

INSTITUTE STARTUP POLICY



**BIRLA INSTITUTE OF TECHNOLOGY
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Index

1.ABSTRACT	1
2.PREAMBLE	1
3. DEFINITION	1
4. TYPE OF STARTUP & COMPANIES	2
5. ELIGIBLE STARTUP & COMPANIES	2
6. FACULTY-STUDENT INVOLVEMENT	3
7. INSTITUTE APPROVAL PROCESS	5
8. FUND GENERATION & FINANCIAL IMPLICATIONS	6
9. INSTITUTE RESOURCES, IPR, AND OWNERSHIP	6
10. CONSULTANCY	7
11. DISCLOSURE AND COMPLIANCE	7
12. RESOLUTION OF CONFLICTS	7

1. Abstract:

Startup Policy of BIT will enable the Institute to motivate and engage students and faculties in startup activities. This policy facilitates creating a sustainable environment to promote student and faculty members to develop a new startup. This policy will lead the academic ecosystem at Institute with excellence through new IP generation, new product development, Institute-Industry relation, employability, along with social responsibility.

2. Preamble:

Faculty members and students (F&S) at BIT are encouraged to engage in cutting-edge knowledge promotion and dissemination. The Institute would like to develop research & technology towards societal and nation-building by contributing to innovation, business, economy, industry-standard product, etc. BIT will follow the Ministry of Education (MoE) guidelines on Institutes of higher education and encourage interested F&S to incorporate companies to engage in the businesses and utilize research and development. The F&S are expected to be on the board of such companies in the capacity of a Director, Chairman, Promoter, or any such role, subject to the terms and conditions of this Startup Policy. F&S will make all efforts without compromising any academic activities while assuming the additional responsibilities.

3. Definitions:

- i) "**BIT**" or the "**Institute**" shall mean "Birla Institute of Technology. "
- ii) "**Policy**" means Startup Policy of Birla Institute of Technology.
- iii) "**Faculty and Student**" shall mean faculty members and students (F&S) of Birla Institute of Technology.
- iv) "**Promoter**" means a promoter as defined under Section 2(69) of Companies Act 2013.
- v) "**Executive capacity**" shall mean a role as a Director or a Chief Executive Officer, Chief Operating Officer or Manager or any person, enjoying the similar position, by whatever name called, in the company, having executive power(s) in the company
- vi) "**Equity**" shall mean 'liability-free equity shares (fully paid up), having voting rights of the company.

- vii) "**Company**" shall mean a Startup Company, having at least one faculty member or student from BIT in Executive or Non-Executive Capacity in the Company having major share holding.

4. Type of Startup Companies

Two types of Startup companies will be encouraged by BIT under this policy:

- a. Companies jointly owned by faculty members and/or students with possible partners outside these groups.
- b. Companies owned by a faculty member or student along with/without possible /mentors from outside.

5. Eligible Startup Companies

Companies that are the direct results of research and innovation carried out by Faculty/ Students of BIT are encouraged to pursue/ initiate business under this policy. In such cases, the faculty member (s) and student (s), if applicable, will be known as a founding member(s)/Promoter(s) of the company.

All the sectors, including chemical, biochemical, pharmaceutical, electrical, mechanical, computational, IT, etc., are eligible, with innovative products and services with a robust technological backbone.

5.1 The following criteria will further guide eligibility in selection:

- 5.1.1 Any proposal from the existing startup (if any) will go through with their background check and be verified to process it further.
- 5.1.2 Any proposal must have competent support with relevant exposure for the business model setup.
- 5.1.3 Proposal with protected IP to safeguard the innovation rights, may be given preference.
- 5.1.4 The proposal must be oriented towards the development and scalability of the technology package due to Industry standards and Industry requirements.
- 5.1.5 The proposal must highlight the vital aspects and possibility of future commercial success.
- 5.1.6 The proposal shall include scope for consultation with relevant industry experts to support strong business models.
- 5.1.7 The proposal shall ensure the rationale of choice of investors and partners in the company.

6. Faculty-Student Involvement

To promote Startup and Entrepreneurial Activities', the following guideline has been provided for F & S involvement.

6.1 Rules for Faculty Involvement in Startup and Entrepreneurial Activities:

Do's

- 6.1.1** A faculty may work as an owner/ direct promoter, mentor, consultant, or on-board member of the startup.
- 6.1.2** Faculty startup may consist of faculty members alone or with students or Faculty of other Institutes or with alumni or other entrepreneurs.
- 6.1.3** Faculty can hold the executive or managerial position only for less than three months in a startup without comprising the Institute's academic/administrative duty. If required further, they may apply for appropriate leave as per Institute Leave Policy.
- 6.1.4** In case of selection of a faculty Startup by an outside national or international accelerator, a maximum leave (as sabbatical/ existing leave/ unpaid leave// earned leave) of six months or even more depending upon the decision of the Startup Standing Committee (SSC) constituted by the Institute may be permitted to the Faculty. The SSC may be formed consisting of Dean (RIE) -Chairman, Dean (FA), Dean (SA), Dean (UG), Dean (PG), Registrar, HoDs of Faculty/Student Department.
- 6.1.5** Human subject-related research in a startup should follow all applicable Government guidelines.
- 6.1.6** Faculty must separate and distinguish ongoing research at the Institute from the startup's work. An undertaking to this effect shall be furnished along with the startup proposal.
- 6.1.7** It is advised that the Faculty may attend or organize the FDP/Workshop/Short-Term Course to inculcate information regarding entrepreneurial activities.
- 6.1.8** Faculty must use their Institute Incubator address to register their company with due permission from the institution.
- 6.1.9** Faculty may raise fund for startup through government funding agencies (state and central) such as DST, DBT, MoE, AICTE, TDB, TIFAC, DSIR, CSIR, BIRAC, NSTEDB, NRDC, Startup India, Invest India, MeitY, MSDE, MSME, etc. and non-government sources, with a due audit.

6.10 Faculty may also raise funding through sponsorships and alumni networks. For this, Institute may actively engage alumni network for promoting Innovation & Entrepreneurship.

Dont's

6.1.11 Faculty must not involve research staff or other staff of Institute in activities at the startup and vice-versa.

6.1.12 Faculty should not spend more than 20% of office time on the startup in an 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, they need to apply for appropriate leave as per Institute Leave Policy.

6.1.13 Faculty must not accept gifts from the startup.

6.2 Rules for Students' Involvement in Startup and Entrepreneurial Activities:

6.2.1 A student may work as an owner/ direct promoter, mentor, consultant, or on-board member of the startup.

6.2.2 Student startup may consist of one student alone or jointly with students or other entrepreneurs in partnership mode.

6.2.3 A student entrepreneur may be permitted to take a semester break as per Institute norms depending upon SSC's decision to work on their startups and re-join academics to complete the course. Student entrepreneurs may earn academic credits for their efforts while creating an enterprise. SSC will set up a Credit Equivalence Committee (CEC) to review a startup by students and based on the progress made. It may consider giving appropriate credits for academics (based on Academic Ordinances).

6.2.4 Student entrepreneur may avail placement support if required using Deferred Placement Institute Policy, subject to SSC approval.

6.2.5 In case of selection of student startup by an outside national or international accelerator or funding agency, the student entrepreneur may be permitted to take a semester break (based on Academic Ordinances).

6.2.6 Students entrepreneurs may be allowed to sit for the examination, even if their attendance is less than the minimum permissible percentage, with due permission from the Institute (based on Academic Ordinances).

- 6.2.7 Human subject-related research in a startup should follow all applicable Government guidelines.
- 6.2.8 Student inventors may also be allowed to opt for a startup in place of their mini project/ major project, seminars, summer training (credit courses) with a prior recommendation from CEC. The area in which a student wants to initiate a startup may be interdisciplinary or multidisciplinary.
- 6.2.9 A student entrepreneur must separate and distinguish ongoing research at the Institute from the startup's work. An undertaking to this effect shall be furnished along with the startup proposal
- 6.2.10 A student entrepreneur must use their Institute Incubator address to register their company with due permission from the institution
- 6.2.11 A startup may raise fund through government funding agencies (state and central) such as DST, DBT, MoE, AICTE, TDB, TIFAC, DSIR, CSIR, BIRAC, NSTEDB, NRDC, Startup India, Invest India, MeitY, MSDE, MSME, etc. and non-government sources, with a due audit.
- 6.2.12 A student entrepreneur may also raise funding through sponsorships and alumni networks. For this, Institute may actively engage alumni network for promoting Innovation & Entrepreneurship

7. Institute Approval Process

1. Applicants with detailed proposals must be submitted to the Dean (RIE).
2. The proposal will be examined by a proposal evaluation committee (PEC) consisting of DRIE, HoD of Applicant's Department, Expert Faculty in a related field from Applicant's Department, One faculty/expert who has successfully created a startup, One expert faculty related to business management stream of the Institute and One expert from related industry (external).
3. In the final stage, an applicant will be permitted to initiate his/her startup under Institute Incubator through a separate Memorandum of Agreement (MoA), including a rental agreement between the startup incubatee and Institute Incubator. Institute and Institute Incubator are separate entities. Suppose the startup wants to use the Institute facility/instrument, including CIF or faculty consultancy, applicable charges will be borne by the startup company and payable to the Institute and not the Institute Incubator.

8. Fund Generation & Financial Implications

- 8.1 For the initial period of six months, the incubatee will be considered in the pre-incubation phase, and its status is probationary. The incubatee shall generate the fund by bootstrapping (self-funding) or crowd funding (taking loan/contribution from one or more people at the same time). The startup firm may look for venture capital or business loans from bank/microfinance agencies. The incubatee may apply for Government startup funds through several government agencies and MSME. Institute Incubator will provide secretarial and mentorship support to incubatee if required.
- 8.2 The incubatee will have its funding source, accounting procedures, and other compliances according to the industry norms.
- 8.3 Support from other faculty members of the Institute during and after its incubation period would be treated under the Institute's consultancy norms.
- 8.4 For any financial implications, including regulation(s), the incubatee (Faculty/Student) will be governed by the signed MoA (Incubatee and Institute Incubator).

9. Institute Resources, IPR, and Ownership

- 9.1 Faculty members can generate Intellectual Property (IP) at BIT using the Institute Facility and be eligible to be applicant/ or joint applicants in IPR generation. Ownership and Royalty Sharing will be as per Institute IPR policy.
- 9.2 Faculty members of BIT are allowed to incorporate their startup companies, where Institute resources and expertise of BIT are relevant to companies' objectives and business. The company may be permitted to get office/lab/workshop space and other facilities on a payment basis using Institute Incubator.
- 9.3 Company may be allowed to use the existing IP developed at BIT after getting an exclusive license of the Institute's IP. A faculty member/company may need to apply for the "license of existing IPR" to the office of Dean, RIE to get "licensed IPR" with a separate agreement with the Institute.
- 9.4 Company may generate their IP with their exclusive right sharing with proper IP guidelines and ethics; however, they need to maintain clarity to avoid conflict with ongoing Institute research or existing Institute's existing know-how or technologies.
- 9.5 If a company is involved in joint research and innovation with an Institute, they must be in IPR & Collaboration agreement with the Institute for ownership/royalty sharing.

10. Consultancy

- 10.1 Other BIT faculty members may be permitted to provide a consultancy service as a nominee consultant from the BIT. The incubatee has to be in consultancy agreement with BIT as per Institute Consultancy Norms.
- 10.2 All the instrument facilities will be chargeable as per the Institute-approved charges. Faculty as a nominee consultant, may need to pay all those charges to Institute through consultancy project.

11. Disclosure And Compliance

Faculty members and students (F&S) of BIT must ensure that the Company/Companies he/she is associated with is/are compliant with all the Government of India's norms. Non-compliance by the F&S shall have no obligation on BIT.

12. Resolution of Conflicts

In case of any objections related to the association of the faculty/ student with the company, an independent investigation committee may be formed by the Chairman SSC, to resolve the company's functioning and the academic duties of the faculty member.

The faculty member may appeal to the Vice-Chancellor, BIT of the Institute for a review of the committee's decisions. The decision of the Vice-Chancellor, BIT, in this regard, would be final.