

Indian Institute of Technology Mandi



Innovation and Entrepreneurship (IEP) Policy

Preamble

Incubation center(s) under IIT Mandi aims to incubate entrepreneurs working on technology based innovations focuses on economic and/or social impact. Incubation center(s) specially focus on technology based solutions for problems in Himalayan region. In addition to others, Incubation center(s) under IIT Mandi help the budding entrepreneurs to survive by providing them with specialized support services such as mentoring, infrastructural & technical support, networking and financial support during the critical period of a business venture i.e., the Startup phase that helps them to refine their business ideas, create prototypes, test for market potential and commercialize the same.

Faculty members at IIT Mandi are continuously engaged in knowledge generation and dissemination. A large number of R&D activities are being carried out by faculty members in several technological areas. However, most of these research outcomes do not get translated into commercial products, benefiting the society in general, due to several reasons including hand holding support required for setting up a new enterprise, proper facilitation of intellectual property protection and lack of interest/ inertia in the industry in commercializing new and futuristic technologies. Towards this end, IIT Mandi incubation center(s) encourages interested faculty members in having their own Startup or to be a direct stakeholder in any of the technology based enterprises. It is expected that faculty members will make all efforts to balance their academic responsibilities while assuming the above role.

This innovation and entrepreneurship (IEP) policy is aimed at formulating suitable procedures to enable faculty, staff, students, alumni and others associated with IIT Mandi to enter into technology based entrepreneurship, and avail any available incubation facilities within/ outside the Institute for the purpose of setting up of new Startups in different forms as specified in the policy. It is expected that the faculty members of this Institute would be directly or indirectly involved in the development, modification, augmentation and standardization of such technologies to be used in the new Startups.

1. Objectives

Faculty, staff, students, alumni and others associated with IIT Mandi are continuously engaged in knowledge generation and dissemination. A large number of design and innovation activities are being carried out by them in several cutting edge science and technology areas. However, many of these research outcomes do not get translated into commercial products or technologies, that could benefit the society in general. For this purpose, IIT Mandi intends to promote business incubation by encouraging entrepreneurship among the faculty, staff, students, alumni and others associated with IIT Mandi by initiating the following activities:

- 1.1. Incubation of companies/Startups by IIT Mandi with active support by its faculty, staff, students, alumni and others associated with the Institute
- 1.2. Establishment of companies based in part or in full on technologies/IP developed by the Institute or jointly in collaborative mode
- 1.3. Incubation support to external Startups with which faculty, staff, students, alumni and others may be associated as consultants or mentors or full time/part time employee or founder; and also allow these external Startups to license technology/IP developed by IIT Mandi for commercialization
- 1.4. While encouraging interested members to scale their R&D to products and technologies by incubating companies or participating in existing companies to achieve the objectives of this policy, it is expected that members shall do so without detriment to their core academic responsibilities at IIT Mandi

2. Definitions

2.1. IIT Mandi Member(s) (henceforth called Member): Refers to any faculty and staff (appointed on permanent/contract basis while on duty or on short/long leave), students, alumni and others associated with IIT Mandi participating in the activities defined above.

2.2. Incubator: Refers to an incubation center on campus founded/promoted by IIT Mandi for the primary purpose of promoting and fostering business ventures by IIT Mandi members and non-members.

2.3. Startup: Refers to any of the following two:

2.3.1. Member Startup: Refers to an individual or team, registered or unregistered, promoted and /or invested in by member(s) singly or jointly, intending to apply for support program of an Incubator.

2.3.2. External Startup: Refers to an individual or team, registered or unregistered, promoted and /or invested in individuals/groups from outside IIT Mandi that is admitted or in process of admission to the support program at an Incubator.

3. Priority to Startups

IIT Mandi, through its Incubator(s), will provide pre-incubation and incubation support to Startups in the order of priority as given below:

1st priority: Member Startups

2nd priority: External Startups

4. Support to Startups and Innovation Activities

Incubator(s) shall carry out, on behalf of IIT Mandi, all dealings with a Startup and lay out eligibilities, criteria and application/selection procedures, program design/delivery, and other procedures/rules, etc., from time to time, to facilitate required support which may include:

- (1) Advice pertaining to legal and commercial IPR transactions
- (2) Permission for use of allocated office and operational space
- (3) Permission to use equipment, laboratories and facilities. If a company is owned or co-owned by member(s), its use of laboratory and Institute facilities will be subject to availability. However, in this regard the priority will always be given to academic programs of the Institute.
- (4) Networking and logistics support
- (5) Business management advice/mentoring
- (6) Seed fund, where and when possible
- (7) Permission to use branding in the form of 'Incubated by IIT Mandi Incubator(s)'

In addition, as per the Government of India (NISP 2019) mandate, the Institute will allocate at least 1% of its overall budget towards innovation and entrepreneurial activities every financial year.

5. Involvement of Faculty and Staff Members

A member, who is a faculty or staff at IIT Mandi may get involved in a Startup through different modes. **Annexure I and II** provide an overview of modes of engagement and application process flow. Following are the related details.

5.1. Participation through Capital Investment only:

A member may be involved through capital investment alone in return for shares, with no other managerial, technical or mentorship involvement whatsoever. All the shares thus allotted can be retained by the concerned member, and the transaction is treated as a purely private commercial transaction of the member with no concern to the IIT Mandi or Incubator(s). However, the member must declare this to IIT Mandi vide **Annexure III** and also state any conflict of interest.

5.2. Full Time Participation:

5.2.1. Mode of engagement:

A member may participate on full time basis in a Startup in capacity as a founder, director, consultant, advisor, employee, or any other position approved from time to time, for a mode of compensation that may involve cash, kind or shares (partially or fully). The member must inform IIT Mandi about nature of engagement and the mode of compensation vide **Annexure IV** and take due approval.

5.2.2. Provision for leave:

The period of leave will be governed by the leave rules of the Institute and specific conditions decided by the competent authority about full time engagement of the employee.

5.3. Part-Time Participation:

5.3.1. Mode of engagement:

A member may participate on part time basis in a Startup in capacity as a non-executive founder/director, part-time consultant, part-time advisor, or any other role as approved from time to time, for a compensation in cash or kind or shares. The member must inform IIT Mandi about nature of engagement and the mode of compensation vide **Annexure IV** and take due approval.

5.3.2. Rules and Norms:

IIT Mandi consultancy norms will be applicable in cases where the member receives any compensation through this engagement. The member may spend their time for part time participation in a Startup only on weekends and holidays or leaves availed with the prior approval. The member should ensure that such an engagement does not affect the responsibilities of teaching, research and other duties assigned by the Institute. The member may spend no more than 20% of their office time for their Startup or entrepreneurial activities. A prior approval must be taken in this regard. In addition, the member must not involve research staff or Institute staff or other staff in the activities at Startup and vice-versa.

5.4. Participation through Project from Startup:

A member may undertake project(s) from the Startup that could be conducted at the Institute following the prevailing Institute norms of research or consultancy projects.

6. Involvement of Students and Others Associated with IIT Mandi

6.1. Participation through Capital Investment only:

A member may be involved through capital investment alone in return for shares, with no other managerial, technical or mentorship involvement whatsoever. All the shares thus allotted can be retained by the concerned member, and the transaction is treated as a purely private commercial transaction of the member with no concern to the IIT Mandi or Incubator(s). However, the member must declare this to IIT Mandi vide **Annexure III** and also state any conflict of interest.

6.2. Full Time Participation:

- (1) A member may seek permission from IIT Mandi and the period of leave will be governed under the leave rules of the Institute applicable for the research scholars and students and any other specific conditions decided by the competent authority about the full time engagements of the research scholars and students.
- (2) The member must inform IIT Mandi about nature of engagement and the mode of compensation vide **Annexure V** and take due approval.
- (3) In case of a member on fellowship sponsored by an external agency, the rules of such agency will apply with respect to extension of fellowship, leave allowed, and related matters.

(4) A member can earn credits by working as entrepreneur or establishing a Startup during their period of enrolment with the Institute.

(5) A member, who are under incubation and perusing some entrepreneurial venture while studying may use their address in the Institute to register their company with due permission from the competent authority in the Institute.

(6) A member may be granted permission to appear in exam with less attendance if the member is actively engaged in his own Startup or entrepreneurial venture. Approval for the same must requested be requested or taken from the competent authority.

(7) A member can go for semester (or more) break for perusing entrepreneurial venture subject to provisions in the Ordinance and Regulations of the Institute. This would require the approval of the competent authority.

6.3. Part-Time Participation:

(1) The member may seek permission from IIT Mandi to engage on a part-time basis and IIT Mandi may accord sanction following the norms during a semester and also, in the vacation period. If the member is compensated by the Startup in the form of cash and/or shares, consultancy norms of IIT Mandi will apply.

(2) The member may assume solely a non-executive role if he/she is engaged part-time with the Startup. The engagement will start after obtaining permission from IIT Mandi and sanction of appropriate type of leave, if necessary.

(3) The member shall be permitted to involve with a Startup as promoter, advisor, consultant or any other approved role.

(4) The member may be permitted to use specified physical and/or intellectual resources (e.g., workshop equipment, laboratory instruments, computing resources, and other resources) of IIT Mandi following the prevailing norms of the Institute. Any such use of IIT Mandi resources shall be governed by an agreement with a Startup and it shall contain the contents and implications of the applicable policies at IIT Mandi.

(5) Where a Startup awards a consultancy project to a member, the prevailing rules and regulations of IIT Mandi for consultancy projects shall apply.

(6) The member must inform IIT Mandi about nature of engagement and the mode of compensation vide **Annexure V** and take due approval.

7. Incubating Outside IIT Mandi Ecosystem

A company owned or co-owned by the member(s) will normally be required to incubate at the Institute. However, in the exceptional cases, where the member(s) wants to incubate outside the Institute, a sufficient justification has to be provided and the request has to be recommended by Dean SRIC and Dean Faculty for the approval of the Director of IIT Mandi, subject to the provision in service rules.

8. Intellectual Property Matters

IIT Mandi Intellectual Property Rights (IPR) policy in force, from time to time, shall serve as reference in cases where IP related matters are involved.

9. Revenue Sharing Model

The following revenue sharing model will be applicable for all cases.

- Equity stakes to IIT Mandi will be up to 10% and will be governed by an agreement between the Startup and IIT Mandi.
- Equity stakes to Incubator will be as per the Incubator policy and will be governed by another agreement between the Startup and the Incubator.

If the funding agency has specified any particular norms, the norms of the funding agency will supersede the above mentioned revenue sharing model.

10. Application Process

(1) A member may apply for the selection process for the support program to the Incubator by submitting an application after obtaining the approval of the competent authorities.

- The competent authorities include School Chair, Dean Faculty and Dean SRIC in the case of faculty members.
- The competent authorities include Section Head, Registrar and Dean SRIC in the case of staff members.
- The competent authorities include Faculty Advisor/Research Guide, School Chair, Dean Academics and Dean SRIC in the case of students and others.

Applications submitted by internal members (IIT Mandi faculty, students, staff and others associated with the Institute) without prior approval of competent authorities will be not be

considered. External members may follow the necessary process of their organization and submit the application after obtaining NoC/ approval from their organization.

(2) Incubator will follow a defined process of selection of the Startups based on their policies and provide recommendations on the selection to Dean SRIC for approval.

(3) Incubator, upon receiving an approval, may admit the Startup to support programs. The Member(s), at this stage, will be authorized to perform necessary actions for support program including registration of the Company, funds raising, team development, product/services development, consulting, market research and development, etc.

(4) In case any member leaves the Institute due to any reason, his/her engagement permitted through the Institute with the Startup will be revoked from the date of leaving Institute. However, member may make an appeal to the Director of the Institute for reconsideration of the matter. The decision of the Director will be final.

11. Conflict of Interest

(1) The request for engagement may be submitted well in time (preferably three months in advance) through proper channel for the approval of the appropriate authorities.

(2) It is essential that the member must avoid any conflict of interest between their roles in IIT Mandi and in the Startup in any circumstances including the following:

(a) if there are IIT Mandi resources in their control, which are also sought by the Startup

(b) if member is developing IPR in a research activity/project in IIT Mandi that is closely related to the IPR that the member may be developing when on leave and working in the Startup

(c) when the relative shareholding of the member and the concerned Incubator is sought to be changed by infusion of fresh capital in the Startup by the member

(d) when shares are allotted by a Startup to an immediate relative (as it can include sibling, in-laws, etc.) of a member who is involved with the Startup

(3) IIT Mandi or concerned Incubator shall determine the potential areas/activities where there is conflict of interest in the case of each member who applies for approval to engage with the Startup, and arrive at an agreed upon methodology for ensuring transparency in decision-making in respect of these activities/areas.

(4) IIT Mandi or concerned Incubator may, if it chooses to, set up an overview committee of faculty/staff for specific cases to ensure that conflicts of interest do not arise.

(5) IIT Mandi or concerned Incubator may also require the member to declare their financial interests, and those of their close relatives, in the Startup, at the time of engagement, as well as whenever a change in such interests takes place due to additional investment in the Startup, or payment/share allotment by the Startup.

(6) A member involved with a Startup must file a declaration periodically with the Incubator irrespective of whether there is a change in their financial interests in the Startup or not. The required periodicity shall be determined by the concerned Incubator.

(7) The Incubator reserves the right to obtain a third-party evaluation of the value of the Startup's shares before a member or their close relative(s) makes additional investments in the Startup. Such an evaluation will be carried out in a reasonable timeframe.

12. Protection of the fair name of IIT Mandi

(1) When a Startup is formally designated as an Incubated Startup, it is permitted to advertise itself as such wherever such advertisement is appropriate. All other Startups shall desist from using the name or logo of IIT Mandi in their publicity material in spite of any other form of engagement they may have with IIT Mandi.

(2) In view of the risk to the fair name of IIT Mandi that may arise in case the Startup so designated indulges in improper conduct or dealings, and in order to protect itself from such risks, IIT Mandi, through concerned Incubator, may seek a seat on the Board of Directors or Governors or Observer on such boards of the Startup, without liability, in order to ensure transparency in all its dealings.

(3) IIT Mandi may seek access to the unaudited and audited financial statements of the Startup. In certain cases, the Incubator may even seek visibility on payments above a specified value made by the Startup before such payments are made. All such requirements will be specified in the agreement that will be entered into by an Incubator with the Startup.

13. Impact Assessment

Institute, through its Director, shall constitute an impact assessment committee to access overall impact the innovation and entrepreneurship activities of the Institute. This committee shall record key performance indicators (KPI) to access the impacts. KPI can be based on following counts (but not limited to):

(1) Number of Startups created

- (2) Number of IPR generated and commercialized
- (3) Number of entrepreneurial and innovation-based engagements by other higher education institutions (HEI) and/or Industry and its comparison with Institute's numbers
- (4) Sociological impact due to entrepreneurial culture in the Institute
- (5) Long run commercial success (to be assessed as long-term goal only)
- (6) Engaging the Institute's intellectual and non-intellectual resources to promote innovation and entrepreneurship

14. Termination of Support

IIT Mandi or concerned Incubator reserves the right to terminate its support to any Startup that it engages with, following a due process of notice with or without assigning any reason. This may involve withdrawal of access to IIT Mandi's facilities, and/or withdrawal of permission to member to engage further with a Startup in any manner, though the member, Institute and the Incubator shall continue to hold the shares they already possess in the Startup. It may also involve withdrawal of the status as the incubated Startup and from such point the Startup will be required to desist from advertising itself as incubated Startup. Should the need arise, the Institute and the Incubator may also seek modifications to the agreement signed with the Startup through an amendment, in order to protect their fair name and interests.

15. Resolution of Conflicts

(1) If any conflict arises between the Institute/Incubator and the Startup regarding any breach of contract or the conduct of the member(s) involved, the matter will be referred to Dean SRIC. Dean SRIC may establish an independent committee to recommend steps for the resolution of the conflict within the framework of policies and the rules of IIT Mandi. Dean SRIC may approve the recommendations for implementation.

(2) If a member is aggrieved by the decisions based on the recommendations of the committee (in above points), he/she may appeal to the Director of the Institute for reconsideration of decision. The verdict of Director shall be final and binding in this regard.

Any minor operational changes in this policy can be made with the approval of the Director, based on the requirements, upon the recommendation of Dean SRIC.

References:

- Faculty Entrepreneurship Policy, IIT Roorkee
- Incubator Policy and Procedures, IIT Kanpur
- Faculty Entrepreneurship Policy, IIT Kanpur
- Policy and Procedures for Business Incubator, IIT Bombay
- Business Incubation Policy, IIT Madras
- National Innovation and Startup Policy (NISP) 2019

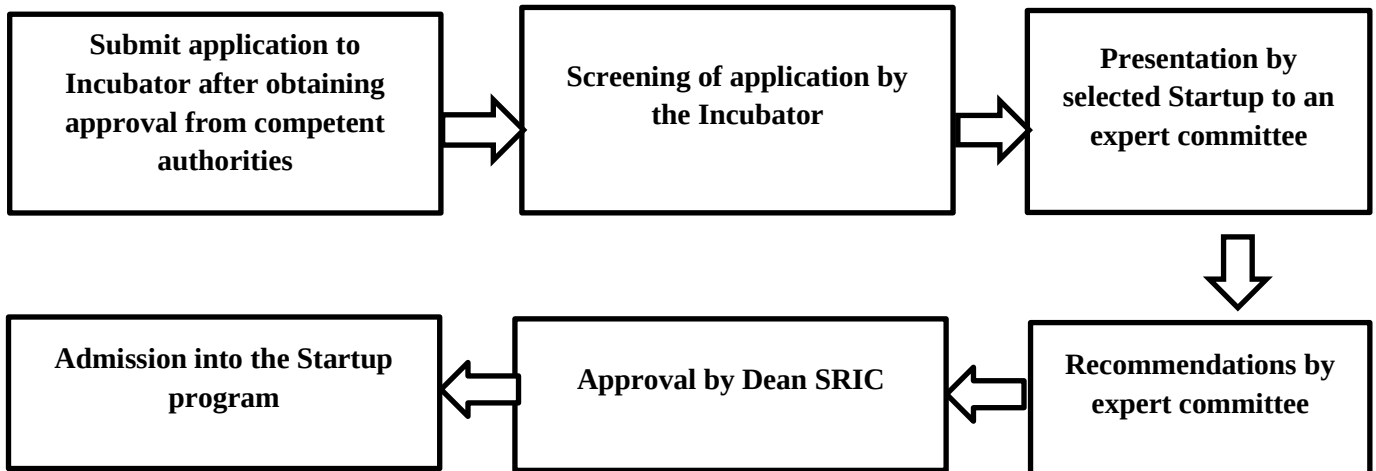
Enclosures:

Relevant templates are included as Annexures. These annexures may be revised periodically depending upon the requirements with the approval of Dean SRIC.

Annexure I: Overview of Modes of Engagement

	Capital Investment in Startup	Full time engagement with Startup	Part-time engagement with Startup
Role and Compensation	No managerial, technical or mentorship involvement whatsoever The transaction is treated as a purely private commercial transaction	Participate on full time basis in a Startup in capacity of a founder, director, consultant, advisor or employee. Mode of compensation may involve cash, kind or shares	Participate in capacity of a non-executive founder/ director, part-time consultant, part-time advisor Mode of compensation may involve cash or kind or shares
Time Commitment	No time commitment	Spend full time after taking appropriate leave as per norms	Spend time (up to 20%) without compromising the regular academic duties
Application Procedure	Member must declare this to IIT Mandi vide appropriate Annexure form	Inform IIT Mandi about nature of engagement and the mode of compensation via appropriate annexure form and take due approval	Inform IIT Mandi about nature of engagement and the mode of compensation via appropriate annexure form and take due approval SRIC consultancy norms will be applicable if the member receives any compensation

Annexure II: Application and Approval Process



Annexure III [For All Members]

Template for full disclosure on Investment/Shareholding in a Startup

(To be submitted to relevant Incubator through proper channel)

A) Basic Information:

1. Name:

2. Designation at IIT Mandi:

3. School/Section:

4. Employee No./Roll no:

5. Other relevant information that will have a bearing due to your engagement with the Startup (List out any areas of conflict of interest):

B) Startup Information:

1) Name of the Startup:

- 2) Nature of Startup: Team / Partnership / Incorporated Company / Other:

--

- 3) If registered, kindly provide details of registered office address and year of incorporation:

--

- 4) Names and details of founders of Startup:

S.No	Name	Current Designation, Organization	Association with Startup [Full time / Part - Time]

- 5) State briefly the business of Startup (product/service/target market):

--

C) Your Role in Startup:

1. Your designation in Startup:

--

2. Your investment in Startup:

a.	Have you invested any money in the Startup? If yes, mention the amount	
b.	Do you hold shares/profit sharing position in the Startup? If yes, share details:	

3. Are you, in this Startup, planning to use knowledge technology/intellectual property developed at IIT Mandi? If yes, give details:

--

Declaration: I will adhere to the norms of the Institute and rules and restrictions as laid down in in the IIT Mandi Innovation and Entrepreneurship Policy. These would include but not limited to leave/consultancy rules and terms of employment in the Institute.

The activities of the Startup are not in conflict with the interest of the Institute and my participation in the company will not be in conflict of my assigned duties and responsibilities of the Institute.

Signature and date:

Name of IIT Mandi Member:

Recommendation Authorities			Approval Authorities		
	Name & Designation	Signature		Name & Designation	Signature
1			1.		

2.			2.		
3.			3.		

Annexure IV [For Faculty & Staff, including Project Staff]

Application Form for Faculty and Staff for Full time or Part time engagement in a Startup

(Separate form for each member)

A) Basic Information:

1. Name:

--

2. Designation at IIT Mandi:

--

3. School:

--

4. Employee No./Roll no:

--

5. Academic Load on the Applicant (Faculty & staff for Full time or Part time engagement in a Startup) :

a.	No of Research Students	
b.	No of Research Projects	
c.	No. of consultancy projects	
d.	Administrative Responsibilities (Details)	
e.	Other responsibilities (if any)	

6. Other relevant academic/administrative roles that will have a bearing due to your engagement in incubation program:

B) Startup Information:

1. Name of the Startup:

2. Nature of Startup: Team / Partnership / Incorporated Company / Other:

3. If registered, kindly provide details of registered office address and year of incorporation:

4. Names and details of founders of Startup:

S. No	Name	Current Designation at IIT Mandi	Association with Startup [Full time / Part - Time]

--	--	--	--

5. State briefly the business of Startup (product/service/target market):

--

C) Your Role in Startup:

6. Your designation in Startup:

--

7. Your role in Startup:

a.	Executive: Full time engagement. This will require you to take leave from IIT Mandi	[]
b.	Non Executive: Advisory role that does not require significant amount of time commitment	[]
	i. Approx no of hours you intend to spend on Startup advisory per week:	

	ii. Briefly summarize the activities you plan to carry out in the Enterprise:	
c.	Have you invested any money in the Startup? If yes, mention the amount	
d.	Do you hold shares/profit sharing position in the Startup? If yes, share details:	

8. Are you, in this enterprise, planning to use knowledge /technology/ intellectual property developed at IIT Mandi? If yes, give details:

--

Declaration: I will adhere to the norms of the Institute and rules and restrictions as laid down in the IIT Mandi Innovation and Entrepreneurship Policy. These would include but not limited to leave/consultancy rules and terms of employment in the Institute.

The activities of the Company are not in conflict with the interest of the Institute and my participation in the company will not be in conflict of my assigned duties and responsibilities of the Institute.

Signature (with date):

(Name of IIT Member)

Recommendation Authorities			Approval Authorities		
	Name & Designation	Signature		Name & Designation	Signature

1			1.		
2.			2.		
3.			3.		

Annexure V [For Students and Others]

Application Form for Student/Research Scholars for Full time or Part time engagement in a Startup
(Separate form for each member)

A) Basic Information:

1. Name:

--

2. Program Enrolled in at IIT Mandi:

--

3. School:

--

4. Roll no:

--

5. Academic details of the Applicant:

a.	Branch/Specialization	
b.	Year of enrolment	
c.	Age/ Gender	

6. Other relevant academic activities that will have a bearing due to your engagement in incubation program:

--

B) Startup Information:

1. Name of the Startup:

2. Nature of Startup: Team / Partnership / Incorporated Company / Other:

--

3. If registered, kindly provide details of registered office address and year of incorporation:

--

4. Names and details of founders of Startup:

S. No	Name	Current Designation at IIT Mandi	Association with Startup [Full time / Part - Time]

5. State briefly the business of Startup (product/service/target market):

--

C) Your Role in Startup:

6. Your designation in Startup:

--

7. Your role in Startup:

a.	Executive: Full time engagement. This will require you to take leave from IIT Mandi	[]
b.	Non Executive: Advisory role that does not require significant amount of time commitment	[]
	i. Approx no of hours you intend to spend on Startup advisory per week:	
	ii. Briefly summarize the activities you plan to carry out in the Enterprise:	
c.	Have you invested any money in the Startup? If yes, mention the amount	
d.	Do you hold shares/profit sharing position in the Startup? If yes, share details:	

8. Are you, in this enterprise, planning to use knowledge / technology / intellectual property developed at IIT Mandi? If yes, give details:

--

Declaration: I will adhere to the norms of the Institute and rules and restrictions as laid down in the IIT Mandi Innovation and Entrepreneurship Policy. These would include but not limited to leave/consultancy rules and terms of employment in the Institute.

The activities of the Company are not in conflict with the interest of the Institute and my participation in the company will not be in conflict of my assigned duties and responsibilities of the Institute.

Signature (with date):
(Name of IIT Member)

Recommendation Authorities			Approval Authorities		
	Name & Designation	Signature		Name & Designation	Signature
1			1.		
2.			2.		
3.			3.		