

# रानी दुर्गावती विश्वविद्यालय Rani Durgavati Vishwavidyalaya



(Formerly, University of Jabalpur)  
(NAAC Accredited Grade "B" University)

सरस्वती विहार, पचपेढी, जबलपुर-482001 (म.प्र.)  
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**1.1.1 Curricula developed and implemented have relevance to the local, national, regional and global developmental needs which is reflected in Programme outcomes (POs), Programme Specific Outcomes (PSOs) and Course Outcomes (COs) of the Programmes offered by the Institution.**

Startups are a catalyst for economic growth both globally and locally. Startups are crucial in bringing about societal change as well as driving economic recovery and responsible growth. Apart from driving economic recovery, startups and scale-ups also need to drive the mindset shifts required for adoption of their technologies and ideas. Over the last two decades, the Indian startup ecosystem has grown rapidly, and more support has become available in all dimensions. Since start-ups are centres of novel innovations, they generate jobs, which implies more career opportunities; more employment leads to a stronger economy, and a healthier economy has a direct bearing on the growth of cities where startups locate.

Today, the education institutions in India are beginning to play a vital role in developing entrepreneurial competencies and include entrepreneurship as a core course in education. In our country, greater emphasis has been laid down in the recent past on benefits of **entrepreneurial-focused education at the universities**, instilling the confidence in students to turn ideas into reality. These could be in the form of structured mentorship programmes, short courses or other forms of training.

Our university has such a centre, which provides opportunities for students to set up ventures. The objectives of the **Design Innovation Centre (DIC)** are as follows:

- 1. Preparation of a platform for creative design development, design promotion and partnerships across many sectors, states, and regions for integrating design with traditional and technological resources.**
- 2. Raising Indian design education to global standards of excellence.**
- 3. Conduct programs for continuous evaluation and development of new design strategies.**
- 4. Involving Industry and professional designers in the collaborative development of the design profession.**
- 5. To facilitate interdisciplinary design- focused education, research, and entrepreneurial activities in order to create commercial opportunities and build partnerships between academics and industry.**
- 6. Assist industries to engage the services of designers for their existing and new products.**
- 7. To create an ecosystem facilitating students and faculty to take their innovative ideas from classrooms/labs to market/people.**
- 8. Encourage and facilitating a culture for creating and protecting intellectual property in the area of designs.**



Administration ▾

Collaboration ▾

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Services

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DIC Campus



विद्यापरिषद् की स्थायी समिति की बैठक दिनांक 21/09/2021 का कार्यवृत्त :-

11 अध्यक्ष की अनुमति से अन्य विषय।

3. राष्ट्रीय नवाचार र्टार्टअप नीति National Innovation and Startup Policy 2019 For Students and Faculty (NISP) विश्वविद्यालय स्तर पर लागू करने पर विचार।

निर्णय:- राष्ट्रीय नवाचार र्टार्टअप नीति National Innovation and Startup Policy 2019 For Students and Faculty (NISP) विश्वविद्यालय स्तर पर मान्य की गई।

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Nodal officer  
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30.9.2021



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

## A Guiding Framework for Higher Education Institutions



Ministry of Human Resources Development  
Government of India

[www.mhrd.gov.in](http://www.mhrd.gov.in) | [www.mic.gov.in](http://www.mic.gov.in)

# *Abstract*

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

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### **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



## Preamble

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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

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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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असाधारण

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अधिसूचना

नई दिल्ली, 19 फरवरी, 2019

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

**परिभाषा**

1. इस अधिसूचना में -

(क) किसी एनटिटी को निम्नानुसार स्टार्टअप माना जाएगा:

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

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

#### स्पष्टीकरण -

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

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

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

- (i) संयुक्त सचिव, उद्योग संवर्धन तथा आंतरिक व्यापार विभाग, संयोजक
- (ii) प्रतिनिधि, जैव प्रौद्योगिकी विभाग, सदस्य
- (iii) प्रतिनिधि, विज्ञान एवं प्रौद्योगिकी विभाग, सदस्य

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

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

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

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

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

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

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

#### मान्यता

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

- (i) स्टार्टअप द्वारा डीपीआईआईटी द्वारा स्थापित मोबाइल ऐप अथवा पोर्टल पर ऑनलाइन आवेदन किया जाएगा;
- (ii) आवेदन के साथ निम्नलिखित प्रस्तुत करना आवश्यक होगा-
  - (क) यथा वांछित निगमीकरण अथवा पंजीकरण प्रमाण-पत्र की प्रति, और
  - (ख) व्यवसाय के स्वरूप का ब्यौरा 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 कम्पनी है अथवा एक सीमित दायित्व वाली भागीदारी में है, और अधिनियम की धारा 80-आईएसी के स्पष्टीकरण के उपखण्ड (i) तथा उपखण्ड (ii) में निर्धारित शर्तों को पूरा करता है, अधिनियम की धारा 80-आईएसी के प्रयोजन हेतु प्रमाण-पत्र प्राप्त करने के लिए प्रपत्र-1 में उसमें उल्लिखित दस्तावेजों सहित बोर्ड को आवेदन कर सकता है और बोर्ड संबंधित दस्तावेजों अथवा सूचना मंगाने और आवश्यक जांच के 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 कम्पनी अथवा वेंचर कैपिटल फंड;

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

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

(क) स्टार्टअप द्वारा व्यवसाय के दौरान, स्टॉक करने के लिए अथवा किराए पर देने के लिए उपयोग करने के अलावा, किसी आवासीय मकान के रूप में भवन अथवा तत्संबंधी भूसंपत्ति;

(ख) व्यवसाय के दौरान, स्टॉक करने के लिए अथवा किराए पर देने के लिए उपयोग करने अथवा अपने व्यवसाय हेतु स्टार्टअप द्वारा उसका इस्तेमाल करने के अलावा, किसी गैर-आवासीय मकान के रूप में भूमि अथवा भवन अथवा दोनों;

(ग) ऋण अथवा अग्रिम, उन ऋणों अथवा अग्रिमों को छोड़कर जो स्टार्टअप द्वारा सामान्य व्यवसाय के लिए उपयोग किए गए हैं तथा जहां पर धन उधार देना, व्यवसाय का आवश्यक हिस्सा है;

(घ) किसी अन्य एनटिटी के लिए किया गया पूंजीगत योगदान;



(ङ) शेयर और प्रतिभूतियां;

(च) स्टार्टअप द्वारा 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 सीबीडीटी को भेजेगा।

### कार्य-क्षेत्र

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

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

### निरसन

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

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

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

**प्रभाव**

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

[फा.सं. 5(4)/2018-एसआई]

अनिल अग्रवाल, संयुक्त सचिव

**परिशिष्ट-I****प्रपत्र -1**

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

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

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

**घोषणा**

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

कृते (स्टार्टअप का नाम)

(अधिकृत हस्ताक्षरकर्ता का नाम) पदनाम

स्थान: \_\_\_\_\_

दिनांक: \_\_\_\_\_

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

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

**प्रपत्र 2**

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

<कंपनी के लेटरहेड पर जारी किया जाए>

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

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

2. मैं जानता 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 जाएं।

## 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 - .....

(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**

**MHRD's Innovation Cell**

All India Council for Technical Education

Nelson Mandela Marg, New Delhi-110 070

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**Government of Madhya Pradesh**

**Madhya Pradesh Startup Policy and  
Implementation Scheme  
2022**



**Department of Micro, Small and Medium Enterprise**

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**Government of Madhya Pradesh**  
**Department of Micro, Small and Medium Enterprises**  
**MP Start-up Policy and Implementation Scheme, 2022**

## **1. Introduction**

Madhya Pradesh is the second largest state in the country in terms of area and is in the category of leading states in economic development. Investment friendly policies of the State Government, simplification of the processes related to industry and business sector, significant efforts in developing economic and social infrastructure have resulted in growth of investment climate in the State in the last years. It has been the endeavor of the State Government to generate maximum number of employments for the local youth of the State through innovation and entrepreneurship. The first Start-up policy in this series was implemented by the state in the year 2016. Keeping in mind the dynamics of the Start-up sector, the new start-up policy was again implemented in the year 2019. In the dynamics of Innovation and Start-ups, changes in the global economic environment, regulatory amendments, New Education Policy of the Government of India and Start-up ranking of states and above all a policy to fulfill the objectives of AatmaNirbharBharat Abhiyan and AtmaNirbhar Madhya Pradesh Roadmap 2023, another review has become necessary. Therefore, with the objective of making the Start-up Policy more holistic, inclusive, integrated and effective, it has been decided to implement "MP Start-up Policy and Implementation Plan-2022" by the State government.

The State Government has made special efforts to inculcate the spirit of innovation and start-up among the students from the school/college level under the new policy. Integrated arrangements have been made for effective adoption of the provisions of the policy by various departments of the government for comprehensive implementation of the policy. The objective is to provide Institutional support, Ease of doing business, basic infrastructure, supporting procurement policy, marketing, and other promotional support to the Start-ups, not limited to just financial assistance. A notable aspect of the policy is inclusion of special fiscal and non-fiscal incentives to encourage product-based start-ups.

## **2. Objectives**

The main objectives of the Start-up Policy and Implementation Plan,

2022, in the state: -

- i. Development of Start-up ecosystem through positive interventions and other catalytic programs.
- ii. To achieve 100% growth rate in start-ups registered and recognized in Startup India, Government of India.
- iii. To achieve 200% growth rate in start-ups in Agriculture and Food Sector registered and recognized with Startup India, Government of India
- iv. Increase in the number of product-based start-ups.
- v. Establishment of new incubation centers and capacity expansion of existing incubation centers.
- vi. Special programs to inculcate the spirit of innovation and start-up among students from school/college level.
- vii. Developing a culture to solve economic and social problems through innovation and start-ups.
- viii. To get the higher ranking in the State Start-up Ranking Framework of the Government of India.

### **3. Policy focus area -**

To achieve the objectives, the policy focuses on following five pillars -

- i. Institutional Support including Ease of Doing Business.
- ii. Promotion of product-based start-ups.
- iii. Promoting innovation and entrepreneurship.
- iv. Marketing support.
- v. Financial and non-financial assistance.

### **4. Operative period of the Policy**

This policy shall remain in force in Madhya Pradesh for a period of 5 years from the date of its notification, or until it is replaced by another policy, whichever is earlier.

## 5. Definitions

- 5.1 **“Startup”** means an entity which is recognized by Startup India under the Government of India, Ministry of Commerce and Industry Department of Industry Promotion and Internal Trade, and is established and registered in the State of Madhya Pradesh.

**Start-up promoted by the woman** shall be one in which her stakeholding should not be less than 51%.

- 5.2 **Product Start-up** means a start-up which manufactures a product which has a physical shape.
- 5.3 **Incubator** means an organization designed to support startup units during their early stage and helps them to develop a scalable business model through business support, resources and services. Along with this, it will be mandatory to have Start-up India recognition and to be established / working in Madhya Pradesh.
- 5.4 **Technology Business Incubator (TBI)** means an undertaking of universities, public research institutions, local government and private institutions, working to promote and support a new technology enterprise.
- 5.5 **Host Institution** means any Engineering College, Higher Education Institution, Industrial Establishment/Smart City Companies and other Society/Special Purpose Vehicle(s) located in Madhya Pradesh.
- 5.6 **Trade Receivables Discounting System (TReDS) Platform** means the Trade Receivables Discounting System as defined by Reserve Bank of India and approved institution for the purpose.
- 5.7 **State Level Start-up Empowered Committee** means the committee constituted under the chairmanship of the Chief Secretary for screening and selection of start-ups under the State Innovation Challenge and for smooth implementation and supervision of the policy.
- 5.8 **State Level Assessment / Evaluation Committee** means the committee constituted under the chairmanship of the Principal Secretary of the concerned department for the evaluation of the selected start-ups under the State Innovation Challenge.
- 5.9 **State Level Assistance Committee** means the committee

constituted under the chairmanship of the Principal Secretary/Secretary Department of Micro, Small and Medium Enterprises to approve the benefits of the facilities provided under the policy.

## **6. Support and Assistance to Start-ups and Incubators –**

Institutional, marketing, financial and business facilitation are the pillars to develop the Start-ups and Incubators ecosystem and provide them with the necessary support. The state government is determined to make the state an investment destination for Start-ups, especially Product-based start-ups, through these pillars.

### **6.1 Institutional Support -**

#### **6.1.1 Establishment of Madhya Pradesh Start-up Center –**

Establishment of Start-up center with subject matter experts under the patronage and aegis of Madhya Pradesh Laghu Udyog Nigam (MPLUN) for facilitation and providing necessary support to start-ups in the state, also providing an institutional platform and providing them ample opportunities in global and local market/events/workshops etc. The center will act as a dedicated agency for promoting, strengthening and facilitating the start-up ecosystem in the state.

#### **• Objectives and Scope of Start-up Center :-**

- i. Guiding and assisting Start-ups of the state.
- ii. Coordinating/continuous liaison with various departments of the State Government for necessary approvals for smooth functioning of the ecosystem.
- iii. To resolve complaints relating to any approval/promotion and any other issues in the prescribed manner.
- iv. It can review the start-up ecosystem of the state and make necessary recommendations to the state government.
- v. The center aims to make Madhya Pradesh a self-reliant start-up and innovation hub by promoting an innovation driven start-up ecosystem with the objective of creating and supporting entrepreneurship, innovation and start-up entrepreneurship in the state.

- vi. The center will facilitate to pitch/ showcase their services/products across various investment, market and other related platforms to encourage startup/innovative entrepreneurship. It will also help in providing mentorship support and raise capital/other financing from required investors from angel investors/corporate investors/other funding agencies registered with SEBI/RBI/other competent authorities.
- vii. Preparation of master database.
- viii. To provide guidance and support to the start-ups in resolving the problems faced by them in the context of company and tax laws.
- ix. Organizing Boot Camps, Challenge Competitions, Road Shows and Investor Meets/Workshops in and outside the State.
- x. Will act as a single window agency for start-ups and incubators.
- xi. Pre-market study and evaluation.

• **Human resource arrangement for the proposed center –**

➤ **Executive Head – 1**

➤ **Subject Experts - 3** (one each for Legal Affairs , Marketing & Financial and Project Management)

➤ **Associate Executive/Staff – 10**

The human resource requirement for executive heads and subject matter experts other than associate executives/staff will be met by professional experts working in this field. Salary will be provided to these posts as per prevailing market norms/emoluments. The estimated monthly salary of Executive Head will be Rs 2.50 to 3.00 lakh and that of subject specialist will be estimated as Rs 1.00 to 1.50 lakh. The arrangement of the above posts will be purely on contractual basis for a period of 3 years. This period can be extended for an additional year. Applications will be invited for these posts through advertisement in newspapers.

The provision of support staff will be made from the existing workforce working in the department and the corporations/institutions working under it.



- **Financial arrangement for the proposed center –**

The financial arrangement for the operation and maintenance of MP Start-up Center will be done from the internal restructuring of the Center for Entrepreneurship Development Madhya Pradesh (CEDMAP) and Madhya Pradesh Laghu Udyog Nigam (MPLUN) and the departmental budget allocation available under the Start-up head. The amount allocated in the budget of the department for the Venture Capital Fund will be used for the establishment of MP Startup Center and startup / innovation related activities.

### **6.1.2 Development of Robust Online Portal -**

A robust online portal will be developed for start-ups in the state, which will act as a bridge for mutual connects between start-ups, investors, incubators and other stakeholders. This portal will be integrated with the Startup India portal of the Government of India. Start-ups and incubators in the state will be provided the benefits of all the provisioned facilities primarily through this online portal.

### **6.1.3 Academic Support & Participation -**

In order to encourage start-ups, especially product-based start-ups and innovations in the state and to provide necessary technical and guidance support, they will get necessary support and participation from national and state level technical and management institutes/universities and other academic institutions. Madhya Pradesh Start-up Center will seek as much cooperation as possible from MSME Technology Center, Indore, and Bhopal, National Institute of Design Bhopal, IISER Bhopal, IIITDM Jabalpur etc, to provide the necessary high-tech machinery for the testing, research and development of the products envisioned by the startups.

Entrepreneurship development courses will be included in the curriculum in secondary, higher secondary and higher educational institutions. Brainstorming sessions and entrepreneurship related workshops will be organized regularly in these institutes. Internship will be encouraged to attract students towards entrepreneurship.

In order to make the students aware of the financial and non-financial facilities being provided by the government for starting start-ups, workshops for mutual discussion will be organized twice a year in collaboration with Start-up India.

### 6.1.3 Ease of Doing Business (EODB) –

For smooth operation of the start-ups and incubators of the state, they have to be facilitated to meet various regulatory requirements. Arrangement of post facto approval will be ensured for necessary permission/consent. Deemed Approval will also be given as per the provisions made in the Madhya Pradesh Public Service Guarantee Act, 2010 (as amended, 2020).

### 6.2 Marketing & Liquidity Support/Assistance -

Provisions will be made in the Madhya Pradesh Store Purchase and Service Procurement Rules, 2015 (as amended from time to time) for institutional marketing assistance to start-ups in the state as follows –

➤ Exemption from the conditions/parameters related to experience and turnover will be given to the start-up enterprises participating in the government tender up to Rs.1 crore. For government tender above Rs 1 crore, the concerned department can make provision for procurement of services/products separately from startups if it deems fit.

Proof of Concept for Start-ups will be accepted in the context of Tenders (NITs) / Request for Proposal (RFP) for service acquisition above Rs.1 Crore. Provided that there shall be no change in the conditions of quality of service or product and other essential qualifications under the aforesaid provision.

➤ All the Tenders (NIT) / Request for Proposal (RFP) of the State Government will be exempted from Security/ Earnest Money Deposit (EMD).

➤ Other -

State government corporations and key departments will be linked to the TReDS Platform (Trade Receivable Discounting System) authorized by the Reserve Bank of India as far as possible, so that the start-ups do not face liquidity crunch.

### 6.3 Financial Assistance

#### 6.3.1 For Start-ups and incubators established in the state –

➤ **Assistance on investment received** - For a start-up that has received funds/investments from a financial institution recognized by SEBI (Security and Exchange Board of India)/RBI, assistance will be

given at the rate of 15% maximum upto Rs.15 lakh, of the first investment received. This assistance will be payable at the rate of 15% separately for each of the investments received over a maximum of four stages during the life of the start-up.

In the above context, assistance of Rs. 5 lakh will be given to the concerned incubators located in Madhya Pradesh.

- Additional 20 percent assistance to Startups set up by Women.
- **Event Organizing Assistance** – Assistance of Rs. 5 lakh per event to incubators located in Madhya Pradesh for organizing events related to start-ups not exceeding Rs. 20 lakh per annum.
- **Incubation Upgradation Assistance** - One time assistance of Rs.5 lakhs for the up-gradation of Incubators, but to avail this facility, each Incubator will have to increase its existing seat capacity by an additional 20%. This facility will be available only once in the entire life of the incubator.
- **Lease Rental Assistance** – 50% up to a maximum of Rs. 5000/- per month lease rental assistance for three years, on the rent paid per month for the workspace taken on lease by the startups. The said assistance will also be available to the product-based startups set up in industrial areas/parks/clusters owned or aided by the State Government, on the lease rent and maintenance charges paid by them on the plot/shed/constructed space taken on lease. Provided that the said assistance shall not, under any circumstances, exceed 50% of the amount paid in the above items, subject to a maximum of Rs. 5000/- per month and for a period not exceeding three years.
- **Patent Assistance** - Maximum assistance of Rs.5 lakh for obtaining a patent subject to the condition that the patent is obtained for a start-up established in the state.

### **6.3.2 Special financial assistance and support for product-based start-ups**

- Concurrent License/Consent facility for one year.
- Facility to use the required machine in MSME Technology Centre, Bhopal and Indore.
- **Training Expenditure Reimbursement** – In view of the need of technical and skilled workers to start-ups, the assistance of

reimbursement of expenditure for skill development and training will be given to a maximum of 25 employees per new employee Rs 13000 per year for three years. This assistance will be available only to the employees domiciled in Madhya Pradesh.

- **Employment Generation Assistance** - All the new employees appointed by the employer in the product based start-up unit in the first three years from the date of commencement of commercial production will be eligible to get the benefit of assistance of Rs.5000 per employee per month. The assistance period will be maximum 3 years and will be given to maximum 25 employees only. This assistance will be limited to a period of 5 years from the date of commencement of commercial production in the unit. This means that the new employee appointed in the third year will be eligible for employment generation assistance for the next two years from the date of his appointment. The said assistance will be subject to the following conditions:-

Sr. No.	Time Period	Minimum average percentage of employment available to the natives of Madhya Pradesh out of total employed employees from the date of commencement of unit production
1	within 1 year	50 %
2	within 2 years	75 %
3	within 3 years	90 %

If the above condition is not fulfilled, the employment generation assistance being provided to the unit will be deducted proportionately.

- **Exemption on Electricity Duty** - All eligible new units having new electricity connection shall be exempted from electricity duty for 3 years from the date of connection.

- **Concession in Electricity Tariff** - Supply of electricity in the project on new electricity connection at a fixed rate of Rs.5 per unit for 3 years from the date of commercial production in the unit.

- The benefits of the facilities provided in the prevailing MSME Development Policy, will be available subject to the conditions.

### **6.3.3 Financial assistance / non-financial assistance under the State Innovation Challenge –**

Special Financial Assistance will be provided to the selected concept for redressal of four high-impact economic-social problems of the state. For this, concepts will be invited from all types of institutions (including Start-ups) and they will be circulated to all the concerned departments for their views. The concepts on the recommendation of the departments will be placed before the Screening/Selection and Empowered Committee constituted in this context under the chairmanship of the Chief Secretary. The committee will select four best concepts based on the specificity, merits and demerits of the above concepts and problem-solving ability. For evaluation and monitoring of selected start-ups, a State Level Evaluation and Monitoring Committee will be constituted under the chairmanship of the Principal Secretary of the concerned department. The nature of assistance will be as follows –

- Grant up to Rs.1 crore, which will be provided in maximum four phases or as decided by the competent committee for this purpose. The selected start-ups will be assessed, monitored and evaluated by the competent committee on the basis of the work done by them.
- Exemption or reimbursement and ex-post facto clearance from all necessary license/consent charges.
- Procurement Assistance in state for two years. If found suitable, the provisions of Madhya Pradesh Store Purchase and Service Procurement Rules, 2015 (with amendments from time to time) can be relaxed.
- Utilization of facilities, office space and meeting arrangements with office support available in Atal Bihari Bajpai Institute of Good Governance and Policy Analysis, Bhopal.
- If a product-based start-up is selected, then it will also be able to get the benefits of the facilities provided for product-based start-ups in the policy.

### **7.Procedure & Guidelines**

Start-ups and incubators will be provided the benefits of the facilities provided under the policy as per the attached procedure and guidelines.

### **8.The Powers to amend / relax / repeal -**

Subject to the provisions under the policy, Government of

Madhya Pradesh, Department of Micro, Small and Medium Enterprises at any time -

- 8.1** Can amend or repeal this policy.
- 8.2** Can relax the provisions of this policy.
- 8.3** May issue directions/clarifications/guidance to clarify the provisions of the policy.
- 8.4** The Madhya Pradesh Start-up Policy, 2019 shall become ineffective from the date of coming into force of this policy.

## **9. Jurisdiction**

In case of any dispute, the jurisdiction shall be within the State of Madhya Pradesh.

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**Note :** This document is English translation of “*Madhya Pradesh Startup Niti evam Karyanvayan Yojna, 2022*” (Hindi Version)