
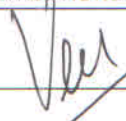




HITAM INNOVATION AND INCUBATION CENTER (HIIC)

Innovation and Incubation Policy (Based on the Guidelines from NISP)

APRIL 2022


Policy ID	Prepared By	Reviewed By	Approved By
HITAM/HIIC/002/V2.1	Dr. K Siva Prasad & Mr. Vamsi Koka	Admin Committee, HITAM	Mr. Prashanth, Director, HITAM
	 		



HYDERABAD INSTITUTE OF TECHNOLOGY AND MANAGEMENT

(Autonomous)

Gowdavelly Village, Near Kompally, Medchal Mandal, Medchal-
Malkajgiri Dist. - 501401, Telangana, India.


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Hyderabad Institute of
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Gowdavelly (Vill), Medchal (Mdl),
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1. VISION

To build a vibrant entrepreneurial ecosystem on the campus of HITAM, which enables students, faculty and alumni to become problem solvers who are capable of building solutions with cutting edge research, innovation and deep-tech entrepreneurship.

2. MISSION

- a) The mission of HIIC goes hand in hand with the MSME and ACIC objectives, to create entrepreneurship opportunities for students, faculty, alumni and local community, by nurturing their ideas in a supportive environment before becoming attractive for venture capital.
- b) To provide startups with access to technology, mentors, infrastructure, facilities, prototype / MVP development support and working space.
- c) To manage intellectual property rights (IPR), technology licensing and equity sharing in startups or enterprises established by faculty, students, alumni and others.
- d) To create an environment for collaboration, co-creation, business relationships and knowledge exchange.

3. OBJECTIVES

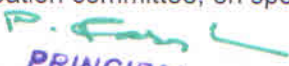
- a) To promote entrepreneurship and thereby facilitate the practical application of knowledge for public use.
- b) To enable innovative ideas and inventions that benefit society.
- c) To inculcate problem solving and design thinking skills among the students and faculty.

4. SCOPE

HIIC, supported by Hyderabad Institute of Technology and Management (HITAM), nurtures ideas and offers mentorship to entrepreneurs. The scope of this policy is to define the required management structure, operational framework, selection criteria and processes for HIIC, as an independent division under HITAM. It covers the following aspects:

1. Applicability
2. Governance
3. Eligibility
4. Admission procedure
5. Due Diligence
6. Non-Disclosure
7. Security Deposit
8. Infrastructure and services provided to startups
9. Professional Services
10. Internships
11. Mentoring and Advisory Services
12. Period of incubation / exit
13. Periodic assessment
14. Intellectual property evaluation
15. Consideration and Equity Share
16. Seed funding
17. Conflicts of interest
18. Legal Disclaimer
19. Rules and Regulations for incubatee companies

The policy is subject to periodical review and amendments. It will be the responsibility of the companies admitted to HIIC to update themselves from time to time on amendments to the policy and procedures. Exceptions may be made on a case-to-case basis after review by the incubation committee, on specific request from the incubatee startup.


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4.1 Applicability

This incubation and innovation policy document of HIIC contains the guidelines for operational matters related to following activities:

- a) Pre-incubation (Startups which are at an early idea stage and need support to build a proof of concept). **Such startups will be referred to as pre-incubatees.**
- b) Incubation (Startups which are working on their Prototype / MVP / Commercialisation). **Such startups will be referred to as incubatees.**

4.2 Governance

The administration and execution of HIIC consists of the following,

- a) Head HIIC, appointed by the Director of HITAM
- b) Steering Committee - consisting of 5 members (including Head HIIC), nominated by the admin committee of HITAM. The steering committee should preferably have two faculty members who have demonstrated experience in IPR and commercialization, two alumni or industry experts with experience in technology commercialization, and one legal expert with experience in IPR.
- c) HIIC Faculty Committee - consisting of one faculty member from each department, nominated by the academic committee of HITAM and approved by the admin committee. Members in the faculty committee should preferably have a demonstrated experience in entrepreneurship / IPR / technology licensing / technology commercialization.

Designation / Committee	Responsibilities / Structure
Head, HIIC	<ol style="list-style-type: none">1. Ensure effective implementation of HIIC policy2. Day to day operations of HIIC3. Plan for the Steering Committee meetings as per requirement4. Arrange for mentoring of startups5. Plan and conduct entrepreneurial development activities6. Drive growth of HIIC7. Build partnerships with internal and external stakeholders8. Ensure HIIC maintains the decorum of HITAM and its values.9. Handling of disciplinary issues10. Identify internal faculty) and external mentors11. Build partnerships with professionals offering services for startups

Steering Committee	<ol style="list-style-type: none"> 1. Selection of startups as per the policy guidelines 2. Decide the equity stake to be taken by HITAM in the startup, in exchange for the facilities and services offered 3. Plan for the budget spend for each quarter 4. Meet once a month review the performance of HIIC and the incubatees 5. All members in the steering committee will have an equal voting power in all matters 6. Overseeing the admin activity 7. Monitoring policy requirements 8. Approval of mentors 9. Approval of professional services partners
Faculty Committee	<ol style="list-style-type: none"> 1. Will act as a bridge between the departments and HIIC 2. Promote entrepreneurship amongst the students and faculty of their department 3. Any request / proposal from the students and faculty will be discussed by the faculty committee and recommended to the steering committee. 4. Conduct HIIC awareness events and bootcamps for students and faculty 5. Help identify faculty mentors and external mentors
Manager (HIIC)	<ol style="list-style-type: none"> 1. Will be assisting Head HIIC in all activities 2. Suitable candidate will be selected by the steering committee
Mentors (Faculty)	<ol style="list-style-type: none"> 1. Interested faculty can apply to act as mentors for the startups. They will be interviewed and approved by the steering committee of HIIC. 2. Mentoring will be pro-bono 3. Mentors will commit 2 to 3 hours per week for mentoring, outside the college working hours 4. Each mentor can have a maximum of two startups as mentees simultaneously 5. Mentor assignment to the startups shall be done through the steering committee only. The startups will have an option to request for a change of mentor.
Mentors (External)	<ol style="list-style-type: none"> 1. They consist of experts from industry / experienced entrepreneurs / faculty of entrepreneurship from reputed institutions 2. Mentoring will be pro-bono 3. Mentors will commit 2 to 3 hours per week for mentoring, outside the college working hours 4. Each mentor can have a maximum of two startups as mentees simultaneously 5. Mentor assignment to the startups shall be done through the steering committee only. The startups will have an option to request for a change of mentor.

External Experts / Professional Services	<ol style="list-style-type: none"> 1. HIIC will build partnerships with professionals who can offer services to startups - e.g., company registration, accounting, tax filing, marketing, branding, business development, etc. 2. The startups can engage the services of these professionals on a paid basis 3. HIIC will only act as a listing platform, and will not be responsible for the pricing, quality or outcome of such third party services.
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4.3 Eligibility

Admission to HIIC for pre-incubation and incubation is open to technology start-ups with preference given to start-ups having affiliation with HITAM, that includes,

- a) Students (more than half of the registered partners / directors in the company should be current students of HITAM)
- b) Alumni (more than half of the registered partners / directors in the company should be alumni of HITAM)
- c) Faculty members (more than half of the registered partners / directors in the company should be current faculty of HITAM)
- d) Industry Partners of HITAM
- e) Partner educational institutions of HITAM
- f) Partner NGOs of HITAM
- g) Government agencies associated with HITAM

When considering proposals or business ideas for incubation, HIIC shall take the following into consideration amongst various criteria,

- i. IP focused startups
- ii. Product based startups
- iii. Proposals with clear market validation
- iv. Scope of involving HITAM faculty
- v. High growth potential
- vi. Startups with social and strategic impact
- vii. Proposals supported by any government initiatives (central/state)

Any person desirous of availing the incubation facilities has to incorporate a company under The Indian Companies Act 2013 and apply in the prescribed format (attached herein as Annexure 1) along with required documents. Applications that do not have an incorporation certificate from ROC cannot be considered for incubation.

Those applying for pre-incubation are exempted from the requirement of registering a company. Such pre-incubatees will have to apply afresh for incubation, upon successful completion of pre-incubation. The incubation rules will become applicable at that stage, irrespective of their prior association with HIIC.

4.5 Admission Procedure

INCUBATION: The applications for incubation will go through a two-stage process.

Stage 1: Submission of Executive Summary and Business Plan

As a first step in the admissions process, the prospective incubatee should submit an Incubation Application, provided on Annexure 1, along with a business plan, certificate of incorporation, memorandum of association, and articles of association.

Evaluation Criteria: The following are some of the criteria that will be used amongst others, by the Steering Committee, when evaluating the suitability of the startup for incubation.

1. Strength of the product idea in terms of its technical content, innovation, timeliness, and market potential
2. Profile of the core team / promoters
3. Intellectual Property generated or the potential of the idea for IP creation
4. Financial / Commercial Viability and 5-year projections
5. Funds requirement and viability of raising finance
6. Time to market
7. Break-even period
8. Commercial potential, demand, and requirement in India
9. Scalability

Stage 2: Presentation to Steering Committee of HIIC

If a startup clears the first stage, they will be invited for an interview and presentation with the steering committee.

PRE-INCUBATION: The applications for pre-incubation will be reviewed by Head, HIIC and shortlisted applicants will be interviewed by the faculty committee.

4.5 Due Diligence


Throughout the application process, on an as-needed basis, HIIC will perform research and due diligence on the incubatee company, the management team, the industry, and current and future competitive elements facing the business. HIIC may require further information from the applicant and may ask the applicant to revise the executive summary and/or presentation. HIIC may at its discretion seek the advice of various government bodies who might have sponsored the incubation center, like AIM, DSIR, DST, TDB, NSTEDB, TIDE, MCIT, MSME, etc.

4.6 Non-Disclosure

HIIC adheres to strict confidentiality throughout the application process. HIIC will sign a standard non-disclosure agreement with the startup.

4.7 Security Deposit

Upon acceptance, the incubatee has to pay a refundable security deposit of Rs. 10,000 (Rupees Ten Thousand Only) to HIIC. The security deposit for pre-incubatees is Rs. 6,000 (Six Thousand Only). This amount would be refunded to the incubatee after completion of the incubation period - provided the incubatee / pre-incubatee has a normal exit. Student startups under incubation will have to pay only 50% of the aforementioned amount as a security deposit (i.e, Rs. 5,000). There would be no security deposit for student startups under pre-incubation.


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4.8 Infrastructure and Services Provided to Startups:

Upon admission to HIIC, the following facilities will be offered to the incubatee companies.

- a) Office Space: A co-working space / dedicated open working space with computers will be provided to the incubatee startups based on availability and stage of the startup. Pre-incubatees will only have access to the shared co-working spaces, with first preference given to incubatee companies. The decision of the Head, HIIC will be final in this regard.
- b) Shareable common printer is available, and startups will have to reach out to the incubation manager for the required stationery. The incubation manager will notify the limit on the number of free prints available for a startup in a given month.
- c) Internet connection / WiFi
- d) Common infrastructure: HIIC will provide a common infrastructure to be shared by all incubatee companies and pre-incubatees, like a photocopying machine and document scanner. Photocopying will need prior approval of the incubation center manager.
- e) Library: Incubatee companies can apply to the Head, HIIC if they wish to have access to in-library facilities at HITAM. Books and magazines will not be issued to pre-incubatees and incubatees to be taken home.
- f) Meeting / Conference room with projection equipment is available on prior booking basis at HIIC.
- g) HIIC may facilitate access to institute infrastructure or laboratories as per norms / policies of HITAM.

4.9 Professional Services:

HIIC may associate with professionals for accounting, IP, legal, and management expertise on a part-time basis. Incubatee companies can avail of their services on paid basis.

4.10 Internship:

Incubatees are expected to consider students of HITAM as the first choice for internships, and look for outside resources only if suitable interns are not found from the student pool.


4.11 Mentoring and Advisory Services:

- a) Strategic Checkups: The Head, HIIC will meet with the incubatees at least once per month for strategy reviews and discussion on operational issues.
- b) The incubatee company will have to take a faculty advisor from HITAM as a mentor on technology issues.
- c) Specialized mentors will also be available from the pool of external experts arranged by HIIC to assist in specific strategic areas or to provide project-based consultation. These arrangements may begin as a pro bono arrangement with an option for both parties to graduate to a paid relationship.

Mentorship

Faculty Mentor: One of the objectives of the incubation center is to utilize the technical expertise available at HITAM, like labs, SSDC, CoE, etc. Thus, every company that is being incubated at HIIC has to select one faculty from HITAM who shall act as a mentor for the incubatee and guide the company on product development. The mentoring by the faculty will be on a pro-bono basis, for a limited number of hours each week.

Alumni Mentor: HITAM has a vast network of alumni who are having good experience and networks in their domain. Often these alumni occupy top decision-making positions in the corporations. Incubatees may reach out to the alumni of HITAM through HIIC to seek guidance and support. The mentoring by the alumni will be on a pro-bono basis, for a limited number of hours each week.


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4.12 Period of Incubation / Exit

Companies will be given incubation access for an initial period of 12 months, and will have to apply for an extension at the end of the 12 month period. The Steering Committee will review the extension application and sanction the same based on the progress made by the incubatee and scope of growth for the incubatee. The incubatees can apply for a maximum of two extensions of 12 months each. The pre-incubatees will be taken for a period of 6 months, followed by a maximum of two extensions of 3 months each.

Exit: The incubatee company will have to leave the incubator under the following circumstances:

- i. Successful completion of incubation
- ii. Steering committee did not approve the extension application
- iii. Under-performance or non-viability of a business proposition as observed by HIIC on a case-to-case basis, during the review process
- iv. Irresolvable promoters' disputes
- v. Violation of any HITAM and HIIC policies
- vi. When the company enters into an acquisition, merger, amalgamation or reorganization resulting in a substantial change in the profile of the company, its promoters, directors, shareholders, products, or business plan.
- vii. Change in promoters' / founders' team / ownership structure without the prior approval of HIIC.
- viii. Any other reason as deemed necessary by HIIC after due consideration

Notwithstanding anything written elsewhere, HIIC steering committee's decision in connection with the exit of an incubatee company shall be considered final and shall not be disputed by the incubatee.

4.13 Periodic Assessment

The incubatee company has to submit a monthly report to HIIC providing information on the progress made, IP developed, products developed, customers acquired, marketing activity, funds raised, mentoring utilized, hiring done for the startup, etc. The incubatee should also submit audited financial statements at the end of the financial year. However, incubatee may be asked to provide more frequent updates to HIIC, as deemed necessary.

4.14 Intellectual Property Evaluation

Promoters should fill out an IP declaration form at the time of admission to HIIC and declare details of any Intellectual Property developed and owned by the incubatee company prior to incubation. The promoters will also have to submit proof to substantiate their claim. Promoters should fill an undertaking that the Intellectual Property developed by the incubatee company during incubation will be considered as being developed in association with HIIC as per HIIC Policy.

- a) In case the incubatee is desirous of using the Intellectual Property of HITAM like patents, software code, copyright, design registration, developed product, etc., then the incubatee shall make such a request in writing to HIIC. The terms and conditions for such IP licensing shall be decided by HIIC on a case to case basis.
- b) The incubatee shall inform if any students of HITAM have worked on the technology and if their work will be incorporated in the product(s).
- c) The incubatee shall inform if any IP has been generated as a result of collaborative work with faculty members (who are not promoters) is being incorporated into the product(s).

- d) The incubatee shall inform if any HIIC or HITAM infrastructure (hardware, testing setup, instrumentation, computing resources, etc) have been used in developing the IP or technology that will go into the product(s).
- e) Product ownership rights for technologies developed at HIIC / HITAM will be written in separate agreements on a case-to-case basis based on the incubatee / product. The guidelines for the agreement between HIIC and incubatee company may be considered from amongst the following criteria,
 - i. Upfront fees or one-time technology transfer fees.
 - ii. Royalty as a percentage of the sale price.
 - iii. Shares in the company licensing the product.
 - iv. During the technology agreement, the practical points of clause 4 of the guidelines will be followed.
- f) HIIC / HITAM will never pay any money to incubate companies for their IPR filing-related activities. CIE may help to file a patent through their IPR cell.
- g) The company shall inform if about any agreement with HITAM that the IP has been assigned to the company for commercialization.
- h) The incubatee should maintain a register with the details of any IP (patents, licenses, copyrights, etc.) that have been brought into the company before or during their stay at HIIC. Also, any IP developed during the stay should be maintained in the register.
- i) Notwithstanding anything written above, Intellectual Property Rights will be governed by the incubation policies of HIIC.

4.15 Consideration and Equity Share

Incubatees will pay for the infrastructure, seed loans, IPR, mentoring and other services of HIIC in the form of equity and service charges as decided by the steering committee of HIIC. The steering committee will decide on the equity, which would range between 3% to 9.5% that would be assigned to HITAM for providing the incubation facilities and infrastructure services in all cases. Any service charges applicable will be informed to the incubatees by the steering committee at the time of acceptance.


If any of the incubatee companies would like to have a dedicated office space, HIIC can provide the same on chargeable basis subject to availability. The decision of the Head, HIIC will be final in terms of allocation of such available office space to startups on a chargeable basis.

4.16 Seed Funding

HIIC may provide seed loans subject to the availability of funds / grants / schemes meant for this purpose. Further, admission to HIIC shall not automatically entitle the promoters to seed loan and shall be based on merits of each company. A promoter desirous of getting seed loan may submit an application for seed fund after six months from the date of admission in HIIC. Sanction of seed loan will be decided based on the eligibility criteria as decided by the steering committee.

4.17 Conflict of Interest

In case of issues resulting out of any conflict of interest, the decision of HIIC steering committee and management of HITAM shall be final and binding.


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4.18 Legal Disclaimer

- a. The incubatees will understand and acknowledge that HIIC intends to provide technical support and services to the startups in good faith to pursue their objective to promote entrepreneurship, by converting innovative technologies developed along with HITAM to commercialization, by incubating and supporting new enterprises
- b. It is understood by all stakeholders that by agreeing to provide various supports and services, HIIC shall endeavor for:
 - i. Ensuring quality of support and services provided by HIIC to the satisfaction of the incubatee companies or their promoters / founders.
 - ii. Ensuring quality of services of the consultants engaged by the incubatee companies through HIIC network. Incubatee companies will also have to apply their judgments before getting into a relationship with them.
 - iii. HIIC or HITAM will not be responsible for any loss or damage to property and life caused by the product being developed or its operation at customer premises. No guarantee and warranty claims can be made on HITAM or HIIC for non-performance of the products. However, HITAM may advise HIIC, to extend technical help in solving the problem and guiding the entrepreneurs to improve the product performance.
 - iv. HITAM or HIIC or any person representing HITAM / HIIC shall not be liable for any acts or omissions of the incubatee, however, in case of any such event the incubatee shall do all that is required to hold HIIC and any person representing HIIC, harmless from any loss including damage and penalty. For any loss caused to HIIC by the incubatee companies, HITAM shall be entitled to recover the charges, fines, penalties imposed by statutory authorities
 - v. The incubatee companies agree that HIIC, HITAM or their employees shall not be held liable for any reason on account of the above.
 - vi. Notwithstanding anything written elsewhere, HITAM's decision in connection with the exit of an incubatee company shall be final and shall not be disputed by any incubatee company.
 - vii. HIIC does not guarantee to any company being incubated about success and / or feasibility and guarantee of technology transferred from HITAM or any person representing HITAM.
 - viii. By signing up for incubation, it is understood that the incubatee has read and agreed to the terms of the legal disclaimer before commencing their incubation.

4.19 Regulations

- a. All incubatees are required to observe health and safety standards. No hazardous material can be brought inside the HITAM campus. In special cases, when such material is required for product development, it has to be brought with prior approval of Head, HIIC by following necessary safety standards. SOP for handling such material is to be submitted to HIIC, while taking permission.
- b. All the incubatees are required to keep a first aid kit available at the working place.
- c. Incubatees should inform the incubation manager or Head, HIIC about any visitors they plan to invite and seek prior approval before allowing them to HITAM campus.
- d. No incubatee or its employee can display notices or signage except on the provided notice boards and the space provided for such signage.
- e. Incubatees should observe that noise levels are kept at minimum and no abnormal noise by any machine or by their employees or visitors should be made that might disturb the work of other incubatee companies. Any complaint of high noise level will result in appropriate action by HIIC.
- f. Subleasing of any kind of space or equipment given at HIIC is not allowed. Non-observance of this rule will result in immediate expulsion.

- g. HITAM's address cannot be used as the address of the Registered Office of the incubatee company
- h. No routine sales / marketing operation will be permitted from HITAM campus. The entrepreneurs may carry it out from their registered office.


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ANNEXURE -1

Application Form for Availing Pre-incubation / Incubation at HIIC

Name of the Startup:

Focus Area(s): _____

Registered Name of the Company (mandatory if applying for incubation):

Note: Submit the following documents along with the application

1. Company PAN Card
2. Certificate of Incorporation
3. MOA
4. AOA

Names of the Founders and Co-founders, Along With Their Roles:

Name	Role	Mobile	Email	Postal Address

Note: Submit the following along with the application, for each founder / co-founder mentioned above,

1. Resume
2. Aadhaar Card
3. Passport Size Photo
4. PAN Card

Describe Your Idea (Explain the problem or need identified, how big is the problem, suggested solution and target customer):

Is there a social impact of your business idea? If yes, describe the expected impact.


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Have you done market research for your idea? Provide your findings from the research.

What are the strengths and weaknesses of your existing team?

How much investment have you made into your business so far? Where did you raise the funds from? What did you use the funds for?

Provide detailed description of your product / service, along with the mention of technologies used.

What Stage is Your Business In?

1. Idea 2. Pilot Stage 3. SEED Stage 4. Pre Revenue 5. Growth Stage

In which areas would you like mentoring, if selected for incubation at HIIC?

I certify that the information contained in this application is correct to the best of my knowledge. I understand that falsifying information will lead to canceling my application or eviction from HIIC in the future. I authorize HIIC to communicate with any person, organization, or company listed on this application or my resume to seek information concerning my previous employment, education, and other qualifications. I agree to abide by the rules and regulations of the HIIC, and will keep myself informed about any future changes in rules and regulations.

Name of Applicant:

Signature of Applicant:

Date:

Place:


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