

# Karnataka Start-up Policy 2015-2020



## Definition of a Startup

### Technology Based

Should be technology based: one that creates a technology based service or product or uses technology for enhancing functionality or reach of an existing product or service.

### Tenure

The start-up must not have been registered / incorporated for more than 4 (Four) years from the date of such application for any incentive applied under this policy. The same shall be 7 (seven) years for BT companies

### Location

The company/entity be registered in Karnataka under the Karnataka Shops and Commercial Establishment Act, 1961

### Employment

The company employs at least 50 (fifty) per cent of its total qualified workforce in Karnataka, which shall not include contract employees

**Exit clause** – A start-up will cease to receive benefits upon reaching revenue criteria of INR 50 crores

## Vision

**To create a world-class start-up ecosystem in the state through strategic investment and policy interventions leveraging the robust innovation climate in Bangalore**

## Target

- Stimulate the growth of 20,000 technology based start-ups including 6,000 product start-ups by 2020 in Karnataka
- Achieve creation of 6 lakh direct and 12 lakh indirect new employments in the sector
- Mobilize INR 2,000 Cr. funding for investment in start-ups through Government intervention alone, by leveraging the Fund of Funds proposed to be put in place by the State Government
- Facilitate generation of at least 25 Innovative Technology solutions with a social impact in sectors like Health care, Food Security, Clean environment and Education for all etc.

## Strategies

- New Age Incubation Network (NAIN) - At least 50 academic institutions would be assisted for establishing incubators in two-tier cities in a phased manner
- Fostering strong partnerships between R & D institutions and industry
- Technology Business Incubators (TBIs) in institutes of higher learning
- Providing early stage/idea to POC (Proof of Concept) funding
- Creating Incubation infrastructure through PPP
- Start-up funding through Fund of Funds
- Providing State support in the form of incentives & concessions
- Start-up Cell for handholding established in Karnataka Biotechnology and Information Technology Services (KBITS) for easy flow of information and assistance to needy start-ups
- Start-up council, a dedicated council and a Monitoring & Review Committee have been constituted

**Start-up portal and hotline where all stakeholders can interact closely and effectively**

**Start-up Cell to manage the portal and hotline and provide information on Service providers (CA, lawyers, IP Protection, Real Estate agencies, organizations, programs/events, Incubators, trade delegations, policies regulatory environment etc.**

## Incentives

### Financial Assistance

- ▶ The Government would match the funding raised by the Incubator from Government of India on a 1:1 basis as matching grants

### Reimbursement of VAT & CST

- ▶ 100% reimbursement for the first 3 years or till the incubator becomes DST certified

### Marketing Incentives

- ▶ 30% reimbursement, ceiling of INR 5 Lakhs per year per company

### Patent Filing Cost Reimbursement

- ▶ Reimbursement up to INR 2 Lakhs per Indian patent, up to INR 10 Lakhs per foreign patent

**ACS & Development Commissioner**  
Room No. 306, 3rd Floor,  
Vidhana Soudha, Bengaluru – 560 001.  
Phone: 080-22212804  
Email: [agricommr.kar@nic.in](mailto:agricommr.kar@nic.in)

**Additional Chief Secretary to Government  
Commerce & Industries Department**  
106, 1<sup>st</sup> Floor, Vikasa Soudha,  
Bengaluru - 560 001  
Email: [acscikar@kar.gov.in](mailto:acscikar@kar.gov.in)

**Principal Secretary to Government  
Department of Information Technology,  
Biotechnology and Science & Technology**  
VI Floor, 5th Stage, M.S. Building,  
Ambedkar Veedhi, Bengaluru 560 001  
E-mail : [secy-itbt@karnataka.gov.in](mailto:secy-itbt@karnataka.gov.in) ,  
[itbtsec@gmail.com](mailto:itbtsec@gmail.com)

**Commissioner for Industrial Development  
and Director of Industries & Commerce**  
2nd Floor, Khanija Bhavan, No.49,  
Race Course Road, Bengaluru 560 001  
[www.karnataka.industry.gov.in](http://www.karnataka.industry.gov.in)  
Ph : 91-80-2238 6796,  
Fax : 91-80-2238 9909  
Email: [commissioner@karnatakaindustry.gov.in](mailto:commissioner@karnatakaindustry.gov.in)

**Managing Director  
Karnataka Biotechnology & Information  
Technology Services**  
BMTc- Central Offices Building  
TTMC 'B' Block, 4th Floor, Shanthinagar,  
KH Road, Bangalore 560 027  
E-mail : [itdir@bangaloreitbt.in](mailto:itdir@bangaloreitbt.in) ,  
[mdkbits@gmail.com](mailto:mdkbits@gmail.com)

**Commissioner for Textile Development  
and Director of Handlooms and Textiles**  
No. 14/3a, RP Bhavan, Nripatunga road,  
Bengaluru 560 001  
Ph: +91 80 22271628 Fax: +91 80 22226082  
e-mail: [texcomgok@yahoo.co.in](mailto:texcomgok@yahoo.co.in)

**Chief Executive Officer  
Invest Karnataka Forum**  
3rd Floor, East Wing, Khanija Bhavan, Race  
Course Road,  
Bengaluru – 560 001  
Phone : 91-80-2228 2392  
Email: [ceo@investkarnataka.co.in](mailto:ceo@investkarnataka.co.in)

**Managing Director  
Karnataka Udyog Mitra**  
3<sup>rd</sup> Floor, Khanija Bhavan (East Wing), No. 49,  
Race Course Road, Bengaluru – 560 001  
Ph : 91-80-2228 2392, 2228 5659; 2238 1232  
Email : [md@kumbangalore.com](mailto:md@kumbangalore.com)  
Visit us at: [www.kumbangalore.com](http://www.kumbangalore.com)