Odisha – Odisha Startup Policy 2016 (with Amendments)

Vision and Mission

Vision: To become one of the top three startup hubs in India by 2020 via strategic partnerships, an enabling ecosystem, investments, and policy support.

Mission:

Build a holistic startup ecosystem.

Provide transparent fiscal and non-fiscal benefits.

Streamline rules and regulatory framework for startup-friendly environment.

Implement supportive governance enabling seamless statutory clearances and policy monitoring.

Objectives

Develop a world-class startup hub by 2020.

Encourage incubators, especially sector-specific aligned with Odisha’s strengths.

Facilitate at least 1,000 startups in five years.

Promote skill-based training to encourage youth entrepreneurship.

Integrate skill and infrastructure development into CSR activities of major companies.

Establish strong institutional frameworks for policy implementation, monitoring, and evaluation.

Policy Scope and Period

Offers incentives and exemptions over and above central government startup policies.

Effective for five years from notification or until replaced.

Definitions

Startup: Entity incorporated/registered within last 7 years (10 yrs for biotech), turnover ≤ ₹25 crore, innovation/technology/IProperty-driven, registered/employing ≥ 50% workforce in Odisha,

Incubator: Registered entities supporting startups with workspace, mentoring, and business services, typically under Section 8 company, private limited, etc.

Accelerator: Programs offering rapid growth support via mentoring, training, and networking.

Successful Startup: Meeting revenue thresholds or funding milestones (e.g., equity ≥ ₹25 lakh or grants ≥ ₹5 lakh).

Startup Ecosystem Development

Promote infrastructure:

World-class incubators at universities, R&D institutions, and industry locations.

Grants are provided (up to 50% capital cost, maximum ₹1 crore; up to ₹5 crore matching grant for reputed central/state universities and institutions).

Performance capital grants of ₹5 lakh per successfully incubated startup.

Encourage sector-specific incubators (e.g., IT/ITES, ESDM, healthcare, food processing, textiles).

Establish Startup/Innovation Parks with common facilities, shared services, and promotional support.

Introduce a “Three-i” platform (Institutions, Incubators, Industry) as a virtual incubator connecting research, mentors, startups.

Academic interventions including:

Startup education in university and school syllabi.

Faculty upgradation and sabbatical schemes for entrepreneurship promotion.

Funding and Financial Assistance

Startup Capital Infrastructure Fund: Seed funding pool of ₹25 crore to support physical and soft infrastructure.

Startup Seed Fund: Government co-invests up to 25% in private seed/venture funds committing capital in Odisha.

Monthly allowance for eligible startups (₹20,000; ₹22,000 if women, transgender, SC/ST/SEBC/PH with ≥50% equity).

Product development and marketing assistance up to ₹15 lakh (up to ₹16 lakh if women, transgender, SC/ST/SEBC/PH founder).

Need-based raw material or equipment assistance on case basis.

Subsidized incubation: 50% rental subsidy up to ₹5,000/month for one year.

Reimbursement of VAT/CST and patent filing costs as per Industrial Policy 2015.

Support for participation in national/international events (travel fare and stall).

Regulatory Facilitations

Self-certification under Labor and related laws to reduce inspection burdens.

Permission for operations like 3-shift work with safety conditions.

Ease of government procurement with:

20% mandatory procurement from startups/MSEs.

Relaxation of prior turnover/experience requirements.

Governance Structure

Startup Council: Chaired by Chief Secretary; includes secretaries of MSME, Industry, IT, stakeholders from industry, academia, incubators.

Responsible for nodal agency approvals, mentor and incubator empanelment, policy oversight, fund manager selections, and policy amendments.

Task Force: Chaired by Principal Secretary MSME; monitors fiscal disbursal, defines performance indicators, uses online tracking for transparency, oversees periodic review and policy review.

Startup Development Cells: Established at district industries centres and educational institutions to assist youth with startup information and provisions.

Startup Secretariat: Hosted at Institute of Entrepreneurship Development, Odisha, responsible for day-to-day operations of Startup Odisha initiatives.

Application Process & Monitoring

Online applications via Startup Odisha portal for startup recognition and monetary benefits.

Nodal agencies conduct initial review and verify supporting documents.

Task Force provides final approval; results published online and communicated via email.

Performance monitoring via utilization reports and due diligence.

Incubator recognition requires a minimum 5,000 sq. ft. dedicated space and supporting documentation.

Sector Focus

Policy covers a wide range of sectors including Agriculture, AI, Analytics, AVGC, Automotive, Chemicals, IT services, Healthcare, Renewable Energy, Education Technology,

Finance Technology, Robotics, Safety & Security, Textiles, Travel & Tourism, among others.

Source: Odisha Startup Policy 2016

Issued by: Government of Odisha

Implementation Initiative: Startup Odisha

Policy Validity: 5 years (extended through programs)