

INNOVATION AND STARTUP POLICY

Preamble

P P Savani University aims to encourage broad utilization of the P P Savani University's research and development activities and to provide a vehicle for the transfer of innovative ideas and the new technologies from the University to the community at large, by permitting commercialization in the public interest, in a manner consistent with the integrity and objectives of the academic process. On account of this, the P P Savani University Innovation and Startup Policy 2020 is designed to create a robust innovation and startup ecosystem within the institution. This policy is designed, in line with the best practices of other institutes of higher learning across the world to support the institution's faculties, staffs, and students to actively participate in innovation and entrepreneurship-related activities. This guiding framework will also encourage interested faculty members to launch startup that could result from their innovation, and research and development activities. The policy also underlines the guidelines on how the innovator (faculty / staff / students) be on the board of such startups. It also aims to define clarify and protect the rights and equities of inventors and innovators by promoting recourse to the patenting and copyright process and by providing information, support and liaison concerning the procedures and problems involved therein. This policy encourages faculty/staff members to take their efforts to balance their academic responsibilities while assuming the above role and responsibilities in the startup. It is expected that faculty/staff members will respect and adhere to the terms and conditions of this policy.

Definitions

1. "P P Savani University" or the "Institute" or the "University" means "P P Savani University"
2. "Policy" means "P P Savani University Innovation and Startup Policy 2020" of P P Savani University
3. "Faculty Member" shall mean a faculty member of P P Savani University
4. "Promoter" means a promoter as defined under Section 2(69) of Companies Act 2013.
5. "Executive capacity" shall mean a role as a Director or a Chief Executive Officer, Chief Operating Officer or Manager or any person, enjoying similar role, by whatever name called, in the Company, having executive power(s) in the Company.
6. "Equity" shall mean 'liability free' equity shares (fully paid up), having voting rights, of the Company.
7. "Company" shall mean a startup Company, having at least one Faculty member from P P Savani University in Executive or in Non-Executive Capacity in the company.



Eligibility of Companies

1. Faculty members are eligible to establish companies that can originate from their idea, innovation, creativity, and the research and development activities.
2. P P Savani University encourages and prioritizes the companies in the following order:
 - a. Companies jointly owned by the faculty members and/or graduating students/alumni (along with possible others).
 - b. Companies owned by the faculty members (one or many) along with possible others
3. In such companies, the faculty member(s) and student(s), if applicable, will be known as a founding member(s)/Promoter(s) in a non-Executive position of the Company
4. The faculty member cannot associate, either as a Promoter or in an “Executive Capacity”, with:
 - a. Companies providing consultancy services
 - b. Companies involved in teaching
 - c. Companies involved in development of educational content
5. Companies engaged in developing innovative technology platforms that facilitate delivery of content are permissible.

Guidelines for the Faculty Member

1. A prior permission from the Institute must be obtained by the faculty member has before associating with any business venture or starting a new venture in the application format as prescribed by P P Savani University.
2. P P Savani University expects that the faculty member would be
 - a. Promoter of such Companies and
 - b. Director on its Board.
3. In addition, the faculty member can choose one of the following options:
 - a. Provide consultancy to the Company in a non-executive capacity. However, the total number of days allocated by the faculty member for the consultancy activities should not exceed the maximum number of days allowed by the Institute for such activities.
 - b. Undertake projects that could be executed at P P Savani University, and manage through the Company. However, this may be undertaken only after obtaining explicit permission from the competent authority at P P Savani University and entering into an explicit agreement with the Institute following existing processes.



- c. Take a sabbatical and/or leave without pay and work full-time for the Company in an Executive Capacity (COO, CEO, Vertical Head etc). Eligibility and approvals of such leave are governed by the extant rules of the Institute.
4. It should be noted however that the faculty member of P P Savani University should take all possible steps to ensure that his/her duties and responsibilities as a member of P P Savani University faculty, take precedence over all other activities regardless of the nature of his/her engagement with the Company.

Product Ownership Rights for Technologies Developed at Institute

1. When institute facilities / funds are used substantially or when IPR is developed as a part of curriculum/ academic activity, IPR is to be jointly and equally owned by inventors and the institute.
 - a. Inventors and institute could together license the product / IPR to any commercial organization, with inventors having the primary say. License fees could be either / or a mix of
 - i. Upfront fees or one-time technology transfer fees
 - ii. Royalty as a percentage of sale-price
 - iii. Shares in the company licensing the product
 - b. An institute may not be allowed to hold the equity as per the current statute, so SPV may be requested to hold equity on their behalf.
 - c. 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 institute and the incubated company.
2. On the other hand, if product/ IPR is developed by innovators not using any institute 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.

Disclosure and Compliance

Financial and non-financial disclosure agreement will be signed as per the existing Institute norms. Also, a separate Conflict of Interest Disclosure Statement will have to be furnished every six months (April 30th and October 31st) by the Company. At all times, the faculty member(s) must ensure that the Company/Companies he/she is associated with is/are compliant with all the norms



of the Government of India. Non-compliance by the faculty member(s) shall have no bearing on P P Savani University.

Support from other Faculty Members

Support from other faculty members of the institute during and after the incubation (if applicable, see below) period of the Company would be treated under the Institute 's extant consultancy norms (other than assigned faculty mentor(s)).

Support from Students

Any support received from students for the Company would be as per the existing guidelines of the Institute.

Outsourcing of Sponsored Research/ Consultancy Assignment to the Company

Outsourcing of full/in part of Institute's projects to the Company would be governed by the existing policies of the institutes. If in case such a policy is not available then a decision on outsourcing would be taken on a case-by-case basis by the Institute and in accordance with the guidelines provided by the sponsor, if applicable.

Methodology

A Company will necessarily be required to be incubated in the Institute. However, in exceptional cases, the institute may allow a faculty member to open/operate/incubate the Company outside the institute if sufficient justification is provided. The process of entrepreneurship will be as below:

1. A faculty member will submit the duly filled application form for establishing a new company to the Provost of P P Savani University. This form needs to be forwarded by a P P Savani University SSIP Committee, as indicated in the form.
2. Once permitted, the faculty member may form a Company. A faculty member may approach the Institute even before the formation of a Company for an approval for incubation of the Company.
3. For the incubation of the Company, evaluation will be as per the policy of the University.
4. Upon approval, the Institute and the Company may negotiate and enter into an agreement for financial consideration by the Company towards P P Savani University which will consist of consideration via equity shares in the Company and/or a share in the revenue of the Company, as mentioned below:
 - a. Liability-Free fixed equity of 10% in the Company. P P Savani University will reserve the right to liquidate any or all of the equity shares after seven years of formation of



the Company while the Company will reserve the first right of refusal for purchase of the equity shares from P P Savani University.

OR

- b. A pre-determined, and agreed upon, share in the revenue of the Company, measured in terms of cost of units of product or services rendered by the Company, at fair market value on a given date.

OR

- c. A combination of liability free equity in the Company and share in the revenue of the Company, measured in terms of cost of units of product or services rendered by the Company, at fair market value on a given date.

5. **Exit:** The Company shall work towards a plan that would give P P Savani University an "Exit". It should be noted that this policy will cease to be in effect, other than the part governing his/her responsibility towards P P Savani University as listed in points 3a, 3b, 3c under 'Guidelines for the Faculty Member', once the "Exit", as defined below, takes place.

- a. Company raises investment at a valuation of INR 30 crores or more. This threshold value may be changed from time to time.
b. Seven years from the date of Incorporation of the Company and the Company has graduated from incubation, both conditions satisfying.
c. Whichever between (a) or (b) happens earlier

OR

- d. The faculty member relinquishes executive position in the Company and/or ceases to be a Promoter of the Company

Resolution of Conflicts

In situations in which the objectivity of a faculty member – due to his/her association with the Company - could reasonably be questioned, the Provost of P P Savani University may establish an independent committee to investigate the operation of the Company and possible conflict of interest between the functioning of the Company and the academic duties of the faculty member(s) associated with the Company.

The faculty member may appeal to the Provost P P Savani University for a review of the committee's decisions. The decision of the provost, in this regard, would be final.



Registrar,
P P Savani University
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