



SHRI GAJANAN SHIKSHAN SANSTHA'S
SHRI SANT GAJANAN MAHARAJ COLLEGE OF ENGINEERING
SHEGAON – 444203, DIST. BULDANA (MAHARASHTRA STATE), INDIA
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3.2.1 Institution has created an ecosystem for innovations and has initiatives for creation and transfer of knowledge

Sr. No.	Evidence Head
1	Institutional policy
2	Activities conducted



Principal



SGIARC: TBI

SGIARC-TBI

Incubator Policy and Procedures

Innovation and Start-up Policy Formulation Committee

In view of NISP implementation, following experts committee is formed at all institute to formulate the policy.

Sr.No.	Name	Designation
1	Dr.S.B.Somani	Principal
2	Dr.S.B.Patil	CEO,SGIARC-TBI Foundation
3	Dr.S.S.Jadhao	Coordinator R & D
4	Prof. D.L. Bhombe	Coordinator ARIIA
5	Dr. N. B. Borkar	Coordinator Yukti
6	Prof.P.A. Dalke	Coordinator IP Cell
7	Dr.R.A.Zamare	Coordinator NISP
8	Mr.Mitharam Ekade	Coordinator ED Cell
9	Dr.Santosh Bothe	External Member

Incubator Policy and Procedures

Objectives: The goal of SSGMCE the host institute of SGIARC: TBI, Shegaon is to promote Entrepreneurship, Technology and Service-based Entrepreneurship and thereby facilitate practical application of knowledge for public or society use. The Centre wishes to facilitate the creation of ideas and inventions that benefit society. To facilitate this, the center has adopted an Incubation Policy to provide guidance and management structure to facilitate development of entrepreneurship and facilitate Innovative start-ups in commercializing of the ideas into viable competitive business. The scope of this document is to define the policy and procedures for the operational matters related to the Centre for Innovation and Incubation.

The Process flow is as mentioned below:

1. Eligibility Criteria
2. Incubation Admission procedure
3. Infrastructure and Services provided to incubatees
4. Mandatory Mentorship
5. Period of Incubation/Exit
6. Periodic assessment
7. Intellectual Property Evaluation
8. Seed funding
9. Business Plan Template
10. Conflict of interest
11. Disclaimer
12. Norms for faculty startup.
13. Agreements

The policy is subject to periodical review and amendments. It will be the responsibility of the student/faculty run companies admitted to SGIARC: TBI to update themselves from time to time on amendments in Incubation policy and procedures. The SGIARC: TBI reserves the rights to make an exception of all or any of the terms of policy for a particular company or a promoter on a case-to-case basis.

1. Eligibility Criteria:

- Any person desirous of availing incubation facilities has to incorporate a private/public limited company under the Indian Companies Act and apply in the prescribed **format** along with the required documents or registered under MSME. No application for incubation shall be entertained if the applicant has not incorporated a private/public limited company under the Companies Act or registered under MSME.
- The companies promoted by Faculty **SSGMCE** shall be governed by Intuitional **Policy** as approved by the Institution. The companies promoted by students enrolled for full-time Degree at an educational institution shall not be offered incubation if the student is holding an Executive position; however, companies promoted by students and faculty are eligible to apply for incubation provided the student/faculty is not actively engaged with the company beyond any engagement which may be permitted by the Institute.
- A company if promoted by regular staff or employee of an organization shall be granted incubation only upon submission of 'No Objection Certificate' from the competent authority or employer. However, companies having employees as shareholders are eligible to apply for incubation.
- Any company that is engaged or proposing to be engaged in imparting educational courses and/or training programs including vocational trainings or is planning to undertake such activities during or after it incubation at SSGMCE is not deemed eligible for incubation and their application will not be entertained.
- However, the committee can consider exceptional case and admit the students, or any outsiders on merit of the business proposal and give necessary permission/ approvals to use TBI services.

2. Incubation Admission procedure:

All the applicants shall have to read and agree to the terms and conditions of the incubation after which their applications shall be processed.

STAGE 1: Submit Executive Summary/Business Plan

As a first step in the admission process, the prospective company should submit an Incubation Application containing the Business plan, Certificate of incorporation and Memorandum & Articles of Association. SGIARC: TBI then shall present the executive summary to an internal review committee for comments on technical and business feasibility of the idea.

Following are the Evaluation Criteria:

Some representative criteria to be applied for evaluation (not limited to these).

- i. Strength of the product idea in terms of its technology content, innovation, timeliness and market potential.
- ii. Profile of the core team/promoters.
- iii. Intellectual Property generated and the potential of the idea for IP creation.

- iv. Financial/ Commercial Viability and five-year projections of P&L, Balance Sheet and Cash Flows, ROI /SROI.
- v. Fund requirement and ability to raise funds / viability of raising finance.
- vi. Marketing strategy, Market readiness and Timeframe.
- vii. Break-even period.
- viii. Commercial potential, demand and requirement in India or International.
- ix. Fitness to seek benefit of various assistance schemes and policy, Legal aspects of doing business.
- x. Scalability.

STAGE 2: Presentation to Evaluation Committee of SGIARC: TBI.

The initial evaluation of the business plan / executive summary if positive, SGIARC: TBI will arrange a meeting with the company founders, during which the company will be expected to present a PowerPoint presentation describing critical aspects of the business plan to the evaluation committee. The presentation will be followed by a Q&A session. After the presentation, a final decision will be made regarding the company's entry into the incubator. The company will be informed of the final decision after the presentation. The presentation through video conferencing is also permitted.

The constitution of the evaluation committee will comprise of representatives of SSGMCE and SGIARC Management along with technical, financial and other experts.

Research & Due Diligence: SGIARC: TBI will perform research and due diligence of the company, the management team, the industry, and the current and future competitive elements facing the business throughout the application process, based on the requirement. If any further information from the applicant is required and SGIARC: TBI may ask the applicant to revise the executive summary and/or presentation. It may at its discretion seek advice of various government bodies who have sponsored the incubation Centre like DSIR ,DST, TDB, NSTEDB ,TIDE ,MCIT ,MSME,etc.

Non-Disclosure: SGIARC: TBI, adheres to strict confidentiality throughout the application process. However, SGIARC will not sign any 'non-disclosure' agreements.

3. Infrastructure and services provided to the Incubatees:

Following are the services provided by SGIARC: TBI to the incubatees:

a. Mentoring and Advisory Services:

- Strategic Checkups: The SGIARC TBI Head will meet the company CEOs at least once a month for strategy reviews and discussion of operational issues.
- An incubated company can take a faculty advisor as a mentor on technology issues in the subjects available in SGIARC: TBI.
- Specialized mentors will also be made available to the companies from TBI to assist with particular strategic area sort provide project-oriented consultation. These arrangements may begin as a pro bono arrangement with an option for both parties to graduate to a paid relationship.
- An incubated company may avail the consulting services by empaneled professionals.

b. Support for research activities/Legal services/market accessibility

- Incubatees can avail the expertise of the external faculty as well use the existing facilities in the campus with permission of CEO, TBI.
- TBI can help the Incubatees in obtaining the legal services and reaching out to their customers and help in their marketing strategies through their partnered institutions.
- SGIARC may associate with professionals for accounting, IP, legal and management expertise on a part-time basis. The incubated companies can avail their services. Any direct services provided to an incubatee by the service provider would have to be paid for.

c. Institutional infrastructure: SSGMCE may facilitate access to the Institutional infrastructure or laboratories as per the norms of SSGMCE and SGIARC.

The center offers fully furnished space to the incubatees as per availability at TBI and need of the business.

1. The Cubicles with seating capacity of two each with computer and printer, Wi-Fi facility etc.,
2. Ten cubicles with seating capacity of two each
3. Office rooms (12*15) with facilities (10 rooms)
4. Besides this, we also have Seminar/
Conference Halls, meeting rooms, production
facility etc.

Upon admission to TBI, the following facilities will be offered to the incubated companies on an individual basis:

- Office space.
- Computers-up to two on rental basis. More than two can be availed at market rates.
- Printer.
- Broad Band Internet Connection (wired and wireless)
- Standard Furniture.
- Any other facilities may be made available at cost/ rent mutually agreed terms.

d. Common Infrastructure: TBI provides a common pool of hard and soft infrastructure to be shared by all incubated companies. The following resources are provided:

- Fax machine.
- Photo copying machine
- Document Scanner.
- Access to college Library: Books, Subscription to IT, Business, Management and Trade journals and newspapers.
- Meeting/Conference room with Audio and projection equipment.
- Tele or Video conferencing facilities.

4. Mandatory Mentorship:

One of the objectives of Incubation is to utilize the technical expertise and lab infrastructure of SSGMCE College. Therefore, every company that is offered incubation at TBI can select one faculty member from the Institution who shall act as a mentor to the incubated company and guide the company on product development.

The company has to offer minimum 1% of share equity to the mentor as a consideration of mentorship.

Industry Mentor:

TBI has created a database of Industry mentors. Every company incubated at SGIARC select one Industry mentor within six months from the date of joining the Centre. In case the incubate opts for an industry mentor, the company has to offer a minimum 1% of equity to the mentor as a consideration of mentorship.

5. Period of Incubation /Exit:

Tenure of Incubation:

The companies will be permitted to stay in the incubator for a period of two years. They may be granted maximum two extensions of 6months each, at a time at the sole discretion of the Institution.

EXIT

An incubated company will leave the incubator under the following circumstances:

- Completion of two years stay(if no extension granted).
- Under performance or non-viability of business proposition as decided by TBI on a case-to-case basis.
- Irresolvable promoters dispute as decided by TBI on a case-to-case basis.
- Violation of the policy of SSGMCE /SGIARC may lead to appropriate action.
- When the company enters in an acquisition, merger or amalgamation or reorganization deal resulting in a substantial change in the profile of the company, its promoters, directors, shareholders, products or business plan.
- Change in promoters'/founders 'team without concurrence of SSGMCE/ SGIARC.
- Any change of more than 50% of equity ownership would require a prior approval of SGIARC.

- Any other reason for which SGIARC may find it necessary for an incubated company to leave.

Not with standing anything written elsewhere, SGIARC: TBI's decision in connection with the exit of an incubated company shall be final and shall not be disputed by any company.

6. Periodic Assessment

A committee set up by TBI will evaluate the performance of the incubatee every three months. The emphasis of evaluation will be on checking if the milestones specified in the business plan are met. For a company which has taken seed fund loan, additional checks will be done on the financial health of the company in terms of its order booking, expenses, profitability, utilization of seed money loan

For the specified purposes and its ability to repay the loan. Further seed fund disbursement will be dependent on the progress shown in previous appraisal.

Periodic assessment would vary depending on the stage of incubation the company is in. Some representative criteria for evaluation are:

A. Ideation/Innovation stage

- Concept development / Opportunity spotting
- Product Development
- Market assessment/Competition analysis
- First level Business Planning/Business Modeling
- Founding Team
- Intellectual Property Protection
- Seed Funding

B. Pre-MarketStage

- Proof of Concept/ Prototyping
- Product Development and enhancement
- Financial Assistance Required
- Test marketing
- Full scale business planning including production, sales and sourcing

C. Implementation Stage

- Full scale Business Planning
- Pitching for Venture Funding
- Scaling up operations
- Large scale commercialization
- Mature Team Formation

D. Exit stage

- Going National / Global
- Full scale business Graduation
- Post incubation Survival

The incubate may be asked to provide more frequent updates to SGIARC: TBI.

7. Intellectual Property Evaluation:

The incubatee should fill an IP declaration worksheet at the time of admission and declare the Intellectual Property developed and owned by the incubate company.

- i. In case the incubate company is desirous of using the Intellectual Property of SSGMCE s, like patent, software code, copyright, design registration, developed product, etc. then the company shall make such request in writing to SGIARC. The terms and conditions for such IP licensing shall be decided by the Institution.
- ii. The company shall inform if any students have worked on the technology and if their work will be incorporated in the product(s).
- iii. The company shall inform if any IP has been generated as a result of collaborative work with faculty members (who are not promoters)is being incorporated into the product(s).
- iv. The company shall inform if SGIARC: TBI's, infrastructure (hardware, testing setup, instrumentation, computing resources, processes) has been used in developing the IP or technology that will go into the product(s).
- v. The company shall inform (if any) about any agreement with SGIARC: TBI, that the IP has been assigned to the company for commercialization.
- vi. The entrepreneur would have option of first purchasing the rights of IP from SGIARC, and then being incubated or assigning equity to SGIARC, in lieu of direct payments to SGIARC. Please refer the consideration section for details.

The incubatee would maintain a register with the details of any IP (patents, licenses, copyrights etc)that has been brought into the company prior or during their stay at TBI.Also,any IP developed during the stay would be maintained in the register.

Not withstanding anything written above, Intellectual Property Rights will be governed institution's policy.

8. Seed Funding:

SSGMCE/ SGIARC may provide seed fund subject to the availability of funds/ grants/ schemes meant for this purpose through TBI. Seed fund will be sanctioned only to the registered companies and shall be based on the merits of each company. Further, the admission to TBI shall not automatically entitle the companies to receive seedfund.

A company desirous of getting seedfund may submit an application for seed fund after three months of incubation at MCCIE. The seed fund will be sanctioned based on the eligibility criteria as decided by TBI. It would also be subject to the terms stipulated as per the Seed funding Guidelines.

One of the criteria for approval of the seed fund will be the contribution brought in by the promoters to the capital of their companies. Preference will be given to the companies who already have some sources of revenue or some customer order booking. TBI will have the sole discretion to sanction or reject an application for seed loan and the decision of TBI in this regard shall be final. TBI is not bound to give any reason in case an application for seed loan is rejected.

Though seed fund may be sanctioned at the time of approval of the proposal for admission, disbursement shall be subject to SGIARC: TBI CEO/head's satisfaction over the suitable progress made by the company.

Notwithstanding anything contrary contained herein, the Seed fund sanction and disbursal shall be governed by Seed Fund Guidelines of TBI. (**Refer seed fund agreement – Annexure**)

9. Business Plan Template:

The following template can be used for creating a comprehensive business plan. Though these sequences own is not mandatory, the plan must cover all the sections listed in the template:

- i. Introduction/Company overview
- ii. Concept/ Proposition/ Product description
- iii. Market opportunity
- iv. Competition survey
- v. Development plan and milestones
- vi. Marketing plan
- vii. Management/Organizational chart
- viii. Financials
- ix. Risks and de-risking strategies
- x. Appendix

10. Conflict of Interest:

In case of any conflict of interest, the decision of the Institution shall be final and binding upon the parties.

11. Disclaimer:

SSGMCE/ SGIARC does not guarantee success and/or feasibility of the technology transferred from the Institution. SSGMCE/ SGIARC, or any person representing them shall not be liable for any acts or omissions of the incubated company. However, in case of any such event the incubated company shall do all that is required to hold SSGMCE/SGIARC, or any person representing them harmless from any loss including damage or penalty.

12. Norms for Faculty Startups:

- a. For better growth of the entrepreneurial activities in the campus and to fulfil the entrepreneurial wish of faculty members, they are encouraged to start their ventures and enroll themselves as incubates in the institution incubation center. Only those technologies/ideas should be taken for faculty startups which originate from within the institution.
 - i. Role of faculty may vary from being an owner/direct promoter, mentor, consultant or as on-board member of the startup.
 - ii. Faculty engaging themselves in the startup venture should ensure that the regular duties of teaching 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. Faculty must clearly separate and distinguish on-going research at the institution from the work conducted at the startup/company.
- c. In case of selection of a faculty startup by an outside national or international accelerator, a maximum leave of one semester/year (or even more depending upon the decision of review

Committee constituted by the institution) may be permitted to the faculty at the discretion of the management.

- d. Faculty must not accept gifts from the startup.
- e. Faculty must not involve research staff or other staff of institute in activities at the startup and vice-versa.
- f. Human subject related research in startup should get clearance from ethics committee of the institution.

*(Faculty will abide by the regular norms of incubation Centre apart from the above)

13. Agreements

All incubates shall enter into the following agreements with the Institution:

1. Incubation Agreement: Contain rules and other incubation norms, consideration, equity holding, etc. (Applicable to all.)
2. Seed-Fund Agreement: Contain rules of disbursement and repayment (Applicable to incubates availing seed-fund.)
3. Technology Commercialization Agreement: Applicable to incubates using technology or IP developed by SSGMCE/ SGIARC: TBI.

Annexure1

Seed Fund Guidelines.

The processing of seed capital involves:

1. A startup (student/Faculty) desirous of getting seed loan may submit an application for seed fund after three months of incubation at TBI.
2. The seed loan will be sanctioned based on the eligibility criteria as decided by TBI. It would also be subject to the terms stipulated as per the Seed fund Guidelines of SGIARC. One of the criteria for approval of the seed loan will be the contribution brought in by the promoters to the capital of their companies. Preference will be given to those startups who already have some sources of revenue or some customer order booking.
3. The final decision regarding it will be announced within a month. SGIARC will have the discretion to sanction or reject an application for seed loan and the decision of SGIARC in this regard shall be final. SGIARC is not bound to give any reason in case an application for seed fund is rejected.
4. The applicant would then enter in to a Seed Fund Agreement with the Institution.
5. After execution of agreement, the funds will be transferred to the project account within 10 days. Both the company's CEO and the TBI coordinator will be in charge of the bank account.
6. Though seed loan may be sanctioned at the time of approval of the proposal for admission, disbursement shall be subject to SGIARC: TBI Head's satisfaction over the suitable progress made by the company. Notwithstanding anything contrary contained herein, the Seed fund sanction and disbursal shall be governed by Seed Fund Guidelines of SGIARC.
7. The company will be subjected to regular performance reviews.
8. Repayment Options: The repayment options have been decided by a committee comprising members from the grant agencies, advisory Board TBI, Industry Experts, CA & legal consultant.

Option I: Full amount would be paid back with an interest, which will be prime lending rate of SBI (on the date of sanction) less 4% and remains fixed for the tenure of the loan.

Option II: 50% of the total seed fund sanctioned will be interest free loan; repayment would start after 18 months from the date of first disbursement. 50 % of the seed fund sanctioned would be convertible into equity (@ 5% equity against loan up to ₹5 lakh).

Option III: 75% of the total seed fund sanctioned will be a loan and will be paid back with an interest of PLR less 6%. 25% of the seed fund sanctioned would be convertible into equity (@ 3 % equity against loan up to ₹ 5 lakh) at par. (Subject to revision as per bank guidelines)

Option IV: 100 % of the seed fund sanctioned would be convertible into equity (@ 10% equity against loan up to ₹10 lakh)

Annexure 2

IPR Declaration Form

We the following named inventors

1. Name, designation, Department& Contact details:

.....
have generated technical know-how, which in our opinion has significant economic importance and needs to be converted into patents. The title is:

.....

2. Name, designation, Department & Contact details:

.....
have generated technical know-how, which in our opinion has significant economic importance and needs to be converted into patents. The title is:

.....

3. Name, designation, Department & Contact details :.....

.....
have generated technical know-how, which in our opinion has significant economic importance and needs to be converted into patents .The title is:

.....

4. Name, designation, Department & Contact details :.....

.....have
generated technical know-how, which in our opinion has significant economic importance and needs to be converted into patents.The titles:

.....

IPR Ownership:

- I. Was the intellectual property created with the significant use of funds or facilities administered by SGIARC, describe your source of funding for the invention (**Name of the funding agency and copy of agreement, letter of intent if any**, must be closed with this form).
- II. Was the intellectual property created (i) as a part of the normal professional duty or (ii)work for hire?
- III. Was the intellectual property created in the course of or pursuant to a sponsored/consultancy research agreement with SGIARC, i yes, please enclose a copy of MoU with concerned project.
- IV. Was the intellectual property created as a part of academic research and training leading towards a degree or otherwise?
- V. Was the intellectual property created outside their assigned/normal area of research/teaching? Please elaborate:

VI. REVENUE SHARING AMONG INVENTORS: Please disclose the extent of contribution of each inventor in the invention in percentage terms for revenue sharing.

NAME(INVENTOR)	%SHARE*	SIGNATURE
1.....
2.....
3.....
4.....

*If this column is not filled and signed then it will be assumed that all inventor(s) have equal contribution

VII. Is the invention published in open literature, if yes then please give details (Name & date of Publication):.....

We give our consent to the above titled invention to be filed through Intellectual Ventures (IV).

We declare that all the correspondence related to IP shall be sent through SGIARC : TBI.

I/We undertake that all averments made in this declaration including the name of funding agency are correct to my/our knowledge. Funds and/or equipment(s) of no other funding from any other agency other than mentioned here in have been used in this invention. Also ,no Intellectual Property generated from any other project is been included in this invention.

I/We undertake all liabilities that may arise out of this declaration and we absolve the Institution's authority from any such liability.

..... Date:
 Signature
 (Name)

..... Date:
 Signature
 (Name)

..... Date:
 Signature
 (Name)

..... Date:
 Signature
 (Name)

Annexure 3

INTELLECTUAL PROPERTY DISCLOSURE FORM

Title of the invention:

Innovator(s) who have contributed or conceived an essential element of the invention, either independently or jointly with others during evolution of the technology concept or reduction practice:

Name:

Nationality:

Position:

Department:

Phone:

E-mail:

Name:

Nationality:

Position:

Department:

Phone:

E-mail:

Name:

Nationality:

Position:

Department:

Phone:

E-mail:

Name:

Nationality:

Position:

Department:

Phone:

E-mail:

*(*Students are requested to give their home address and email)*

Brief Description of the invention

How does this invention relate to new processes, machines, composition of matter, etc.? Please cover the following points:

- (a) Describe the invention in details for technical evaluation. Please use additional sheets for sketches, drawing, photographs and other materials that help to illustrate the description.
- (b) What is this Novel in the invention?
- (c) What is the “inventive” step in your invention? Is the step non-obvious to a person from related fields?
- (d) What are the advantages of the present invention over comparable inventions available in patent literature? Please attach a summary of your patent search*

NOTE: The inventors should go through the Patent Search report carefully and write the difference between his/her invention and each content of the patent search. For Patent search please contact SGIARC: TBI.

- (e) Has the invention been tested experimentally? Are experimental data available?

IPR Ownership

1. Was the intellectual property created with the significant use of funds or facilities of SGIARC ?
2. Please describe any source of funding for the invention (Name of the funding agency and copy of agreement, letter of intent if any, must be enclosed with this form).
3. What is the source of Salary/Remuneration of inventor/Co-inventor?
4. Have you presented in any conference, seminar, etc.?If yes, please give details.
5. Have you published full/part of this invention ? If yes, please give copy of publications.
6. Was the intellectual property created in the course of or pursuant to a sponsored/consultancy research agreement with SGIARC:TBI? If yes, please enclose a copy of MoU with concerned project.
7. Was the intellectual property created as a part of academic research leading towards a degree or otherwise?
8. **REVENUE SHARING AMONG INVENTORS:** Please disclose the extent of contribution of each inventor in the invention in percentage terms for revenue sharing.

NAME OF THE INVENTOR	% SHARE*	SIGNATURE
----------------------	----------	-----------

- 1.
- 2.
- 3.
- 4.

*If this column is not filled and signed then it will be assumed that all inventor(s) have equal contribution

Commercial potential

Please provide as much information as possible; Attach extra sheets ,if required

1. Give brief description of potential commercializes by specifying
 - (a) Input (Financial) required taking it to best stage.
 - (b) Break even capacity.
 - (c) Can you identify possible end-users?
 - (d) Economic viability.
2. Who are the Target companies, both in India or abroad? (From customer point of view)
3. Please give specific list of companies and contact details of concerned person who can be contacted for initiating Technology Licensing

S. No.	Name of Companies	Name of the contact person	Contact no.

4. Please Suggest Five TEC (Technical Evaluation Committee) Members

S.No.	Name of TEC Member	Department	Contact details
1.			
2.			
3.			
4.			
5.			

The TEC members could be any Faculty or Technical staff from HOST SSGMCE. The TEC members are supposed to have capability to evaluate the Invention & should be well versed with the domain of the Invention

(*Unsigned &Incomplete IPDF forms will not be accepted).

Development stage:

In your opinion which of the three best describes the current stage of development of the invention as it relates to its market ability (indicate appropriate response):

-----Embryonic (needs substantial work to bring market)

-----Partially developed (could be brought to market with significant investment)

-----Off-the-shelf (could be brought to market with nominal investment)

-----Do you want to file Patent under PCT Route in other countries?

Yes

No

***The institute shall file patent under PCT route only in those cases where in industry/company has exhibited interest for commercialization.**

Signature of Inventor with date

Signature of Inventor with date

Signature of Inventor with date

Signature of Inventor with date

Signature of Inventor with date

Signature of Inventor with date

Signature of Inventor with date

Signature of Inventor with date

Annexure 4

INCUBATION APPLICATION FORM

(Kindly fill in whatever is applicable)

1. Name of the Applicant:(Please attach copy of Memorandum and Articles of Association of the Company)
2. Address of registered office:
3. Authorized capital
4. Share/Equity distribution
5. Name of Directors and Promoters:
6. Name of Faculty Mentor:
7. Business/Idea Details
8. Title of your Business/Technology proposal for Incubation:
9. Brief Description of the Product/Services/Technology business you plan to incubate in TBI
10. Brief description of the R&D efforts and other technological inputs you hope to resource from SGIARC:TBI (Please also indicate names of faculty member(s), dept./centers of the Institute you plan to associate and equipments facilities to be used)
11. Have you interacted with the concerned faculty and has he/she/they consented to collaborate with you?
12. Why do you want to locate in the SGIARC:TBI?
13. Infrastructure requirement for space, work stations or PCs:
14. List any special requirements for usage of TBI's laboratory facilities:
15. Specify requirement of Mentoring and other professional services/support:
16. Indicate how your business might benefit from access to TBI's human and physical resources.
17. Have you prepared a Business Plan? If yes, please submit a copy.(Please look at the web-site for the suggested format).

18. Please indicate your sources of funds.
19. Profile of your Company(Type of business,details as date of registration etc.,membership of stock exchange if any, key personnel/associates, specific achievements etc.)
20. Profile of Directors and Promoters:(Attach brief resume)
21. Please give names and address of upto three referees who are acquainted with your career profession /achievement.
22. Any other detail which would help in evaluating your proposal
23. Declaration:
We hereby declare that we have read and understood the terms & conditions of the Incubation Agreement of SGIARC: TBI including provisions relating to transfer equity and seed-capital guidelines ,provided to me by the TBI office, and agree to sign the same once our company is approved for the incubation at SGIARC. We shall follow the rules and regulations of SGIARC: TBI. The declaration and facts in the application are true and best to our knowledge and no material has been concealed.

Applicant/Director
Signature
Name:

Applicant/ Director
Signature
Name:

Company Common Seal

Attachments

1. Certificate of incorporation
2. MoA & AoA of applicant company;
3. Business plan
4. Resume of Promoters

Annexure5

**APPLICATION FORM
TO START AS A FACULTY ENTREPRENEUR
OR PARTICIPATE AS FACULTY ENTREPRENEUR IN STUDENT STARTUP**

Date:.....

A) Academic Information (Separate form for each faculty involved in the Faculty Entrepreneurship activities)

1. Name of Faculty:
2. Department:
3. Academic Load on the Applicant:
No of teaching hours:
No of Research Students:
Ph.D.: M.A/M.Sc:
Research Projects/Consultancy Projects:
Administrative:
4. Any other relevant academic information:

B) Enterprise related information:

1. Name/Proposed Name of the Enterprise:
2. Name, designation and address of all Faculty/Staff/students of the institution involved in this enterprise:
3. Is the enterprise: A start-up (expected date of incorporation)
Already Existing (year of incorporation_____)
Is the structure other than Private Limited Company? Yes/No
4. State Briefly the mission of the enterprise & the role of the Faculty in the Company: (add separate paper, if required)
5. Briefly summarize the activities you plan to carry out in the Enterprise. Please also attach a Copy of the Memorandum of Association & Articles of Association.
6. Are you, in this enterprise, planning to use knowledge /technology/intellectual property developed at the institute? If yes, then briefly describe the above, including the persons involved.

7. What is the planned equity structure/distribution of the Enterprise?
8. Please state the number of hours likely to be dedicated in Faculty Company a week.
9. Please state, if there is any other information relevant to your Enterprise Declaration: The activities of the Company are not in conflict with the interest of the institution and my participation in the company will not be in conflict of my assigned duties and responsibilities of the institution.

Signature (with date):
(Name of the Faculty)

Recommended & Forwarded by
:(Signature of Head of Department)

Recommended & Forwarded by
:(Signature of Dean, Faculty Affairs)

Approved by
:(Principal)

Faculty Entrepreneurship Response Form

Date:

Name of the Faculty:

Department:

Name/Proposed of the Enterprise:

This is with reference to your application for the formation and participation in the proposed/existing company. We are pleased to inform you that the Principal has approved the same subject to the following:

- a. The proposed company will be incubated at **SGIARC:TBI**
- b. The company will sign an agreement with SGIARC for the terms of the engagement of the faculty in the Company.
- c. The above-mentioned agreements will have to be signed within a month, otherwise the approval for the said Faculty Entrepreneurship application would stand void and a fresh application would have to be moved for approval.
- d. The faculty and the Company will strictly adhere to the norms of the institution and rules and regulations as laid down in various paragraphs of the Faculty Entrepreneurship Policy. These would include the above, but not limited to leave/consultancy rules and terms of employment in the institution.




Dr.S.B.Somani
Principal,SSGMCE
PRINCIPAL
Shri Sant Gajanan Maharaj
College of Engineering,Shegaon.



National **INNOVATION** and **STARTUP** Policy 2019 for Students and Faculty

A Guiding Framework for Higher Education Institutions



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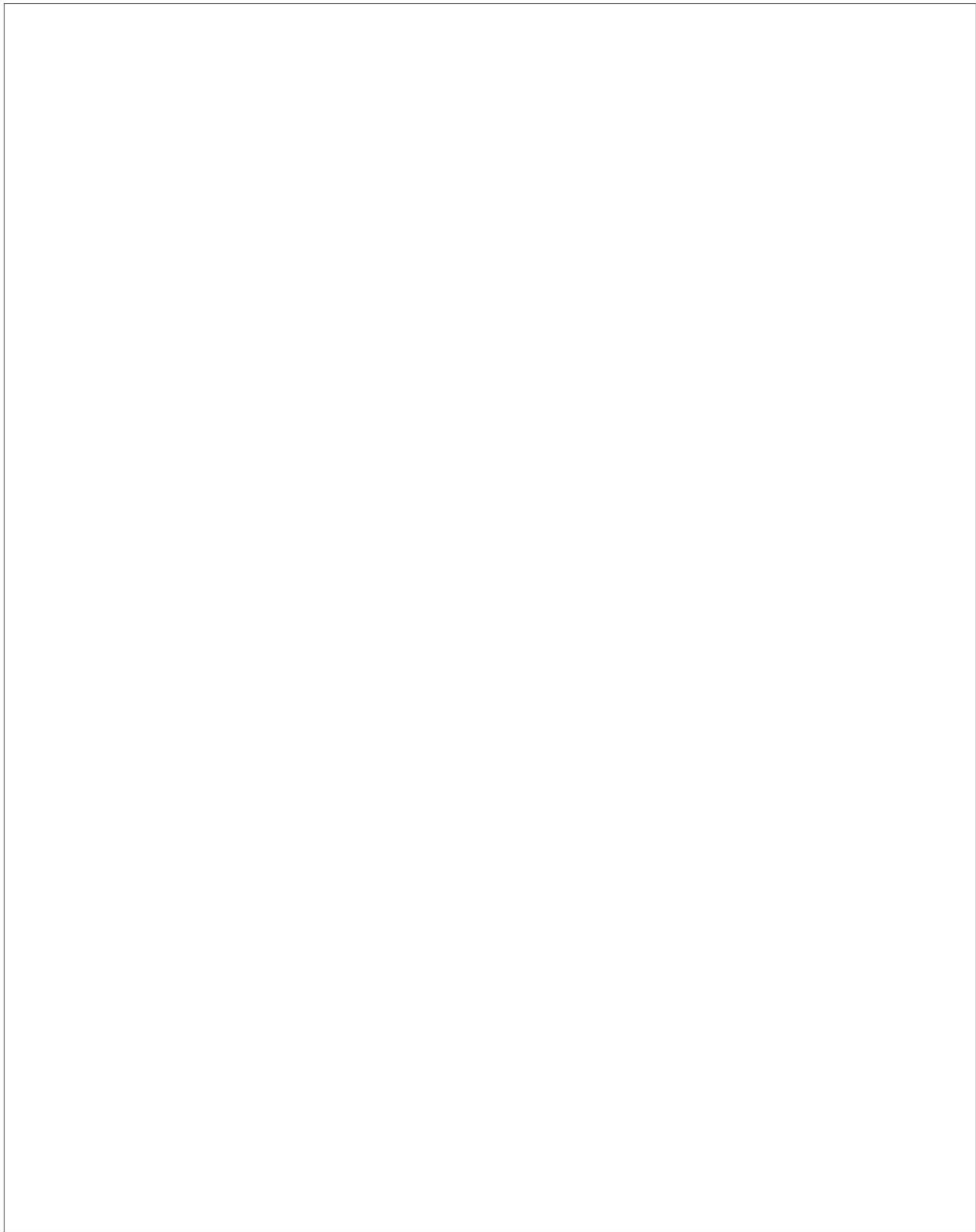
Abstract

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 इन्क्यूबेटर्स 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 टोस 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 नवाचर 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 hand holding 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
7.	Dr. Abhay Karandikar Director, Indian Institute of Technology, Kanpur	Member
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

Policy Drafting and Implementation Team

16.	Mr. Dipan Sahu Executive Consultant, Ministry of Human Resource Development Innovation Cell
17.	Dr. Pooja Rawat Innovation Officer, Ministry of Human Resource Development Innovation Cell



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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 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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'National Innovation and Startup Policy 2019' Committee

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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।

1114 GI/2019

(1)

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) "सीवीडीटी" 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 (ड) 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 दर्शाना 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 कंपनी 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 पश्चात, 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 पश्चात 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 कंपनी अथवा वेंचर कैपिटल फंड;

इसके अलावा, बशर्ते कि ऐसे स्टार्टअप द्वारा किसी विनिर्दिष्ट कंपनी 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;

(ड) शेयर और प्रतिभूतियां;

(च) स्टार्टअप द्वारा प्लाइंग, 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 सीवीडीटी 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 जापन, 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 हों) 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) (viii) 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 हूँ 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-1 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 -

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THE GAZETTE OF INDIA : EXTRAORDINARY

[PART II—SEC. 3(i)]

(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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Name	Sponsored By	Name of the Start-up	Nature of Start-up
Shri Gajanan Innovation And Research Centre-Technology Business Incubator Foundation(SGIARC-TBI Foundation)	Shri Sant Gajanan Maharaj College of Engineering (SSGMCE), Shegaon in Collaboration with Agnipankh Energy Pvt. Ltd	E-Bicycle.	Manufacturing