

(D-3) Chhattisgarh Startup Package

(D-3) "Chhattisgarh Startup Package" - Under the Industrial Development Policy 2024-30

Industrial Development Policy 2024-2030 provides economic incentives as Startup Package for industrial investment as per the details below:

(1) Definitions:

To be recognized as a startup, eligibility for industrial investment incentives **under this policy**, the following conditions must be followed:

(1.1) The unit must hold a valid startup certificate issued by the Department for Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce and Industry, Government of India, and fall within the limits specified in clause 1.2.

(1.2) The unit's total turnover must not exceed ₹25 crore in case of manufacturing units and ₹10 crore in case of service activities in any financial year from the date of incorporation/registration of its unit.

(1.3) The unit should engage in innovation/ improvement of existing technology/ simplification of existing processes and works in strengthening the economy.

(1.4) The unit must not be included in the list of ineligible enterprises in Annexure 3 or core enterprises/services in Annexure 5 of the Industrial Policy 2024-2030.

(1.5) Any unit created through the division or reconstruction of an existing business will not be considered a 'startup.'

(1.6) A unit will not be considered a "startup" once it has completed ten years from the date of its incorporation/registration.

(2) Eligibility Conditions:

(2.1) All the applications for startups will be presented before the **State-Level Startup Promotion Committee**. Only those cases approved by the committee, will be eligible for the Startup package benefits.

(2.2) Startup units of the state mandated to register on the Chhattisgarh Startup Portal and obtain the acknowledgement to avail any subsidies/exemptions, as per the provisions of the Industrial Policy 2024-30. The startup units approval will remain valid up to five years from the date of issuance of acknowledgement certificate.

(3) State-Level Startup Promotion Committee -

3.1) Structure of the Committee:

1.	Director of Industry	President
2.	Representative of Director, MSME-DFO (As required)	Member
3.	Joint Director (Finance), Directorate of Industry	Member
4.	Joint Director, Directorate of Industry	Member Secretary
5.	Representative of CHiPS (As required)	Member
6.	Two Subject Matter Experts (As required)	Member

The quorum of the above committee will be 4 members.

3.2) Functions and Responsibilities of the State-Level Startup Promotion Committee

1. The committee will hold meeting at least once a month. Applications received under the startup initiative will be examined/ considered by the committee, then only the units approved as startups.
2. The committee will review the progress reports of incubation centers and provide further recommendations and directives.
3. Approval of subsidies / exemptions to startups will be provided by the committee.
4. The committee will have the authority to make other decisions related to the promotion of startups.

(4) Investment Incentives -

(a) Financial Subsidies -

(4.1) Corpus Fund - A **corpus fund** of Rs 50 crore will be separately created by the state government to promote recognized startup units established in the state. Additionally, funds will be collected through CSR activity for the development of startups. The following assistance will be provided from this corpus fund:

(4.1.1) Startup units will receive ₹5 lakh in the form of **seed funding**, at the initial stage based on recommendations from the incubation center.

(4.1.2) An assistance amount of ₹3 lakh will be provided **for operations**, 6 months after the start of production/ service activity.

(4.1.3) An assistance amount of ₹3 lakh will be provided for **continuous operations and development** 18 months after the start of production/ service activity.

(4.5) Credit Risk Fund - A **credit risk fund** of Rs 50 crore will be separately created by the state government to promote recognized startup units established in the state.

(4.6) Rent Subsidy - Valid startup units established in Chhattisgarh will receive a rent subsidy of 40 percent of the monthly rent paid, up to a maximum of ₹15,000 per month, for 3 years, from the date of issuance of acknowledgement, if the startup unit is established in a rented building/incubation center. This subsidy will be reimbursed in quarterly manner.

(4.7) Stamp Duty Exemption -

(1) 100% exemption from stamp duty on the purchase of land/ leased land, minimum 5-year of lease.

(2) Exemption from stamp duty on term loans for up to three years.

(4.8) **Project Report Subsidy** - One percent of the approved fixed capital investment, up to a maximum of ₹5 lakh.

(4.9) **Quality Certification Subsidy**- 80 percent of the expenses incurred for obtaining certification, up to a maximum of ₹10 lakh.

(4.10) **Technical Patent Subsidy**- 50 percent of the expenses incurred for obtaining a patent, up to a maximum of ₹10 lakh.

(4.11) **Technology Purchase Subsidy**- 50 percent of the expenses incurred for technology purchase, up to a maximum of ₹10 lakh.

(4.12) In addition to the benefits received under the startup package, startups will also be eligible for other subsidies, exemptions, and concessions provided as per the provisions under the Industrial Development Policy 2024-30, as per the rules.

(4.13) If a startup avails of benefits under this package, it will not be eligible to receive benefits of a similar nature from the state government (regardless of the name). Similarly, if a startup receives benefits of a similar nature from the Government of India (regardless of the name), it will not be eligible for similar benefits from the state government.

(4.14) Entrepreneurs from the Scheduled Tribes/Castes, women entrepreneurs, retired ex-servicemen of the Indian Army who are residents of the state, persons/families affected by Naxalism, and persons with disabilities will receive 10 percent additional subsidies and a one-year extension on exemptions.

(b) Non-Financial Facilities -

(4.15) Startups established in Chhattisgarh will be granted exemptions from the following labour law regulations on a self-certification basis during the initial years:

1. Factories Act, 1948
2. Shops and Establishments Act
3. Contract Labour (Regulation and Abolition) Act, 1970

4. Minimum Wages Act, 1948

5. Maternity Benefit Act, 1961

(4.16) Startup units will be allowed to operate in three shifts, including employing women workers. However, startups must ensure proper security arrangements for female employees.

(4.17) 'Startup fests' will be organized periodically in the state for the selection and development of startup units, thus providing a platform for new startup entrepreneurs and interested investors.

(4.18) An efforts will be made to coordinate with educational institutions in the state to provide necessary guidance for startup units.

(4.19) Startups registered with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and approved by the State-Level Startup Promotion Committee, shall later avail with online registration of Udyam Akansha via Single Window System. This will enable them to easily access information about permissions and clearances required from other State Government departments.

(5) Incubators -

(5.1) Incubators established during the tenure of this industrial policy in the state will be granted 40 percent of the establishment expenses, up to a maximum of ₹40 lakh.

5.2) Incubators established at divisional headquarters will receive ₹5 lakh per year for operational expenses for up to 5 years, while incubators established in other districts will be provided a maximum of ₹3 lakh per year.

(6) Responsibilities of Incubators

(6.1) Each incubator established at a divisional headquarters must incubate a minimum of 10 startup units, and incubators established in the other districts must incubate a minimum of 5 startup units.

(6.2) Each incubator established at a divisional headquarters must have seating arrangements for at least 15 startups, and incubators established in other districts must have arrangements for 10 startups.

(6.3) Every incubator must submit a progress report to the State-Level Startup Promotion Committee in every 6 months.

(6.4) Incubators will provide recommendations for subsidies/facilities to be given to startup units.

(6.5) In the absence of an incubation center in a specific district, startup units from that district can be incubated by incubation centers from other districts.

The subsidies and exemptions provided under this package will be regulated according to the procedures and conditions mentioned in various notifications issued under the Industrial Development Policy 2024-30.