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**Minutes of the 1st meeting of the Startup Council held under the
Chairmanship of Chief Secretary on 20.02.2017 in the 2nd Floor Conference
Hall of Secretariat**

Chief Secretary and Chairman of the Startup Council chaired the meeting. Shri Subroto Bagchi, Chairman, OSDA, Shri R. Balakrishnan, IAS, DC-cum-ACS and Shri L.N. Gupta, IAS, Principal Secretary, MSME, Shri T.K. Pandey, Principal Secretary, Finance and other members and officers as per the list in Annexure-I attended and participated at the meeting.

At the outset, the Principal Secretary, MSME updated the the Council members on the progress made so far in terms of release of Operational Guidelines, IED being designated as implementing agency, an Interactive Session of startups with Shri Jay Krishnan, CEO, T-Hub, hiring of BSNL line for Toll Free Startup Helpline, progress of Startup Odisha portal etc. He also apprised the Council about the road map of activities that would be undertaken in the immediate future.

The team from Invest India, an SPV under DIPP Govt. of India, informed the Council that though a total of 295 deals categorized as 'Seed funding' with an investment of 120 million USD took place in the startup space during the year 2016, not a single deal was from Odisha.

Thereafter, the items were discussed agenda-wise, the decisions on which are reflected below :

Agenda 1 : Approval of Logo

The Council perused various options and viewed that the logo should be modern and appealing to the startup eco-system. Chairman, OSDA opined that suggestions on logo may be invited through a crowd sourcing competition, where the best 3 entries could be awarded Rs.1.00 lakh, Rs.50,000/- and Rs.25,000/- respectively.

Principal Secretary, MSME stated that Odisha Startup Portal is proposed to be launched on March, 5, 2017. Hence, approval may be accorded for use of one of the logos temporarily. The Council agreed to the logo as given at annexure-III.

Agenda 2 (a) : Nomination of Nodal Agencies

The Council went through the list of the institutions proposed as nodal agencies to certify startups. It was opined that the number of nodal agencies could be rationalized and should not be restricted to the government institutions alone. The institutions like Centurion University, which have earned reputation in the area of skill development and NIFT may be included in the list. Principal Secretary, MSME clarified that as per para 7(v) of Odisha Startup Policy, Nodal Agency shall mean reputed Govt. institutions as approved by Startup Council for certifying startups for various categories, which is being proposed for amendment. Once the policy is amended, reputed private institutions could also be nominated as Nodal Agency.

After deliberations, the Council approved the following institutions as nodal agencies for certifying the startups.

Sl. No.	Institute / University	Location	Sector Focus
1	Indian Institute of Technology (IIT)	Bhubaneswar	Science, Electricals, Infrastructure, Mechanical Science, Material etc.
2	National Institute of Technology (NIT)	Rourkela	Electronics, Biotechnology, Food Processing and Management
3	Software Technology Parks of India (STPI)	Bhubaneswar	Information Technology (IT), Software Development, Electronic & Hardware Products
4	Orissa University of Agriculture and Technology	Bhubaneswar	Agriculture, Food Processing, Animal Husbandry, Veterinary Science, Home Science, Fisheries
5	Indian Institute of Minerals & Materials	Bhubaneswar	Minerals, Metals, Materials, Environment & Waste Management
6	NIFT	Bhubaneswar	Apparel and Fashion Technology



(b) Fee Structure of Nodal Agencies

After discussion, the Council approved the fee structure for Nodal agencies on 'per application basis' as follows :

- i. Startup Recognition: One-time fee of INR 1,500 per application.
- ii. Monetary Grant Application: One-time fee of INR 5,000 per application, this shall also include the periodic review as may be applicable.

Agenda 3 : Odisha Startup Toll Free Helpline

The Council noted the progress and approved the activation of the helpline with the help of Invest India. The Council also approved the cost of operating the helpline through Invest India at Rs.44,380/- per month for a period of 6 months.

Principal Secretary, MSME informed that the Startup Helpline will be launched soon.

Agenda 3 : Odisha Startup Portal

The Council considered the proposal and approved the development of Odisha Startup Portal through NIC at a cost of Rs.15.04 lakh including the cost of post-implementation maintenance for a period of one year. The Council, however, observed that the home page of the portal should be modern and befitting to the startup ecosystem.

Principal Secretary, MSME informed that the portal is likely to be launched on March 5, 2017.

Agenda 5 (a) : Incubators

The Council noted the flow chart of Incubator registration and benefits' approval process. The Chairman, OSDA suggested that whereas the present Startup Policy provides for one-time capital grant upto Rs. 1 crore for setting



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up of an incubator facility, it should also have a provision for providing matching contribution from Government whenever an incubator is able to raise contribution / grant from an industry/ philanthropic organization/alumni.

After deliberations, the Council resolved to keep a provision in the policy for providing a matching grant upto a maximum of Rs.5 crore on case to case basis, whenever a University recognized under the Central/ State Act is able to raise funding for development of its incubation infrastructure. Such grant from the government shall be used for development of incubation infrastructure including purchase of equipment for the incubation facility. The corresponding amendments may be made in the Odisha Startup Policy and Guidelines accordingly.

(b) The Council agreed to the suggestion that CPSUs/SPSUs may be asked to leverage CSR funds for setting up startup incubators in the state. It accorded in-principle approval to the MSME Department/ IED for approaching the following five CPSUs and SPSU for setting up incubators out of their CSR funds at the institutions indicated below :

Sl. No.	PSU	Likely Location of Incubator
1	Mahanadi Coal Fields	VSS University of Technology, Burla / Sambalpur University
2	NTPC	IGIT Sarang / IIMC Dhenkanal
3	Rourkela Steel Plant	BPUT Rourkela
4	NALCO	Central University of Odisha, Koraput
5	Indian Oil / Paradip Port Trust	Fakir Mohan University, Balasore
6	Odisha Mining Corporation	Odisha School of Mining Engineering / Government College of Mining, Keonjhar

The CPSUs/SPSU will be approached for necessary action in this regard.

Agenda 6: Startups

The Council noted the flow chart of startup registration and benefits' approval process. The Council also discussed in detail the incentives allowed to startups under the present Startup Policy. Based on the suggestions emerged during the deliberations, the Council unanimously decided to revise the Monthly Allowance to Startups from Rs.10,000/- to Rs.20,000/- per month and for marketing/publicity assistance from Rs.5 up to Rs.15 lakh, which should also include the cost towards product development. The corresponding amendments may be moved in the Odisha Startup Policy and Guidelines accordingly.

Agenda 7: Startup Odisha Team

The Council considered the agenda and approved creation of two posts in IED along with the compensation as proposed in the agenda for recruitment from the open market through Invest India empanelled vendor. The Council, however, resolved to revise the nomenclature of the post of Startup Director to the Mission Director, Startups and of Startup Manager to Evangelist.

Agenda 8 : Ease of Doing Business (EoDB) for Startups

The Council agreed to the recommendation regarding exemption of startups on the lines of SMEs from payment of earnest money and payment of 25% prescribed security deposits while participating in the tenders of Government Departments & Agencies thereunder. Amendment in the MSME Development Policy 2016 may be moved accordingly.

The Council, however, did not agree to the recommendation regarding OSIC acting as Nodal Agency for sourcing of raw material required by the startups. The other points regarding compliance on self-certification etc. were noted by the council.



Agenda 9 : MoU with Invest India

The Council considered and approved the proposal of MSME Department for going ahead with signing of an MoU with Invest India, an SPV under DIPP, Government of India for getting support to startup Initiative and MSME sector in Odisha.

Agenda 10 : Amendments to Startup Policy, 2016

The Startup India team informed the Council that they have reviewed the Odisha Startup Policy, 2016 vis-à-vis the Startup Policies of DIPP, other States and provisions of Atal Innovation Mission and have suggested certain amendments to the Startup Odisha Policy, 2016, which include elaboration /clarifications in respect of certain existing definitions, addition of new definitions where required, changes in the eligibility criteria of startup for various benefits and certain changes in operating guidelines with a view to simplify. The clause-wise details of the existing provisions and amendments considered and approved by the council are given at annexure-II.

The MSME Department may accordingly move a Cabinet proposal for amendments in the Odisha Startup Policy, 2016 and will effect corresponding changes in the operating guidelines.

Agenda 11 : Any other matter with permission of the chair

- (a) The Council resolved to include the Chairman, OSDA and Shri Srikumar Mishra, CEO, Milk Mantra (successful Start up) as permanent member of the Council.
- (b) In order to facilitate mentorship / engagement with the startups and Startup Odisha Initiative, the Council also resolved to organize Startup Meet with successful Odia Startups / Entrepreneurs at least once a year.

The meeting ended with vote of thanks to chair.



(A.P. Padhi)
Chief Secretary, Odisha

MEMBERS PRESENT IN THE MEETING ON THE FIRST MEETING OF THE STARTUP COUNCIL CONSTITUTED UNDER THE ODISHA STARTUP POLICY-2016 SCHEDULED TO BE HELD ON 20.02.2017 AT 4.30 PM IN UNDER THE CHAIRMANSHIP OF CHIEF SECRETARY, ODISHA IN THE 2ND FLOOR CONFERENCE HALL OF THE SECRETARIAT

SL No	Name	Designation	Contact No.	Signature
1	A.P. Padhi, IAS	Chief Secretary, Odisha		Chairman
2	R. Balakrishnan, IAS	DC-cum-ACS, Odisha		
3	L. N. Gupta, IAS	Principal Secretary to Government, MSME Department		
4	T. K. Pandey, IAS	Principal Secretary to Govt., Finance Department.		<i>T. K. Pandey</i>
5	S. Chopra, IAS	Principal Secretary to Government, Industries Department		
6	P. K. Jena, IAS	Principal Secretary to Government, E & IT Department		
7	Vishal Dev, IAS	Commissioner-cum-Secretary to Govt. W&CD Department		<i>Vishal Dev</i>
8	S. K. Singh, IAS	Commissioner-cum-secretary to Govt., SD&TE Department. & CMD, IDCO		<i>S. K. Singh</i>
9	Ashok Meena, IAS	Special Secretary to Govt., GA Department		
10	Samarendra Sahoo	CEO, IED, Bhubaneswar	9811150986	<i>Samarendra Sahoo</i>
11	Rajib Sekhar Sahoo	President, TiE, Bhubaneswar		<i>Rajib Sekhar Sahoo</i>
12	Prof. R. V. Raj Kumar	Director, IIT, Bhubaneswar	9437154755	<i>Prof. R. V. Raj Kumar</i>
13	Shyam Sundar Pattnaik	Vice Chancellor, BPUT	9437037696	<i>Shyam Sundar Pattnaik</i>
14	Dr. Mrutyunjay Suar	CEO, TBI, KIIT University, Bhubaneswar	9437011465	<i>Dr. Mrutyunjay Suar</i>
15	Ramesh Mahapatra	President, UCCI, Bhubaneswar	9437011133	<i>Ramesh Mahapatra</i>
16	Navpreet Singh Randhawa	Manager, Invest India, New Delhi		<i>Navpreet Singh Randhawa</i>
17	Abheet Dwivedi	Manager, Invest India	9930971558	<i>Abheet Dwivedi</i>
18	Rajen Padhi	DG, UCCI,	9437021347	<i>Rajen Padhi</i>
19	Santosh Panda	Comptroller-D, NIC.	9477126875	<i>Santosh Panda</i>

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SL No	Name	Designation	Contact No.	Signature
20	Sangram Mohali	DIRECTOR, NIST	9437011165	Mohali
21	Prof. S. S. Pattanaik	VC, BPUT	9437011165	[Signature]
22	P. K. Ramanik	SIO, NIC	9432341691	Ramanik
23	M. K. Das	Tech Div, NIC	9937522255	Das
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Clause	Original Policy Provision	Amendment as approved by the Startup Council
Definition 7. (i),	Private Limited Company (as per the Companies Act 2013), a Registered Partnership Firm (under the Partnership Act, 1932) or Limited Liability Partnership (under the Limited Liability Partnership Act, 2008).	Private Limited Company or One Person Company (as per the Companies Act 2013), a Registered Partnership Firm (under the Partnership Act, 1932) or Limited Liability Partnership (under the Limited Liability Partnership Act, 2008).
Definition 7. (iii)	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, common services including corporate and legal services and providing networking connections. An Incubator shall also mean a Technology Business Incubator (TBI) recognized either by the Central or State Government.	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, common services including corporate and legal services and providing networking connections. An Incubator shall also mean a Technology Business Incubator (TBI) recognized either by the Central or State Government. The incubator entity must be a registered entity falling under any one of the following categories: a) Society (under The Societies Registration Act, 1860) b) Section 8 Company (under The Companies Act, 2013) c) Private Limited Company (under The Companies Act, 2013) d) Public Company (under The Companies Act, 2013) e) Limited Liability Partnership (under The Limited Liability Partnership Act, 2008) The incubator entity should facilitate at least 3 months interaction in person or virtual between its incubatees and mentors, when in operation. Besides the above, Startup Council may consider case of a reputed academic institution/university/deemed university for recognition as incubator even if the same does not fall under any of the above categories.
Definition 7. (v)	Nodal Agency: Nodal Agency shall mean reputed government institutions as approved by the State Level Implementation Committee as Nodal Agencies for certifying Startups for all categories.	Nodal Agency: Nodal Agency shall mean reputed institution / organization as approved by the Startup Council as Nodal Agencies for certifying Startups.
Definition 7. (vii)	Successful Startup: A Startup venture will be considered successful if it raises at least Series 'B' or higher series funding of minimum Rs. 3. crore.	Successful Startup: Startup would be considered 'successful' if it fulfils any of the following conditions: 1. Startup has got total equity financing by SEBI registered AIF (Alternative Investment Fund) Category 1 & 2 fund or Angel Networks of at least INR 25 Lakh; or 2. Sanction Letter of funding / grant by Government of India or any State Government of at least INR 5 Lakh; or 3. The startup has got a revenue run rate of at least INR 10 Lakh a month over previous six months.
Definition 7. (viii) (New Addition)	Marketing Expense' not defined in the Startup Policy.	Marketing expense: Expense of the following nature shall be considered as marketing expense: 1. Media purchase to promote startup product / service across digital, print, TV, radio and Out of Home media; or 2. Expense for media development such as creative, jingles, brochures, etc. as may be required; or 3. Cost for setting up stall or counter at a business relevant exhibition in India or abroad along with economy class travel and three star hotel stay for the duration of the event for two individuals working with the Startup for at least three months. Sales discount shall not form part of the marketing expense.
Definition 7. (ix) (New Addition)	University' is not defined in the Startup Policy.	University: University means a University established or incorporated by or under a Central Act or a State Act, and includes any such institution as may be recognized by University Grant Commission.
University / Institution 8.1.1 (Sub para 2)	Such approved institution will be eligible for a one time grant of 50% of a capital cost (excluding the cost of building) upto a maximum of Rs 1 crore to set up an Incubator Facility.	Such approved institutions will be eligible for a one time grant of 50% of capital cost (excluding the cost of building) upto a maximum of Rs 1 crore to set up / scale up an Incubator Facility. In case a university recognised under the Central/State Act is able to raise funding for development of its incubation infrastructure, the Startup Council may consider providing a matching grant subject to an upper limit of Rs.5 crore on case-to-case basis. Such grant from the government shall only be used for development of incubation infrastructure including purchase of equipment for the incubation facility.
University / Institution 8.1.1 (Sub para 3)	These approved insitution shall be eligible for performance capital grant of Rs. 5 lakh for each succesful Startup (which has received series B funding) that they create.	These approved insitutions shall be eligible for performance capital grant of Rs. 5 lakh for each succesful Startup (as per the definition) that they incubate for a minimum period of three months.
Assistance at idea / prototype stage 9.3.(b)	Rs. 10,000 per month will be provided for the period of one year only if the Startup has got the seed round funding approved.	Monthly allowance of Rs.20,000 will be provided to a recognized Startup for a period of one year, if it fulfils any of the following conditions: 1) Startup has got total equity financing by SEBI registered AIF Category 1 & 2 fund or Angel Networks in the range of at least INR 5 Lakh upto INR 1.0 crore; or 2) Startup has a patent filed in its company name and published in the Journal by the India Patent Office in the areas affiliated with the nature of business being promoted; or 3) Sanction letter of funding / grant by Government of India or any State Government. 4) The startup has got a revenue run rate between INR 50 thousand and INR 10 Lakh a month over the previous three months at least.

Clause	Original Policy Provision	Amendment as approved by the Startup Council
Assistance once the a / concept gets commercialized 9.4. (a)	Marketing / publicity assistance upto Rs. 5 lakh shall be reimbursed for the introduction of innovative product in the market after Series "A" funding.	Product development and Marketing/Publicity assistance up to a maximum of Rs.15 lakh shall be given to a Startup for introduction of innovated product in the market , if it fulfils any of the following conditions: Startup has got total equity financing by SEBI registered AIF Category 1 & 2 fund or Angel Networks of at least INR 25 Lakh; or Sanction Letter of funding / grant by Government of India or any State Government of at least INR 5 Lakh; or The startup has got a revenue run rate of INR 10 Lakh a month over previous six months.
Governance 11	The policy shall enable proper implementation and smooth functioning of all the provisions to facilitate the Startups. The policy shall be governed by a two tier governance structure: a) Startup-Council / State Level Implementation Committee b) Task Force based review mechanism	The policy shall enable proper implementation and smooth functioning of all the provision to facilitate the Startups. The policy shall be governed by a three tier governance structure: a) Startup-Council b) Task Force based review mechanism c) Startup Secretariat at Institute of Entrepreneurship Development, Odisha (IED) Note: State Level Implementation Committee wherever written in the policy shall be replaced by Startup Council.
Governance 11.4 (new addition)	n/a	The Startup Secretariat at Institute of Entrepreneurship Development, Odisha (IED) chaired by CEO, IED shall be responsible for day to day functioning of the Startup Odisha initiative.
Procedure 12. (a)	Reputed Government Institute in the state which intend to promote the startups, will submit its proposal to State Level Implementation Committee for approval as Nodal Agencies for certifying Startups.	Selection of Nodal Insitute will be on invite basis. Startup Secretariat after taking approval from Startup Council will invite the selected institute(s) to act as Nodal Agency.
Procedure 12. (b)	The Institute / Incubator / Industry which intend to promote the startups, will submit its proposal to State Level Implementation Committee for empanelment as Mentor Institute / Incubator / Industry.	The Institute / Incubator / Industry which intend to promote the startups, will submit its proposal to Startup Secretariat online for empanelment as Mentor Institute / Incubator / Industry.
Procedure 12.(c)	The innovator will approach Mentor Institute / Incubator / Industry with his / her proposal of innovative idea / concept for recommendation.	Delete
Procedure 12.(d)	The committee at the Mentor Institute / Incubator / Industry on satisfaction of the idea / concept of the innovator would recommend to the Nodal Agency.	Delete
Procedure 12.(e)	The Nodal Agency on satisfaction will certify the proposal and forward to Director (Industries) for release of Sustenance Allowance & mentoring service allowance.	The startup will be required to register with Startup Odisha initiative online to avail monetary (Monthly allowance, Marketing Expense, Raw Material assistance, or any other that might be announced by the state govt.) / non monetary benefits under the policy. The Nodal Agency on satisfaction will a) certify the registration proposal online; b) process, certify and review application of Startups for various monetary / non monetarty benefits. All such applications will be forwarded online to Startup Secretariat . Startup Secretariat will examine all such applications and present them along with their recommendation to the Task Force for final consderation / approval. Result will be emailed to the Startup directly and will also be published online. Once approved, by the Task Force, Startup will receive the monetary benefit directly in their bank account subject to clearance by Startup Secretariat on due diligence of required documents.
Procedure 12.(f)	The Nodal Agency will also certify and forward the proposal to Director (Industries) for Cost of Raw Material / Component and other related equipment for innovation of new product / process development.	Delete
Procedure 12.(g)	Once the idea gets commercialized, the innovator will apply to nodal agency to avail other benefits available as per the policy etc.	Delete

Clause	Original Policy Provision	Amendment as approved by the Startup Council
Procedure 12. (new addition)	n/a	<p>The existing incubators can avail performance capital grant and reimbursement benefit (for free internet, electricity and mentoring service).</p> <p>Aspiring / Existing incubators established in a University / Educational Institute will be eligible for one time capital grant up to INR 1.0 crore. To be eligible for one time capital grant, Aspiring / Existing incubator should dedicate a minimum of 5,000 sq. feet of carpet area to the incubatees.</p>
Procedure 12.(i) (new addition)	n/a	<p>Existing / Aspiring incubator will apply for monetary benefit (performance capital grant, reimbursement benefit, one time capital grant, or any other that might be announced by the state govt.) / non monetary benefit online as applicable with the Startup Odisha initiative.</p> <p>Startup Secretariat will examine all application(s) and present them along with their recommendation as follows:</p> <p>a) One Time Capital Grant application(s) will be presented to the Startup Council for final consideration / approval.</p> <p>b) All other application(s) will be presented to the Task Force for final consideration / approval.</p> <p>Result will be emailed to the incubator directly and will also be published online.</p> <p>Once approved, Incubator will receive the monetary benefit directly in its bank account subject to clearance by Startup Secretariat on due diligence of required documents.</p>
Procedure 13.(a)	Doubts relating to interpretations of any term and/or dispute relating to the operation of any provisions under this policy shall have to be referred to the MSME Department, Government of Odisha for clarification / resolution and the decision of Government in this regard shall be final and binding on all concerned.	<p>Doubts relating to interpretations of any term and/or feedback on the policy or operating guideline and/or dispute relating to the operation of any of the provisions under this policy be referred to the Startup Secretariat online.</p> <p>Startup Secretariat will collate all such doubts and present along with their recommendation to Task Force / Startup Council for clarification / resolution. The decision of the Task Force / Startup Council in this regard shall be final and binding on all concerned.</p>

Startup Odisha

