



**HINDUSTHAN INSTITUTE OF TECHNOLOGY**  
(Approved by AICTE, New Delhi, Permanently affiliated to Anna University, Chennai)  
(An Autonomous Institution, Accelerated by NBA and Accelerated with “A” Grade by NAAC)  
Pollachi Highway, Valley Campus, Coimbatore – 641 032.



**HINDUSTHAN INSTITUTE OF TECHNOLOGY  
INNOVATION & START-UP POLICY  
AND GUIDELINES 2021 FOR  
FACULTY AND STUDENTS**

**November 2021**

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## **I. Innovation Incubation Foundation**

Development Foundation for Innovation Technology-based companies are encouraged, supported, and promoted in Coimbatore, which also offers an atmosphere for their growth through incubation at the centre. The Innovation Incubation Foundation actively participates in changing the entrepreneurial mindset and environment for coming up with ideas, developing products, and commercializing enterprises that are affiliated with the foundation's primary mission.

### **The Main Objectives**

- To foster innovation and support new businesses by building and supplying physical infrastructure.
- To facilitate the delivery of incubation services to innovative and start-up businesses through the provision of management and technology consultancy services.
- To engage in entrepreneurial activities and foster a culture of innovation and entrepreneurship that will result in start-ups focused on technology.

### **Our focus and thrust Areas for the Incubation are**

- Software / Application Development
- Green Technology
- Information Technology
- Artificial Intelligence
- Robotics
- Artificial Intelligent / Machine Learning
- Block Chain
- IoT

## **II. HITECH – I&E Policy**

The HITECH Faculty, Staff, Students and Stakeholder Startup Policy 2020 was designed in accordance with the aforementioned National Innovation Start-Up Policy [1], State Government Policy [2], and Start-Up Policy for Faculty, Staffs, and Students at Anna University [3] and guidelines.

This policy address the

1. Strategies and Governance
2. Start-ups Enabling Institutional Infrastructure
3. Nurturing Innovations and Start-ups
4. Norms for the Faculty, Staffs and Students Startups
5. Intellectual Property Rights Protection and licensing
6. Monitoring
7. Review

### **1. Strategies and Governance**

- Importance of innovation, implementation of policy and entrepreneurial activities should be promoted for the entire institute through the institutional programs such as conferences, workshops, internships, etc.
- Investment for the Innovation, startup entrepreneurial activities must be upto 1% fund of the total annual budget of the institution.
- The policy is presumed to nurture innovation, investment in R&D, infrastructure, knowledge creation, technological development and skilled manpower, resulting in high growth entrepreneurial ventures.
- Extending support to social entrepreneurship for a positive social impact and inclusion.
- Enabling startups to design, create, and adhere to best practises that guarantee business

operations are carried out successfully without introducing extra risks.

- Ensuring that businesses are operated ethically and transparently while fostering good business practises.
- It is assumed that the policy will promote entrepreneurship with high growth through innovation, R&D investment, infrastructure, knowledge creation, technological advancement, and skilled labour.
- Increasing support for social entrepreneurship to promote inclusivity and a beneficial social impact.
- Enabling startups to design, create, and adhere to best practises that guarantee business operations are carried out successfully without introducing extra risks.
- Ensuring that businesses are operated ethically and transparently while fostering good business practises.

## **2. Start-ups Enabling Institutional Infrastructure**

- Development of pre-incubation (IICs in accordance with the guidelines set forth by the MHRD's Innovation Cell, EDC, Start-up Cell, Student Clubs, etc.), incubation, and facilities inside the institute using internal and external resources.
- To close the innovation-incubator gap, the Pre-Incubation/Incubation facility will be open 24 hours a day, 7 days a week to all students, employees, and faculty across all departments and disciplines at the university.

### **Facilities**

Infrastructural support in terms of an air-conditioned co-working space, with round the clock operations, institutional security and availability of facility management team for any instant need.

1. Incubation Units are provided for the Incubate and are tastefully constructed, furnished, and air-conditioned official dedicated workspaces. The incubators include plug-and-play functionality as well as high-speed wireless and cable connectivity. There are meeting and conference rooms accessible for conversations and brainstorming.
2. Audio and video conferencing capabilities are offered in meeting rooms, which may be reserved online. Depending on availability and in accordance with HITECH policies, Start-ups may use the large conference halls facility.
3. Use of the Innovation Lab, which has specialist equipment like a 3D printer and software. The resources for creating prototypes are available, and Incubate may make use of them with advance approval.
4. Access to the databases of research papers and foreign publications makes it possible to use well-known library services.

IT infrastructure that is industry-compatible and includes high-speed internet connectivity with lots of dedicated capacity. On demand, all necessary IT equipment is always made available.

- There are also amenities for video conferencing and meeting rooms.
- Specialized hardware and computer tools are made accessible upon request.
- Depending on the need, server space and infrastructure for application testing would also be given.
- Desktop PCs, office phones, and photocopiers are available (based on demand and supply).

### **3. Nurturing Innovations and Start-ups**

#### **➤ Offerings & Services**

- HITECH offers Pre-Incubation and Incubation support in a variety of forms and services based on the required needs.
- It offers a shared working environment in terms of inspiration, direction, mentoring, value-based collaboration, physical co-working locations, and resources for virtual incubation.
- The entire services are generally divided into two subsets: facilities and services, which include infrastructural, technological, mentorship, knowledge-based support, and services.
- Offer entrepreneurship skills training programmes to fill the gap between industry demands and existing curricula for both start-ups and other underprivileged people.
- Networking events must be planned to provide a venue for aspiring entrepreneurs to meet investors and present their ideas.

#### **➤ Services**

By letting students, teachers, and staff use institute infrastructure and equipment in the ways that the potential entrepreneur chooses, the institute will encourage start-up operations and technology development. Short-term part-time entrepreneurship training.

- Regularly scheduled mentoring support.
- Facilitation in a range of areas, such as technology advice, ideation, creativity, design thinking, development, R & D support, fund raising, financial management, cash-flow management, new venture planning, business development, product development, social entrepreneurship, product costing, marketing and outreach, legal support, brand-development, human resource management, as well as law and regulations impacting a business.
- Technical mentoring, business mentoring, and financial advising services will all be offered by the Center. Additionally, it will work on knowledge management, outreach, and exposure to incubators.
- Once the incubation efforts are complete, the institute itself may establish a seed fund or connect the start-ups to other seed-fund providers, angel funds, or venture funds.  
License institute IPR as discussed in below.
- Intern Assistance Well-trained students will be made available as interns; for technologies, core team, etc., they can be employed as needed and required in fields like technology, creative, business, etc. in accordance with HITECH rules and regulations.
- After carefully reviewing each application and reaching a conclusion, the advisory group awards grants, fellowships, and need-based financial services. Another support would be assistance with loan applications.
- When necessary, a special committee will be established, and it will have the authority to grant seed funding support after considering potential and scalability criteria.
- Deferred Compensation To reduce the financial strain on start-ups, provisions for delaying the Incubation charges are also available on very lenient terms with previous approach and agreement from the HISP committee members.

### **4. Norms for the Faculty, Staffs and Students Startups**

This policy gives academic personnel, employees, and students the ability to develop ideas based on IPR that they or a co-owner own into startup enterprises. Any faculty member may begin a class—alone, with pupils, or with both. together with academic staff, graduates, or commercial associates from other institutions. The following procedures have been devised in order for the Institute to run such a corporation.

## **For Faculty and Staffs**

- a. A startup company owned by faculty and staff may receive help from the Institute in the form of space, infrastructure, mentorship, seed money, support for accounts, legal advice, and IPR protection, among other things. The Institute may accept 2.0–9.5% of the company's equity or share in exchange for the services (As per the policy guidelines of the state government and affiliated university).

With permission from the Institute, a faculty member may be an Owner or Co-Owner of such enterprises and serve as a Director on the Board. With the Institute's blessing and within the following restrictions, the faculty member may also play an operational role (Technical Adviser, CEO, Manager, etc.)

- There are no restrictions on the number of shares that teachers or staff may own, provided that they do not compromise their academic or administrative duties and do not devote more than 20% of their working hours to the new firm in the aforementioned function.
  - Faculty must explicitly distinguish between ongoing research at the Institute and work done at startups or for-profit businesses.
  - Academic staffs are not permitted to collect honoraria or gifts from the startup.
- b. In a new company, if a faculty member or staff member occupies an executive or managerial role for longer than six months, they should be on sabbatical (unpaid time off) or should take advantage of existing leave. Following the prevalent Institute standards for consulting assignments, other faculty members are permitted to take on projects from a company owned by a faculty member or staff. Similar to this, any testing or characterization of a product created by the company should follow the guidelines established by the Institute testing fees.
  - c. The IP Rights for the technology developed by the company and faculty as per the section 5 shall be held jointly by the company and the faculty concerned as per the IPR Policy of the Institute.
  - d. A Company owned or co-owned by a faculty/ staff will normally be required to incubate at the Institute incubator. However, in exceptional cases, where the faculty / staff /wants to incubate outside the institute, a sufficient justification has to be provided for the approval of the Institute. Decision of the Institute is final and binding in this case.
  - e. For the incubation of the Company owned or co-owned by a faculty / staff evaluation should be as per the incubation policy of the existing incubator in the Institute.

## **For Students**

Given that startup development and administration necessitate cross-disciplinary expertise, institutes are urged to support as many companies as possible by students through participation across departments and institutions. By exposing them to training in cognitive skills (such as design thinking, critical thinking, etc.), exposing students to experiential learning, and by inviting local first-generation entrepreneurs or experts to speak to young minds, educators can encourage students to develop an entrepreneurial mindset. Events including concept and innovation contests, hackathons, workshops, boot camps, seminars, conferences, and exhibitions, as well as regular mentorship by academic and business professionals, setting real-world challenges, awarding winners, and recognising their achievements, should be planned. Through the aforementioned activities, the Institute will train the students to launch startups.

- a. The institution may permit students to launch their own startups or to work part-time for startups currently housed in the incubator while they are enrolled in classes or serving as interns.
- b. In accordance with the study regulations and with the approval of the Department Committee for Concerned Students, students may be permitted to get credit for developing novel prototypes or business models.
- c. With the permission of the Committee for Concerned Students in the Department, students may choose to opt for start-up in lieu of their mini project or major project, seminars, or summer trainings.

- d. With permission from the affiliated incubator, students may be allowed to use the development of a business idea or prototype as their main project work towards the Institute's academic requirements.
- e. Students who are enrolled in an incubator programme but are also pursuing certain entrepreneurial endeavours during their studies may, with the institution's proper approval, use their institute address to register their business.
- f. With the proper approval from the institute, students who are also business owners may be permitted to take the exam even if their attendance falls below the minimum percentage allowed by the institute's regulations.
- g. Institutions may permit students to take a semester-long or year-long break (or even longer, depending on the judgement of the review committee the institution has established) to work on their start-ups before returning to class to finish the course. For their efforts in building a business, student entrepreneurs may receive academic credit.
- h. The Institute may set up a review committee (consisting of the Principal of the Institute, the CEO of the Incubator, the CEO of the Student Department, and the Senior Faculty in Charge of EDC) to assess student startups. Depending on the outcomes, the review committee may decide to award appropriate academic credit.
- i. The institute will offer the student entrepreneur housing on campus in accordance with their needs.

## **5. Intellectual Property Rights Protection and licensing**

The term "intellectual property rights" (IPR) refers to the particular legal rights that creators have to possess and exercise things like patents, trademarks, copyrights, industrial designs, etc. IPR seeks to prevent exploitation of the protected subject matter by third parties for a certain amount of time (often 20 years) without the right holders' express consent. The Institute's or startup's intellectual property must be licensed and protected in accordance with Institute standards.

### **Licensing of IPR from institute to start up:**

Students and faculty who want to launch a start-up based on technology they have developed or co-developed, or technology owned by the institute, should ideally be able to take a licence on it easily, either in exchange for equity in the venture, licence fees, or royalties to alleviate the financial burden of the early stages. When significant institute resources are utilised or when intellectual property is created as a component of a course or academic activity, the institute and the inventors are to share ownership of the intellectual property.

- a. Inventors and the institution could agree to licence the good or IPR to any business entity, with the inventors having the final word. A combination of upfront costs and one-time technology transfer fees may make up licence fees.
- b. Royalty as a proportion of the sale price
- c. shares of the business that is licencing the product.

According to the existing law, an institute might not be permitted to hold equity, hence they might ask SPV to hold equity on their behalf. The royalties would be no more than 4% of the sale price, preferably 1 to 2%, unless it is a pure software product, if one or more of the inventors choose to incubate a company and licence the product to this firm. If it's stock in the corporation, shares will once more range from 1% to 4%. There may be a revenue sharing arrangement for a pure software product licencing that is mutually agreed upon between the institute and the incubator firm.

- If a product or intellectual property (IPR) is created by innovators without utilising any institute facilities, outside of regular business hours (for staff and faculty), or as a component of a student's curriculum, the product or IPR will be fully owned by innovators in proportion to the contributions made by them. In this situation, creators have the option of using the technology as they see fit or granting licences to third parties.

- If there is a disagreement over ownership, a minimum five-person committee made up of two faculty members (who have sufficiently developed their intellectual property and translated it to commercialization), two institute alumni/industry experts, and one legal advisor with experience in IPR will examine the situation after meeting with the inventors and help them resolve it, hopefully to everyone's satisfaction.
- The institute's intellectual property (IPR) cell or incubation centre will solely serve as a coordinator and facilitator for the services offered to faculty, staff, and students. They won't be able to influence how the invention is used, how it is patented, or how it will be licenced. A committee that can determine whether the IPR is worthy of patenting can be formed by the institute if they are going to pay for the patent filing. Faculty with expertise in technology translation may be included on the committee. A patent should only be granted if the inventors are paying for it themselves or with money from a non-institutional source.
- Faculty and subject-matter specialists who have demonstrated excellence in technology translation will make up the majority of the institute's decision-making bodies for incubation, intellectual property rights, and technology licencing. The heads of departments and institutions as well as deans and registrars will not be able to influence the decision.
- The institutions should encourage interdisciplinary study and publication of start-up and entrepreneurial topics.

## 6. Monitorin

- a) Knowledge sharing through collaboration and partnership will be essential to the success of the startup policy for HITECH Faculty, Staff, and Students. The principal is in charge of carrying out the policy, and the institute must offer assistance and direction in setting up, directing, and coordinating these interactions.
- b) Regular impact analyses of the Institute's entrepreneurial initiatives, including pre-incubation, incubation, and entrepreneurship education, should be carried out using well-defined evaluation criteria, such as the number of workshops and conferences held, the infrastructure of the fab lab, the IPR policy, and the meetings of the Review Committee at the Departmental and Institueal Levels.
- c) As shown in the accompanying Table, the number of startups developed, the institutional level support system offered, participant satisfaction, and new business partnerships established by the institutes should all be reported.

Year	Number of Startup	Employment generated	Revenue	Surplus	IPR
1					
2					

The success of the policy should be measured in terms of its social, sustainable economic, and technological effects on the market based on its economic output.

## 7. Review

This policy is up for review every three years. This policy is in accordance with the National Innovation, Startup Policy 2019 for Students and Faculty of the Ministry of Education (MHRD), the Startup Policy 2018-23 of the Tamilnadu Government, and Anna University based on the periodic changes to these policies. The existing regulation is in effect until October 2024.

### III. References

1. National Innovation and Startup Policy 2019 for Students and Faculty MHRD, GOI [www.mhrd.gov.in](http://www.mhrd.gov.in) / [www.mic.gov.in](http://www.mic.gov.in)
2. Tamil Nadu Startup and Innovation Policy: 2018-23, Entrepreneurship Development and Innovation Institute, Chennai, [www.editn.in](http://www.editn.in)
3. Startup Policy – 2016, AICTE – New Delhi [www.aicte-india.org](http://www.aicte-india.org)
4. Anna University Start-Up Policy for Faculty, Staffs and Students

### IV. Definitions

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.
Co-Creation	Co-creation is the act of creating together. When applied in business, it can be used as 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.
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 a business venture. The holders of such shares are members of the company and have voting rights.
Entrepreneurial culture	A culture/ society that enhance the exhibition of the attributes, values, beliefs and behaviors that are related to entrepreneurs.
Entrepreneurial	An Individual who has an entrepreneurial mindset and wants to make his/her idea Individuals successful.
Entrepreneurship	Entrepreneurship education seeks to provide students with the knowledge, skills education and motivation to encourage entrepreneurial success in a variety of settings.
Fab Lab	A fab lab is a small-scale workshop offering digital fabrication. A fab lab is typically equipped with an array of flexible computer-controlled tools that cover several different length scales and various materials, with the aim to make "almost anything".
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.
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 Rights licensing	A licensing is a partnership between an intellectual property rights owner (licensor) and another who is authorized to use such rights (licensee) in exchange for an agreed payment ( fee or royalty).
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 and idea of early prototype of their product or service.

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
Startup	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.
Faculty / Staff /	A Start-up that is initiated by Faculty (s) / Staff (s) / student(s) enrolled in any academic
Student Startup	Institution recognized/approved by AICTE.
Technology Business incubator (TBI)	TBI is an entity, which helps technology-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	TC is the process of transitioning technologies from Commercialization the research lab to the marketplace.

*C.N.M.*  
Principal

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