

Startup

Year: 2024

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Startup Policy

(In accordance with the guiding framework of *MHRD* National Innovation and Startup Policy 2019 & AICTE for students and faculty)



JSS Mahavidyapeetha
JSS Science and Technology University
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The Startup Policy 2024 for students and faculty of JSS Science and Technology University (JSS STU) is a guiding framework to actively engage students, faculties and staff in innovation and entrepreneurship related activities.

Preamble:

'National Innovation and Start-up Policy 2019 for students and faculty in HEIs was launched on 11th September 2019 at AICTE, New Delhi to address the need of inculcation of innovation and entrepreneurial culture in higher education institutions (HEIs). The policy primarily focused on guiding the Higher Education institutions in implementing 'Start-up Action Plan' of the Government of India. Subsequent to release of the start-up policy and further interaction & feedback received from education institutions, a need was felt for a more elaborate and comprehensive policy guiding document, which could be applicable for all the HEIs in India. This guiding framework to envision an educational system oriented toward start-ups and entrepreneurship opportunities for students and faculties. The guidelines provide ways for creating entrepreneurial ecosystem for nurturing the innovation and Start-up culture in HEIs which covered Intellectual Property ownership, revenue sharing mechanisms, norms for technology transfer and commercialization, equity sharing, etc..

About JSS Science and Technology University:

JSS Science and Technology University (JSS STU) is built on a strong reputation of Sri Jayachamarajendra College of Engineering, Mysuru, and passionately committed for providing education in Science, Technology, Engineering & Mathematics (STEM) and Management. It is Steadfast to find solutions to some of the great challenges of our time through scientific research and technological innovations. JSS STU is the second University established by JSS Mahavidyapeetha, besides the JSS Academy of Higher Education and Research a

health sciences focused deemed university at Mysuru. JSS STU plays a key role in providing high quality skilled manpower in the fields of Science, Engineering & Technology and Management to transform the society through research and innovation. JSS STU is committed to deliver quality education at all levels and provide opportunities for aspiring youth to meet the global needs of society in every sector.

Glossary

Startup: 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.

Angel Fund: An angel investor is a wealthy individual who invests his or her personal capital and shares experiences, contacts, and mentors (as possible and required by the startup in exchange for equity in that startup). Angels are usually accredited investors. Since their funds are involved, they are equally desirous in making the startup successful.

Compulsory Equity: An equity share, commonly referred to as ordinary share also, represents the form of fractional or part ownership in which a shareholder, as a fractional owner, undertakes the maximum entrepreneurial risk associated with a business venture. The holders of such shares are members of the company and have voting rights

Cross-disciplinary: Cross-disciplinary practices refer to teaching, learning, and scholarship activities that cut across disciplinary boundaries.

Entrepreneurial culture: A culture/ society that enhance the exhibition of the attributes, values, beliefs and behaviors that are related to entrepreneurs.

Entrepreneurial Individuals: An Individual who has an entrepreneurial mindset 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.

Hackathon: A hackathon is a design sprint-like event in which computer programmers and others involved in software development, including graphic designers, interface designers, project managers, and others, often including domain experts, collaborate intensively on software projects.

Host Institution: Host institutions refer to well-known technology, management and R&D institutions working for developing startups and contributing towards developing a favorable entrepreneurial ecosystem.

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.

Intellectual Property Rights Licensing: A licensing is a partnership between an intellectual property rights owner and another who is authorized to use such rights (licensee) in exchange for an agreed payment (fee or royalty).

Knowledge Exchange: Knowledge exchange is a process which brings together academic staff, users of research and wider groups and communities to exchange ideas, evidence and expertise.

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 then 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 startup company in exchange for an equity stake in the company.

Technology commercialization: Technology commercialization is the process of transitioning technologies from the research lab to the marketplace. Technology licensing Agreement whereby an owner of a technological intellectual property (the licensor) allows another party (the licensee) to use, modify, and/or resell that property in exchange for a compensation.

Technology management: Technology management is the integrated planning, design, optimization, operation and control of technological products, processes and services.

Venture Capital: It is the most well-known form of start up funding. Venture Capitalists (VCs) typically reserve additional capital for follow-up investment rounds. Another huge value that VCs provide is access to their networks for employees or clients for products or services of the startup.

Strategies and Governance:

- The University encourages faculty, staff, students and Alumni with innovative ideas to explore possibilities of being involved in Startups and Companies in their areas of expertise as Founders or Co-Founders, Promoters, Mentors, Consultants.
- To facilitate this JSSSTU created the facilities for supporting pre-incubation (e.g. IICs as per the guidelines by MHRD's Innovation Cell, EDC, IEDC, New-Gen IEDC, Innovation Cell, Startup Cell, Student Clubs, etc.) and Incubation/ acceleration by mobilizing resources from internal and external sources.
- Through these facilities JSSSTU shall organize programmes like hackathons, mentorship, motivational and entrepreneurship guidance programmes.
- The faculty, staff, students or Alumni may be associated with another existing company or Startup to introduce a new innovation/product developed within university or by another institution. This could be in the role of a mentor or consultant following the University policy on consultancy.
- The University will provide pre-incubation and incubation facilities considering infrastructure, equipment's and expertise available in the University.
- The university will make efforts to provide mentorship support to the prospective entrepreneurial faculty/staff/students and help to secure (a) incubator support within the University (b) support to develop business plan, evaluation of financial viability and funding support through various public and private sources depending on market situation (c) support and mentor Startups in securing support from various sources like DBT BIRAC,

DST, TDB, Startup India, K-Tech, seed funding from Atal Innovation Centers or other government sources (d) provide partial funding support to Startups through extramural or intermural sources after evaluating the commercial viability of the Startup proposal. The intramural funding will be either in form of seed funds or soft loan, which will be decided by the university after evaluation of the financial viability by a committee constituted for the purpose.

- The University would consider participation of faculty/staff in Startup related activities as legitimate activity in addition to teaching, research, consultancy and other institute related activities and due credit will be given to faculty for Startup related activity while evaluating their annual performance.
- The university may recognize successful faculty/staff, Alumni or students through institution of awards.

Institutional Infrastructure

- The university has created a facility for supporting pre-incubation and Incubation/ acceleration for mobilizing resources from internal and external sources.
- This Pre-Incubation/Incubation facility will be accessible 24x7 to students, staff and faculty of all disciplines and departments.
- The university may offer mentoring and other relevant services through Pre-incubation/Incubation units in-return for fees, equity sharing and (or) zero payment basis.

Nurturing Innovations and Startups

- The university shall establish processes and mechanisms for easy creation and nurturing of Start ups/enterprises for students (UG, PG, Ph.D.), staff (including temporary or project staff), faculty, alumni and potential start up applicants even from outside the institutions.
- Students who are under incubation but are pursuing some entrepreneurial ventures while studying shall be allowed to use their address in the institute to register their company with due permission from the institution.
- Students' entrepreneurs are allowed to sit for the examination, even if their attendance is less than the minimum permissible percentage, with due permission from the University.
- The university shall allow the students to take a semester/year break (or even more depending upon the decision of review committee constituted by the University to work on their start ups and re-join academics to complete the course. Student entrepreneurs may earn academic credits for their efforts while creating an enterprise. The university shall set up a review committee for review of start up by students, and based on the progress made, it may consider giving appropriate credits for academics.
- The university shall allow faculty and staff to take off for a semester / year (or even more depending upon the decision of review committee constituted by the University) as sabbatical/ unpaid leave/ casual leave/ earned leave for working on startups and come back. The university shall consider allowing use of its resources to faculty/students/staff wishing to establish start up as a fulltime effort. The seniority and other academic benefits during such period may be preserved for such staff or faculty.
- Proposal to start a part-time/full time MS/ MBA/ PGDM (Innovation, entrepreneurship and venture development) program where one can get degree while incubating and nurturing a startup company.

- Institute shall facilitate the startup activities/ technology development by allowing students/ faculty/ staff to use institute infrastructure and facilities, as per the choice of the potential entrepreneur.
- In return of the services and facilities, the university may take 2% to 9.5% equity/ stake in the startup/ company, based on brand used, faculty contribution, support provided and use of university IPR (a limit of 9.5% is suggested so that institute has no legal liability arising out of startup. The institute should normally take much lower equity share, unless its full-time faculty/ staff have substantial shares). Other factors for consideration should be space, infrastructure, mentorship support, seedfunds, support for accounts, legal, patents etc.

Technology and IPR

- Cutting edge research that leads to businesses need to be undertaken in the University and Intellectual Property Right Protection of the research findings or innovative ideas shall be as per the University Policy on IPR.
- In case the faculty or staffs want to transfer technology to another Startup or Company, this should be done in accordance with University Policy on Technology Transfer. Revenue sharing between inventor and University shall be in the proportion of 70:30 to encourage faculty to innovate and transfer technology.
- In case the Startup would be based on an IPR in which, the concerned faculty/staff is the inventor or co-inventor, a request for exclusive license to the Startup with the inventor as Founder or Co-Founder may be made. The exclusive license may be given for the period Startup/Company is in business and/or the IPR is within the protected period. In such cases, license

may be provided waiving license fee or royalty to reduce early stage financial burden to the Startup.

- In case the Startup/Company wants to sub-license the IPR to another business, this has to be done with prior permission of the University and the revenue sharing arrangement between the Startup/Company and University shall be in the proportion of 70:30 recognizing the role of faculty in developing the technology.

Financial and Regulatory Issues:

- Financial and non-financial disclosure agreement shall have to be signed by the Startup/Company as per the University norms.
- When Startups and Companies receive funds from the University or other sources, they should adhere to the terms of funding and should be inculcated with financial culture.
- The university shall not hold any responsibility on the financial commitments such as loans of the Startups.
- It is the prime responsibility of the faculty/staff member to ensure that the Startup/Company is compliant of all the legal and regulatory requirements of the government at all times. The university shall not have any responsibility for non-compliance of any sort all times.

- In case any situation related to conflict of interest or questions regarding the objectivity of the faculty member/staff arises, the Institute/University may appoint an independent Committee to investigate the operation of the Startup/Company and possible conflict of interest between the functioning of the Startup/Company and academic/official duties of the concerned faculty member/staff. The Chairman of the Committee shall make communicate the decision of the Committee to the University. The concerned faculty member/staff may appeal against the decision of the Committee to the Vice Chancellor, whose decision shall be final.

Whereas with regard to Collaboration, Co-creation, Business Relationships and Knowledge Exchange, Entrepreneurial Impact Assessment, Norms for Faculty Startups, declarations proformas and all the other conditions stipulated in National Innovation and Startup Policy 2019 shall be applicable to JSSSTU Innovation and Startups.