

Crescent Innovation & Incubation Council (CIIC)

Entrepreneurship ambit of BSAR Crescent Institute of Science & Technology (BSARCIST)

Faculty Entrepreneurship Policy

PREAMBLE

Faculty members at BSAR Crescent Institute of Science & Technology (BSARCIST) are continuously engaged in knowledge generation and dissemination. A large number of R&D activities are being carried out by faculty members and students in several cutting-edge science and technology areas. However, most of these research outcomes do not get translated into commercial products, benefiting the society in general, due to several reasons including lack of interest in the industry in commercializing new and futuristic technologies and restriction on the Institute's employees to start entrepreneurship. Towards this end, BSARCIST, in line with the best practices of other institutes of higher learning, encourages interested faculty members to incorporate companies to engage in the businesses, that are direct result of the research and development activities of the faculty member of BSARCIST, 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 Faculty Entrepreneurship Policy which in turn aligned with MHRD National Innovation and Startup Policy 2019 for Students and Faculty. It is expected that faculty members will make all efforts to balance their academic responsibilities while assuming the above role and will respect the adherence of this Policy.

ABBREVIATIONS

BSARCIST – BSAR Crescent Institute of Science & Technology

CIIC- Crescent Innovation & Incubation Council

FSGC – Faculty Startup governing Council

NCS- Non CIIC Startup

NISP – National Innovation & Startup Policy by Ministry of Education, Govt of India

1. KIND OF COMPANIES

BSARCIST encourages and prioritizes the Companies in the following order.

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

COMPANIES ELIGIBLE UNDER THIS “POLICY”

Such a Company must pursue businesses that are a direct result of the research and development activities of the faculty member of BSARCIST. 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.

COMPANIES NOT ELIGIBLE UNDER THIS POLICY

A faculty member cannot associate in an “Executive Capacity”, with:

- c. 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.

- d. Companies whose business will be to provide consultancy services.
- e. Such class of Companies that may be prescribed and notified by BSARCIST from time to time.

2. FACULTY STARTUP GOVERNING COUNCIL (FSGC)

CIIC will have a Faculty Startup Governing Council (FSGC). The FSGC constitutes of:

- a. Vice Chancellor, BSARCIST
- b. Registrar, BSARCIST
- c. Director, CIIC
- d. Advisor, CIIC
- e. CEO, CIIC

3. ROLE OF CIIC TO FACULTY STARTUP

Faculty startup will be eligible to all services and facilities mentioned under the CIIC Incubation Policy.

4. ROLE OF THE FACULTY MEMBER

- 4.1 For better coordination of the entrepreneurial activities, norms for faculty to do startups will be created by the FSGC. Only those technologies should be taken for faculty startups which originate from within BSARCIST.
- 4.2 Faculty will be permitted to involve with any startup, either on a full-or part-time basis as promoter/adviser/consultant/any other approved role. He/she will be permitted to use specified physical and/or intellectual resources (e.g., workshop equipment, laboratory instruments, computing resources, and assistance of staff/student) of BSARCIST/ CIIC as per its prevailing norms. Any such use of resources will be governed by an agreement, which will include the contents and implications of CIIC Incubation Policy.
- 4.3 Participation in start-up related activities as well as product development and commercialization needs to be considered as a legitimate activity of faculty in addition to teaching, R&D projects, industrial consultancy and management duties and must be considered while evaluating the annual performance of the faculty.
- 4.4 Faculty startup may consist of faculty members alone or with students or with faculty of other institutes or with alumni or with other entrepreneurs.
- 4.5 The seniority and other academic benefits during such period may be preserved for such staff or faculty.
- 4.6 Faculty must clearly separate and distinguish on-going research at the institute from the work conducted at the startup/ company.
- 4.7 Faculty must not accept gifts from the startup.
- 4.8 Human subject related research in startup should get clearance from ethics committee of the BSARCIST.

4.9 No restriction on shares that faculty / staff can take, as long as they do not spend more than 20% of office time on the startup as Mentor, advisory or consultative role and do not compromise with their existing academic and administrative work / duties.

4.10 If a faculty makes financial investments in an non-CIIC startup (NCS) without:

- making any other contribution in the form of technical/managerial consulting advice, or
- Any involvement of BSARCIST/ CIIC in the form of any commercial transactions of IP, or
- Any use of BSARCIST/ CIIC facilities

such investments will be treated as a private matter of the Faculty. FSGC will have no role to play in such instances. The Faculty should however declare this to FSGC in order to avoid any conflict of interest situation. If the NCS awards a consultancy project to the Faculty, the prevailing rules and regulations for consultancy projects will apply.

4.11 If, however, the Faculty, are provided shares in the company as compensation in part or full for technical/managerial consulting or for any support extended by Faculty, then FSGC may be considered to be involved in the incubation of the NCS. In such a case, the NCS may seek to be designated as a CIIC Startup.

4.12 Only a Start-up formally designated as a “CIIC Incubated Startup” by CIIC may publicize itself as such. All other Startups must desist from using the name or logo of CIIC in their publicity material in spite of any other form of engagement they may have with CIIC.

5. PRODUCT OWNERSHIP RIGHTS FOR TECHNOLOGIES DEVELOPED AT BSARCIST

5.1 When BSARCIST facilities / funds are used substantially or when IPR is developed as a part of curriculum/ academic activity, IPR is to be jointly owned by inventors and the BSARCIST. In case of Institute supported IPR, the Intellectual Property Policy may prevail over the Faculty Entrepreneurship Policy

5.2 BSARCIST may not be allowed to hold the equity as per the current statute, so CIIC may be requested to hold equity on their behalf.

5.3 FSGC will only be a coordinator and facilitator for providing services to faculty, staff and students on start-up & IPR related matters.

5.4 Interdisciplinary research and publication on startup and entrepreneurship should be promoted.

6. MODES OF FACULTY'S ENGAGEMENT WITH START-UPS (CIIC STARTUP OR NCS)

FSGC will negotiate with the Startup or NCS the amount of shares that the incubated company will allot to CIIC at par value in lieu of CIIC's Incubation and other services provided. This share will be first negotiated with the startup before CIIC acquires shares through faculty / staff /student involvement (as discussed below). CIIC total holding in a company at any time will not exceed 9.5% of the total allotted shares of the Start-up from all kinds of services provided, IP provided and the faculty-share (as discussed below).

(A) FACULTY / STAFF INVOLVEMENT

Capital Investment: Faculty / Staff may be involved in the Start-up by providing capital investment alone in return for shares, with no other managerial, technical or mentorship involvement whatsoever. All shares thus allotted can be retained by the concerned Faculty / Staff, and the transaction is treated as a purely private commercial transaction of no concern to the institute. The member must declare this to FSGC, so as to avoid conflict of interest situations.

Sabbatical / Extra Ordinary Leave (EOL): Faculty / Staff may avail of sabbatical / EOL as per the prevailing BSARCIST leave rules and may work full time for the CIIC Startup or NCS. If the compensation to the faculty / staff for this is through shares of the CIIC Startup or NCS in part or in full, in lieu of cash payment, the Faculty must declare the same to FSGC. No compensation is due to BSARCIST as long as the involvement of the Faculty, for which the compensation was paid, completely ceases after the leave period. Faculty must not involve himself / herself in any capacity as Founder, Co Founder & Shareholder with the CIIC Startup or NCS on re-joining BSARCIST after sabbatical / EOL. In case, he / she is involved as a mentor, consultant or any other form other than a shareholder after sabbatical / EOL, rules applicable will be same as that of part-time.

Part time: A Faculty / Staff member is allowed to participate in a Start-up on a part time basis as per BSARCIST consultancy norms with regard to the extent of time spent on such participation. If the compensation to the Faculty / Staff member is in cash, than BSARCIST norms for consultancy projects will be applicable for revenue share. If Faculty / Staff member are allocated shares of the Start-up company as compensation of services being provided to the company the Faculty / Staff member need to apply for approval for engagement with the Start-up, and the CIIC Startup or NCS must enter into an agreement with the FSGC. In such cases, up to 20% (faculty / staff will offer 20% of what they are offered and CIIC may choose to acquire less) of these shares as decided by the FSGC obtained shall be transferred to the CIIC, and the remaining to the Faculty / Staff. The total number of shares of the Start-up that CIIC Startup or NCS obtains from all BSARCIST faculty and staff members (as 20% shares)

7. SUPPORT FROM OTHER FACULTY MEMBERS

Support from other faculty members of the institute during and after the incubation period of the Company would be treated under the Institute's present Consultancy Policy norms (other than assigned faculty mentor(s)).

8. SUPPORT FROM STUDENTS

Any support received from students for the Company would be as per the existing guidelines of the Institute.

9. DISCLOSURE AND COMPLIANCE

Financial and non-financial disclosure agreement will be signed as per the existing CIIC incubation policy. Also, a separate Conflict of Interest Disclosure Statement will have to be furnished every six months by the Company. 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 Incubator.

10. FUNDING FOR THE COMPANY

The Company will have its own funding and accounting procedures in line with the prevailing statutory norms.

11. INCUBATION PROCESS WITH CIIC

A Company will necessarily be required to be incubated in the CIIC. The process of incubation & entrepreneurship will be as below:

- a. A faculty member may approach the FSGC even before the formation of a Company for an in-principle approval for incubation of the Company.
- b. Once permitted by the FSGC, the faculty member may form a Company as Promoters, Founder or Co Founder.
- c. A faculty member will submit the duly filled Incubation Application Form to FSGC to Incubate their company in CIIC.
- d. For the incubation of the Company, evaluation will be as per the policy of the CIIC.
- e. Upon approval, CIIC will provide incubation services as per applicable package GIP – A, GIP – B and GIP-C. In lieu of providing these services CIIC and the Company would enter into an agreement for equity shares in the Company
 - CIIC will take liability free non dilutable equity of upto 9.5% equity/ stake in the faculty start up /company. CIIC will reserve the right to liquidate any or all of the equity shares within seven

years of allocation of shares of the Company. The Founder / promoters of the Company will reserve the first right of refusal for purchase of the equity shares from CIIC.

- CIIC will charge faculty start-up/ company for use of equipment as applicable in packages (GIP-A, GIP-B, GIP-C) mentioned in the CIIC Incubation Policy

12. Exit:

The company would facilitate sale of CIIC equity share in the company, either by purchase by existing or new shareholder, or buy back by promoters, or through IPO. The share sale would be within a period of 7 years from the time CIIC is allocated shares in the company.

13. Resolution of Conflicts

In situations in which the objectivity of a faculty member – due to his/her association with the Company - could reasonably be questioned, the FSGC will investigate the operation and the possible conflict of interest between the functioning of the Company and the academic duties of the faculty member(s) associated with the Company. The decision of FSGC, in this regard, would be final.

References:

- *MHRD National Innovation and Startup Policy 2019 for Students and Faculty*
- *IIT-Madras Faculty Policy*
- *IIT- Kanpur Faculty Policy*

Process Flow

