

STANDARD OPERATING PROCEDURE (SOP) FOR AIT INNOVATION AND STARTUP POLICY (VER 0.1)

References

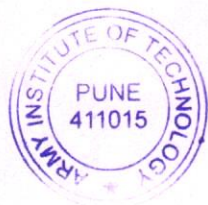
1. National Innovation and Start-up Policy 2019.
2. AIT IPR Policy dt 15 Feb 2021.
3. AIT Innovation Seed Fund Policy dt 06 Sep 2022.
4. HQ AWES Policy – Letter No B/45840/POLICY/AWES dt 31 Jan 2018

Appendices

1. Appendix 'A' - Product Ownership Right Example.

INTRODUCTION

1. MHRD in association with AICTE is encouraging Higher Educational Institutes (HEIs) to nurture entrepreneurship amongst students. The 'National Student and Faculty Startup policy 2019' is a guiding framework to envision an educational system oriented towards startups and entrepreneurship opportunities for student and faculties.
2. In alignment with this vision, Army Institute of Technology (AIT), established an Innovation and Entrepreneurship Cell in the year 2019. AIT is also a member of AICTE's Innovation Council (IIC) which is also an MHRD initiative. The purpose is to establish the mechanism of Innovation and Entrepreneurship on campus.
3. AIT initiated the process to formalise policies for supporting student start up initiatives and innovations, in alignment with NISP framework. A committee comprising of thirteen members was constituted to formulate guidelines, rules and regulations for various aspects related to innovation, Startup and entrepreneurship management at AIT. This committee rigorously discussed and defined policies for students and faculty of the institute for pre incubation support, equity sharing with startups, intellectual property ownership, revenue sharing mechanisms, norms for technology transfer and commercialization.
4. The key objectives for formulating the startup policy are:-
 - (a) To encourage and support innovation and entrepreneurship amongst students.
 - (b) To make the eco system of entrepreneurship and startups self-sustainable.
 - (c) To aim for more number of patents and startups in institute's credit. This will help to improve NAAC, NBA, NIRF ranking.



PROPOSAL

5. To formulate an SOP to provide guidelines, rules and regulations for student / faculty startups of AIT.

DETAILED EXECUTION6. **Board Members.**

(a)	Chairman	Director, AIT
(b)	Member	IPR Consultant
(c)	Member	CA/Financial Consultant
(d)	Member	Incubation representative of associated incubation center
(e)	Member	Legal Advisor, AIT
(f)	Member	Principal, AIT
(g)	Member	Dean R&D
(h)	Member	President, IIC
(i)	Member	Faculty in charge, I and E Cell
(j)	Member	Training and Placement Officer, AIT
(k)	2-3 Members	Startup Founder, Alumni
(l)	Member	I and E cell Student Secretary

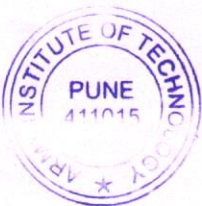
7. **Innovation and Entrepreneurship Cell (I and E Cell):** All AIT Startup activities will be conducted under the aegis of Innovation and Entrepreneurship Cell

(a) **Vision and Mission:**

- (i) Vision: To become a resourceful startup hub and support ecosystem to young entrepreneurs in the region.
- (ii) Mission:
- To initiate activities to inculcate innovative thinking and to imbibe entrepreneurship skills amongst students.
 - To identify and nurture student ideas for incubation.
 - To build eco system to incubate "start-ups".

(b) **Responsibilities:**

- (i) To conduct session on entrepreneurial skills and guest lecture by an entrepreneur.
- (ii) To conduct sessions by startup founders, training program on Entrepreneurship Development and arrange minimally one visit to startup / Incubation Center.



- (iii) To provide eco system to all the start-ups and also take efforts to create a pipeline of startup initiatives.
- (iv) To conduct Idea Pitching competition.
- (v) To initiate internships at startups.
- (vi) To organize Alumni Entrepreneurs meet and strengthen network of Alumni entrepreneurs. This would help to build mentor pool and any other hand hold if required.

8. **Role of Other Functional Cells:** The potential ideas and startups may be identified through various functional cells. The list of the same with their functional role is as follows –

(a) **Academic Departments.** The following departments may identify potential innovative ideas through respective project activity.

- (i) Computer Engineering
- (ii) Information Technology Engineering,
- (iii) Electronics and Telecommunication Engineering,
- (iv) Mechanical Engineering,
- (v) Applied Science and General Engineering.

(b) **Clubs** – Various technical clubs may initiate opportunities through their respective events / activities for submitting innovative ideas / business models from students. The clubs under consideration viz - Technical board, EV Club, OSS Club, R&D Cell, etc.

(c) **Institute's Innovation Council (IIC)** - The primary function of institute's IIC is to ensure round the year activities in campus for students and faculty to explore innovative ideas and to inculcate entrepreneurship skill, thereby encouraging startup initiatives on campus. IIC also ensures active participation of students in National level Competitions like Smart India Hackathon (SIH), National Innovation Contest (NIC).

(d) **Training and Placement Office (TPO)** – This functional cell is responsible to build Industry Interface for the AIT students as well as to ensure strong alumni network. Both these networks are required to build resource pool for startups.

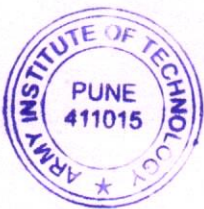
(e) **Intellectual Property Rights Cell (IPR Cell).** – This functional cell will extend necessary support to protect the Intellectual property rights of the innovator.

9. **Functions of Governing Board:-**

(a) To monitor and ensure proper functioning and execution in alignment with the vision and mission of the policy.

(b) To conduct a meeting and review the activities conducted as well as planned, every 6 month.

(c) To extend necessary support to startup eco system of AIT in terms of mentoring, client connect, expert support.



10. **Strategies for nurturing Innovation and Startups**

(a) **AIT Commitments:**

- (i) AIT will allocate separate, adequate funds from its annual budget to Innovation and Entrepreneurship activities.
- (ii) AIT will garner fund through Industry CSR, MOUs, Alumni network, Govt Funds for research for promoting Innovation and Entrepreneurship.
- (iii) AIT will allow students to establish startup while pursuing their UG / PG course.
- (iv) AIT will not hold any equity in the startup company registered.
- (v) AIT may claim fixed charges for specific services, facilities availed to student startup team. These charges will not be applied to students who are still pursuing UG/PG course but only to those who have passed out. The services may include but may not be restricted to :-Infrastructure/ Electricity/ Internet lease line, Mentor Connect, Hostel, Mess facility, Client Connect, Incubation Center Connect, IPR consultancy.
- (vi) AIT will always like to play guardian's role for the student startup team and would like to stay connected for all updates.
- (vii) AIT will not interfere in any decision making or operation of the startup company.

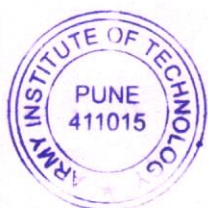
(b) **Enabling Infrastructure:**

- (i) AIT will continue to establish Center of Excellence in inter disciplinary domains like IoT, EV, Robotics, AI /ML with state of art prototype building facilities.
- (ii) AIT will establish Innovation/ idea labs and encourage students to explore/ implement their ideas.
- (iii) AIT will arrange Skill development training programs regularly.

(c) **Nurturing Innovation at Institute / Department level:**

- (i) Each department will encourage students to develop innovative ideas and enable implementation through minor/ major projects. The same may be used as mechanisms to identify and nurture students with innovative ideas.
- (ii) At institute level, MOOC/ audit courses may be recommended for entrepreneurial skills.
- (iii) Institute level mechanism to encourage students for innovation will be through interdisciplinary channels viz Open Source Software /Tech board/ AI & Robotics/ Coding Club, and hacakathon, SIH, etc.
- (vi) Ideas with business possibilities. will be provided necessary pre incubation support (Mentor, Prototype build facility, legal / IPR guidance) by I & E Cell.
- (vii) Student Startup company may voluntarily contribute towards AIT entrepreneurship eco system for the services availed.

- (d) **Financial Support:** AIT will consider extending financial support through formal seed fund on approval from Governing Board. (Refer AIT Seed Fund policy).



(e) **Human Resources and Incentives.**

(i) A student, if involved in his/ her startup work and in case the startup doesn't take off for valid reasons, will get deferred placement opportunity any time after his/her final year for maximum 2 years.

(ii) AIT will extend its support to student startups founded during UG/PG course for minimum 2 years. The support will include access to resources on campus required for their work such as laboratory, equipment, etc.

11. **Product Ownership Rights for Technologies Developed at AIT.**(a) **For Student Startups.**

(i) When institute 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. (Refer AIT IPR policy).

(ii) If the startup company itself manufactures and sells the product then AIT does not claim any financial stake in revenue generated by the company.

(iii) If the student startup company leases the patent to a third party for production and commercialization at a third party's end on a royalty basis, AIT may claim a maximum 4% or 2 lakhs of Sales proceeds (annually), whichever is large. This amount can be claimed quarterly, half-yearly or annually with mutual consent. (Refer **Appendix 'A'** for example). The lien of AIT will be for maximum of 10 years from successful launch of startup.

(iv) If the startup sells the patent to third party then AIT should be compensated as per its percentage holding in the patent. (Refer **Appendix 'A'** for example).

(b) **For Faculty Startups.**

(i) In case if a Startup is launched by AIT Faculty, institute may claim 20% of shares in the company.

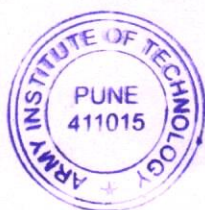
(ii) In case, if AIT does not claim any share, income from this startup will come under preview of consultancy and terms as per AWES policy will get applied for the same (Refer AWES Policy).

12. **Creating Innovation Pipeline and Pathways for Entrepreneurs.**

(a) I and E Cell will regularly conduct ideation/ hackathon.

(b) Each department will identify "Patentable ideas" from UG/PG projects and recommend for IPR process.

(c) The student winners of hackathons/ national innovation contest/ any such competition will be encouraged/ mentored for patent filing and product building.



13. **Pedagogy and Learning Interventions for Entrepreneurship Development.**

(a) AIT, being affiliated to Savitribai Phule Pune University (SPPU), will have to comply with the prescribed course work. Project based courses/ open electives will be identified and utilized to encourage innovation and entrepreneurial skills amongst students.

(b) Entrepreneurship development program will be organised for UG and PG. Students will be given some incentives such as extra attendance for the same.

(c) Training programs will be conducted by the institute for Innovation, Creativity Design thinking, Sales, marketing, etc.

14. **Collaboration, Co-creation, Business Relationships and Knowledge Exchange.**

(a) Institute will organize interactive sessions with Alumni Entrepreneur for students.

(b) I and E Cell will regularly organize mentoring sessions by alumni for startup teams.

15. **Entrepreneurial Impact Assessment.**

(a) The innovation and entrepreneurial activities will be evaluated by the Governing Board at the end of each year.

(b) The governing board will define the parameters to assess the activities based on outcomes.

(c) Performance benchmark may be defined with the help of governing board.

(d) The performance metric may include :-

(i) Number of ideas.

(ii) Number of startups registered.

(iii) Employment generated by these startups.

(iv) Revenue generated by these startups.

(v) Funding received.

CONCLUSION

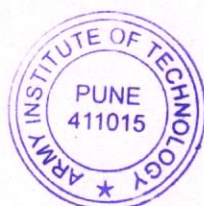
16. The above policy will be referred for encouraging and providing support to every Student/ Faculty Start-up of AIT.

17. Any deviation from above policy will be approved by Governing Board.

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Army Institute of Technology
Dighi Hills, Pune - 411015

Dated : 27 Oct 2022



(Abhay A Bhat)

Brig
Director

Director
Army Institute of Technology
Dighi Hills, Pune - 411015.

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Appendix 'A'

(Refer Para 11(a)(iii)&(iv) of SOP)

1. **Explanation with Example for the Following Condition :**

If the student startup company leases the patent to a third party for production and commercialization at a third party's end on a royalty basis, AIT may claim a maximum 4% of Sales proceeds.

Example:

Consider

- (a) Startup Company "S" is launched by Students "A", "B" and "C".
- (b) The startup company is based on a patented product.
- (c) The innovators of the patented product are students "A", "B" and "C" with co-inventor as AIT.
- (d) Patent ownership is equally distributed amongst all co-inventors. In this case it will be 25% each.

Case I :

Startup company "S" manufactures and sells the product and generates revenue of Rs 10000 with profit of Rs 1000 then

→ **AIT will not claim any financial stake in revenue generated / profit made**

Case II:

Startup company "S" leases the licenses of the patent to third party "XYZ" for manufacturing, sales of product and all other operations. If now the third party "XYZ" generates revenue of Rs 10000 in the current financial year from sales proceeds, then.

- **AIT will claim maximum Rs 400 royalty from the revenue generated from Sales proceeds (4% of revenue i.e Rs 10000) by the third party "XYZ".**
- **The lien of AIT will be for maximum of 10 years from successful launch of startup.**

Case III:

Startup company "S" sells the patent to third party "XYZ" at a cost of Rs 10000 then

→ **AIT will claim Rs 2500/- (25% of Rs 10000) from the selling price of the IPR.**

