

Draft V1.0
Jharkhand Startup Policy-2021



Department of Information Technology & e-Gov.
Government of Jharkhand

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Preamble

Jharkhand as state exhibits robust business-friendly ecosystem, promoting innovation and nurturing entrepreneurial spirits. The government of Jharkhand is dedicated to craft opportunities for various stratum of the society by providing an equitable ecosystem for the development of entrepreneurship and innovation.

The state through this policy is providing a hand holding approach for start-ups by enabling, empowering and engaging them from a very nascent stage and be the partner in their growth journey. The policy focuses on systematic effective pathway with short-term orientation to boost entrepreneurship, revitalize the economy, and investment in the state in coming 5 years and also paves a strategic long-term roadmap for inculcating and promoting the culture of entrepreneurship at individual as well as societal level

Vision

To be amongst the top ten leading startup States in the country by the year 2026, by providing an environment to “Entrepreneurs and Startups” for the creation of successful, innovative, and impactful enterprises through dedicated network of incubation centers, SEB and HEI’s.

Mission

Developing Entrepreneurship ecosystem to facilitate the growth and scaling of at least 1000 direct startups, and support 1500 startups virtually in coming next 5 years

Objectives

- To create 1,00,000 sq. ft. of dedicated incubation space offering end-to-end support for the start-ups in the State.
- To create a robust and synergetic platform for the Academia (04 incubation centres previously selected by SEB and more incubation centres at higher educational institutes in Jharkhand) and industry to supplement each other’s efforts.
- To facilitate the development of as many as innovative technology-based start-ups, with social impact, specific to the needs of the state in this policy plan period
- To promote gender equality, environmental sustainability, and improve social factors among others.
- To promote entrepreneurship in educational institutions (primary, secondary, and higher educational institutions).
- To support young minds and talent from schools, colleges, and universities from Jharkhand.
- Developing pool of investors to support start-ups on funding & internship opportunities

Policy Validity: This policy will be valid from 19.09.2021 to 18.09.2026.

Components of Jharkhand Startup Policy 2021

The Government of Jharkhand proposes a two-pronged approach to create a robust startup –cum- entrepreneurial ecosystem under its Startup Policy 2021. The first part of the policy proposes an Action Plan while the second part of the policy elucidates the various enablers that are required for creating successful startups as well as creating the larger entrepreneurial ecosystem in the State.



Figure 1: Enablers of Jharkhand Start-up Policy 2021

1. Action Plan

1.1. Startup support

This action plan aims to offer support tailored to the need of each entrepreneur and the current stage of development of their Idea/venture. It shall provide one-on-one customized support covering a broad range of topics, services, and resources important to the growth of new startup companies through government/government-supported incubation centers and accelerators.

1.1.1. Idea/Seed/Prototype stage - Support and funding

- Any individual or group of individuals with an innovative idea/concept can apply in agnostic sector to ABVIL. A '*State Evaluation Board*' will select the idea/concept based on pre-defined criteria and their decision will be final.
- The selected individual or the group shall be provided with a stipend of INR 15,000/- per group member (maximum 3) per month for 12 months as a subsistence allowance from the selection date.
- *Females, SC/ST and Divyang (differently-abled) members from the selected concept/idea shall be eligible for an additional INR 2000/- per month above the subsistence allowance*
- During this duration, the selected individual/group has to work on:
 - a) Idea research, Idea development, and Concept validation
 - b) Prototype development
 - c) Business plan development
- *The selected idea/concept will be eligible for maximum financial support of INR 10 lakh, for the development of the prototype of their product/solution in **subsequent phases**, based on the estimated plan submitted. Thereafter, previous vouchers should be submitted to take another phase amount.*
- All the selected ideas/concepts will be provided free of cost mentoring, access to lab facilities, and all other facilities available in incubation center for maximum period of 1 (One) year.
- The idea/concept will be registered as a '*Startup Entity*' during this period of incubation.

1.1.2. Secondary stage or Scale-up Stage - Support and funding for the Startups

- Selected startups would be provided with mentorship and acceleration support.
- *A one-time marketing grant of up to INR10 lakh would be provided to startups for successful launch and marketing of the product/solution in **subsequent phases**.*
- The Government of Jharkhand can provide financial support to startups for scaling their product/solution and expansion of their businesses by its internal fund.

2. Enablers

2.1. Infrastructure

The Government of Jharkhand intends to build connective infrastructure between academic and research institutions, industry and their associations, funding institutions, and other relevant stakeholders to accelerate entrepreneurial growth and success.

To do so, it has come up with an Hub and Spoke (HAS) model for developing startup ecosystem and incubation centers across the state. Government of Jharkhand will set up a *Central Incubation Lab* in State's capital to function as the hub of all government/government-aided incubation centers in the state. The State shall help the institutions of higher learning with one-time endowment funds to create new or upgrade their

existing incubation centers which would act as the spoke or the peripheral incubation centers.

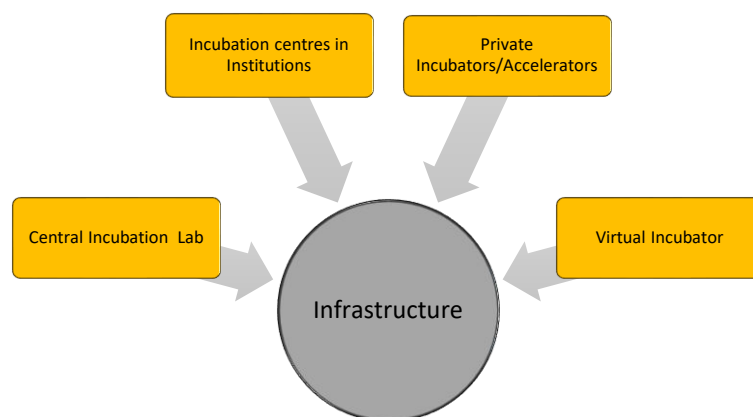


Figure 2: Overview of the Infrastructure

Government of Jharkhand will provide dedicated MOOC's (Massive Open Online Course) program (Self-Paced) developed in association with Higher education institutes/reputed training entities with certification (Optional). It will consist pre-recorded video sessions with lecture sessions, slides, videos, live successful stories, interviews, and MCQ sessions, for reaching out to masses.

2.1.1. Atal Bihari Vajpayee Innovation Lab (ABVIL)

The Government of Jharkhand will set up a state-of-art Central Innovation Lab, which will also act as hub center or the *anchor unit* for all other private/institutional incubation centers across the State. This center would provide an end-to-end solution for setting up a successful startup for the incubatees. The center would also act as the central networking platform and would bring synergy in efforts of associated centers or spokes in center of higher education as well as the private incubators. This center will act as the central hub supporting all government-aided entrepreneurial activities across the State.

ABVIL is modeled, as a 'hybrid institution', which will have incubation facilities and to conduct accelerator programs. This lab will also act as the facilitator for peripheral incubators in institution of higher learning and private incubators.



Figure 3: Overview of Central Incubation Lab Process Lists of key facility envisaged in ABVIL are:

- Provision to provide work space (Plug n' Play) setup for SEB selected startups

- Training and mentorship in areas like business communication, customer relationship
- Networking facilities (industry-academia- funding)
- Market research support
- Accounting/Financial/Legal support
- Design Labs and Fab Labs
- Intellectual Property Rights support

Assistance in legal formalities, business advice, financial counseling, business management, accounting, regulatory guidance, access to mentors and consultation, etc. shall be provided to startups by the Government of Jharkhand duly represented by DoIT & e-Gov. through Central incubation lab for a tenure of 2 (Two) years. No professional fee would be charged from startups for aforementioned facilities.

The vibrant ecosystem envisaged around ABVIL is depicted below:

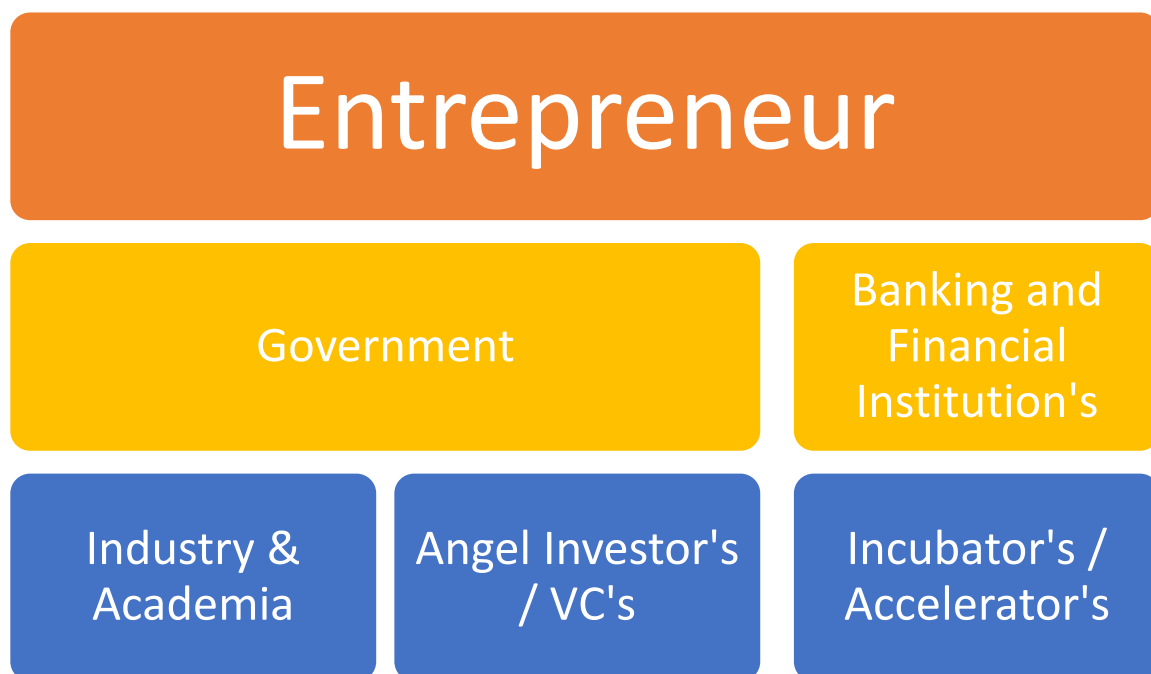


Figure 4: Overview of ecosystem around ABVIL

There is a provision to conduct at least one event in a year to be carried out by any Higher Educational Institution (HEI) inviting startups and ideas at the following levels:

- a. School
- b. Higher Educational Institution (HEI)
- c. Open

To be sponsored by Government of Jharkhand under this policy. This will further strengthen the bond and network of incubation centers.

Curriculum Vitae (CV) to be invited from various educational institutes and Government officials for Mentors. It should be duly forwarded by the Institution to State Evaluation Board. Shortlisted Mentors should be given Honorarium (depending

upon startup numbers & outcome). A mentor cannot guide more than 05 (Five) startups at a particular time.

2.1.2. Incubation centers in higher educational institutions

A special endowment would be provided to institutions of higher education in the state to set up incubation/innovation centers in their respective institutions to promote entrepreneurship and innovation in the educational institutes.

- *Government-funded reputed and prestigious institutes of Jharkhand would be provided with a sum of INR 50 lacs annually for the first 5 years (maximum of 10 institutions can be given this grant in the first year) for setting up of incubation/innovation centers. (Phase wise)*
- The selected institutions will enter into a performance contract with the State Government to successfully operate the centre for at least 5 years, and mentor at least 20 new startups every year, which are duly approved by the *State Evaluation Board*. Further assistance may be provided based on the performance of the centre.
- Any private university/research institution can also apply for this funding, given the fact that they have operated in the state for the last 4 years and qualify through the selection process.
- A competitive process will choose the institutions under this scheme, apart from their repute and educational prowess.
- These Incubators will be responsible for creating a self-sustaining business model needed for the execution of incubator after the end of support period of 5 years.
- *A special incentive of INR 10 lacs would be given to the incubator for every successful startup (Startup that raises series B funding) they incubate.*

Note: Incubation centers in Government and private institutions will be free to select the ideas/projects from student/individual or group, but these ideas/projects have to be approved by the '*State Evaluation Board*' in order to avail the stipend and incentives given by the State Government.

2.1.3. Private Incubators/Accelerators

- Assistance would be provided to corporates of national repute/ industry association to set up and operate incubation centres in the State.
- *Private incubators shall be provided with an annual support amount of 50 lacs per year for first 5 years from the start of their operation in the State (Phase wise).*
- These incubators have to enter into a performance contract with the State government to successfully operate the center for at least 5 years to receive the annual support.
- *Private incubator center has to facilitate and mentor at least 20 incubatees / startups every year, which have been approved by the 'State Evaluation Board'*
- Such private incubators will act as the peripheral node for the Central Incubation lab.
- *Private incubators will be responsible for creating a self-sustaining business model*

needed for execution of the incubator after the end of support period of 5 years.

- *A special incentive of INR 10 lacs would be given to the incubator for every successful startup (a startup that raises series B funding) they incubate.*

Note: Private incubation centres will be free to select the ideas/projects from individuals or groups, but these ideas/projects have to be approved by the 'State Evaluation Board' to avail the stipend and incentives given by the State government.

2.1.3.1. State Government Supported Industry-Academia Incubation center

To identify, accelerate, incubate and invest in innovative early-stage startups, Government of Jharkhand will invite reputed and prestigious institutes of Jharkhand to establish State Government supported Industry-Academia Incubation centers in partnership with corporates/companies of national repute.

- The fiscal incentive under clause 2.1.2 of this policy shall apply to the State Government-supported Industry-Academia Incubation center approved by State Evaluation Board (SEB). Interested incubators shall enter into a performance contract with the Government of Jharkhand to avail the said benefits. The fiscal incentive under clause 2.1.2 shall be disbursed on approval by Secretary, DoIT & e-Gov., GoJ.
- The partners (Industry and Academia) with support from the State Government in accordance with Fiscal incentive clause 2.1.2 of startup policy shall come together to form INCUBATOR, which will help early-stage technology-enabled companies of Jharkhand by providing incubation space, capacity building, mentorship, industry connections, validation of their business models and access to capital.
- The INCUBATOR would be established to support startups and innovations in the select sector, based on the college/ institute's core expertise and availability of relevant infrastructure.
- Incubated startups and innovations shall be provided separately as well as co-working office space as per the requirements of incubatees. Infrastructure and facilities shall be provided to incubatees in accordance with the performance contract signed between Government of Jharkhand and industry-academia partners.
- Chief Executive Officer (CEO), who shall be the de-facto head of the Incubation Centre (ABVIL) and shall be responsible for its direction, strategy, and operations. The CEO shall report directly to the Board of the incubation center (ABVIL).
- The Mentor Board shall be formed by the Industry-Academia Incubation center, comprising over 10 mentors, who shall be readily available to mentor incubatees. The Industry-Academia Incubation center may be given funding support by the sponsoring companies from their Corporate Social Responsibility (CSR) or other funds.
- These Industry-Academia Incubators will be responsible for creating a self-sustaining business model needed for execution of the incubator after the end of support period of 5 years.
- Any Industry-Academia Incubator center having partners from private university/research institution, shall fulfill the criteria that they have operated in the state for the last 4 years and qualify through the selection process for this funding.

Note: Industry-Academia Incubation centers in Government and private institutions will be free to select the ideas/ projects from student/individual or group, but these ideas/projects have to be approved by the 'State Evaluation Board' in order to avail the stipend and incentives given by the State Government.

2.1.3.2. Entities claiming incentives:

Startups claiming incentives under this policy will not be entertained to avail incentives under other policies.

2.1.4. Virtual Incubator Platform

The Government of Jharkhand would create an online platform to bring in academia, industries, and Investors together. This platform would connect the academic institutions, startups, industrial mentors, equity venture firms, and all other relevant stakeholders. This platform would also function as a repository of the ongoing startup projects in the state.

2.1.5. Providing access to specialized facilities and Infrastructures

The Government of Jharkhand will create a system to aggregate and grant access to the selected incubatees/ startups to the instrument facilities in private and government laboratories, libraries in the institution of higher education, and Public Sector Unit's across the state.

2.2. Funds

The Government of Jharkhand shall strive to provide funding support for growth and development of innovation-driven enterprises in the state. To do so, the state government will set up Jharkhand Entrepreneurship Development fund. The board shall professionally manage these funds with private professionals drawn from government, industry bodies, academia, and successful startups.

2.2.1. Jharkhand Entrepreneurship Development Fund

The Government of Jharkhand would set up a separate corpus fund which will be created under ABVIL for promoting entrepreneurship and developing infrastructure in the state. An Project Management Unit (PMU) will be set up to professionally manage and monitor this fund. This fund will solely be utilized for:

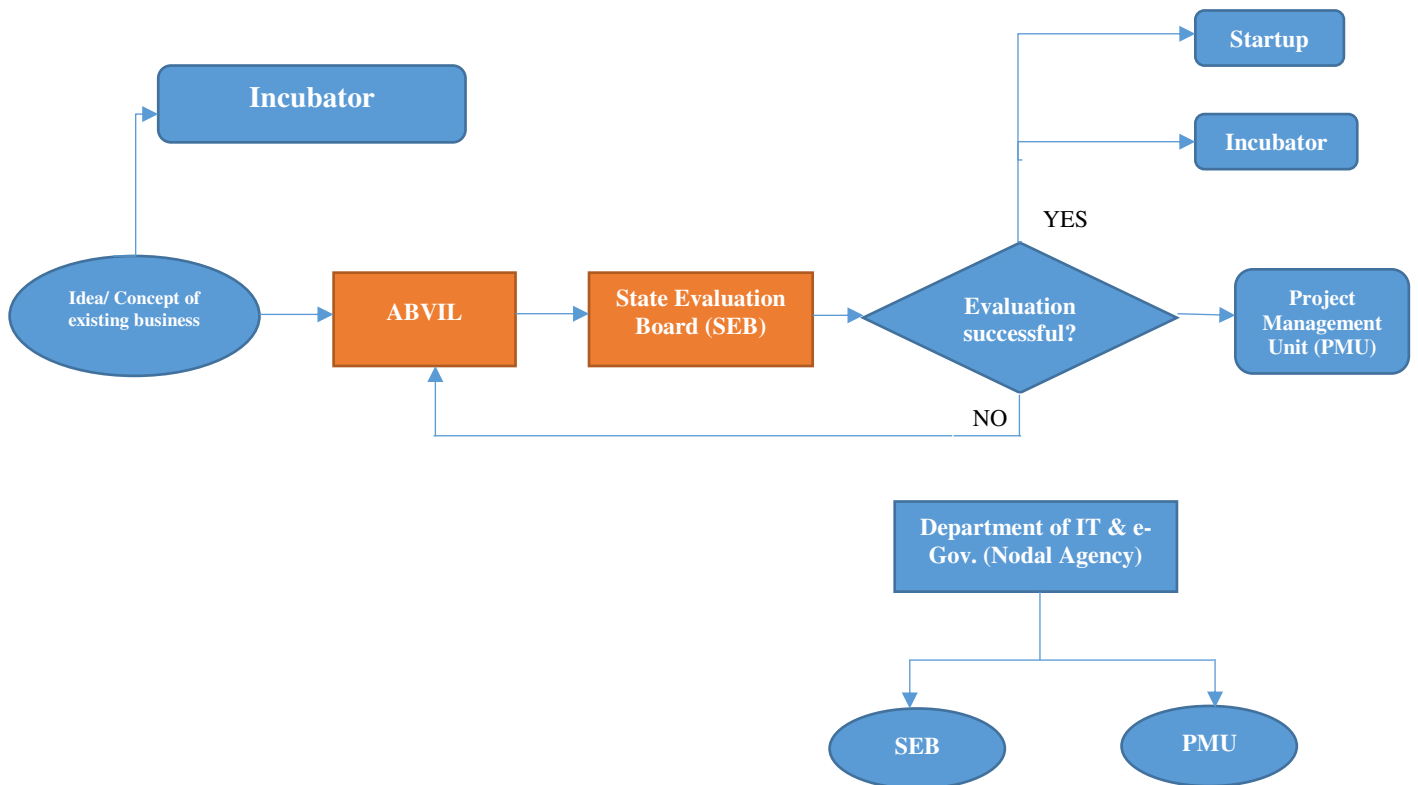
- Setting up and operationalization of ABVIL
- Setting up of incubation center in academic institutions and private incubators
- Providing stipend, funding of prototype development cost for incubatees/startups
- The cost incurred for organizing fests, workshops and events to promote entrepreneurship
- Funding and sponsoring startups to participate in national/international events
- Reimbursement of financial incentives stipulated for startups under this policy
- Disbursement of Award/ Money to startups
- Sponsoring mentor's accommodation, travel, and other related expenses

The delegation of power to sanction funds from Jharkhand Entrepreneurship Development Fund shall be notified by the Department of IT & e-Gov., GoJ.

5% of the corpus fund will be earmarked for meeting out the cost of project management and other overhead costs.

Note: Reimbursement of financial incentives stipulated for startups shall be in accordance with Common Incentive Disbursement Guidelines of the Government of Jharkhand.

2.2.1.1 Process Flow of Startup Implementation



2.3. Human Capital Development

It's imperative for the state of Jharkhand to create a vibrant culture of entrepreneurship and creativity for realizing the missions that are laid out in this policy. This requires that we reimagine and reinvigorate the role of universities and colleges as germinators, where young minds can sprout, out of the box solution and ideas. It's also vital that we promote entrepreneurial awareness, nurture skills and free thinking amongst citizen across age groups.

To realize this, the Government has planned a strategic approach:

- Short term Catalytic Interventions: Through idea conclaves, pitch your business ideas/concepts, organizing college startup fests/events etc.
- Medium term Interventions: To setup virtual entrepreneurial skills center for improvement of soft skills, such as persistence, networking and self-confidence on the one hand and hard skills on the other hand, including basic startup knowledge, business planning, financial literacy, managerial skills etc.
- Long term Strategic Intervention: Through changes in the college/school curriculum, faculty training schemes, facilitating the use of startup kits in schools etc.

2.3.1. University/Higher Educational Institution Syllabus

University / HEI's in the state to be facilitate to motivate the youths to take up entrepreneurship, the universities and institutions of higher learning would be encouraged to follow the global best practices. The Central Incubation Lab will help them to upgrade their curriculum in-order to introduce mandatory courses on entrepreneurship and financial literacy. Universities in Jharkhand will be encouraged to provide attendance requirement relaxations, if the student is selected under the startup policy/scheme.

2.3.2. State funded Schools Syllabus

The state school's curriculum will be updated to incorporate modules on basic electronics, entrepreneurship, digital and basic financial literacy to develop an aptitude amongst the students. The Central Incubation Lab will provide assistance to the Department of School Education and Literacy, Government of Jharkhand for the updation of the syllabus. All schools should focus towards the establishment of a Tinkering Lab. Support may be in association with Higher Educational Institutions.

2.3.3. Faculty Up-gradation and training

Faculties would undergo a tailor made training at the State's Central Innovation lab or other facility to develop a nuanced understanding of the latest development in the field of startups and other skills. Government shall also support universities to train the faculty for promotion of innovation and entrepreneurship. Mentor's to be invited from educational institutions, shortlisted for training programs or MOOC's certification to be offered for incubates.

Training module can include:

- Entrepreneurship module along 6C principle- Collaboration, Communication, Content, Critical thinking, Creative innovation and Confidence
- Project management, business communication, manufacturing process, service delivery, customer relationship

2.3.4. Interest reimbursement for Student loans

The student, whose ideas/concepts are to be selected by the State Evaluation Board for incubation in government / government funded incubation centers, shall get their interest reimbursed for study loans for a period of 3 years after graduating from the academic institution where they are pursuing their education.

2.3.5. Distribution of STEM (Science, Technology, Engineering & Math's) kit in the schools

Government would provide STEM kits in the government funded/private schools to help students learn basic computing, electronics and broaden their imagination through scientific thinking. Government would also strive to setup labs in the schools. HEI /Corporate/Research Centre's with Science and related research facilities can be approached for the same.

2.3.6. Idea Boot camps/Conclave

Colleges and universities would be mandated to organize half yearly boot camps/conclaves in close partnership with the Incubators and Industry in the state to seek out fresh ideas and projects.

2.3.7. Business Plan competitions/Workshops

The Government on a regular basis would organize business Idea challenges in its incubation centers to attract youth and motivate them to take up entrepreneurship. At the end of every year, three successful entrepreneurs will be selected from these competitions and awarded with a citation case award of INR. 1,00,000/-, INR. 75,000/- and INR. 50,000/- respectively along with the publication of their success stories. The same shall be funded from the corpus maintained under Jharkhand entrepreneurship development fund as provisioned in clause 2.2.1.

2.3.8. Scientific Conferences/Workshops for Academia-Industry cooperation

An annual workshop is envisaged to foster close ties between the two. Eminent researchers and scientists will be called for the conference, which would also be attended by the industry leaders.

2.3.9. Weekend Business Challenge Programs

ABVIL, Incubation Centre's in association with HEI's will organize startup weekends specially targeting Individuals who are in service or jobs. These events would facilitate their

participation and help them to leverage their experience to enter into the realms of entrepreneurship.

2.3.10. Special Platform for experience sharing

Special platforms and tools would be created to tell your story, to have a voice and contribute to building a better company, community and state. It will also bring in mentors/alumni from the state, industry, academia & others, and give them a platform to share their experiences and learning.

Accommodation and travel expenses of mentors registered and listed with Central Incubation Lab for mentorship support, shall be sponsored by Government of Jharkhand represented by Department of IT & e-Gov., on approval from Secretary, IT and recommendation by Central Incubation Lab. Any further approval as may be required to facilitate good mentors for startup shall be provided by Government of Jharkhand represented by Department of IT & e-Gov. on approval from Secretary, IT. The same shall be funded from the corpus maintained under Jharkhand entrepreneurship development fund as provisioned in clause 2.2.1.

2.3.11. Performance Contracts

Government of Jharkhand would invest in long-term Research and Development (R&D), which would facilitate start-ups and would enable the current system to move from service-based environment to product based environment. For this, Government would increase the funding for University research through performance contracts for research funding research-oriented organizations. Legal provisions will be made in the contract act to support this.

2.4. Incentives

Incentive pattern will be followed as per Industry policy or as per IT policy

2.4.1. Financial Incentives

All incentives listed below shall be applicable for a unit till the time it remains a 'startup' as defined by Government of India.

- *Reimbursement of GST paid by startups:* Startups, which are registered in Jharkhand, will be entitled for 100% reimbursement of the State Goods and Service Tax (GST) paid.
- *National/ International Patent Filing Cost:* The Government of Jharkhand shall reimburse 100% of patent filing cost, by the startups registered and headquartered in Jharkhand. The reimbursement will be done in 3 stages, i.e., during filing, prosecution and award.
- *Registration fee/Stamp duty/ Transfer duty reimbursement:* The Government of Jharkhand shall reimburse 100% of registration fee/ stamp duty/ transfer duty paid by startups on purchase of land.

- *Municipal duties:* A three-year reimbursement on payment of all municipal duties by the startups.
- *Reimbursement on lease rentals:* A reimbursement of 50%, on lease rentals up to INR 5 lakhs per annum for a maximum period of three years, for the plug-and-play type built up office space leased by a start-up in STPI, IT/multi-purpose SEZs/IT Parks.

In case where private premises are taken on lease/ rent basis, a rental reimbursement @ Rs.20 per sq. ft. per month or 50% of the actual rent paid, whichever is less, shall be reimbursed for a period of 2 years with the maximum cap of INR 3 Lacs per year per startup.

- *Internet Bandwidth Reimbursement:* A reimbursement of 30% of the amount paid to Internet Service Provider (ISP) shall be reimbursed; up to INR 60000/annum on furnishing self-certified bills for 5 years since registration of the startup.
- *Electricity bills Reimbursement:* A reimbursement of 30% of the amount paid to Electricity dis-coms, shall be reimbursed, up to INR 60000/ annum on furnishing self-certified bills.
- *Provision of Land in IT Parks/SEZ:* Startups, which are registered in Jharkhand, will be prioritized for allocation of land/space in IT Parks and special economic zones (SEZ).
- Govt. of Jharkhand intends to provide preference in tenders to startups as per Jharkhand Procurement Policy-2014.
- *Reimbursement on Certification:* The State Government shall reimburse, the cost incurred by a startup unit operating in the state up to a limit of INR 50,000/- for domestic and INR 1.50 Lacs for international quality certifications.
- *Special incentives to SC/ST/Women/ Differently-abled:*
Incentives listed above shall solely be applicable to startups which are fully owned by anyone of this category or group/mix of the person defined in this category only. Efforts shall be made to identify person belongs to Scheduled Castes/Scheduled Tribe and promote entrepreneurship among them.
 - a. Reimbursement on lease rentals: additional 5% for SC/ST, Women and Divyang enterprise
 - b. Internet Bandwidth Reimbursement: additional 5% for SC/ST, Women and Divyang enterprise
 - c. Electricity bills Reimbursement: additional 5% for SC/ST, Women and Divyang enterprise

Note: Reimbursement of financial incentives stipulated for startup shall be in accordance with Common Incentive Disbursement Guidelines of the Government of Jharkhand.

2.4.2. Single Window Clearance system via online portal

Startups would be benefitted by the presence of robust Single Window Clearance system in the state. They would be given preferential treatment for rapid and timely clearances.

2.4.3. Special features and Facilities

Startup only branch of Bank: Government of Jharkhand will invite banks in the State to set up 'Startup only' branch which could focus on special needs of startups like opening of bank accounts for proprietorships, easier foreign exchange facilitation, easier handling of loan requests for startups, and by providing trained staff specializing in startup issues.

Collaboration with Global Accelerators and Incubators: International collaboration with leading global accelerators will be a key pivot of this policy. Government will invite and partner with leading global accelerators and incubators across the globe to facilitate the startup ecosystem in the state.

Jharkhand Startup Champion: The State strives to impact startups directly just not by financial incentives but also through a system of recognitions. The following recognitions will be provided through merit based selection from public/private partnerships, and declared on knowledge portals:

1. Jharkhand Startup Champion: For Introducing the most innovative idea
2. Best student startup
3. Best startup in Social sector

Entrepreneur Speak: To expose people of Jharkhand to the best and brightest entrepreneurs in the world, Government of Jharkhand will make special efforts to get leading entrepreneurs to speak in Jharkhand under "Entrepreneur Speak" program.

One Form Policy: To simplify procedures accessing the schemes and approvals under this policy, the government will ensure creation of just one single form which will be required to fill, in order to access all services.

Support for Entrepreneur Associations: Local entrepreneur associations and networks in the State would be encouraged to form and facilitate entrepreneur association, meet up groups, voluntary associations of people interested in entrepreneurship.

Public portal and app: A special 'Startup Jharkhand' portal and app would be created which will provide details of successful startups and implementation, non-started and failed implementations. This portal and app would also be used to accept applications for incubation, registration, tracking status of application, filing compliances, applying for schemes, and collaboration with ecosystem partners

2.4.4. Exit Clause

A startup will cease to receive benefits under this policy upon reaching turnover of INR 25 Crores or 7 years (for biotechnology startups 10 years) from its date of incorporation/registration, whichever is earlier.

2.5. Governance

To foster innovation in the State, and to co-ordinate all the entrepreneurial activities and funds, Government of Jharkhand will form a dedicated Society/ Company, which shall act as the nodal agency. This nodal agency would administer the incentives in a speedy, time-

bound and transparent manner as well as look into the development of entrepreneurial ecosystem in the state.

This nodal agency shall constitute a '*State Evaluation Board*' for fix terms, which would be comprising of members from government, experts from industry, academia, private incubators and firms operating in the state. This board shall be the final decision making authority for selection of the ideas/ concepts or startups for support.

2.5.1. Operational Guidelines:

Detailed operational guidelines shall be put in place for administering all the provisions under this policy and the same shall be reviewed annually.

Department of Information Technology & e-Governance, Government of Jharkhand will review this Policy annually.

Annexure

Definitions:

Innovation: The process of translating an idea or invention into a good or service that creates value for which customers will pay. Innovation involves deliberate application of information, imagination and initiative in deriving greater or different values from resources.

Startup: Startup means an entity, incorporated or registered in Jharkhand:

- Not prior to seven years, however for Biotechnology Startups not prior to ten years,
- With annual turnover not exceeding INR 25 crore in any preceding financial year, and
- 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 such entity is not formed by splitting up, or reconstruction, of a business already in existence.

Provided also that an entity shall cease to be a Startup if its turnover for the previous financial years has exceeded INR 25 crore or it has completed 7 years (for biotechnology startups 10 years) from the date of incorporation/ registration.

Provided further that a startup shall be eligible for tax benefits only after it has obtained certification from the Inter-Ministerial Board, setup for such purpose.

The entity accredited/certified as a Startup by Department of Industrial Policy & Promotion, Government of India, shall be considered as an eligible Startup for availing benefits under this policy only if the startup starts one or more of its business operations/ production facility in Jharkhand.

Provided that a startup shall be eligible for tax benefits only after it has obtained certification from the “*State Evaluation Board*”, setup for such purpose.

Successful Startup: Startup would be considered successful once it raises series ‘B’ funding i.e. second round of financing by Private Equity Investors.

Entity: Private Limited Company (under The Companies Act, 2013) or a Registered Partnership Firm (under The Indian Partnership Act, 1932) or Limited Liability Partnership (under The Limited Liability Partnership Act, 2008).

Accelerator: Accelerator is an organization or program that enables rapid growth of new startups by providing specific services like: mentoring, training, resources and networking to help startups increase their customer base, generate more profits, prepare for funding and professionalize their organization

Entrepreneurship: Is the act of being an entrepreneur, it implies the capacity and willingness to undertake conception, organization, and management of a productive new venture, accepting all attendant risks and seeking profit as a reward.

State Evaluation Board: A special fix term board formed by the nodal agency for the evaluation and selection of the proposals received from Individuals, groups, and startups.

Hybrid Institution: A hybrid institution is a combination of incubator and accelerator.

Turnover: As defined under The Companies Act, 2013

Schedule Caste (SC)/ Scheduled Tribe (ST) Enterprise: Enterprise fully owned by SC/ST. Partial shareholding of SC/ST in an enterprise shall not be treated as SC/ST enterprise.

Women enterprise: an enterprise headed by women where 100% Stake is owned by women. Partial shareholding of women in an enterprise shall not be treated as Women enterprise.