

R&D Reimbursement Scheme

1. Preamble to the Policy

Government has approved and notified the Goa Start-up Policy 2017 with a vision to make Goa one of the most preferred start-up destinations of India. The objective of the policy is to make Goa an aspirational geographical and human resource base for Start-ups. The objective is to invite the best entrepreneurial minds and build a robust start-up eco-system in the State. The policy contains various incentives for Start-ups and to avail the benefits of these incentives, the Government has proposed many schemes under the policy.

2. Short title and commencement-

This scheme shall be called “R&D Reimbursement Scheme”.

3. Benefits under the scheme-

- 3.1. In order to promote innovation amongst the Goans and local start-ups, 50% of R&D expenses, including salaries of PhD holders employed by start-ups will be reimbursed for a period of two years, subject to a cap of INR 5 lakh per annum but salary component must not be in excess of INR 2 lakh under this scheme.
- 3.2. This benefit can be availed by maximum 100 startups each year.
- 3.3. Under no circumstance shall the benefits under this scheme be considered an entitlement. The SPC shall reserve the sole right to accept or reject applications.

4. Eligibility-

- 4.1. All the local start-ups certified by the Start-up Promotion Cell (SPC) having a valid start-up certificate number are eligible to apply for this scheme.
- 4.2. This is applicable only for Goans and local start-ups.
- 4.3. The bank accounts of the Directors of the company should be linked to Aadhaar.
- 4.4. The employees whose salary are to be reimbursed should be hired for a period of at least 12 months.
- 4.5. The employee whose salary is to be reimbursed should have a PhD or equivalent from a Government recognized institute.
- 4.6. The bank accounts of said employees should be linked to Aadhaar.
- 4.7. For the purpose of determining eligible expenses towards R&D Expenditure, Accounting Standard 18¹ on Research and Development by Institute of Cost Accountants of India would be used.
- 4.8. The benefit of this scheme can be availed by the startups who are in in the R&D stage and developing technology/ products in the domains specified in the Policy.
- 4.9. The start-ups will be eligible to avail the benefits of the scheme under the following conditions-
 - 4.9.1. They should have a working prototype of the technology/ product.
 - 4.9.2. Preference will be given to the startups who are working on a technology/ product that have successfully applied for patent or have obtained a patent.
- 4.10. Only expenditure incurred after notification of Goa Start-up Policy 2017, being within the validity of this policy and paid for digitally will be considered. In case digital payments are not possible then it shall be up to the decision of SPC based on its due diligence to admit the expenditure.

Local start-up means start-up in which at least 50% equity/share is held by one or more Goans continuously since the time of inception.

¹ http://icmai.in/upload/CASB/CAS_18.pdf

Goans refers to the persons satisfying at least one of the following criteria:

1. Born in the State of Goa; or,
2. Person having domicile for 10 years or more in the State; or,
3. Spouse of a person covered under any of the conditions mentioned in (1.) and (2.), through marriages registered in Goa.

For the purpose of this scheme 'employees' shall mean PhD or equivalent employees for whom a reimbursement is being claimed.

5. Procedure for filing and disbursement of claims-

- 5.1. Start-ups who desire to claim incentives under this scheme shall submit the application form to SPC along with requisite set of documents. The form and the documents are to be e-mailed or to be submitted on the web portal to the SPC.
- 5.2. The applicant shall take prior-approval from SPC for this scheme in the application format mentioned in Annexure 2.
- 5.3. Based on the evaluation of the SPC, the approved amount shall be reimbursed.
- 5.4. The SPC shall be the competent authority to solely accept or reject any claims filed by the Start-ups. The decision of the SPC shall be final and binding.
- 5.5. The applicant can apply for this scheme at any time of the financial year but only within 6 months of incurring the relevant expenditure.
- 5.6. The applicant can avail the benefits of this scheme bi- annually/ annually.
- 5.7. The applications received by the SPC under this scheme shall be evaluated and approval or rejection shall be notified within 45 days from receipt of the application by the SPC. Once the application is approved by the SPC, the approved amount shall be disbursed within 60 days from the date of approval.

6. Documents required for claiming the incentive-

S No	Document
1.	Copy of Aadhaar card of Director/ CEO*
2.	Documents of PhD salaried employees*
3.	HR letter certifying that employment contract of employees fulfil conditions mentioned in the policy and work profile*
4.	Contract of Employment (should be of at least 12 months)*
5.	Salary slips of concerned employees*
6.	Bank certification/ Bank account statement showing debit of salary*
7.	Research proposal detailing the relevance and application of the research proposed*
8.	Copy of research work*
9.	Original Proof of Payment of R&D as per Cost and Accounting Standard 18*
10.	The form and documents as mentioned in Annexure 1*