

**FAQs for the scheme of Assistance for Start-ups/Innovation
Under Industrial Policy – 2015**

Sr No.	Question	Clarification
1	What is the operative period of this scheme of Assistance for Start-ups/Innovation announced under Gujarat Industrial Policy-2015?	The operative period of this scheme is for five years i.e. Dt:01.01.2015 to Dt:31.12.2019
2	What is the definition of Innovative project under this scheme of Startups/Innovation?	Innovation is the process of introducing New or Making changes to products, processes and services that results in the introduction of something New and Innovative products with updated technology.
3	What is the definition of Nodal Institution under this scheme?	Nodal Institution means the institution which would like to undertake startups. The institution includes: (1) Universities (2) Educational Institutes (3) Incubation Center (4) PSUs (5) R&D Institutions (6) Private and other establishments
4	What financial assistance will be offered for innovation process under this scheme?	Assistance for Innovation: - Rs. 10,000 per month to the innovator as sustenance allowance for one year - Upto Rs. 5 lakhs assistance to the institution for mentoring services - Upto Rs. 10 lakhs assistance for Cost of Raw material/components & other related equipments required for the innovative process.
5	What financial assistance will be offered for commercialization of an innovation under this scheme?	Assistance once the idea/concept get commercialized: - Marketing/publicity assistance of upto Rs. 10 lakh for the introduction of innovated product in the market. - Project of Innovated Product will be assisted in getting Venture Capital. VAT Related Incentive: (i) The unit shall pay the net VAT payable under the provisions of the Gujarat VAT Act, 2003 in the Govt. treasury. (ii) The unit will be allowed reimbursement to the extent of 80% of the net VAT paid excluding: (a) Additional Tax, and (b) Reduction of ITC as per the provisions of the GVAT Act, 2003. It is clarified that the amount paid on account of additional tax and the reduction of ITC as per the provisions of the GVAT Act, 2003 shall not be reimbursed. (iii) Only 70% of eligible fixed capital investment will be considered for reimbursement.

		<p>(iv) The reimbursement will be for a period of five years from the date of production or the completion of limit of 70% whichever is earlier.</p> <p>(v) The unit shall be entitled for reimbursement upto 1/5th of eligible limit in a particular year.</p> <p>(vi) Restrictions will be made to ensure that the amount reimbursed is not again claimed by the subsequent dealers by way of tax credit for interstate sales, branch transfer, consignment and export.</p> <p>(vii) The unit shall manufacture the goods in its own unit.</p> <p>(viii) The unit shall not transfer its business during the incentive period, nor assign its rights and responsibilities to any other agency.</p> <p>(ix) The unit shall remain in production during the incentive period.</p> <p>(x) The scheme will be reviewed under the GST regime, but the total of assistance shall not exceed that available under this scheme.</p>
6	<p>What is the procedure to follow, to avail the assistance under the scheme?</p>	<p>The step-wise procedure, the applicant needed to follow, is as shown below:</p> <p>(i) The institution which intend to promote the start ups, will submit its proposal to IC office for approval of Committee as Nodal Institute.</p> <p>(ii) The innovator will approach institution with his proposal of innovative idea/concept for recommendation.</p> <p>(iii) The Committee will approve idea/concept of an individual or group of individuals duly recommended by institution.</p> <p>(iv) The institution will submit proposal to IC office to avail assistance for providing mentoring services and the committee will sanction the assistance based on number of innovators.</p> <p>(v) The institution will submit proposal to Industries Commissioner to avail assistance for Cost of Raw material/ components & other related equipment required for innovation.</p> <p>(vi) The selected candidate whose project is approved by the committee will be eligible for sustenance allowance for one year and it will be paid by Director, CED.</p> <p>(vii) Assistance to the Nodal Institution will be released by Industries Commissioner.</p> <p>(viii) Once the idea get commercialized, the Innovator will apply to Industries Commissioner to avail benefits such as venture capital assistance, marketing/publicity support, and apply to DIC for assistance under MSME scheme and Net VAT reimbursement etc.</p>