


Letter No: 100/IH/2025

Date: 03/07/2025

HBTU INNOVATION
&
STARTUP POLICY-2020
(Amendment-2025)



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ABSTRACT

The Government of India is working on modifying the education system to line up this in view of the Make in India mission. In this regard the government is trying to channelize our youth in higher education towards playing a role for making indigenous technology-oriented products according to our requirements / problems.

The Ministry of Human Resource Development has come out with a Guiding Framework for Higher Education Institutions. These guidelines have been published under, 'The *National Innovation and Startup Policy 2019 for students and faculty of Higher Education Institutions* (HEIs). These guidelines have been issued to enable the institutes to actively engage students, faculties and staff in innovation and entrepreneurship related activities. As per the guidelines issued by the Ministry of Human Resource Development and Government of Uttar Pradesh and point no 4(h) of HBTU Act for promoting incubation & startup ecosystem, Harcourt Butler Technical University Technological Kanpur had come up with its own Start up policy, titled, '***Innovation and Startup Policy-2020***'. The University has now reviewed its startup policy for easy implementation & strengthening of the ecosystem.

The 2nd edition of policy has been laid down in four sections, consisting of the preamble and background, provisions on core issues of the HBTU Innovation and Startup Policy, specific issues in respect of faculty/staff, and certain specific issues regarding the students. The policy encourages all the faculty, staff and students to make the best of use of it to develop and nurture an intellectually challenging and rewarding startup ecosystem in HBTU Kanpur.

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HBTU INNOVATION & STARTUP POLICY -2020 (Amendment-2025)

1.0 Introduction

1.1 Preamble

As per the **National Startup Policy-2019** issued by Ministry of Human Resource Development (MHRD), HBTU Startup policy - 2020 was implemented vide 267/AIH/2020 dated October 07, 2020 for inculcation of innovation and entrepreneurial culture in HBTU Kanpur. Since then, the HBTU Startup policy has been contributing to promote startup culture among the students, faculty, staff (including temporary or project staff), alumni, potential startup applicants even from outside the University.

In view of formulating the startup policy for better implementation to realize the vision of Govt of India towards Atma Nirbhar Bharat, the 1st edition of startup policy 2020 of HBTU Kanpur has been reviewed and developed the 2nd edition of startup policy as **HBTU Innovation and Startup-2025 (Amendment-2025)**. The revision clearly deliberated on all aspects of innovation, startup and entrepreneurship management in terms of Intellectual property ownership, revenue sharing mechanisms, norms for technology transfer and commercialization, equity sharing etc.

1.2 Definitions and Nomenclatures

- a) “*Faculty Member*” shall mean regular faculty of the HBTU Kanpur including reemployed Faculty, and contractual Faculty.
- b) “*Staff*” shall mean any non-teaching employee staff including temporary or project staff of the university.
- c) “*Researcher*” shall mean a person who is associated with the university and doing innovative work whether student or faculty member or research staff in funded projects. A researcher must be enrolled or employed full time or part-time in the university.
- d) “*Student*” shall mean any student registered under any of the programs offered by the University. It will NOT include any student on internships from outside HBTU Kanpur if they are not part of any innovation team..
- e) “*Alumni*” means any pass out student of HBTU Kanpur or erstwhile Harcourt Butler Technological Institute (HBTI) Kanpur.
- f) “*Executive capacity*” shall mean any role in the company for which there is full time engagement and the concerned officer is drawing salary from the company.
- g) “*Startup*” An entity that develops a business model based on either product innovation or service innovation or business model 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***. An entity shall be considered as a startup:

- Up to 10 years from date of incorporation / registration, if it is incorporated as a private limited company (as defined in the companies act, 2013) or registered as partnership firm (registered under section 29 of the partnership Act, 1932) or a limited liability partnership (under the limited liability partnership Act, 2008) in India.
 - Turnover of the entity for any of the financial years since incorporation / registration has not exceeded one hundred crore rupees.
 - Entity is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment or wealth generation.
 - Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a 'Startup'.
- h) "*Faculty Startup*" means the faculty or staff of HBTU Kanpur are the owners of the startup company with maximum share of faculties & staff in the company and working as promotor & in non-executive capacity in the company.
- i) "*Accelerators*" Startup Accelerators design programs in batches and transform promising business ideas into reality under the guidance of mentors and several other available resources
- j) "*Technology Business Incubator*" Technology Business incubator (TBI) is an entity, which helps technology-based startup businesses with all the necessary resources/support that the startup needs to evolve and grow into a mature business
- k) "*Intellectual Property Rights Licensing*" is a agreement between an intellectual property rights owner and another who is authorized to use such rights (licensee) in exchange for an agreed payment (fee or royalty).
- l) "*HBTU-TBIF*" shall mean HBTU-Technology Business Incubation Foundation
- m) "*University*" shall mean Harcourt Butler Technical University, Kanpur
- n) "*Host Institution*" refers to well-known technology, management and R&D institutions working for developing startups and contributing towards developing a favorable entrepreneurial ecosystem.
- o) "*Incubation*" is a unique and highly flexible combination of business development processes, infrastructure and people, designed to nurture and grow new and small business by supporting them through the early stages of development.
- p) "*Pre-incubation*" refers to the process which works with entrepreneurs who are in the very early stage of setting up their company. Usually, entrepreneurs come into such programs with just an idea of an early prototype of their product or service. Such companies can graduate into full-fledged incubation programs.
- q) "*Seed fund*" is a form of financial support provided by Govt./University/Pvt. Institutions to startups for Ideation/Incubation/Prototyping/Testing etc.
- r) "*Technology Commercialization*" is the process of transitioning technologies from the research lab to the marketplace.
- s) "*Technology Licensing*" refers to the agreement where the owner of a technological intellectual property (the licensor) allows another party (the licensee) to use, modify, and/or resell that property in exchange for compensation.

- t) “*Venture Capital*” is the most well-known form of startup funding. Venture Capitalists (VCs) typically reserve additional capital for follow-up investment rounds. Another huge value is that VCs provide access to their networks for employees or clients for products or services of the startup.
- u) “*Equity*” shall mean liability free equity shares (fully paid up) of the company, having voting rights in the company.
- v) “*Compulsory Equity*” refers to 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.
- w) “*Promotor*” means a person as defined under section 2(69) of companies act 2013 as the following:
- i. who has been named as such in a prospectus or is identified by the company in the annual return in section 92; or
 - ii. who has control over the affairs of the company, directly or indirectly whether as a shareholder, director or otherwise; or
 - iii. in accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act.
- Provided that nothing in sub-clause (ii) shall apply to a person who is acting merely in a professional capacity.*

1.3 About Harcourt Butler Technical University Kanpur

The Harcourt Butler Technological Institute (HBTI) Kanpur has always been a paragon and a source of inspiration in the field of science and technology since its inception in the year 1921. As per Act No. 11 of 2016 of Uttar Pradesh, the HBTI Kanpur was upgraded as University w.e.f 01.09.2016. The objective of upgradation was to become a “Centre of Excellence” with focus on Research and Development and Incubation in the field of Engineering, Technology, Basic & Applied Sciences, Humanities, Social Science & Management and other professional courses. The University is spread across two campuses – the East Campus (77 acres) and the West Campus (251.8 acres) which are situated about 3 km apart in the very heart of Kanpur.

The University offers undergraduate B.Tech Programmes (B.Tech.) in Civil Engineering, Computer Science & Engineering, Electrical Engineering, Electronics Engineering, Mechanical Engineering, Information Technology, Chemical Engineering, Chemical Technology-Leather Technology, Chemical Technology Biochemical Engineering, Chemical Technology-Food Technology, Chemical Technology-Oil Technology, Chemical Technology-Paint Technology, Chemical Technology-Plastic Technology and Biotechnology and other undergraduate programme in Bachelors of Business Administration (BBA), Bachelor of Science & Master of Science (Integrated) and Bachelor of Pharmacy.

It also offers M.Tech. programmes in various specializations. In addition, it runs a regular Master of Computer Application (M.C.A), Master of Business Administration

(MBA), Master of Science (M.Sc.) in three streams (Physics, Chemistry and Mathematics). The University also offers doctoral programmes in all the departments.

As per clause No. (4b), (4c), (4f) and (4h) of the HBTU Kanpur Act 2016, The University is committed to promote innovation, incubation and entrepreneurship. The University is dedicated to serve as a centre for fostering cooperation, exchange of ideas among the academicians, research community, the industry and the university to promote entrepreneurship. The University will provide research and development and incubation facilities for budding entrepreneurs amongst students, teachers, and others, and to provide help to legal, financial, marketing and other matters to them.

1.4 About HBTU- Technology Business Incubation Foundation (HBTU-TBIF)

HBTU-Technology Business Incubation Foundation (HBTU-TBIF) is a Section-8 Company (CIN number U80904UP2022NPL164475) as per 2013 Companies Act of Govt. of India that was incorporated on 20/5/2022. The company runs as a Incubation cum Technology commercialization unit (ITCU) or more popular term as Technology Business Incubator (TBI) of Harcourt Butler Technical University (HBTU) Kanpur.

HBTU-TBIF aims to motivate the entrepreneurship community among the students, faculty, staff (including temporary or project staff), alumni, potential startup applicants and also inspire more and more students to take up entrepreneurship as a career.

HBTU-TBIF also facilitates the creation of incubation centers that offer incubation infrastructure- space, computing resources, connectivity, common tools, and environment for co-working, collaboration, and innovation.

2. Vision & Mission

Vision

The HBTU vision for the HBTU Innovation and startup policy for the students, faculty, staff (including temporary or project staff), alumni, potential startup applicants is as under –

“To motivate and provide support for creating an entrepreneurial ecosystem through innovation by University stakeholders for providing the technical solutions of challenges faced by society and indigenous technologies for the country as well as creating wealth for the university and employment to students and to the public.”

Mission

The mission for the HBTU Innovation and startup policy are as under-

- To orient the educational system of the institute towards startups and entrepreneurship opportunities for university stakeholders.
- To encourage and to support students to consider start- ups and entrepreneurship as a career option.
- To support startups by providing incubation services and business support.

- To support startups for enhancing their capabilities through training and skill development workshops etc and networking, access to knowledge & support services, etc.
- To provide the policy to stakeholders of HBTU Kanpur for managing entrepreneurship, intellectual Property Rights (IPR) ownership, technology licensing and equity sharing in Startups or enterprises established by them.

3.0 Strategies and Governance

For implementation of the entrepreneurial vision of the university, an Incubation Hub was established with assigning its responsibility to a senior faculty at the level of Professor as the Dean, Incubation Hub. To expedite the decision making and minimize hierarchical barriers, Section-8 company HBTU-TBIF was established in the year-2022 to manage and strengthen the entrepreneurial agenda of the University. A separate HBTU-Innovation and startup policy has been approved as per HBTU Act 2016 and National Startup Policy-2019.

This initiative has created a pathway towards development of startup culture among stakeholders and specially for students to think startup as one career option. In addition, HBTU lays down following guidelines as part of its strategies and governance for HBTU Innovation and Startup policy :-

- a) The university will mobilise it's resources for supporting pre-incubation, incubation infrastructure and facilities as following:-
 - i) To reduce organisational constraints, minimum 1% dedicated funding from the budget of HBTU Kanpur will be done which can be increased as per need.
 - ii) The University will create a pathway for raising funds from other diverse sources from the government under various schemes such as UPCST, DST, AICTE, MHRD, Start-up India, Invest India, MeitY, MSME etc. iii) To support technology incubators, HBTU & HBTU-TBIF will raise funds from private and corporate sectors under Corporate Social Responsibility (CSR) as per Section 135 of the Company Act 2013.
 - iv) The University will raise funds through sponsorship and donations from alumni cells for better networking for promoting Innovation & Entrepreneurship (I&E).
- b) The University will strengthen entrepreneurship culture within the university and outside the university at regional & community level. Regular training activities will be planned on various aspects of startup and entrepreneurship, motivational programs in nearby areas.
- c) The University will organize programs such as conferences, leadership lecture series, workshops, etc. to nurture and facilitate budding innovators and entrepreneurship through *Institute Innovation council* (IIC), E-Cell, IPR cell in the name of HBTU-TBIF.
- d) HBTU will encourage and facilitate International coordination and collaboration for promoting Innovation & Entrepreneurship, International exchange programs.

internships, engagement of international faculties in teaching, research and innovation.

- e) University will establish a Technology Transfer Office (TTO) or empower the IPR cell of HBTU to facilitate the commercialization of developed technology.

4.0 Startup Enabling Institutional Infrastructure Support

The HBTU has developed infrastructure to support new innovators and enterprises with interlinking pre-incubation and incubation to succeed smoothly. In order to achieve this, HBTU intends to do the following –

- a) To create facilities within HBTU to support *Institute Innovation Council (IIC)* as per the guidelines by MoE's Innovation Cell, Entrepreneurship Development cell (EDC), Innovation Cell, Startup Cell, Student Clubs, E-Cell, etc. for *preincubation* and Incubation/ acceleration by mobilizing resources from internal and external sources.
- b) *Pre-incubation* and *Incubation facilities* will be provided under the independent governance structure of HBTU-TBIF which gives more freedom to decision making with less administrative hassles. HBTU-TBIF will be accountable towards investors supporting the incubation facility.
- c) This *Pre-Incubation / Incubation* facility will be made accessible within and beyond office hours to faculty, students and staff of all disciplines and departments across the institution.
- d) HBTU through HBTU-TBIF shall also offer mentoring and other relevant services through Pre-incubation / Incubation units in-return for
 - fees / rent,
 - equity sharing and (or) revenue sharing,
 - Rent free if permitted to limited number of startups

The modalities regarding *Equity Sharing* in Startups supported through HBTUTBIF will depend upon the nature of services offered by these units. The details are available in other sections (For details please refer "*Nurturing Innovation and Startups*") of this policy.

- e) Incubation: Startup Companies will be allowed to remain in the HBTU-TBIF for incubation, to begin with for a period of 24 months that may be extended at each point to another 12 (6+6) months after study. For this 36-month period, a monthly fee will be paid by startups. The HBTU-TBIF can, at its sole discretion, allow companies to further extend their stay for a maximum of 12 months, for which they will have to pay the fees at the prevailing market rate to be determined by HBTU. Based on market conditions and other variables, the initial duration of 24 months varies and is therefore only a general guideline.

5.0 IP and Product Ownership Rights for Technologies Developed at University

For IP and product ownership rights as per National Innovation and Startup policy 2019 for HEIs, following provision shall apply for HBTU.

a) When HBTU 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 institute with following conditions;

- i) Inventors (inside and outside the University) and University will together license the product / IPR to any commercial organization, with inventors having the primary say. Permission from outside inventors will be taken and given due financial weightage. License fees could be either / or a mix of
 - (1) Upfront fees or one-time technology transfer fees will go to HBTU Kanpur.
 - (2) Royalty as a percentage of sale-price will go to HBTU Kanpur.
 - (3) Shares in the company licensing the product will go to HBTU-TBIF (Section-8 Company) as University shall not be allowed to hold the equity as per the current statute.

Note: Preference will be given to equity / share in the Startup company in view of reducing initial financial burden on the company.

- ii) If one or more of the *inventors wish to incubate a company within HBTUTBIF* and license the product to their own company, the *License fees* would be **exempted for an initial period of 03 years**. Once the startup ventures establishes the commercial viability within the limited exclusive period the license agreement shall be revisited and modified into exclusive over an extended period with a *royalty consideration*, quantum of which shall be determined by HBTU. In case the startup fails to achieve commercial breakthrough within the allotted period the exclusivity of the license to the startup shall be forfeited.
 - (iii) If one or more of the *inventors wish to incubate a company outside HBTUTBIF* and license the product to the company, the *royalties would be not more than 4%* of the sale price, preferably 1 to 2% to HBTU. If it is shares in the company, shares will again be 1 to 4%.
 - (iv) A separate committee of the TTO office of the university will examine and recommend all issues related to royalty/share between HBTU-TBIF and incubated company on a case to case basis within the ceiling as mentioned in this policy and other relevant Government Guidelines.
- (b) 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 find fit.

- (c) Institute 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 an University is to pay for patent filing, a committee shall examine whether the IPR is worth patenting. The committee shall consist of faculty who have experience and excelled in technology translation. The constitution of the 3 member committee is as under:
- (1) two faculty members (having developed sufficient IPR)
 - (2) one legal advisor with experience in IPR
- (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. As per MoE guidelines, other faculty in the department / institute will have no say, including heads of department, heads of institutes, deans or registrars.
- (e) HBTU shall encourage and promote Interdisciplinary research and publication on startup and entrepreneurship.

6.0 Building Organizational Capacity, Human Resources and Incentives HBTU shall create appropriate organizations as required starting with HBTUTBIF and also develop appropriate human resources to promote Innovation and Startup. HBTU will gradually take following actions –

- a) HBTU shall recruit/hire, as and when required, appropriate manpower with a strong innovation and entrepreneurial/ industrial experience, behavior and attitude. The primary source of manpower will be the relevant faculty members with prior exposure and interest. To achieve better engagement of staff in entrepreneurial activities, the faculty and staff will be provided/detailed for regular training.
- b) Faculty and departments of the HBTU shall be encouraged to work in coherence and cross-departmental linkages would be strengthened through shared faculty, cross-faculty teaching and research in order to gain maximum utilization of internal resources and knowledge.
- c) Periodically some external subject matter experts such as guest lecturers or alumni shall be engaged for strategic advice and bringing in skills which are not available internally.
- d) Faculty and staff would be encouraged to do courses on innovation, entrepreneurship management and venture development.
- e) In order to attract and retain the right people, HBTU would develop academic and non-academic incentives and reward mechanisms for all faculty / staff and stakeholders that actively contribute and support entrepreneurship agenda and activities. These awards would be in line with the Research awards already instituted by HBTU.
 - i. The reward system for the faculty / staff will include sabbatical without pay, office and lab space for entrepreneurial activities, awards, training, etc.
 - ii. The recognition of the stakeholders shall include offering use of facilities and services, strategy for shared risk, as guest teachers, fellowships, associateships, etc.
 - iii. A

performance matrix would be developed and used for evaluation of annual performance.

7.0 Creating Innovation Pipeline and Pathways for Entrepreneurs at University Level

Following activities will be taken up in connection with Innovation Pipeline and Pathways for Entrepreneurs at University Level-

- a) Spreading awareness among students/faculty/staff about the value of entrepreneurship and its role in career development or employability shall be a part of the institutional entrepreneurial agenda.
- b) Students/ staff should be taught that innovation is a mechanism to solve the problems of the society and consumers. Students should be encouraged to develop entrepreneurial mindset through experiential learning by exposing them to training in cognitive skills by inviting first generation local entrepreneurs or experts to address young minds.
- c) The university should link their startups and companies with a wider entrepreneurial ecosystem and by providing support to students who show potential, in the pre-startup phase. Connecting student entrepreneurs with real life entrepreneurs will help the students in understanding real challenges which may be faced by them while going through the innovation funnel and will increase the probability of success.
- d) To ensure maximum participation of students to innovation and incubation, following actions shall be taken up -
 - (i) Regular awareness programs round the year through *Institute Innovation Council (IIC)* to introduce the students with entrepreneurship and innovation.
 - (ii) Specialized workshops and short-term courses in IPR, entrepreneurship development, various technology-based skill development programs, etc. shall be organized by concerned departments / cells to help students / faculty to develop various skills required in their entrepreneurial journey.
 - (iii) Collective and concentrated efforts shall be undertaken to identify, scout, acknowledge, support and reward proven student/faculty ideas and innovations and to further facilitate their entrepreneurial journey.
- e) Other support shall be provided to potential entrepreneurs in following manner-
 - (i) Organizing networking events for the budding entrepreneurs to meet investors and pitch their ideas.
 - (ii) Providing business incubation facilities in the University such as Laboratories facilities, IT services, training and mentoring on subsidized cost. Promoting a culture to understand that money is not FREE and is a RISK capital. The entrepreneur must utilize these funds and return. While funding is taking a risk on the entrepreneur, it is an obligation of the entrepreneur to make every effort possible to prove that the funding agency did the right thing in funding him/her.
- f) Innovative projects undertaken by the students shall be supported by University and TBI.

- (i) Specific committees shall be constituted for selection to incubation and project monitoring in TBI consisting of experts from incubation and entrepreneurship, prototype development, IPR, marketing, finance and technology experts.
- (ii) TBI-HBTU shall provide fabrication and rapid prototyping facilities for prototype or product development through Innovation Centre and fab laboratory.
- (iii) Mentoring support shall be provided when an incubated student/faculty registers his/her company. Also they shall be provided linkages with angel investors, venture capitalists and investors for scaling up his/ her business

8.0 Pedagogy and Learning Interventions for Entrepreneurship Development

Diversified approach in teaching and learning pedagogy including cross disciplinary learning using mentors, labs, case studies, games, etc. in place of traditional lecture-based delivery. Experts from industry, mentors from different areas of business and enterprise will be the part of the resource person team of this micro degree certification program. This approach has adopted a blended learning mode of pedagogy which consists of project and problem-based learning, online learning with MOOC platform.

- (a) A technical council / innovation centre shall be responsible to coordinate all student clubs, whereas individual departments are responsible for running technical hobby clubs, project workshops/labs.
- (b) IIC/HBTU-TBIF shall be responsible for organizing competitions, boot-camps, workshops, awards, etc. A separate E-cell will be run and administered by students and is totally involved in strategic planning and implementation of these activities.
- (c) As part of an awareness program about the entrepreneurial ecosystem present in the University, introductory sessions will be organized for all the students of all the programs in HBTU by IIC/HBTU-TBIF/IPR cell/Technical Council.
- (d) HBTU-TBIF shall be responsible for conducting research and surveys on trends in technology, research, innovation, and market intelligence. Industrial consultancy, industrial visits and student internship related activities shall be explored by HBTU-TBIF.
- (e) To promote student ideas, projects and innovations based around real life challenges, boot-camps, visits to rural and underprivileged areas in nearby regions and hackathons will be organized by IIC/HBTU-TBIF on a regular basis.
- (g) Innovation champions shall be nominated from within the students/ faculty/ staff for each department/stream of study.
- (h) University shall start an annual '**Innovation & Entrepreneurship Award**' to recognize outstanding ideas, successful enterprises, and contributors for promoting innovation and enterprises ecosystem within the University.
- (i) Customized teaching, training and learning material shall be developed for the promotion of entrepreneurial activities.

9.0 Collaboration, Co-creation, Business Relationships and Knowledge Exchange

Stakeholder engagement is of prime importance in the entrepreneurial agenda and therefore HBTU shall extend assistance in finding potential partners, resource organizations, micro, small and medium sized enterprises (MSMEs), social enterprises, schools, alumni, professional bodies and entrepreneurs to support entrepreneurship and co-design the programs. Following are the guidelines for forming and managing the relationships with external stakeholders including private industries:-

- (a) For all the activities relevant to the entrepreneurial agenda of the University, participation and collaboration of industry partners, University of national importance, international institutions, social enterprises, schools, alumni, professional bodies and entrepreneurs will be encouraged.
- (b) CEO, HBTU-TBIF and his team will be Single Point of Contact (SPOC) in the University for the students, faculty, collaborators, partners and other stakeholders for the purpose of Innovation and entrepreneurship.
- (c) University shall have collaborations with associations of industries, with various government departments and ministries like DST, MeitY, research organizations etc. All these collaborations shall prove to be beneficial to the students in their entrepreneurial journey.

10. Nurturing Innovations and Startups among students, faculty, staff and outsiders:

The HBTU Kanpur developed its processes and mechanisms for easy creation and nurturing of Start ups/ enterprises by students, staff (including temporary or project staff), faculty, alumni and potential start up applicants even from outside the University. The University will allow students, faculty and staff for setting up a start up (including social startups) and working part-time for the start ups (incubated in the HBTU Kanpur or in any recognized HEIs / incubators) while studying / working. The details of important guidelines are given below:-

10.1 General Guidelines for all types of startups:

There are common rules and guidelines for all categories of startups as following:

- a) All innovation and dedicated incubation facilities & infrastructure will be provided to concerns in HBTU/HBTU-TBIF as per their status in pre-incubation & incubation stage as per policy.
- b) The admission for pre-incubation & incubation will be done on the request by concerned startups (including to be startups) as per policy framed time to time by HBTU/HBTU-TBIF on the recommendations of a dedicated committee for this cause on startup terms & conditions.
- c) For the Pre-incubation phase, interested persons must have defined problem statements and potential solutions.
- d) Applications for admission to the incubator in the pre-incubation stage will be made on behalf of registered unlisted companies within the meaning of the 2013

Companies Act. Where a company has not been registered, an application can be made in the name of all the promoters/founders; however, the promoters/founders must ensure that the company is registered in the incubator within a period of 03 months from the date of approval of the application.

- e) In the case of the compulsory equity model, startups may be given a cooling period of 3 months to use incubation services on rental basis to make a final decision based on satisfaction of services offered by the University / HBTUTBIF. In that case, during the cooling period, the University can not force startups to issue equity on the first day of granting incubation support.
- f) The HBTU-TBIF also provides incubation services based on a mixture of equity, fee-based and/ or rent free models if permitted. So, a startup may choose to avail only the support, not seed funding, by the HBTU-TBIF on rental basis.
- g) The selected pre-incubate may be given seed funds as per availability of funds and recommendation by the committee. Later on, they should be registered as a business entity.
- h) Students, Faculty and staff of HBTU Kanpur who are interested in entrepreneurial ventures while studying / working will be allowed to use **HBTUTBIF's address to register** their company with due permission from the competent authority of the HBTU on terms & conditions defined by the HBTU/HBTU-TBIF University. *These startups have to be incubated in HBTUTBIF for an initial period of 03 years.* An appropriate decision on using the HBTU-TBIF address will be taken after the incubation period.
- i) The University will facilitate the startup activities/ technology development by allowing students/ faculty/ staff to use University infrastructure and facilities, as per the choice of the potential entrepreneur in the following manners:-
 - a) Short-term/ six-month/ one-year part-time entrepreneurship training.
 - b) Mentorship support on a regular basis.
 - c) Facilitation in a variety of areas technology development/ ideation /fundraising /financial /new venture planning /product development/ marketing as well as law and regulations impacting a business.
 - d) linking up the startups to other seed-fund providers/ angel funds/ venture funds or itself may set up seed-fund once the incubation activities mature.
- j) The University will allow **licensing of IPR** developed or co-developed / others from HBTU/HBTU-TBIF to students/faculty/staff startups on certain terms & conditions to obviate the early stage financial burden as recommended by the dedicated committee of the university related to technology transfer / IPR (For details *Please refer to the section - "Product ownership rights for Technologies developed at university"*).
- k) In return of services, incubation facilities and IPR of HBTU, the HBTU-TBIF may take **(in totality) up-to 9.5% equity/ stake** in the startup /company, based on brand used, faculty contribution, support provided by HBTU/HBTU-TBIF and use of University IPR (a limit of 9.5% is suggested so that university / HBTUTBIF

has no legal liability arising out of startup). The university will take a much lower equity share, unless its full time faculty / staff have substantial shares).

Other factors for consideration should be space, infrastructure, mentorship support, seed-funds, support for accounts, legal, patents etc. The HBTU-TBIF equity /stake in the startup will be based on the recommendation of the committee.

- l) If one or more of the inventors wish to *incubate a company within HBTU-TBIF* and license the product to their own company, the *License fees* would be exempted for only an initial period of 03 years (*Refer IPR section -5.0 for details*).
- m) If one or more of the inventors wish to *incubate a company outside HBTU-TBIF* and license the product to the company, the *royalties would be not more than 4%* of the sale price, preferably *1 to 2% to HBTU*. If it is shares in the company, shares will again be 1 to 4%. (For details *Please refer to the section - "Product ownership rights for Technologies developed at university"*). In case of faculty related, you must refer to the guidelines given in the faculty startup section.
- n) The University will ensure that at no stage any liability accrue to it because of any activity of any startup.
- o) The university may provide accommodation to the entrepreneurs within the campus for some period of time.

10.2 Students Startup guidelines:

Policies / guidelines exclusively for student startups in addition to above general guidelines have been framed as below:-

10.2.1 Norms for Students startups at HBTU

HBTU encourages and prioritizes the student participation as entrepreneurs in the following order:

- (a) Companies owned by individual students / groups of students of the university.
- (b) Companies jointly owned by the students and faculty members/alumni.
- (c) Companies owned by the students (one or many) along with possibly other entrepreneurs from other universities.

Note:

- Majority of Founders/Shareholders/ core team should be Indian citizens.
- Students whose startups/ entrepreneurial ventures are under incubation will be allowed to use HBTU's address to incorporate their company with due permission and no objection from HBTU Kanpur. Such companies have to agree to give equity as decided by committee and automatic & compulsory incubation for 03 years in HBTU-TBIF. The compulsory incubation will start automatically from the date of incorporation of the company.
- The students with other team members will be called for discussion /presentation by committee for recommendation for No objection certificate for using HBTUTBIF address.
- Students have not been debarred by HBTU for any reason.

- If HBTU faculty / staff members are in a team then students' share should be more than the total share of faculty/staff in the company.

10.2.2 Important Guidelines:

- a) HBTU students can also play roles of direct promoter/board member of such companies/ Consultant, Technical Adviser, CEO, Marketing Manager, etc.
- b) Students shall be allowed, while studying, to work on their innovative startups (including Social Startups) or to work as interns/ part-time in startups incubated in HBTU-TBIF / others Incubator on approval of the committee.
- c) HBTU Students will access pre-incubation and incubation facilities for a period of 36 months or decided by authorities.
- d) Students must clearly distinguish their ongoing research activities as a student from the work being conducted at the start up.
- e) The student cannot include research resources of the University in start-up activities except for innovation; it may not be used for commercialization activities and vice versa.
- f) Human subject related research in student startups should get clearance from the ethics committee. The Ethics committee will be constituted by the competent authority of HBTU.
- g) Licensing of technology to HBTU student startups will be done as per IPR rules as described in IPR sections of this policy (Refer IPR section 5.0 License fee exemption).
- h) Participation in startup related activities shall be considered as a legitimate activity of the student in addition to academics, and shall be given due consideration while evaluating the annual performance of the student as per HBTU Policy in this regard. *Entrepreneurial works of students will be considered for academics subject to the dedicated policy and recommendations of the committee in this regard.* The details are given below:-
 - i) earning academic credits for their entrepreneurial efforts.
 - ii) relaxation of the requirement of attendance as a general case or specific in case of selection of student start-up by an outside national or international accelerator, a maximum leave of one semester or year may be permitted to the student on the recommendation of the committee. During this period the student will be given attendance and will be allowed to directly sit for the examinations as per policy in this regard.
 - iii) allowing their students to take a semester/year break to work on their start ups and re-join academics to complete the course.
 - iv) providing options to opt for startup in place of their mini project/ major project, seminars and summer training.
 - v) allowing to use its resources to students wishing to establish a startup as a full time effort.

10.2.3 Method of Admittance for pre-incubation / Incubation:

Students with or without a startup entity have to apply in prescribed format of HBTU-TBIF for pre-incubation or incubation as per HBTU-TBIF scheme, policy and procedure from time to time in this regard. a) Preincubation stage:

- i) Any student has to find out a problem statement which should be realistic and associated directly with societal issues. Students have to find a potential solution that can solve the predefined problem.
- ii) The solution should be an innovative solution. The applicants will be encouraged to participate in national/international contests to validate their ideas. The proposal will be examined by a committee of HBTU-TBIF constituted for this purpose.
- iii) The selected proposals will be supported by HBTU-TBIF as per recommendation of the committee which may include, design and development of prototype, mentorship, etc.
- iv) The seed support will be based on recommendation of the Finance Review Committee/Investment Committee/Any other committee of HBTU-TBIF. In case of a seed fund, an agreement on a non-judicial /judicial stamp will be signed between HBTU/HBTU-TBIF and students / others.
- v) Once the idea/prototype is eligible for pre-incubation as decided by the committee and seeking seed support, this should be registered as a startup entity and provide a copy of incorporation certificate/letter.
- vi) The continuance of any startup in the pre-incubation stages as well as release of funds if any will be subject to performance review.
- vii) The potential startup under pre-incubation stage shall be promoted to incubation stage as per the recommendation of performance review committee.

b) Incubation stage:

Students with a legal startup entity will have to apply in prescribed format and submit a comprehensive proposal for the HBTU-TBIF as per schemes / policy. After the initial screening and eligibility review, candidates will be invited to the HBTU-TBIF for an initial meeting and presentation online / offline mode.

10.3 Faculty / Staff

For better coordination of the entrepreneurial activities, norms for faculty / staff including temporary or Project staff to do startups has been formulated as following:-

- a) Faculty / staff are permitted for startups in non-executive capacity in areas other than restricted as follows.
 - A faculty member or staff defined in this category can not associate with companies involved) in preparation of competitive examinations such as coaching & contents for entrance examinations for UG/PG/PhD admissions / Placements / Jobs etc. On the other hand innovative technology platforms facilitating delivery of content is permissible.

- There is also restriction on joining such companies whose business is to provide consultancy services. Such classes of the company may be notified by HBTU Kanpur from time to time.
- Any other activity of the university contradicting the academic research leading to business ideas may not be considered
- b) Faculty / staff members are permitted to continue in startup companies started as a faculty / staff member before joining the University. But they have to apply for permission from HBTU Kanpur.

10.3.1 HBTU encourages and prioritizes the faculty / staff participation as entrepreneurs in the companies of coming in following category:

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

10.3.2 Important guidelines:

- a) Role of faculty may vary from being an owner/ direct promoter, mentor, consultant or as on-board member of the startup.
- b) In case the faculty/ staff holds the **executive capacity** in a startup, then they will go on sabbatical/ leave without pay/ earned leave.
- c) The company of this category will have to go for compulsory incubation for 03 years at HBTU-TBIF and sharing equity as decided by committee. The compulsory incubation will start automatically from the date of incorporation of the company.
- d) Faculty members / staff have to request a comprehensive proposal for permission from HBTU Kanpur on a prescribed format with conflict of interest, statement on participating in non-executive capacity, sharing of equity as decided by committee and automatic & compulsory incubation in HBTU-TBIF with other University terms & conditions before associating with any business venture or starting a new venture.
- e) Faculty/ Staff with other team members will be called for discussion /presentation by committee before recommending for permission from competent authority.
- f) The faculty member / staff will ensure that the regular duties of the faculty don't suffer owing to his/her involvement in the startup activities.
- g) Faculty must clearly separate and distinguish on-going research at the institute from the work conducted at the startup/ company.
- h) The conflict of interest will be given every year during April 1st -30th.
- i) However, in exceptional cases, where a faculty member /staff wants to get incubation from outside the HBTU-TBIF, a sufficient justification has to be provided, which will be evaluated by a committee approved by competent authority of the university.

- j) The University will allow faculty members / staff to take off for a semester / year (or even more depending upon the decision of the review committee constituted by the institute) as sabbatical/ unpaid leave/ casual leave/ earned leave for working on startups and come back. The seniority and other academic benefits during such period may be preserved for such staff or faculty.
- k) The University will allow the use of its resources to faculty/staff wishing to establish a startup as a full time effort.
- l) The usage of University resources and Intellectual property rights will be governed by rules and regulation in other sections of this policy / the HBTU Kanpur policy in this regard-*IP and Product Ownership Rights for Technologies Developed at University*.
- m) For **staff and faculty**, University can take no-more than **20% of shares** of staff / faculty takes while drawing full salary from the institution; however, this share will be within the 9.5% cap of company shares, as per IPR rules as described in IPR sections / in 10.1 of this policy.
- n) 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 roles and do not compromise with their existing academic and administrative work / duties.
- o) Faculty / staff startup companies may use the University facility / testing facility / other resources as per the policy of HBTU Kanpur / HBTU-TBIF policy.
- p) Support from other faculty members of the university other than the assigned mentors during the incubation or after the incubation period will be treated under consultancy rules.
- q) Outsourcing of the full / part of university projects to faculty / staff startup companies would be governed by guidelines as decided by the University.
- r) The company will have its own funds accounting procedures in line with the industry norms. Subject to availability of funds, the university may also provide funds as per the startup policy / HBTU policy whichever is suitable as per the best interest of the University.
- s) The money (honorarium, salary, consultancy or remuneration in any other form) paid to the founding members of the company will be counted entirely as income of the involved faculty members during the incubation period. After the company moves out of the campus, the faculty member may take long leave and work with the company or may earn in the form of consultancy as per the applicable rules and permission of the university.
- t) 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/ year (or even more depending upon the decision of review committee constituted by the institute) may be permitted to the faculty.
- u) Faculty must not accept gifts from the startup.
- v) Faculty must not involve research staff or other staff of HBTU Kanpur in activities at the startup and vice-versa.

- w) Human subject related research in startups should get clearance from the ethics committee of the HBTU Kanpur.
- x) The exit of such a company from incubation shall be as per University / HBTUTBIF policy.

10.3.3 Consideration of Entrepreneurial work:

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:-

- a) Every faculty may be encouraged to mentor at least one startup.
- b) Product development and commercialization as well as participating and nurturing of startups would now be added to a bucket of faculty-duties and each faculty would choose a mix and match of these activities (in addition to minimum required teaching and guidance).
- c) Entrepreneurial work of faculty / staff will be considered while evaluating their annual performance as per guidelines in this regard.
- d) Entrepreneurial work of faculty / staff will be considered while evaluating for promotion as per suitable guidelines issued by AICTE/UGC/MHRD/ University in this regard.

10.4 Alumni, Outsiders & Others: The University could extend this startup facility to **alumni** of the institute as well as outsiders.

11. 0 Entrepreneurial Impact Assessment

Impact assessment will include various parameters for Entrepreneurial initiatives such as pre-incubation, incubation, entrepreneurship education. The KPIs will be developed on following lines:

- a) Monitoring and evaluation of knowledge exchange initiatives, engagement of all departments and faculty in entrepreneurial teaching and learning will be assessed.
- b) Participation in awareness programs will be reviewed as and when required.
- c) Number of start-ups created, support system provided at the institutional level and satisfaction of participants, new business relationships created by HBTU will be recorded and used for impact assessment.
- d) Impact will also be measured for the support system provided by HBTU to the student entrepreneur for pre-incubation, incubation, IPR protection, industry linkages, exposure to entrepreneurial ecosystem, etc.
- e) Participation in pitching for fundraising and grants/support from government and non-government agencies
- f) Impact assessment for measuring the success will be in terms of sustainable social, financial and technological impact in the market. For innovations at the precommercial stage, development of a sustainable enterprise model is critical.

- g) Formulation of strategy and impact assessment should go hand in hand. The information on impact of the activities will be actively used while developing and reviewing the entrepreneurial strategy.
- h) Startup registrations and company incorporation will be monitored.

A committee nominated by the Competent Authority will be responsible for assigning appropriate weightages to the above parameters depending on the maturity of the process. A separate document regarding this will be made available by the Institute Innovation Council and reviewed annually.

12.0 Terms and Conditions – Dispute Settlement of Disputes, Confidentiality and Competent Authority

All aspects of this policy will be regulated by the management of the HBTU through the Incubation Council explicitly set up or the Dean Incubation Hub office and mandated to control the policy, to approve any derogations and to make changes to the policy as deemed necessary from time to time.

If there is a dispute in ownership, a committee of 3-5 members will be proposed by the Incubation Council/Dean Incubation Council office and approval of the Competent Authority shall be obtained for examining the issue and resolving the dispute.

- (i) Maximum two faculty members (having developed sufficient IPR/ translated to commercialization)
- (ii) Maximum two of the institute's/ University alumni/ industry experts (having experience in technology commercialization)
- (iii) One legal advisor with experience in IPR.

The decision by the competent authorities of the University / HBTU-TBIF will be final. Any further escalation of the dispute will be subject to arbitration under the Indian Arbitration Act following the decision of the HBTU Kanpur, the Kanpur Nagar will be the jurisdiction of all disputes.

All other issues including any provision which has not been covered explicitly in this policy will be submitted to Vice Chancellor HBTU and his decision will be final.


13.0 Review of the Policy

Considering the feedback from stakeholders which is the reflection of impact of the existing policy, a review committee will examine and finalize the recommendations for change in the policy. The review committee will be constituted on the recommendation of the Competent Authority.

14.0 Way Forward

Successful implementation of the 'HBTU Innovation and Startup Policy' for students and faculty is the main objective. In order to achieve this, full-fledged support

of all the academic, non-academic and supporting departments will be important. The roadmap suggested through this document is broad guidelines and this policy document shall be refined/improved/amended from time to time on the recommendation of the Governing Council/Dean Incubation Hub office with the approval of the Competent Authority.


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