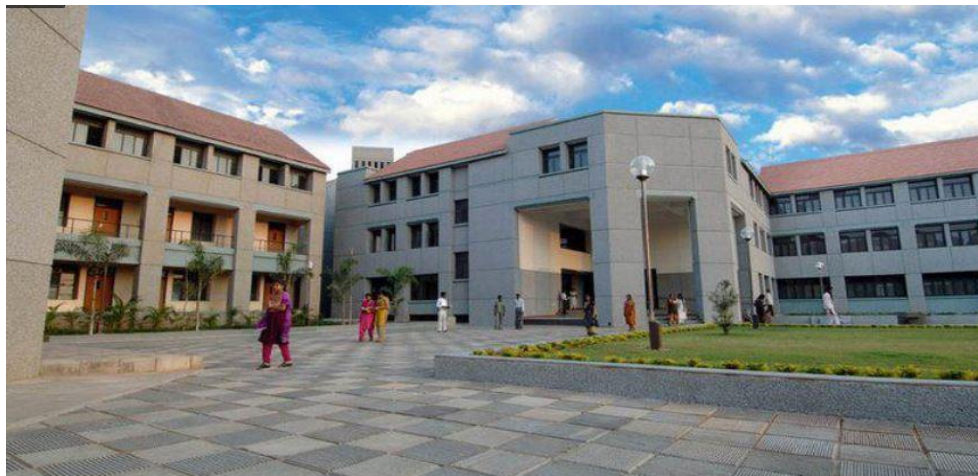




Sri Krishna Arts and Science College Coimbatore 641 008



SKASC – National Innovation and Start-up Policy



Sri Krishna Arts and Science College (SKASC), Coimbatore, has joined the campaign on implementing National innovation and start-up policy (NISP) under the aegis of the Ministry of Education (MoE), Ministry of Innovation Cell (MIC) and adopted the policy framed by MIC. The policy aims at promoting innovation and start-up culture among the students and faculty of Higher education institutes. A copy of the NISP document is attached below

The policy aims at enabling HEIs to build, streamline and strengthen the innovation and entrepreneurial ecosystem in campus and will be instrumental in leveraging the potential of science, student's creative problem solving and entrepreneurial mind-set, and promoting a strong intra and inter-institutional partnerships with ecosystem enablers and different stakeholders at regional, national, and international level. The entrepreneurial ecosystem in HEIs will play key role in identifying, mentoring, nurturing innovative and entrepreneurial potential of students, faculty and staff, and transforming them into start-up entrepreneurs by provided avenues of funding, investment opportunities and networking support to make the innovation and venture successful.

Vision of SKASC – NISP

The vision of the National Innovation & Start-up Policy at SKASC is

- To Create entrepreneurs capable of providing commercially viable and ethically correct technical solutions to societal needs.
- To promote student driven innovations & start-ups and to engage the students and faculty in innovation and start up activities in campus.

Mission of SKASC – NISP

The mission of National Innovation & Start-up Policy at SKASC is

- Create awareness on innovation, start-up, and entrepreneurship to the stakeholders of the institute through systematic academic activity.
- Set up and sustain an ecosystem to identify and nurture innovation and startup activities of students, faculties, and alumni.
- Provide funding to viable innovative ideas and Encourage partnership from funding agencies to speedup Innovation and Start-up

Policy Acceleration - Modes

S.No	Plan
1	Governance for Promoting Innovation & Entrepreneurship
2	Creating Innovation Pipeline and Pathways for Entrepreneurs
3	Building Organizational Capacity, Human Resources and Incentives
4	Collaboration Co-creation and Business Relationship and Knowledge Exchange
5	Norms for Faculty & Student Driven Innovations and Start-ups
6	Motivating Faculty & Students for Entrepreneurship
7	Norms for Faculty Start-up
8	Incubation & Pre-Incubation support
9	IP Ownership Rights for Technologies Developed at SKASC
10	Pedagogy & Learning Interventions for Supporting Innovations & Start-ups
11	Entrepreneurial Performance Impact Assessment

Short Term Objectives

- To promote creative, novel and innovative thinking among the community of students and the faculty.
- To assist student groups to prototype of their innovative ideas.
- To offer an improved incubation facility this facilitates better entrepreneurial ecosystem.
- To nurture entrepreneurial culture by organizing a large number of relevant FDPs, Bootcamp's, seminars and workshops.
- To reinforce the institution-industry interactions and to channel its outcome towards achieving the mission.

Long Term Objectives

- To spread awareness among the students and the faculty on research and IPR activities
- To extend a dedicated support to Indian based start-ups developing innovative technology solutions for serving the basic needs of our society.
- To associate with the government bodies like DBT, DST, TNSCST, MSME and other academic institutions for transferring world class facility to the stakeholders of SKASC.

- To encourage the stakeholders of SKASC to work on innovative projects based on commercial products that will serve the needs of our country.
- To provide a platform for young students to develop products with global recognition that can generate business opportunities.
- To encourage start-up initiatives by providing opportunities to explore more into consultancy activities.

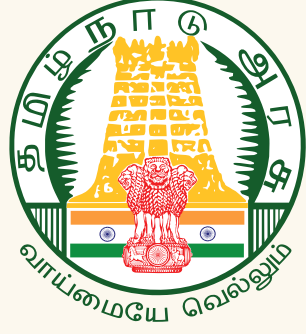
NISP Core Committee – SKASC

S. No.	Designation	Faculty Name	Contact Details & Email ID
1	CEO, SKASC	Dr.Sundararaman.K	9786607000 & ceo@skasc.ac.in
2	President	Dr.P.Baby Shakila, Principal	9865943665 & principal@skasc.ac.in
3	Convener	Mr.Julian Gnana Dhas.C, HoD, Management	9443124774 & julianc@skasc.ac.in
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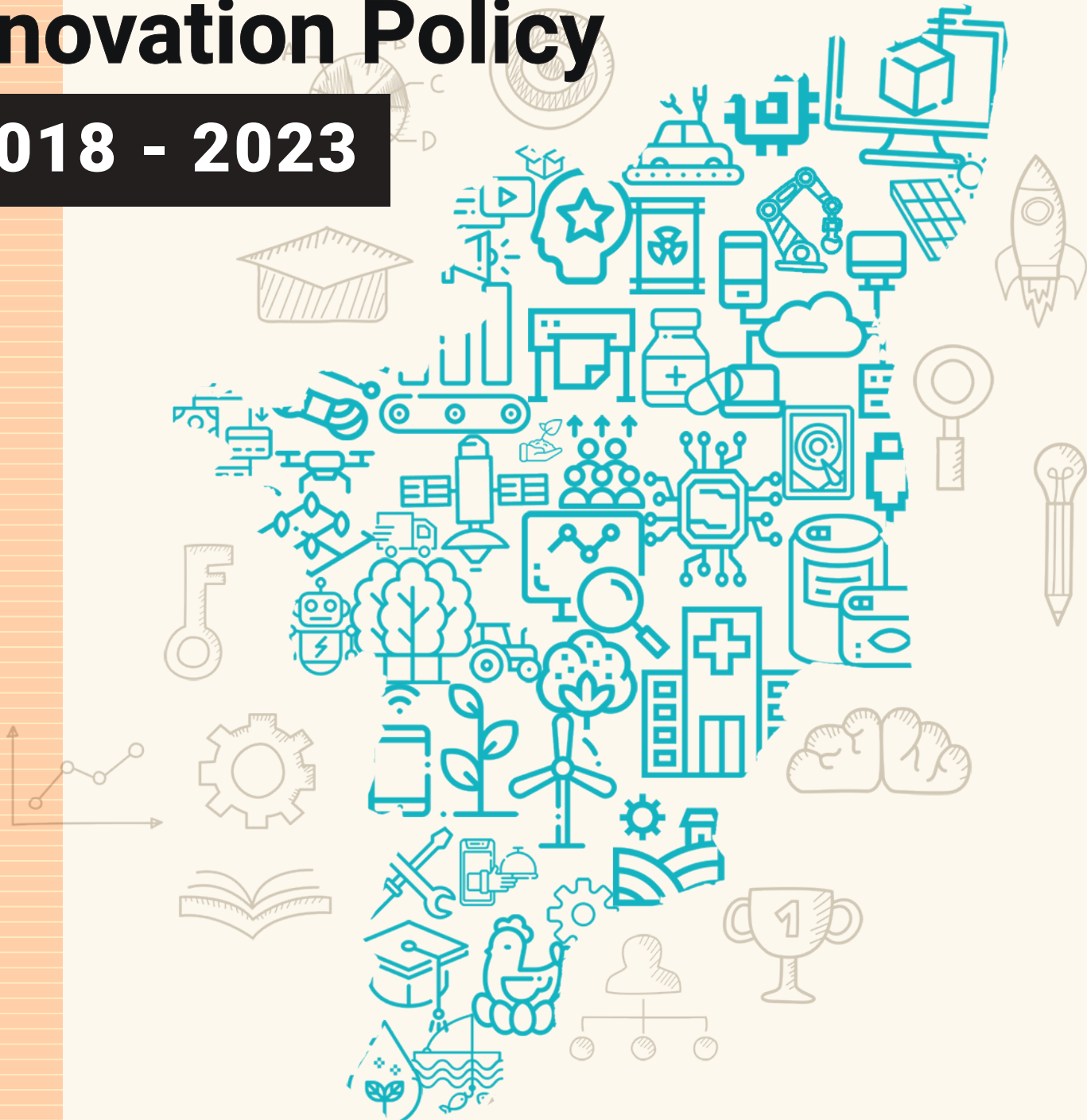
Principal
PRINCIPAL
SRI KRISHNA ARTS AND
SCIENCE COLLEGE
KUNIYAMUTHUR,
COIMBATORE-641 074

Principal



Tamil Nadu Startup & Innovation Policy

2018 - 2023



Government of Tamil Nadu



Micro, Small and Medium Enterprises Department

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TAMIL NADU VISION 2023

Tamil Nadu is one of the economic power houses of India. Entrepreneurship, social mobility, economic growth and technology innovation have defined the growth story of the State. Today, the State has the potential to further enhance this by supporting the knowledge and capability of individuals to create new technology-driven enterprises to address challenges and take advantage of the opportunities present. This further complements **“Tamil Nadu Vision 2023”** goal of attaining a GSDP growth at a sustained pace of 11% per annum for the coming years.

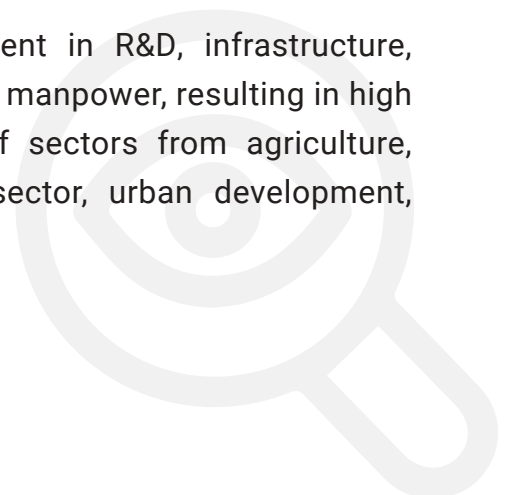
The contribution of the State to India's GDP is phenomenal in sectors like Automobiles, Commercial vehicles, Auto parts, Leather products, Textiles, Software and ITeS. The scope of the state for technical innovation and product development is ample. In terms of infrastructure, Tamil Nadu is one of the best performing States in the country. With the highest GER, the State is the destination for students from various States, providing the highest number of skilled manpower and one among the best in terms of technically qualified manpower. Tamil Nadu houses the best and renowned Incubator of the country, namely, the IIT-Madras and many promising Incubators catering to the needs of entrepreneurs, students and researchers for innovating new products and processes in various fields. The State is increasingly becoming the destination for Startups in Software-as-a-service (SaaS). Thus the State is a potential anchor for many Startups not only in Tamil Nadu but also those thriving all over the country.



The Tamil Nadu Startup and Innovation Policy 2018-2023, aims to provide an enabling, innovative ecosystem in the State. Implementation of the policy will enable the State to emerge as the “Knowledge Capital” and “Innovation Hub” of the country. It will also attract entrepreneurs and investors across the globe.



The policy is presumed to nurture innovation, investment in R&D, infrastructure, knowledge creation, technological development and skilled manpower, resulting in high growth entrepreneurial ventures across the spectrum of sectors from agriculture, manufacturing, healthcare, education, logistics, social sector, urban development, environment, to Fintech and ICT.



2. VISION

To make Tamil Nadu a Global Innovation Hub and the most preferred destination for Startups by 2023.

3. MISSION

To create, support and nurture a vibrant Startup ecosystem in Tamil Nadu resulting in innovation and entrepreneurship driven employment and economic growth, facilitating creation of at least 5000 Startups including 10 global high growth Startups by 2023.

4. CORE POLICY OBJECTIVES

- 4.1. Encourage, facilitate and support emergence of at least 5000 technology startups in the State.
- 4.2. Extend a dedicated support to at least 10 global high growth startups developing innovative technology solution for high social impact in sectors like sanitation, food, clean energy, healthcare, education, etc.
- 4.3. Establish support infrastructure and strengthen the existing mechanism in the thrust areas: Transportation & Logistics, Electrical & Electronics, Health Care & Bio-tech, Agriculture, Renewable energy, Climate change, Fintech, Textile, Information Technology (IT), Internet of Things (IoT), Artificial Intelligence (AI), Machine Learning (ML) and Software-as-a-Service (SaaS).
- 4.4. Network (public and private) stakeholders
- 4.5. Collaborate with educational institutions to promote entrepreneurship among the youth.
- 4.6. Maximise industry engagement.
- 4.7. Provide adequate incentives and resources to startups, facilitators, mentors and investors to promote startup culture in the State.
- 4.8. Reduce the existing regulatory and tax burden on startups in the field of Labour, Pollution and building norms and base these on self-certification.
- 4.9. Nurture budding startups defined as START STEPs to graduate into startups.
- 4.10. Partner with reputed investors across India and the Globe to invest in Tamil Nadu startups.
- 4.11. Brand startup Hubs in geographically distinct locations – Chennai, Coimbatore, Salem-Erode, Madurai, Trichy-Thanjavur, Tirunelveli, etc.

5 DEFINITION

5.1. START-STEP:

An aspiring entity or individual who develops **an idea** with a business model based on product/process/service innovation that is potentially scalable and replicable and generate employment and wealth.

5.2. STARTUP :

An entity 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 generation or wealth creation.

An entity will be recognised as startup only if it satisfies the following conditions:

- The company/entity is registered in the State under the Tamil Nadu Startup and innovaTN Mission (TANSIM); and
- If it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India; and
- Up to seven years from the date of its incorporation/ registration; however, in the case of startups in the biotechnology, Artificial Intelligence (AI) & Machine Learning (ML) sectors, the period shall be up to ten years from the date of its incorporation/ registration; and
- If its turnover for any of the financial years since incorporation/ registration has not exceeded Rs. 25 crores;

Provided that any such entity formed by splitting up or reconstruction of a business already in existence shall not be considered a 'Startup'.

This broad definition of startups in Tamil Nadu is intended to be inclusive and facilitating to support entrepreneurship across the State. The policy will encourage startups from Tamil Nadu to follow Government of India norms that define a startup to access Central level benefits and incentives.

6

NODAL AGENCY

Entrepreneurship Development and Innovation Institute(EDII) shall act as nodal agency to promote and facilitate startups in the State. Within EDII, a mission, TANSIM, headed by a fulltime in-charge Officer, shall be created which will function as One-Stop-Shop to advocate and oversee policies and programmes for promoting startups.

A Tamil Nadu Startup & Innovation Council (TANSIL) with senior officers, various stakeholders, including startups, venture funds, educational institutions, Incubators etc to be headed by the Chief Secretary to Government of Tamil Nadu shall be constituted to review and advice TANSIM.

7

ACTION PLAN

The Tamil Nadu Startup and innovation Policy shall focus on driving entrepreneurship and innovation in the State through 5 priority actions:

- Creating conducive ecosystem for encouraging entrepreneurship and innovations.
- Ensuring adequate resources channelled to the startup ecosystem.
- Enabling skill development and inclusive job creation.
- Extending support to social entrepreneurship for a positive social impact and inclusion.
- Establishing global accessibility, connections and partnerships.

Startups registered with TANSIM and located in Tamil Nadu shall be entitled to receive any of the stated Government benefits.



Creating conducive ecosystem for encouraging entrepreneurship and innovations



Ensuring adequate resources channelled to the startup ecosystem



Enabling skill development and inclusive job creation



Extending support to social entrepreneurship for a positive social impact and inclusion



Establishing global accessibility, connections and partnerships

7.1. Creating conducive ecosystem for encouraging entrepreneurship and innovations

Tamil Nadu is well endowed with science and engineering talent pool. This indigenous intellectual capital would be strengthened and leveraged to create entrepreneurial ventures through the following plan of action:

7.1.1. Ease of doing business

7.1.1.1. A 'One-Stop-Shop' guided by a portal and ably supported by a help-desk will be set up to facilitate registration, compliances and certification.

7.1.1.2. TANSIM will recognise / register a Start-step or Startup within 10 days from receipt of online application.

7.1.1.3. Online time bound grievance redressal mechanism for startups.

7.1.2. Resource Centre and Registry

7.1.2.1. A centralised registry-cum-repository on venture firms, incubators, intellectual property support centres, mentors, database of different talents for Startups to hire, stakeholders and other activities supported by Government of Tamil Nadu and Government of India, which can be leveraged by startups, will be established.

7.1.2.2. The agency will host an online sub portal for Startups to apply for and avail grants and other benefits.

7.1.3. Help Centre

7.1.3.1. A help centre to address queries related to registration, compliance and accessing benefits for Startups will be housed in TANSIM.

7.1.3.2. The help centre will also provide promotional and PR platform to startups for dissemination of information related to startup conferences and events.

7.1.4. Policy simplification

7.1.4.1. Existing labour laws and technical regulations will be reviewed and simplified.

7.1.4.2. Self-certification to be accepted from startups where there are no technical regulations which need to be complied with, such as compliance with EPFO, ESIC, Minimum Wages, Bonus, Gratuity etc.



7.1.4.3. Third Party Certification alone will be required where technical regulations had to be complied with such as Boilers Act, Factories Act, the Tamil Nadu Lifts Act, etc.

7.1.4.4. TANSIM will engage with the Government in policy advocacy in emerging and disruptive areas as well as in regulatory dismantling for outdated regulations.

7.1.4.5. Suitable regulations/orders will be notified under applicable State laws and codes to enable faster exits for startups that shut down in tandem with Government of India notifications.

7.1.5. Intellectual property (IP) support centres

7.1.5.1. TANSIM shall identify and empanel private IP Centres to partner or engage with startup networks, associations, co-working spaces, etc. to provide IPR guidance to startups.

7.1.5.2. Existing IP Support Centres will also be strengthened to serve as Patent Information Centres (PICs) and/or Intellectual Property Facilitation Centres (IPFCs).

7.1.6. Public procurement

7.1.6.1. Government procurement policy will encourage participation of startups in tenders of smaller value through relaxation in prior existence & turnover criteria, EMD payments, waiver of tender cost and extend procurement preference available to domestic MSMEs as per Tender Transparency Act, 2016.

7.1.6.2. Mission shall facilitate procurement of product/services of impactful startups on pilot basis.

7.1.6.3. State Government departments and undertakings may make use of the services of startups registered with TANSIM for low value procurements, subject to the condition that the Tender Inviting Authority can purchase not more than two products/services in a given financial year from one startup.

7.1.6.4. Mission shall act as a tender/ public procurement information centre for startups.

7.2. Ensuring adequate resources channelled to the Startup ecosystem

Government of Tamil Nadu will provide a positive and motivating business climate for growth and acceleration of startups. Support provided to startups will be in line with goals set under Vision 2023 and complement support available under the Startup India Action Plan, 2016.

7.2.1 Policy research group & regulation

A Policy research group (Think tank) shall be set up to carry out research on startup ecosystem. The group will prioritize working with startups operating in disruptive areas/ technologies to access Government, institutions and other stakeholders to share required information and encourage innovation and facilitate market & policy adoption.

7.2.2 Incubators / Accelerators

7.2.2.1. Industrial organisations and private commercial organisations will be encouraged to setup Incubators/Accelerators using funds allocated under schemes of Niti Aayog, DST, DBT, DEITY and MSME-DO of Government of India. The State Government will provide necessary matching grants as per scheme guidelines. Incubators in higher educational institutions shall be encouraged to open up to general public.

7.2.2.2. CSR funding will be targeted to promote corporate and private Incubators. State PSUs and CPSUs shall be encouraged to adopt Incubators and channelize CSR funds. These Incubators shall also serve as an innovation sandbox to solve problems faced by PSUs and CPSUs which in turn, shall support startups with access to platform, test bed, data, handholding etc.

7.2.2.3. Provide support to facilitators, Incubatees, etc. to develop a concept/idea into a prototype/product.

7.2.2.4. Establish a Learning & Development team at the TANSIM.

7.2.2.5. Private institutions/entities will be encouraged to support State initiatives for supporting entrepreneurship development by hosting fellows, conducting programmes in conjunction with State policies and furthering the mission of entrepreneurship development at a large scale. They will also be given special status by allowing ease of doing business to accommodate startups in their premises (address registration) and other such requirements to facilitate and increase the number of startups in the State.

7.2.2.6. The Mission shall implement a system to network the existing Incubators to leverage pre-established assets.

7.2.2.7. The Mission shall ensure that Government funded institutional Incubators are open for public access at least 16 hours a day and are open throughout the year except National/State holidays (i.e. 16X7).

7.2.2.8. Establishment of sector specific niche Incubators shall be encouraged by the Mission.

7.2.2.9. Government will encourage Technology Business Incubators with training programmes, accelerator programmes and business facilitation services under the brand 'incubaTNTM'.

7.2.2.10. State Government will allot land at nominal lease for duration of 99 years to establish 'Startup Parks' at appropriate places by entrepreneurs/Startups including NRIs from Tamil Diaspora.

7.2.2.11. The Government will encourage entrepreneurs by giving access to relevant data/information for the purpose of creating apps and technologies for public-good.

7.2.3. Funding

7.2.3.1. The State will ensure adequate budget for entrepreneurship development and startups.

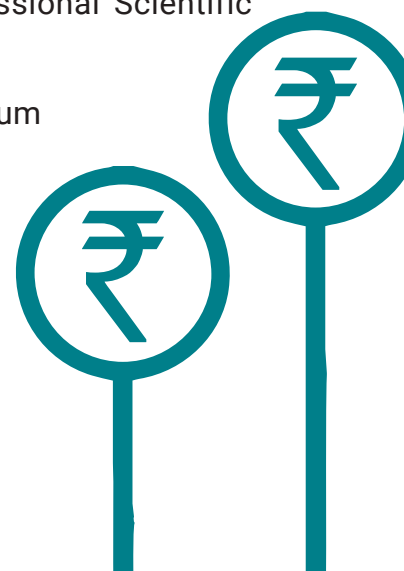
7.2.3.2. The State will set up Tamil Nadu Startup Fund of Funds of INR 250 crore to be managed by a professional financial agency such as SIDBI. It will be registered as an Alternative Investment Fund (AIF) under SEBI regulation, 2012. The fund will be invested in other SEBI registered AIFs for investment in Startups and MSMEs established in Tamil Nadu. Government of Tamil Nadu will invest INR 75 crore in the fund. The first tranche of INR 25 crore will be allotted in FY 2019-2020.

7.2.3.3. Innovative ideas shall be nurtured by special innovation programs (such as Innovation Voucher Program).

7.2.3.4. A Tamil Nadu Startup Seed Grant Fund (TNSSGF) of Rs. 50 Crore with an allotment of Rs. 5 Crore in the first year shall be created in partnership with Financial Institutions and Universities for supporting early stage financing requirements of the startups in the form of grants to fill the gap in fund requirement for research & innovations. The TNSSGF would also provide funding for Idea-to-PoC (Proof of Concept) stages which are pre-startup activities. This will be similar to the erstwhile Technopreneur Promotion Programme (TePP) grant provided by DSIR and would support prototyping and testing of innovative ideas of students/ faculty/ individuals. TANSIM shall manage this fund, which will be governed by a professional Scientific Startup Seed Fund Board.

7.2.3.5. The TNSSGF shall also provide revolving fund up to a maximum of Rs.50 lakh to academic institutional & private technology business Incubators (TBI), provided the TBI mobilises fund in the ratio of 1:3 (TNSSGF: TBIs) through industry or from its own resources and the TBI is registered as a Section 8 company and is open to public.

7.2.3.6. Efforts will also be made to attract NRI/PIO/angel investors/Ventures and Private Equity investors to fund startups.



7.2.4. Grants

7.2.4.1. TANSIM will conduct outreach programmes in partnership with reputed agencies, colleges, Incubators and approved private entities across the State.

7.2.4.2. Academic Institutions will be assisted in tapping research grants from BIRAC, DST/NSTEDB, CSIR, DEITY and GITA in collaboration with industry, generating product or process innovations.

7.2.4.3. Corporate groups, CPSUs and SPSUs will be motivated to fund Incubators and startup programmes using CSR regulations in force.

7.2.4.4. State Government will work with SLBC and leading banks to reposition few Bank branches in district headquarters as Startup & MSME support branches. Orientation programme will be organised to sensitise the Managers.

7.2.4.5. TANSIM shall facilitate startups in marketing and R&D activities.

7.3. Enabling skill development and inclusive job creation

7.3.1. Skill development

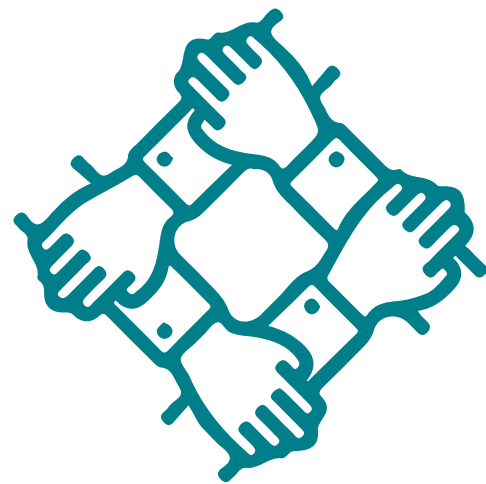
To provide impetus for fostering innovation in academia, the Government of Tamil Nadu aims to augment academic research and campus environment through structured programmes and incentives to:

- Students, Faculty, Innovators and Entrepreneurs.
- University spin-outs
- Academic and research Institutions.
- Private and public sector organizations involved in entrepreneurship development.

7.3.2. To ensure that the youth of the State are Industry/ Startup ready, the following will be supported:

7.3.2.1. Facilitating industry-academia interaction.

7.3.2.2. Institute a window for demand-based modern courses/programmes to help the ever evolving startup/industry.



7.3.2.3. Channelize programmes/funds from Central and State agencies/Departments.

7.3.2.4. Introduce entrepreneurship as part of curriculum in schools and colleges (including polytechnics and ITIs) as per AICTE policy.

7.3.2.5. Encourage Entrepreneurship Development & Innovation Councils (ED&IC) headed by a willing and qualified faculty member and student led Entrepreneurship cells (E-Cell) to promote startups, entrepreneurship & innovation activities in the campuses.

7.3.2.6. Decentralize innovation by establishing fablabs/tinkering labs/maker-spaces that will serve as a bridge between innovators and Incubators.

7.3.2.7. Introduce academic credits for students who choose entrepreneurship related learning activity at colleges in line with AICTE policy.

7.3.2.8. Internship and apprenticeship for students in graduate courses in science, technology or professional courses shall be introduced for a minimum period of 6 months in any industry, in one stretch or in two stretches of minimum of 3 months, through reworking of the apprenticeship policy of the State Government.

7.3.2.9. Special grace marks and attendance relaxation shall be allowed to students, if their project work is converted into a startup in the Incubator.

7.3.2.10. Universities and Colleges will encourage as many startups with inter-departmental and inter-institutional participation, taking note of the fact that startup planning and management requires inter-disciplinary skills.

7.3.2.11. A deferred placement support system will be introduced in all colleges in consultation with industry as a measure of risk mitigation against failure of student startups.

7.3.2.12. Students shall be allowed to undertake a maximum of 2 years as entrepreneurship break with attachment to an Incubator, after completion of the third year, on application to the college. This break would not be counted towards the number of years for graduation, subject to appraisal by the Incubator along with documents of entrepreneurship or product development.

7.3.2.13. Permit faculty to transform their/student research projects developed at universities/colleges to become startups and also to hold equity in such startups.

7.3.2.14. Academic institutions shall promote translational / applied R & D/ Collaborative industrial R & D.

7.3.2.15. Provide training programmes for both startups as well as startup/industry ready employees to bridge the gap between industry requirement and current curriculum.

7.3.3. Introducing entrepreneurship competencies in schools

The world view of economic development has completely changed. It is increasingly knowledge-driven. This mandates a new approach to inculcate innovation & entrepreneurship from high-school level. The following will be fostered:

7.3.3.1. School level entrepreneurship programmes to inculcate entrepreneurship as a career choice and provide basic foundational understanding.

7.3.3.2. State-wide competitions and challenges around innovation and entrepreneurship for school students. Winners of competitions and challenges will be offered access to interesting startups and E-cell run fab-lab facilities in Universities to explore their winning ideas

7.3.3.3. Gamified entrepreneurship concepts.

7.3.4. Job creation

The mission shall aim for a minimum of 1,00,000 high skilled direct and indirect job creation in the startup ecosystem.

7.4. Supporting social entrepreneurship for a positive social impact and inclusion

Tamil Nadu is a welfare State and social inclusion has been one of the key factors for its sustained growth. There is always a need to provide an equitable platform for women, economically disenfranchised, differently-abled and transgender for greater social stability. While Tamil Nadu is emerging as a global economic powerhouse, there is still a considerable income gap among different strata of the society. Rural and Social enterprises could play a huge role in bridging this gap.



7.4.1. Government of Tamil Nadu aims to offer the following support:

7.4.1.1 The Mission shall extend additional support for startups that are eco-friendly green startups.

7.4.1.2 The Mission shall provide special focus to the startups creating Social Impact in areas like water, waste management, health, food, education, climate change, etc. by dedicating a portion of the venture fund.

7.4.1.3 Mission shall encourage student participation in social impact centric activities.

7.4.1.4 The Mission shall encourage rural entrepreneurship through venture funding and support rural-based startups and Incubators.

7.4.1.5 The Mission will organise Grand Challenges on specific social, rural and environmental problems under hackathon programme. Selected innovative solutions shall be awarded an initial grant and follow-on funding for piloting the idea.

7.4.1.6 The Government will create a mechanism to adopt technologies/models developed by rural/social entrepreneurs.

7.4.2 Women

7.4.2.1 Prioritize by and for women startups.

7.4.2.2 Training and sensitization programmes for women entrepreneurs.

7.4.2.3 Startups with a women founders or co-founders shall be supported for product development and marketing/publicity/participation in fairs and exhibitions.

7.4.2.4 Priority in allotment of industrial plots in industrial estates for women startups.

7.4.2.5 Support for setting up crèche in startups/incubators/co-working spaces with more than 50 employees.

7.4.2.6 Startups addressing issues related to women shall also be eligible for the above support.

7.4.3 Transgender

7.4.3.1 Promote and assist startups where the founder or co-founder is transgender.

7.4.3.2 Training and sensitization programmes on entrepreneurship for transgender entrepreneurs.

7.4.3.3 Support under the New Entrepreneur-cum-Enterprise Development Scheme (NEEDs).

7.4.3.4 Priority in procurement & marketing assistance.

7.4.3.5 Startups focusing on transgender empowerment shall also be eligible for the above support.

7.4.4 Differently-abled

7.4.4.1 Promote and assist startups where the founder or co-founder is differently-abled.

7.4.4.2 Training and sensitization programmes on entrepreneurship for differently-abled entrepreneurs.

7.4.4.3 Priority in procurement & marketing assistance.

7.4.4.4 Startups working in the field of differently-abled shall also be eligible for support.



7.5 Establishing global accessibility, connections and partnerships

7.5.1 Startup Mission will organise meets, webinars and Video conferences on startup/entrepreneurship with, NRI/PIO, Indian startup experts, global investors, other leading ecosystems to create a global connect for the local startups to identify and adopt best practices. Efforts will also be made to attract NRI/PIO investors to set up local VCs and angel funds.

7.5.2 The Mission shall partner with International Governments and global networks to promote exchange programmes. 100 outstanding startup entrepreneurs will be exposed to global best practices with the help of global accelerators/startup hubs/academic & research institutions.

7.5.3 Startup Summits will be organised every year at regional and State level to showcase startups and business innovations and to provide a platform to stakeholders for collaboration in the startup ecosystem. Innovation awards for high growth startups and stakeholders making outstanding contribution to the startup ecosystem.

7.5.4 Regional level innovation contests/hackathons/Grand Challenges will be organized/financially supported with final culmination events in Chennai every year.



7.5.5 Support shall be extended for startup focused programmes, workshops and internship drives organised by Incubators, educational institutions, startup networks/communities/groups, organisations and other reputed startup ecosystem partners.

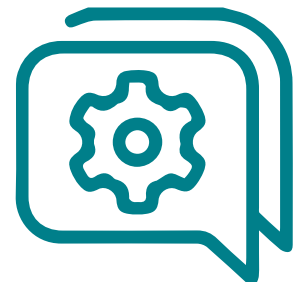
7.5.6 An Open Innovation portal shall be set up by Mission for posting governance, societal and industrial challenges needing innovative solutions in public domain to find solutions. Funding support shall be given to the crowd sourced innovative solution for further refining and development.

7.5.7 The Government will partner with leading organizations such as World Bank, WHO etc. to fund and support projects with social impact.

7.5.8 Tamil Nadu shall also be marketed as an ideal test-bed for students, youth and social entrepreneurs across the world to come and work on live projects in the State.

7.5.9 TANSIM will take measures to attract global talent and resources to foster innovation and enrich the local ecosystem with events, job opportunities, courses, exchanges, etc.

8 GENERAL SUPPORT



The Mission shall implement the following welfare measures to encourage startups in the State:

- **8.1.** Support for services like IPR, Legal, Auditing, Accounting etc. through fee credits. Entrepreneur Redeeming Card shall be introduced.
- **8.2.** Financial support shall be extended for attending trainings, tech conferences and trade shows. Entrepreneurs recognised by the State or Startup India will be eligible for a one-time training grant of 75% of the training cost subject to a maximum of Rs 1 lakh for undergoing high impact entrepreneurship training with any reputed agency of their choice.
- **8.3.** Benefits/exemptions available under the IT/ITeS policy of Tamil Nadu Government shall be available for all startups, investors, incubators and research parks.
- **8.4.** Startups will be given priority in allotment of plots in the SIDCO industrial estates and also on concessional lease or rent.

9 EXCLUSIONS



An entity in order to qualify as a startup under this policy should not have been:

- 9.1.** Formed by a demerger or reconstitution of a business already in existence.
- 9.2.** A subsidiary of a firm in the State, except subsidiary of a startup itself which also qualifies as startup and the combined entity also satisfies the startup criteria.
- 9.3.** A franchisee of an existing business in the State.
- 9.4.** Promoted or sponsored by or related to an Industrial group in the State whose group turnover exceeds Rs. 300 crore.
- 9.5.** The holding company deriving more than 50% of its income from investments and loans.

10 IMPLEMENTATION



- 10.1.** Operational guidelines and clarifications will be issued from time to time.
- 10.2.** The performance of this policy will be reviewed by the TANSIL every six months based on KPIs to be fixed by the council. Among other metrics, the Compass World Ecosystem Ranking methodology would be used to benchmark cities like Chennai and Coimbatore.
- 10.3.** The Mission will also arrange for annual evaluation of the policy and the report shall be placed before the State Startup and Innovation Council for review and direction.
- 10.4.** This Policy is valid for a period of 5 years from the date of its notification or till a new policy is formulated. However, amendments in this policy could be made with the approval of the Cabinet without affecting the beneficiaries already covered under the policy. The policy shall be reviewed every five years.



Entrepreneurship Development and Innovation Institute

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Entrepreneurship
DEVELOPMENT AND INNOVATION INSTITUTE
GOVERNMENT OF TAMIL NADU



A Guiding Framework for Higher Education Institutions



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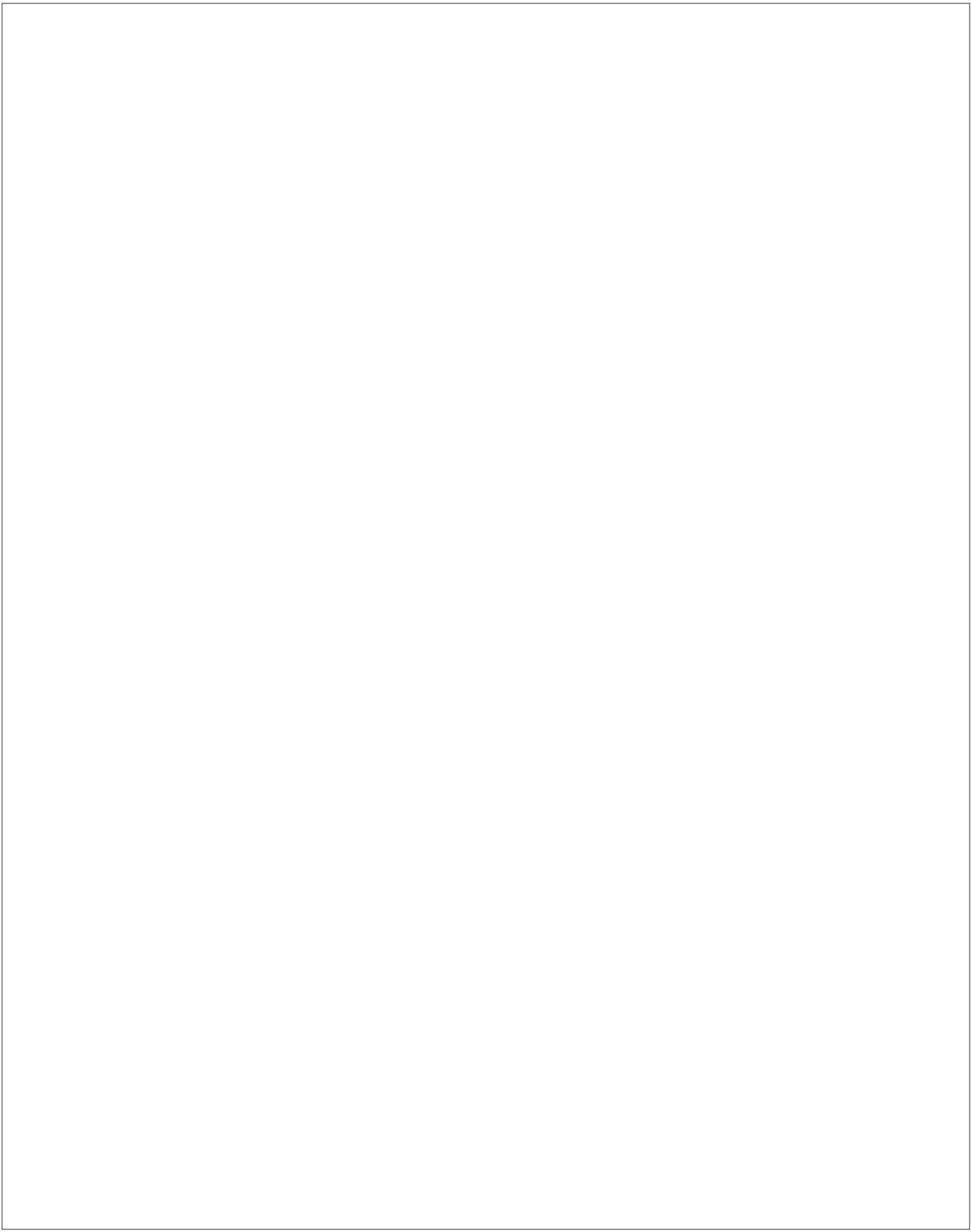
Abstract

National INNOVATION and STARTUP Policy 2019 for Students and Faculty

A Guiding Framework for Higher Education Institutions

The National Innovation and Startup Policy 2019 for students and faculty of Higher Education Institutions (HEIs) will enable the institutes to actively engage students, faculties and staff in innovation and entrepreneurship related activities. This framework will also facilitate Ministry of Human Resource Development in bringing uniformity across HEIs in terms of Intellectual Property ownership management, technology licensing and institutional Startup policy, thus enabling creation of a robust innovation and Start up ecosystem across all HEIs.

September 11, 2019



संदेश

मानव संसाधन विकास मंत्रालय



रमेश पोखरियाल 'निशंक'
मानव संसाधन विकास मंत्री

स्टार्ट-अप इंडिया भारत सरकार की एक प्रमुख पहल है, जो नवीन आविष्कारों को हाथ में लेने, सहायता और प्रोत्साहनों के वित्त पोषण, उद्योग-शैक्षणिक भागीदारी और इन्क्यूबेटरों के बुनियादी स्तंभों पर आधारित है।

मुझे भारत के सभी उच्च शिक्षा संस्थानों के छात्रों और शिक्षकों के लिए राष्ट्रीय नवाचार और स्टार्ट-अप नीति 2019 'पर ठोस दिशा निर्देश जारी करने की घोषणा करते हुए खुशी हो रही है। ये दिशा-निर्देश भारत के हजारों तकनीकी

कॉलेजों के लाखों युवाओं के मन मस्तिष्क में नवाचार की भावना को सशक्त करेंगे और संस्थानों को न केवल युवाओं के लिए रोजगार के अवसर पैदा करने में मदद करेंगे, बल्कि भारत के

उच्च शिक्षा संस्थानों में एक मजबूत स्टार्ट-अप पारिस्थितिकी तंत्र विकसित करने के लिए एक प्रेरणा प्रदान करेंगे।

मैं चाहता हूँ कि उच्चतर शिक्षा संस्थाओं के लिए निर्धारित दिशा-निर्देशों को इन संस्थाओं द्वारा नियमित प्रभाव मूल्यांकन के साथ कार्यान्वित किया जाए ताकि वांछित परिणामों को हासिल किया जा सके।

मैं भारत के सभी उच्च शिक्षा संस्थानों से अनुरोध करता हूँ कि वे नवाचार युक्त बुनियादी ढांचे के निर्माण के लिए अपना सर्वश्रेष्ठ और आवश्यक कदम उठाएं, ताकि हमारे शिक्षा संस्थानों में स्टार्ट-अप और उद्यमशीलता के पारिस्थितिकी तंत्र को अधिक सक्षम बनाया जा सके।

Message from Ministry of Human Resource Development



Sanjay Shamrao Dhotre
Minister of State for Human
Resource Development

India aspires to become a 5 trillion dollar economy in a near future. To reach this mark, it needs to evolve system and mechanisms to convert the present demographic dividend into high quality technical human resource, capable of doing cutting edge research and innovation, and deep-tech entrepreneurship. At this juncture, the MHRD's Innovation Cell and AICTE have brought out the 'National Innovation and Startup Policy 2019' for students and faculty.

I congratulate MHRD's Innovation Cell and AICTE for conceptualizing these

much needed guidelines. These envision an educational system oriented towards startups and entrepreneurship opportunities for students and faculty. I appeal all higher education institutions to adopt and popularize these guidelines amongst their faculty, staff and students, and encourage them to actively pursue path of innovation and entrepreneurship.

I also urge MHRD's innovation cell to proactively coordinate with education departments of all state governments to ensure that these policy guidelines are implemented in their true spirit.

Message from Ministry of Human Resource Development



R. Subrahmanyam
Secretary (Higher Education)
MHRD

Innovation and entrepreneurship need to emerge as one of the focal points of our education system and Ministry of Human Resource Development is making every possible effort to achieve this goal. We are aggressively promoting initiatives like Hackathons, tech-fests, idea competition, startup bootcamps, etc. to foster the culture of innovation in our education institutions. We want large number of students and faculty to work on new ideas and convert them into successful enterprises.

As no formal guidelines were

available for encouraging students and faculty to pursue startup and entrepreneurship related activities, a committee was formed under the guidance of Prof. Ashok Jhunjhunwala to evolve set of recommendations and guiding principles for higher education institutions for promoting innovation and entrepreneurship ecosystem within campuses.

I firmly believe that the recommendations prescribed in this document will pave the way for developing and supporting an entrepreneurial culture in all the higher education institutions of India.

Message from All India Council of Technical Education



Anil D Sahasrabudhe
Chairman, AICTE

I am very happy to see that the detailed guidelines have been issued by Ministry of Human Resource Development on National Innovation and Startup Policy for students and faculties of higher education institutions which further strengthens the Startup Policy released by All India Council of Technical Education in November 2016 from Rashtrapati Bhawan, just after few months of Startup action plan announced by the Government of India in January 2016.

I am pleased to share that the present policy guidelines are built on the earlier version

published by the AICTE and being implemented by the AICTE startup implementation committee headed by first generation entrepreneur Shri Sanjay Inamdar and covers several practical aspects of innovation and startups. The guidelines highlight various important points including revenue sharing mechanism for licensing, ownership of IP, equity sharing mechanism between institute and startups incubated at institute.

I wish Ministry of Human Resource Development and all the educational institutes in India a grand success in this mission.

Message from University Grant Commission



D.P. Singh
Chairman, UGC

I am delighted to know that Ministry of Human Resource Development has devised the guidelines for promoting innovation and entrepreneurship among students and faculty of higher education institutions. This will guide the institutions on the mechanisms of handling the students and faculty members and supporting their initiatives for innovations and startups. The best universities around the world have evolved sound

mechanisms for promoting and managing innovations. I believe that the 'Guidelines on National Innovation and Startup Policy 2019' will provide the required direction and support to a large number of universities and its affiliated institutions in India on handling Intellectual Property Rights, innovations and startup related issues,

I extend my best wishes to the institutions for stepping ahead to implement these guidelines.

Message from Chairman, 'National Innovation and Startup Policy 2019' Committee



Ashok Jhunjunwala
Chairman, NISPC

At the outset, I thank the Ministry of Human Resource Development for providing me an opportunity to work on the guidelines with an aim of nurturing Innovation and Startups ecosystem in higher education institutions. My firm belief is that Incubation and Innovation need to be organically interlinked. Without innovation, new enterprises are unlikely to

succeed. The goal of the institutions should therefore be to link Innovation to Enterprises to financial success.

I sincerely congratulate the Ministry of Human Resource Development for its initiative towards strengthening of innovation and startup ecosystem in education ecosystem and wish it a grand success.

Message from Innovation Cell, Ministry of Human Resource Development



Abhay Jere
Chief Innovation Officer,
MHRD

At the outset, I would like to acknowledge all committee members, without whose active contributions and support, these policy guidelines would not have been possible.

These policy guidelines on Innovation and Startups have been framed with an aim to promote the innovation and entrepreneurship culture within our higher education institutions. If India aims to become 5 trillion-dollar economy, then it needs to evolve systems and mechanisms to convert the present demographic dividend into high quality technical human resource capable of doing cutting edge research and innovation (R&I) and deep-tech entrepreneurship.

On Global Innovation Index (GII) 2019, India's rank is 52 while China is far ahead of us and ranks 14. Considering India's real R&I potential, we should certainly aspire to be within top 25 in next 5 years and it can happen only if we can develop robust Innovation and entrepreneurship ecosystem within our higher education institutions. Moreover, unfortunately at present, none of

our Indian institution figure in top 100 global R&I institutions and only 3 Indian institutions are within top 200. This needs to change and can only happen if our institutions give substantial emphasis on R&I. In next 5 years, India needs to systematically work to ensure that it's 10 institutions are amongst top 100.

To ensure that innovation and entrepreneurship emerges as the primary fulcrum of India's higher education systems, MHRD's Innovation Cell (MIC) is undertaking multiple initiatives like Smart India Hackathon, Atal Ranking of Institutions of Innovation Achievements (ARIIA), establishing Institution's Innovation Councils (IIC) in 1500+ institutions, Innovation Competitions, etc.

The present National Innovation and Startup Policy is yet another step in that direction. We believe that this policy will immensely benefit central institutions, state universities and affiliated institutions which are currently not well verse at handling challenges related to innovation, startup and entrepreneurship conceived by their faculty and students.



Committee for 'National Innovation and Startup Policy 2019' Guidelines for Higher Education Institutions

1.	Prof. Ashok Jhunjunwala Professor, Indian Institute of Technology Madras	Chairman
2.	Shri Sukhbir Singh Sandhu Additional Secretary (Higher Education) Ministry of Human Resource Development New Delhi	Member
3.	Prof. Anil D Sahasrabudhe Chairman, All India Council of Technical Education New Delhi	Member
4.	Dr. Rajnish Jain Secretary, University Grants Commission	Member
5.	Dr. G. Raghuram Director, Indian Institute of Management Bangalore	Member
6.	Dr. Anand Deshpande Chairman and Managing Director, Persistent Systems, Pune	Member
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8.	Dr. Udai B. Desai Director, Indian Institute of Technology Hyderabad	Member
9.	Dr. Appa Rao Podile Vice-Chancellor, University of Hyderabad	Member
10.	Dr. Mini Shaji Thomas Director, National Institute of Technology, Trichy	Member
11.	Dr. Sanjay H Inamdar CEO, Flucon Industries & Chairman, AICTE Startup Policy Committee	Member
12.	Dr. Uday Kumar Yaragatti Director, MNIT, Jaipur	Member
13.	Dr. Gautam Biswas Director, Indian Institute of Information Technology Guwahati	Member
14.	Sh. Hiranmay Mahanta Director, Gujarat Technological University Innovation Council	Invitee
15.	Dr. Abhay Jere Chief Innovation Officer, Ministry of Human Resource Development	Member Secretary

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Preamble

In November 2016, All India Council of Technical Education (AICTE) released a Startup Policy document for AICTE approved institutions, to address the need of inculcation of innovation and entrepreneurial culture in higher education institutions (HEIs). The policy primarily focused on guiding the AICTE approved institutions in implementing ‘Startup Action Plan’ of Government of India. Subsequent to release of the Startup policy by AICTE and further interaction & feedback received from education institutions, a need was felt for a more elaborate and comprehensive policy guiding document, which could be applicable for all the HEIs in India.

A fifteen membered committee was constituted by Ministry of Human Resource Development to formulate detailed guidelines for various aspects related to innovation, Startup and entrepreneurship management. This committee deliberated on various facets for nurturing the innovation and Startup culture in HEIs, which covered Intellectual Property ownership, revenue sharing mechanisms, norms for technology transfer and commercialization, equity sharing, etc. After multiple rounds of meetings, National Innovation and Startup Policy 2019 for students and faculties of HEIs were prepared.

Vision

India aspires to become 5 trillion-dollar economy by 2024. To reach the mark, it needs to evolve systems and mechanisms to convert the present demographic dividend into high quality technical human resource capable of doing cutting edge research and innovation and deep-tech entrepreneurship.

The 'National Student and Faculty Startup policy 2019' for HEIs is a guiding framework to envision an educational system oriented towards start ups and entrepreneurship opportunities for student and faculties. The guidelines provide ways to Indian HEIs for developing entrepreneurial agenda, managing Intellectual Property Rights (IPR) ownership, technology licensing and equity sharing in Startups or enterprises established by faculty and students.

In India, innovation is still not the epicenter of education. In order to achieve the cultural and attitudinal shift and to ensure that ‘Innovation and Startup’ culture is the primary fulcrum of our higher education system a policy framework and guidelines are the need of this hour. These guidelines will enable institutions to actively support their faculty, staff and students to participate in innovation and entrepreneurship (I&E) related activities, thus encouraging students and faculty to consider start ups and entrepreneurship as a career option. These recommendations and guiding principles will also help HEIs in creating their own policy framework, if required.

Moreover, these guidelines will facilitate Ministry of Human Resource Development in bringing uniformity across HEIs in terms of IPR ownership management, technology licensing and institutional startups policy, thus enabling creation of a robust innovation and Startup ecosystem across all HEIs. These guidelines will also help emphasize that the entrepreneurship is all about creating a business, which is financially successful.

National Innovation and Startup Policy 2019 for Students and Faculty

1. Strategies and Governance

- a. Entrepreneurship promotion and development should be one of the major dimensions of the HEIs strategy. To facilitate development of an entrepreneurial ecosystem in the organization, specific objectives and associated performance indicators should be defined for assessment.
- b. Implementation of entrepreneurial vision at the institute should be achieved through mission statements rather than stringent control system. The entrepreneurial agenda should be the responsibility of a senior person at the level of dean/ director/ equivalent position to bring in required commitment and must be well understood by the higher authorities. However, one must understand that promoting entrepreneurship requires a different type of mindset as compared to other academic activities. Therefore, this person should be very carefully chosen from someone who understands the industry and above all business.
- c. Resource mobilisation plan should be worked out at the institute for supporting pre-incubation, incubation infrastructure and facilities. A sustainable financial strategy should be defined in order to reduce the organizational constraints to work on the entrepreneurial agenda.
 - i. Investment in the entrepreneurial activities should be a part of the institutional financial strategy. Minimum 1% fund of the total annual budget of the institution should be allocated for funding and supporting innovation and startups related activities through creation of separate ‘Innovation fund’.
 - ii. The strategy should also involve raising funds from diverse sources to reduce dependency on the public funding. Bringing in external funding through government (state and central) such as DST, DBT, MHRD, AICTE, TDB, TIFAC, DSIR, CSIR, BIRAC, NSTEDB, NRDC, Startup India, Invest India, MeitY, MSDE, MSME, etc. and non-government sources should be encouraged.
 - iii. To support technology incubators, academic institutes may approach private and corporate sectors to generate funds, under Corporate Social Responsibility (CSR) as per Section 135 of the Company Act 2013.
 - iv. Institute may also raise funding through sponsorships and donations. Institute should actively engage alumni network for promoting Innovation & Entrepreneurship (I&E).
- d. For expediting the decision making, hierarchical barriers should be minimized and individual autonomy and ownership of initiatives should be promoted.
- e. Importance of innovation and entrepreneurial agenda should be known across the institute and should be promoted and highlighted at institutional programs such as conferences, convocations, workshops, etc.
- f. Student and faculty startup Policy and action plan should be formulated at university level, which is in line with the current document along with well-defined short-term and long-term goals. Micro action plan should also be developed by the affiliated institutes to accomplish the policy objectives.



- g. Institute should develop and implement I & E strategy and policy for the entire institute in order to integrate the entrepreneurial activities across various centers, departments, faculties, within the institutes, thus breaking the silos.
- h. Product to market strategy for startups should be developed by the institute on case to case basis.
- i. Development of entrepreneurship culture should not be limited within the boundaries of the institution.
 - i. HEIs should be the driving force in developing entrepreneurship culture in its vicinity (regional, social and community level). This shall include giving opportunity for regional startups, provision to extend facilities for outsiders and active involvement of the institute in defining strategic direction for local development.
 - ii. Strategic international partnerships should be developed using bilateral and multilateral channels with international innovation clusters and other relevant organizations. Moreover, international exchange programs, internships, engaging the international faculties in teaching and research should also be promoted.

2. Startups Enabling Institutional Infrastructure

Creation of pre-incubation and incubation facilities for nurturing innovations and startups in HEIs institutions should be undertaken. Incubation and Innovation need to be organically interlinked. Without innovation, new enterprises are unlikely to succeed. The goal of the effort should be to link INNOVATION to ENTREPRISES to FINANCIAL SUCCESS.

- a. All HEIs are advised to create facilities within their institution for supporting pre-incubation (e.g. IICs as per the guidelines by MHRD's Innovation Cell, EDC, IEDC, New-Gen IEDC, Innovation Cell, Startup Cell, Student Clubs, etc.) and Incubation/ acceleration by mobilizing resources from internal and external sources.
- b. This Pre-Incubation/Incubation facility should be accessible 24x7 to students, staff and faculty of all disciplines and departments across the institution.
- c. Pre-incubation facilities may or may not be a separately registered entity or Special Purpose Vehicle (SPV), but we recommend that 'Incubation cum Technology Commercialization Unit' (ITCU) should be a separate entity preferably registered under Section-8 of Company Act 2013 or 'Society' registered under Society Registration Act with independent governance structure. This will allow more freedom to Incubators in decision making with less administrative hassles for executing the programs related to innovation, IPR and Startups. Moreover, they will have better accountability towards investors supporting the incubation facility.
- d. HEIs may offer mentoring and other relevant services through Pre-incubation/Incubation units in-return for fees, equity sharing and (or) zero payment basis. The modalities regarding Equity Sharing in Startups supported through these units will depend upon the nature of services offered by these units and are elaborately explained in Section 3.

3. Nurturing Innovations and Start ups

- a. HEIs are expected to establish processes and mechanisms for easy creation and nurturing of Start ups/enterprises by students (UG, PG, Ph.D.), staff (including temporary or project staff), faculty, alumni and potential start up applicants even from outside the institutions.

- b. While defining their processes, institutions will ensure to achieve following:

- i. Incubation support: Offer access to pre-incubation & Incubation facility to start ups by students, staff and faculty for mutually acceptable time-frame.

In case an institute doesn't have a dedicated facility/ infrastructure of its own, then it may reach out to nearest incubation facilities in other HEIs in order to facilitate access to their students, staff and faculty.

- ii. Will allow licensing of IPR from institute to start up: Ideally students and faculty members intending to initiate a start up based on the technology developed or co-developed by them or the technology owned by the institute, should be allowed to take a license on the said technology on easy term, either in terms of equity in the venture and/ or license fees and/ or royalty to obviate the early stage financial burden.

- iii. Will allow setting up a start up (including social start ups) and working part-time for the start ups while studying / working: HEIs may allow their students / staff to work on their innovative projects and setting up start ups (including Social Start ups) or work as intern / part-time in start ups (incubated in any recognized HEIs/Incubators) while studying / working. Student Entrepreneurs may earn credits for working on innovative prototypes/Business Models. Institute may need to develop clear guidelines to formalize this mechanism. Student inventors may also be allowed to opt for start up in place of their mini project/ major project, seminars, summer trainings. The area in which student wants to initiate a start up may be interdisciplinary or multi-disciplinary. However, the student must describe how they will separate and clearly distinguish their ongoing research activities as a student from the work being conducted at the start up.

- c. Students who are under incubation, but are pursuing some entrepreneurial ventures while studying should be allowed to use their address in the institute to register their company with due permission from the institution.
- d. Students entrepreneurs should be allowed to sit for the examination, even if their attendance is less than the minimum permissible percentage, with due permission from the institute.
- e. HEIs should allow their students to take a semester/year break (or even more depending upon the decision of review committee constituted by the institute) to work on their start ups and re-join academics to complete the course. Student entrepreneurs may earn academic credits for their efforts while creating an enterprise. Institute should set up a review committee for review of start up by students, and based on the progress made, it may consider giving appropriate credits for academics.
- f. The institute should explore provision of accommodation to the entrepreneurs within the campus for some period of time.



- g. Allow faculty and staff to take off for a semester / year (or even more depending upon the decision of review committee constituted by the institute) as sabbatical/ unpaid leave/ casual leave/ earned leave for working on startups and come back. Institution should consider allowing use of its resource to faculty/students/staff wishing to establish start up as a fulltime effort. The seniority and other academic benefits during such period may be preserved for such staff or faculty.
- h. Start a part-time/full time MS/ MBA/ PGDM (Innovation, entrepreneurship and venture development) program where one can get degree while incubating and nurturing a startup company. AICTE has already issued guidelines for a similar program.
- i. Institute will facilitate the startup activities/ technology development by allowing students/ faculty/ staff to use institute infrastructure and facilities, as per the choice of the potential entrepreneur in the following manners:
 - i Short-term/ six-month/ one-year part-time entrepreneurship training.
 - ii Mentorship support on regular basis.
 - iii Facilitation in a variety of areas including technology development, ideation, creativity, design thinking, fund raising, financial management, cash-flow management, new venture planning, business development, product development, social entrepreneurship, product-costing, marketing, brand-development, human resource management as well as law and regulations impacting a business.
 - iv Institute may also link the startups to other seed-fund providers/ angel funds/ venture funds or itself may set up seed-fund once the incubation activities mature.
 - v License institute IPR as discussed in section 4 below.
- j. In return of the services and facilities, institute may take 2% to 9.5% equity/ stake in the startup/ company, based on brand used, faculty contribution, support provided and use of institute's IPR (a limit of 9.5% is suggested so that institute has no legal liability arising out of startup. The institute should normally take 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.
 - For staff and faculty, institute can take no-more than 20% of shares that staff / faculty takes while drawing full salary from the institution; however, this share will be within the 9.5% cap of company shares, listed above.
 - 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 role and do not compromise with their existing academic and administrative work / duties. In case the faculty/ staff holds the executive or managerial position for more than three months in a startup, then they will go on sabbatical/ leave without pay/ earned leave.
 - In case of compulsory equity model, Startup may be given a cooling period of 3 months to use incubation services on rental basis to take a final decision based on satisfaction of

services offered by the institute/incubator. In that case, during the cooling period, institute cannot force startup to issue equity on the first day of granting incubation support.

- k. The institute should also provide services based on mixture of equity, fee-based and/ or zero payment model. So, a startup may choose to avail only the support, not seed funding, by the institute on rental basis.
- l. Institute could extend this startup facility to alumni of the institute as well as outsiders.
- m. Participation in start up related activities needs to be considered as a legitimate activity of faculty in addition to teaching, R&D projects, industrial consultancy and management duties and must be considered while evaluating the annual performance of the faculty. Every faculty may be encouraged to mentor at least one startup.
- n. 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) and then respective faculty are evaluated accordingly for their performance and promotion.
- o. Institutions might also need to update/change/revise performance evaluation policies for faculty and staff as stated above.
- p. Institute should ensure that at no stage any liability accrue to it because of any activity of any startup.
- q. Where a student/ faculty startup policy is pre-existing in an institute, then the institute may consider modifying their policy in spirit of these guidelines.

4. Product Ownership Rights for Technologies Developed at Institute

- a. 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.
 - i. Inventors and institute could together license the product / IPR to any commercial organisation, with inventors having the primary say. License fees could be either / or a mix of
 - 1. Upfront fees or one-time technology transfer fees
 - 2. Royalty as a percentage of sale-price
 - 3. Shares in the company licensing the product
 - ii. An institute may not be allowed to hold the equity as per the current statute, so SPV may be requested to hold equity on their behalf.
 - iii. If one or more of the inventors wish to incubate a company and license the product to this company, the royalties would be no more than 4% of sale price, preferably 1 to 2%, unless it is pure software product. If it is shares in the company, shares will again be 1% to 4%. For a pure software product licensing, there may be a revenue sharing to be mutually decided between the institute and the incubated company.
- 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 deem fit.

- c. If there is a dispute in ownership, a minimum five membered committee consisting of two faculty members (having developed sufficient IPR and translated to commercialisation), two of the institute's alumni/ industry experts (having experience in technology commercialisation) and one legal advisor with experience in IPR, will examine the issue after meeting the inventors and help them settle this, hopefully to everybody's satisfaction. Institute can use alumni/ faculty of other institutes as members, if they cannot find sufficiently experienced alumni / faculty of their own.
- d. 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 institute is to pay for patent filing, they can have a committee which can examine whether the IPR is worth patenting. The committee should consist of faculty who have experience and excelled in technology translation. If inventors are using their own funds or non-institute funds, then they alone should have a say in patenting.
- e. 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. Other faculty in the department / institute will have no say, including heads of department, heads of institutes, deans or registrars.
- f. Interdisciplinary research and publication on startup and entrepreneurship should be promoted by the institutions.

5. Organizational Capacity, Human Resources and Incentives

- a. Institute should recruit staff that have a strong innovation and entrepreneurial/ industrial experience, behaviour and attitude. This will help in fostering the I&E culture.
 - i. Some of the relevant faculty members with prior exposure and interest should be deputed for training to promote I&E.
 - ii. To achieve better engagement of staff in entrepreneurial activities, institutional policy on career development of staff should be developed with constant upskilling.
- b. Faculty and departments of the institutes have to work in coherence and cross-departmental linkages should 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 can be engaged for strategic advice and bringing in skills which are not available internally.
- d. Faculty and staff should be encouraged to do courses on innovation, entrepreneurship management and venture development.
- e. In order to attract and retain right people, institute should develop academic and non-academic

incentives and reward mechanisms for all staff and stakeholders that actively contribute and support entrepreneurship agenda and activities.

- i. The reward system for the staff may include sabbaticals, office and lab space for entrepreneurial activities, reduced teaching loads, awards, trainings, etc.
- ii. The recognition of the stakeholders may include offering use of facilities and services, strategy for shared risk, as guest teachers, fellowships, associateships, etc.
- iii. A performance matrix should be developed and used for evaluation of annual performance.

6. Creating Innovation Pipeline and Pathways for Entrepreneurs at Institute Level

- a. To ensure exposure of maximum students to innovation and pre incubation activities at their early stage and to support the pathway from ideation to innovation to market, mechanisms should be devised at institution level.
 - i. Spreading awareness among students, faculty and staff about the value of entrepreneurship and its role in career development or employability should be a part of the institutional entrepreneurial agenda.
 - ii. Students/ staff should be taught that innovation (technology, process or business innovation) is a mechanism to solve the problems of the society and consumers. Entrepreneurs should innovate with focus on the market niche.
 - iii. Students should be encouraged to develop entrepreneurial mindset through experiential learning by exposing them to training in cognitive skills (e.g. design thinking, critical thinking, etc.), by inviting first generation local entrepreneurs or experts to address young minds. Initiatives like idea and innovation competitions, hackathons, workshops, bootcamps, seminars, conferences, exhibitions, mentoring by academic and industry personnel, throwing real life challenges, awards and recognition should be routinely organized.
 - iv. To prepare the students for creating the start up through the education, integration of education activities with enterprise-related activities should be done.
- b. The institute should link their start ups and companies with wider entrepreneurial ecosystem and by providing support to students who show potential, in 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.
- c. The institute should establish Institution's Innovation Councils (IICs) as per the guidelines of MHRD's Innovation Cell and allocate appropriate budget for its activities. IICs should guide institutions in conducting various activities related to innovation, startup and entrepreneurship development. Collective and concentrated efforts should be undertaken to identify, scout, acknowledge, support and reward proven student ideas and innovations and to further facilitate their entrepreneurial journey.



- d. For strengthening the innovation funnel of the institute, access to financing must be opened for the potential entrepreneurs.
 - i. Networking events must be organized to create a platform for the budding entrepreneurs to meet investors and pitch their ideas.
 - ii. Provide business incubation facilities: premises at subsidised cost. Laboratories, research facilities, IT services, training, mentoring, etc. should be accessible to the new startups.
 - iii. A culture needs to be promoted to understand that money is not FREE and is risk capital. The entrepreneur must utilize these funds and return. While funding is taking risk on the entrepreneur, it is an obligation of the entrepreneur to make every effort possible to prove that the funding agency did right in funding him/ her.
- e. Institute must develop a ready reckoner of Innovation Tool Kit, which must be kept on the homepage on institute's website to answer the doubts and queries of the innovators and enlisting the facilities available at the institute.

7. Norms for Faculty Startups

- a. For better coordination of the entrepreneurial activities, norms for faculty to do startups should be created by the institutes. Only those technologies should be taken for faculty startups which originate from within the same institute.
 - i. Role of faculty may vary from being an owner/ direct promoter, mentor, consultant or as on-board member of the startup.
 - ii. Institutes should work on developing a policy on 'conflict of interests' to ensure that the regular duties of the faculty don't suffer owing to his/her involvement in the startup activities.
 - iii. Faculty startup may consist of faculty members alone or with students or with faculty of other institutes or with alumni or with other entrepreneurs.
- b. In case the faculty/ staff holds the executive or managerial position for more than three months in a startup, they will go on sabbatical/ leave without pay/ utilize existing leave.
- c. Faculty must clearly separate and distinguish on-going research at the institute from the work conducted at the startup/ company.
- d. 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.
- e. Faculty must not accept gifts from the startup.
- f. Faculty must not involve research staff or other staff of institute in activities at the startup and vice-versa.
- g. Human subject related research in startup should get clearance from ethics committee of the institution.

8. Pedagogy and Learning Interventions for Entrepreneurship Development

- a. Diversified approach should be adopted to produce desirable learning outcomes, which should include cross disciplinary learning using mentors, labs, case studies, games, etc. in place of traditional lecture-based delivery.
 - i. Student clubs/ bodies/ departments must be created for organizing competitions, bootcamps, workshops, awards, etc. These bodies should be involved in institutional strategy planning to ensure enhancement of the student's thinking and responding ability.
 - ii. Institutes should start annual 'INNOVATION & ENTREPRENEURSHIP AWARD' to recognize outstanding ideas, successful enterprises and contributors for promoting innovation and enterprises ecosystem within the institute.
 - iii. For creating awareness among the students, the teaching methods should include case studies on business failure and real-life experience reports by startups.
 - iv. Tolerating and encouraging failures: Our systems are not designed for tolerating and encouraging failure. Failures need to be elaborately discussed and debated to imbibe that failure is a part of life, thus helping in reducing the social stigma associated with it. Very importantly, this should be a part of institute's philosophy and culture.
 - v. Innovation champions should be nominated from within the students/ faculty/ staff for each department/ stream of study.
- b. Entrepreneurship education should be imparted to students at curricular/ co-curricular/ extra-curricular level through elective/ short term or long-term courses on innovation, entrepreneurship and venture development. Validated learning outcomes should be made available to the students.
 - i. Integration of expertise of the external stakeholders should be done in the entrepreneurship education to evolve a culture of collaboration and engagement with external environment.
 - ii. In the beginning of every academic session, institute should conduct an induction program about the importance of I&E so that freshly inducted students are made aware about the entrepreneurial agenda of the institute and available support systems. Curriculum for the entrepreneurship education should be continuously updated based on entrepreneurship research outcomes. This should also include case studies on failures.
 - iii. Industry linkages should be leveraged for conducting research and survey on trends in technology, research, innovation, and market intelligence.
 - iv. Sensitization of students should be done for their understanding on expected learning outcomes.
 - v. Student innovators, startups, experts must be engaged in the dialogue process while developing the strategy so that it becomes need based.
 - vi. Customized teaching and training materials should be developed for startups.
 - vii. It must be noted that not everyone can become an entrepreneur. The entrepreneur is a leader, who



would convert an innovation successfully into a product, others may join the leader and work for the startup. It is important to understand that entrepreneurship is about risk taking. One must carefully evaluate whether a student is capable and willing to take risk.

- c. Pedagogical changes need to be done to ensure that maximum number of student projects and innovations are based around real life challenges. Learning interventions developed by the institutes for inculcating entrepreneurial culture should be constantly reviewed and updated.

9. Collaboration, Co-creation, Business Relationships and Knowledge Exchange

- a. Stakeholder engagement should be given prime importance in the entrepreneurial agenda of the institute. Institutes should find 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.
 - i. To encourage co-creation, bi-directional flow/ exchange of knowledge and people should be ensured between institutes such as incubators, science parks, etc.
 - ii. Institute should organize networking events for better engagement of collaborators and should open up the opportunities for staff, faculty and students to allow constant flow of ideas and knowledge through meetings, workshops, space for collaboration, lectures, etc.
 - iii. Mechanism should be developed by the institute to capitalize on the knowledge gained through these collaborations.
 - iv. Care must be taken to ensure that events DON'T BECOME an end goal. First focus of the incubator should be to create successful ventures.
- b. The institute should develop policy and guidelines for forming and managing the relationships with external stakeholders including private industries.
- c. Knowledge exchange through collaboration and partnership should be made a part of institutional policy and institutes must provide support mechanisms and guidance for creating, managing and coordinating these relationships.
 - i. Through formal and informal mechanisms such as internships, teaching and research exchange programmes, clubs, social gatherings, etc., faculty, staff and students of the institutes should be given the opportunities to connect with their external environment.
 - ii. Connect of the institute with the external environment must be leveraged in form of absorbing information and experience from the external ecosystem into the institute's environment.
 - iii. Single Point of Contact (SPOC) mechanism should be created in the institute for the students, faculty, collaborators, partners and other stakeholders to ensure access to information.
 - iv. Mechanisms should be devised by the institutions to ensure maximum exploitation of entrepreneurial opportunities with industrial and commercial collaborators.

- v. Knowledge management should be done by the institute through development of innovation knowledge platform using inhouse Information & Communication Technology (ICT) capabilities.

10. Entrepreneurial Impact Assessment

- a. Impact assessment of institute's entrepreneurial initiatives such as pre-incubation, incubation, entrepreneurship education should be performed regularly using well defined evaluation parameters.
 - i. Monitoring and evaluation of knowledge exchange initiatives, engagement of all departments and faculty in the entrepreneurial teaching and learning should be assessed.
 - ii. Number of start ups created, support system provided at the institutional level and satisfaction of participants, new business relationships created by the institutes should be recorded and used for impact assessment.
 - iii. Impact should also be measured for the support system provided by the institute to the student entrepreneurs, faculty and staff for pre-incubation, incubation, IPR protection, industry linkages, exposure to entrepreneurial ecosystem, etc.
- b. Formulation of strategy and impact assessment should go hand in hand. The information on impact of the activities should be actively used while developing and reviewing the entrepreneurial strategy.
- c. Impact assessment for measuring the success should be in terms of sustainable social, financial and technological impact in the market. For innovations at pre-commercial stage, development of sustainable enterprise model is critical. COMMERCIAL success is the ONLY measure in long run.

Way Forward

Uniform and successful implementation of the 'National Innovation and Startup Policy 2019' for students and faculty of all the HEIs across the nation is the main objective. In order to achieve this, full-fledged support of education institutions will be important. The roadmap suggested through this document is 'broad guidelines' and if required, these institutions may develop their own comprehensive guidelines and policy on innovation and startups with greater details. The institutes are expected to make use of already available infrastructure as much as possible to achieve the implementation of suggestive measures.



Glossary

Accelerators	Startup Accelerators design programs in batches and transform promising business ideas into reality under the guidance of mentors and several other available resources.
Angel Fund	An angel investor is a wealthy individual who invests his or her personal capital and shares experiences, contacts, and mentors (as possible and required by the startup in exchange for equity in that startup). Angels are usually accredited investors. Since their funds are involved, they are equally desirous in making the startup successful.
Cash flow management	Cash flow management is the process of tracking how much money is coming into and going out of your business.
Co-Creation	Co-creation is the act of creating together. When applied in business, it can be used as is an economic strategy to develop new business models, products and services with customers, clients, trading partner or other parts of the same enterprise or venture.
Compulsory Equity	An equity share, commonly referred to as ordinary share also, represents the form of fractional or part ownership in which a shareholder, as a fractional owner, undertakes the maximum entrepreneurial risk associated with a business venture. The holders of such shares are members of the company and have voting rights.
Corporate Social Responsibility	Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable – to itself, its stakeholders, and the public.
Cross-disciplinary	Cross-disciplinary practices refer to teaching, learning, and scholarship activities that cut across disciplinary boundaries.
Entrepreneurial culture	A culture/ society that enhance the exhibition of the attributes, values, beliefs and behaviors that are related to entrepreneurs.
Entrepreneurial Individuals	An Individual who has an entrepreneurial mindset and wants to make his/her idea successful.
Entrepreneurship education	Entrepreneurship education seeks to provide students with the knowledge, skills and motivation to encourage entrepreneurial success in a variety of settings.
Experiential learning	Experiential learning is the process of learning through experience, and is more specifically defined as learning through reflection on doing.
Financial management	Financial Management is the application of general principles of management to the financial possessions of an enterprise.
Hackathon	A hackathon is a design sprint-like event in which computer programmers and others involved in software development, including graphic designers, interface designers, project managers, and others, often including domain experts, collaborate intensively on software projects.
Host Institution	Host institutions refer to well-known technology, management and R&D institutions working for developing startups and contributing towards developing a favorable entrepreneurial ecosystem.
Incubation	Incubation is a unique and highly flexible combination of business development processes, infrastructure and people, designed to nurture and grow new and small businesses by supporting them through the early stages of development.
Intellectual Property Rights Licensing	A licensing is a partnership between an intellectual property rights owner (licensor) and another who is authorized to use such rights (licensee) in exchange for an agreed payment (fee or royalty).

Knowledge Exchange	Knowledge exchange is a process which brings together academic staff, users of research and wider groups and communities to exchange ideas, evidence and expertise.
Pedagogy and Experiential Learning	It refers to specific methods and teaching practices (as an academic subject or theoretical concept) which would be applied for students working on startups. The experiential learning method will be used for teaching 'startup related concepts and contents' to introduce a positive influence on the thought processes of students. Courses like 'business idea generation' and 'soft skills for startups' would demand experiential learning rather than traditional class room lecturing. Business cases and teaching cases will be used to discuss practical business situations that can help students to arrive at a decision while facing business dilemma(s). Field based interactions with prospective customers; support institutions will also form a part of the pedagogy which will orient the students as they acquire field knowledge.
Pre-incubation	It typically represents the process which works with entrepreneurs who are in the very early stages of setting up their company. Usually, entrepreneurs come into such programs with just an idea of early prototype of their product or service. Such companies can then graduate into full-fledged incubation programs.
Prototype	A prototype is an early sample, model, or release of a product built to test a concept or process.
Science parks	A science park, also known as a research park, technology park or innovation centre, is a purpose-built cluster of office spaces, labs, workrooms and meeting areas designed to support research and development in science and technology.
Seed fund	Seed fund is a form of securities offering in which an investor invests capital in a startup company in exchange for an equity stake in the company.
Special Purpose Vehicle	Special purpose vehicle, also called a special purpose entity, is a subsidiary created by a parent company to isolate financial risk. Its legal status as a separate company makes its obligations secure even if the parent company goes bankrupt.
Startup	An entity that develops a business model based on either product innovation or service innovation and makes it scalable, replicable and self-reliant and as defined in Gazette Notification No. G.S.R. 127(E) dated February 19, 2019.
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.
Technology Commercialization	Technology commercialization is the process of transitioning technologies from the research lab to the marketplace.
Technology licensing	Agreement whereby an owner of a technological intellectual property (the licensor) allows another party (the licensee) to use, modify, and/or resell that property in exchange for a compensation.
Technology management	Technology management is the integrated planning, design, optimization, operation and control of technological products, processes and services.
Venture Capital	It is the most well-known form of start up funding. Venture Capitalists (VCs) typically reserve additional capital for follow-up investment rounds. Another huge value that VCs provide is access to their networks for employees or clients for products or services of the startup.



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असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

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(उद्योग संवर्धन एवं आंतरिक व्यापार विभाग)

अधिसूचना

नई दिल्ली, 19 फरवरी, 2019

सा.का.नि. 127(अ).—यह अधिसूचना राजपत्र अधिसूचना सं. जीएसआर 34(अ) दिनांक 16 जनवरी, 2019 द्वारा संशोधित राजपत्र अधिसूचना सं. जीएसआर 364 (अ) दिनांक 11 अप्रैल, 2018 के अधिक्रमण में जारी की जा रही है।

परिभाषा

1. इस अधिसूचना में -

(क) किसी एनटिटी को निम्नानुसार स्टार्टअप माना जाएगा:

- (i) निगमीकरण/पंजीकरण की तारीख से दस वर्ष की अवधि तक, यदि यह भारत में एक प्राइवेट लिमिटेड कंपनी (कंपनी अधिनियम, 2013 में यथा परिभाषित) के रूप में निगमित हो अथवा एक भागीदार फर्म (भागीदार अधिनियम 1932 की धारा 59 के तहत पंजीकृत) के रूप में पंजीकृत हो अथवा एक सीमित देयता भागीदारी (सीमित देयता भागीदारी अधिनियम, 2008 के तहत) के रूप में पंजीकृत हो।
- (ii) निगमीकरण/पंजीकरण के समय से किसी भी वित्तीय वर्ष में एनटिटी का कुल कारोबार सौ करोड़ रुपये से अधिक न हो।
- (iii) यदि यह उत्पादों या प्रक्रियाओं या सेवाओं के अभिनवीकरण, विकास या सुधार के संबंध में कार्य कर रही है अथवा यह रोजगार सृजन या धन सृजन की उच्च संभावना वाला एक स्केलेबल व्यावसायिक मॉडल है।

पहले से ही मौजूद किसी व्यवसाय के विभाजन या उसके पुनर्निर्माण के माध्यम से बनायी गयी किसी एनटिटी को 'स्टार्टअप' नहीं माना जाएगा।

स्पष्टीकरण -

किसी एनटिटी को उसके निगमीकरण/पंजीकरण की तिथि से दस वर्ष पूरे होने पर अथवा किसी विगत वर्ष में उसका कारोबार सौ करोड़ रुपए से अधिक होने पर स्टार्टअप नहीं माना जाएगा।

(ख) "अधिनियम" का तात्पर्य आयकर अधिनियम, 1961 है;

(ग) "बोर्ड" का आशय है अंतर-मंत्रालयी प्रमाणन बोर्ड जिसमें निम्नलिखित सदस्य शामिल होंगे:-

(i) संयुक्त सचिव, उद्योग संवर्धन तथा आंतरिक व्यापार विभाग, संयोजक

(ii) प्रतिनिधि, जैव प्रौद्योगिकी विभाग, सदस्य

(iii) प्रतिनिधि, विज्ञान एवं प्रौद्योगिकी विभाग, सदस्य

(घ) "सीबीडीटी" का अर्थ केन्द्रीय राजस्व बोर्ड अधिनियम, 1963 (1963 का 54) के अंतर्गत गठित केन्द्रीय प्रत्यक्ष कर बोर्ड है;

(ङ) "सीमित देयता भागीदारी" का अर्थ सीमित देयता भागीदारी अधिनियम, 2008 की धारा 2 की उप-धारा (1) के खंड (ढ) में दिए गए अनुसार होगा;

(च) "भागीदारी कंपनी" का अर्थ भागीदारी अधिनियम, 1932 की धारा 59 के तहत पंजीकृत कंपनी है;

(छ) "प्राइवेट लिमिटेड कंपनी" का अर्थ कंपनी अधिनियम, 2013 की धारा 2 के खंड (68) में दिए गए अनुसार होगा;

(ज) "कारोबार" का अर्थ कंपनी अधिनियम, 2013 की धारा 2 के खंड (91) में दिए गए अनुसार होगा;

(झ) इस अधिसूचना में "प्रपत्रों" के सभी संदर्भों को इसके परिशिष्ट-1 में दिए गए प्रपत्रों के संदर्भ के रूप में माना जाएगा।

(ञ) "डीपीआईआईटी" का आशय है उद्योग संवर्धन तथा आंतरिक व्यापार विभाग।

मान्यता

2. स्टार्टअप के रूप में पात्र एनटिटी की मान्यता संबंधी प्रक्रिया निम्नानुसार होगी:

(i) स्टार्टअप द्वारा डीपीआईआईटी द्वारा स्थापित मोबाइल ऐप अथवा पोर्टल पर ऑनलाइन आवेदन किया जाएगा;

(ii) आवेदन के साथ निम्नलिखित प्रस्तुत करना आवश्यक होगा-

(क) यथा वांछित निगमीकरण अथवा पंजीकरण प्रमाण-पत्र की प्रति, और

(ख) व्यवसाय के स्वरूप का व्यौरा जिसमें यह प्रमुखता से दर्शाया होगा कि वह उत्पादों या प्रक्रियाओं या सेवाओं के अभिनवीकरण, विकास या सुधार या रोजगार सृजन या धन सृजन के सन्दर्भ में अपनी स्केलेबिलिटी की दिशा में किस प्रकार कार्य कर रहा है।

(iii) डीपीआईआईटी ऐसे दस्तावेज अथवा सूचना मांगे जाने तथा जांच करने के बाद, जैसा भी उचित समझे-

(क) पात्र एनटिटी को स्टार्टअप के रूप में मान्यता दे सकता है अथवा

(ख) कारण बताते हुए आवेदन को निरस्त कर सकता है।

अधिनियम की धारा 80-आईएसी के प्रयोजन हेतु प्रमाणन

3. एक स्टार्टअप जो एक प्राइवेट लिमिटेड कम्पनी है अथवा एक सीमित दायित्व वाली भागीदारी में है, और अधिनियम की धारा 80-आईएसी के स्पष्टीकरण के उपखण्ड (i) तथा उपखण्ड (ii) में निर्धारित शर्तों को पूरा करता है, अधिनियम की धारा 80-आईएसी के प्रयोजन हेतु प्रमाण-पत्र प्राप्त करने के लिए प्रपत्र-1 में उसमें उल्लिखित दस्तावेजों सहित बोर्ड को आवेदन कर सकता है और बोर्ड संबंधित दस्तावेजों अथवा सूचना मंगाने और आवश्यक जांच के पश्चात्, यथाउपयुक्त पाए जाने पर-

- (i) अधिनियम की धारा 80-आईएसी के स्पष्टीकरण के खण्ड (ii) के उपखण्ड (ग) के सन्दर्भ में प्रमाणपत्र जारी कर सकता है; अथवा
- (ii) कारण बताते हुए आवेदन रद्द कर सकता है

अधिनियम की धारा 56 की उपधारा (2) के खण्ड (viiख) के प्रयोजन के संदर्भ में छूट

4. एक स्टार्टअप अधिनियम की धारा 56 की उपधारा (2) के खण्ड (viiख) के परंतुक के खण्ड (ii) के तहत अधिसूचना और तदनुसार उस खण्ड के प्रावधानों से छूट के लिए पात्र होगा, यदि वह निम्नलिखित शर्तों को पूरा करता है:-

- i. पैरा 2(iii)(क) के तहत अथवा इस विषय पर किसी पूर्ववर्ती अधिसूचना के अनुसार डीपीआईआईटी द्वारा मान्यता प्राप्त हो
- ii. शेयर जारी करने अथवा जारी करने का प्रस्ताव, यदि कोई हो, करने के पश्चात् स्टार्टअप की कुल प्रदत्त शेयर पूंजी और शेयर प्रीमियम की कुल राशि पच्चीस करोड़ रुपये से अधिक न हो,

बशर्ते कि प्रदत्त शेयर पूंजी की कुल राशि की गणना करते हुए, निम्नलिखित व्यक्तियों में से किसी को जारी किए गए शेयरों के संबंध में प्रदत्त शेयर पूंजी और शेयर प्रीमियम को पच्चीस करोड़ रुपये की राशि में शामिल नहीं किया जाएगा-

- (क) अनिवासी (नॉन रेजिडेंट); अथवा
- (ख) वेंचर कैपिटल कम्पनी अथवा वेंचर कैपिटल फंड;

इसके अलावा, बशर्ते कि ऐसे स्टार्टअप द्वारा किसी विनिर्दिष्ट कम्पनी को शेयर जारी करने अथवा जारी करने का प्रस्ताव करने से प्राप्त लाभ पर भी छूट दी जाएगी तथा इसे पच्चीस करोड़ रुपये की कुल प्रदत्त शेयर पूंजी और शेयर प्रीमियम की समस्त राशि की गणना में शामिल नहीं किया जाएगा।

(iii) उसके द्वारा निम्नलिखित परिसम्पत्तियों में से किसी में निवेश न किया गया हो-

- (क) स्टार्टअप द्वारा व्यवसाय के दौरान, स्टॉक करने के लिए अथवा किराए पर देने के लिए उपयोग करने के अलावा, किसी आवासीय मकान के रूप में भवन अथवा तत्संबंधी भूसंपत्ति;
- (ख) व्यवसाय के दौरान, स्टॉक करने के लिए अथवा किराए पर देने के लिए उपयोग करने अथवा अपने व्यवसाय हेतु स्टार्टअप द्वारा उसका इस्तेमाल करने के अलावा, किसी गैर-आवासीय मकान के रूप में भूमि अथवा भवन अथवा दोनों;
- (ग) ऋण अथवा अग्रिम, उन ऋणों अथवा अग्रिमों को छोड़कर जो स्टार्टअप द्वारा सामान्य व्यवसाय के लिए उपयोग किए गए हैं तथा जहां पर धन उधार देना, व्यवसाय का आवश्यक हिस्सा है;
- (घ) किसी अन्य एनटिटी के लिए किया गया पूंजीगत योगदान;

(ङ) शेयर और प्रतिभूतियां;

(च) स्टार्टअप द्वारा प्लाईंग, हायरिंग, लीजिंग अथवा स्टॉक के लिए सामान्य व्यवसाय में उपयोग किए जाने वाले वाहनों के अलावा कोई मोटर वाहन, हवाई जहाज, यॉट अथवा परिवहन का कोई अन्य साधन जिसकी वास्तविक लागत 10 लाख रुपये से अधिक हो;

(छ) स्टार्टअप द्वारा सामान्य व्यवसाय में स्टॉक के रूप में इस्तेमाल किए जाने वालों के अलावा, आभूषण;

(ज) कोई अन्य परिसम्पत्ति, चाहे वह पूंजीगत परिसम्पत्ति हो अथवा अन्य, जो अधिनियम की धारा 56 की उप-धारा (2) के खण्ड (vii) की व्याख्या के खण्ड (घ) के उपखण्ड (iv) से (ix) में उल्लिखित प्रकृति की हो।

बशर्ते स्टार्टअप नवीनतम वित्तीय वर्ष के अंत, जिसमें शेयर प्रीमियम पर जारी किए जाते हैं, से सात वर्ष की अवधि के लिए उप-खंड (क) से (छ) में निर्दिष्ट किसी भी संपत्ति में निवेश नहीं करेगा;

स्पष्टीकरण- इस अनुच्छेद के प्रयोजनों के लिए, -

- (i) "निर्दिष्ट कंपनी" का अर्थ है एक ऐसी कंपनी जिसके शेयरों का सामान्यतः भारतीय प्रतिभूति और विनियम बोर्ड (शेयरों और अधिग्रहणों का पर्याप्त अधिग्रहण) विनियम, 2011 के अर्थ के भीतर कारोबार किया जाता है और जिसकी वित्तीय वर्ष की अंतिम तारीख से पहले शुद्ध मूल्य पूर्ववर्ती वर्ष जिसमें सौ करोड़ रुपये से अधिक के शेयर जारी किए जाते हैं या पूर्ववर्ती वित्तीय वर्ष का टर्नओवर जिसमें दो सौ पचास करोड़ रुपये से अधिक के शेयर जारी किए जाते हैं।
- (ii) अधिनियम की धारा 56 की उप धारा (2) के खंड (vii ख) के विवेचन में दिए गए अर्थ के अनुसार "वेंचर कैपिटल कंपनी" और "वेंचर कैपिटल फंड" के समान अर्थ होंगे।

घोषणा

5. पैरा 4 (i) और पैरा 4 (ii) में उल्लिखित शर्तों को पूरा करने वाले स्टार्टअप द्वारा डीपीआईआईटी को प्रपत्र 2 में विधिवत हस्ताक्षरित घोषणा दर्ज करनी होगी कि यह पैरा 4 में उल्लिखित शर्तों को पूरा करता है। ऐसी घोषणा प्राप्त होने पर, डीपीआईआईटी इसे सीबीडीटी को भेजेगा।

कार्य-क्षेत्र

6. पैरा 4 में उल्लिखित अधिसूचना, स्टार्टअप द्वारा अपने निगमन की तारीख से जारी किए गए शेयरों की तिथियां कुछ भी होने के बावजूद लागू होगी, उन जारी किए गए शेयरों को छोड़कर जिनके संबंध में अधिसूचना के जारी होने की तारीख से पहले अधिनियम के तहत किए गए एक आकलन आदेश में अधिनियम की धारा 56 (2) (viiख) के तहत अतिरिक्त शेयरों को शामिल किया गया है।

7. पैरा 4 में संदर्भित अधिसूचना, स्टार्टअप पर अधिनियम की धारा 56(2)(viiख) के प्रावधान लागू होने के संदर्भ में लागू होंगी तथा इस अधिनियम के अन्य प्रावधानों के लागू होने के संदर्भ में कोई छूट नहीं मिलेगी।

निरसन

8.(1) यदि यह पाया जाता है कि पैरा 3 के संदर्भ में किसी भी प्रमाण-पत्र को गलत जानकारी के आधार पर प्राप्त किया गया है, तो बोर्ड के पास ऐसे प्रमाण-पत्र या अनुमोदन को निरस्त करने का अधिकार होगा।

(2) जहां उप-पैरा (1) के तहत प्रमाण-पत्र या अनुमोदन रद्द कर दिया गया है, ऐसे प्रमाण-पत्र या अनुमोदन को बोर्ड द्वारा कभी भी जारी या मंजूर नहीं किया गया माना जाएगा।

9. यदि स्टार्टअप जो प्रपत्र-2 में घोषणा करता है, उस नवीनतम वित्त वर्ष के अंत से 7 वर्ष के समाप्त होने से पहले पैरा 4(iii) में विनिर्दिष्ट किसी आस्ति में निवेश करता है जिसमें प्रीमियम पर शेयर जारी हुए हैं तो अधिनियम की धारा 56(2)(viiख) के तहत प्रदत्त छूट को पूर्व प्रभाव से वापस ले लिया जाएगा।

प्रभाव

10. यह अधिसूचना सरकारी राजपत्र में प्रकाशन की तिथि से प्रभावी होगी। सरकार द्वारा दिनांक 31.03.2021 को अथवा उससे पूर्व इस अधिसूचना की समीक्षा की जाएगी।

[फा.सं. 5(4)/2018-एसआई]

अनिल अग्रवाल, संयुक्त सचिव

परिशिष्ट-I**प्रपत्र -1**

आयकर अधिनियम, 1961 की धारा 80-आईएसी के प्रयोजनों हेतु प्रमाण-पत्र के लिए आवेदन

1. स्टार्टअप का नाम -
2. स्टार्टअप के निगमीकरण / पंजीकरण की तारीख-.....
3. निगमन संख्या/ पंजीकरण संख्या.....
4. पता और व्यापार स्थान -
5. व्यवसाय की प्रकृति
6. स्टार्टअप का संपर्क विवरण (फोन नंबर और ईमेल)-
7. स्थायी खाता संख्या -
8. मौजूदा / प्रस्तावित गतिविधियां -

(संगम ज्ञापन, एलएलपी / साझेदारी विलेख, बोर्ड संकल्प आदि की प्रति संलग्न करें)

घोषणा

मैं/ हम एतद्वारा प्रमाणित करता हूँ/ करते हैं कि मेरे/हमारे द्वारा दी गई उपरोक्त जानकारी सत्य है और कोई प्रासंगिक जानकारी छुपाई नहीं गई है।

कृते (स्टार्टअप का नाम)

(अधिकृत हस्ताक्षरकर्ता का नाम) पदनाम

स्थान: _____

दिनांक: _____

इस प्रपत्र के साथ निम्नलिखित दस्तावेज (यदि लागू हो) संलग्न किए जाएंगे -

1. पिछले तीन वित्तीय वर्ष के लिए स्टार्टअप के वार्षिक खाते
2. पिछले तीन वित्तीय वर्षों की आयकर रिटर्न की प्रतियां

प्रपत्र 2

आयकर अधिनियम, 1961 की धारा 56(2) (viiख) के तहत छूट के लिए स्टार्टअप द्वारा घोषणा

<कंपनी के लेटरहेड पर जारी किया जाए>

1. मैं,.....सुपुत्र/सुपुत्री..... स्थायी खाता संख्या (पैन)..... (कंपनी का नाम)..... का.....होने के नाते डीपीआईआईटी मान्यता संख्या..... तथा स्थायी खाता संख्या (पैन संख्या)..... एतद्वारा यह प्रमाणित करता हूँ तथा घोषणा करता हूँ कि

इस कंपनी ने नवीनतम वित्तीय वर्ष की समाप्ति से सात वर्ष की अवधि, जिसमें कंपनी द्वारा प्रीमियम पर शेयर जारी किए गए हैं, के लिए उद्योग संवर्धन तथा आंतरिक व्यापार विभाग, वाणिज्य एवं उद्योग मंत्रालय द्वारा जारी अधिसूचना संख्या दिनांक..... के पैरा 4(iii) में उल्लिखित परिसंपत्तियों में निवेश नहीं किया है तथा न ही करेगी।

2. मैं जानता हूं कि उपर्युक्त के अनुपालन में विफल रहने पर दी गई छूट पूर्वप्रभाव से वापस ले ली जाएगी।

स्थान.....

दिनांक.....

*हस्ताक्षर:.....

नाम:.....

पदनाम:.....

*इस घोषणा पर आयकर अधिनियम की धारा 140 के तहत आयकर रिटर्न पर हस्ताक्षर करने के लिए प्राधिकृत व्यक्ति द्वारा हस्ताक्षर किए जाएंगे।

MINISTRY OF COMMERCE AND INDUSTRY

(Department for Promotion of Industry and Internal Trade)

NOTIFICATION

New Delhi, the 19th February, 2019

G.S.R. 127(E).— This notification is being issued in supersession of the Gazette Notification No. G.S.R. 364(E) dated April 11, 2018 as modified vide Gazette Notification No. G.S.R. 34 (E) dated January 16, 2019.

Definitions

1. In this notification,—

(a) An entity shall be considered as a Startup:

- i. Upto a period of ten years from the date of incorporation/ registration, if it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India.
- ii. Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded one hundred crore rupees.
- iii. 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 generation or wealth creation.

Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a 'Startup'.

Explanation-

An entity shall cease to be a Startup on completion of ten years from the date of its incorporation/ registration or if its turnover for any previous year exceeds one hundred crore rupees.

(b) "Act" means the Income-tax Act, 1961;

- (c) “Board” means the Inter-Ministerial Board of Certification comprising of the following members:
 - (i) Joint Secretary, Department of Promotion of Industry and Internal Trade, Convener
 - (ii) Representative of Department of Biotechnology, Member
 - (iii) Representative of Department of Science & Technology, Member
- (d) “CBDT” means Central Board of Direct Taxes constituted under the Central Boards of Revenue Act, 1963 (54 of 1963);
- (e) “limited liability partnership” shall have the meaning as assigned to it in clause (n) of sub-section(1) of Section 2 of the Limited Liability Partnership Act, 2008;
- (f) “partnership firm” means a firm registered under section 59 of the Partnership Act, 1932;
- (g) “private limited company” shall have the meaning as assigned to it in clause (68) Section 2 of the Companies Act, 2013;
- (i) “turnover” shall have the meaning as assigned to it in clause (91) Section 2 of the Companies Act, 2013;
- (j) All references to “Forms” in this notification shall be construed as references to the forms set out in Appendix-I hereto;
- (k) “DPIIT” means Department for Promotion of Industry and Internal Trade.

Recognition

2. The process of recognition of an eligible entity as startup shall be as under: —
 - (i) A Startup shall make an online application over the mobile app or portal set up by the DPIIT.
 - (ii) The application shall be accompanied by—
 - (a) a copy of Certificate of Incorporation or Registration, as the case may be, and
 - (b) a write-up about the nature of business highlighting how it is working towards innovation, development or improvement of products or processes or services, or its scalability in terms of employment generation or wealth creation.
 - (iii) The DPIIT may, after calling for such documents or information and making such enquires, as it may deem fit, —
 - (a) recognise the eligible entity as Startup; or
 - (b) reject the application by providing reasons.

Certification for the purposes of section 80-IAC of the Act

3. A Startup being a private limited company or limited liability partnership, which fulfils the conditions specified in sub-clause (i) and sub-clause (ii) of the Explanation to section 80-IAC of the Act, may, for obtaining a certificate for the purposes of section 80-IAC of the Act, make an application in Form-I along with documents specified therein to the Board and the Board may, after calling for such documents or information and making such enquires, as it may deem fit, —
 - (i) grant the certificate referred to in sub-clause (c) of clause (ii) of the Explanation to section 80-IAC of the Act; or
 - (ii) reject the application by providing reasons.

Exemption for the purpose of clause (viib) of sub-section (2) of section 56 of the Act

4. A Startup shall be eligible for notification under clause (ii) of the proviso to clause (viib) of sub-section (2) of section 56 of the Act and consequent exemption from the provisions of that clause, if it fulfils the following conditions:

- (i) it has been recognised by DPIIT under para 2(iii)(a) or as per any earlier notification on the subject
- (ii) aggregate amount of paid up share capital and share premium of the startup after issue or proposed issue of share, if any, does not exceed, twenty five crore rupees:

Provided that in computing the aggregate amount of paid up share capital, the amount of paid up share capital and share premium of twenty five crore rupees in respect of shares issued to any of the following persons shall not be included—

- (a) a non-resident; or
- (b) a venture capital company or a venture capital fund;

Provided further that considerations received by such startup for shares issued or proposed to be issued to a specified company shall also be exempt and shall not be included in computing the aggregate amount of paid up share capital and share premium of twenty five crore rupees.

iii) It has not invested in any of the following assets,—

- (a) building or land appurtenant thereto, being a residential house, other than that used by the Startup for the purposes of renting or held by it as stock-in-trade, in the ordinary course of business;
- (b) land or building, or both, not being a residential house, other than that occupied by the Startup for its business or used by it for purposes of renting or held by it as stock-in-trade, in the ordinary course of business;
- (c) loans and advances, other than loans or advances extended in the ordinary course of business by the Startup where the lending of money is substantial part of its business;
- (d) capital contribution made to any other entity;
- (e) shares and securities;
- (f) a motor vehicle, aircraft, yacht or any other mode of transport, the actual cost of which exceeds ten lakh rupees, other than that held by the Startup for the purpose of plying, hiring, leasing or as stock-in-trade, in the ordinary course of business;
- (g) jewellery other than that held by the Startup as stock-in-trade in the ordinary course of business;
- (h) any other asset, whether in the nature of capital asset or otherwise, of the nature specified in sub-clauses (iv) to (ix) of clause (d) of Explanation to clause (vii) of sub-section (2) of section 56 of the Act.

Provided the Startup shall not invest in any of the assets specified in sub-clauses (a) to (h) for the period of seven years from the end of the latest financial year in which shares are issued at premium;

Explanation.—For the purposes of this paragraph,—

- (i) “specified company” means a company whose shares are frequently traded within the meaning of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and whose net worth on the last date of financial year preceding the year in which shares are issued exceeds one hundred crore rupees or turnover for the financial year preceding the year in which shares are issued exceeds two hundred fifty crore rupees.

(ii) the expressions “venture capital company” and “venture capital fund” shall have the same meanings as respectively assigned to them in the explanation to clause (viib) of sub Section(2) of Section 56 of the Act.

Declaration

5. A startup fulfilling conditions mentioned in para 4 (i) and para 4 (ii) shall file duly signed declaration in Form 2 to DIPP that it fulfills the conditions mentioned in para 4. On receipt of such declaration, the DPIIT shall forward the same to the CBDT.

Scope

6. Notification referred in para 4 shall apply irrespective of the dates on which shares are issued by the Start up from the date of its incorporation, except for the shares issued in respect of which an addition under section 56(2)(viib) of the Act has been made in an assessment order made under the Act before the date of issue of the notification.

7. Notification referred to in para 4 shall be applicable only in respect of applicability of the provisions of section 56(2)(viib) of the Act to the Startup and shall not grant any exemption in respect of applicability of other provisions of the Act.

Revocation

8. (1) In case it is found that any certificate referred to para 3 has been obtained on the basis of false information, the Board reserves the right to revoke such certificate or approval.

(2) Where the certificate or approval has been revoked under sub-para (1), such certificate or approval shall be deemed never to have been issued or granted by the Board.

9. In case the Startup which has furnished declaration in Form-2 invests in any of the assets specified in para 4(iii) before the end of seven years from the end of the latest financial year in which the shares are issued at premium, the exemption provided under section 56(2)(viib) of the Act shall be revoked with retrospective effect.

Effect

10. This notification shall come into effect on the date of its publication in the Official Gazette. The Government will carry out a review of this notification on or before 31.03.2021.

[F. No. 5(4)/2018-SI]
ANIL AGRAWAL, Jt. Secy.

APPENDIX-I

Form-1

Application for certificate for the purposes of section 80-IAC of the Income-tax Act, 1961

1. Name of the Startup -
2. Date of incorporation/ registration of Startup -
3. Incorporation No./ registration No.
4. Address and business location-
5. Nature of business
6. Contact details of Startup (Phone No. and Email)-
7. Permanent Account No.
8. Existing/ proposed activities -

(Enclose copy of Memorandum of Association, LLP/partnership Deed, Board Resolution etc.)

Declaration

I/ We hereby certify that the above information furnished by me is true and no relevant information has been concealed.

For (Name of the Startup)

(Name of the authorised signatory) Designation

Place: _____

Date: _____

This form shall be accompanied by the following documents (if applicable)-

1. Annual Accounts of the startup for the last three financial years
2. Copies of income-tax returns for the last three financial years

Form 2

Declaration by a Startup for exemption under Section 56(2)(viib) of the Income Tax Act, 1961

<To be issued on Company Letterhead>

I, _____ Son/ Daughter of _____ having Permanent Account Number (PAN) _____ in my capacity as _____ of _____ (Company's Name) _____ having DPIIT recognition number _____ and Permanent Account Number (PAN) _____ hereby certify and declare that the said company has not invested and shall not invest for a period of seven years from the end of the latest financial year in which shares are issued at premium by the said company in any of the assets specified in para 4(iii) of the notification number _____ dated _____ issued by Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry.

2. I understand that failure to comply with the above declaration will result in revocation of exemption with retrospective effect.

Place: _____

Date: _____

*Signature: _____

Name: _____

Designation: _____

*This declaration is to be signed by a person who is authorised to verify the return of income under section 140 of the Act.






MIC

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