

INDIAN INSTITUTE OF TECHNOLOGY GANDHINAGAR

INCUBATION POLICY FOR FACULTY MEMBERS TO START ENTREPRENEURIAL VENTURES

(As approved by the BoG in its 33rd meeting held on 15 November 2021)

IIT Gandhinagar aspires to promote world-class research that will make a positive impact on society today and groom the leaders and creators of tomorrow's technologies. IIT Gandhinagar encourages the students, faculty members, researchers to take up entrepreneurship to translate their technologies developed in the Labs.

In recognition of the crucial roles of innovation and entrepreneurship, the Institute started its Entrepreneurship Center in 2012, even before the first batch of undergraduate students graduated. In 2015 Institute established a section 8 Company "IIT Gandhinagar Innovation and Entrepreneurship Center" (IIEC) to promote innovation, entrepreneurship and technology commercialization activities.

IIEC is governed by well laid policy framework for supporting the entrepreneurial ventures (including the ventures promoted by IITGN students, faculty and staff). The Board of Governors of the Institute in its 33rd meeting held on 15 November 2021 approved the following incubation policy for faculty members to start entrepreneurial ventures.

The basic principles of the policy are as under.

- a. Consistency with the core vision of IIT Gandhinagar.
- b. Creating enabling environment to encourage faculty start-ups.
- c. Provide guidance to manage conflict of interest, intellectual property, utilization of Institute's resources, etc.

1. General conditions:

- a. A faculty member who wishes to pursue entrepreneurship should ensure that their responsibilities at the Institute are not compromised by their start up related responsibilities.
- b. A faculty member can pursue the role of a founder with executive position in a start-up company, only if their start-up related activities do not conflict with the activities of the Institute.
- c. If the role in the start-up involves significant time commitment which is more than the maximum time prescribed for the Consultancy work (which is on average, one day per week) the faculty member will have to opt for a short-leave or long-leave from the Institute.
- d. The faculty member shall first take administrative approval from the Institute before starting the company and should clearly disclose the conflict of interests.
- e. A faculty member may be allowed to take up entrepreneurial activities where there is a visible potential to create a technological / commercial and / or social impact. However, activities like routine service/consultancy, trading, non-scientific businesses, business involving coaching, teaching and/or development of educational content may not be allowed.

- f. The start-up founded by the faculty members (alone or in partnership with other entrepreneurs) must incubate at IIEC or take space in the IIT Gandhinagar Research Park on the prevailing terms and conditions.
- g. A faculty member who is allowed by the Institute to pursue entrepreneurial activity must report to the Institute their terms of engagement and any financial transactions (remuneration, equity, etc.) with the company twice a year.
- h. Wherever Institute's IP/know-how is utilized in a startup founded by a faculty member, the startup will formally sign a licensing agreement with the Institute.
- i. Wherever there is a usage of any laboratory or equipment and other resources of the Institute for the start-up related activity, the start-up company shall pay the charges towards using Institute's Labs, equipment, other resources as per the prescribed norms and guidelines.
- j. It is encouraged to engage students to be part of the faculty start-ups. It will provide opportunity for students to gain experience of entrepreneurship while studying and may provide leadership to the start-up company after graduation.
- k. If the faculty member receives remuneration and/or equity in lieu of remuneration, the Institute shall receive 20% of the gross remuneration and/or the 20% of the gross proceeds of the equity, whenever redeemed.

2. Possible ways of association of faculty members with start-ups:

- a. **As a founder of a company without any executive role and without any IP/ technology from IITGN:**
 - i. In the case where a faculty member is one of the founders (Director/ additional Director/ share holder) in the company without any executive role and without utilizing any IP/ technology know-how from Institute, such association shall be treated as individual association.
 - ii. The faculty member shall not allow or facilitate use of Institute's resources and/or IP in transacting businesses of the start-up and there should be no conflict of Interest.
 - iii. The company must be incubated at IIEC or housed at the Research Park as per the prevailing policy of IIEC and Research Park.
 - iv. The usage of any lab, equipment or other resources of the Institute by the start-up company shall be charged as per the prescribed norms of the Institute.
 - v. The faculty member shall associate with a company that is working in a domain or in area of their research expertise.
 - vi. The total time commitment in such start-ups plus that in other consultancy projects shall not exceed the consultancy norms of the Institute.
- b. **As a founder of company without any executive role and using IP/ technology from IITGN:**
 - i. In the case where a faculty member is one of the founders (Director/ additional Director/ share holder) without any executive role but such start-up is utilizing IP/ technology know-how from the Institute, the start-up will formally sign a licensing agreement with the Institute.
 - ii. Institute shall charge a license fee in the form of equity/royalty/portion of profit/lumpsum payment towards the license of the technology/know-how as decided by the Institute.
 - iii. In addition, the points from ii to vi in clause 2(a) are applicable.

c. **As a founder of company with an executive role and using IP/ technology from IITGN:**

- i. In the case where a faculty member is one of the founders (Director/ additional Director/ share holder) of company and is expected to take an executive role in the company and such start-up also utilizes the IP/ know-how of the Institute. In case the total time commitment of faculty member in the start-up exceeds 1 day per week (as stipulated in clause 1c) the faculty member must avail of appropriate leave as per the prevailing leave rules of the Institute while working for the company.
- ii. The start-up will formally sign a licensing agreement with the Institute.
- iii. Institute shall charge a license fee in the form of equity/royalty/portion of profit/lumpsum payment towards the license of the technology/know-how as decided by the Institute.
- iv. In addition, all other points from ii to v in clause 2(a) are applicable.

d. **As a founder of company with an executive role and without using IP/ technology from IITGN:**

- i. In this case, a faculty member is one of the founders (Director/ additional Director/ share holder) of the start-up and is expected to take an executive role in the company. However, no IP/ technology know how of the Institute is involved. In case the total time commitment of faculty member for the start-up exceeds 1 day per week (as stipulated in clause 1c) the faculty member must avail of appropriate leave as per the prevailing leave rules of the Institute while working for the company.
- ii. In addition, all other points from ii to v in clause 2(a) are applicable.

e. **As a mentor/ advisor to a start-up company incubated at IIEC or outside:**

- i. The faculty members are encouraged to provide mentoring to start-up companies incubated at IIEC, but may also be permitted to mentor start-ups not associated with IIEC.
- ii. The time commitment and remuneration shall be treated as per the consultancy norms of the Institute.

3. Conflict of Interest resolution:

- a. Faculty member must clearly disclose financial and other interests (if any) in the start-up company.
- b. Involvement of any Institute staff in activities at the startup will require prior permission from the Institute with full disclosure of financials involved.
- c. Faculty startups are encouraged to formally involve students in startup related activities in internships, projects, etc. However, any informal/ad-hoc involvement of students is not permitted in faculty startups.
- d. Institute facilities (other than those specifically allowed for start-ups), tax exempt status, or purchasing benefits cannot be used for company purposes.
- e. If a faculty member proposes to engage with a startup founded by students before or after their graduation from the Institute, the faculty member is required to disclose this fact while seeking approval from the Institute. The faculty member should mention all courses taught by her/him along with the grades scored by the students in the courses.

- f. Faculty members will be required to submit the declaration on potential conflict of interest twice a year. The same will be assessed by the Institute after receipt of the information for continuation of permission to engage with the company.
- g. Faculty member must clearly separate and distinguish ongoing research at the institute from the work being conducted or proposed to be conducted at the startup/ company.
- h. In the case of willful violation of any of the above conditions by the faculty member, the Institute reserves the right to withdraw the permission for the startup by the faculty members and may also initiate appropriate administrative / disciplinary action.