



BITS Pilani

Pilani | Dubai | Goa | Hyderabad | Mumbai

An Institution of Eminence

FACULTY ENTREPRENEURSHIP POLICY

BITS Pilani Faculty Entrepreneurship Policy

Preamble: The Faculty Entrepreneurship Policy at BITS Pilani is a guiding document for BITS Faculty wishing to be a stakeholder in the innovation and entrepreneurship ecosystem. The policy facilitates and encourages faculty members at BITS to actively engage in entrepreneurship, apart from their teaching, research, and institutional contributions. This policy should be read in conjunction with Innovation and Startup Policy, the Intellectual Property Policy, and Employment Rules and Policies of BITS Pilani.

Vision: To be at the forefront of faculty-led, innovative, deep technology and invention driven startups, solving critical societal and business challenges of the society.

Mission:

- To Create and support start-ups from BITS Pilani Faculty
- To Transform BITS' technological inventions and faculty's innovative ideas into start-ups
- To create a conducive and thriving entrepreneurial ecosystem for faculty to engage in innovation, start-ups, and venture creation

The policy is subject to periodical review and amendments. It will be the responsibility of the companies admitted to/associated with TBI to update themselves from time to time on amendments in policy and procedures.

BITS Pilani reserves the rights to make an exception of all or any of the terms of policy for a particular FSU or a promoter on a case-to-case basis.

“BITS Pilani” or the **“Institute”** shall mean “Birla Institute of Technology & Science, Pilani” and all its campuses.

“Policy” means Faculty Entrepreneurship Policy of Birla Institute of Technology & Science, Pilani” and all its campuses.

“Faculty Member” shall mean a full time on campus and off campus faculty member of BITS Pilani.

“Promoter” means a promoter or an individual with a direct equity interest in a startup (doesn't include advisor or mentor equity). For any further clarification, refer to under Section 2(69) of Companies Act 2013.

FSU means Faculty Startup Unit, an enterprise where the faculty is in a capacity of a promoter, or founder/Co-Founder.

NFSU means a Non-Faculty Startup Unit, an enterprise where the faculty member is not a promotor, founder/co-founder.

Founder / Co-Founder means a Faculty Member who is enrolled as a Director with equity stake with the FSU.

“Mentor/ Advisor” shall mean a role as a person advising the startup (on technical) and /or Business aspects. The mentoring or advising may be in lieu of equity.

“Consultant” means a person involved with the Startup to provide a specific scope of service. In the current context, an FSU / NFSU outsourcing a specific activity to the Faculty with a specific compensation, under a defined contract will act a consultant to provide a specific service as per the Institutional Consultancy guidelines and/or of the funding source).

“Director(s)” means a person who is on the board of a start-up holding shares without being a promoter, with controlling votes or rights.

“Investor / Shareholder” a person who has invested in a Company with the expectation of achieving a profit.

Executive / Manager level employee (considering Employee Stock Ownership Plan (ESOP). In the current context of the Policy the such employees have no controlling role in the company.

“Equity” shall mean ‘liability free’ equity shares (fully paid up), having voting rights, of the Company.

CIIE means Centre for Incubation, Innovation and Entrepreneurship

1. Engaging with Startup

A faculty member may be engaged with following categories of Startups:

- a. Startups founded by Faculty, alone or along with other faculty members of BITS
- b. Startups founded by Faculty along with BITS Students (FD/HD/PhD)
- c. Startups founded by Faculty along with Non-BITS Students or Faculty Members
- d. Startups not founded by Faculty

2. Role of Faculty

The role of the faculty in startups could be as a

- a. Promoter
- b. Mentor / Advisor (with or without equity)
- c. Consultant, with compensation
- d. Investor / Shareholder
- e. Director
- f. Executive / Manager level employee

While taking any of the above-mentioned role in an FSU/NFSU, the faculty shall ensure that there is no conflict of interest with their core job responsibilities assigned to them at BITS Pilani.

3. Faculty as a Founder / Co-Founder

In case a faculty member is forming a startup, the brief procedure is listed as below:

- i. Inform the campus Faculty-in-Charge, CIIE about the Idea
- ii. Discuss the idea in a meeting convened by the F-I-C, CIIE (within 7 days of receiving such a request) about the startup. The meeting may cover the following agenda, amongst other things,
 - Idea and its potential
 - Potential Intellectual Property Consideration
 - Usage of Institute Facilities
 - Help Required in Incorporation
 - Funding Requirement (if any)
- iii. Submit the necessary declarations to campus Faculty-in-Charge, CIIE:
 - Complete Disclosure Form
 - Declaration of Conflict of Interest
 - IP Commercialization Form (in relevant cases)
- iv. Post submission of the necessary documents, CIIE shall issue a No Objection Certificate to the faculty, post which the faculty can move forward to incorporate

their startup.

4. Faculty as a Non-Founder

In case a faculty is not engaged with a startup, they may take up one of the following roles in the startup, along with following disclosures:

Role	Disclosure Required?	Type of Disclosure	Governing Policy
Mentor / Advisor	No	Only inform to CIIE and respective Department	No
Investor / Promoter	No	Only inform to CIIE and respective Department	Yes
Executive / Non-Executive Director or Professional	Yes	Conflicts of Interest	Faculty Entrepreneurship Policy
Consultant	Yes	Consultancy Fee sharing	IP and Consultancy Policy

For engagements not covered above, it is recommended that the faculty makes a voluntary disclosure to the campus F-I-C, CIIE of the nature of the engagement.

5. Leave Policy for Faculty Engaged with Startups

In case the faculty member wishes to work full / part -time in an FSU / NFSU as mentioned in (2) above, they may discuss and seek approval for appropriate leave as per the leave policy maintained by the Faculty Affairs Division of BITS Pilani.

In general, the faculty member can avail of the following benefits after due approvals:

A. Leave

- i. Sabbatical
- ii. Extra Ordinary Leave

B. Time Off for Consultancy: Avail 52 days per year for consultancy work to the start-up

Other form of leave concessions can be availed by the faculty on a case-to-case basis in discussion with and approval of the competent authority of the institute. It is expected and understood that the faculty would take all possible steps to ensure that their core responsibilities shall take precedence and importance over all other

activities.

6. Incubating the Startup

Faculty, in startups where they are founders / co-founders, would have to necessarily incubate their startup in any one of the BITS campus Technology Business Incubators (TBI). The various TBIs are as follows:

- Piloni Innovation and Entrepreneurship Development Society (PIEDS), Piloni
- BITS Goa Innovation, Incubation and Entrepreneurship Society (BGIIES), Goa
- BITS Hyderabad Technology Business Incubator Society (BITS Hyderabad TBI), Hyderabad
- BITS Dubai Technology Business Incubator, Dubai
- BITS BioCyTiH Foundation Incubator, Goa

The faculty may compete for funding by applying to various funding programs at the incubator. The final decision to fund a startup lies with the investment committees of the respective TBIs. The funding to FSUs is only possible to the startups incorporated in India (in case of Indian campuses) and UAE (in case of Dubai Campus). The FSU must have more than 51% ownership with Indian citizens to avail the funding (applicable for Indian campuses)

- Equity Consideration:** For incubating at any of the campus TBI, the incubators shall take 3% equity in the startup, irrespective of funding. In case the funding is provided, an extra 1%-3% of equity may be provided to the incubator. In any case, the total equity to be divested shall not exceed 6% as per NISP policy.
- Office Space:** The TBIs shall make their best efforts to provide dedicated / shared office space to the faculty startups on a chargeable basis. The faculty startups would need to enter into a separate rent agreement with the TBI.
- Other Services:** The faculty startups can avail various services such as legal, banking, accounting and other services through partners of the respective TBIs on a subsidized/chargeable services.

7. Usage of Institute Facilities

FSU can use the institute facilities for working on their products or solutions. However, the facility usage would be facilitated by approval of Head of Departments or concerned faculty-in-charge / authority. The FSU shall pay for various services used - instruments, equipment, manpower, and consumables on a subsidized rate.

FSUs are committed to seek prior approvals from concerned authority before

commencing work on their idea.

8. IP Considerations

Any IP created by the FSU shall be sole property of the Faculty. The faculty may use IP filing services provided by CIIE to file their patent on a chargeable basis.

In case the FSU is using an IP that is owned / jointly owned by the Institute, the faculty can submit a request to release the IP right in favour of the FSU for commercialization to the Dean, Sponsored Research. The Dean, Sponsored Research shall formulate a committee to decide the release of IP Rights within 30 days of receiving such a request. The usage and commercialization of IP shall be as per the IPR policy of the Institute.

9. Resolution of Potential Conflicts:

All grievances related to this policy can be submitted to Faculty-In-Charge (F-I-C) CIIE office at each campus. In case the F-I-C CIIE is unable to offer a resolution, the faculty may approach the Professor-in-Charge (P-I-C), CIIE, BITS Pilani. As appropriate, the P-I-C may constitute a committee involving relevant BITS officials and external experts to resolve the grievance or conflict.

10. Periodic Assessment of FSU

All FSU shall be required to submit periodic progress updates to the TBI at which they are incubated. This may include any achievements, an update on their business operations, funding utilization (if applicable), and any support required from the TBI / BITS. In case of funded FSU, appropriate audited financial statements shall also be required to be submitted after the financial year ending.

11. Modifications and exception to this policy is possible on a case-to-case basis, in line with BITS Pilani's Innovation Startup Policy.

Annexure I: Procedure For Faculty to Launch their startup:

1. Application

- a. Faculty member submits the application form and submits to CIIE. HoD should be made aware about this. A copy of various forms (including NoC) is included in Annexure II.

2. Evaluation

- a. CIIE constitutes an evaluation committee comprising the following to assess technical and commercial viability:
 - i. FIC - CIIE (of the campus where the incubation is sought)
 - ii. TBI Representative
 - iii. Technology Transfer Office
 - iv. Faculty Expert (case-to-case basis)
 - v. External expert (case-to-case basis)

3. Outcome / Approval

- a. Based on the interaction, CIIE will prepare a list of action items that are required to launch the FSU
- b. The faculty will complete all the required documentation (such as Disclosure, Declaration on usage of any BITS Owned IP, etc.). These are included in Annexure II.
- c. Issue of NoC
- d. Final Approval by President of TBI

4. Incubation

- a. Once CIIE completes processing and informs all the relevant stakeholders, FSU can enter into incubation contract with TBI.

Annexure II: Various Forms (whichever required, we can also provide web-link of the forms wherever applicable)

- 1. Faculty Startup Form (Google Form) where other forms can be uploaded. We can also give instructions on which one needs to be submitted in original.**
- 2. A PowerPoint pitch deck template**
- 3. NoC Template for Faculty Member (to get from the Campus Admin/ Director)**
- 4. BITS Pilani IP Policy**
- 5. NISP Policy**