

# Karnataka

## OVERVIEW

Policy Name	Karnataka Startup Policy 2015-2020
Website	<a href="#">Startup Karnataka</a>
Policy Document	<a href="#">Download Here</a>
Nodal Agency	Department of Information Technology, Biotechnology and Science & Technology, Government of Karnataka
Office Address	Karnataka Startup Cell, BMTC - Central Offices Building, TTMC 'B' Block, 4th Floor, Shanthi Nagar, KH Road, Bangalore-560 027
Contact Details	Phone Number: +91-80-22231007 Email: <a href="mailto:startupcell@karnataka.gov.in">startupcell@karnataka.gov.in</a>

## INCENTIVES

### FOR STARTUPS

#### 1. Patent Incentive

Type of Benefit	Fiscal
Benefit Details	<ul style="list-style-type: none"><li>For Domestic Patents: The cost of filing and prosecution of patent application will be reimbursed to incubated startup companies upto a limit of Rs. 2 lakhs per Indian patent awarded</li><li>For Foreign Patents: For foreign patents on a single subject matter, upto Rs. 10 lakhs (Rs. 1 Million) will be reimbursed to incubated startups</li><li>The reimbursement will be done in 2 stages - 75% after the patent is filed and the balance 25% after the patent is granted</li></ul>
Eligibility Criteria	<ul style="list-style-type: none"><li>The applicant should be a Startup registered with the Karnataka Startup Cell with a valid Karnataka Startup Cell registration number</li><li>Only patents that have been filed by a startup within validity of this Policy will be eligible to claim this reimbursement</li><li>Patents that are created for a technology-based service or product or uses technology 1 for enhancing functionality or reach of an existing product or service are eligible</li><li>The applicant should have already filed or been granted a patent with the concerned authority. The applicant should have paid the</li></ul>

	<p>mandatory government fees/attorney fees in this regard</p>
Application Procedure	<p>The Eligible Startups shall submit the application in the prescribed format along with the documents mentioned in the format to the Karnataka Startup Cell as follows:</p> <ul style="list-style-type: none"> <li>• Application for reimbursement Post Filing of Patent: <ul style="list-style-type: none"> <li>○ The applicant must fill Form A and B along with Annexure I in the prescribed format, along with submitting the relevant mandatory documentation specified therein</li> </ul> </li> <li>• Application for reimbursement Post Grant of Patent: <ul style="list-style-type: none"> <li>○ The applicant must fill Form A and C along with Annexure I in the prescribed format, along with submitting the relevant mandatory documentation specified therein</li> </ul> </li> <li>• Application for reimbursement Post Filing and Post Grant of Patent Simultaneously: <ul style="list-style-type: none"> <li>○ The applicant must fill Form A, B &amp; C along with Annexure I in the prescribed format, along with submitting the relevant mandatory documentation specified therein</li> </ul> </li> </ul>
Mandatory Documents	<ul style="list-style-type: none"> <li>• KBITS registration No.</li> <li>• Duly filled forms as applicable and Annexure I &amp; II</li> <li>• Duly filled forms and Annexure –I, II and III if applying through an Empanelled Incubator.</li> <li>• A copy of the patent filed at the appropriate authority</li> <li>• Certificate of Patent Grant from Patent Office as applicable</li> <li>• Detailed statement of expenses incurred towards the Patent Registration along with the copies of invoices &amp; receipts from the patent authority and legal counsel as applicable</li> <li>• All Invoices submitted by the appropriate Patent Authority towards Govt. fees and towards legal agents</li> <li>• The certificate of Patent with valid serial number must be furnished and valid form 27 to be enclosed.</li> <li>• Reimbursement amount will be released / disbursed on the seniority basis depending upon the Budget allotment of the State Government</li> </ul>
Screening Procedure	<ul style="list-style-type: none"> <li>• Nodal Officer Karnataka Startup Cell, on receipt of the required documents, will scrutinize and perform necessary due diligence on the expenses incurred by the applicant</li> <li>• The Startup cell shall recommend the application to the MD, KBITS through the Nodal Officer for sanction the reimbursement of costs incurred towards filing or grant of Patent</li> </ul>

## 2. Marketing Incentive

Type of Benefit	Fiscal
Benefit Details	30% of the actual marketing costs including travel incurred in international marketing through trade show participation will be reimbursed on submission of valid claims. This incentive will be subject to a maximum of Rs. 5 Lakhs per year per company
Eligibility Criteria	<ul style="list-style-type: none"> <li>• The applicant should be a Startup registered with the Karnataka Startup Cell with a valid Karnataka Startup Cell registration number</li> <li>• The International Marketing activities that are eligible under the ambit of this incentive are as follows:               <ul style="list-style-type: none"> <li>○ Activities undertaken by the applicant in trade show participation (travel expenses)</li> <li>○ Activities undertaken by the applicant in international marketing and sales promotion</li> <li>○ Publication (whether by image video, audio or textual)</li> <li>○ Subscription to Market Research Material</li> </ul> </li> <li>• Marketing incentives can be claimed on a half-yearly basis in every financial year (within 6 months of the expense incurred)</li> </ul>
Application Procedure	<ul style="list-style-type: none"> <li>• Apply using form as in Annexure I of the policy</li> <li>• Apply using duly filled Annexure II form if applying through an Empanelled Incubator</li> </ul>
Mandatory Documents	<ul style="list-style-type: none"> <li>• If reimbursement is claimed against an International Event/Trade Show participation, the following need to be furnished:               <ul style="list-style-type: none"> <li>○ Invitation Letter</li> <li>○ Welcome Letter from Organizers</li> <li>○ Event Web Page showing Company Name, Shipping documents, Printed</li> <li>○ Event Brochures / Proceedings</li> </ul> </li> <li>• Market Research Subscription/ Reports (Web link/Letter/E-mail communications) if applicable</li> <li>• If reimbursement is claimed against Advertisements / PR in International Print / Broadcast / Online Publications / Google AdWords / social media marketing content, the following need to be furnished:               <ul style="list-style-type: none"> <li>○ Photocopies/Scanned documents of publicity material</li> <li>○ Web links</li> </ul> </li> <li>• Copy of Invoices and Purchase Orders for all Marketing Expenses claimed along with at least one supporting document for each expense</li> <li>• A report of all business development activities undertaken by the</li> </ul>

	company during the visit to the trade fair by the unit shall also be submitted
Screening Procedure	<ul style="list-style-type: none"> <li>• Nodal Officer Karnataka Startup Cell, on receipt of the required documents, will scrutinize and perform necessary due diligence on the expenses incurred by the applicant</li> <li>• The Startup cell shall recommend the application to the MD, KBITS through the Nodal Officer for sanction the reimbursement of costs incurred towards filing or grant of Patent</li> </ul>

### 3. Tax Incentive

Type of Benefit	<b>Fiscal</b>
Benefit Details	Service Tax paid by startups incubated in Government of Karnataka supported incubators and CIFs whose annual turnover does not exceed Rs. 50 Lakhs for the first three years will be reimbursed
Eligibility Criteria	<ul style="list-style-type: none"> <li>• The applicant should be a Startup registered with the Karnataka Startup Cell with a valid Karnataka Startup Cell registration number</li> <li>• Startups incubated in Government supported incubators or CIFs with an annual turnover upto a maximum of 50 Lakhs will be eligible for reimbursement annually for the first three years from the date of commercial operation or till the incubator becomes DST certified whereby the services given by the incubator and the incubatees will become exempt from service tax</li> <li>• This reimbursement incentive will only apply to services performed during the validity of the Karnataka Startup Policy</li> </ul>
Application Procedure	<ul style="list-style-type: none"> <li>• Apply using form as in Annexure I, II and III of the policy</li> </ul>
Mandatory Documents	<ul style="list-style-type: none"> <li>• Copy of the Service Tax Registration certificate issued by the competent authority</li> <li>• Copy of the First invoice/invoices of all the services offered for which reimbursement is claimed</li> <li>• Tax returns (ST form-3) filed by Startup for the period for which reimbursement is being claimed</li> <li>• Challan / Receipt issued by Service Tax Department</li> <li>• Audited balance sheet for 3 years</li> </ul>
Screening Procedure	<ul style="list-style-type: none"> <li>• Nodal Officer Karnataka Startup Cell, on receipt of the required documents, will scrutinize and perform necessary due diligence on</li> </ul>

the expenses incurred by the applicant

- The Startup cell shall recommend the application to the MD, KBITS through the Nodal Officer for sanction the reimbursement of costs incurred towards filing or grant of Patent