

BIHAR START-UP POLICY-2022



Govt. of Bihar

Department Of Industries, Govt. Of Bihar

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Government of Bihar

Department of Industries

Resolution

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. Start-ups and Innovation play a key role in economic growth. This can be realized by promoting innovation and creating an ecosystem that nurtures start-ups from concept to commissioning. Apart from creating jobs, start-ups focus on innovation to create next gen solutions which bring economic dynamism.
- 1.2 Government of Bihar formulated and notified Bihar Start-up Policy, 2016 to create an independent and transparent eco system, where the state shall provide funding, promotion and policy support which was later amended as Bihar Start-up Policy 2017. The State has setup a Trust, with an initial corpus of INR 500 crores, which acts as the nodal agency for implementation of this policy.
- 1.3 In order to further boost the ecosystem and to make it more holistic and beneficial for the youth and entrepreneurs of the state, the Government has approved the Bihar Start-up Policy, 2022. This policy also aims to broad base the coverage, with an effective and faster implementation process.

2. Vision

The vision for the Bihar Start-up Policy, 2022:

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

3. Policy Period

Bihar Start-up Policy, 2022 will be effective from the date of notification. The said date shall be considered as effective date of this policy from which its provisions shall come into force and shall be applicable for 5 years.

4. Objective

- 4.1 Introduce, promote and encourage entrepreneurship education and career amongst the youth and entrepreneurs through various programs like “Udyami Bihar, Samridh Bihar Campaign”, Entrepreneurship Awards, Innovation Challenges and Business Plan Competitions etc.
- 4.2 Support Start-ups by seed-funding as well as matching grants to increase their viability.

- 4.3 Facilitate development of Entrepreneurship Development Centers and Entrepreneurship Facilitation Centers to increase awareness and promote entrepreneurship amongst the youth.
- 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/Co-working spaces
- 4.6 Provide a one stop comprehensive portal for start-ups 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 start-ups.
- 4.8 Provide appropriate institutional support to enable the nurturing of Start-ups including mentoring, hand holding and trainings/orientation visits.
- 4.9 Any other activity which will enable and create Start-up ecosystem in the state.

5. Eligibility of Start-Ups in Bihar

An entity shall be considered as a Start-upon fulfilling the following conditions:

- i. Upto a period of ten years from the date of incorporation/ registration, if it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008).
- ii. Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded one hundred crore rupees.
- iii. Entity is 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.
- iv. Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a 'Start-up'.
- v. Provided Start-up must be incorporated or registered in Bihar and having office in Bihar.
- vi. Provided further applicable taxes from the operations of the company are payable in Bihar.

6. Institutional Framework

A strong Governance structure shall be established for effective implementation and monitoring of Bihar Start-up Policy, 2022. The composition of the governance structure is as follows:

- a. Bihar Start-up Fund Trust (BSFT) chaired by Development Commissioner, Government of Bihar for deliberation on the policy matters, inter-departmental collaboration and bi-annual progress review on the policy implementation outcomes.

- b. Start-up Monitoring & Implementation Committee (SMIC) to take decisions on the matters of policy implementation, inter-departmental co-ordination or any other issues referred by PSC for decision making.
- c. Preliminary Scrutiny Committee (PSC) to oversee the work of Start-up support unit as well as decision making for effective implementation of the Start-up policy.
- d. Start-up Support Unit (SSU) to act as single point of contact for all Start-up related matters.

6.1 Bihar Start-up Fund Trust (BSFT)

The Bihar Start-up Fund Trust is an autonomous body constituted under the Chairmanship of Development Commissioner, Government of Bihar. The composition of BSFT is as follows:

Sl.	Members	Designation
1	Development Commissioner	Chairperson
2	Principal Secretary, Industries	Member Secretary
3	Principal Secretary, Finance	Member
4	Principal Secretary, Planning	Member
5	Principal Secretary, Science & Technology	Member
6	Two eminent experts in the Start-up field nominated by the Department of Industries	Member
7	Director IIT Patna, Director CIMP	Member
8	2 Representative of Associations, Organisations and Institutions promoting entrepreneurship to be nominated by the Department of Industries	Member
9	Representative of Financial Management Company/ Society	Member

6.1.1 Role of Bihar Start-up Fund Trust

- a. Monitoring and review of Start-up policy and its implementation
- b. Amendments and/or modifications, if any, required in the policy
- c. Approve major issues like rating system of start-ups, detailed guidelines for Start-up approvals and handholding etc.
- d. Liaison with Central and other State Departments for effective implementation of the policy, if required
- e. Any other issues referred by SMIC.

6.2 Start-up Monitoring and Implementation Committee (SMIC)

SMIC shall be constituted under the Chairmanship of Principal Secretary, Department of Industries, Government of Bihar. The composition of SMIC shall be:

Sl.	Members	Designation
1	Principal Secretary, Industries	Chairperson
2	Director to be notified by the Department of Industries	Member Secretary
3	Representative of Finance Department	Member
4	Representative of Science & Technology Department	Member
5	Representative of IT Department	Member
6	2 Representative of Incubators to be nominated by the Department of Industries	Member
7	2 Representatives of Associations, Organisations and Institutions promoting entrepreneurship to be nominated by the Department of Industries	Member
8	Nodal Officer of SSU	Member

SMIC shall meet frequently and gap between two consecutive meetings shall not be more than 45 days.

6.2.1 Role of Start-up Monitoring and Implementation Committee (SMIC)

- a. Overall Implementation of the Policy
- b. Approval for certification of start-ups
- c. To onboard Start-up ecosystem stakeholders such as mentors, incubators, angel investors, venture capitalist etc and develop infrastructures such as common space, Start-up portal, EDC etc
- d. To approve matching grants to start-ups, success-grants etc.
- e. Liaison with other state Departments for effective implementation of the policy
- f. Any other issues related to the effective implementation of Start-up policy.

6.3 Preliminary Scrutiny Committee (PSC)

A Preliminary Scrutiny Committee shall be constituted under the Chairmanship of Director to be notified by the Department of Industries, Government of Bihar. The composition of Preliminary Scrutiny Committee shall be:

Sl.	Members	Designation
1	Director to be notified by the Department of Industries	Chairperson
2	2 Representatives of Incubators to be nominated by the Department of Industries	Member
3	2 Representative of Associations, Organisations and Institutions promoting Entrepreneurship to be nominated by the Department of Industries	Member
4	Nodal Officer of SSU	Member-Secretary

6.3.1 Role of Preliminary Scrutiny Committee

- Approve, tag and refer the applications shortlisted by PMA/ TPA to the subject related incubators.
- Assist SMIC in on boarding Start-up ecosystem stakeholders such as mentors, incubators, angel investors, venture capitalist etc. and development of infrastructures such as common space, EDC, Start-up portal etc
- Assist SMIC on various issues related to implementation of the Policy.
- Monitoring of Start-up Support Unit (SSU)
- To provide timely redressal of grievance of start-ups and other stakeholders.

6.4 Start-up Support Unit (SSU):

A Start-up Support Unit (SSU) under Department of Industries shall be created for effective implementation of this Policy. SSU shall be responsible for creating a conducive policy environment for sustained growth of Start-up ecosystem in the state.

It will act as single point of contact for engagement with ecosystem stakeholders such as mentors, incubators, angel investors, venture capitals etc.

To manage the operations of SSU, department of industries may depute adequate manpower from the department or through a Project Management Agency (PMA). SSU may also be placed in Corporation or Company of the Government for effective functioning.

6.4.1 Role of Start-up Support Unit (SSU):

- Work as single point of contact for start-ups in the state for providing information as well as hand-holding support
- Process applications through an online portal, their screening and approval by competent authorities
- All communications with start-ups
- Providing hand-holding support to start-ups through various stages

- e. Act as single window system for getting all statutory clearances for start-ups
- f. Act as Secretariat for implementation of Start-up policy
- g. Organise events, sessions, trainings, visits and other activities for promoting the Start-up culture

6.5 Third Party Agencies

Third Party Agencies (TPA) may be taken on board for:

- a. Design of the rating system for start-ups
- b. Evaluation of applications as per the approved rating system
- c. Recommending certification of start-ups
- d. Recommending seed funding / matching grants etc as per the approved criterion based on rating achieved by the start-ups.

6.6 Financial Management Company

An existing or new Company of Government of Bihar may be made Financial Management Company to carry out the financial operations under this policy. Financial Management Company shall disburse incentives, loans and other financial assistance to the Start-ups as decided by SMIC. It shall carry out the following activities:

- a. Asset Management of the Trust
- b. Facilitation and assistance for funding to Start-ups such as seed grant, early stage and scale-up funding and other funding support stated in the policy
- c. Financial assistance to develop and manage ecosystem such as Entrepreneurship Development Cells, common infrastructures etc and raise funds from multilateral donor agencies
- d. Facilitate Investment related decisions under the policy in a time bound manner

7. Application Process and Certification of Start-ups

- a. The Start-ups shall submit their application online along with detailed description of idea in the prescribed form through the Online Start-up Portal.
- b. Online applications received shall be scrutinized and processed by SSU. The SSU will short list the eligible start-ups as per criterion approved by the Start Up Fund Trust. The SSU will also provide hand holding support to the Start-up applicants to improve their proposals.
- c. The short-listed applications will be approved by the “Preliminary Scrutiny committee” headed by Director to be notified by the Department of Industries for referring them to the incubators.
- d. After preliminary examination the shortlisted applications shall be tagged to the Incubators. The Incubators will provide hand-holding support and after the incubation process shall prepare a proposal for Start-up on the following issues:

- i. Business Plan
 - ii. The amount of funding assistance required at various stages
 - iii. Any requirement of common infrastructure or other infrastructure created under this policy
 - iv. Any assistance as envisaged under this policy
- e. The list of such recommendations/proposals received from incubators shall be evaluated by the Third Party Agency (TPA) and a rating will be provided as per the approved rating criterion.
- f. Start-up Monitoring and Implementation Committee (SMIC) shall examine these recommendations and certify Start-ups as per the rating criterion.
- g. Financial incentives and other support shall be provided to start-ups based on their categorization through rating mechanism. The detailed guidelines in this regard will be finalized with approval of BSFT.

8. YUVA: The action plan to support start-ups and create an enabling eco- system.

8.1 Bihar Start-up Policy has been designed on following four pillars (YUVA)

Yes to Start-ups (Awareness, Networking and Mentoring Campaign)

Unleash Regulatory Enablers for Supporting Start-ups

Vibrancy in Education System to encourage and facilitate Start-ups

Access to financing & incubation support

9. YUVA: Yes to Start-Up

9.1 Promoting Awareness “Udyami Bihar, Samridh Bihar Campaign” and Facilitating Networking Platform for Start-ups

Government is committed to encourage entrepreneurship as an education and career both, for the youth across all economic and social segments of the population. In order to inculcate entrepreneurial culture amongst youth, Government shall:

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

9.2 Assistance for Idea Development

Conducive Start-up ecosystem enables youths 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 in collaboration with Educational Institutes, Bihar based industrial associations/organizations promoting start-ups.
- b. Setting up Entrepreneurship Facilitation Centers at Educational & Professional Institutes.

9.2.1 These Cells/Centers shall:

- a. Organize various promotional events to disseminate awareness about entrepreneurship and promote Start-up 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 start-ups for preliminary mentoring and business plan support, company registration, market research support, business structuring advisory and management consultancy.

10. YUVA: Unleash Regulatory Enablers for supporting Start-ups

10.1 Setting up comprehensive one stop portal for Start-up-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 Start-ups. A single window clearance system supported by interactive training manuals and checklist would enable Start-ups 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 Start-up Bihar portal shall be launched. This portal shall provide instant accessibility to start-ups 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 through standardized forms.
- c. The portal shall also be integrated with other Government of India sponsored Start-up 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. Empanel mentors of networks to start-ups having potential for growth and scalability.
- f. Accessing various State Government Schemes and Incentives available for Start-ups.

10.2 Optimizing Regulatory Framework-Enabling regulatory environment for Start-up Ecosystem

Starting up a business involve getting various stages of departmental approval and clearances. Most of the start-ups 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. Start-ups 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 Start-up 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. Start-ups 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 Start-ups annually as per the format prescribed by State Government.
- d. State Government Departments/ PSUs shall be advised to give preference to Start-ups in procurement process for products/ services.
- e. State Government shall endeavour to allot 10% of spaces in forthcoming industrial parks, SME Clusters and Hub for Start-ups/Incubators/ Common Shared Infrastructure on preference.

11. YUVA: Vibrancy in Education System

Educational 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 Start-ups 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.

12. YUVA: Access to Funding and Incubation Support

12.1 Facilitating Incubation Centers for Start-ups

Incubation centres are crucial for nurturing promising Start-ups. 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 start-ups:

- a. Financial assistance for setting up of new incubators (both physical and virtual) and expanding State supported Incubators.
- b. Reimburse cost of incubating a Start-up 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 start-ups.
- d. 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.

12.2 List of State Supported Host Institutes/ Incubators

The Start-up Support Unit (SSU) with approval of the SMIC, shall from time to time update the list of state support host institutes and State Sponsored incubators in Bihar Start-up portal.

12.3 Common Infrastructure for Start-ups

Government shall facilitate creation of common infrastructure for Start-ups. 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 start-ups
- 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 to Start-ups Free of Cost and on chargeable basis for specified periods as per norms decided by Bihar Start-up Fund Trust.

- 12.4** Apart from the incubation centres, a “Bihar Innovation Hub” will be set up, which shall provide all services of an incubator including shared workspaces, 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.

12.5 Funding Support to Start-ups

Funding support shall be provided to Start-ups in various stages of its business cycle.

Validation Stage:

12.5.1 Seed Funding Support

A Seed Grant of up to Rs 10 Lakhs per Start-up as interest free loan for 10 years shall be provided to start-ups. This financial assistance shall be released on achieving milestones/phases and performance parameters as defined in the rating system. The financial assistance may also be provided to start-ups 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 Start-up etc. The actual amount of funding shall be based on the assessment made by rating agency. The loan shall be returned after 10 years.

Commercialization Stage:

12.5.2 Early Stage Funding Support

- a. Free of cost Valuation for Start-ups.
- b. Facilitate access to Angel Investors.
- c. A success fee @2% of investment shall be provided to start-ups for mobilizing investments from

state registered angel investors towards early stage funding.

- d. **Matching Support:** A financial assistance up to an amount equal to the amount invested in start-ups by the Angel Groups and Category- I Alternate Investment Funds may be given as loan to the Start-up. The rate of interest and terms and conditions of the loan shall be notified by the SMIC from time to time.
- e. **Assistance to enrol and participate for Acceleration Program:** Assistance up to Rs. 3 Lakhs per Start-up to enrol and participate for National/ International recognized acceleration program. The fees/charges paid for attending the same will be considered eligible for getting assistance.

12.5.3 Scale-up Funding Support

- a. The SMIC may participate in SEBI registered AIFs (Alternate Investment Funds) and Venture Capital Funds. 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 start-ups located in Bihar.
- b. SMIC shall facilitate listing and public issue of Start-ups in collaboration with National Level Stock Exchanges such as BSE/ NSE.

Incentives/ provisions under Bihar Industrial Investment Promotion Policy in force will be available to start-ups. 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.

All the incentives shall be availed based on categorization of start-ups through rating mechanism.

12.6 Zero Cost for filing patents – Domestic and Foreign

Intellectual Property (IP) is an invaluable business tool for start-ups, or entrepreneurs, providing initial start to one's business. Investors weigh IPs heavily and create good value for venture. To encourage the registration of IPRs (Intellectual Property Right) by Start-ups 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.

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

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

- 12.7.1 SMIC may set up Project Management Units to specifically handhold them in setting up their ventures.
- 12.7.2 Entrepreneurs under this category will avail additional grant / exemption /subsidy than the limit fixed under clause 12.5.1 and 12.5.2 of this policy
- a. Woman Enterprise-additional 5%
 - b. SC/ST-additional 15%
 - c. Differently Abled -additional 15%
- 12.7.3 Additionally, 22% of the total corpus for funding start-ups shall be reserved for SC/ST beneficiaries.
- 12.7.4 Based upon the requirement, the BSFT may relax the eligibility criteria, as stated in clause 5, for certifying start-ups belonging to SC/ST/ women and differently abled.

13. 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 SMIC 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.

14. Protection of action taken in good faith

- a. No suit, prosecution or other legal proceeding shall lie against Trust, Financial Management Company/ Society 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 there under.
- b. No suit or other legal proceeding shall lie against the Trust, Financial Management Company 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 there under.

15. The works which are being done under Bihar Start-up Policy, 2017 will be considered as covered under Bihar Start-up Policy, 2022.

16. In case of any discrepancy in the meaning and interpretation of the translated version of this policy, the English language version shall be binding in all respect and shall prevail

17. This policy shall come into effect from the date of issue of the policy in Bihar Gazette notification and shall remain in operation till 5 years from the date of such notification.
18. The proposal has been approved by the State Cabinet in the form of item number-13 on 17.06.2022.

By the order of the Governor of Bihar



(Sandeep Poundrik)

Principal Secretary,
Department of Industries, Bihar, Patna.

Memo No: 1502 /Patna, Dated: 27.06.2022

File No. - 4Tech./Start-up policy amendment/155 /2021

Annexure

Definitions

Acceleration Program: An Acceleration programs is typically a 3–4 month program for Start-ups at early traction and scaling stage. It is a process of intense, rapid and immersive education aimed at accelerating the growth of the Start-up.

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

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.

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.

Commercialization Stage: Commercialization Stage refers to an integral stage in lifecycle of Start-up wherein Start-ups scale up their business and commercialize product/ services.

Differently abled: As defined in “The Rights of Persons with Disabilities Act, 2016 and any other statute enacted for the welfare of person with disability.

Entity: Entity refers to Private Limited Company (under The Companies Act, 2013) or a Registered Partnership Firm (under section 59 of The Indian Partnership Act, 1932) or Limited Liability Partnership (under The Limited Liability Partnership Act, 2008).

Financial Management Company/ Society: means as per para 6.6.

Fund Manager: Financial Management Company/ Society shall appoint one or more fund managers for managing the fund and activities mentioned under this policy.

Government: means Government of Bihar in this Policy unless otherwise specified.

Idea Stage: Idea Stage refers to an integral stage in lifecycle of Start-ups wherein feasibility analysis of the idea is performed to evaluate the success/failure of the concept.

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.

Mentoring: Mentoring is generally a pool of industry experts/ academicians that help Start-ups by providing unbiased guidance, strategic support and thinking and help them build their network.

Preliminary Scrutiny Committee (PSC): means as per para 6.3.

Registered: Registered refers to an entity registered with Registrar of Companies (RoC) Bihar.

Seed Grant: Seed Grant is a financial assistance provided to Start-ups 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 12.5.1.

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.

Start-up Support Unit (SSU): means as per para 6.4.

Start-up Monitoring and Implementation Committee (SMIC): means as per para 6.2.

State Supported Incubators/ Incubation Center: means incubator(s) supported by Government of Bihar and/ or Government of India.

TBI: A Technology Business Incubator (TBI) as recognized by Department of Science and Technology, Government of India.

Trust/ Bihar Start-up Fund Trust: Trust means a nodal agency constituted by Department of Industries, Government of Bihar under The India Trusts Act, 1882 for the purpose of policy review and implementation of this Policy.

Validation Stage: Validation Stage refers to an integral stage in lifecycle of Start-ups wherein the product/service is produced and delivered in a limited capacity which can be scaled up upon the success and requirement.

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.

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.



अधिक जानकारी के लिए संपर्क करें:

उद्योग विभाग, बिहार सरकार

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