

## MITAoE Innovation and Startup Policy for Students and Faculty (MIT-ISP)

### PREAMBLE

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The apparition of the Institute focuses on four aspects distinctively i.e. Global Standards, Value based Education, Interdisciplinary Research, and Sustainable Development. The positive outcomes are achieved by designing the curriculum to meet the global requirements and through teaching-learning methods blended with ethical values. The structured induction of the student into the curriculum enables one to visualize the career opportunities and the approach towards achieving them. The institute provides a platform for business Startups to develop their ideas into commercially viable products facilitates the students to work on innovative project ideas.

### VISION

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To be a leading contributor in the field of Incubation to cultivate, foster and stimulate the entrepreneurial aspirations and provide an ecosystem to create innovative, sustainable, profitable and job creating startups.

### MISSION

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- To encourage and support students and youngsters to opt for entrepreneurship as a career opportunity
- To strengthen the students, alumni and local entrepreneurial ecosystem by providing the necessary information, knowledge, support, facilities and organize community-level programs and summit to develop the start-up culture
- To connect the start-up aspirants with the respective domain experts, entrepreneurship mentors, consultants and investors
- To work and network with various organizations in the field of entrepreneurial development
- To strengthen the IIC in terms of students' and teachers' memberships, by motivating them through curricular component, promotional seminars and enthusing events.
- To organize the MIC mandated annual series of events and activities such as Idea-Competition, B-Plan Competitions, Start-up fest, Hackathons, etc.



## Part- I: MITAoE Innovation and Startup Policy for Students

### 1. Strategies and Governance

- a. **Entrepreneurship promotion:** MITAoE supports and promotes the formation of MITAoE Entrepreneurial Development Foundation (MITAoE EDF) as an Incubation Centre within a institute premises. Also students clubs which are engaged in conducting entrepreneurial activities for students, faculty and staff. Institute Innovation Council could a guiding agency for MITAoE E cell which is driven by students, guided by faculty and supported by the college. Apart from supporting student activities, MITAOE promotes Innovation & entrepreneurship through many other conduits such as academic reforms in terms of curriculum, course contents, major & minor projects, Honors in innovation, entrepreneurship and venture development (IEV), persistent collaboration with industry, pursuing support from alumni in terms of guidance and finance and effective interaction with startup ecosystem by conducting various programs through institute innovation council. (IIC)
- b. **Governance:** The head of the Institute or head of Incubation Centre is the president of IIC and a senior faculty having entrepreneurial mindset is selected as convener to facilitate the activities. Two different committees, namely “Governance Committee” and “Review Committee” have been formulated to amend, accept and implement the entrepreneurship policies, approve proposals of students, enable funds disbursement to them and monitor their progress. The prime responsibility of these committees is to facilitate the use of resources provided by the College and Incubation Centre (MITAoE- EDF) to the startups and ensure the proper utilization of resources by periodic meetings/interviews with the innovators and startups.
- c. **Resource utilization plan:**
  - i. Pre Incubation: At MIT Academy of Engineering, Alandi Pune, is mainly enabled by four major rudiments.
    - (a) Entrepreneurship cell (e-Cell) which is driven by students, guided by a senior faculty and financially supported by MITAoE.
    - (b) Institute Innovation Council -The activities conducted through IIC and a pool of mentors in IIC leads to benefit for pre incubation.
    - (c) Faculty and staff members- The technological support provided by faculty and laboratory facilities available for students to make the prototype viable.
    - (d) MITAoE’s incubator, MITAoE Entrepreneurial Development Foundation (MITAoE EDF) facilitates interaction with startup ecosystem.
  - ii. Incubation: MITAoE Entrepreneurial Development Foundation (MITAoE EDF) is a section 8 company of MITAoE and it provides incubation to MITAoE students and external members.



- iii. Knowledge Partner Ecosystem: MIT Academy of Engineering has signed MOU's with Wadhvani foundation, Business Youth Starting Together (BYST), Vigyan Ashram, DesiColab and Various ecosystem partners for sustainable support system.
- iv. MSME Business Incubator: MIT Academy of Engineering has approved as Host Institute for "Support for Entrepreneurial and Managerial Development of MSMEs through Incubators" under CLCS-TUS scheme. With this platform students can get 15 lakh seed funding for the startup/ idea validation.
- v. Finance: MIT Academy of Engineering provides up to 1 % of its total budget as per the guideline by NISP and AICTE for building the entrepreneurial ecosystem through the activities at stage of innovation, pre-incubation and seed funding of startup which includes funding for ideation stage, market research, prototyping and launching of products, Project to Product Programme. Furthermore, the pre-incubation activities at MITAoE- EDF are supported through various resources as follows:
  - a. The CSR fund of private, public limited companies, corporate and nationalized banks
  - b. Alumni network
  - c. Central & State government schemes.
  - d. A dedicated corpus fund in the name of EDF has been generated by accumulation of funds generated from above mentioned sources, which is used for the promotion of Innovation & entrepreneurial activities and financial support to start ups.
  - e. College has instituted following prizes to encourage students
    - Two awards of INR. 5,000 & INR. 10,000 for "Idea Competition".
    - Two awards of INR. 10,000 & INR. 15,000 for "B Plan Competition".
    - INR. 20,000 as seed funding to the startups initiated/promoted by MITAOE students.
    - Best Innovation and Startup Awards INR. 25,000
    - "Startup Guru" to one of the faculty who contributes the most to the startup activities
- d. **Decision Making:** Two governing and regulating committees are formulated to facilitate and empower students to convert their ideas in to start up and also to monitor the progress. The constitution of these committees has been elaborated here. The detailed role of "Governance Committee" and "review Committee" is described in point no 6 (entrepreneur impact assessment).
  - i. "**Governance Committee**" shall mean the committee comprising of Director/Deputy Director, CEO-MITAoE EDF and few other senior faculty members who are conversant with the startup eco system. This committee will in general determine and update the incubation and pre incubation policies of MITAOE.



Preferably, the "Governance committee" will be constituted as below:

1. Director (**Chairman**)
2. Deputy Director- C . R . (**Co- Chairman**)
3. Convener of IIC (**Convener**)
4. CEO of MITAoE EDF, Incubation Centre (**Advisory Member**)
5. Alumni from startup ecosystem/ industry professional (**Advisory Member**)

ii. "Review Committee" shall mean the **committee** comprising of Director/Deputy Director CEO- MITAoE EDF and few other senior faculty members who are conversant with the startup eco system. The review committee will evaluate the start-up proposals, business plans or ideas of students in general.

Preferably, the "Review committee" will be constituted as below:

1. Deputy Director, C.R. (**Chairman**)
2. Convener IIC (**Convener**)
3. Dean R&D or Students' Affairs (**Member**)
4. Domain expert - A faculty member at Professor/Associate Professor Level of the concerned department (**Member**)
5. A faculty member who is also a member of IIC, MITAoE, (**Member**)
6. CEO of MITAoE EDF, Incubation Centre (**Advisory Member**)
7. Alumni from startup ecosystem/ industry professional (**Advisory Member**)



## 2. Institutional Infrastructure

- a. **MITAoE E-cell:** Entrepreneurship Cell is an activity centered club of students where innovation & entrepreneurship related activities are conducted throughout the year. The activities are guided and supervised by faculty, senior students and alumni having interest, experience & knowledge in this domain. The students get familiarized with startup ecosystem through these activities. The constitution of IIC and activities promoted by IIC provide them not only with experience in various competitions but also with guidance from experts; both being at national and international level.
- b. **Office space, Lab facilities and Prototype Lab:**
- i. The IIC can be provided with an office space and a conference room with all the needed infrastructure and amenities such as Video Conferencing facility, Projection Equipment, (with online booking facility) The mentoring and practicing sessions, meetings with experts and council members, even the competitions can be conducted with the infrastructure provided. The cafeteria or Pantry Facility and co-working space with lockers and electrical connections and Wi-Fi for students at pre-incubation level may be provided. The Co-working space may be provided for free of cost to students after taking an undertaking from them that the space will be utilized only for the functioning of startup.
  - ii. Infrastructure of the institute such as seminar halls, board room and open spaces for hosting exhibitions are made available to students on prior permission.
  - iii. The library facility and internet facility is available to any regular student in the campus. It also could be available to alumni with prior permission.
  - iv. Laboratories of all the departments are available to regular students 24X7 with the prior permission of Dean/Lab incharge. It also can be available to alumni with prior permission.
  - v. Prototype lab: In order to promote education in hardware manufacturing and creating prototypes could be possible in established prototype lab at all department level.
  - vi. Technical Mentorship, Business Mentorship, financial advisory and mentorship services be provided through the physical and virtual platform mentioned below in point no (vii) or through the mentor pool.
  - vii. Other facilities:
    - a. Incubator: MITAoE has a section 8 Company as MITAoE Entrepreneurial Development Foundation having co working space with mentors on board.
    - b. The Pre-Incubation/Incubation facility is accessible 24x7 to all stakeholders
    - c. Intellectual Property Right Cell: MITAoE has an active IPR cell which has its policy for promotion and protection of intellectual property generated/developed by faculty and students of MITAoE.
    - d. Services: Technological support to students in terms of existing laboratories is available as stated previously, but the support in terms of knowledge is given by faculty.



### 3. Nurturing Innovations and Start ups

#### ***Human Assets Development:***

MITAoE has established its distinctive approach towards the comprehensive vision by modelling it in the form of service to the society through different Scheme, various certificate courses, allowing the students to organize events to develop their skills, multidisciplinary project development, Entrepreneurship development, Ethical, Human value development, etc. It always focuses on creating ample opportunities for students' self-employment. The major focus is on preparing students to brave the challenges of the competitive world. Entrepreneurship is one of the key functioning of students' development. The journey of MITAoE Entrepreneurial Development Foundation started in 2018-19 intending to inculcate entrepreneurship and innovation culture amongst students, staff and faculty members at the MITAoE campus.

a. ***i) Pre-incubation Platform:*** A student who wishes to work on any innovative idea/ Business plan/ Prototype/ Project expected to lead to a startup has to apply to the CEO, MITAoE EDF/ Incubation Manager in given format (to be formulated) initially. The form will be assessed and recommended by "Review Committee" after an interaction with the student. It is expected that a business idea will be clearly distinguished from a pure research. Such "Review Committee" meetings may be scheduled in the beginning of everysemester. After the approval from the CEO, MITAOE-EDF the student has to register for pre-incubation program for the period of 6 to 12 months with Entrepreneurial Development Foundation (Incubation Centre).

***ii) Incubation Platform:*** Once the completion of pre-incubation phase, students may apply or register for incubation program for the period of 12 to 18 months at after the approval from the CEO, MITAOE-EDF Entrepreneurial Development Foundation (Incubation Centre).

***iii) Acceleration Platform:*** Once the completion of graduate from incubation phase, students may apply or register for acceleration program for the period of 6 to 12 months at after the approval from the CEO, MITAOE-EDF Entrepreneurial Development Foundation (Incubation Centre).

#### **b. Academic Reforms**

i. ***Modification in syllabus:*** MIT Academy of Engineering is an Autonomous institute due to that we have included 360° approach while designed the curriculum structure. We have included courses like, Design Thinking, Engineering tools and Technique, Project Management, Rapid Prototyping, Digital Prototyping, Minor Project, Project Design, Project Implementation and Project Evaluation, Capstone work, Foundational course in Entrepreneurship, Advance course in Entrepreneurship, Startup and Incubation, Venture Development, Startup Internship Programme, Self-Certification Course in the domain of entrepreneurship and innovation.



- ii. **Special Track on IEV:** MITAOE has offered open elective track for all students of UG programme with 3 courses on Innovation, Entrepreneurship & Venture Development (IEV) in the syllabus structure at present and has appointed dedicated entrepreneurship educators who have certified with National Entrepreneurship Network & Wadhvani Foundation base on silicon valley also has expertise in the same domain.
- iii. **Honors Track on IEV:** MITAOE has offered honors course open to all institute and outside students, in this honor's courses 5 courses included in Innovation, Entrepreneurship & Venture Development (IEV) and the total duration for the programme is 2 year. Delivery Mode would be Online or Offline. Session would be on weekend on every Saturday. Certification would be issued in collaboration with WF and MITAOE-EDF.
- ✓ *Beginner Level Certification – On completion of first Course*
  - ✓ *Intermediate Level Certification – On completion of second Course*
  - ✓ *Advanced Level Certification – On completion of third and fourth Course*
- iv. **UG/PG interdisciplinary Projects:** UG students be allowed to have interdisciplinary project groups. Students from different departments will be allowed to form a group which will be guided and evaluated by a faculty from respective departments. All the faculty and students should be made aware of importance of commercial aspect in the utility of problem solution and encouraged to take up Project topics having a strong commercial potential. Faculty should encourage all the students to work on Projects with high commercial potential. Such faculty be recognized by giving an appreciation at the annual gathering programme after guiding two entrepreneurial projects.
- v. **Project to Product with IP and Startup component in Project Report structure:**
- (a) It is suggested that patent search and analysis report (PSAR) and Commercial Feasibility Analysis Report (CFAR) for given project title can be included in the project report for all the projects including Minor Project, Project Design, Project Implementation and Project Evaluation. Similarly, a Patent Draft may be prepared and attached as last chapter of the Project Report. PSAR, CFAR & patent draft can be given additional weightage while evaluating projects at UG/PG level.
- (b) To audit entrepreneurial project potential and to reward the deserving projects a One/two day exhibition/ competition of Projects from all the departments to be arranged and expert committee comprising of industry/startup/entrepreneur as members be formed to asses these projects for commercialization potential. "Best commercial project" award for such a project.
- (c) A student entrepreneur/ Pre-Incubatee/ Startup may be allowed to convert/select his/her entrepreneurial work as a Minor Project, Project Design, Project Implementation, Project Evaluation, Summer Internship and Semester Long Internship with proper justification, to review committee and respective school Dean and the faculty guide. When such conversion is permitted it will be for equivalent number of credits for that



particular course. To avail such a conversion student(s) must separate and clearly distinguish their ongoing research activities as a student from the work being conducted as part of entrepreneurial activity.

**c. Relaxation in Attendance:**

- i. Students engaged in startup activities will be allowed to take exams even if their attendance is below 75% attendance. Relaxation in attendance be allowed at all the stages of startup formation. The student need to approach "Review Committee" prior to the start of his/her startup activities to get reviewed and recommended by it.
- ii. The "review Committee" may be empowered to
  - a. Recommend relaxation in attendance to student entrepreneurs. The maximum of 10% of relaxation is permitted under this criterion at any stage of startup.
  - b. Allow student to appear for examination even if his/her attendance is less than the stipulated value at any stage of startup.
  - c. Recommend a semester break or a year break to a student/group who wishes to work for a startup. The work in progress by student(s) will be reviewed quarterly to continue the leave from the institute. The review committee can discontinue or curtail the leave if the progress is unsatisfactory. However the students need to complete their degree within 6 years including duration of any such break. Semester Break or year break will be allowed only after successful completion of 4 semesters for UG and 1 semester for PG students.

The student who has availed the facility of a semester/year break for his entrepreneurial or startup activities is not allowed to convert his entrepreneurial/startup work as Minor Project, Project Design, Project Implementation, Project Evaluation, Summer Internship and Semester Long Internship

- d. Registering as Incubatee at MITAoE: A student pre-incubated or actively involved at ecell will be seamlessly admitted at MITAoE Entrepreneurial Development Foundation.
- e. Licensing of IPR from institute: The technology developed or co- developed by students and faculty members or the technology owned by the institute are allowed to license the said technology/product to any commercial organization. The inventors will have primary say but they have to share equity/royalty or a combination of equity & royalty with MITAoE as stipulated in the IPR policy of the Institute, unless it is a software company. In case of a pure software product 10% of license fees will be paid as one time technology transfer fee to MITAoE.
- f. Other facilities:
  - i. Existing Students (not alumni) who have registered themselves with MITAoE E-cell, are allowed to participate in entrepreneurial events, seminars, workshops having duration of 2 days and conducted by other institutes once in a semester with the prior permission from respective Dean and Review committee.



- ii. Financial assistance will be provided to MITAoE E-cell registered students for attending such national events.
- iii. Students who are under pre-incubation/ incubation, but are pursuing some entrepreneurial ventures while in the institute studying at UG/PG level are allowed to use the address of their co working space in MITAoE to register their company with prior permission from the review committee of MITAoE and CEO of MITAoE- EDF.
- iv. MITAoE E-cell & MITAoE Entrepreneurial Development Foundation jointly will maintain a pool of mentors in different areas. Faculty, students and staff who are working on startup will get support in terms of mentoring in following areas: technology development, ideation, creativity, design thinking, fund raising, financial management, cash-flow management, new venture planning, business development, product development, social entrepreneurship, product-costing, marketing, brand-development, human resource management and legal aspect.
- v. MITAoE anticipates that the startups annexes it name by “a MITAOE EDF incubated start up” or uses the phrase in its tag line.

#### **4. Product Ownership Rights for Technologies Develop at Institute**

IPR & Technology transfer: This should be a policy of IPR cell

- a. IPR is to be jointly owned by inventors and MITAoE, when MITAoE facilities / funds are used substantially or when IPR is developed as a part of curriculum/ academic activity.
- b. IPR is to be jointly owned by inventors and MITAoE-EDF, when MITAoE facilities / funds are used substantially or when IPR is developed as a part of curriculum/ academic activity
- c. If one or more of the inventors wish to incubate a company and license the product to this company, the methodology to be followed as specified in the “MITAoE faculty Policy”. This is given at the end of this document as Referring to section 3 (e) and (f) v, the company has to annex its name “a MITAoE EDF incubated start up”.
- d. If product/ IPR is developed by students, not as a part of curriculum, without using any MITAoE facilities, mentoring & guidance, then product/ IPR will be entirely owned by them.

#### **5. Organizational Capacity, Human Resources**

- a. MITAoE encourages faculty/ students/ staff to visit incubators & accelerators placed nationally and internationally. Students are provided with logistic and managerial support for Visits to incubators/ accelerators in & around Pune city.
- b. MITAoE conducts an induction program for students to make them aware of Innovation & Entrepreneurship.
- c. MITAoE offers honorary positions of mentors in MITAoE E-cell/ MITAOE EDF to the interested external stakeholders such as private industries, government research laboratories, defense organizations and investors firms etc.



## 6. Entrepreneurial Impact Assessment

- a. Governance committee: The governance committee is the apex body/ Board of MITAoE-EDF in the innovation & entrepreneurship ecosystem of MITAoE. It plays an important role to make the policies for the development and promotion of innovation & entrepreneurship in MITAoE. It is empowered with the authority to amend the policies as and when required, give permissions to promote a company, license an IPR/ Product to a company/ External organization, Sanction a seed funding to pre-incubatee and incubatee of MITAoE EDF on the recommendation of "Review Committee"
- b. Review committee: Review Committee is the body which interacts with the aspiring student entrepreneurs
  - i. To assess and recommend the idea/ business proposals of students for permission to governance committee/ MITAoE Entrepreneurial Development Foundation.
  - ii. To evaluate quarterly the progress of ongoing projects/ ideas/ startup/ business plans and depending on the progress allow/curtail the continuation of grants/ facilities and recommend the release of funding
  - iii. To recommend semester breaks, relaxation in attendance
  - iv. To recommend amount of seed funding (to be granted by Governance committee/ MITAoE-EDF) for the development of prototype or conducting surveys (market, customer), or any other relevant activities which are necessary to convert Project to Product or an idea in to a startup.
  - v. To allow students to attend conferences, seminars or entrepreneurial events.
  - vi. To scrutinize the applications for various awards instituted for student entrepreneurs.
  - vii. To permit student pre-incubatees/ incubatees to use address in the MITAoE to register their company
  - viii. To permit student pre incubatees/ incubatees to sit for the examination, even if their attendance is below the prescribed level.
  - ix. To permit the use of lab facilities of MITAoE.
  - x. It will also identify conflicts of interests between the activities of student & the institute.
- c. An office facility is developed for maintaining the records of wealth generated, various permissions given to the students, coordinate meetings, upload information on AICTE or other sites and to maintain the accounts.



## Annexure I

### Methodology

**Pre-incubation:** It has been assumed that the student is working on team building, product development, market survey and preparing business plan and has not yet registered a company in this phase.

For a student/ students who wish to be pre-incubates in the college: A student/ students has to be a member of E-cell MITAoE. He/ They will submit the duly filled application form to the Convener IIC/ Incubation Manager- MITAoE EDF. This form needs to be forwarded through the respective School Dean (HoD's/ Dean's of the departments to which all the student members belong.)

For a Student/students to start a company, it will necessarily be required to be pre-incubated and incubated in the Institute/ MITAoE EDF. However, in exceptional cases, the institute may allow students to open/ operate/ incubate the Company outside the institute if sufficient justification is provided. Such a permission is exclusively at the discretion of "Governance Committee"

The process of entering into Startup will be as below:

- A. A student/ students will submit the duly filled application form for establishing a new company to the Director, MITAOE or CEO, MITAoE Entrepreneurial Development Foundation. This form needs to be forwarded through the School Dean and "Review Committee".
- B. Once permitted, the student may form a Company.
- C. For the incubation of the Company, evaluation will be as per the policy of the MITAOE's Incubator, MITAoE EDF.
- D. Upon approval, MITAoE EDF and the Company may negotiate and enter into an agreement for financial consideration by the Company towards MITAoE which will consist of consideration via equity shares in the Company and/or a share in the revenue/ turnover of the Company, as mentioned below:
  - a) Liability-Free fixed equity (*Pari pasu*) of up to 2% in the Company.
  - b) MITAoE EDF will reserve the right to liquidate any or all of the equity shares after seven years of formation of the Company while the Company will reserve the first right of refusal for purchase of the equity shares from MITAoE EDF. OR
  - c) A pre-determined, and agreed upon, share in the revenue, measured in terms of cost of units of product or services rendered by the Company, at fair market value on a given date. OR
  - d) A pre-determined, and agreed upon, pay back in the form of percentage of turnover of the company OR
  - e) A combination of liability free equity in the Company and share in the revenue, measured in terms of cost of units of product or services rendered by the Company, at fair market value on a given date. OR



- f) A combination of liability free equity in the Company and pay back in the form of percentage of turnover of the company
- E. Exit: The Company shall work towards a plan that would give MITAoE/ MITAoE EDF an “Exit”. It should be noted that this policy will cease to be in effect, once the “Exit”, as defined below, takes place.
  - a) Company raises investment at a valuation of INR 30 crores or more. This threshold value may be changed from time to time.
  - b) Seven years from the date of Incorporation of the Company and the Company has graduated from incubation, satisfying both conditions.
  - c) Whichever between (a) or (b) happens earlier. OR
  - d) A student/ students exit/ relinquish his/ their position in the Company and/ or cease to be a part of the Company. (If a group of students have formed a company, then the policy will be in force till any one of the students is a part of the company.)

### ***Resolution of Conflicts***

The situations in which the objectivity of a faculty member – due to his/her association with the Company could reasonably be questioned by the School Dean/ Head of the department to which faculty member/members report to,

- a. The Director of MITAoE/ MITAoE EDF may establish an independent committee to investigate the operation of the Company and possible conflict of interest between the functioning of the Company and the academic duties of the faculty member(s) associated with the Company.
- b. The faculty member may appeal to the Board of Governors of the institute or Board of Directors/Governors of MITAoE EDF for a review of the committee’s decisions. The decision of the Board, in this regard, would be final.



## Part- II: MITAoE Innovation and Startup Policy for Staff and Faculty

### The Policy:

MITAoE aims to promote culture of innovation and entrepreneurship by synchronizing among the institute; the members of faculty; the members of staff; the students; the alumni and the domestic as well as overseas industry. This document frames a policy to facilitate working of all the above-mentioned stake holders to work hand in hand for the sake of best results.

The faculty members and students work in various cutting-edge technology areas while in the institute. Many of these research outcomes may benefit the society in general, if commercialized. This policy framework promotes the translation of research into commercial products by

- Fostering spirit of entrepreneurship among faculty and students
- Removing restriction on the Institute's employees to promote a company or license the innovation/research to a company to commercialize.
- Facilitate and empower them to commercialize their innovations.

Faculty members can involve themselves with students and staff, alumni, or others in the business, that is a direct result of the research and development activities in the campus; of the faculty member of MIT Academy of Engineering Alandi, Pune, to be on the board of such companies in the capacity of a Director, a Chairman, a Promoter or any such role, subject to the terms and conditions of this Faculty Entrepreneurship Policy. The policy also mandates the company preferably be incubated in the incubator of MIT Academy of Engineering Pune. (MITAoE EDF)

At the same time the policy also prompts its stake holders that nothing precedes the academics which is the core value of the institute.

### DEFINITIONS:

- i. "MITAOE" or the "Institute" shall mean "MIT Academy of Engineering, Pune".
- ii. "Policy" means Faculty Innovation and Entrepreneurship Policy of MIT Academy of Engineering, Pune.
- iii. "Faculty Member" shall mean a Full time faculty member of MIT Academy of Engineering, Pune,
- iv. "Staff member" shall mean a permanent staff member of MIT Academy of Engineering, Pune,
- v. "Promoter" means a promoter as defined under Section 2(69) of Companies Act 2013.
- vi. Institute Innovation Council (IIC): AICTE mandated committee which consists of a few faculty members and a few external members representing industry,



- alumni, MITAoE EDF, external incubator and IPR attorney. The function of IIC is to nurture and look after innovation activities in the campus to promote entrepreneurship among students, staff & faculty.
- vii. "Executive capacity" shall mean a role as a Director or a Chief Executive Officer, Chief Operating Officer or Manager or any person, enjoying similar role, by whatever name called, in the Company, having executive power(s) in the Company, effectively an employee of the company.
  - viii. "Equity" shall mean 'liability free' equity shares (fully paid up), having voting rights, of the Company
  - ix. "Company" shall mean a start-up Company, having at least one Faculty member from MITAoE, in Executive or in Non-Executive Capacity in the company.
  - x. "Governance Committee" shall mean the committee comprising of Director/ Deputy Director of Corporate Relations, CEO, MITAoE EDF and few other senior faculty members who are conversant with the startup eco system. This committee will in general determine and update the incubation and pre incubation policies of MITAoE.

The "Governance committee" will be comprise of:

1. Director (**Chairman**)
  2. Deputy Director- C . R . (**Co- Chairman**)
  3. Convener of IIC (**Convener**)
  4. CEO of MITAoE EDF, Incubation Centre (**Advisory Member**)
  5. Alumni from startup ecosystem/ industryprofessional (**Advisory Member**)
- xi. "**Review Committee**" shall mean the **committee** comprising of Director/Deputy Director CEO- MITAoE EDF and few other senior faculty members who are conversant with the startup eco system. The review committee will evaluate the start-up proposals of faculty member and will recommend the following:
    - a) Proposals for commencing start-ups.
    - b) Incentivize faculty member and staff member in appropriate form as per the recommendations in startup policy.
    - c) To recommend Leaves such as sabbatical/ earned leave/ unpaid leave/ casual leave etc. for the purpose of commencing startups.
    - d) To take appropriate decisions on conflicts of interests between the faculty member & the institute.
    - e) Furthermore it will monitor the progress of startup twice in a financial year.

Preferably, the "Review committee" will be constituted as below:

1. Deputy Director, C.R. (**Chairman**)
2. Convener IIC (**Convener**)
3. Dean R&D or Students' Affairs (**Member**)
4. Domain expert - A faculty member at Professor/Associate ProfessorLevel of the concerned department (**Member**)



5. A faculty member who is also a member of IIC, MITAoE, (**Member**)
6. CEO of MITAoE EDF, Incubation Centre (**Advisory Member**)
7. Alumni from startup ecosystem/ industry professional (**Advisory Member**)

### **1. Types of companies encouraged by MITAoE**

- a. Companies jointly owned by the faculty members and/or graduating students/alumni and /or staff members along with possible others from MITAoE or outside MITAoE.
- b. Companies owned by the faculty members (one or many) along with possible others from MITAoE or outside MITAoE.

### **2. Companies eligible under this “Policy”:**

- a. Company that pursues businesses that are a direct result of the research and development activities of the faculty member of MITAoE. In such cases, the faculty member(s) and student(s), if applicable, will be known as a founding member(s)/ Promoter(s) in a Non-Executive position of the Company who do not draw any salary/ honorarium/ perks/ benefit from the company.
- b. Company promoted by student (s) in which a faculty member is in a role of guide/ mentor.

### **3. Companies not eligible under this Policy:**

- a. A faculty member cannot associate, either as a Promoter or in an “Executive Capacity” with: (i) Companies involved in Teaching and/or development of educational content. On the other hand, companies developing innovative technology platforms that facilitate delivery of content are permissible. (ii) Companies whose business will be to provide consultancy services. (iii) Such class of Companies that may be prescribed and notified by MITAoE, on time to time
- b. Provide consultancy to the Company in a non-executive capacity. MITAoE has existing rules for consultancy services, faculty will abide by them.
- c. Undertake projects from outside companies that could be executed at MITAoE. This falls under extant consultancy policy of MITAoE.

### **4. Role of Faculty**

The Faculty member has to take prior permission from the “Governance committee” of MITAoE by applying in the format prescribed by MITAoE before associating with

- a. Any business venture in any capacity
- b. Starting a new venture

It is expected that the faculty member would be a Promoter of such Companies and/or a Director on its Board or a guide/ mentor/ adviser, in a non-executive position. Faculty as a promoter, can sign an agreement with the start up to get remuneration in following format.



- 1% on the turnover up to Rs. 25 lac to MITAoE
- 2% on the turnover up to Rs. 1 Cr to MITAoE
- 5% on the turnover more than Rs. 1 Cr to MITAoE

MITAoE will pay 50% of the remuneration received to the concerned faculty. Such an arrangement should be in effect, at least for 5 years.

However no faculty or staff is allowed to be employed in the executive or managerial position in a startup while working in MITAOE nor draw any honorarium or perks or benefit.

#### **5. Usage of MITAOE Resources & Empowerment**

- a. The faculty member can take a sabbatical and/or Leave without pay/earned leave and work full-time for the Company in a non-Executive Capacity (COO, CEO, Vertical Head etc). Eligibility, duration and approvals of such leave are granted by "Governance committee" of MITAoE/MITAoE EDF, limited to not more than 3 months per year.
- b. Faculty member is allowed to use lab facilities of the MITAoE/ MITAoE EDF with prior permission from respective school Dean of the Department and the lab in-charge in pre-incubation period.
- c. The faculty member is allowed to use any other facilities of MITAoE on chargeable basis as per the existing rules of MITAoE
- d. The Company founded by faculty member is allowed to set up its office in the premises of MITAoE EDF and will have to pay rent, electricity & internet for office space, if provided, as per prevailing norms
- e. Faculty member is allowed to give internship to the MITAoE students in his/her startup in consultation with MITAoE EDF or Training and Placement cell of MITAoE. It will fall under regular internship program of MITAoE. Faculty member is not allowed to employ any student in any other capacity in his company.
- f. Faculty member is allowed to take support in terms of consultancy from other faculty members (other than assigned faculty mentor(s)) of MITAoE during and after the incubation period of the Company and it will be treated under MITAOE's extant consultancy norms.
- g. Faculty member will get maximum of 10 additional marks in the annual confidential report on attaching the review of his startup by "Review Committee" of MITAoE.
- h. Faculty member or staff working on any of the stage of startup and in any role is allowed to spend 1 day per week with the company while on duty.
- i. However, Faculty member or staff working on any of the stage of startup and in any role is not expected to compromise with their existing academic and administrative work/duties. Faculty member of MITAoE should take all possible steps to ensure that his/her duties and responsibilities as a member of MITAoE faculty, take precedence over all other activities regardless of the nature of his/her



- engagement with the Company.
- j. It is the responsibility of faculty member as well as the "Governance Committee" to clearly separate and distinguish on-going research at the institute from the work conducted at the startup/company and the research staff or other staff of MITAoE is not involved in activities at the startup and vice-versa.
  - k. MITAoE will not be responsible for or stand guarantee for any of the following issues arising out of functioning of any start up,
    - i. Any legal suits
    - ii. Financial liability
    - iii. Unauthorized use of software's

### **6. Intellectual Property Rights**

It has been explicitly mentioned in the preamble that faculty members can involve themselves in the business, whose business objectives can be fulfilled by the know-how and / or research and development activities of the faculty member of MITAoE.

- a. In the event the Company uses any "know-how" for business purpose, which has not been secured through any IP prospects, the Faculty member has to disclose the source and origin of such "Know-how" in the specified format for approval of the governance committee.
- b. In the event the faculty member(s) would want to use an existing Intellectual Property developed at MITAoE/ MITAoE EDF and protected by filing/grant of patent where MITAoE/ MITAoE EDF is an applicant & the Faculty member is an inventor, the Faculty member(s) may request for an exclusive license of the IP from the Institute to the Company, the grant of which may be guided by the policy stated below:
  - i. The faculty member would submit an application for the same to the office of Dean, Research & Development.
  - ii. Upon obtaining permission, the Company may initiate the process of getting the IPR licensed to it as per the existing IPR policy of MITAoE and MITAoE EDF.
  - iii. The exclusive license may be given to the company on a perpetual basis till the time the company is in the business and/or the IPR is within its protected period.
  - iv. In case the Company/ faculty member agrees to sublicense the "licensed IPR(s)" to any other entity, then the licensing revenue generated by the Company will be distributed among the inventors and MITAoE/MITAoE EDF, as per the IPR policy of the MITAoE/ MITAoE EDF. The share to be given to MITAOE can be 1% of the royalty upto 25 Lac; 2% of the royalty upto 1 Cr and 5% of the royalty more than 1 Cr.
  - v. In any case, MITAoE reserves the "First Right of Refusal" for any IPR generated in the Institute.



**7. Disclosure and Compliance**

- a. Financial and non-financial disclosure agreement will be signed as per the MITAoE / MITAoE EDF norms.
- b. A separate Conflict of Interest Disclosure Statement will have to be furnished every six months (April 30th and October 31st) by the Company.
- c. At all times, the faculty member(s) must ensure that the Company/ Companies he/ she is associated with is/ are compliant with all the norms of the Government of India. Non-compliance by the faculty member(s) shall have no bearing on MITAoE/ MITAoE EDF.
- d. Decision on outsourcing of full/ in part of Institute's projects to the Company would be taken on a case to case basis by the "Governance Committee" and in accordance with the guidelines provided by the project sponsor, if applicable.

**8. Funding for the Company**

- a. The company will have its own funding and accounting procedures in line with the prevailing statutory norms.
- b. In order to promote innovation and entrepreneurship MITAoE/ MITAoE EDF can propose some funding policy.



Annexure II

**Methodology**

For a faculty member to start a company, it will necessarily be required to be incubated in the Institute. However, in exceptional cases, the institute may allow a faculty member to open/ operate/ incubate the Company outside the institute if sufficient justification is provided. Such a permission is exclusively at the discretion of "Governance Committee"

The process of entering in to entrepreneurship will be as below:

- a. A faculty member will submit the duly filled application form for establishing a new company to the Director, MITAOE/ CEO- MITAoE EDF. This form needs to be forwarded through the School Dean, Dean R & D, Dean Faculty Affairs, "Review Committee".
- b. Once permitted, the faculty member may form a Company.
- c. For the incubation of the Company, evaluation will be as per the policy of the MITAoE's Incubator, MITAoE EDF.
- d. Upon approval, MITAoE and the Company may negotiate and enter into an agreement for financial consideration by the Company towards MITAoE which will consist of consideration via equity shares in the Company and/or a share in the revenue/turnover of the Company, as mentioned below:
  - i. Liability-Free fixed equity (Pari pasu) of upto 2% in the Company.
  - ii. MITAoE/ MITAoE EDF will reserve the right to liquidate any or all of the equity shares after seven years of formation of the Company while the Company will reserve the first right of refusal for purchase of the equity shares from MITAoE/ MITAoE EDF. OR
  - iii. A pre-determined, and agreed upon, share in the revenue, measured in terms of cost of units of product or services rendered by the Company, at fair market value on a given date. OR
  - iv. A pre-determined, and agreed upon, pay back in the form of percentage of turnover of the company OR
  - v. A combination of liability free equity in the Company and share in the revenue, measured in terms of cost of units of product or services rendered by the Company, at fair market value on a given date. OR
  - vi. A combination of liability free equity in the Company and pay back in the form of percentage of turnover of the company



- e. Exit: The Company shall work towards a plan that would give MITAoE/ MITAoE EDF an "Exit". It should be noted that this policy will cease to be in effect, once the "Exit", as defined below, takes place.
- Company raises investment at a valuation of INR 30 crores or more. This threshold value may be changed from time to time.
  - Seven years from the date of Incorporation of the Company and the Company has graduated from incubation, satisfying both conditions.
  - Whichever between (a) or (b) happens earlier. OR
  - The faculty member relinquishes executive position in the Company and/or ceases to be a Promoter of the Company

### Resolution of Conflicts

The situations in which the objectivity of a faculty member – due to his/her association with the Company could reasonably be questioned by the School Dean/ Head of the department to which faculty member/members report to,

- The Director of MITAoE/ MITAoE EDF may establish an independent committee to investigate the operation of the Company and possible conflict of interest between the functioning of the Company and the academic duties of the faculty member(s) associated with the Company.
- The faculty member may appeal to the Board of Governors of the institute or Board of Directors/Governors of MITAoE EDF for a review of the committee's decisions. The decision of the Board, in this regard, would be final.



Mr. Tukaram B. Sonawane

CEO, MITAoE Entrepreneurial Development Foundation



Dr. Abhijeet Malge

Dean, Research & Development



Prof. Usha Verma

Dean of Faculty & Staff Affairs



Dr. Shitalkumar Jain

Deputy Director, Corporate Relation



Dr. Sunita Barve

Deputy Director, Academic & Research



Dr. Nitin Rane

Deputy Director, Admin



Dr. Mahesh Goudar

Director, MIT Academy of Engineering



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