Guidelines and Standard Operating Procedure (SOP)
for Support to HEIs for E-Cells
as per Arunachal Pradesh Startup Policy 2021

1	Summary of Financial Support to e-Cells at HEIs

The Arunachal Pradesh Startup Policy 2021 will aim to set up Entrepreneurship Cells (E-Cells) in selected Higher Education Institutes (HEIs) by providing advisory assistance and capacity building support. These e-cells will act as incubation hubs at institute level to foster the culture of innovation and entrepreneurship among the youth. Startups will have to apply to the e-cells through the Investment Division.

Investment Division shall make provision for a funding support of Rs. 50 lakhs per year to up to five HEIs for setting up and operating the E-Cells. After selection of the HEI, one-time grant will be provided, then fund will be provided through annual reimbursements based on activities performed as shown in the table below.

Components for a HEI for 5 Years	Target No.	Budget per event (Rs. Lakhs)	Total budget per HEI (Rs. Lakhs)	Eligibility
One time grant for setting up e-Cell	1	10	10	Selection by Investment Division
Marketing & promotions	5	3	15	Annual reimbursement based on actual activities and subsequent documentation as per Startup India ranking framework
Incubation Support	50	1	50	
Mentoring support	20	1	20	
National Events	5	2	10	
Intl. Events	1	10	10	
Workshops, meets	20	0.5	10	
		Total	**125**	**Max. Rs. 25 lakhs per annum**

1. **One time grant for setting up e-Cell** would refer to HEIs being selected by Investment Division. This grant will be provided to set up basic physical and administrative infrastructure.

2. **Marketing and promotion** will include activities for sensitization to students and the larger sections of the society, product promotions, cross promotion of other ecosystem activities including Startup India activities. Social media should play a major role in these promotions.

3. **Incubation support** to startups will be defined by pre-incubation and incubation support provided to startups as per activities defined under the policy and guidelines and as per Startup India ranking framework.

4. **Mentoring support** would entail enlisting of mentors by e-cells and arrange to provide mentoring support to startups. e-Cells will record visits, duration of stay, sector and hours of mentoring support provided, among others and as per Startup India ranking framework, to be eligible to claim reimbursements.

5. **National Events, International Events, Workshops and meets** would refer to events carried out to promote startups or products, buyer seller meets, etc. – as defined in the Startup India Ranking Framework document.

2   Eligibility and Selection of HEIs

Five HEIs would be selected to receive support to set up e-Cells. The HEIs should be selected based on their geographic location to ensure equitable distribution of this facility across the state, and also on first come first serve basis to ensure ecosystem activities for a longer period.

Eligibility criteria of HEIs:

1. Operating in Arunachal Pradesh

2. Approved by University Grants Commission (UGC) or National Assessment and Accreditation Council (NAAC) or Govt. of India or Govt. of Arunachal Pradesh affiliated/recognized or Institutions registered under Companies Act-2013

3. Proposal for setting up e-cell on college premises

Selection criteria:

1. Preference to early birds for maximum utilization of the policy period

2. Preference to larger institutes with higher numbers of students and teachers to reach out to maximum numbers of potential startup beneficiaries

3. Preference to availability of experts in faculty pool and tie ups with external institutions that support innovation and research.

4. Selection should also take into account a broader geopathic reach of the institutes across the state so that facilities are not concentrated in one location

3   Selection and Fund Disbursement Process

Investment Division will set up an expert committee to evaluate the applications from institutes and send out an open invitation to apply for setting up e-cells.

Stage 1: Enrolling of Institute in the Startup Portal

1. Institutes will apply to set up the e-Cell, along with mandatory documents including detailed proposal, identified faculty and mentors, cost estimate, etc.

2. The expert committee will evaluate the applications and select five winners

3. Investment Division will enlist the five selected institutes to set up e-Cells

Stage 2: One time grant to e-cells

1. Startup Council will approve release of funds to selected five HEIs

2. All five HEIs will be provided one time grant to kickstart the e-cell activities

Stage 3: Reimbursement for e-cell activities over the policy period

1. HEI will submit list of events and activities as per the components described in this guideline and in Startup India ranking frameworks. This will be an annual submission after completion of one year from the date of enlistment of e-cells with the Investment Division.

2. An evaluation committee will verify the annual reports and recommend fund disbursement to Startup Council

3. Startup Council will approve, partially approve or reject reimbursement based on the recommendation provided

4. Reimbursements to HEIs will be provided based on Startup Council approval.

Note: HEIs do not need to submit any expenditure receipts, reimbursement should be provided based on achievement of milestones only.

4	Responsibilities of e-cells at HEIs

Generic list of support to be provided by e-cells are listed below. HEis would have to follow Startup India guidelines as amended from time to time.

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

b. 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.

c. 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 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.

d. 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.

e. 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.

f. 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:

- Short-term/ six-month/ one-year part-time entrepreneurship training.

- Mentorship support on regular basis.

- 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.

- 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.

g. 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.

h. 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.

i. Institute should recruit staff that have a strong innovation and entrepreneurial/ industrial experience, behavior and attitude. This will help in fostering the I&E culture.

j. Quarterly 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.

k. Faculty and staff should be encouraged to do courses on innovation, entrepreneurship management and venture development.

The Best **Practice** framework to be adopted by the Institute to enable the startups

- Creation of pre-incubation and incubation facilities for nurturing innovations and startups in HEIs institutions should be undertaken.

- All HEIs are advised to create facilities within their institution for supporting pre-incubation and Incubation/ acceleration by mobilizing resources from internal and external sources.

- This Pre-Incubation/Incubation facility should be accessible 24x7 to students, staff and faculty of all disciplines and departments across the institution.

- 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.

5	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.

b. Faculty must clearly separate and distinguish on-going research at the institute from the work conducted at the startup/ company.

c. 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 up upon the decision of review committee constituted by the institute) may be permitted to the faculty.

d. 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.