

SVNIT, Surat - Innovation and Start-Up Policy



**Sardar Vallabhbhai National Institute of Technology,
Surat 395007**

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1. VISION

To nurture and promote a robust innovation and startup ecosystem at SVNIT by leveraging the creative pursuit of the stakeholders of the institute and contribute towards sustainable and inclusive growth of the economy.

2. MISSION

- Incentivization of innovations and startups through academic, financial and allied means.
- Development of strategies to engage various stakeholders of the institute, enabling organizations and markets to create optimal pathways for "Mind-to-Market".
- Promotion of Intellectual Property (IP) related programs and end-to-end support for IP filing and commercialisation.
- Awareness drives and active engagement of students, faculty members, innovators and staff in innovation and startup related activities.
- Conceptualization and implementation of various interventions and mandates based on learnings from best practices in the field of innovation and startups across academia.

3. PREAMBLE

National Innovation and Start-up policy (NISP) was formulated and released by Ministry of Education in 2019 for faculty staff and students of Higher Education Institutions of the country. SVNIT Surat aims to encourage and foster entrepreneurship culture among the Faculty, Staff, Research Scholars, and Students of the institute. The commercialization of advanced technologies developed at SVNIT Surat, as a result of incubation would greatly benefit the Institute as well as society at large and will contribute to the economic growth of our country. SVNIT Surat, intends to frame this policy document to streamline and govern Start-up and Entrepreneurship activities on its premises in line with the National Innovation and Start-up Policy (NISP-2019) of the country. Apart from that, the start-up and innovation policies available for the other institutions like IIT Kanpur, IIT Hyderabad and NIT Tiruchirappalli are also referred before arriving this final document. This policy covers the initiatives which are to be taken by the institute to create awareness among the faculty, staff and students and strengthen the Incubation centre (ASHINE) to play the proactive role in incubation of quality start-ups in near future. Further, SVNIT Surat constitutes a SVNIT entrepreneurship Advisory Panel to oversee the innovation and

entrepreneurship activities within the campus.

SVNIT Surat has incorporated ASHINE (Association for Harnessing Innovation & Entrepreneurship), a Section 8 Not-for-Profit Company under the Companies ACT of 2013, to nurture innovation and entrepreneurship by encouraging, supporting & promoting technology-based start-ups and providing an ecosystem for their growth. ASHINE is the single body at SVNIT that will be responsible for executing the Startup and Entrepreneurship policy of the institute. At present, ASHINE-SVNIT Surat provides incubation support to external Startups in which Faculty / Staff / Research Scholars / Students of SVNIT, are associated as consultants or mentors.

4. GOALS AND OBJECTIVES

The institute aims to initially convert 10% of its innovative research in to start-up from UG/PG and Ph.D. level every year. Considering this goal, the policy sets the following objectives:

1. To promote and support entrepreneurship and innovation and allied concept across SVNIT, Surat, other institutes of National Importance including other technical institutes of high learning.
2. To implement and handle operations and management of start-up and innovation incubators.
3. To develop, frame and implement policies to support start-ups.
4. To extend state of the art laboratories and other world class incubation and pre-incubation facilities to start-ups, entrepreneurs and innovators.
5. To support IPR awareness and registration activities.
6. To support knowledge sharing activities through various resources for innovation and entrepreneurship.

In order to achieve the above objectives, ASHINE will put concentrated efforts towards sensitization of students and capacity building of the faculty members on innovation, IP and start-up activities; support development of Proof-of-concepts (PoCs) and prototype development; assist in IP filing as well as organize periodic events/sessions/seminars/workshops/boot camps on innovation and start-up allied topics. Annual targets will be set by ASHINE in consultation with advisory panel which will be reviewed by the institute as per the frame work for benchmarking, monitoring and evaluation of implementation of these policy at the institute.

5. DEFINITIONS

Important Terms:

SVNIT Member(s) (Henceforth called MEMBER):

Any permanent faculty/staff on duty or on short/long leave, research scholars and students having live registration.

Alumni:

Any former student of SVNIT who has registered for any/all of the UG/PG/Ph.D. course and graduated within stipulated time.

SVNIT Incubator that is ASHINE:

A unit set up as section 8 company named “Association for Harnessing Innovation & Entrepreneurship (ASHINE)” for the primary purpose of promoting and fostering Incubation of Start-up companies involving one or more SVNIT Member(s), by administering and implementing SVNIT’s policies on incubation.

ASHINE Incubated COMPANY (Henceforth called INCUBATEE COMPANY):

A registered COMPANY/Start-up promoted and / or invested in by SVNIT Member(s) singly or jointly with others, or those incubated by ASHINE located in SVNIT premises or elsewhere, and declared by the ASHINE as such, or an external start-up declared by ASHINE as such.

External Start-up (ESU):

A registered COMPANY/Start-up promoted and invested in by non-SVNIT Member(s) and not located in the SVNIT / ASHINE premises.

Other useful Terms:

Entrepreneurial Individual : An Individual who has an entrepreneurial mind set and wants to make his/her idea successful.

Entrepreneurship Education : Entrepreneurship education seeks to provide students with the knowledge, skills and motivation to encourage entrepreneurial success in a variety of settings.

Incubation : Incubation 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

- 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 early prototype of their product or service. Such companies can graduate into full-fledged incubation programs.
- Prototype** : A prototype is an early sample, model, or release of a product built to test a concept or process.
- Seed fund** : Seed fund is a form of securities offering in which an investor invests capital in a start-up company in exchange for an equity stake in the company.
- Start-Up** : 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 February 19, 2019.

6. STRATEGY AND GOVERNANCE

After implementation of start-up and innovation policy of the Institute, the objectives will be achieved through mission made by forming a SVNIT Entrepreneurship Advisory Panel under the chairmanship of a Senior professor nominated by the Director.

The proposed Advisory Panel shall comprise of the following members:

- | | | | |
|-----|--|---|------------------|
| (1) | Senior Professor nominated by the Director | - | Chairman |
| (2) | Dean (Research & Consultancy) (ex-officio) | - | Member |
| (3) | Dean (Academic) (ex-officio) | - | Member |
| (4) | Dean (Student Welfare) (ex-officio) | - | Member |
| (5) | Dean (Faculty Welfare) (ex-officio) | - | Member |
| (6) | Dean (Alumni & Resource generation) (ex-officio) | - | Member |
| (7) | Professor In charge, Research Park | - | Member |
| (8) | Faculty In charge, ASHINE | - | Member Secretary |

The above Panel is empowered to periodically review the SVNIT Start-up and Entrepreneurship Policy and suggest modifications/additions as per the requirement. Such revisions will become effective once approved by the Director of the institute and noting of ICSR board. The panel shall also advise/suggest modifications in various

norms or rules and regulations to facilitate better culture of innovation/ start-up/ entrepreneurship on SVNIT premises. The panel will frame guidelines, as and when required, for carrying out discussions with other incubators/ PSUs/ industries/ government agencies etc. for possible collaboration. The panel will also set guidelines for ASHINE to carry out negotiations with Members, and/or Incubatee Company. In case of any doubt or multiple views over interpretation of this policy document, in part or full, the panel shall make suitable interpretation of the same. Further, whenever required the panel will co-opt invited members with suitable expertise from industry and start-up ecosystem as well as from various government agencies to seek their opinion, guidance and support.

ASHINE shall be responsible to execute the policy at the institute. Based on the policy guidelines, ASHINE shall devise Standard Operating Procedures/ norms/ agreements/forms etc. as applicable and the same will be recommended to the panel for approval.

The entrepreneurship & innovation agenda would be promoted by developing intra and inter institute relationships in the region. The institute will provide services and facilities to the outside entrepreneurs also through ASHINE.

The panel so formed will strive to frame the policies to raise the funds for expanding the innovation and start-ups as follows:

- (i) Own resources: 1% of total annual budget
- (ii) Raising the funds from diverse sources like central/state funding agencies
- (iii) Incubation fund support from industries via CSR route
- (iv) Sponsorships and donations from Alumni network

The following mechanism would be applicable at the Institute level for promotion of Innovation & Entrepreneurship (I & E) agenda.

6.1 Creating innovation pipelines and pathways for entrepreneurship

- (a) The maximum support will be provided to the students for participation in Pre-incubation (Problem identification, solution development), Incubation (Proof of concept validation and Prototype development), Business model and Proposal development.
- (b) ASHINE will collaborate with external agencies and ecosystem developers and provide the network support to Institute start-ups.

(c) Student entrepreneurs will be connected with Incubatee start-ups for internship, experience sharing; and be encouraged for participation in innovation and business plan competitions and organise such competitions /hackathons in the campus.

6.2 Building organisational capacity and human resources

(a) During the recruitment those having strong innovation, entrepreneurial skills and attitude can be given priority. This will help to foster Innovation & Entrepreneurship (I & E) culture in the Institute.

(b) Faculty of the department have to work in coherence and cross departmental linkages are to be promoted. Also, the maximum utilisation of internal resources and knowledge are to be ensured.

7. POLICY PERIOD AND IMPLEMENTATION

This policy is initially framed for a period of two years from the date of approval by the Board of Governors. Subsequently, it will be reviewed further by the Advisory Panel constituted for effective implementation and outcome obtained at the Institute level.

8. INSTITUTIONAL MECHANISM AND IMPLEMENTATION OF POLICY

Institute will enable ecosystem through academic initiative and incubation activities, where the entrepreneurial journey can be divided into five stages, it means Germination, Pre incubation, Incubation, Acceleration, and Maturing/scaling. All these stages will be supported by adopting following academic and administrative initiatives at the institute level.

(a) Orientation activities will be conducted for making awareness about the innovation and entrepreneurship amongst students and faculty members.

(b) Entrepreneurship related courses will be offered at UG and PG levels within the institute.

(c) Short Term courses, seminars, workshops, boot camps, conferences in innovation, entrepreneurship, start-up and allied topics will be conducted

(d) The students will be allowed to pursue internship in a start-up during available time slot. The internship can be granted by the R&C office of the institute through concerned academic department with the consent of the start-up.

(e) The incubation activities, formal start-up journey will be supported by providing mentorship, seating space, and basic business facilities to staff, faculty and students.

- (f) Sustainable journey of registered start-up can be supported by providing growth support by ASHINE.
- (g) The commercial operation of a stable start-ups will be provided through professional working environment in the incubation centre
- (h) The incubation centre will be strengthened by employing the staff like CEO, incubation managers, and other staff members for taking the initiatives in proactive manner.
- (i) The efforts will be made at the institute level to establish more number of incubation centres or further extension of existing incubation centre.

9. INTERVENTION AND ROLE OF VARIOUS INCUBATION UNITS AND DEPARTMENTS

SVNIT Surat aims to involve various departments and authorities/sections along with ASHINE to create a strong value chain in the campus for promoting innovation and entrepreneurship through activities like awareness creation, education & training, pre incubation and incubation through working on innovative ideas and projects with active involvement of faculty/staff and students.

The role of various authorities/sections for implementation of start-up policy at various phases would be as follows:

- | | |
|---|-----------------------------|
| 1. Innovation and Entrepreneurial Activities | : ASHINE |
| 2. Research and innovation through Projects/Dissertation: | Concerned Departments |
| 3. Administrative approvals for faculty/staff | : Dean (R&C)/Dean (FW) |
| 4. Approvals for students | : Dean (Academic)/Dean (SW) |
| 5. Incentives and monetary gains | : Dean (R&C)/ASHINE |

ASHINE is actively involved in pre-incubation and incubation of innovative ideas with mentoring and seed-funding in various thrust areas through the funding from various government agencies, PSUs, industries and other private sector enterprises. With such support, the departments will encourage and promote the conversion of innovative ideas into Proof of Concept (PoC) and prototypes with active involvement of faculty, staff, research scholars, students, alumni, etc. Departments will extend laboratory support and guidance in such activities as part of curriculum as well as working beyond curriculum. The office of Dean (Academic) and Dean (Student Welfare), through ASHINE, will facilitate permissions to such students who may require to work for internship with ESU and/or industries and enable them to earn extra credits in line with the NEP framework

as per institute policy. The office of Dean (R&C) will be actively involved in coordinating between ASHINE, various departments and other authorities to enable smooth procedures for faculty/staff and students. It will also enable proper interpretation and execution of rules and regulations such as consultancy norms, IPR policy, etc. to enable proper sharing of incentives and monetary gains of all stake holders.

10. GENERAL NORMS AND GUIDELINES FOR FACULTY/STAFF MEMBER

Faculty members of SVNIT Surat are actively involved in a large number of R&D projects and assignments in several cutting-edge research of Science & Technology. SVNIT, Surat believes that such research outcomes must be translated into commercial products/services for the benefit of the society. Hence, SVNIT, Surat encourages the faculty members to translate their R&D activities in terms of start-ups and develop their business model in longer run.

Faculty Start-ups can be established by a faculty member alone or with students or with faculty members of other institutions or alumni or with other entrepreneurs. Faculty/Staff of other institutions must obtain prior permission and NOC of their parent Institutions and must submit at SVNIT Surat for participating in the Start-up and its related activities at ASHINE in SVNIT campus. Similarly, the faculty and staff of SVNIT must take permission from the Institute authority in prescribed format before joining the hands with any external members for initiating the Start-up journey at ASHINE in SVNIT campus. For a faculty driven start-up, the start-up is required to be incubated in the Institute at ASHINE. However, in exceptional cases, the institute may allow a faculty member to participate in opening/operating/incubating the Company outside the institute with a team of other researchers at incubation centre located on the campus of other institutes of high repute, if sufficient justification is provided.

10.1 Type of Faculty/Staff Engagement

The role of the Faculty/Staff in start-ups could be of four types:

- (i) Type A: Faculty/Staff as promoter (ownership)
- (ii) Type B: Faculty/Staff on the board of a start-up (holding shares without promoter)
- (iii) Type C: Faculty/Staff as mentor (volunteer service)
- (iv) Type D: Faculty/Staff as a consultant (paid service)

During the full/part time engagement of faculty/Staff under Type (A) & (B) above, the faculty/staff is an equity holder and hence fully governed under this policy. Such an engagement may be single or together with other faculty or staff or student(s) of the institute or other institutes. Under all such scenarios, the norms under this policy would be applicable.

The current policy does not directly apply for faculty engagement under Type (C) & (D), where the faculty does not hold any equity in the start-up and his/her participation is only as a mentor/consultant. However, such participation will be guided by the consultancy norms of the Institute and all procedures laid down by institute will have to be followed. Essentially, whether the faculty is providing consultancy/advisory services to a large company or a small start-up, there is no differentiation in the consultancy norms.

10.2 Role and involvement of Faculty member

Once approval is granted for incubation process, a faculty member is expected to form a start-up company. Such a start-up must pursue businesses that are a direct result of the R&D activities of the faculty member at SVNIT, Surat. In such cases, the faculty member(s) will be known as a founding member(s)/ promoter(s) of the Company and fully governed by this policy. In such start-up, the faculty can engage in technology development, technology commercialization and scaling-up activities. In the early stages of the start-up, the faculty member is also allowed to hold executive position like CEO, COO etc. However, this role has to be in the form of a consultant or advisor or honorary employee and not as salaried employee. Consultation income from SVNIT incubated Company may be subjected to standard consultancy norms of the institute. Faculty must not involve resources or research staff or other staff of SVNIT in the activities at the start-up and vice-versa, unless declared in the start-up agreement. In all scenarios, it is to be safeguarded by the faculty member as well as the concerned department that the faculty member does not spend more than 20% of office time on the start-up as and when he/she is working on part time basis. If any faculty member wishes to go beyond the terms mentioned here, one may do so by taking a sabbatical and/or special leave.

The MEMBER will be permitted to use specified physical and/or intellectual resources (e.g., workshop equipment, laboratory instruments, computing resources, and assistance of MEMBER) of SVNIT Surat as per prevailing testing and consultancy norms of the institute. Use of such resources of SVNIT Surat will be governed by an agreement, which would include the contents and implications of the prevailing norms of the institute.

The faculty/ staff involvement in start-up activities will be broadly subjected to the following norms:

(a) Capital Investment:

Faculty / Staff may be involved in an External Start-up (ESU) by providing capital investment alone in return for shares, with no other managerial, technical or mentorship involvement whatsoever, i.e., the faculty involvement does not fall under Type A or Type B of faculty engagement. All shares thus allotted can be retained by the concerned faculty / staff, and the transaction is treated as a purely private commercial transaction with no concern to the institute. In such cases, the faculty/staff should not utilize any facilities of the institute as well as not involve any commercial transaction of IP. However, the member must declare this to SVNIT Surat/ ASHINE so as to avoid conflict of interest in future. In such case, where the involvement of faculty member/staff falls under Type A or Type B as detailed earlier, any capital investment will be governed by this policy.

(b) Full Time Engagement:

Faculty / Staff who require to engage for full time with a start-up company, they may avail sabbatical / EOL/ SL as per the prevailing leave norms and policy of SVNIT Surat and may work full time for the COMPANY or ESU. In such cases, if the compensation to the faculty / staff for this is through shares of the INCUBATEE COMPANY / ESU in part or in full, in lieu of cash payment, the MEMBER must declare the same to the SVNIT Surat/ ASHINE before the application for leave. In such cases up to 20% of these shares as allotted to faculty/ staff Member shall be transferred to ASHINE, and the remaining to the faculty / staff.

In case, he / she is involved as a mentor, consultant under Type C or Type D of faculty engagement, rules applicable will be same as that of part-time engagement.

(c) Part Time Engagement:

A faculty / staff member is allowed to participate in a start-up on a part time basis as per maximum weekly hours of engagement as defined in the consultancy norms of SVNIT Surat. When the compensation to the faculty / staff member is in the form of cash, a suitable cash component shall be transferred to ASHINE following the consultancy norms of SVNIT Surat. Instead, a faculty / staff member may be allowed to obtain shares of the INCUBATEE COMPANY/ESU as a compensation for the part time engagement with the COMPANY. In such case, the faculty / staff member must apply for approval for

engagement with the Start-up, and the INCUBATEE COMPANY / ESU from the Institute and he/she must enter into an agreement with ASHINE. In such cases up to 20% of these shares as allotted to faculty/ staff Member shall be transferred to ASHINE, and the remaining to the faculty / staff.

10.3 Best Practices to avoid Conflict of Interest

- Faculty must separate and clearly distinguish on-going research at the institute from work being conducted in the start-up company. The faculty must limit engagement for the start-up company to a maximum of 20% of the office time under part time engagement. It will be the duty of the faculty to make all efforts to balance their academic responsibilities while involving them in the entrepreneurial role.
- It is expected that start-up is involved in technology development. Merely providing consultancy services is not permitted as Start-up. Such activity must be taken up through the Consultancy norms of the institute.
- Faculty must not involve research staff or other staff of institute without formal permission in activities at the Start-up. While students may choose to work on the research part of Start-up activities, the faculty must not involve students in the non-research part of the company activities. On the other hand, if a student wishes to participate in the activities of the start-up on a larger role, the student too must be engaged formally in the start-up following the prescribed norms for student engagement.
- Faculty may use specified physical and/or intellectual resources (e.g., workshop equipment, laboratory instruments, computing resources, and assistance of other faculty/student) of SVNIT Surat as per the policy document and other applicable prevailing norms of the institute. Use of such resources of SVNIT Surat will be governed by an agreement, which would include the contents and implications of the prevailing norms of the institute.
- At all times, a faculty member must ensure that the start-up company, he/she is associated with, is compliant with all the government norms. Non-compliance by the faculty member shall have no bearing on SVNIT Surat.
- To avoid any conflict of interest, the faculty must not engage in activities like internal/external committees related to the objective of the start-up in which the faculty is already involved in any form.

- A disclosure must be made where a possibility of overlap exists. Once the start-up is formed, scenarios may arise where there is an overlap between the goals of sponsored research project taken up by the faculty and the start-up objectives, the faculty shall take necessary precautions to avoid IP contamination and conflicts of interest. Under all conditions, the IPR policy of the institute will be binding on both the faculty and ASHINE.

11. GENERAL NORMS AND GUIDELINES FOR STUDENTS

The motive of these norms and guidelines for students is to ensure exposure of maximum students to innovation and pre incubation activities at their early stage and to support the pathway from ideation to innovation to market. This will allow the students to meaningfully engage in innovation and entrepreneurship activities while their tenure as a student at SVNIT Surat. The intent is to facilitate and encourage the students, with a clear goal of promoting entrepreneurial spirit, and yet not diluting the academic standards of the involved individuals.

Students of SVNIT can undertake innovation and entrepreneurship activities by following two distinct modes, as per their choice and situation:

- Mode-A - Through credited academic means.* This may be either by opting for independent projects or semester internships or minor etc. These are activities where a student is undertaking innovation and entrepreneurial work which, however, does not amount to registering any start-up company. Mode –A is foundational in nature and becomes the base for entrepreneurial journey of students. It is, hence, expected that maximum number students get involved under Mode -A. During such activities, the student will be governed by academic rules and regulations and he/she is required to seek support from ASHINE through concerned department and/or office of Dean (Academic).
- Mode-B - By registering for pre-incubation/incubation at ASHINE.* These are activities where there are no direct academic-credits involved and wherein the student takes up the role of a signing authority in the management of the start-up company (or a would-be start-up company). During this stage, it is assumed that the student is clear on the exact topic and business model he/she is planning to work.

11.1 Role and involvement of Students

A student may work on the early part of the entrepreneurial journey as part of academics under Mode –A. In this stage, his/her entrepreneurial activities can go on together with

the other academic commitments. He is expected to develop innovative ideas into prototypes and undertake student internships during specific semesters or vacation as per the provisions in academic regulations. However, once a student reaches the Mode-B when he/she has a formal entity, then it is considered to be a full-time commitment.

Hence, following guidelines will be applicable:

(a) Part Time Engagement:

Over and above converting ideas to prototypes through innovative project work, a student can seek permission from SVNIT Surat to work for a start-up on a part time basis. The engagement of a student in a start-up during a semester, without any credit, can be treated as part time engagement. On the other hand, when a UG student engages during eighth semester internship or when a PG student goes for industrial internships during dissertation work and earns academic credit, their involvement would be considered as Mode-A. In such cases, the student is required to seek prior permission from the office of Dean (Academic) through ASHINE. If the student is compensated by the start-up in the form of cash as scholarship or stipend, he/she is not required to share any amount with institute/ASHINE.

(b) Full Time Engagement:

A Student can seek permission from SVNIT Surat to take special leave for a semester, or an additional period for which formal permission can be granted by SVNIT Surat in accordance with the prevailing Academic Rules and regulations of SVNIT Surat to work for a start-up on a full-time basis. This may be treated as withdrawal under permission from SVNIT Surat for the specified period for which such special leave is formally granted by the office of Dean (Academic). The student, on returning, has to satisfy all norms (including maximum duration norms of completion of his/her respective programme of study) in order to earn a degree. However, the student shall not proceed for any full-time engagement unless formal permission is granted.

Following are the scenarios in which a UG student is permitted full time engagement:

- if the student is in the last semester of study (or)
- if the student opts for semester internship (or)
- if the student opts for semester leave

For a PG student to be eligible:

- he/she must have completed all the course work
- the research topic should be in sync with the start-up theme

Under full time engagement, if the student is compensated by the start-up in the form of

cash and/or shares, he/she has to assign up to 5% of the total cash/shares allotted to him/her to ASHINE, as decided by ASHINE. However, ASHINE may choose to acquire less and fix up the percentage from case-to-case basis.

11.2. Obligations of Student Start-ups

- The topic and theme involved by the student for start-up must preferably be technology centred. Businesses with no technological role may not be supported in general. However, any innovative idea may be attempted initially at PoC and prototype development stage as the case may be.
- The start-up activities are over and above the regular academic activities of the students. The student involved in start-up activities must concentrate on academic study as well and fulfil all prevailing academic rules and regulations.
- There are financial and legal implications associated with registering a Start-up. Non-compliance by the student member shall have no bearing on SVNIT, Surat.
- In the cases where the innovation and entrepreneurship work and related R&D activities proposed by a student or a student group, are in continuation of any previous work/project/thesis/knowledge generated by any other person, mentor(s), faculty member(s) or any previous student(s), who is either presently registered at the institute, or has completed his/her studies/tenure and has left the institute, then, an explicit NOC or a MoU with all such stakeholders of the existing intellectual property will be required.

12. PLAN AND PROCEDURE OF ENGAGEMENT

A MEMBER (faculty/staff or student) must begin his / her engagement with an INCUBATEE COMPANY/ESU by submitting a proposal through Head of his / her Department / Section to Professor-in-charge, Research Park, who will determine the eligibility of the MEMBER to engage with an INCUBATEE COMPANY or ESU. Professor-in-charge, Research Park will recommend such proposal to the office of Dean (R&C) for approval. Once approved, a MEMBER will be authorized to perform the actions necessary for incubation, including registration of the Startup, fund raising, team development, product/services development, consulting, market research and development, etc.

Prior to embarking on these activities, an agreement, in prescribed format, must be signed between the concerned COMPANY / ESU and ASHINE to establish the mode and nature

of involvement of a MEMBER in the INCUBATEE COMPANY/ESU. Such an agreement is necessary with an INCUBATEE COMPANY / ESU when:

(a) its shares are given to the MEMBER and/or ASHINE as compensation in part or in full for the MEMBER's contribution, and/or

(b) The technology/IP of SVNIT Surat is licensed to the COMPANY/ESU, who wishes to pay for the same in part or full in the form of cash/equity.

As part of the agreement, the INCUBATEE COMPANY / ESU shall allot to ASHINE a certain percentage of its shares, varying from 2% to 9.5% and/or a fixed amount as per NISP 2019 guideline. The exact percentage of shares/amount to be allotted and their dilution status will be negotiated based upon the estimated value of support/ assistance provided by SVNIT Surat, ASHINE and the MEMBER to the COMPANY/ ESU. Further, ASHINE shall also charge applicable fees for providing other facilities which will be fixed by ASHINE.

In addition, the COMPANY / ESU must also enter into an agreement, in prescribed format, with SVNIT Surat through ASHINE if:

(a) the COMPANY / ESU intends to pay cash in part or in full to SVNIT Surat for licensing IPR owned by SVNIT Surat and/or

(b) the MEMBER provides consultancy to the INCUBATEE COMPANY / ESU or undertakes research-based consultancy as per the norms of consultancy at SVNIT Surat. ASHINE will negotiate with the INCUBATEE COMPANY related with the percentage of shares that the INCUBATEE COMPANY would allot to the ASHINE at par value in lieu of incubation and other services provided by SVNIT Surat.

In such cases, where there is involvement of MEMBER(s) in the INCUBATEE COMPANY, the initial negotiation for percentage of shares allotted to ASHINE would be held with the INCUBATEE COMPANY. After the percentage of shares to be allotted by the INCUBATEE COMPANY to ASHINE is finalized, the decision on percentage of shares to be allotted from the MEMBER(s) will be taken by mutual discussion between ASHINE and concerned MEMBER. Total holding of ASHINE in an INCUBATEE COMPANY, at any time, shall not exceed 9.5% of total allotted shares of the INCUBATEE COMPANY.

13. IP POLICY FOR STUDENTS AND FACULTY START-UP

A MEMBER, while on duty or on leave, may be involved in the creation of IP either solely or in association with an INCUBATEE COMPANY or ESU. If such IP is

created with the involvement of the MEMBER, then any contract between SVNIT Surat / ASHINE and the Start-up specifying the sharing rights for the IP will hold good. However, it must be approved by office of Dean (R&C) based on prevailing policy norms and/or decision of advisory panel. In the absence of any such a contractual obligation between MEMBER and/or INCUBATEE COMPANY and SVNIT Surat/ASHINE, the prevailing SVNIT IPR Policy, rules and regulations shall be applicable. In case a MEMBER develops any IP while on leave at the INCUBATEE COMPANY/ESU which leverages prior IP developed at SVNIT Surat earlier, MEMBER must ensure the prior IP is properly licensed by the INCUBATEE COMPANY or ESU as per the SVNIT IPR policy. The office of Dean(R&C) will be the nodal point to interpret the institute IPR policy and set specific norms for IP sharing between MEMBER/INCUBATEE COMPANY and ASHINE.

14. BENCHMARKING, MONITORING AND EVALUATION FRAME WORK

Institute will take up pre-incubation, incubation, entrepreneurship activities considering past two-year data as a base for comparative assessment, with well-defined evaluation parameters. Such evaluation parameters will be framed by Advisory Panel and ASHINE.

Following are the general terms of reference for preparing the framework:

- (i) Monitoring and evaluation of knowledge exchange initiatives, engagement of all departments and faculty in the entrepreneurial teaching and learning would be assessed.
- (ii) Number of start-ups created, support system provided at the institutional level and satisfaction of participants, new business relationships created by the institute would be recorded and used for impact assessment.
- (iii) Impact will also be measured for the support system provided by the institute to the student entrepreneurs, faculty and staff for pre-incubation, incubation, IPR protection, industry linkages, exposure to entrepreneurial ecosystem, etc.

Based on the framework, the advisory panel will periodically assess the performance of

- ✓ Innovation and entrepreneurial activities.
- ✓ Number of IP and its conversion for commercialisation.
- ✓ Number of start-ups at growth stage.

15. INTERPRETATION AND CONFLICT

When a MEMBER utilizes leave of absence (Sabbatical / EOL, or any applicable equivalent) for direct, active participation in an INCUBATEE COMPANY / ESU, it is obligatory that the concerned Head(s) of Department be informed at least three months in advance. Shorter notice needs to be specifically forwarded by the Head of the concerned Department to the Director for permission. This is to ensure that the academic programmes of SVNIT Surat are not affected.

It is essential that the MEMBER must avoid any conflict of interest between their roles in SVNIT and in the COMPANY / ESU. This is particularly important if there are SVNIT resources in their control which are also sought by the start-up with which they are involved. A similar situation arises if they are developing IPR in a research activity / project in SVNIT that is closely related to the IPR they might be developed when on leave and working in the start-up. Another situation arises when the relative shareholding of the MEMBER and ASHINE is sought to be changed by infusion of fresh capital in the start-up by the MEMBER. While such a move could be a bona-fide move on the part of the MEMBER to support the start-up, it could potentially have a mala-fide motive of changing the relative shareholding pattern prior to some anticipated upward evaluation and infusion of investment by other parties. Yet another potential conflict of interest arises when shares are allotted by a start-up to a close relative (spouse, children, parents) of a MEMBER who is involved with the start-up.

ASHINE will determine the potential areas/activities where there is conflict of interest in the case of each MEMBER who applies for approval for engaging with a start-up, and arrive at an agreed methodology for ensuring transparency in decision making in respect of these activities/areas. The Advisory Panel may, if it chooses to, set up an - oversight committee of Faculty / Staff for specific relationships to ensure that conflicts of interest do not arise. ASHINE may also require the MEMBER to declare their financial interests, and those of their close relatives, in the start-up, at the time of engagement, as well as whenever a change in such interests takes place due to additional investment in the start-up, or payment / share allotment by the start-up. In any case, every MEMBER involved with a start-up must file a declaration periodically with ASHINE irrespective of whether there is a change in their financial interests in the start-up or not. The required periodicity will be determined by the Advisory Panel.

SVNIT Surat/ASHINE reserves the right to obtain a third- party evaluation of the value of the shares of the start-up before a MEMBER or their close relative(s) makes additional

investments in the start-up. Such an evaluation will be carried out in a reasonable time-frame. If ASHINE deems it fit, it may choose to make an investment in the start-up of its own at the same price applicable to the MEMBER and obtain shares for the corresponding amount. In case a member of ASHINE board or executive committee or advisory panel has shares in a COMPANY, the advisory panel will determine whether the said member should resign from the board or panel, in order to avoid potential conflict of interest, or only recuse himself / herself when matters pertaining to the start-up with which he / she is involved are discussed.

Normally, an INCUBATEE company is expected to exit within a period of TWO years from ASHINE. However, extension of engagement will be provided after careful consideration of such requirement. SVNIT/ ASHINE reserves the right to withdraw its support to any start-up that it engages with, following a due process of notice. This may involve withdrawal of access to SVNIT's facilities, and/or withdrawal of permission to MEMBER to engage further with the start-up in any manner, though they and ASHINE can continue to hold the shares they already possess in the start-up. It may also involve withdrawal of the status of the start-up as a INCUBATEE COMPANY. Under such situation, the start-up will not be allowed to advertise itself as INCUBATEE COMPANY of SVNIT/ASHINE. Should the need arise, ASHINE may also seek modifications to the agreement signed with the start-up through an amendment, in order to protect SVNIT's fair name and its interests.

Protection of SVNIT's Fair Name

When a start-up is designated as a INCUBATEE COMPANY, it is permitted to advertise itself as such wherever such advertisement is appropriate. However, while advertising, the company should not indulge improper behaviour or dealing which can tarnish SVNIT's fair name. In order to protect itself from such risks, SVNIT through ASHINE, may seek a seat on the Board of the INCUBATEE COMPANY, without liability, in order to ensure transparency in all its dealings. ASHINE may seek access to the un-audited and audited balance sheets of the COMPANY. In certain cases, ASHINE may even seek visibility of payments above a specified value made by the COMPANY, before such payments are made. All such requirements will be specified in the agreement that will be entered into by ASHINE with the INCUBATEE COMPANY.

16. PROFIT SHARING MECHANISM

ASHINE will deal with cash/equity sharing between institute and the INCUBATEE COMPANY. ASHINE will receive a cash component from INCUBATEE COMPANY for the facilities and mentorship extended to it as per the prevailing norms. Although the various resources are provided by the Institute, ASHINE will hold equity shares on behalf of the institute whenever the MEMBER/INCUBATEE Company transfers equity shares as per the agreement based on prevailing policy guidelines. This is necessitated as the Institute being an academic entity cannot trade in equity. If and when ASHINE monetizes this equity, 50% of the revenue generated from equity shares will be transferred to Institute.

From the profit earned by ASHINE through cash transactions under all other scenarios except the equity shares, a sum equivalent to 20% of the profit will be transferred to SVNIT, Surat as IRG of SVNIT at every financial year. The revenue retained by ASHINE will be utilized towards general administration of ASHINE and fostering innovation and entrepreneurial culture on institute campus.

17. REFERENCES

1. Indian Institute of Technology Madras Faculty Start-up Policy – [revised] 2013.
2. Indian Institute of Technology (ISM) Dhanbad – Policy & Framework – 2018.
3. National Innovation and Startup Policy (NISP) 2019 for Students and Faculty MHRD, GoI
4. Indian Institute of Technology Kanpur-Faculty Entrepreneurship Policy – 2019.
5. National Institute of Technology Tiruchirappalli- Start-Up Policy and Guidelines for Faculty, Staff and Students – 2021.
6. Madan Mohan Malaviya National Institute of Technology Jaipur- Faculty Entrepreneurship policy – 2021
7. Indian Institute of Technology Hyderabad- Institute Innovation and Startup Policy – February, 2022