member

Any permanent/temporary/contractual/fulltime/part-time faculty/research scholar/staff on duty or on short/long leave and students including alumni registered with UCIE.

Confidential Information:

"Confidential Information" shall mean any information and data, including, but not limited to, any kind of business, commercial or technical information and data disclosed between any of the Parties in connection with the Purpose, irrespective of the medium in which such information or data is embedded, which is obviously of a confidential nature or - when disclosed in tangible form or via electronic communication, including internet based provision of information - marked "Confidential" or similarly legended by the disclosing Party or which is - when disclosed orally or visually - identified as such prior to disclosure and summarized in writing by the disclosing Party and said summary is given to each receiving Party marked "Confidential" or similarly legended within thirty (30) days after such disclosure. In case of disagreement relating to the summary, each receiving Party must present its objections to the summary in writing within thirty (30) days of receipt. Confidential Information shall include any copies or abstracts made thereof as well as any apparatus, modules, samples, prototypes or parts thereof.

5. Activities of UCIE

UCIE role is to promote entrepreneurship and innovation. Towards this end, UCIE may create and be involved in multiple incubators which may be specialized or general in nature. It may be actively involved in pre-incubation, incubation and/or acceleration phase of a Start-up entity promoted by one or more UPES Members or a start- up incubated at UPES

1. UPES Member may promote an UPES Incubated Entity;
2. UPES Member can be involved with an External Startup (ESU);
3. UCIE through its incubators may be involved with any Entity for the purpose of incubation;
4. UCIE may be involved in teaching entrepreneurship and promotion of entrepreneurship within and outside UPES

Provided that UPES Members working on their start-ups may be granted in attendance relaxation upto 30 % (upto 1.5 days in a week). This will be subjected to the recommendation by the advisory council and the approval from the Vice-Chancellor.

6. Governance Structure

The UCIE, for its day to day affairs and functioning, will have an advisory council with following composition:

1. Vice Chancellor, UPES's nominee, as Chairman;
2. CEO of UCIE, as Member Secretary;
3. Finance Controller UPES or his/her nominee, as Member;
4. Legal Head UPES or his/her nominee, as Member;
5. Nominee of the Chairperson, HERS.

Power of Advisory Council

Advisory Council may evaluate the portfolio and other details including due diligence of the UPES Member start up received from the incubatee. The report shall include the recommendation with all riders, if any which may include conflict of interest, attendance waiver, Equity share, rentals and cost of other utility cost including electricity, internet cost, infrastructure cost, etc charged, right to use brand name etc.

Funding to the UPES Member start up, either at pre-incorporation stage or post incorporation stage, will be given based on the recommendation of advisory council. Advisory Council will meet every three months to monitor and evaluate each incubatee organization. The Advisory Council shall have the power to grant seed funding.

For Clarity purposes, Equity allocation below are certain guidelines for the **Advisory Council**

- 1) UCIE either directly or through a designated individual or organisation, may exercise its discretion in taking up equity in the incubatee in the following cases.
 - a) Equity against freedom to use resources including the intellectual property rights
 - b) Equity against incubation.
 - c) Equity against seed grant and/or grant in aid.
 - d) Equity against loan provided by the UCIE.

- 2) In return for the services and facilities, UCIE may take 2% to 9.5% equity in the startup (a limit of 9.5% is suggested so that UCIE has no legal liability arising out of the start-up).

- 3) Equity against any loan/seed fund/grant-in-aid provided by the UCIE will be independent of this equity limit.

NOTE: Advisory Council shall submit its reports and minutes of meetings for approval of Vice Chancellor, UPES. The decision of the Vice Chancellor, UPES shall be final.

7. No Liability of the University & Protection of UPES's fair name

The incubatee company will understand and acknowledge that UCIE 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 commercialization by incubating and supporting new enterprises.

Nothing contained in this Policy shall mean to impose any responsibility on UCIE and or UPES:

- Ensuring success of an incubatee company, its products/ process/ services or marketability,
- Ensuring quality of support and services provided by UCIE to the complete satisfaction of the incubatee companies or their promoters/ founders.
- Ensuring quality of services of the consultants engaged by the incubatee companies through UCIE/ UPES network. Incubatee companies will have to apply their judgements before getting in to a relationship with them.

The ownership of IP vested in UPES, will be transferred to a startup through an agreement, wherein the value of royalty paid to the University in lieu of such transfer should not exceed 4%.

8. External Engagement

UCIE aims to inculcate the essence of entrepreneurship in UPES community entrepreneurs (faculty, staff, alumni and students) as well as the external community as appropriate to leverage their expertise and services for expanding the Entrepreneurship Ecosystem at UPES in more effective and efficient manner.

Mentors for each start-ups will be allocated by UCIE after discussion with the start-ups.

All entities incubated under UCIE will be given the status of a preferred vendor for all purchase of product and services by UPES.

9. Obligation of Confidentiality

In serving the objective of UCIE, the members, advisory council and such other connected person, on need to know basis, may be exposed to “Confidential Information”. Each such above mentioned individual will have an obligation not to disclose or not use, directly or indirectly, such Confidential Information for the benefit of himself or any person, entity, or organization other than the objective of UCIE, or disclose such Confidential Information without the written authorization of the Member Secretary, Advisory Council, either during or after the term of this Policy, for as long as such information retains the characteristics of Confidential Information.

10. Conflict of Interest:

If there is any conflict of interest between the advisors/consultants and start-ups, same shall immediately be notified in writing to the Advisory Council for determining the way forward.

11. No Partnership

Each member to the Advisory Council shall be discharging the advisory functions under this Policy in his individual capacity and shall not necessarily represent the view of UPES and or UCIE, and UPES and or UCIE, shall not be considered bound or liable for such advice of the Council, or its Chairman or its Members, as the case may be.

12. Indemnity for certain legal expenses

A member, who has acted in good faith and diligently, shall be indemnified out of the UCIE’s assets against any expenses which the member may have incurred in relation to performance

of his/her duty under this Policy, unless judgment is given against the member and the judgment is final.

13. Dispute Resolution

If there is any dispute or controversy between the parties arising out of or relating to any provision or any matter arising out of any provision of this Policy, the matter shall be taken before the Advisory Council to be resolved amicably. The decision of the Advisory Council shall be final and binding. However, the courts in Dehradun shall have exclusive jurisdiction with respect to any such matters.