

**Government of Odisha
MSME Department**

NOTIFICATION

No.MSME-(G&M)-188/16 592/MSME, Bhubaneswar, the 31st January, 2017

Sub: Operational Guidelines for Odisha Startup Policy-2016

1. Operative Period

29.08.2016 to 28.08.2021 or until substituted by another policy, whichever is earlier.

2. Who is eligible to get the benefit?

I. Following bodies are eligible for Incubator related benefit:

- a. Universities – which are in existence for at least 5 years or ;
- b. Educational institutions – which are in existence for at least 5 years or ;
- c. Incubators recognised by State or Central Govt. or ;
- d. Industry Group (Corporates / PSU / Industrial Unit) which are in existence for at least 5 year in the state of Odisha and has or building an Incubator to support and mentor Startups in the state of Odisha.

II. Following bodies are eligible to Startup related benefit:

- a. Recognized Startups as per Odisha Startup Policy.

3. Startup Definition

An entity will be considered as Startup under Odisha Startup Policy if following conditions are met:

- a. The date of incorporation / registration is not prior to five years;
- b. Annual turnover not exceeding Rs. 25 crore, for any preceding financial year;

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- c. Such entity is working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property and makes it scalable for achieving commercial success;
- d. Registered in Odisha or employs at-least 50 percent of its total qualified workforce in Odisha;
- e. Such entity is not an extension of existing family business; or formed by splitting up or reconstruction of a business already in existence and
- f. Entity means a private limited company (as defined in the Companies Act, 2013), or a registered partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2002).

4. Nodal Agency

Nodal Agency shall mean reputed Govt Institutions as approved by the Startup Council for certifying Startup for all categories.

5. Assistance available under Odisha Startup Policy- 2016

A. Assistance to Incubator

- a. One-time grant of 50% of the capital cost (excluding the cost of building) up to a maximum of Rs.1.00 crore to set up incubation facility and such assistance shall be available to Universities/Educational Institutions only.
- b. Reimbursement of Rs.1.00 lakh per year for a period of 3 years for providing free internet, free electricity and mentoring services.
- c. Performance capital grant of Rs.5.00 lakh to be given to incubator for its each incubated Startup (current or past) that has received series "B" funding.

B. Assistance to Startup

- a. Monthly allowance Rs.10,000 will be provided to a Startup for a period of one year, if the Startup has got the seed round funding approved.

- b. Marketing/Publicity assistance up to Rs.5.00 lakh shall be reimbursed to a Startup for introduction of innovated product in the market after series "A" funding.
- c. Need based assistance towards cost of raw material / components and other related equipment required for the innovative process for the new product development / existing product improvement as per the recommendation of the Startup Council / State Level Implementation Committee.

6. Application Form

Annexure-I A Incubator Application form

I B Application form for financial assistance to Incubator

I C Form for recommendation by Expert Committee

Annexure-II A Application Form for Startup registration

II B Application form for financial assistance to Startup

II C Form for recommendation by Expert Committee

7. Procedure

A. Assistance to Incubator: Registration and Financial Assistance

Registration of Incubator

- a. The institution, which wants to set up Incubator, would submit its proposal online (Application form at Annexure I A).
- b. The proposal would be examined by the Nodal Agency which will give recommendations on the proposal to the Startup secretariat within 2 weeks from the date of receipt of the application (in the space provided in the Application Format Annexure I A).
- c. The Startup Secretariat after obtaining approval of the State Task Force would give a unique registration number to the Incubator.

Financial Assistance to Incubators

- a. The Incubator can apply for financial assistance under the Startup Policy, i.e. (i). one-time Capital Grant, (ii). Reimbursement of Utilities/Mentoring Service assistance and (iii) Performance Capital Grant (Application Form at Annexure-IB).

- b. The application would be evaluated by the Nodal Institution and its recommendations would be forwarded to the Startup Secretariat in the space provided for it in the Application Form at Annexure-IC within 2 weeks from the date of receipt of the application.
- c. The Startup Secretariat would release funds to the Incubator after taking necessary approval of the State Task Force.
- d. The funds would be transferred to Bank account of the concerned Incubator. The Startup Secretariat would release funds to Incubator as per guidelines below :

i. Capital Grant :

1. Approved capital grant would be released in three instalments in the ratio of 40:40:20 subject to furnishing of utilisation certificate of the released instalment and furnishing of proof of matching contribution of 50% by the Incubator.
2. The Incubator would be required to furnish the completion certificate within a period of three months of release of the last instalment of 20%.

ii. Reimbursement of utilities and mentoring assistance :

1. Funds would be released in three annual instalments on submission of actual bills subject to a maximum of Rs.1.00 lakh per year for 3 years.

iii. Performance Capital Grant :

1. Performance capital grant of Rs.5.00 lakhs per successful Startup would be released on approval by the State Level Task Force.

B. Assistance to Startups

Registration of Startups

- a. The Startup would submit its proposal of registration online (Application Form at Annexure-II A).

- b. The application will be reviewed by the Nodal Institution which will give its recommendation in the specified space in the Application would forward it to Startup Secretariat within 2 weeks.
- c. The Startup Secretariat after obtaining approval of Task Force would assign a unique registration number to Startup in the specified space in the Application Form.

Financial Assistance to Startups

- a. The Startup can apply for financial assistance under the Startup Policy, i.e. (i) monthly allowance of Rs.10,000 for a period of one year(ii) Marketing / Publicity assistance(iii)Need based assistance (Application Form at Annexure-II B).
- b. The application would be examined by the Nodal Institution and its recommendations would be forwarded to Startup Secretariat within two weeks (Form at Annexure II C).
- c. The Startup Secretariat would release funds to the Startup after taking necessary approval of the Task Force.
- d. **Fund release guideline :**

- i. The funds would be transferred to the Bank A/c of the concerned Startup.
- ii. Monthly Allowance: Monthly allowance would be released based on the progress report submitted at the beginning of each quarter, starting from second quarter. The progress report would be submitted to Startup Secretariat through the Nodal Agency. The Nodal Agency would get it evaluated by the Expert Committee (comprising of Technology Expert, Finance Expert, Business/Market Expert, Design Expert and special invitee, as per need), whose approval would be needed for continuation of monthly allowance.
- iii. Reimbursement of Marketing and Publicity Assistance: The assistance would be reimbursed on furnishing of the requisite

bills/vouchers after due scrutiny and certification by the Nodal Agency.

- iv. Raw Material Assistance: Raw material assistance would be reimbursed in two instalments in the ratio of 60:40 on submission of Utilisation Certificate.

8. The Operational Guidelines of Odisha Startup Policy-2016 has been concurred in by Finance Department vide their UOR no - 14ESII dated 25-01-2017.

By order of Governor

[Signature]
(L.N. Gupta) 31.01.17

Principal Secretary to Government

Memo No. 593 **.MSME,**

Date: 31.01.2017

Copy forwarded to All Departments/ All Heads of Departments/ All PSUs/ CEO, IED, Odisha/ All Revenue Divisional Commissioners/ All Collectors/ All DICs/ All RICS/ Head, State Portal Group, IT Centre, Secretariat, Bhubaneswar/ All Sections of MSME Departments/ Guard File (5 copies) for information and necessary action.

[Signature]
Additional Secretary to Government

OFFICE OF THE DIRECTOR OF INDUSTRIES, ODISHA, CUTTACK.

Memo No. IP-XI 09/2017 1740 **Dt.** 20/02/2017 *** (30)

Copy to All Industries Associations/All Officers of Industries Directorate/Small Scale Section/Food Processing Cell for information and necessary action.

[Signature]
Addl. Director of Industries (Hqr.)
Odisha, Cuttack.