



# INNOVATION AND STARTUP POLICY

A Guiding Framework for Students, Faculty, Alumni and stakeholders Paving  
the way for Entrepreneurship June 2022

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## 1. PREAMBLE

1.1 The synergistic relationship between strong entrepreneurship ecosystems and the role of academic institutions is well-known and much discussed. One of the primary components of the expansion plan is entrepreneurship promotion and development. Specific targets and associated performance indicators have been created for assessment in order to enable the establishment of an entrepreneurial ecosystem.

1.2 Universities and colleges have played an important role in building the ecosystem for startups and entrepreneurship. A reputable university/college draws ambitious and educated people from many backgrounds — students, researchers, and faculty members – and hence tends to be a melting pot of ideas. The institutions, particularly those in the capital, attract young, bright, and ambitious minds from all across the state and beyond, resulting in a rich assemblage of nationality, language, culture, socioeconomic background, value systems, and priorities.

1.3 In India, entrepreneurship and startup activities have been paced up in quantity and geographical spread in recent years, resulting to increased levels of innovation and job creation. In addition, the startups have showed success in ground-breaking technology and novel service delivery models. A significant trend is the Indian educational institutions are increasingly emphasising the development of entrepreneurial skills and are include entrepreneurship as a fundamental course in technical and business education.

1.4 In recent years, the amount and geographic dispersion of entrepreneurship and startup activities in India has expanded, resulting in greater levels of innovation and employment creation. Furthermore, the startups have demonstrated their ability to develop ground-breaking technology and unique service delivery methods. Indian educational institutions are progressively emphasising the development of entrepreneurial abilities and include entrepreneurship as a fundamental course in technical and business education, which is a significant trend.

1.5 This policy document, to be called “Khwaja Moinuddin Chishti Language University Innovation and Startup Policy (KMCLUSP)”, provides guidelines to promote and support active participation of faculty members, students, staff, alumni and stakeholders in Innovation and Entrepreneurship (I&E) related activities. This policy document will also evolve with

time and adopt best practices to facilitate innovation and entrepreneurship in the Khwaja Moinuddin Chishti Language University community.

## **2. VISION**

Nation Building through creation of an enabling ecosystem for supporting innovation and nurturing startups amongst the students, faculty and stakeholders.

## **MISSION**

To educate students on taking entrepreneurship as a preferred career and help to create a larger number of student-driven, on campus sustainable start-ups.

## **3. DEFINITIONS**

3.1 "Faculty Member" shall mean a faculty member of Khwaja Moinuddin Chishti Language University.

3.2 "KMCLU" or "Institute" shall mean "Khwaja Moinuddin Chishti Language University".

3.3 "KMCLUSC" shall mean "Khwaja Moinuddin Chishti Language University Innovation and Startup Committee".

3.4 "KMCLUISP" shall mean "Khwaja Moinuddin Chishti Language University Innovation and Startup Policy".

3.5 "KMCLU Member" shall mean any permanent faculty member on duty or on leave, faculty on tenure, research scholars and students having live registration.

3.6 "Student" shall mean a full-time bonafide student studying at Khwaja Moinuddin Chishti Language University.

3.7 "Startup" is an entity that develops a business model based on either product innovation or service innovation and makes it scalable, replicable, and self-reliant as defined in Gazette Notification No. G.S.R. 346 (E) dated April 11, 2018 as modified vide Gazette Notification No. G.S.R. 34 (E) dated January 16, 2019. The current definition of a startup, as per the aforesaid GoI notification, is reproduced below: "An entity shall be considered as a Startup:

- i. Up to a period of ten years from the date of incorporation/ registration, if it is incorporated as a private limited company (as defined in the Companies Act,

2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India.

- ii. Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded one hundred crore rupees.
- iii. Entity is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation. Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a 'Startup'.

3.8 "Equity share" also commonly referred to as ordinary share, 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.

#### **4. START-UPS ENABLING UNIVERSITY INFRASTRUCTURE**

4.1. University shall introduce courses in innovation and entrepreneurship to foster startup culture in the University. The industrial demand will be considered for developing the curriculum and it shall be adopted by all the Departments of the University.

4.2 University shall organize Faculty Development Programs, Seminars, Workshops, Ideathons etc. to promote innovation and entrepreneurship.

4.3 The entrepreneurial agenda should be the responsibility of the Head of the Institution and the KMCLUISC. They shall work together to successfully implement the entrepreneurship culture.

4.4 Resource mobilization plan should be worked out at the institute for supporting pre-incubation, incubation infrastructure and facilities. A sustainable financial strategy should be defined in order to reduce the organizational constraints to work on the entrepreneurial agenda. Provided

- i. The facilities would be created within University for supporting pre-incubation (e.g. IICs as per the guidelines by MHRD's Innovation Cell, EDC, IEDC, New-Gen IEDC,

Innovation Cell, Start-up Cell. Student Clubs, etc.) and Incubation/ acceleration by mobilizing resources from internal and external sources.

ii. Investment in the entrepreneurial activities should be a part of the Institutional financial strategy. The institution fund the startup, based on its merits, as assessed by KMCLUISC.

iii. This Pre-Incubation/Incubation facility would be accessible 24x7 to students, staff and faculty of all disciplines and departments across the University.

iv. To encourage the entrepreneurship ecosystem '**Awadh Incubation Foundation**' (AIF) would be a separate entity registered under Section-8 of Company Act 2013 or 'Society registered under Society Registration Act with independent governance structure. This will allow more freedom to Incubators in decision making with less administrative hassles for executing the program related to innovation, IPR and Start-up's. Moreover, AIF will have better accountability towards supporting the incubation facility.

v. Emphasis should be given to encourage the ODOP products in each of the identified clusters under ODOP scheme. The concern Department/Mentors will assist such startups in strategizing and innovating the production, marketing or distribution mechanisms of ODOP products by introducing new technologies or even through disruptive business model innovations.

4.5 University will facilitate the start-up activities/ technology development by allowing students/ faculty/staff to use University infrastructure and facilities, as per the choice of the potential entrepreneur in the following manners:

- i. Short-term/ six-month/ one-year part-time entrepreneurship training.
- ii. Mentorship support on regular basis.
- iii. Facilitation in a variety of areas including 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 as well as law and regulations impacting a business.
- iv. University may also link the start-up's to other seed-fund providers angel funds/ venture capitals or itself may set up seed-fund once the incubation activities mature.

4.6 In return of the services and facilities, University may take 2% to 9.5% equity/ stake in the start-up/ company, based on brand used, faculty contribution, support provided and use of University's IPR (a limit of 9.5% is suggested so that University has no legal liability arising out of start-up. The University would normally take much lower equity share, unless its full time faculty/ staff have substantial shares). Other factors for consideration would be space, infrastructure, mentorship support, seed funds, support for accounts, legal, patents etc.

4.7 In case of a largely equity model, the startup may be given a cooling period of one year extendable by six month (i.e., maximum two years) or until the time of the first investment by an external investor, whichever is earlier, to use incubation services on rental basis and to take a final decision for sharing of equity based on services offered by KMCLU.

4.8 Any investment/loan or any such monetary involvement should be done only with the prior approval of the Vice Chancellor, KMCLU and KMCLU would not be responsible for any financial implication undertaken or any promise made without the approval of the Vice Chancellor, KMCLU in writing.

4.9 Development of entrepreneurship culture should not be limited within the boundaries of the Institution and would comprise:

i. Provision to extend Institution's facilities for outsiders at nominal charges (as decided from time to time) shall be considered.

ii. Strategic International partnerships shall be developed using bilateral and multilateral channels with international innovation clusters and other relevant organizations. Moreover, International exchange programs, internships, engaging the international faculty members in research and related work shall also be promoted.

4.10 Processes Mechanisms for easy creation and nurturing of Start ups/enterprises by students (UG, PG, Ph.D.), staff (including temporary or project staff), faculty, alumni and potential start up applicants even from outside the University, would be developed. University will ensure to achieve the following:

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- i. Incubation support
  - ii. University will allow licensing of IPR from University to start up

4.11 For the staff and faculty, University can take not more than 20% of shares that staff/faculty takes while drawing full salary from the University; however, this share will be within the 9.5% cap of company shares listed above.

4.12 No restriction on shares that faculty/staff can take, as long as they do not spend more than 20% of office time on the start-up in advisory or consultative role and do not compromise with their existing academic and administrative work/duties. In case the faculty/staff holds the executive or managerial position for more than three months in a start-up, then they will go on sabbatical/ leave without pay/earned leave.

4.13 In case of compulsory equity model, Start-up may be given a cooling period of 6 months to use incubation services on rental basis to take a final decision based on satisfaction of services offered by the University/incubator. In that case, during the cooling period, University cannot force start-up to issue equity on the first day of granting incubation support.

4.14 The University would also provide services based on mixture of equity, fee-based and/or zero payment model. So, a start-up may choose to avail only the support, not seed funding. by the University on rental basis.

4.15 Participation in start-up related activities 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. Every faculty may be encouraged to mentor at least one start-up.

4.16 Product development and commercialization as well as participating and nurturing of start up's would now be added to a bucket of faculty-duties and each faculty would choose a mix and match of these activities (in addition to minimum required teaching and guidance) and then respective faculty are evaluated accordingly for their performance and promotion (weightage to API Score). University's may also update/change/revise performance evaluation policies for faculty and staff as stated above time to time.



4.17 Strategies and Governance: Implementation of entrepreneurial vision at the institute and would be achieved through mission statements rather than stringent control system. Provided

- i. Minimum 1% fund of the total annual budget of the institution shall be allocated for funding and supporting innovation and start-ups related activities through creation separate 'Innovation fund'.
- ii. The funds should also be raised from diverse sources to reduce dependency on the public funding. Bringing in external funding through government (state and central) such as UPCST.DST, DBT. MHRD, AICTE, TDB. TIFAC, DSIR, CSIR, BIRAC, NSTEDB, NRDC, Start-up India, Invest India, MeitY, MSDE, MSME, non-government sources and Corporate Social Responsibility (CSR) should be encouraged.
- iii. University may also raise funding through sponsorships, projects and donations. University should actively engage Alumni network for promoting Innovation & Entrepreneurship (I&E).
- iv. Student and faculty start-up Policy and action plan should have well-defined short-term and long-term goals.
- v. Strategic international partnerships with international innovation clusters and other relevant organisations can be created through bilateral and multilateral channels. International exchange programmes, internships, and the involvement of international faculties in teaching and research would also be encouraged.

## **5. ROLE OF KHWAJA MOINUDDIN CHISHTI LANGUAGE UNIVERSITY INNOVATION AND STARTUP COMMITTEE (KMCLUISC)**

The KMCLUISC shall promote start-up, innovation, ideation, entrepreneurship etc. and will do following activities to achieve its objectives.

5.1 . To conduct various entrepreneurship and innovation related activities including activities prescribed by MIC in time bound manner,

5.2 Identify, recognize and reward innovation and share success stories.

5.3 Visit various laboratory, industries, companies, institutions etc. to update the knowledge pool, to share their success story, to participates in competitions, challenges,

5.4 To connect and network with peers, alumni and national entrepreneur development organizations.

5.5 KMCLUISC shall formulate and frame rules and regulations governing period of stay of start-ups and their exit. Some of the criteria to decide their stay could be number of employees, gross revenue, underperformance, viability, irreconcilable disputes between stakeholders/ promoters/ founders, merger & acquisitions etc. In lieu of services rendered by KMCLU, it may charge consultancy fees subject to approval from the Principal and KMCLUISC.

## **6. NORMS FOR FACULTY STARTUPS**

Khwaja Moinuddin Chishti Language University encourages its faculty members, researchers and students to involve in startups in various capacities while in professional employment with the college. Only those technologies will be taken for KMCLU faculty startups which originate from within Khwaja Moinuddin Chishti Language University.

6.1 The KMCLU faculty member will seek prior approval of KMCLUISC (Khwaja Moinuddin Chishti Language University innovation and startup committee) for engagement with a startup as per rules. The KMCLU faculty member must ensure that an agreement is executed between KMCLU and the faculty member. Such an agreement should establish the mode of engagement of the faculty member with the startup besides including the usage of KMCLU's facilities, KMCLU technology / Intellectual Property being licensed to the startup.

6.2 Role of KMCLU faculty may vary from being an owner/ direct promoter, mentor, supervisor, consultant, assistant or as on-board member of the startup.

6.3 Faculty startup may consist of KMCLU faculty members alone or with KMCLU students or with faculty of other institutes or with KMCLU alumni or with other entrepreneurs.

6.4 The Faculty Member upon approval will be allowed to use specified physical/ intellectual resource (e.g., Laboratory, workshop equipment, IT resources and assistance of other KMCLU faculty members) of KMCLU as per prevailing rules notified by KMCLU.

6.5 KMCLU Faculty must clearly separate and distinguish on-going research at KMCLU from the work conducted at the startup/ company. They should take all possible steps/ measures to ensure that his/ her duties and responsibilities as a faculty of KMCLU take precedence over all other activities regardless of his/ her engagement with the start-up. His/

her engagement with the startup during regular work or on leave shall be subject to prior approval from KMCLUISC.

6.6 KMCLU Faculty must ensure that ongoing academic and research work is not affected by the activities pursued in the startup.

6.7 The start-up so formed by the Faculty Member shall ensure that no financial liabilities of any kind shall ever accrues to KMCLU and equity stake of KMCLU, if any, shall be protected and any activities of the startup shall not bring any disrepute to KMCLU and cause any damage, injury or loss to the KMCLU and its reputation and goodwill.

6.8 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 start-ups and come back. University would consider allowing use of its resource 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.

## **7. NORMS FOR STUDENTS STARTUPS**

7.1 Any KMCLU research scholar/student can seek permission from KMCLUISC to work for a startup, established at KMCLU on a part-time basis as per rules.

7.2 A research scholar/student of KMCLU will seek prior approval of (Khwaja Moinuddin Chishti Language University innovation and startup committee) KMCLUISC for engagement with a startup as per rules. The research scholar/student of KMCLU must ensure that an agreement is executed between KMCLU and student. Such an agreement should establish the mode of engagement of the students with the startup besides including the usage of KMCLU's facilities, KMCLU technology / Intellectual Property being licensed to the startup.

7.3 KMCLU Student startup may consist of KMCLU student members alone or with KMCLU faculty or with faculty of other institutes or with KMCLU alumni or with other entrepreneurs.

7.4 KMCLU student must clearly separate and distinguish on-going research at KMCLU from the work conducted at the startup/ company.

7.5 KMCLU student must ensure that ongoing academic and research work is not affected by the activities pursued in the startup.

7.6 Students who are under incubation, but are pursuing some entrepreneurial ventures while studying, can be allowed to use their address in the University to register their company with due permission from the University.

7.7. KMCLU student owns sole responsibilities and shall not blame faculty members or any teachers of KMCLU, if their academic performance is affected due to start-up activities undertaken by him/ her.

7.8 The University will allow their students to take a semester/year break of one year (or even more depending upon the decision of review committee constituted by the University) after the first year of Graduation/Post-graduation course. This one – year break would not be counted in the maximum duration required to complete the course: The “Gap Year” facility may be given to ensure syllabus continuity at the time of joining bac. Student entrepreneurs may earn academic credits for their efforts while creating an enterprise. The “Awadh Incubation Foundation” will review the startups progress and will recommend the appropriate credits for academics.

7.9 Students entrepreneurs would be allowed to sit for the examination, even if their attendance is less than the minimum permissible percentage, with due permission from the University.

## **8. GUIDELINES REGARDING INTELLECTUAL PROPERTY (IP) RIGHTS**

8.1 The definition of IP will include, but is not limited to, inventions/innovations (whether patentable or not), invention/innovation disclosures, trademarks, trade secrets, knowhow, proprietary information, technical data, documentation, data collections, databases, concepts, processes, prototypes, software, designs, drawings, names, symbols, images, materials, biological material, plant genetic material, support services and the like, whether or not the foregoing are in tangible or intangible form, which enable people to earn recognition and financial benefit.

8.2 When University 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 University.

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i. Inventors and University can together license the product / IPR to any commercial organization, with inventors having the primary say. License fees could be either / or a mix of

1. Upfront fees or one-time technology transfer fees
2. Royalty as a percentage of sale-price
3. Shares in the company licensing the product

ii. If one or more of the inventors wish to incubate a company and license the product to this company, the royalties would not be more than 4% of sale price, preferably to 2%, unless it is pure software product. If it is shares in the company, shares will again be 1% to 4%. For a pure software product licensing, there may be a revenue sharing to be mutually decided between the University and the incubated company.

8.3 On the other hand, if product/ IPR is developed by innovators not using any University facilities, outside office hours (for staff and faculty) or not as a part of curriculum by student, then product/ IPR will be entirely owned by inventors in proportion to the contributions made by them. In this case, inventors can decide to license the technology to third parties or use the technology the way they deem fit.

8.4 If there is a dispute in ownership, a minimum five member committee consisting of two faculty members (having developed sufficient IPR and translated to commercialization), two of the University's alumni/ industry experts (having experience in technology commercialization) and one legal advisor with experience in IPR, will examine the issue after meeting the inventors and help them settle this, hopefully to everybody's satisfaction. University can use alumni/ faculty of other University's as members, if they cannot find sufficiently experienced alumni faculty of their own.

8.5 University IPR cell or incubation centre will only be a coordinator and facilitator for providing services to faculty, staff and students. They will have no say on how the invention is carried out, how it is patented or how it is to be licensed. If University is to pay for patent filing, they can have a committee which can examine whether the IPR is worth patenting. The committee would consist of faculty who have experience and excelled in technology translation. If inventors are using their own funds or non-University funds, then they alone would have a say in patenting.

8.6 All University's decision-making body with respect to incubation / IPR / technology licensing will consist of faculty and experts who have excelled in technology translation.

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Other faculty in the department / University will have no say, including heads of department, heads of University's, deans or registrars.

8.7 Interdisciplinary research and publication on start-up and entrepreneurship would be promoted by the University's.

## 9. ORGANIZATIONAL CAPACITY, HUMAN RESOURCES AND INCENTIVES

9.1 University would recruit staffs that have a strong innovation and entrepreneurial industrial experience good behavior and attitude. This will help in fostering the I&E culture.

- i. Some of the relevant faculty members with prior exposure and interest would be deputed for training to promote I&E.
- ii. To achieve better engagement of staff in entrepreneurial activities, University policy on career development of staff would be developed with constant up skilling.

9.2 Faculty and departments of the University have to work in coherence and cross-departmental linkages would be strengthened through shared faculty, cross-faculty teaching and research in order to gain maximum utilization of internal resources and knowledge.

9.3 Periodically some external subject matter experts such as guest lecturers or alumni can be engaged for strategic advice and bringing in skills which are not available internally.

9.4 Faculty and staff would be encouraged to do courses on innovation, entrepreneurship management and venture development.

9.5 In order to attract and retain right people, University would develop academic and non academic incentives and reward mechanisms for all staff and stakeholders that actively contribute and support entrepreneurship agenda and activities.

- i. The reward system for the staff may include sabbaticals, office and lab space for entrepreneurial activities, reduced teaching loads, awards, trainings, etc.
- ii. The recognition of the stakeholders may include offering use of facilities and services, strategy for shared risk, as guest teachers, fellowships, associate ships, etc.
- iii. A performance matrix would be developed and used for evaluation of annual performance.

9.6 To ensure exposure of maximum students to innovation and pre incubation activities at their early stage and to support the pathway from ideation to innovation to market, mechanisms would be devised at University level.

- i. Spreading awareness among students, faculty and staff about the value of entrepreneurship and its role in career development or employability would be a part of the University entrepreneurial agenda.
- ii. Students/ staff would be taught that innovation (technology, process or business innovation) is a mechanism to solve the problems of the society and consumers. Entrepreneurs would innovate with focus on the market niche.
- iii. Students would be encouraged to develop entrepreneurial mind set through experiential learning by exposing them to training in cognitive skills (e.g. design thinking, critical thinking, etc.).

9.7 The University would link their start-ups and companies with wider entrepreneurial ecosystem and by providing support to students who show potential, in pre-start-up phase.

9.8 The University would establish University's/Institutions Innovation Councils (IICs) as per the guidelines of State Government/ MHRD's Innovation Cell and allocate appropriate budget for its activities. IICs would guide University's in conducting various activities related to innovation, start-up and entrepreneurship development.

9.9 University/Institute must develop a ready reckoner of Innovation Tool Kit, which would be kept on the homepage on University's website to answer the doubts and queries of the innovators and enlisting the facilities available at the University.

## **10. PEDAGOGY AND LEARNING INTERVENTIONS FOR ENTREPRENEURSHIP DEVELOPMENT**

10.1 Diversified approach would be adopted to produce desirable learning outcomes, which would include cross disciplinary learning using mentors, labs, case studies, games, etc. in place of traditional lecture-based delivery.

- i. Student clubs/ bodies/ departments may be created for organizing competitions, boot camps, workshops, awards, etc. These bodies would be involved in University strategy planning to ensure enhancement of the student's thinking and responding ability.
- ii. University's would start annual INNOVATION & ENTREPRENEURSHIP AWARD and IDEATHONs to recognize outstanding ideas, successful enterprises

and contributors for promoting innovation and enterprises ecosystem within the University.

- iii. For creating awareness among the students, the teaching methods would include case studies on business failure and real-life experience reports by start-ups.
- iv. Tolerating and encouraging failures: Our systems are not designed for tolerating and encouraging failure. Failures need to be elaborately discussed and debated to imbibe that failure is a part of life, thus helping in reducing the social stigma associated with it. Very importantly, this would be a part of University's philosophy and culture.
- v. Innovation champions would be nominated from within the students/ faculty/ staff for each department stream of study.

10.2 Entrepreneurship education would be imparted to students at curricular/ co-curricular extracurricular level through elective/ short term or long-term courses on innovation entrepreneurship and venture development. Validated learning outcomes would be made available to the students.

- i. Integration of expertise of the external stakeholders would be done in the entrepreneurship education to evolve a culture of collaboration and engagement with external environment.
- ii. In the beginning of every academic session, University would conduct an induction program about the importance of I&E so that freshly inducted students are made aware about the entrepreneurial agenda of the University and available support systems. Curriculum for the entrepreneurship education would be continuously updated based on entrepreneurship research outcomes. This would also include case studies on failures.
- iii. Industry linkages would be leveraged for conducting research and survey on trends in technology, research, innovation, and market intelligence.
- iv. Student innovators, start-ups, experts maybe engaged in the dialogue process while developing the strategy so that it becomes need based.
- v. Customized teaching and training materials would be developed for start-ups.

10.3 Pedagogical changes need to be done to ensure that maximum number of student projects and innovations are based around real life challenges. Learning interventions developed by the University's for inculcating entrepreneurial culture would be constantly reviewed and updated.



## 10.4 Entrepreneurial Impact Assessment

- a. Impact assessment of University's entrepreneurial initiatives such as pre-incubation, incubation, entrepreneurship education would be performed regularly using well defined evaluation parameters.
  - i. Monitoring and evaluation of knowledge exchange initiatives, engagement of all departments and faculty in the entrepreneurial teaching and learning would be assessed.
  - ii. Number of start ups created, support system provided at the University level and satisfaction of participants, new business relationships created by the Universities would be recorded and used for impact assessment.
- b. Formulation of strategy and impact assessment would go hand in hand. The information on impact of the activities would be actively used while developing and reviewing the entrepreneurial strategy.

## 11. GUIDELINES REGARDING NON-DISCLOSURE AGREEMENTS, INDEMNIFICATION, ARBITRATION & DISPUTE RESOLUTION

### a) Confidentiality

It is understood that all KMCLU members will undertake to sign on behalf of KMCLU or themselves, suitable non-disclosure undertakings with the external parties wherever sharing of any confidential material with them and submit a copy of the same to KMCLU.

### b) Indemnification

KMCLU Members shall indemnify and keep fully indemnified KMCLU , KMCLUISC and employees from and against all direct losses, liabilities, penalties, interests, actions, proceedings, claims, demands, costs (including without prejudice to the generality of this provision, the legal costs) awards and damages arising directly as a result of, the following but not limited to

(i) any breach or non-performance by the KMCLU members and / or Core Team of any of their undertakings, representations, warranties or obligations

(ii) fraud, gross negligence or willful misconduct by them, their company and/or Core Team; or

(iii) claims arising out of Material Breach.

**c) Governing Law and Arbitration**

This policy document and all procedures outlined by KMCLU based on this Policy document shall be governed by and construed in accordance with the Laws of India, without giving effect to its choice of laws rules and shall be submitted to the exclusive jurisdiction of the competent Courts of Lucknow.

**d) Arbitration & Dispute Resolution**

i. If any dispute arises between the Parties hereto during the subsistence of this Policy document or thereafter, in connection with the validity, interpretation, implementation or alleged breach of any provision of this Policy, the Parties hereto shall endeavor to settle such dispute amicably through mutual discussion among the Parties in dispute.

ii. In the event the Parties are unable to resolve the dispute through mutual discussions shall be resolved by binding arbitration conducted by a sole arbitrator appointed by the KMCLU under the provisions of the Indian Arbitration and Conciliation Act, 1996 and the rules made there under.

iii. No arbitrator chosen shall be related to, employed by, or otherwise affiliated with any party to the dispute, or any of their relatives or affiliates.

iv. The arbitration proceedings shall be conducted in English, and the venue of arbitration would be at Lucknow. The decision and award of the arbitrator shall be in writing and in English, and final and binding on all the Parties to this Agreement.

iv. The arbitrator in his or her final arbitral award shall determine the final allocation of the costs of arbitration.

vi. The award shall be binding on the Parties subject to the Applicable Laws in force and the award shall be enforceable in court of law in Lucknow.

**11. CONFLICT OF INTEREST**

KMCLU is keen to encourage its faculty members, research scholars and students to convert their innovations and new ideas into commercial ventures for personal, institutional, and social benefits. However, when doing this, complexities surrounding actual and potential

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conflict of interests are expected to arise, especially in the context of their commitment to KMCLU, student education and objective research, as well as their obligations to society. For them to benefit from education and research, a fine line has to be drawn between using Institute resources for Institute activities and for personal economic interests. When an individual holds two positions in different roles and when he/she tries to use a position for personal satisfaction of his/her aspirations in another, a situation of conflict of interest arises.

Care must be taken to clearly separate the personal financial aspects of the entrepreneurial activities of faculty members, research scholars and students from their respective roles, duties and responsibilities at KMCLU and should be consistent with the value system of KMCLU. Similarly, the use of KMCLU facilities and equipment must be free from unauthorized and conflicting uses and must be suitably compensated for as per the policies of KMCLU. Appropriate judgement should be applied by all concerned parties, the faculty members, research scholars, students, employees and associates besides the incubated startups, their promoters, employees and staff.

### **11.1. Typical Conflict of Interest Situations**

A few situations leading to conflicts of interest are given below. These are not exhaustive and only representative for guidance to all stakeholders.

- All stakeholders may come in possession of proprietary and confidential information. Recipients of such information should make all efforts to preserve the confidentiality of such information and not disclose or use it for their personal and other benefit without explicit approval of the disclosing party.
- Use of KMCLU students or employees to perform work for a startup without any compensation when the work is not related in any way to their academic pursuits.
- Use of KMCLU facilities for the benefit of a startup without proper permissions/arrangements and where he/she is an interested person.
- Procuring consultancy research assignments and business in the name of KMCLU and outsourcing the same to the startup in which he/she is an interested person.
- Influence policy decisions of KMCLU or KMCLUISC with an intention to benefit a startup in which he/she is an interested person.

- Influence department decision to procure specific laboratory equipment, which could benefit a startup in which he/she is an interested person.
- Act in any manner to benefit the startup at a disadvantage of KMCLU or KMCLUISC.
- Neglecting their commitments to KMCLU for their association with supported entities.

### **11.2 Guidelines for Management of Conflict of Interest**

Following guidelines are suggested for KMCLU members:

- Obtaining appropriate approvals in advance.
- Disclosure of conflict-of-interest situations.
- Abstain from participating in a decision-making process involving such Situations.
- Immediate reporting of the breach of policy.
- Disputes should be reported to the appropriate notified authorities of KMCLU and KMCLUISC.

### **11.3 Resolution of Conflicts**

- In situations in which the objectivity of an KMCLU member, due to his/her association with a startup or company could reasonably be questioned, the Vice Chancellor of KMCLU may establish an independent committee to investigate the operation of the startup/company and possible conflict of interest between the functioning of the startup/company and the responsibilities towards KMCLU of the KMCLU member associated with the company. The KMCLU member may appeal to KMCLUISC for a review of the committee's decisions. The decision of the KMCLUISC, in this regard, would be final.
- In case of a conflict situation, KMCLU expects the concerned person to disclose all information regarding the conflict of interest in a transparent manner to the Institute and other relevant stakeholders at the earliest. The disclosed information will be evaluated for the genuineness of conflict of interest by the relevant committee/stakeholders using appropriate judgment. The committee will discuss and try to resolve disputes over conflict of interest in such cases, and the decision should be duly approved by the KMCLUISC.

### **Annexure-I**

## GLOSSARY

**“Accelerator”** Start-up Accelerators design programs in batches and transform promising business ideas into reality under the guidance of mentors and several other available resources.

**“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 start-up in exchange for equity in that start-up). Angels are usually accredited investors. Since their funds are involved, they are equally desirous in making the start-up successful.

**“Cash flow”** Cash flow management is the process of tracking how much money is coming into and going out of your business.

**“Co-creation”** Co-creation is the act of creating together. When applied in business, it can be used as is an economic strategy to develop new business models, products and services with customers, clients, trading partner or other parts of the same. enterprise or venture

**“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 at business venture. The holders of such shares are members of the company and have voting rights.

**“Corporate Social Responsibility”** Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public

**“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 behaviours 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 setting.

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**“Experiential learning”** Experiential learning is the process of learning through experience, and is more specifically defined as learning through reflection on doing

**“Financial Management”** Financial Management is the application of general principles of management to the financial possessions of an enterprise.

**“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 University”** Host University's refer to well-known technology, management and R&D University's working for developing start-ups 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 licensing”** A licensing is a partnership between an intellectual property rights owner Rights and another who is authorized to use such rights (licensee) in exchange for an agreed payment (fee or royalty). (Licensor) Rights Licensing

**“Knowledge Exchange”** Knowledge exchange is a process which brings together academic staff, use of research and wider groups and communities to exchange ideas, evidence and expertise.

**“Pedagogy and experiential”** It refers to specific methods and teaching practices (as an academic subject or theoretical concept) which would be applied for students work on start-ups. The experiential learning method will be used for teaching 'start up related concepts and contents' to introduce a positive influence on the thought processes of students. Courses like 'business idea generation and soft skills for start-ups' would demand experiential learning rather than traditional class room lecturing. Business cases and teaching cases will be used to discuss practical business situations that can help students to arrive at a decision while facing business dilemma(s). Field based interactions with prospective customers; support University's will also form a part of the pedagogy which will orient the students as they acquire field knowledge.

**“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 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 start-up company in exchange for an equity stake in the company.

**“Start-up”** 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.

**“Technology Business incubator”** Technology Business incubator (TDI) is an entity, which helps technology Incubator based Incubator start-up businesses with all the necessary resources/support that the start-up needs to evolve and grow into a mature business.

**“Technology commercialization”** Technology commercialization is the process of transitioning technologies Technology Commercialization from the research labs 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 compensation.

**“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 start-up.