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Madan Mohan Malaviya University of Technology Gorakhpur Mail - BoM Minutes Notification:Startups Policy for Students, Fac...



Registrar Office <registrar.office@mmmut.ac.in>

BoM Minutes Notification: Startups Policy for Students, Faculty, and other entrepreneurs

1 message

Registrar Office <registrar.office@mmmut.ac.in>

To: Dean <dean@mmmut.ac.in>, Head <hod@mmmut.ac.in>, Jeeoot Singh <jsme@mmmut.ac.in>, Controller of Finance MMMUT

Sun, Nov 26, 2023 at 3:52 PM

<cof@mmmut.ac.in>, Dr D K Goswami DR <dkgdr@mmmut.ac.in>, PAtVC MMMUT <patovc@mmmut.ac.in>

Dear Sir,
Please find the attached letter.
With regards,

=====

Dr. Jay Prakash

Registrar

Madan Mohan Malaviya University of Technology
Gorakhpur - 273010 (U.P.) India

E-Mail: registrar@gmail.com

Mobile: 9235500552, Office: 8765783734



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मदन मोहन मालवीय प्रौद्योगिकी विश्वविद्यालय
गोरखपुर।

अधिसूचना

विषय : भारत सरकार के शिक्षा मंत्रालय द्वारा निर्गत राष्ट्रीय नवाचार एवं स्टार्टअप नीति-2019 के आलोक में तैयार Startups Policy for Students, Faculty, and other entrepreneurs के सम्बन्ध में।

प्रबन्ध बोर्ड की दिनांक 03.11.2023 को सम्पन्न 2023/06 (संख्या 44वीं) के मद संख्या 2023/06.20 के अन्तर्गत बोर्ड द्वारा उपरोक्त विषयक प्रस्तुत प्रस्ताव का अनुमोदन प्रदान किया गया है। तदनुसार प्रबन्ध बोर्ड का उपरोक्त विषयक निर्णय एतद्वारा अधिसूचित किया जाता है :-

“ प्रबन्ध बोर्ड द्वारा दिनांक 28.10.2023 को सम्पन्न विद्या परिषद की 34वीं बैठक में प्राप्त संस्तुति के क्रम में विश्वविद्यालय में स्टार्टअप को बढ़ाने एवं छात्रों के मध्य स्टार्टअप के प्रति और अधिक समझ विकसित करने के उद्देश्य भारत सरकार के शिक्षा मंत्रालय द्वारा निर्गत राष्ट्रीय नवाचार एवं स्टार्टअप नीति-2019 के आलोक में मदन मोहन मालवीय प्रौद्योगिकी विश्वविद्यालय के लिए बनायी गयी “Startups Policy for Students, Faculty, and other entrepreneurs” के प्रस्ताव का अनुमोदन प्रदान किया गया। ”

ह0/-

(डॉ0 जय प्रकाश)

कुलसचिव एवं

सदस्य-सचिव, प्रबन्ध बोर्ड

संलग्नक: Startups Policy for Students, Faculty, and other entrepreneurs

पृसं0/ मा0प्रौ0वि0/कुस0का0/ 51 /2023

दिनांक: 25 नवम्बर 2023

प्रतिलिपि निम्न को सूचनार्थ एवं आवश्यक कार्यवाही हेतु प्रेषित:-

- 01 समस्त अधिष्ठाता/ समस्त विभागाध्यक्ष/ समन्वयक, कौशल विकास केन्द्र।
- 02 वित्त नियन्त्रक।
- 03 उप-कुलसचिव।
- 04 वै0स0 कुलपति को माननीय कुलपति महोदय के सादर अवलोकनार्थ।

(डॉ0 जय प्रकाश)

कुलसचिव एवं

सदस्य-सचिव, प्रबन्ध बोर्ड

MMMUT Startups Policy for Students, Faculty, and other entrepreneurs

1. Norms for startups at MMMUT

1.1. MMMUT, hereinafter referred to as University, encourages and prioritizes the faculty participation in companies in the following order:

- a. Companies jointly owned by the faculty members and graduating students/alumni
- b. Companies owned by the faculty members (one or many) along with possibly other entrepreneurs.
- c. Companies owned by graduating students, alumni along with possibly other entrepreneurs.

In such cases, the above said personals will be known as founding members of the board of the company.

1.2. The role of faculty member may vary from being a founder/co-founder/owner/direct promoter, mentor, consultant or as on-board member of the startup. If a faculty member is a founder/owner or co-founder/co-owner of such companies, he/she may also play an operational role (Technical Adviser, CEO, Marketing Manager etc.) with the approval of the University under one of the following options:

- a. In case the faculty/ staff holds the executive or managerial position for more than three months in a startup, they will go on sabbatical/ leave without pay/ utilize existing leave.
- b. In case of selection of a faculty start up by an outside national or international accelerator, a maximum leave (as sabbatical/ existing leave/ unpaid leave/ casual leave/ earned leave) of one semester or year (or even more depending upon the decision of review committee constituted by the institute) may be permitted to the faculty. Seniority and other academic benefits during such period may be preserved for such faculty members.
- c. There will be no restriction on shares that a faculty member can own in the company. Participation in startup related activities will be considered as a legitimate activity of faculty in addition to teaching, R&D projects, industrial consultancy and management duties and will be given due consideration while evaluating the annual performance of the faculty.
- d. Faculty must clearly separate and distinguish on-going research at the University, from the work conducted at the startup/company.
- e. Faculty must not accept gifts from the startup.
- f. Faculty must not involve research staff or other staff of University in activities at the startup and vice-versa.
- g. Human subject related research in startup should get clearance from ethics committee of the University.

- 1.3. The company will have its own funding and accounting procedures in line with the existing industry norms. In return of the services and facilities provided, University may take 2% to 9.5% equity/ stake in the startup/company, based on brand used, faculty contribution, support provided by MMMUT-IIF and use of University's IPR. Other factors for consideration would be space, infrastructure, mentorship support, seedfunds, support for accounts, legal, patents etc.

The money (in form of honorarium, salary or consultancy) paid to the founding members of the company will be counted entirely as income of the involved faculty members during the incubation period within the campus. After the company moves out of the campus, the faculty member may take long leave and work with the company or may earn in form of consultancy as per the applicable rules of the University.

For staff and faculty, University will take no-more than 20% of shares that staff / faculty takes while drawing full salary from the institution; however, this share will be within the 9.5% cap of company shares, listed above.

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 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 startup, then they will go on sabbatical/ leave without pay/ earned leave.

In the case of compulsory equity model, Startup may be given a cooling period of 3 months to use incubation services on rental basis to take a final decision based on satisfaction of services offered by the institute/incubator. In that case, during the cooling period, University will not force startups to issue equity on the first day of granting incubation support.

- 1.4. The faculty member associated shall ensure that at no stage any liability shall accrue to MMMUT because of any activity of any startup.
- 1.5. University's decision-making bodies with respect to incubation / IPR / technology-licensing will consist of faculty and experts who have excelled in technology translation. Other faculty in the department / university will have no say, including heads of department, heads of institutes, deans or registrars.

2. Product Ownership Rights for Technologies Developed at the University

- 2.1. 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.

- 2.2. Inventors and University could together license the product / IPR to any commercial organisation, with inventors having the primary say. License fees could be either / or a mix of
 - a. Upfront fees or one-time technology transfer fees
 - b. Royalty as a percentage of sale-price
 - c. Shares in the company licensing the product
- 2.3. The University may not be allowed to hold the equity as per the current statute, so SPV may be requested to hold equity on their behalf.
- 2.4. If one or more of the inventors wish to incubate a company and license the product to this company, the royalties would be no more than 4% of sale price, preferably 1 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.
 - a. 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.
 - b. If there is a dispute in ownership, a minimum five membered committee consisting of two faculty members (having developed sufficient IPR and translated to commercialisation), two of the institute's alumni/ industry experts (having experience in technology commercialisation) 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 institutes as members, if they cannot find sufficiently experienced alumni / faculty of their own.
 - c. University IPR cell or incubation center 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 should 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 should have a say in patenting.
 - d. All institute's decision-making body with respect to incubation / IPR / technology-licensing will consist of faculty and experts who have excelled in technology translation. Other faculty in the department / university will have no say, including heads of department, heads of institutes, deans or registrars.

3. Startups enabling Institutional Infrastructure

- 3.1. MMMUT has created pre-incubation and incubation facilities for nurturing innovations and startups.

MMMUT has separate space dedicated for the incubator as MMMUT Foundation. Though, the MMMUT campus is spread over more than 338 acres and there is huge scope for future expansion as well. The area dedicated to MMMUT FOUNDATION includes conference rooms, meeting rooms, lockable office units, recreational areas, cafeteria for startups and innovators.

A world class library with various offline/online journals, books and publications is also available within the same Campus through Internet.

These facilities will be accessible 24x7 to students, staff and faculty of all disciplines and departments across the University.

- 3.2. MMMUT FOUNDATION is a company registered under Section 8 of the Companies Act, 2013. MMMUT FOUNDATION shall also be responsible for pre-incubation facilities at MMMUT.

- 3.3. MMMUT will establish a corpus in the name of MMMUT FOUNDATION for the financial support to incubators at Pre-incubation stage and Incubation stage. This corpus will be created with financial support from the Government, MMMUT and other funding agencies.

4. Nurturing Innovations and Startups

- 4.1. MMMUT has established processes and mechanisms through the MMMUT Foundation, for easy creation and nurturing of Startups/ enterprises by students (U.G., P.G., Ph.D.), staff (including temporary or projected staff), faculty, alumni and potential start up applicants even from outside the University.

- 4.2. MMMUT and the MMMUT Foundation, in defining its process will strive to provide for the following:

- a. Access to pre-incubation and incubation facility for Startups by students, staff and faculty for a period not exceeding 36 months.
- b. Licensing of technology, whose IPR is held by MMMUT or MMMUT Foundation, to Startups on easy term – either in terms of equity in the venture and/ or license fees and/ or royalty. This will particularly apply in the case of technology developed or co-developed by the concerned students or faculty members.
- c. Students may be allowed, while studying, to work on their innovative startups (including Social Startups) or to work as intern/ part-time in startups incubated in any recognised Higher Educational Institute/ Incubator. Further, student entrepreneurs may be allowed to earn credits for working on innovative prototypes/ business models. Also, student inventors may be allowed to opt for

startup in place of their mini project/ major project, seminars, summer trainings, etc. However, the student must describe how they will separate and clearly distinguish their ongoing research activities as a student from the work being conducted at the startup.

d. Staff may be allowed, while working, to work on their innovative startups (including Social Startups) or to work as intern/ part-time in startups incubated in any recognised Higher Educational Institute/ Incubator.

4.3. Students whose startups/ entrepreneurial ventures are under incubation will be allowed to use MMMUT's address to register their company with due permission from MMMUT Foundation.

4.4. Students involved in entrepreneurial activities will be allowed to sit for the examination, even if their attendance is lower than the minimum permissible percentage, after due permission from and review of their entrepreneurial activities by MMMUT Foundation and the concerned HOD.

4.5. MMMUT will consider accommodation to entrepreneurs within the campus for some period of time.

4.6. MMMUT will allow students to take a year break or even a longer break, to work on their startups and re-join academics to complete the course, based on decision of MMMUT Foundation in this regard.

5. Exit Policy for the Incubatees:

5.1. General

a. The Exit of an Incubatee refers to the Exit of said Incubatee from the Incubation Programme of MMMUT Foundation. The Exit will bring an end inter alia to the mentorship of the Incubatee by MMMUT Foundation, use by the Incubatee of the allocated space and any further disbursement of funds to the Incubatee. However, Exit would not absolve the Incubatee from its liability to refund the unutilized funds to MMMUT Foundation nor would the Exit impact the shareholding of MMMUT Foundation in the Incubatee.

b. The Exit of an Incubatee from the Incubation Programme can be affected through either of two modes, viz. Graduation of the Incubatee or Termination of the Incubation Agreement. This Policy purports to describe the conditions for the Exit of an Incubatee, as well as, dealing with matters consequential to the Exit, viz. refund of unutilized funds by the Incubatee and buyback of the equity held by, MMMUT Foundation.

c. This Exit Policy is based on and subject to the Incubation Agreement (hereinafter referred to as "the Agreement") between MMMUT Foundation and the Incubatee, as well as the Guidelines applicable to MMMUT Foundation, as amended from

time-to-time. In the event of any conflict between this Policy and the Agreement/ Guidelines, the terms of the latter shall prevail.

- d. All terms used in this Policy shall have the same meaning as ascribed to them in the Agreement.
- e. All references to Clauses herein are to the Clauses of this Policy unless expressly stated to the contrary.
- f. MMMUT Foundation reserves the right to amend this Policy at any time and/ or to modify the Policy in its applicability to different Incubatees.

5.2. Graduation of the Incubatee

An Incubatee will be deemed to have graduated from the Incubation Programme on the occurrence of any of the following events:

- a. Upon the lapse of a period of 24 months from the date of execution of the Agreement or a period of 36 months, if granted extension by the Board of MMMUT Foundation; or
- b. Annual turnover of the Incubatee in a Financial Year exceeds Rs. 5 crores; or
- c. Size of the Incubatee's team exceeds 25 persons, including outsourced/ contracted roles.

5.3. Termination of the Agreement by MMMUT Foundation

- a. MMMUT Foundation may terminate the Agreement without prior notice to the Incubatee in the event of occurrence of any of the events listed under Clause 3.3, however, on the occurrence of any of the events listed under Clause 3.4, MMMUT Foundation will follow the procedure in Clause 3.4 prior to terminating the Agreement.
- b. Apart from termination of the Agreement in the aforementioned circumstances, MMMUT Foundation is entitled to terminate the Agreement at any time by serving a three month notice on the Incubatee.
- c. MMMUT Foundation is entitled to and may terminate the Agreement without any prior notice on the occurrence of any of the following events:
 - i. Incubatee does or takes any action which affects the reputation and goodwill of MMMUT and/or MMMUT Foundation;
 - ii. It is found that the Authorized Signatory of the Incubatee who executed the Agreement did not have the necessary corporate, shareholder or other approvals to execute the Agreement or misrepresented any factual information at the time of executing the Agreement or Clause 5(A)(m) of the Agreement is found to have been violated in any manner;
 - iii. Incubatee, without seeking permission of MMMUT Foundation, enters into any acquisition, merger or amalgamation deal or reorganization deal which may alter/result into substantially affecting a change in the profile of the Incubatee, its promoters, directors, shareholders, products or

- business plans, introduction of any substantially different/new idea(s) to attain the objectives qua the proposed business-plan;
- iv. Incubatee, without seeking permission of MMMUTFoundation, commences planning towards a public issue;
 - v. Incubatee, without seeking permission of MMMUTFoundation, avails any loan from a financial/ private institution or any person;
 - vi. Incubatee's performance is found to be unsatisfactory, or the business is found to be underperforming or unviable, by a duly constituted Committee of MMMUTFoundation;
 - vii. Incubatee fails to pay the requisite User Charges for any two consecutive terms; h. Incubatee misuses the seed fund and fails to refund the same within 15 days of receipt of notice of demand from MMMUTFoundation.
- d. MMMUTFoundation is entitled to terminate the Agreement in the event the Incubatee breaches any of the following conditions of the Agreement and if the Incubatee makes no attempt to amend the breach within 10 days of being notified of such a breach by MMMUTFoundation:
- i. Incubatee fails to transfer the equity to MMMUT Foundation within the promised time frame;
 - ii. Incubatee uses the space allocated to it for any commercial or other purpose unrelated to the Start-up idea contained in the approved Business Plan;
 - iii. Incubatee lets/ sublets, alienates or parts with the possession of the whole or any part of the allocated space to any third party;
 - iv. Incubatee misuses the allocated space or uses it for any illegal and/or immoral activity;
 - v. Incubatee's personnel are found to be guilty of gross indiscipline or unacceptable behavior towards other Incubatees' personnel, MMMUT Foundation staff/ officials, service providers or mentors/ advisors.

5.4. Termination of the Agreement by the Incubatee

The Incubatee shall be entitled to terminate the Agreement at any time by giving three months written notice to MMMUTFoundation. The Incubatee shall return the unutilized funds to MMMUT Foundation within 7 days of delivering the aforementioned notice.

5.5. Refunding of Unutilized Funds by the Incubatee Upon Exit

- a. The Incubatee is not entitled to receive the seed-fund except as per the Disbursement Schedule. In the event of Exit or notification of Exit, the Incubatee will not be provided with any further amounts as seed fund by MMMUTFoundation.
- b. Furthermore, upon Exit, the Incubatee is bound to return all unutilized funds to MMMUT Foundation within the time duration as prescribed below:
 - i. In the event of Exit in accordance with Clauses 5.3.b or 5.4, the Incubatee

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shall refund the unutilized funds within 7 days of receipt of the notice of termination;

- ii. In the event of Exit in accordance with Clause 5.3.c.F, the Incubatee shall refund the unutilized funds within 7 days of the termination of the Agreement;
- iii. In all other cases of Exit, the Incubatee shall refund the unutilized funds within Xdays of the Exit.

5.6. Buyback of Equity Held by MMMUT Foundation

- a. Within 180 days of the Exit, Graduation or Termination of the Agreement with the Incubatee, the Incubatee shall be entitled to buy-back the equity held by MMMUT Foundation, as per its market valuation at the time including the Incubatee's goodwill & Intellectual Property.
- b. If the Incubatee has received external funding, then the external funding entity would also be entitled to acquire the equity held by MMMUT Foundation, as per its market valuation at the time including the Incubatee's goodwill & Intellectual Property.
- c. The Incubatee's right to buyback shall have priority over that of any external funding entity. However, after the expiry of the aforementioned period of 180 days, MMMUT Foundation shall be entitled to dispose off the equity held by it to any person or entity.