

# Bihar

## OVERVIEW

Policy Name	<b>Bihar Startup Policy 2017</b>
Website	<a href="#">Startup Bihar</a>
Policy Document	Download here
Nodal Agency	<b>Department of Industries</b>
Office Address	Department of Industries, Govt. of Bihar, 2nd Floor, Vikas Bhavan, Balley Road, Patna - 800 015
Contact Details	<b>Phone Number: +91-612-2547695</b>

## INCENTIVES

### FOR STARTUPS

#### 1. Self-Certification

Type of Benefit	Non-Fiscal and Fiscal
Benefit Details	Startups will be exempt from licensing/registration required 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 the government shall bear the cost of the license(s).
Eligibility Criteria	Startups have to be certified by the Nodal Agency.
Application Procedure	Self-Declaration shall be submitted by Startups annually as per the format prescribed by State Government.

#### 2. Market Preference to Start-up

Type of Benefit	Non-Fiscal
Benefit Details	Startups should be given preference by the State Government Departments/PSUs in the procurement process for products/services.

### 3. Reserved and Free of cost space

Type of Benefit	Fiscal
Benefit Details	State Government shall allot 10% of spaces in forthcoming industrial parks, SME Clusters and Hub for Startups/Incubators/ Common Shared Infrastructure on preference. 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.
Eligibility Criteria	<ul style="list-style-type: none"><li>• Startups have to be certified by the Nodal Agency.</li><li>• Startups must be registered with an incubation centre.</li></ul>

### 4. Seed Grant at validation Stage

Type of Benefit	Fiscal
Benefit Details	A seed grant of upto Rs. 10 lakhs per startup as an interest free loan will be given to Startups by the State Government for a period of 10 years. 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 Financial Assistance will only be given to the Startup on achieving milestones and performance parameters as defined by the Incubation Center and the Trust (Nodal Agency of the State).
Eligibility Criteria	<ul style="list-style-type: none"><li>• Startups have to be certified by the Nodal Agency.</li><li>• Startups must be registered with an incubation centre.</li><li>• 5% of the seed grant shall be contributed by the Incubatee into the Startup.</li></ul>
Application Procedure	<ul style="list-style-type: none"><li>• Register on the Startup Bihar portal as a startup and get recognized.</li><li>• Apply for benefit through the portal.</li></ul>

### 5. Valuation services at commercialization stage

Type of Benefit	Fiscal
Benefit Details	Services for valuation of company shall be provided to startups free of cost.
Eligibility Criteria	<ul style="list-style-type: none"> <li>• Startups have to be certified by the Nodal Agency.</li> <li>• Startups must be registered with an incubation centre.</li> <li>• Startup should be at a commercialization stage.</li> </ul>
Application Procedure	Contact Startup Bihar

## 6. Success Fee for Fundraising

Type of Benefit	Fiscal
Benefit Details	If Startups have successfully mobilized investments from State Registered Angel Investors, then the State Government will give a success fee of 2% of the investment to the Startup.
Eligibility Criteria	<ul style="list-style-type: none"> <li>• Startup has to be certified by the Nodal Agency.</li> <li>• Should be an early stage startup.</li> <li>• Startups that have obtained funding from State registered angel investors.</li> </ul>
Application Procedure	<ul style="list-style-type: none"> <li>• Register on the Startup Bihar portal as a startup and get recognized.</li> <li>• Apply for benefit through the portal.</li> </ul>

## 7. Matching Loan

Type of Benefit	Fiscal
Benefit Details	A financial assistance equal to the amount invested in the 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.
Eligibility Criteria	<ul style="list-style-type: none"> <li>• Startup has to be certified by the Nodal Agency.</li> <li>• Startup should have obtained funding from Angel groups and/or Category I Alternate Investment Funds.</li> </ul>
Application Procedure	<ul style="list-style-type: none"> <li>• Register on the Startup Bihar portal as a startup and get</li> </ul>

	<p>recognized.</p> <ul style="list-style-type: none"> <li>• Apply for benefit through the portal.</li> </ul>
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## 8. Zero Patent Filing Cost

Type of Benefit	Fiscal
Benefit Details	The State Government will bear all costs associated with the filing of domestic patents and reimburse the filing fees for awarded foreign patents.
Eligibility Criteria	<ul style="list-style-type: none"> <li>• Startups have to be certified by the Nodal Agency.</li> <li>• In case of a foreign patent, the startup will only be reimbursed the filing fees if the patent is awarded.</li> </ul>
Application Procedure	<ul style="list-style-type: none"> <li>• Register on the Startup Bihar portal as a startup and get recognized.</li> <li>• Apply for benefit through the portal.</li> </ul>

## 9. Incentives for Women/SC/ST/Differently Abled

Type of Benefit	Fiscal
Benefit Details	<p>Entrepreneurs will avail additional grant/exemption/subsidy other than the limit fixed under the above clauses of the policy.</p> <ul style="list-style-type: none"> <li>• Women Enterprise - additional 5%</li> <li>• SC/ST - additional 5%</li> <li>• Differently Abled - additional 15%</li> <li>• Additionally, 22% (20% SC/2%ST) of the total corpus for funding startups shall be reserved for SC/ST</li> </ul>
Eligibility Criteria	Incentives shall solely be applicable to startups which are fully owned by anyone person of this category or a group /mix of the person defined in this category only.
Application Procedure	<ul style="list-style-type: none"> <li>• Register on the Startup Bihar portal as a startup and get recognized.</li> <li>• Apply for benefit through the portal.</li> </ul>

## FOR INCUBATORS

### 1. Incubation Cost Reimbursement

Type of Benefit	Fiscal
Benefit Details	Incubators will be reimbursed the cost of incubating a startup, with a maximum limit of Rs. 2 lakhs per incubatee.
Eligibility Criteria	Incubator should be a Government Recognized Private Incubator or State Supported Incubator.
Application Procedure	Contact Startup Bihar

### 2. Incentive for Successful Fundraising of Incubatee

Type of Benefit	<b>Fiscal</b>
Benefit Details	Incubators will receive a fiscal incentive of 2% of the investment received by the incubatee from SEBI registered AIFs (Alternate Investment Funds).
Eligibility Criteria	Incubator should be a Government Recognized Private Incubator or State Supported Incubator.
Application Procedure	Contact Startup Bihar

### 3. Grant For Promoting Technology Based (IPR) Startups

Type of Benefit	Fiscal
Benefit Details	Incubators will be reimbursed the cost of incubating a startup, with a maximum limit of Rs. 2 lakhs per incubatee. Incubators will receive a fiscal incentive of 3% of the investment received by the incubatee from SEBI registered AIFs (Alternate Investment Funds) or Grant received from Government of India for promoting technology based (IPR) startups.
Eligibility Criteria	State supported Incubators
Application Procedure	Contact Startup Bihar

#### 4. Grant For Promoting Social Sector Startups

Type of Benefit	Fiscal
Benefit Details	Incubators will receive a fiscal incentive of 5% of the investment received by the incubatee from SEBI registered AIFs (Alternate Investment Funds) for promoting startups in social sectors that provide solutions in areas like health, education and nutrition.
Eligibility Criteria	State supported Incubators
Application Procedure	Contact Startup Bihar

#### 5. Matching Grant

Type of Benefit	Fiscal
Benefit Details	Incubators will be reimbursed the cost of incubating a startup, with a maximum limit of Rs. 2 lakhs per incubatee. The State Government will match the funding raised by the incubator(s) from either the Government of India, Multilateral donor agencies or both on a 1:1 basis on the same terms and conditions.
Eligibility Criteria	Incubator should be a Government Recognized Private Incubator or State Supported Incubator.
Application Procedure	Contact Startup Bihar

## 1. State Contribution in Fund

Type of Benefit	Fiscal
Benefit Details	The Trust may participate in SEBI registered AIFs (Alternate Investment Funds) and Venture Capital Funds, upto 25% as Limited Partner. The so created Venture Capital Fund shall invest at least 50% (i.e. equal to twice the contribution made by trust in the VC Fund) into Bihar based Startups.
Eligibility Criteria	<ul style="list-style-type: none"><li>• Venture Capital Fund shall invest at least 50% (i.e. equal to twice the contribution made by trust in the VC Fund) into Bihar based Startups.</li><li>• Must be SEBI registered AIFs (Alternate Investment Funds) and/or Venture Capital Funds.</li></ul>
Application Procedure	Contact Startup Bihar