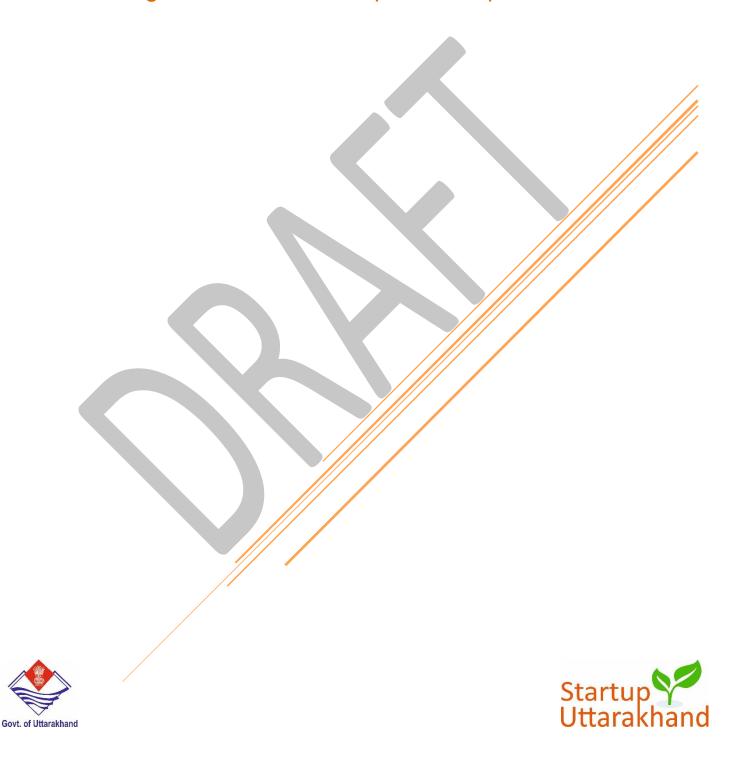
# UTTARAKHAND STARTUP POLICY 2022

Promoting Innovations & Entrepreneurship





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#### **BACKGROUND**

India is at the cusp of becoming the leading startup ecosystem in the world with YoY growth of a consistent annual growth of 12-15% as estimated by Department for Promotion of Industry and Internal Trade, Government of India. India has about 50,000 startups in India in 2018; around 8,900 – 9,300 of these are technology led startups 1300 new tech startups were born in 2019 alone implying there are 2-3 tech startups born every day.

Funding raising and investments into start-ups has been at its peak globally. In the first three quarters of 2021, 371 new companies attained unicorn status. With the increased funding activity and rise in valuations, the number of startups in the decacorn list is also on the rise across the country.

With proximity to Nation Capital Regions, unique climatic condition couple with flora and fauna, Uttarakhand has become strategic hub for the startups in the sectors such as Food and Agriculture, Travel and Tourism, Education, Pharma, Wellness, Information Technology, Artificial Intelligence and Machine Learning, SaaS etc. As a result of conducive policy and business friendly environment, Uttarakhand is being recognized as preferred startup destination. The state is home to more than 500 startups by the end of December 2021, which was only 100 until end of the year 2018. Around ten (10) startup have raised funding from notable Angel Investor and Venture Capital Firms by the end of the year 2021 as result of efforts of Government of Uttarakhand. The state also has around 10 incubators, 180 registered mentors and investors and more than 13 partner organizations for providing shared services. Startup Uttarakhand is recognized as one of the most active startup ecosystem in the country as result of the specific programs and interventions undertaken after the announcement of Uttarakhand Startup Policy.

The State Government has also formed CM Advisory group on Startups, Innovation and Entrepreneurship in the year 2020 to guide and advise Government of Uttarakhand on the strategic initiatives focused on Startups. There are more than twenty (20) specific programs designed to guide, train, mentor and handhold aspiring entrepreneurs in the state. The state government organizes Startup Boot Camps and Grand Challenge to identify innovations ideas and recognize them. In the States' Startup Ranking 2019, Uttarakhand was recognized as the Aspiring Leader and regulatory champion.

The current trend in the state and national startup ecosystem shows that there is huge potential for the startups with unique and innovative prepositions to solve the challenges faced by the society on day-to-day basis. It has become inevitable for enterprises to look out for innovative and tech driven solutions to become a global leader. Uttarakhand is well poised to take a lead in national startup ecosystem with the presence of startups in the sectors like Food & Agriculture, Travel and Tourism, Green Energy, Education, Medical Technologies, Healthcare, Wellness, Handloom and Handicrafts , Information Technology, Artificial Intelligence, Machine Learning, Robotics etc.

In the wake of the drastic changes in the economic environment across the territories and measures required to support homegrown startup enterprises, it has become inevitable to take strategic measures to handhold and support startups and key stakeholder in the startup ecosystem. As a result, it is important to revisit the States' Startup Policy and make ample provisions to support the further growth startup ecosystem in Uttarakhand. With an objective to address the needs of innovators, aspiring entrepreneurs, incubators, student entrepreneurs and other key stakeholders and to create a conducive environment for the startup ecosystem in the state of Uttarakhand, the "Uttarakhand Startup Policy 2022" has been brought in to force.

#### **OBJECTIVES**

The objective of this policy is to establish a robust startup ecosystem in the state by creating a culture of innovation and entrepreneurship, establishment of a world-class infrastructure to support Startups having innovative solutions to the problems and challenges faced by the society in day to day life and to promote employment generation and wealth creation activities in the state. The Uttarakhand Startup Policy 2022 is industry agnostic and is applicable to all startups working across sectors.

#### VISION

To become a leading startup destination and a strategic startup hub for innovators and aspiring entrepreneurs.

#### **GOALS**

- 1. Stimulate the growth of 1000 startups including technology driven enterprises in next 5 years
- 2. Establishing state of the art infrastructure for innovators, startups, students and ecosystem stakeholders in Uttarakhand
- 3. Encouraging the growth of technology based enterprises along with social enterprises while focusing on stimulating the growth of local economy through wealth creation and employment generation
- 4. Facilitating access to infrastructure and key resources that are important for the growth of enterprises in the state.

#### VALIDITY OF POLICY

This Policy is valid for a period of 5 years from the date of its notification or until a new policy is formulated.

#### 1. **DEFINITION**

- 1.1. Legal Entity (for the purpose of recognizing startups under this policy)
  - **1.1.1.** A Company means a Company incorporated as a Private Limited Company under the provision of Companies Act 2013 or under any previous company law or a Company defined as Private Limited under the provision of Companies Act 2013
  - **1.1.2.** Limited Liability Partnership means a company incorporated under the provision of Limited Liability Partnership Act, 2008
  - **1.1.3.** Registered Partnership Firm means a company **incorporated and registered** under the provision of Partnership Act, 1932 or under any subsequent Acts enacted by Government of India for the registration of Partnership Firm

#### 1.2. Startup

An entity shall be considered as a "Startup" under "Uttarakhand Startup Policy 2022" if it fulfills the criteria as specified below:

# Legal Entities having Registered Office in Uttarakhand

- **1.2.1.** It should be a separate "Legal Entity" as defined in the **Clause 1.1** of this policy and
- **1.2.2.** The period of existence and operations should not be exceeding 10 years from the Date of Incorporation and
- **1.2.3.** Should have an annual turnover not exceeding Rs. 100 crore for any of the financial years since its Incorporation and
- **1.2.4.** Entity should not have been formed by splitting up or reconstructing an already existing business or part of any family business or part of the conglomeration and
- **1.2.5.** The founders of the Legal Entity should be 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 or
- **1.2.6.** As per the criteria defined by Government of India from time to time

# Legal Entities having Registered Office in any other states of India

In addition to the criteria define under **Sub Clause 1.2.1** to **Sub Clause 1.2.6** of **Clause 1.2** of this policy:

**1.2.7.** The entity should be operating from Uttarakhand and shall be employing at least 50% of its full time workforce who shall be domiciled in Uttarakhand

# 1.3. Grassroot Innovation or Innovation with Rural Impact

- Grassroot Innovations or Innovations with rural impact shall be defined as creation or development or improvement of products or services that can resolve the challenges, issues or problems faced by the people living in the rural or hilly region or
- the development or improvement of the product or services that can provide livelihood opportunities to the people living in the rural or hilly region.

Startups, which are based in the regions as defined under Category A & B of Uttarakhand MSME policy 2015 (as amended in 2019) and are working toward resolving the challenges, issues or problems faced by the people living in those region or providing livelihood opportunities to them shall be considered as Startups working towards grassroot innovations or innovations with rural impact.

# 1.4. Women Startups

Legal entity shall be considered as women startup wherein

- **1.4.1.** the entity is led and founded by woman entrepreneur and
- **1.4.2.** woman is the active partner or director in the company and is actively looking after the day-to-day operations in the company and
- **1.4.3.** the partnership or equity holding of women founders in the legal entity is not less than 51%

# 1.5. Statups by SC/ST/Differently Abled/Transgender

 $Legal\ entity\ shall\ be\ considered\ as\ Startup\ by\ SC/ST/Differently\ Abled/Transgender\ wherein$ 

**1.5.1.** the partnership or equity holding of people from Schedule Cast, Schedule Tribes, Differently Abled Person or a Transgender in the legal entity is not less than 51%

# 1.6. Recognized Startup

Any legal entity fulfilling the criteria as specified in **Clause 1.2** and is recognized as Startup from time to time by Startup Task Force set up under Uttarakhand Startup Policy by Uttarakhand Startup Council.

Entities that have been recognized as Startups under Uttarakhand Startup Policy 2018 shall continue to be a startup subjected to fulfilling the criteria defined under the said policy.

#### 1.7. Turnover

Turnover shall be as defined under the provision of Companies Act 2013

# 1.8. Stage of Startup

#### 1.8.1. Ideation 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.

# 1.8.2. Prototyping or Minimum Viable Product (MVP) Stage

Prototyping or MVP Stage refers to an integral stage in lifecycle of startups wherein the product or service is produced and delivered in a limited capacity that can be scaled up upon the success and requirement.

#### 1.8.3. Scale Up Stage

Scale up Stage refers to an integral stage in lifecycle of startups wherein company is ready with the final product or services and is looking for its commercialization.

# 1.9. Innovation

Inventions are the bedrock of innovation. An invention is a **new solution to a technical problem** and can be protected through patents.

Innovation means doing something new that improves a product, process or service. Innovation involves application of information, imagination and initiative in deriving greater or different values from resources. Many innovations can be protected through intellectual property (IP) rights.

#### 1.10. Incubator

An organization designed to support Startup companies during the early stages to help develop a scalable business model through business support resources and services such as physical space, capital, coaching and mentoring, shared services that shall including accounting, legal services, human resource, corporate connects, investor connects, mentor connects, acceleration program and providing networking opportunities.

- Any entity funded or registered under any policy or scheme of departments of Government of India i.e. Technology Business Incubator (TBI) under Department of Science & Technology and Atal Incubation Centre under NITI Aayog or
- any incubation center established under any schemes or policy of any state government in India and operating in Uttarakhand or
- any newly established entity registered and operating in Uttarakhand

which has its sole objective to promote innovation and entrepreneurship among the section of the society shall be considered as an incubator for the purpose of this policy.

- **1.10.1.** The incubator shall be a separate legal entity registered under any one of the following categories:
  - (i) A Society (under The Societies Registration Act, 1860) or
  - (ii) A Section 8 Company (under The Companies Act, 2013) or
  - (iii) A Private Limited Company (under The Companies Act, 2013) or
  - (iv) A Limited Liability Partnership (under The Limited Liability Partnership Act, 2008) or
  - (v) A Public Charitable Trust (under The Indian Trusts Act, 1882)

# 1.11.Recognized Incubator

Any separate legal entity fulfilling the criteria as specified in **Clause 1.9.1** and recognized as Incubator from time to time by Uttarakhand Startup Council set up under Uttarakhand Startup Policy.

Entities that are recognized as Incubator under Uttarakhand Startup Policy 2018 shall continue to be a recognized incubator subjected to fulfilling the criteria defined under the said policy.

#### 1.12. Lead Incubator

The Government realizes that there is a need to create world class incubation facilities in Uttarakhand with suitable physical infrastructure in terms of capital equipment and operating facilities, coupled with the availability of sectoral experts for mentoring the start-ups, business planning support, access to seed capital, industry partners, trainings and other relevant components required for encouraging innovative start-ups.

While State Government will encourage establishment of Incubation Centers in Higher Education Institutions, Universities, Academic and Professional Institutions, it shall also aim to establish Lead Incubator that would nurture innovative start-up businesses in their pursuit to become scalable and sustainable enterprises. The Lead Incubator shall work as the Hub for the other recognized incubators (spokes) in Uttarakhand.

# 1.13. Mentors

Mentor is a person who would provide sector specific knowledge & real world practical guidance to the aspiring entrepreneur

#### 1.14. Subject Matter Experts

Subject Matter Expert is a person who has special skills or knowledge in a specific subject, business area, or technical area for a project.

#### 1.15. Accelerator

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

#### 1.16. 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

# 1.17. Uttarakhand Startup Council

The Uttarakhand Startup Council shall be the Governing Body comprising of members from Government of Uttarakhand, Departments of State Government, Industry Bodies, Academic Institutions, Corporates, Subject Matter Experts, Banks, Financial Institutions, Venture Capital Firms or any other person having experience in National Startup Ecosystem to advise State Government on Policy Matters, Strategic Initiatives focused on promoting entrepreneurship and development of State Startup Ecosystem.

# 1.18. State Nodal Agency or Nodal Agency

Directorate of Industries, Department of MSME shall be the State Nodal Agency to fulfill the purpose set out in Uttarakhand Startup Policy 2022 and to look after the activities focused on the implementation of the provisions of Uttarakhand Startup Policy.

# 1.19. Uttarakhand Startup Cell

Startup cell established by the State Nodal Agency to take care of the day-to-day activities and operations under Startup Uttarakhand Initiative

# 1.20. Task Force or Committee for Grant of Recognition and Distribution of Incentives - CoRDI

The state nodal agency shall formulate a Task Force or Committee for Grant of Recognition and Distribution of Incentives comprising of members from department of State Government, Entrepreneurs, Investors, Banks, Financial Institutions, Academic Institutions, Industry Bodies, Subject Matter Experts, etc. for the scrutiny of application received for grant of recognition and incentives under Uttarakhand Startup Policy.

The Committee shall take decisions related to:

- a. Assessment of the application received for startup recognitions and incentives
- b. Grant of recognition or incentives to the entities which has applied for it
- c. Any other decisions notified by State Nodal Agency

# 1.21. Limiting Clause

- **1.21.1.** The policy supersedes all the clauses pertaining to startup section of previous policy i.e. Uttarakhand Startup Policy 2018.
- **1.21.2.** Startups and incubators that have availed funding under "Uttarakhand Startup Policy 2018" shall not eligible to claim incentives for the same component under this new policy i.e. "Uttarakhand Startup Policy 2022" and
- **1.21.3.** Startups and incubators that have availed funding under "Uttarakhand Startup Policy 2022" shall not eligible to claim incentives for the same component under any other policy of Government of Uttarakhand

#### 2. INCENTIVES FOR RECOGNIZED STARTUPS

Any Legal Entity recognized as "startup" under Uttarakhand Startup Policy which has its project or business ideas approved by Task Force shall become eligible to apply for incentives as specified below:

#### **FISCAL INCENTIVES**

#### 2.1. Monthly Allowance

Monthly Allowance up to Rs. 15,000 per month per startup can be sanctioned to recognized startups which are at the ideation or prototyping stage. In case of Startup led by Women Startups or SC, ST, Differently Abled, Transgender or startups working towards grassroot innovations or innovations with rural impact which are at the ideation or prototyping stage, monthly allowance up to Rs 20,000 per month per startup can be sanctioned to Startups.

Monthly allowances shall be a one-time assistance maximum period of twelve (12) months.

#### 2.2. Seed Fund

Recognized startup, which are at ideation or prototyping or MVP stage, shall become eligible for a one-time seed funding assistance up to INR 10 lakhs and in case of startups by women Startups, SC, ST, Differently Abled, Transgender or startups working towards grassroot innovations or innovations with rural impact up to INR 12.5 lakhs.

The seed fund shall be granted in tranches only after proper assessment of the requirements of funds for each applicant startup.

#### 2.3. Intellectual Property Rights

Recognized startups shall be encourages to avail incentives or benefits available to startups under the schemes of the departments of Government of India

#### **Patent**

100 % Reimbursement of the amount paid and maximum up to Rs 1.0 lakh (per patent) for Indian Patent and up to 5.0 lakh (per patent) for International Patent can be sanctioned to each startup. Reimbursement will be for the expense paid towards Prior Art search, Government Filing Fees, Attorney Fees, Maintenance fees or any other legal fees for filing patent.

Reimbursement of expenses shall be made at two stages i.e. 75% at the time of filing of patent application and 25% at the time of grant of patent. The support shall be maximum for filing two working patents in the areas in which the startup is working and has availed recognition.

#### **Trademark**

Reimbursement up to Rs 10,000 (per trademark) for filing trademark application. Reimbursement will be for the expense paid towards Trademark Search, Government Filing Fees, Attorney Fees, Maintenance fees or any other legal fees for filing trademark application

The support shall be maximum for filing two trademark application in the name of the startup which has availed recognition.

#### **Industrial Design**

Reimbursement up to Rs 10,000 (per industrial design) for filing Industrial Design application. Reimbursement will be for the expense paid towards Government Filing Fees, Attorney Fees, Maintenance fees or any other legal fees for filing design application.

The support shall be maximum for filing two design application in the name of the startup, which has availed recognition.

# 2.4. Incentives under MSME Policy

Recognized Startups shall be eligible to avail incentive under Uttarakhand MSME Policy subjected to the eligibility specified therein and complying with procedure.

#### 2.5. Pre Incubation Support

Innovator or aspiring entrepreneur identified by the State Nodal Agency shall be eligible for a one-time free of cost (FoC) incubation support in the State recognized incubation centre. The pre-incubation support shall be one time support maximum for a period of Three Months.

The cost towards the pre-incubation program up to INR 10,000 per Innovator or aspiring entrepreneur will be borne by State Government.

# 2.6. Incubation Support

All recognized startups shall be eligible for a one-time free of cost (FoC) incubation support for a maximum period of 12 Months in any State Government recognized incubation centre.

The cost towards enrolling in the incubation program by recognized startups in any state recognized Incubation Center will be borne by State Government as specified in Sub-Clause 3.3 under Clause 3

# 2.7. Provision of Land in Industrial Area / IT Parks / SEZ

The State Government shall make provision for allocation of land/space to recognized startups in notified industrial areas, IT Parks, special economic zones (SEZ) or any other state established or support industrial area at 25% subsidized rates.

# 2.8. National & International Exposure

Subjected to the approval of State Nodal Agency, recognized startups are eligible for one time financial assistance to cover the cost incurred towards traveling (economy class), participation fees or cost towards stall space for participating in any National or International, Trade Fairs, Exhibitions, Expositions, Conference, Seminar, Training Programs, Acceleration Programs etc.

# 2.9. Pilot Projects

Recognized startups shall be eligible for one time assistance up to Rs 2.5 lakhs for undergoing pilot project with the Department/ Agency/ Bodies/ Authorities of Government of Uttarakhand or Government of India or any other State Governments.

The startup should have received letter of intent for undergoing pilot project from the concerned department.

# 2.10. Acceleration Program

The state government shall organize at least two Acceleration Program per year in partnership with venture capital firms or renowned accelerators or corporate house or any other recognized professional organization having specialization in organizing acceleration program.

#### **NON-FISCAL INCENTIVES**

# 2.11. Exemption from inspection

Recognized startups becomes eligible for exemption from inspection on self-certification basis for a period of five years from the date of recognition under the following acts

- a. The Factories Act, 1948
- b. Shops and Establishment Act,
- c. The Maternity Benefit Act, 1961
- d. The Contract Labour (Regulations and Abolition) Act, 1970
- e. The Payment of Wages Act, 1936
- f. The Minimum Wages Act, 1948
- g. The Employment Exchange Act, 1959
- h. Payment of Gratuity Act, 1972
- i. Air (Prevention & Control of Pollution) Act, 1981
- j. Water (Prevention & Control of Pollution) Act, 1974
- k. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
- l. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- m. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- n. The Employees' State Insurance Act, 1948

The exemptions under the above acts shall be subjected to the complying to the due procedure specified by Startup India, Department for Promotion of Industry and Internal Trade or the concerned departments.

# 2.12. Public procurement

All recognized startups shall become eligible for the exemption in public procurement as specified in Uttarakhand Purchase Preference Policy, Procurement Rules and subsequent amendments in this regard.

All departments, bodies or agencies of State Government shall extend the exemption as specified in Uttarakhand Purchase Preference Policy and Procurement Rules made thereunder in the public procurement to the startups recognized by Uttarakhand Startup Council.

# 2.13. Access to Shared Facilities

The State Government will provide free access to recognized startups to Universities, Libraries, Government Laboratories, Center of Excellence and other shared facilities to support and facilitate the development of innovative idea / concepts by aspiring entrepreneurs.

The State Government shall also establish partnerships with corporates and other service providers or pro bono business resources (such as L&D modules, Tools & Templates for Investor Pitch Decks, etc.) and services (such as legal services, cloud services, CRM, etc.) to support and facilitate startups in product development.

# 3. INCENTIVES FOR INCUBATORS

#### 3.1. Lead Incubator

The state government shall establishment of world-class incubation centres in the form of Center of Excellence (CoE) in specific sectors such as manufacturing, transport, energy, health, education, agriculture, water and sanitation etc. in Uttarakhand. These incubation centres would support and encourage innovative technology based start-ups that have an application and/or impact in the core sectors of the economy.

# 3.2. Capital Grant

Incubators recognized by Uttarakhand Startup Council shall become eligible for the one time Capital Grant of up to Rs.1 crore and maximum 50% of the amount proposed be spent on capital expenditure (except the cost of land and building) for setting up of New or Expansion of existing Incubation Centers.

The capital grant shall be disbursed in a phased manner as per the budget plan submitted by the applicant and approved by the Uttarakhand Startup Council. The applicant shall become self-sustainable in a period of five years and it should clearly reflect in the proposed budget submitted by the applicant.

# 3.3. Operational Grant

Incubators recognized by Uttarakhand Startup Council shall become eligible for reimbursement up to Rs 1.00 Lakh per Startup to cover the cost of providing incubation support to the recognized startups as specified in Sub-Clause 2.6 of Clause 2

The operational grant shall be give once the incubation centre becomes operational and shall be maximum for a period of 5 years from the date of the grant of in-principal approval. Incubators shall physically incubate recognized startup at least for a period of 12 months and maximum for a period of 18 months.

#### 4. PROMOTING ENTREPRENEURSHIP IN ACADEMIA

# 4.1. Entrepreneurship cells (eCells)

All schools, Colleges, Academic Institutions and Universities will be encouraged to set-up Entrepreneurship Development Cells (EDCs) to create awareness and encourage students towards entrepreneurship within their campus. The respective schools, Colleges, Academic Institutions and Universities shall appoint a nodal officer for the eCell to look after the activities on the entrepreneurship.

Ecells recognized by the State Nodal Department shall be eligible for the financial assistance of up to INR 1.50 lakhs for meeting expenses towards conducting programmes focused on promoting entrepreneurship such as boot camps, business plan competitions, hackathons, startup conclave, summit, idea challenges etc.

# 4.2. Student Startup Entrepreneurs

Student entrepreneurs working on start-up ideas in their graduation and post-graduation will be permitted to convert their start-up project as their interim or final project towards award of their degree.

Startup Uttarakhand will establish mechanism to facilitate student entrepreneurs to do preliminary research for validation of idea, prototyping, MVP, field-testing, market research and filing IPR from time to time.

#### 4.3. Syllabus on Entrepreneurship

Schools, Colleges and Universities will be advised to update their respective curriculums to include a course on "Entrepreneurship Development" as an optional subject, to encourage students to take entrepreneurship as their carrier option.

# 4.4. Inclusion of Massive Open Online Course (MOOCs) in curriculum

Various nationally and internationally accredited Massive Open Online Courses focused on entrepreneurship or any course designed and approved by the State Government shall be included in the academic curriculum. These Massive Open Online Courses may be taken by the students as elective subjects and may be assigned to them depending upon their interest.

# 4.5. Training of trainers

Innovation and entrepreneurship can propel the youth towards breakthrough discoveries. The role of teachers, faculties and mentors becomes very important in guiding youth towards entrepreneurship. Strong emphasis will be put on training the teachers, faculties, government officials by industry veterans, corporate and subject matter experts from startup ecosystem.

A provision for financial assistance up to INR 1.00 lakhs per year per program for the training the resource person of Colleges, Schools, Academic Institutions, Universities or departments of state government will be made for organizing training and capacity programs focused on Startups.

#### 4.6. Faculties as Mentor of Startup

Faculties in the institutions of higher learning, universities, schools etc. would be encouraged to take time off to work as a mentor with the aspiring students entrepreneurs at the incubator center or Entrepreneurship Development Cells (EDCs) for a stipulated time, after which they can join back to their normal work.

#### 5. GENERAL PROVISIONS

#### 5.1. Fab lab or Makers Lab or Prototyping lab

A provision of funds shall be made for setting up of the fab lab, makers labs or common facility centers having modern facilities for product development, testing and validation, internet connectivity and other facilities required by innovators, startups, innovators. State Government will ensure establishment of at least two labs in the identified regions of Uttarakhand.

#### **5.2. Flagship Programs**

To attract youth and motivate them to take up entrepreneurship, State Nodal Department and other departments, agencies or bodies of State Government shall

- a. organize startup conclaves, pitch your business ideas events, startup fests etc.
- b. organize boot camps, idea challenges, grand challenges etc. in the state to seek out fresh ideas and projects
- c. organize startup expositions, exhibitions, product showcase, hackathons, B2B, B2G programs etc.

At the end of each year, top twenty ideas will be selected from these competitions and awarded grant in the form of seed fund of INR 1.0 lakhs along with the publication of their success stories.

#### 5.3. Funds of Funds or Venture Fund

A fund of funds with a corpus of INR 200 crore shall be allocated for investing in venture funds that invest in startups in various sectors with an objective to provide equity funding support for development and growth of innovation driven enterprises. A professional fund manager shall be selected through open bidding process.

A portion of the funds of funds shall be used to setup the critical infrastructure for startup ecosystem in the state.

# 5.4. Departments of State Government

All departments, agencies, or bodies of State Government shall setup startup help desk and appoint nodal officer for startups in order to guide, train, support, facilitate and mentor startups creating innovative products, process or services. All Departments or Agencies or bodies shall prepare annual plan for supporting startups and shall organize programs such as boot camps, idea challenges, hackathons, B2G, B2B & B2C connect programs, startup trade fair, expositions, exhibitions etc. A mechanism (online) to resolve the grievances related to regulatory issues, public procurement etc. shall be made by the departments, agencies, or bodies of State Government.

All Departments, agencies, or bodies shall also provide opportunity to recognized startups to undergo pilot project to validate their product and services through Hackathons, Grand Challenges, and idea challenge and shall make a provision of requisite funds for the same.

The departments, agencies, or bodies of State Government shall give relaxations and preference to startups recognized by Uttarakhand Startup Council in public procurement as specified in Uttarakhand Purchase Preference Policy and subsequent amendments.

# 5.5. Hackathons or Idea Challenge

Each year, departments, agencies, or bodies of State Government shall identify problem or challenges in the identified areas pose them to startups for identifying unique solutions. The Solutions selected through a rigorous selection process shall be awarded an initial grant and may

be taken up for implementation as a pilot project at an appropriate scale in the respective department. The departments, agencies, or bodies shall make a provision of funds up to 10 lakhs for them.

# 5.6. Encouraging entrepreneurship among women

All Departments, agencies, bodies of State Government shall design and implement programs and initiatives to guide, support and mentor startups with women co-founders. At least two programs focused on Women entrepreneurship shall be organized in a year for their capacity building. The concerned Departments, agencies, bodies shall make a provision of funds for the same.

All State Government supported incubators shall be mandated to allocate minimum 10% seats for startups with women co-founders.

# 5.7. Capacity Building Programs

The State Government shall make provision of funds for organizing capacity building programs for Government official, Startups, Incubators, Angel Investors and other key stakeholders of Startup ecosystem in the state with an objective to provide them national and international exposure to the developments in the startup ecosystem.

# 5.8. Corporate Innovation Programs (CIPs) for Market Access:

With an aim to widen the scope of private sector market access for startups in Uttarakhand, Nodal Agency will organize partnership-based programs with corporates to facilitate State, National and International level exposure to startups. The state government shall make provision of requisite funds for organizing CIPs.

# 5.9. Project Management Unit (PMU) for Startup Uttarakhand

Nodal Department shall establish a full time Project Management Unit (PMU) with dedicated team for supporting State Government in the development of a robust Startup Ecosystem in the State of Uttarakhand.

# 5.10. Review of Policy

State Government shall formulate a committee to review this policy once in two year to critically appraise the usefulness of the policy, the ease of implementation and the outcomes achieved. The report shall be placed before the Uttarakhand Startup council for its decision.

# 5.11. Grant of incentives and benefits under this policy

Startups or incubators which are recognized under this policy shall be eligible for claim the benefits under this for a period of three years after expiry of this policy