

**Innovation and Startup Policy 2021 and 2022**  
**Rungta group of educational institutions and RUBI**  
**(Rungta Business Incubator)**



**RUBI**  
**RUngta Business Incubator**

## **I. Background and Preamble**

The Rungta group of educational institutions started its journey in education in 1989. The institution has been encouraging entrepreneurship and innovation as a core policy since its inception.

Since 2019, it has started its own incubator under the name Rungta Business Incubator, called RUBI. RUBI was created as a special instrument (a sec 8 company) to further its goal of nurturing innovations and entrepreneurship, build a vibrant startup environment and successful enterprises.

The Rungta group has collaborated with national and international institutions to bring quality programs on entrepreneurship and innovation at affordable costs to its students.

They have further carved out quality physical infrastructure within the campus, for RUBI, for incubating startups and enterprises. At the time of making this policy document (July 2021), the incubator has been approved by the ministry of MSME. RUBI is also engaging with several state and central government departments for collaborations and empanelment.

The advent of Covid-19 virus and the subsequent disruptions since march 2020 had postponed the plans of the institution to expand its E & I activities and host incubates by over 15 months. With the pandemic receding, the activities have been restarted with full vigour.

This policy document<sup>1</sup> is intended to act as a guideline and provide direction for all future E & I and startup related activities in the institution. The activities will be spearheaded by RUBI the SPV created for identifying, launching and building successful enterprises, from students and staff of the institution and the larger business and entrepreneurial community in central India and neighbouring states in southern and eastern India.

A draft policy document written by senior members of faculty was reviewed by a committee comprising of 2 members of the management of the institution, CEO of RUBI, Dean of the institution and an external expert and this document has been adopted.

The guidelines and principles will be reviewed annually and will be adopted with / without changes as may be essential based on prevalent circumstances when it comes for review. The policies and guidelines laid down are as follows.

## **II. Guiding principles for this policy document**

1. Nurture a culture of entrepreneurship and innovation as a key pillar guiding its educational programs

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<sup>1</sup> The policy document has drawn inputs and guidelines significantly from the National innovation and startup policy 2019 of the ministry of Human resource development, government of India.

2. Motivate students and faculty to consider startups and entrepreneurship as a career option
3. To make innovation, central to the thought process of thinking in education imparted
4. To support innovative & entrepreneurial ideas with physical and technical infrastructure, mentoring and other support systems to nurture them into successful enterprises.
5. To build a vibrant startup ecosystem in Chhattisgarh and Central India

### **III. Terms and abbreviations used**

**The institution or institution** - refers to Rungta group of educational institutions

**The Government** – wherever left unsubstantiated refers to government of India

**RUBI** – Rungta Business Incubator

**DST** – Department of science and Technology, Government of India

**MHRD** \_ Ministry of Human Resources Development, Government of India

**MSME** – Ministry of small and medium enterprises, Government of India

**MSDE** – Ministry of skills development and entrepreneurship, Government of India

**CSIR** - council of scientific and Industrial research

**AICTE** – All India council of technical education

**MeitY** – Ministry of electronics and Information technology, Government of India

**TDB** – technology Development board, Government of India

**CSR** – corporate social responsibility

**HEI** – higher education institution

**I & E** – innovation and entrepreneurship

**SPV** – special purpose vehicle

### **IV. Governance and strategies**

1. The institution will strive to further its vision to foster a spirit of entrepreneurship and innovation within and in the entire region on a mission mode
2. This mission will be spearheaded by one member of the management, the dean of the institution and one or more members with wide industry and entrepreneurial experience from outside the institution and the CEO of RUBI

3. The institution has set up incubation facilities and infrastructure that will help incubate startups both within and outside the institution to grow into successful business ventures
4. The institution will aim to allocate not less than 1% of its annual budgeted spending on innovation, entrepreneurship, startup incubation and related activities.
5. Besides its internal financial resources, very structured and serious efforts will be made to raise funds from diverse sources both public and private. State and central government sources such as DST, MHRD, AICTE, MSME, MSDE, MeitY, CSIR, TDB, Startup India and other sources will be continually and actively explored for funding. Besides, CSR funds, external investments, philanthropic investments, impact funds and any other institutional or bilateral / multilateral funding and outreach to alumni networks will also be actively and continuously explored.
6. Strategic international partnerships with other HEI's, business incubators, national and international innovation clusters, governments, foundations, bilateral / multilateral agencies and other relevant institutions will be actively pursued and created to advance learning, exchange programs, research, innovation, creation of intellectual property, investments and enterprises.
7. Entrepreneurial cells will actively function in every department.
8. Activities promoting entrepreneurship will not be restricted to the institution alone. It will be done throughout the central Indian state of Chhattisgarh & the entire central Indian region and the neighbouring states in the eastern and southern India, to the extent possible.
9. The management of RUBI will be empowered to act with a high degree of independence. Decision making process will be fast and free of bureaucratic procedure.
10. RUBI will invite applications and incubate prospective startups, both from within (students and faculty of the institution and its alumni) and from other parts of India.

## **V. Incubation and enabling infrastructure under RUBI**

1. The institution has created a section 8 company called RUBI, as a SPV, for the exclusive purposes of promotion of innovation, entrepreneurship and building a startup culture.

2. The institution has a dedicated physical infrastructure under RUBI, comprising of exclusive and shared office accommodation, common facilities like meeting rooms, conference halls, technical support infrastructure like high-speed internet access, hardware, software tools, printers, scanners and so on. The physical space, soft and hard infrastructure will be reviewed and upgraded from time to time to meet the norms laid out by government of India institutions and to meet expanding needs of incubates.
3. Good governance will be the basic pillar on which RUBI will be administered
4. The management team of RUBI will be thoroughly accountable to its investors, the institution and other stakeholders.
5. RUBI will offer a host of related services such as compliance services, IPR related services, technical and business mentoring, training and any other support services that may be relevant and necessary for startups.
6. The services provided will be for a fee or other considerations that may be decided on a case-to-case basis for every startup, subject to the framework mentioned in the section VII.12 to VII.17 of this document.

## **VI. Organization and human resources**

1. Competent and expert resources with experience in various aspects of entrepreneurship and startups ecosystem will be hired by the institution for RUBI and for related I & E activities in the campus from time to time.
2. Training and capacity of faculty members with interest, inclination and exposure in I & E, will be built for engaging them more productively in such activities.
3. RUBI and senior management will explore areas of convergence and cross disciplinary linkages between various departments and facilitate collective research and innovation wherever possible.
4. Faculty members / employees / research scholars will be encouraged to do courses and programs related to entrepreneurship and innovation
5. Participation and contribution to activities related to nurturing innovation and entrepreneurship will be part of the evaluation matrix for annual appraisals. Helpful HR policies will be adopted in line with those guiding principles mentioned sec VII.10.a to VII.10.h of this document.

6. Experts on various aspects of entrepreneurship will be periodically invited to expose students to valuable inputs on entrepreneurship, state of the art developments and real time case studies and examples.

## **VII. Guidelines on nurturing innovation and startups**

1. Through RUBI the institution will constantly create mechanisms and an enabling environment where startups / enterprises are easily created and facilities & support services accessed by members of faculty, students, alumni and any entrepreneurial aspirant.
2. Wherever necessary the institution will allow its staff and students to work as employees of incubated startups. They may also be allowed to provide part-time services / freelance services / work as interns in the startups
3. The institution may allow Staff or student innovations / inventions to be established as startups or enterprises. Such student inventions or innovations may also be allowed to be considered as substituting for some academic requirements like projects / summer trainings / seminars / internships etc.
4. The institution may allow faculty from multiple departments to support and engage with startups, where the startup requires interdisciplinary or multidisciplinary needs.
5. Where ongoing research activities in the institution are clearly identified as being conducted for a startup, the institution may permit the same.
6. The institution may permit startups to access any technology or innovation on which it has IPR or business rights, on mutually acceptable basis with startups.
7. The institution will offer access to all aspirants to access the incubation and pre incubation facilities and support services described in the section 5 of this document.
8. Further, to promote entrepreneurship, the institution may consider the following flexibilities and facilities for students
  - a. Allow them to use the address of RUBI for registration or office purposes on mutually agreed terms
  - b. Allow them to appear for exams by relaxing attendance norms wherever permissible, if the student has been involved in activities related to I & E

- c. Consider giving suitable credits in academic scores wherever permissible for work done in I & E.
  - d. Consider giving a break from academics and allow them to rejoin later to work on their idea / startup / innovation wherever permissible
  - e. Consider providing accommodation to students at mutually agreed terms, if the students take a break from academics and pursue the entrepreneurial dreams at RUBI
  - f. Explore possibilities and provide academic programs leading to certification / degree / diploma in areas related to entrepreneurship / innovation / startup / management and so on, either directly or in partnership with national and international institutions of repute
9. To promote entrepreneurship amongst the faculty the institute will consider the following relaxations / benefits in their employment rules
- a. Allow faculty to take sabbatical / unpaid leave / casual leave / partly or fully paid leave to startup their ventures
  - b. Allow them access to facilities and infrastructure in RUBI at mutually agreed terms
  - c. Allow them access to other support services provided at RUBI at mutually agreed terms
  - d. Consider allowing seniority and other benefits during such periods of absence from teaching
  - e. Consider recognizing the effort of setting up startup enterprises by faculty as a legitimate and full-time effort.
  - f. Include faculty participation in mentoring and supporting enterprises and themselves engaging in setting up enterprises as an additional basis for evaluating performance to the extent permissible.
  - g. Staff / faculty / employees / research scholars may be allowed to take equity to any extent in the enterprises where they are founders and where they participate and provide services as long as they do not spend more than 20% of their time in such roles or do not compromise on their existing academic or administrative work.

- h. Where staff hold founding / executive / managerial positions in enterprises they may be allowed sabbatical / earned leave / leave without pay without impacting their seniority or other benefits to the extent permissible.
- 10. The institute will allow students / faculty / other staff / any other potential entrepreneur the facilities and services under RUBI, fully described in the section V of this document, based on the need and choice of the entrepreneur.
- 11. In return for these services the institution through RUBI may charge a reasonable and affordable fee or charge for these services based on a fee + equity (or) only equity (with zero payment) (or) debt or deferred payment models as may viable for the projects incubated and based on mutual agreement.
- 12. Where the institution or RUBI picks equity stake in the enterprise in return for facilities / services provided or licensing use of proprietary products / products where it has business rights, such equity will be on mutually agreed terms with the entrepreneur/s and will not exceed 9.5% of the total equity of the enterprise. The guiding principle in all these instances will be the viability of the project and the financial standing of the entrepreneur.
- 13. The institution through RUBI can also pick up shares that staff / faculty / employee / research scholar takes, while drawing full salary from the institution and working in the projects, provided such equity is not more than 20% of the equity that the staff / faculty / employee / research scholar holds in the enterprise and also subject to an upper limit of 9.5% of the allotted equity of the company.
- 14. Where the institution or RUBI is picking up equity from projects, it will normally be after a cooling off period of not less than 3 months. During this period if the incubate is unsatisfied and wishes to cease to be an incubate he may do so without ceding any equity to the institution or RUBI.
- 15. Wherever equity is picked up from startups, RUBI shall hold any such equity on behalf of itself and the institution.
- 16. At no stage will the institution or RUBI incur any liabilities on account of the activities of startup. The upper cap on equity is based on protecting the institution or RUBI from any liability.



### **VIII. Provisions in the case of starts up with faculty**

Startups with or by faculty/ staff / employees / research scholars is encouraged by the institution as a policy. However there is a need to define in the policy the rules that govern their presence in startups because of the possibilities of conflict of interest, nature of their employment contract and so on.

1. Startups can be started by faculty alone, with other faculty members or with students or other entrepreneurs. Their association with startups may also be as owner / promoter, on board member, consultant, mentor and so on.
2. Where they are involved in projects as full time resources for a period of more than 3 months they will be given the choice of taking a sabbatical / earned leave / leave without pay or as may be permissible under the HR rules of the institution
3. There should be no conflict of interest with the regular duties they perform at the college
4. The work they do at the startup must be completely differentiated from any ongoing research in the institution
5. They must not receive any special or additional gifts or financial benefits other than those expressly agreed in the agreement with the institution or through RUBI with the enterprise.
6. They must not involve or force other research staff / students in routine tasks of the startup, unless this is facilitated by the institution.
7. Sensitive subjects such as research related to animal / human behaviour must get the clearance of the management of institution as conforming to ethical practices prescribed under law.

### **IX. Creating an ecosystem for entrepreneurship and building an innovation pipeline and pathway for entrepreneurs from the institution and the entire region**

1. The institution will consciously engage in conducting a large number of activities aimed at creating an entrepreneurial mindset. These activities could be
  - a. Experiential learning
  - b. Training in cognitive skills
  - c. Programs in design thinking and critical thinking

- d. Interactions with industry / technology experts
  - e. Interactions with other entrepreneurs
  - f. Ideas / business plan / innovation competitions / hackathons with rewards and recognitions
  - g. Seminars / workshops / bootcamps / conferences / exhibitions  
(all these activities should be read with clauses mentioned in section X on learning interventions)
2. Integrate I & E activities and learning programs into regular education and curriculum as may be permissible and to the extent possible
  3. Structure institutional linkages with wider entrepreneurial system across the country by facilitating student internships / part time employments in startups.
  4. Set up under RUBI an innovation council which will promote, identify and reward promising ideas from students and other innovations. The council must also aim to scout for suitable talent and facilitate their entrepreneurial journey. This council will be built on MHRD's innovation cell guidelines.
  5. The institution through RUBI must organize periodical meetings with investors for aspiring entrepreneurs
  6. Publicise and provide facilities to entrepreneurs detailed in section 5
  7. Suitably sensitize entrepreneur to aspects like risk, reward, financial obligations, building trust with investors.
  8. A well-defined website for RUBI must be built. Details from activities related to entrepreneurship must be published on the website, where aspiring entrepreneurs and innovators gain insights and get some aspects clarified. This website must be constantly enriched with inputs that benefit entrepreneurs. Over time, with successive expert inputs and increasing knowledge resources and tools it must become a powerful resource and tool for reference by entrepreneurs and technologists

## **X. Learning interventions and pedagogy for entrepreneurship development**

*(this section to be read along with sec 1.a to 1.g in previous section)*

1. Cross disciplinary learning to be inculcated

2. Learning through games, case studies, concepts like tinkering labs
3. Risk taking must be lauded and a culture of accepting failures must be practiced. This must be consciously nurtured across all departments and across all segments and facets of learning and across all activities.
4. Content must include learning from business failures and real life experiences from entrepreneurs. A culture of learning from failure and building possible future successes on that foundation must be encouraged.
5. Entrepreneurship, business building, marketing, financial planning and other aspects of business and associated technologies and tools must be structured into the regular curriculum to the extent permissible.
6. Activities related to learning on entrepreneurship, wherever not forming part of the curriculum must form co-curricular or Extracurricular activity with clearly measurable learning outcomes and feedback on learning to participants
7. I & E must be part of induction to help the students orient towards a culture of I & E even at the time of joining the institution
8. Customized content must be prepared wherever training of incubates and enterprises is involved. This must be tailored for their specific needs and gaps.
9. There must be a mechanism for scouting entrepreneurial talent. Specialised training and nurturing programs must be developed wherever permissible and feasible for such talent
10. Projects, assignments, surveys, studies conducted by the university and its students must be based on real life problems and their solutions. This must be widely shared with students to help them see problems and solutions as opportunities and project ideas
11. Content must be reviewed annually or whenever required at lesser intervals and updated

## **XI. Collaborations, business and knowledge networks, value co-creation, knowledge exchanges**

Policy guidelines on nature of networks to be formed, the value to be created from these networks, knowledge and information sharing and the manner in which it is exchanged and activities designed to help students and entrepreneurial aspirants benefit from (or) acquire such knowledge, have been outlined here.

1. Partnerships with startups, social enterprises, MSME's, alumni, business institutions, investors and financial companies must be established and suitable training programs must be co-created and designed with them
2. Exchange of information, experts, knowledge and entrepreneurs must be organized with other incubators, accelerators and similar institutions
3. Specific resources will be assigned to help capture learnings from such exchanges and associations. They will document and share the same for common benefit
4. Collaborations and partnerships must be created with private enterprises
5. Internships, knowledge exchange, meetings and interactions between faculty and external partnerships must be encouraged to facilitate mutual knowledge transfer
6. Collaborations with other government and private resources will be established, to maximise opportunities for enterprises and new entrepreneurs
7. Within reasonable time and in line with the guidelines for the website, described in section IX.8 of this document, a knowledge and information platform will be created. This must be constantly enriched and updated to become a powerful reference for entrepreneurs

## **XII. IPR, products, brands, trademarks and technologies ownership**

1. Where a new invention / patented idea (or) prototype / IPR is created the policy governing such assets will conform to the following guidelines
  - a. Where the same is developed with significant financial contributions (or) thro intellectual contributions which are acknowledged by the entrepreneur/s and the institution or RUBI (or) where development happens using infrastructure and services of the institution or RUBI the

rights will be owned jointly by the institution, through RUBI and the entrepreneur/s (and/or) enterprise based on a mutually agreed basis.

- b. Where it is developed as a part of curriculum / academic activity / research project the same will be jointly owned by the institution and inventor/s. Collectively this may be licensed to a commercial organization or an incubate by charging a fee / license, one time technology transfer fee, royalty or as equity shares to RUBI and the inventor. Royalties will not exceed 4% except for software products where it can be higher. It will be decided between the rights holder's collectively on one side and the incubated company on the other.

If the inventor has invented the asset outside the institution, with no substantive contribution from the institution, then the rights will be entirely owned by the inventor/s, even if it forms part of the curriculum.

- c. In case of a dispute or irreconcilable differences, the matter will be decided by a committee of 5 members – two senior faculty members (either from the institution or from other reputed institutes), two industry experts and one legal expert (with specialization in IPR). After meeting all stakeholders and examining the issue they are expected to settle the same to the satisfaction of all stakeholders.

### **XIII. Impact assessment**

1. Periodic scientific assessments of the impact of these initiatives must be conducted. Impact must be specifically assessed for initiatives such as pre-incubation, incubation, acceleration, training and educational interventions using well defined parameters.
2. Monitoring and evaluation of all knowledge exchange initiatives must be done in a scientific manner. It must also measure aspects such as engagement of departments and faculty in entrepreneurial activities and the extent of their participation.
3. The following parameters must also be rigorously captured and recorded
  - a. Number of start-ups created
  - b. Support systems provided / accessed by the startups
  - c. Satisfaction of the users of the support systems provided
  - d. Business collaborations and relations created for these startups

- e. Financial support received
- 4. All these measures and details captured under clauses 2 & 3 above must be used for impact assessments.
- 5. For early stage support interventions, assessing sustainable social, financial and technological impact will be done. Development of businesses which become self-sustainable will be good measure for assessing impact. In the long run, commercially successful ventures will become a key measure. Associated job creation, growth creation and other such factors can also a part of the impact measures.
- 6. Strategy, course corrections and new interventions to I & E initiatives, must be aligned to these M & E measures and impact assessment outcomes.

#### **XIV. Conclusion**

This document outlines the guiding principles under which the activities related to I & E will function in the institution. Under normal circumstances, it will come for review in Jan 2023 by a 6-member committee of experts and stakeholders comprising of CEO of RUBI, the management of the institution, external experts, faculty members and incubates. Suitable enhancement will be made to this policy document based on the inputs and suggestions of that committee. This policy may be updated even with shorter periodicity when required. Changes to this policy will be appended to this document based on approval by the CEO of RUBI and the institution management.