

## Minutes of Meeting

### Expert Committee on Formation of Start-up Policy

Date:	5 <sup>th</sup> of April, 2021
Agenda:	Approval by the Board of Governors
Meeting No.	VI
Attendees:	Board of Governors

#### Minutes:

1. The Policy brief containing the reasoning and explanation of the different parts of the Policy was presented before the Board of Governors.
2. The Board approved the same, as it was.
3. No changes having been suggested, the policy to be taken for operationalizing.
4. As a part of the operationalization it was decided that the policy would be uploaded upon the University Website at the earliest.

#### Next steps:

- a. Operationalization of the Policy by 25<sup>th</sup> of April, 2021.

# START-UP POLICY

NURTURING INNOVATION AND  
ENTREPRENEURSHIP





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# Introduction

*Vishwakarma University has since its inception strived towards co-creating human, intellectual and socio-economic capital par excellence, for the nation and the globe. Creating an ecosystem to promote a community of scholars, thinkers and leaders is amongst its foremost Missions. The Incubation and Innovation Cell (hereinafter referred to as IIC) reaffirms these core values and commitments of VU. IIC is the designated unit of Vishwakarma University (hereinafter referred to as VU) for fostering ideation, innovation, entrepreneurship and nurturing start-ups, under its VU-IQube initiative. Set up in 2019, the IIC Cell focuses to contribute in the development of impactful economic growth, strategic value and social relevance. Through these initiatives, the Vishwakarma University aims to create a facilitative and nurturing ecosystem for encouraging and nurturing the value chain of Ideas, Incubation and Innovation at VU to contribute with impactful, techno-commercially viable, relevant and contextual business venture for country and society. This policy and procedure lay the framework to administer a business incubator which provides 'Start to scale' support for entrepreneurship and facilitates the conversion of research activity into entrepreneurial ventures for VU students, faculty and staff.*

*The Policy deals with the various aspects of the Innovation and Entrepreneurship Ecosystem through the following sections:*

- I. Nurturing Innovations and Start ups*
- II. Principles governing the Product Ownership Rights for Technologies Developed at Institute*
- III Norms for Faculty Startups*
- IV. Pedagogy and Learning Interventions for Entrepreneurship Development*
- V. Eligibility and Application Process*
- VI. Facilities and Support*
- VII. Miscellaneous*

## **I. NURTURING INNOVATION AND START-UPS:**

1. VU aims to establish processes and mechanisms for easy creation and nurturing of Start-ups/enterprises by students (UG, PG, Ph.D.), staff, faculty, alumni and potential start up applicants even from within and outside VU.
2. For the same, VU aims at nurturing Innovation and Start-ups through:
  - i. *Incubation support through VU-IQube*: VU will offer access to pre-incubation & incubation facility to start ups by students, staff and faculty for an appropriate time-frame determined by the Review Committee on a case-to-case basis.
  - ii. *Allow licensing of IPR from VU to start up*: Students and faculty members intending to initiate a start-up based on the technology developed or co-developed by them or the technology owned by the institute, shall be allowed to take a license on the said technology on easy term, either in terms of equity in the venture and/ or license fees and/ or royalty to obviate the early stage financial burden.
  - iii. *Academic Concessions and support*: VU will allow setting up a startup (including social startups) and working part-time for the startups while studying / working. Student Entrepreneurs may earn credits for working on innovative prototypes/Business Models. The same shall be subject to the guidelines and policies of VU set -up from time to time. Student inventors may also be allowed to opt for startup in place of their mini project/ major project, seminars, summer trainings. The area in which student wants to initiate a start up may be interdisciplinary or multi- disciplinary. *However, the student must describe how they will separate and clearly distinguish their ongoing research activities as a student from the work being conducted at the start up.*
3. Students who are under incubation, but are pursuing some entrepreneurial ventures while studying shall use their address in the institute to register their company with due permission from the institution.
4. VU may allow students to take a semester/year break (or even more depending upon the decision of review committee constituted by the institute) to work on their start ups and re-join academics to complete the course. Student entrepreneurs may earn academic credits for their efforts while creating an enterprise.
5. All the above stated support shall be subject to the determination of the eligibility by the Review Committee set up for the purpose.
6. VU will allocate 1% of its annual budget towards fostering Innovation and Entrepreneurship activities.

## **II. PRINCIPLES GOVERNING THE PRODUCT OWNERSHIP RIGHTS FOR TECHNOLOGIES DEVELOPED AT INSTITUTE:**

1. When VU facilities or funds are used substantially or when IPR is developed as a part of

curriculum or academic activity, IPR is to be owned by VU. The Student/Faculty shall be an Inventor/Author/Creator only and use the IP by paying VU through the mechanisms mentioned in Clause 2 of this Part.

2. Inventors and institute could together license the product / IPR to any commercial organisation, with inventors having the primary say. License fees could be either / or a mix of
  - i. Upfront fees or one-time technology transfer fees
  - ii. Royalty as a percentage of sale-price
  - iii. Shares in the company licensing the product.
3. If one or more of the inventors wish to incubate a company and license the product to this company, VU shall be entitled to royalties straight at 2% of the sales subject to case by case approval by VU.
4. If there is a dispute in ownership, a minimum five membered committee consisting of two faculty members, two of the institute's alumni/ industry and one legal advisor with experience in IPR, will examine the issue after meeting the inventors and help them settle this.
5. Vishwakarma University shall, through the Review Committee scrutinize the eligibility and extent of expense to be incurred on behalf of the Student/Faculty, towards patent filing and other IPR related compliances.
6. In return of the services and facilities, VU shall be entitled to royalties through ownership/Sale of IP as mentioned in Clause 1 and 2 of this Part, based on brand used, faculty contribution, support provided and use of VU's IPR. Other factors for consideration should be space, infrastructure, mentorship support, seed- funds, support for accounts, legal, patents etc.
7.
  - i. For staff and faculty, institute can take no-more than 20% of shares that staff / faculty takes while drawing full salary from the institution; however, this share will be within the 9.5% cap of company shares, listed above.
  - ii. 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 role and do not compromise with their existing academic and administrative work / duties. In case the faculty/ staff holds the executive or managerial position for more than three months in a startup, then they will go on sabbatical/ leave without pay/ earned leave.
  - iii. In case of compulsory equity model, Startup may be given a cooling period of 3 months to use incubation services on rental basis to take a final decision based on satisfaction of services offered by the institute/incubator. In that case, during the cooling period,

institute cannot force startup to issue equity on the first day of granting incubation support.

### **III. NORMS FOR FACULTY STARTUPS:**

1. Role of faculty may vary from being an owner/ direct promoter, mentor, consultant or as on-board member of the startup.
2. Faculty startup may consist of faculty members alone or with students or with faculty of other institutes or with alumni or with other entrepreneurs.
3. In case the faculty/ staff holds the executive or managerial position for more than three months in a startup, they will go on sabbatical/ leave without pay/ utilize existing leave.
4. Faculty must clearly separate and distinguish on-going research at the institute from the work conducted at the startup/ company.
5. In case of selection of a faculty start up by an outside national or international accelerator, a maximum leave (as sabbatical/ existing leave/ unpaid leave/ casual leave/ earned leave) of one semester/ year (or even more depending upon the decision of review committee constituted by the institute) may be permitted to the faculty.
6. Faculty must not accept gifts from the startup.
7. Faculty must not involve research staff or other staff of institute in activities at the startup and vice-versa.
8. Human subject related research in startup shall be subject to clearance from ethics committee of VU.

### **IV. PEDAGOGY AND LEARNING INTERVENTIONS FOR ENTREPRENEURSHIP DEVELOPMENT**

- a. For the purpose of creating and sustaining an ecosystem that nurtures and encourages innovation, VU, has adopted a diverse, multidisciplinary approach which includes:
  - i. Creation of Student clubs/ bodies/ departments, organizing competitions, bootcamps, workshops, awards, etc. These bodies shall be involved in institutional strategy planning to ensure enhancement of the student's thinking and responding ability.



- ii. VU shall nominate Innovation Champions from within the students/ faculty/ staff for each department/ stream of study.
- iii. Entrepreneurship education is imparted to students at curricular/ co-curricular/ extra- curricular level through elective/ short term or long-term courses on innovation, entrepreneurship and venture development with validated learning outcomes made available to the students that the students can avail based on their interests..

## **V. ELIGIBILITY AND APPLICATION PROCESS:**

- 1.. Admission to IIC under VU-IQUBE, for incubation is open to start-ups with preference to be given to start-ups having affiliation with the Vishwakarma University community which includes:
  - i. Faculty members
  - ii. Non-teaching staff
  - iii. Students
  - iv. Academic Board members, Board of Studies Members, Industry Advisory Board Members and Governing Board members
  - v. Alumni
  - vi. R&D partners (sponsors of R&D and consultancy projects),
  - vii. Partner universities (having R&D collaborations in place), and
  - viii. Government agencies associated with Vishwakarma University's research and innovation endeavor
  - ix. Permanent staff of Vishwakarma University
  - x. Technology / IP from Vishwakarma University
  - xi. Applicants supported under any program managed by Vishwakarma University under its VU-IQube initiative.
2. Focus of IIC for incubation of proposals/business ideas shall be on the following basis:
  - i. Product / process Based Start-ups having already filed IP or otherwise
  - ii. Proposals with clear Market/ User validation
  - iii. Proposals with potentials for strong identifiable involvement or interaction with Vishwakarma University faculty

- iv. Proposals which will have high growth potential, social and strategic impacts,
  - v. Proposals supported by any of GoI (central/state) initiatives, where Vishwakarma University support is a requirement.
  - vi. Proposals beyond Technology Readiness Level (TRL) 4
3. Certain programs may have their own eligibility norms and criteria for selection which will be defined by the particular program.
  4. Applications for admission will be made in the name of registered entity within the meaning of the Companies Act, 2013, the Partnership Act, 1932 or the Limited Liability Partnership Act, 2008. If an entity has not been incorporated, an application may be made in the names of all founders/partners/stakeholders; however, the founders/partners/stakeholders must ensure that the entity is incorporated within a period of three months from the date of approval of the application for admission in IIC under Vishwakarma University.
  5. Based on the merits of the case, the following processes could be adopted for the evaluation of the idea/business plan for incubation/support purposes.
    - a. Incubatees are selected based on two steps
      - i. Internal review (Comprising of IIC Business Team & Senior Members)
      - ii. External review by 2 or more reviewers (Comprising of experts from the domain, investor, industry, established entrepreneur, potential client/user).
    - b. However, in the following cases, the review process may be relaxed on a case to case basis:
      - i. Serial Entrepreneurs
      - ii. Customer Validation and/or adoption
      - iii. *Existing revenue generating ventures.*
      - iv. *Ventures that have got funding by Angels, Angel Network, etc.*
    - c. In case of pre-screened and previewed business ideas/cases by government grants/competitions, on their approval, the same may be directly admitted as per program requirements.
  6. Incubation approval is subject to completion of the satisfactory review process. The IIC will have a sole discretion whether to admit or reject a proposal for incubation and the decision of IIC in this regard shall be final. IIC is not bound to give any reason in case a proposal is rejected.

## **VI. Facilities and Support:**

1. Physical Infrastructure:
  - i. Furnished Office Space

- ii. Shared resources: Meeting rooms, Conference rooms, Pantry
  - iii. Office productivity equipment: Photocopier, Shredder, Scanner, Projector, video audio conferencing facilities
  - iv. Lab: Vishwakarma University Lab with Equipment and software tools, Facilitation for access to Vishwakarma Labs, and or of any other institute/organization. It will be subject to the said organization/ Institute's approval and policy.
2. Utilities like Electricity and Internet
3. IT Support of the existing hardware and software at VU
4. Financial Support:
- i. Potential for additional seed support in form of equity/convertible instrument/loan subject to IIC's investment guidelines from time to time,
  - ii. Facilitation for Government funding programs
  - iii. IP Support Cost
  - iv. Financial and Compliance support for Incorporation.
5. Advisory and Coaching:
- i. Mentoring
  - ii. Trainings and workshops
  - iii. Free advisory from Experts- legal, CA, IP, fund raising. Areas may be added/ removed during the incubation. The supported entities however will have to pay for specific transactions.
6. Network:
- i. Facilitation for business, professionals and expert network
  - ii. Facilitation for investors network
  - iii. Facilitation for industry connection
  - iv. Showcasing opportunities
  - v. Vishwakarma University network of alumni and experts
7. Ecosystem Advantage:
- i. Experiential learnings in incubator
  - ii. Vishwakarma University ecosystem- technical resources and interactions, students, library, easy access to IP
  - iii. Vishwakarma University brand
  - iv. Media visibility

- v. Address for incorporation (for resident supported entities under physical incubation)

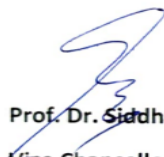
## **VII. MISCELLANEOUS**

1. Virtual Incubatees will be provided all the above incubation support except physical officespace.
2. Physical incubation: The Incubatee will have to deposit Rs. 10,000/- subject to review on a case-to-case basis by the Expert Committee (The same shall be waived off for first three Incubatees). with Vishwakarma University as non-interest-bearing returnable security deposit. The said amount will be returned at the time of vacating the Incubator after deducting outstanding dues if any.
3. The supported entity shall pay for the usage of photocopier on actual basis.
4. The ownership of all assets and facilities so provided as a part of supported entity supportsand facilities rests with VU.
5. Pre-incubatees will be provided all the above incubation support expect for funding
6. No cost for electricity/internet consumption or any utility or service is charged separately to the incubatees. However, Vishwakarma University retains a right to limit the free electricity/internet consumption and other utility, beyond which charges will become payable by the Incubatee.
7. All the concessions and support are subject to scrutiny of eligibility by the Expert Committee.
8. VU reserves the right to modify/update the terms of this policy at any period of time.
9. This policy is subject to other policies and guidelines issued by VU.
10. Refer to the Addendum for the constitution, scope and processes of VU-IQube, IIC and Review Committee.

### **Prepared By:**

High Level Committee on Preparation of Start-up Policy, Vishwakarma University, Pune.

### **Approved By:**

  
Prof. Dr. Siddharth Jabade,  
Vice Chancellor,  
Vishwakarma University, Pune.

Date: 26/04/2021

Place: Pune