

Government of Bihar
Department of Industries

Resolution

Subject: To encourage Start-up in the State by approval of Bihar Start-Up Policy, 2017 by repealing Bihar Start-up Policy, 2016.

1. Preamble

- 1.1 Bihar is progressing fast on the track of development, with unrelenting efforts being made towards strengthening infrastructure and promoting industrial growth. Government of Bihar is committed to improve competitiveness of the state's economy and achieving inclusive growth. This can be realized by promoting innovation and creating an ecosystem that nurture startups from concept to commissioning.
- 1.2 Bihar has the advantage of a demographic dividend given the high proportion of youth in its population; there are limited employment opportunities for them to make productive economic contribution. Youth grow in a job-oriented society where entrepreneurship is not seen as a career option. Moreover, the current educational system is designed in a manner that places limited emphasis on entrepreneurship.
- 1.3 One of the most exciting features is the ability of these Startups to rapidly build scale and become global players. The chances of success are greatly increased when these businesses are supported with an appropriate eco system. Bihar has an opportunity to develop its own world class eco system, the talent; resources and ambition are most certainly present in the State. Startups are expected to play a vital role in the emergence of the Bihar economy. The development of this segment is most critical to meet the national imperatives of financial inclusion and generation of employment across urban, semi-urban and rural areas across the State. The new wave of Startups will act as a catalyst to bring about this socio-economic transformation.
- 1.4 In order to unlock the innovation potential of Bihar, a need of conducive and friendly Startup policy has been realized. With this policy framework along with private participation, the Government aims to enhance the depth and breadth of startup ecosystem in Bihar. Hence accelerating GSDP growth, contribute to the creation of thousands of jobs, counteract the process of brain drain and rejuvenating the next wave of economic growth in the State.
- 1.5 Government of Bihar formulated and notified Bihar Startup Policy, 2016 vide Resolution No. - 1849 dated 7th September, 2016. This is to create an independent and transparent eco system, where the State shall provide funding, promotion and policy support. The State has setup a Trust, with an initial corpus of INR 500 Cr., which acts as the nodal agency for implementation of this policy.
- 1.6 The State Government received very promising feedback including areas of improvement in implementation of the policy from various stakeholders. In order to address the feedback received and further strengthen the policy, Government of Bihar repeals the Bihar Startup Policy, 2016 and promulgates the Bihar Startup Policy 2017

2. Vision

2.1 The vision for the Bihar Startup Policy, 2017:

"To enable Bihar emerge as the most preferred destination for start-ups and entrepreneurs by leveraging the potential of local youth through a conducive startup ecosystem for inclusive growth in the State"

2.2 Bihar Startup Policy has been designed on following four pillars (YUVA)

YES to Startups (Awareness, Networking and Mentoring Campaign)

Unleash Regulatory Enablers for Supporting Startups

Vibrancy in Education System to encourage and facilitate Startups

Access to financing & incubation support

3. Policy Period

Bihar Start-Up Policy, 2017 will be effective from the date of Notification and will remain in operation for 5 years.

4. Objectives

- 4.1 Introduce, promote and encourage entrepreneurship education and career amongst the youth through various programs like "Udyami Bihar, Samridh Bihar Campaign", Entrepreneurship Awards, Innovation Challenges and Business Plan Competitions etc.
- 4.2 Facilitate development of Entrepreneurship Development Centers in Divisional Towns and Nagar Nigam(s); and Entrepreneurship Facilitation Centers to increase awareness and promote entrepreneurship amongst the youth.
- 4.3 Create a sector-agnostic policy, enabling innovation in any and all possible sectors of development focusing upon: initiatives that leverage natural resources and human capital of the State, innovative and disruptive ideas with huge growth potential and initiatives in the areas which create multiplier impact.
- 4.4 Encourage Entrepreneurship through education by introducing learning modules in the university/ schools, MOOC (Massive Open Online Courses), Internships amongst others.
- 4.5 Facilitate development of new and support expansion of existing Incubators/common infrastructure spaces.
- 4.6 Provide a one stop comprehensive portal for startups to access financial support (SEBI registered- Alternate investment funds, Empanelled Angel Investor, etc.), regulatory support, Network of mentors and Empanelled Project Management Consultants.
- 4.7 Enable hassle-free and time bound statutory clearances for startups.
- 4.8 Create a platform for accessing multiple avenues that provide financial support and encourage investors through incentives to invest in Bihar based startups.
- 4.9 Create an inclusive policy which embarks groups like SC/ ST, woman enterprise and differently-abled.
- 4.10 Provide appropriate institutional support to enable the nurturing of startups.

5. Definitions

- 5.1 **Angel Investor:** Angel Investor is (also known as business angel/informal investor) an individual or group of investors who invest in startups at an early commercialization stage in return of convertible debt/equity.

- 5.2 **Alternate Investment Funds:** Alternative investment funds (AIFs) are defined in Regulation 2(1) (b) of Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. It refers to any privately pooled investment fund, (whether from Indian or foreign sources), in the form of a trust or a company or a body corporate or a Limited Liability Partnership (LLP) which are not presently covered by any Regulation of SEBI governing fund management (like, Regulations governing Mutual Fund or Collective Investment Scheme) nor coming under the direct regulation of any other sectoral regulators in India-IRDA, PFRDA, RBI.
- 5.3 **Category I Alternate Investment Funds:** Category I Alternate Investment Funds are defined in Regulation 3(4) (a) of Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. It refers to AIFs which invest in start-up or early stage ventures or social ventures or SMEs or infrastructure or other sectors or areas which the government or regulators consider as socially or economically desirable and include venture capital funds, SME Funds, social venture funds, infrastructure funds and such other Alternative Investment Funds as may be specified;
- 5.4 **Commercialization Stage:** Commercialization Stage refers to an integral stage in lifecycle of startup wherein startups scale up their business and commercialize product/ services.
- 5.5 **Expert Committee:** An Expert Committee shall be constituted as per para 11.6
- 5.6 **Differently-abled:** as defined in "Person with disability (equal opportunities, protection of rights and full participation) Act, 1995 and any other statute enacted for the welfare of person with disability.
- 5.7 **Entity:** Entity refers to 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).
- 5.8 **Family Business:** a family business is one in which the majority of the stake is held by the person who has established or acquired the company (or by his or her parents, spouse, child or child's direct heir) and at least one representative of the family is involved in the management (either directly or indirectly) administration of the business.
- 5.9 **Financial Management Company:** A Financial Management Company shall be created by the Trust as per para 11.3.
- 5.10 **Fund Manager:** Financial Management Company shall appoint one or more fund managers for managing the fund and also activities mentioned under this policy.
- 5.11 **Government:** means Government of Bihar in this Policy unless otherwise specified.
- 5.12 **Idea Stage:** Idea Stage refers to an integral stage in lifecycle of startups wherein feasibility analysis of the idea is performed to evaluate the success/failure of the concept.
- 5.13 **Incubator:** Incubator means physical spaces which helps entrepreneurs to convert their ideas in becoming successful and profitable ventures by supporting them in business planning, mentoring, recruiting their top team, commercializing their technologies, developing their products, getting early seed funding, help in forging partnerships at the national and global level, advice on intellectual property, training and development and many other things. This could be a private agency or a government institution.
- 5.14 **Mentoring:** Mentoring is generally a pool of industry experts/ academicians that help startups by providing unbiased guidance, strategic support and thinking and help them build their network.
- 5.15 **Registered:** Registered refers to an entity registered with Registrar of Companies (RoC) Bihar.

- 5.16 **Seed Grant:** Seed Grant is a financial assistance provided to startups to develop a prototype product and generate sufficient investor interest for subsequent rounds of funding. Terms and conditions of the financial assistance are mentioned in para 10.5.1.
- 5.17 **Scheduled Caste (SC)/Scheduled Tribes (ST) Enterprise:** Enterprise fully owned by SC/ST. Partial shareholding of SC/ST in an enterprise shall not be treated as SC/ST enterprise.
- 5.18 **State supported Incubators:** means incubator(s) supported by Government of Bihar and/or Government of India.
- 5.19 **TBI:** a Technology Business Incubator (TBI) as recognized by Department of Science and Technology, Government of India.
- 5.20 **Trust:** Trust means a nodal agency constituted by Department of Industries, Government of Bihar under The India Trusts Act, 1882 for the purpose of implementation of this Policy.
- 5.21 **Validation Stage:** Validation Stage refers to an integral stage in lifecycle of startups wherein the product/service is produced and delivered in a limited capacity which can be scaled up upon the success and requirement.
- 5.22 **Venture Capital:** Venture Capital is the fund invested in start-up at commercialization stage upon critical appraisal of the project undertaken by venture capital companies. The capital is generally invested in return of equity shareholding.
- 5.23 **Woman enterprise:** an enterprise headed by woman where 100% stake is owned by woman. Partial shareholding of Woman in an enterprise shall not be treated as Woman enterprise.

6. What is Startup in Bihar?

- 6.1 Startup means an entity, incorporated or registered in Bihar not prior to five years with an annual turnover not exceeding INR 25 Cr. in any preceding financial year, working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.
- Provided also that an entity shall cease to avail further benefits under this policy if its turnover for the previous financial years has exceeded INR 25 Cr. and/ or it has completed 5 years from the date of incorporation/ registration unless the context otherwise stated;
 - Provided that such entity is not formed by splitting up, or reconstruction, of a business already in existence and should not have been formed by the demerger or reconstitution of a business already in existence;
 - Provided that such entity is not a holding company and it is not a subsidiary of any firm already in existence or except the subsidiary of any startup;
 - Provided further applicable taxes from the operations of the company are payable in Bihar.

6.2 Certification of Startups

All applications of potential startups received by the Trust shall undergo a preliminary examination by a committee set up by the Trust headed by the Principal Secretary/ Secretary, Industries Department. After preliminary examination a list of shortlisted applications shall be tagged to the concerned subject related incubators. The List of all such tagging (applicants with incubators) shall be approved by the Trust. The Incubators after the incubation process shall prepare a proposal on the following issues:

- a) The amount of funding assistance required at various stages
- b) Any requirement of common infrastructure or other infrastructure created under this policy.
- c) Any assistance as envisaged under this policy.
- d) Business Plan.

The list of such recommendations/proposals of the incubators shall be placed before the Expert Committee as mentioned in para 11.6. The Expert Committee shall examine these recommendations and recommend for certification of startups. The Trust on the recommendation of the Expert Committee shall certify Startups. It is only after this certification that the startups shall be eligible for financial incentives under this policy.

6.3 Exit Conditions

- a. If the company is found guilty on any charges of fraud or if the company is found to have made any false declarations to claim any benefits from or derived under this policy. Legal action shall be initiated to recover all financial assistance provided to such an entity.
- b. Once an entity ceases to be recognized as a start-up; the Government or entity through which the Government makes its investment will be eligible to exit its investment in the start-up and guidelines for exit will be framed by trust for channelizing investments into the start-up. When the Government or its representative entity exits its investment; the right to nominate a representative director on the board of the start-up will also be extinguished.

7. Yes to Startup

7.1 Promoting Awareness "Udyami Bihar, Samridh Bihar Campaign" and Facilitating Networking Platform for Startups

Bihar has the advantage of a demographic dividend given the high number of youth in its population and there are limited employment opportunities for them to make productive economic contribution. Youth in India grow in a job-oriented society where entrepreneurship is not seen as a career option. Moreover, educational system is designed in a manner that places limited emphasis on entrepreneurship. Government is committed to encourage entrepreneurship as an education and career both, for the youth across all economic and social segments of the population. It is essential to foster a culture that positively values entrepreneurs as a crucial factor to achieve inclusive economic growth. In order to reform the cultural perception of society towards entrepreneurship and inculcate entrepreneurial culture amongst youth, Government shall:

- a. Launch Startup outreach and awareness campaign "Udyami Bihar, Samridh Bihar " at State level in collaboration with startup stakeholders
- b. Recognize and promote achievements of successful local startups by organizing 'Entrepreneurship Awards'.
- c. Organize state level challenges/ business plan competitions
- d. Support business networks (Industry Associations/Organizations promoting Startups) to organize startup awareness activities such as startup fairs

7.1.1 A proper networking amongst various stakeholders' viz. investors, academia, industry and other stakeholders is critical for an effective startup ecosystem. The startup

community needs a platform to inter communicate at a national and international level to exchange and collaborate amongst each other.

7.1.2 Government for creating an effective startup ecosystem shall organize 'Bihar Startup Fest', a platform to amalgamate the startup ecosystem and provide visibility to State startups.

7.2 Assistance for Idea Development

Conducive startup ecosystem enables youth to convert their ideas into meaningful propositions. A proper guidance system is essential for youth to express and enhance their ideas. In order to spread awareness and provide guidance to potential entrepreneurs, State shall provide financial assistance to facilitate:

- a. Setting up Entrepreneurship Development Cells in Divisional towns and Nagar Nigam(s) in collaboration with Education Institutes, Bihar based industrial associations/organizations promoting startups.
- b. Setting up Entrepreneurship Facilitation Centers at Educational & Professional Institutes.

7.2.1 These Cells/Centers shall:

- a. Organize various promotional events to disseminate awareness about entrepreneurship and promote startup culture in the state under "Udyami Bihar, Samridh Bihar Campaign".
- b. Provide assistance to students/potential entrepreneurs for presenting and enhancing their idea to various stakeholders of start-up ecosystem viz. Government, education institutes, incubators, industry experts, legal, tax and business consultants.
- c. Support startups for preliminary mentoring and business plan support, company registration, market research support, business structuring advisory and management consultancy.

8. Unleash Regulatory Enablers for supporting Startups

8.1 Setting up comprehensive one stop portal for Startup- Ecosystem in Bihar

Statutory clearances from relevant regulatory authorities are pre-requisite for a start-up to commence operations. Limited awareness of the processes increases the turnaround time for registration, hence delays the commencement of operations for the Startups. A single window clearance system supported by interactive training manuals and checklist would enable Startups to register themselves in an easy and timely manner.

Start-up ecosystem needs a single platform for interaction and collaboration with each other. In order to establish a single platform for interaction and information sharing of various stakeholders, a **Startup Bihar portal shall be launched**. This portal shall provide instant accessibility to startups for:

- a. Accessing interactive tutorials for registration process and checklist for the various clearances required with specified timelines.
- b. Registering with relevant authority and filling various State Level compliances at State level through standardized forms.
- c. The portal shall also be integrated with other Government of India sponsored Startup Portals for connecting with various stakeholders of the ecosystem.

- d. Interacting and collaborating with various stakeholders viz. Registered network of mentors and professional experts, incubators, academia, empanelled Project Management Consultants and angel investors, SEBI-registered AIFs (Alternate Investment funds) and other stakeholders.
- e. Empanelled mentors of networks to startups having potential for growth and scalability.
- f. Accessing various State Government Schemes and Incentives available for Startups.

The portal shall also be made available in form of a mobile app and supported by a Toll free helpline to facilitate application/ assistance. Clearances for registration/ application shall be ensured in a time bound manner.

8.2 Optimizing Regulatory Framework- Enabling regulatory environment for Startup Ecosystem

Starting up a business involve getting various stages of departmental approval and clearances. Most of the startups are unaware of the complex policies and regulatory framework, which may hinder their regular operations. Therefore, it is imperative for Government to minimize the regulatory compliances, punitive actions and provide support /awareness to these propellers of next stage economic growth.

In line with above, Government shall enhance the ease of doing business by minimizing inspections and encouraging self-certifications:

- a. Startups shall be exempted from licensing/registration for operations under various State Acts for a period of 5 years. However, Statutory Licenses (such as Drug License, FSSAI, Building Plan, Fire Fighting) shall be required to be obtained by the startup if its nature of business/activity may lead to potential threat to life and safety, in such cases Government shall bear the cost of license(s).
- b. Startup shall be exempted from inspections by Government Regulatory Agencies for a period of five years unless there is threat to life and safety. In case a unit has to be inspected for certain reasons the permission of the District Magistrate shall be obtained.
- c. Self Declaration shall be submitted by Startups annually as per the format prescribed by State Government.
- d. State Government Departments/ PSUs shall be advised to give preference to Startups in procurement process for products/services
- e. State Government shall allot 10% of spaces in forthcoming industrial parks, SME Clusters and Hub for Startups/Incubators/ Common Shared Infrastructure on preference.

9. Vibrancy in Education System

Education institutes provide an apt environment for introducing and educating entrepreneurship for promoting the culture of innovation. Government recognizes the importance of reforms in education for creating entrepreneurial spirit amongst students.

In order to promote startup culture and innovation in youth of Bihar, Government shall facilitate/recommend following interventions:

- a. Embed Entrepreneurship modules in high schools, university, skill training, and vocational training institutes' curriculums/programs. Education institutes will be suggested to introduce Massive Open Online Courses (MOOCs) as electives and make internships/apprenticeship mandatory.

- b. Education / Professional Institutes shall be supported to formulate Entrepreneurship Facilitation Centre to guide and assist students to pursue entrepreneurship.
- c. Organize Business/Innovation Idea Competitions amongst students. Shortlisted ideas shall be provided support for prototyping and will be showcased in Start-up Fest organized by the State.
- d. Organize social innovation challenge through Entrepreneurship Development Cells to provide challenge grant to 20 social innovators to support their ideas.

10. Access to Funding and Incubation Support

10.1 Facilitating Incubation Centers for Startups

Incubation centers are crucial for nurturing promising Startups. They provide access to mentoring network, market network, shared physical infrastructure etc. Creation of Physical Infrastructure generally requires large capital investments. Considering this, following incentives/financial assistance shall be provided to startups:

- a. Financial assistance for setting up of new incubators and expanding State supported Incubators.
- b. Reimburse cost of incubating a startup maximum up to Rs 2 Lakhs per incubatee to Government recognized private / state supported incubators.
- c. Fiscal incentive to Incubators @2% of the investment received by its incubatee from SEBI registered AIFs (Alternate Investment Funds) into Bihar based startups.
- d. Fiscal Grant to State Supported Incubators @3% of the investment received by its incubatees from SEBI registered AIFs (Alternate Investment Funds) or Grant received from Government of India for promoting technology based (IPR) startups and @5% for startups in social sectors providing solutions to public service access problems in Bihar in areas like health, education and nutrition etc.
- e. The Government shall provide financial assistance to match the funding raised by Incubator(s) from Government of India and Multilateral donor agencies on 1:1 basis on same terms and conditions.

10.2 List of State Supported Host Institutes

Pilot Institutes (Phase-I)	
a) Indian Institute of Technology (IIT), Patna	b) National Institute of Technology (NIT), Patna
Host Institutes (Phase-II)	
c) Rajendra Agricultural University, Pusa	d) ICAR Research Complex for Eastern Region, Patna
e) National Institute of Fashion Technology (NIFT), Patna	f) Birla Institute of Technology, Patna
g) Central Institute of Plastics Engineering and Technology (CIPET), Bihar	h) UpendraMaharathi Institute, Patna
i) Chandragupta Institute of Management, Patna	j) Tool Room and Training Center, Patna
k) Bihar Agricultural University, Sabour	l) Apparel Training and Design Centre, Patna

The pilot institutes shall extend all possible handholding support to establish incubators in other State Supported Host Institutes in a phased manner. The State Government shall from time to time declare new institutions as State Sponsored institutions under this policy.

10.3 Common Infrastructure for Startups

Government shall facilitate creation of common infrastructure for Startups. The shared infrastructure shall include:

- a. Co-working spaces.
- b. Provide shared facilities like R&D labs, cubicles, conference rooms etc.
- c. Shared software and hardware like high-end printer, computers etc.
- d. Common testing labs and tool rooms.
- e. Shared services like legal, accounting, technology, patents, investment banking.
- f. Individual accommodation and hostel rooms
- g. Community events and promotional support for incubation and startups
- h. Common facilities Centers (warehouse, Storage, Quality Assurance labs)

Common infrastructure spaces shall be established either by Government or through PPP mode. This support shall be available on Free of Cost (FOC) basis to Startups for a period of 3 years.

10.4 Apart from the incubation centres, a "Bihar Innovation Hub" shall be developed preferably on PPP basis (viability to be assessed by trust) which shall provide all services of an incubator including shared work spaces, professional business advisory/consultancy; access to funding and also provide support at commercialization stage including networking and merger & acquisition, valuation advisory amongst others. This innovation hub shall be further expanded into virtual incubator to widespread its reach.

10.5 Funding Support to Startups

Funding support shall be provided to Startups in various stages of its business cycle.

Validation Stage:

10.5.1 Seed Funding Support

A Seed Grant upto Rs 10 Lakhs per start-up as interest free loan for 10 years shall be provided to startups. This financial assistance shall be released on achieving milestones/phases and performance parameters defined by Incubation Center and the trust. The financial assistance shall be provided to startups for validation of idea, prototype development, assistance towards travelling costs and carrying out field/ market research/ skill training/ marketing and initial activities to setup a startup etc. The actual amount of funding shall be based on the assessment made jointly by the incubation centre and the Expert Committee. The loan shall be returned after 10 years. An amount equal to 5% of the seed grant shall also be contributed by the Incubatee into the startup.

Commercialization Stage

10.5.2 Early Stage Funding Support

- a. Free of cost Valuation for Startups.
- b. Facilitate access to Angel Investors.

- c. A success fee @2% of investment shall be provided to startups for mobilizing investments from state registered angel investors towards early stage funding.
- d. A financial assistance equal to the amount invested in startup by the Angel Groups and Category I Alternate Investment Funds shall be given as loan to the Startup. The rate of interest and terms and conditions of the loan shall be notified by the Trust from time to time.

10.5.3 Scale-up Funding Support

- a. The Trust may participate in SEBI registered AIFs (Alternate Investment Funds) and Venture Capital Funds, upto 25% as Limited Partner. The Venture Capital Fund so created shall invest at least 50% (i.e. equal to twice the contribution made by trust in the VC Fund) in startups located in Bihar.
- b. The Trust shall facilitate listing and public issue of Startups in collaboration with National Level Stock Exchanges such as BSE/ NSE.

Incentives/ provisions under Bihar Industrial Incentive Policy in force will be available to startups. However the incentive for the same component cannot be claimed from more than one scheme.

Efforts will be made to leverage relevant benefits available under various schemes of Government of India.

10.6 Zero Cost for filing patents - Domestic and Foreign

Intellectual Property (IP) is an invaluable business tool for startups, or entrepreneurs, providing initial start to one's business. IP gives an exclusive right to the creator over the use of his/her'

creation for a certain period of time. With increasing new avenues in businesses, "the Intellectual Capital" has become one of the key wealth drivers in present era. In today's competitive and dynamic environment, IP can be unique selling proposition (USP) of the product or service allowing high entry barrier for startups to grow faster than competitors. Investors weigh IPs heavily and create good value for venture.

In order to encourage the registration of IPRs (Intellectual Property Right) by Startups and provide facilitation support for protection and commercialization of IPRs, Government shall:

- a. Bear all costs associated towards filing domestic patents.
- b. Provide additional financial assistance in form of reimbursement for awarded foreign patents towards filing fees.

10.7 Additional incentives to SC/ST/Women/ Differently-Abled

Incentives listed below shall solely be applicable to startups which are fully owned by any one person of this category or a group /mix of the person defined in this category only. Efforts shall be made to identify persons belonging to the Scheduled Castes and Scheduled Tribe and promote entrepreneurship among them.

- 10.7.1 The Trust may set up Project Management Units to specifically handhold them in setting up their ventures.
- 10.7.2 Entrepreneurs under this category will avail additional grant / exemption / subsidy than the limit fixed under clause 10.5.1 and 10.5.2 of this policy

- a) Woman Enterprise-additional 5%
- b) SC/ST-additional 15%
- c) Differently Abled- additional 15%

10.7.3 Additionally, 22% (20% SC/2%ST) of the total corpus for funding startups shall be reserved for SC/ST.

10.7.4 Based upon the requirement, Government shall relax the eligibility criteria, as stated in clause 6.1, for certifying startups belonging to SC/ST/ women and differently abled.

11 Institutional Framework

11.1 A Trust is an autonomous body constituted under the Chairmanship of a professional with an experience in investments in companies. The composition of Trust shall be:

Expert in area of investment or the Development Commissioner till such appointment is made by the Government	Chairperson
Principal Secretary/ Secretary Industries Department.	Member- Secretary
Principal Secretary, Finance	Member
Principal Secretary, Planning	Member
Principal Secretary, Science and Technology	Member
Two Principal Secretaries/ Secretaries to be nominated by the Government	2- Members
Director IIT Patna, Director NIT Patna, Director CIMP.	3- Members
Representatives of Associations, Organisations and Institutions promoting Entrepreneurship	3- Members
Special Invitee members (Subject/ Sector experts)	2- Members
Representative of Financial Management Company	2- Members

11.2 Single Window Clearance Committee

All Statutory Licenses/Clearances required by startups (if not exempted otherwise under this policy) shall be facilitated on priority basis. This committee shall constitute of:

- Principal Secretary, Industries
- Representative for concerned departments

The committee shall ensure time bound clearances for all the matters as stated in the policy.

11.3 Financial Management Company

The Trust shall set up a Financial Management Company to carry out the financial operations of the Trust. The Financial Management Company shall disburse incentives, loans and other financial assistance to the Startups as decided by the Trust.

11.4 Role of Trust

As the nodal agency for this Policy, Trust shall be entrusted with the following roles and responsibilities:

- a. Management of awareness campaign for promotion of entrepreneurship amongst youth of Bihar
- b. Support Entrepreneurship Development Cells and Entrepreneurship Facilitation Centers
- c. Creating and managing common infrastructure for Startups
- d. Recommend reforms encouraging entrepreneurship in education.
- e. Creation of customized index to track the quality of Startup ecosystem by benchmarking national and international level
- f. Setting up, Operations and Management of Startup Bihar Portal
- g. Certification of Startups
- h. Conduct quarterly review meetings with committee for progress in the policy implementation
- i. Alignment of the Policy with other policies of State Government
- j. Amendment(s) and Modification(s), if any, required of the policy
- k. Liaison with other State Departments for effective implementation of the policy
- l. Liaison with Government Agencies and other agencies at national level like SEBI, etc to create optimal policies for funding assistance to startup
- m. Liaison with Multilateral Financial Institutions like World Bank, IFC for financial support to Startups.
- n. Resolution of any difficulty faced by startups during establishment and operations in Bihar
- o. Annual review of the Policy
- p. Overall Monitoring and Implementation of the Policy
- q. Identify and develop new markets for Startups in the State

11.5 Role of Financial Management Company

The Financial management Company setup by the trust shall carry out the following activities:

- a. Asset Management of the trust
- b. Appointment of Fund Manager
- c. Facilitation of incentives in the policy such as cost of registration and licensing, zero-cost IPR and all other fiscal incentives stated in the policy
- d. Assistance for funding to Startups such as seed grant, early stage and scale-up funding and other funding support stated in the policy
- e. Financial assistance to set up Entrepreneurship Development Cells and Entrepreneurship Facilitation Centers
- f. Financial assistance in Creating and managing common infrastructure for Startups
- g. Investments in Startups as per this policy.
- h. Facilitate Investment related decisions under the policy in a time bound manner.
- i. Periodic assessment of policy and startup ecosystem

- j. Timely amendment and suggestion of the policy
- k. Keeping vigilant eye on policy implementation procedure
- l. Raise funds from Multilateral and Donor Agencies

11.6 Startup Investment Advisory Committee (SIAC)

The State Government shall set up an Expert Committee called the Startup Investment Advisory Committee consisting of eminent and experienced professionals. The SIAC shall carry out the following activities:

- a) Recommend the list of applicants under this policy to be certified as startups
- b) Assist the Trust in creating of a panel of Private Incubators
- c) Assist the Trust in creating a panel of Angel Groups and Category I Alternate Investment Funds
- d) Assist the Trust and the Financial Management Company to create a panel of Venture Capital Funds and aid in decision making of investments in Fund of Funds for Startups in Bihar.
- e) Advise the Trust on various issues related to the implementation of the Policy
- f) Advise the Trust and review the performance of the policy.

The Committee shall meet frequently for such matter(s) and gap between the two consecutive meetings shall not be more than 90 days. The meeting of the committee can be conducted in person or virtually using technology such as video conferencing, conference calls whereby the members can hear and be heard by the other members of the committee.

11.7 Responsibility Matrix

S No	Task	Responsibility
1	Certification of Startups	Trust on the advise of the SIAC
2	Awareness Campaign. State Level Challenge/ Competition & Bihar Startup Fest	Trust with assistance of Financial Management Company /any other agency(s)
3	Financial Assistance for setting up of Entrepreneurship Development Cell/ Entrepreneurship Facilitation Centre	Trust with assistance of Financial Management Company
4	Setting up One Stop Bihar Startup Portal	Trust with assistance of Financial Management Company/any other agency(s)
5	Statutory License/ Registration under various Acts required for running a business	Single Window Clearance Committee
6	Recommend Reforms in Education System	Trust with assistance of Technical Higher Education Institutes
7	Funding/Incentive(s) appraisal	Financial Management Company
8	Investments in Startups	Financial Management Company
9	Incubation Support for Startups	Financial Management Company
10	Common Infrastructure and Bihar Innovation Hub	Trust/ Financial Management Company
11	Zero Cost IP Registration	Financial Management Company.

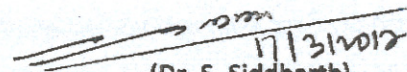
12 Protection of action taken in good faith

(a) No suit, prosecution or other legal proceeding shall lie against Trust, Financial Management Company, Startup Investment Advisory Committee or any official involved in the implementation of this policy in respect of anything which is done or intended to be done in good faith under this policy or in pursuance of any order, executive instruction or direction made or given thereunder.

(b) No suit or other legal proceeding shall lie against the Trust, Financial Management Company, Startup Investment Advisory Committee or any official involved in the implementation of this policy for a damage caused or likely to be caused by anything which is done or intended to be done in good faith under this policy or in pursuance of any order, executive instruction or direction made or given thereunder.

13 Bihar Startup Policy, 2016 has been repealed with effect from dated 17.03.2017.

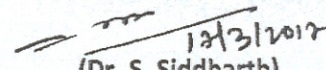
By order of Governor of Bihar


(Dr. S. Siddharth)

Principal Secretary, Department of Industries,
Bihar, Patna.

No - 357 / Patna, dated - 17.03.17

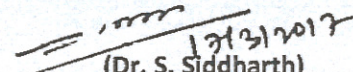
Copy to :- State Printing Press, Gulzarbagh, Patna to publish in the special edition of Bihar Gazette.
Request to print 1000 copies of the published gazette and make it available to the Department.


(Dr. S. Siddharth)

Principal Secretary, Department of Industries,
Bihar, Patna.

No - 357 / Patna, dated - 17.03.17

Copy to :- For information and necessary action - To all Department/department Head/Commissioner, Commercial Taxes/Managing Director, all Corporations under Department of Industries/Bihar Industrial Area Development Authority/Chief Executive Officer, Bihar State Khadi and Village Industries Board, Patna/Chairman, Bihar State Electricity Board, Patna/ All Divisional Commissioner/All District Magistrates/All Deputy Development Commissioner/Director, Technical Development/Director Industries/Resident Commissioner, Bihar Bhawan, New Delhi/All General Manager, DIC/Director, MSME Development Institute, Patna/Muzaffarpur.


(Dr. S. Siddharth)

Principal Secretary, Department of Industries,
Bihar, Patna.