



# NRI Institute of Technology

## National Innovation & Startup Policy (N.I.S.P)

NRIT – E.P.I.C Innovation and Startup Policy – 2022



## NRI INSTITUTE OF TECHNOLOGY

(Autonomous)

(Accredited by NAAC with A-Grade:: ISO 9001-2015 Certified)

(Approved by AICTE, New Delhi)

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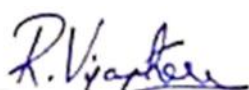
## PREAMBLE

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. This led to the 'National Innovation and Startup Policy (NISP)'.

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.

In context to the N.I.S.P-2019, an Eleven-member committee for N.I.S.P (National Innovation & Startup Policy) was constituted in NRIIT which works in association with Entrepreneurship Promotion and Incubation Centre (E.P.I.C). This N.I.S.P committee formulates detailed guidelines for various aspects related to Innovation, Startup and Entrepreneurship management. Also, this committee deliberates on various facets for nurturing the Innovation and Startup culture in NRIIT, which covers Intellectual Property ownership, revenue sharing mechanisms, norms for technology transfer and commercialization, equity sharing, etc. After multiple rounds of meetings, NRIIT Innovation and Startup Policy was prepared for students and faculties.

NRI-EPIC encourages Entrepreneurial skills and Ideas across all disciplines and establishes collaborations with Industries and entrepreneurs to guide our students so as to develop and customized products for commercialization.



**(Mr.R.Vijay Krishna)**  
N.I.S.P Coordinator, NRIIT



**(Dr.C.Naga Bhaskar)**  
Principal, NRIIT

## **VISION**

To foster the Entrepreneurial environment in the Institution by inculcating the Entrepreneurial qualities in the students who can build and contribute to the sustainable national economy.

## **MISSION**

1. To make the students vigilant about the Entrepreneurial path by inspiring them through various activities.
2. To serve as a catalyst for entrepreneurship by supporting and incubating entrepreneurial ideas.
3. To become the center of excellence to motivate and enable the students to become entrepreneurs and achieve success in initiating and developing their own enterprises.

**NRIIT - N.I.S.P Committee**  
**to implement**  
**E.P.I.C – Innovation and Startup Policy – 2022**

Students those have any innovative idea and want to establish a successful startup are advised to contact the following faculty of the committee. The nominated faculties will help them to show direction to avail pre-incubation and incubation facility.

<b>Name of Member</b>	<b>Member Type</b>	<b>Role of the member in N.I.S.P</b>	<b>E-Mail ID</b>
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## 1. Strategies and Governance

- a. Entrepreneurship promotion and development is one of the major dimensions of the NRI-EPIC strategy. To facilitate development of an entrepreneurial ecosystem in the organization, specific objectives are well defined.
- b. Implementation of entrepreneurial vision in NRIIT institute shall be achieved through mission statements. The entrepreneurial agenda is the responsibility of NRI-EPIC Coordinator, a senior person to bring in required commitment and well understood by the higher authorities.
- c. Resource mobilization plan was worked out in the institute for supporting pre-incubation, incubation infrastructure and facilities. A sustainable financial strategy was defined in order to reduce the organizational constraints to work on the entrepreneurial agenda.
  - i. Investment in the entrepreneurial activities was a part of the institutional financial strategy. A minimum 1% fund of the total annual budget of the institution shall be allocated for funding and supporting innovation and startups related activities.
  - ii. The strategy involving raising of funds from diverse sources to reduce dependency on the public funding and 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 was being encouraged.
  - iii. To support technology incubators, NRI-EPIC may approach private and corporate sectors to generate funds, under Corporate Social Responsibility (CSR) as per Section 135 of the Company Act 2013.
  - iv. NRI-EPIC shall actively engage alumni network for promoting Innovation & Entrepreneurship (I&E).
- d. For expediting the decision making, hierarchical barriers were minimized and individual autonomy and ownership of initiatives were being promoted.
- e. Importance of innovation and entrepreneurial agenda was being publicized across the institute and promoted and highlighted at institutional programs such as conferences, convocations, workshops, etc.
- f. Student and faculty startup Incubation Policy and action plan was formulated at Institute level, which is in line with the current document along with well-defined goals to accomplish the policy objectives.
- g. NRI-EPIC develops and implements I & E objectives and incubation policy for the entire institute in order to integrate the entrepreneurial activities across various centers, departments, faculties, within the institute, thus breaking the silos.



h. Product to market strategy for startups were being developed by the NRI-EPIC on case to case basis.

i. Development of entrepreneurship culture is not being limited within the boundaries of the institution.

i. NRI-EPIC will 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 shall be developed using bilateral and multilateral channels with international innovation clusters and other relevant organizations.

## **2. Startups Enabling Institutional Infrastructure**

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

a. NRI-EPIC create facilities within their NRI 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 was accessible 24x7 to students, staff and faculty of all disciplines and departments across the institution.

c. NRI-EPIC allows more freedom to Incubators in decision making with less administrative hassles for executing the programs related to innovation, IPR and Startups.

d. NRI-EPIC offers mentoring and other relevant services through Pre-incubation/Incubation units.

## **3. Nurturing Innovations and Start ups**

a. NRI-EPIC established processes and mechanisms for easy creation and nurturing of Startups/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, NRI-EPIC 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 with the help of nearest incubation facilities in other HEIs.

- ii. Will allow licensing of IPR from institute to start up: Ideally students and faculty members intending to initiate a startup based on the technology developed or co-developed by them or the technology owned by the institute, shall 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 startup (including social startups) and working part-time for the startups while studying / working: NRI-EPIC may allow the students / staff to work on their innovative projects and setting up startups (including Social Startups) or work as intern / part-time in startups (incubated in any recognized HEIs/Incubators) while studying / working. Student inventors may also be allowed to opt for startup in place of their mini project/ major project, seminars, summer trainings. The area in which student wants to initiate a startup may be interdisciplinary or multidisciplinary. 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 shall be allowed to use the address of the institute to register their company with due permission from the institution.
- d. Students entrepreneurs shall 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. NRI-EPIC shall allow the 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 startups and re-join academics to complete the course. Student entrepreneurs may earn academic credits for their efforts while creating an enterprise. Institute shall 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. NRI-EPIC shall 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 shall 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.



i. Guidelines issued by AICTE for a similar program:

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 provider's/ angel funds/ venture funds or itself may set up seed-fund once the incubation activities mature.

j. In return of the services and facilities, NRIIT 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 NRIIT institute has no legal liability arising out of startup. The NRIIT institute shall 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, NRIIT institute can take no-more than 20% of shares that staff / faculty takes while drawing full salary from the NRIIT 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 NRI-EPIC shall 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. NRI-EPIC could extend this startup facility to alumni of the institute as well as outsiders.

m. Participation in startup 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 shall 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. NRIIT might update/change/revise performance evaluation policies for faculty and staff.

p. NRIIT shall 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 NRI-EPIC may consider modifying the policy in spirit of these guidelines.

#### **4. Product Ownership Rights for Technologies Developed at NRIIT**

a. When NRIIT 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 NRIIT.

i. Inventors and NRIIT could together license the product / IPR to any commercial organization, 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. NRIIT 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 NRIIT and the incubated company.

b. On the other hand, if product/ IPR is developed by innovators not using any NRIIT 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-member committee consisting of two faculty members (having developed sufficient IPR and translated to commercialization), two of the NRIIT's alumni/ industry experts (having experience in technology commercialization) 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. NRIIT can use alumni/ faculty of other institutes as members, if they cannot find sufficiently experienced alumni / faculty of its own.

d. NRIIT IPR cell or incubation center will only be a coordinator and facilitator for providing services to faculty, staff and students. It will have no say on how the invention is carried out, how it is patented or how it is to be licensed. If NRIIT is to pay for patent filing, it 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 NRIIT'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 shall be promoted by NRI-EPIC.

## **5. Organizational Capacity, Human Resources and Incentives**

a. NRIIT shall recruit staffs 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 shall be deputed for training to promote I&E.

ii. To achieve better engagement of staff in entrepreneurial activities, NRIIT policy on career development of staff shall be developed with constant upskilling.

b. Faculty and departments of the NRIIT have to work in coherence and cross-departmental linkages shall 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 shall be encouraged to do courses on innovation, entrepreneurship management and venture development.

e. In order to attract and retain right people, NRIIT shall 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 shall 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 were devised at NRIIT institution level.

i. Spreading awareness among students, faculty and staff about the value of entrepreneurship and its role in career development or employability was a part of the NRI-EPIC institutional entrepreneurial agenda.

ii. Students/ staff shall 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 are 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 shall be routinely organized.

iv. To prepare the students for creating the start up through the education, integration of education activities with enterprise-related activities shall be done.

b. The NRI-EPIC shall 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 NRIIT had established Institution's Innovation Councils (IICs) as per the guidelines of MHRD's Innovation Cell and shall allocate appropriate budget for its activities. IICs should guide NRI-EPIC 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 NRIIT, access to financing shall 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 subsidized 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. NRI-EPIC shall develop a ready reckoner of Innovation Tool Kit, which shall be kept on the homepage on NRIIT 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 shall be created by NRIIT. 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. NRIIT shall 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 shall go on sabbatical/ leave without pay/ utilize existing leave.
- c. Faculty shall 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 NRIIT 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 shall 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 were created for organizing competitions, boot camps, workshops, awards, etc. These bodies shall be involved in institutional strategy planning to ensure enhancement of the student's thinking and responding ability.
  - ii. NRI-EPIC shall start annual 'INNOVATION & ENTREPRENEURSHIP AWARD' to recognize outstanding ideas, successful enterprises and contributors for promoting innovation and enterprises ecosystem within the NRIIT.
  - iii. For creating awareness among the students, the teaching methods shall 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.
  - v. Innovation champions shall be nominated from within the students/ faculty/ staff for each department/ stream of study.
- b. Entrepreneurship education shall be imparted to students at curricular/ co-curricular/ extracurricular level through elective/ short term or long-term courses on innovation, entrepreneurship and venture development.
  - i. Integration of expertise of the external stakeholders shall 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, NRI-EPIC shall conduct an induction program about the importance of I&E so that freshly inducted students are made aware about the entrepreneurial agenda of the NRIIT and available support systems. Curriculum for the entrepreneurship education shall be updated based on entrepreneurship research outcomes. This shall also include case studies on failures.
  - iii. Industry linkages shall be leveraged for conducting research and survey on trends in technology, research, innovation, and market intelligence.
  - iv. Sensitization of students shall be done for their understanding on expected learning outcomes.
  - v. Student innovators, startups, experts shall be engaged in the dialogue process while developing the strategy so that it becomes need based.
  - vi. Customized teaching and training materials shall 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 NRIIT for inculcating entrepreneurial culture should be constantly reviewed and updated.

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

a. Stakeholder engagement shall be given prime importance in the entrepreneurial agenda of the NRI-EPIC. NRI-EPIC shall 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 shall be ensured between institutes such as incubators, science parks, etc.

ii. NRI-EPIC shall organize networking events for better engagement of collaborators and shall 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 shall be developed by the NRI-EPIC 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 shall be to create successful ventures.

b. The NRI-EPIC shall develop policy and guidelines for forming and managing the relationships with external stakeholders including private industries.

c. Knowledge exchange through collaboration and partnership shall be made a part of NRI-EPIC 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 NRIIT shall be given the opportunities to connect with their external environment.

ii. Connect of the NRIIT with the external environment shall be leveraged in form of absorbing information and experience from the external ecosystem into the NRIIT's environment.

iii. Single Point of Contact (SPOC) mechanism shall be created in the NRIIT for the students, faculty, collaborators, partners and other stakeholders to ensure access to information.

iv. Mechanisms shall be devised by the NRI-EPIC to ensure maximum exploitation of entrepreneurial opportunities with industrial and commercial collaborators.

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

## **10. Entrepreneurial Impact Assessment**

a. Impact assessment of NRIIT's entrepreneurial initiatives such as pre-incubation, incubation, entrepreneurship education shall 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 shall be assessed.

ii. Number of startups created, support system provided at the institutional level and satisfaction of participants, new business relationships created by the NRI-EPIC shall be recorded and used for impact assessment.

iii. Impact shall also be measured for the support system provided by the NRI-EPIC 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 NRIIT is the main objective. The roadmap suggested through this document is 'broad guidelines' and if required, NRIIT may develop its own comprehensive guidelines and policy on innovation and startups with greater details. The NRI-EPIC is 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 startup 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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**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.

