

Government of Manipur
Secretariat: Planning Department

OFFICE MEMORANDUM
Imphal, the 31st January, 2023

Subject : Manipur Start Up Scheme 2.0 Policy 2022

PLG1-3011/1/2020-PLG-PLANNIG: The State Government has modified the existing Manipur StartUp Policy 2016 and has adopted a Manipur Start Up Scheme 2.0 Policy 2022 for strengthening the existing environment and eco-system for further growth of startups in the state. A copy of the revised Policy is at Annexure.

2. This is issued with concurrence of FD's U.O No. 9/2022-23/FD(30-P/9) dated 16th January, 2023.


31-1-2023
(V. Vumlunmang)

Additional Chief Secretary (Planning)
Government of Manipur

Copy to :

1. Secretary to Governor, Manipur.
2. Principal Secretary to Chief Minister , Manipur
3. PPS to all Minister, Manipur
4. Staff officer to Chief Secretary, Government of Manipur.
5. All Additional Chief Secretaries, Government of Manipur.
6. All Principal Secretaries, Government of Manipur.
7. All Commissioners/Secretaries, Government of Manipur.
8. All Heads of Department, Manipur.
9. Ms Aprajita Saini, StartUp India, DPIIT, New Delhi
10. MD, Globizs Web Solution Pvt Ltd with a request to upload on Manipur StartUp website.

Manipur Startup 2.0 Policy 2022

1. Preamble:

Manipur Startup Policy was formulated in 2016 and its actual implementation started from the year 2018. The implementation has led to the growth of a Startup culture in Manipur. Learning from the experience of implementing since 2018, the state is now poised to move forward through a new policy aligned with the Startup India Mission of Government of India.

Government of Manipur envisages to strengthen the enabling environment to address the aspirations of youth, and proposes to engage with all stakeholders in the development of an ecosystem for strengthening the start-up with appropriate incubation and mentoring infrastructure, fast track statutory support, and network of appropriate funding mechanisms.

2. Vision

To empower the youth of Manipur to become job creators by fostering entrepreneurship and a culture of innovation through the most enabling ecosystem to support and nurture Startups to make Manipur emerge as one of the top Startup destinations in the North East.

3. Mission

- 3.1 To encourage and inspire the youth of Manipur to actively consider entrepreneurship as a career choice thereby producing an entrepreneur in every family
- 3.2 To support and strengthen business incubators & accelerators in the State for creating enabling environment and supporting eco-system that facilitates about 40% women startups in next five years.
- 3.3 To strengthen the startup culture in the State by fostering greater social acceptance and recognition of promising start-ups, through strategic investment, policy interventions and such other programmes.
- 3.4 To encourage setting up new business incubators in the State, also in collaboration with private sector.
- 3.5 To continuously provide enabling mechanisms to startups, through training and skill development, capacity building, networking, access to knowledge & support services, etc.
- 3.6 To implement a supportive regulatory framework that enables hassle-free and time bound statutory clearances for all start-ups.
- 3.7 To provide appropriate infrastructural support required to enable start-ups to set up and grow rapidly.
- 3.8 To create a platform for accessing multiple avenues that provide financial support to start-ups in Manipur, like venture funds, grants, bank loans, fiscal incentives, etc.

4. Scope

The policy would provide incentives and exemptions over and above the Startup policy of Government of India.

5. Policy period

The Manipur Startup 2.0 Policy 2022 will remain in operation for a period of five years from the date of its notification or till such time the State Government may deem fit and proper.

6. StartUp Definition:

An entity shall be considered as a "Startup" as defined in "Startup India" G.S.R.127 (E) dated 19th February 2019 notified by DPIIT:

- (1) Upto a period of ten years from the date of incorporation/registration, if it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India.
- (2) Turnover of the entity for any of the financial years since incorporation/registration has not exceeded Rs100 cr
- (3) Entity is working towards innovation, development, deployment or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation.

Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a "Startup"

7. Enabling Environment:

7.1 Startup Incubation: Recognising the importance of business incubators and accelerators as a critical driver of startups and an important tool for economic development and job creation the State will create ecosystem in which the incubators would play a critical role. A multipronged approach would be adopted to facilitate effective incubation support for the start-ups.

7.1.1 The State will assist in creating incubators in the State to enable them incubate a number of start-ups besides providing mentoring to the new incubators. Necessary assistance to create additional capacity in terms of incubation infrastructure including trained human resources, awareness and entrepreneurship development programs will be provided by the State.

7.1.2 The State will facilitate setting up of new incubators in government as well as private sector. It will also facilitate setting up of incubation centres in institutions of higher learning and other leading establishments of the Government and the Private Sector.

7.1.3 Preferential lease of land from State Government as per its land policy to government recognized incubators in the State.

7.1.4 Priority may be given to provide space available in existing and forthcoming Industrial Estate, etc. for using as co-working space.

7.1.5 Access to Government R & D labs and resources to start-ups will be facilitated by State Government.

7.1.6 Access to cutting edge technology for start-ups will be facilitated by the State.

7.2 Sector Specific Incubators

Sector-specific incubators shall be encouraged in areas such as IT, ESDM (Electronic Systems and Design Manufacturing), Waste Management, Healthcare and Sanitation, Agri/Horticulture, Fishery/Veterinary, Food Processing, Hi-Tech farming, Tourism, Textiles and Garments, Downstream and Ancillary. These incubators shall be setup by the concerned government departments, either on their own or in partnership with private sector.

7.3 State Government will encourage departments to establish their sector specific Startup cell and policy for promotion of startups.

7.4 State will facilitate access to effective networking and showcasing opportunities for promising start-ups through active linkage programmes.

7.5 A digital platform will connect all the eco-system stakeholders, network of support, funding and service providers to enable seamless access.

7.6 Startup/Innovation Park

The Government would put effort to establish one or more Startup/Innovation Park in the State as one-stop destination for Startups, either on its own or in partnership with private sector. The Startup/Innovation park shall have necessary common facilities and support infrastructure, such as:

- (a) Common Testing labs, Design Studio & Tool Rooms
- (b) Shared support services for Startups such as legal, accounting, technology, patents and banking services
- (c) Community Events and Promotional support for incubators and Startups
- (d) Enterprise Software and shared Hardware

8. Startup Incentives:

8.1 Idea/Proof of Concept stage

8.1.1 A Seed Grant up to Rs 3 Lakhs shall be provided for proof of concept, prototype development, product trials and market entry to business Entity/Firm, which could also be individual Enterprise/Entity with innovative and scalable business ideas.

8.1.2. Seed funding to Startups would be released through the recommendation of State/Centre recognized Incubators after the incubator has provided handholding, mentoring, etc for at least three months.

8.1.3. Individual Enterprises shall be recognised as Startup under the policy after completion of incubation and seed grant has been utilised satisfactorily and are registered as a Private Limited Company (as defined in the Companies Act, 2013) or registered as a Partnership Firm (registered under section 59 of the Partnership Act, 1932) or a Limited Liability Partnership (under the Limited Liability Partnership Act, 2008) in India.

8.1.4. Incubators will provide support to the Startups by providing mentoring services, access to their labs, facilities etc. besides ensuring that the financial assistance disbursed through them is well spent.

8.1.5. The State Government will take steps for selected startups to get free access to University/Libraries/Government Laboratories/ Centre of Excellence/ PSU etc.

8.1.6. State will create as well as facilitate creation of a corpus fund for support and funding of startups.

8.1.7. The cost of filing and prosecution of patent application will be reimbursed to the incubated start-up companies as per relevant Policy of Government of Manipur.

8.2 Revenue Stage

8.2.1 This Stage is characterized by the first scaling of the business model to new markets, the establishment and expansion of sales, as well as the finalization of the processes and structures essential for future growth. The product/service is mature. For successful business development, rapid market penetration must be achieved.

8.2.2 The revenue stage Startups are eligible for a financial assistance from financial institutions upto a maximum of Rs 100 lakhs, which includes 30 % grant from Startup Manipur.

8.2.3. Any other fiscal incentive available under State Government policy will be applicable to Startups of this stage and efforts will be made to leverage relevant benefits available under various schemes of Government of India /Government of Manipur.

8.2.4 Other incentives of the entities at this stage will be Mentorship, Incubator/accelerator and funding support besides the various incentives under pilot scheme.

8.3 Stand Up Category:

8.3.1 Special provision for Scheduled Caste/Scheduled Tribe Categories/Minorities/Women entrepreneurs in the Greenfield area of manufacture/service/trading sector having potential for growth.

8.3.2 In case of non-individual Entity at least 51% of the shareholding and controlling stake should be held by either an SC/ST/OBC/Women/Minority Entrepreneur.

8.3.3 The StartUps under Standup category are eligible for a financial assistance from financial institutions upto a maximum of Rs 100 lakhs, which includes 30 % grant from Startup Manipur.

8.3.4 Any other fiscal incentive available under State Government policy will be applicable to Startups of this stage and efforts will be made to leverage relevant benefits available under various schemes of Government of India /Government of Manipur.

8.3.5 Other incentives of the entities at this stage will be Mentorship, Incubator/accelerator and funding support besides the various incentives under pilot scheme.

8.4 Priority Sector for incentive & other criteria:

8.4.1 Preference would be given to startups creating innovative solutions in sectors such as social impact, waste management, water management, financial inclusion,

education, agriculture, food processing, biotechnology, healthcare, energy, mobility, defence, space, railways, oil and gas, textiles, etc.

8.4.2 Startup should not have received more than Rs 10 lakh of monetary support under any other Central or State Government scheme. This does not include prize money from competitions and grand challenges, subsidized working space, founder monthly allowance, access to labs, or access to prototyping facility.

9. Promotion:

9.1 Efforts shall be made to promote Manipur as a start-up destination through participation in international and national events, sponsoring the participation of local startups in such events and various other means. The state will also sponsor the visit of delegation of start-ups to promotional and marketing events in India and abroad.

9.2 Facilitate the organising of Ideations and start up festivals would be organised to create an exhilarating climate to inspire innovation.

9.3 State Business Plan Competition: The Nodal Agency shall organise a state-wide business plan competition to invite new innovative business ideas from across the State and the winners of the competition shall be awarded. They will be provided assistance through Startup scheme if they want to pursue their business ideas.

9.4 Recognizing the special needs of IT sector Startups, separate incentives and support to IT Startups may be notified by the Government.

10. Procedure

10.1 Eligibility

10.1.1. Entity promoted by individuals having domicile of Manipur. If the promoters are group of individuals, at least one of the promoters should be a domicile of Manipur.

10.1.2 The owner of the Entity/ StartUp should be above 18 years of age.

10.1.3. Completion of incubation will be required condition from a date to be notified by State government.

10.2. Access to Incubators will be as per their own administrative process.

10.3 Selection under Manipur Startup Scheme will be done by the State Government on the recommendation of a Committee of Experts representing Startup Cell, Incubators, Entrepreneurs, Financial Institute, industries and representative of Startup cell of line departments.

11. Ease of Public Procurement:

11.1 State governments will undertake a host of measures that encourage government departments to give preference to startups and provide a level playing field to startups during procurement of products & services.

11.2 Startups recognised by DPIIT and Manipur Startup shall be exempted from submission of EMD (Earnest Money Deposit) while participating in Government tenders.

11.3 State Government may relax condition of prior turnover and prior experience in public procurement to all startups(whether MSEs or otherwise) subject to meeting of quality and technical specifications in accordance with relevant provisions of GFR 2017 and other relaxation norms in public procurement provided to startups by Government of India.

12. Incubation Support:

The State government will encourage setting up of Incubators in Government Institutions as well as Private Institutions including PPP mode in advance IT Sector. The selection of Institution expressing intent to establish Incubators shall be done by the Startup Council. Selected Institutes as Incubators shall be responsible to provide basic 'plug & play' facilities such as Work space with computer and Internet Broadband Connectivity, Conference room, and Training & Mentoring facilities to startups. An incentive support shall be provided to incubators based on performance and investments received by Startups on completion of their incubation.

13. Venture Funding Support:

To provide sustained support to the Startups, the Government of Manipur will establish a Venture Fund in collaboration with NEDFI etc. for investing in Startups of Manipur in various sectors.

14. Credit Guarantee Fund:

To support Startups and other entrepreneurial ventures, Government of Manipur will setup its own Credit Guarantee Fund in collaboration with Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTSME), which is jointly set up by MSME and SIDBI.

15. Fiscal incentives

15.1. Stamp Duty Reimbursement: Startups shall be eligible for 100 % reimbursement of Stamp Duty/Registration Fee/Conversion Fee paid on sale/lease deeds for first transaction

15.2. Reimbursement on patent filing cost : Startups shall be eligible for reimbursement @ 100 % of the actual costs (including filing fees, attorney fees, search fees, maintenance fees) for patent filing with a maximum limit of INR 2 lakh for filing a domestic patent and upto INR 5 lakh for filing an international patent. This reimbursement shall be payable 75 % after the patent is filed and the balance 25 % after the patent has been granted.

16. Non-fiscal and other incentives

16.1 Market access: The State shall implement specific interventions to provide market opportunities and access for the Startups registered in the State.

16.2. Exemption to Startups from submission of EMD (Earnest Money Deposit) while participating in Government tenders

16.3. Self-Certification and Compliance Incentives: Startups will be permitted to file self-certifications, in the prescribed formats under relevant Acts of the State in line with Startup India.

17. Awareness and Outreach:

17.1 To encourage Colleges/universities to set up Entrepreneurship Cells to encourage students to take up entrepreneurship at the College level.

17.2 To popularise the concept of 'startups' beyond cities, bootcamp workshops will be conducted in all districts of Manipur.

17.3 To facilitate organising Startup weekends, Hackathon/grand challenges for promoting creative thinking innovation and collaborative works,

17.4 To organise investment workshops to facilitate connection of potential Investors with the startups of the State.

17.5 To encourage participation in national and International events related to startups and investments.

18. Support from other state departments:

To coordinate/motivate other departments of the state government to encourage the development of the startup ecosystem by encouraging to take up startup related activities and have an Entrepreneurship Development Cell manned by a dedicated team.

19. Start-up Council

Manipur Startup Council shall be constituted for effective operationalisation of Statup Policy in Manipur. Manipur Start-up Council shall be chaired by the Chief Minister and will consist of Ministers, Administrative Secretaries and Heads of all concerned Government Department will ensure effective operationalization of this Policy. Attempt shall be made for representation from various domains like IT, biotechnology, health, manufacturing, human resource development, food process etc. as well as industry and legal. It will take stock of the Policy impact and recommend policy changes and systemic reforms to ensure that start-ups in the State get the best start.

20. Manipur Startup Committee

Manipur Startup Committee shall be constituted at state level to look into all aspects including planning, selection, implementation, monitoring and evaluation for implementation of Manipur StartUp scheme. Manipur Start-up Committee shall be chaired by the Chief Secretary and will consist of Administrative Secretaries and Heads of all concerned departments. Administrative Secretary (Planning) will be Member Secretary.

21. Startup Cell:

A Startup Cell headed by Director (Planning) and consisting of at least three full time professionals/resources shall be constituted under the nodal agency to assist the Manipur Startup Committee in its functioning. The Startup cell will be responsible for the overall execution and monitoring of the Manipur Startup Scheme. The Startup cell will assist the Manipur Startup Committee in the selection of beneficiaries, evaluate and select incubators for allotment of Seed Funds, monitor progress, and take all necessary measures for efficient utilization of funds towards fulfilment of objectives of Manipur Startup Scheme.

22. Review mechanism:

A Start-up Monitoring and Review Committee shall be constituted under the Administrative Secretary (Planning) with Administration Secretaries, Commissioners of the concerned departments and reputed industry experts. The Policy may be reviewed once a year. A status report shall be commissioned by the State to critically examine the usefulness of the policy, the ease of Implementation and the outcome achieved. The report shall be placed before the Startup Council.

23. Nodal Department:

23.1 Planning Department, Govt. of Manipur will act as the Nodal Department. A dedicated Startup Team shall be established in the nodal department consisting of various professionals capable of assisting the department in implementing this policy.

23.2 A dedicated team, Startup cell shall be deployed under the nodal department with the following functions-

- Provide full facilitation, mentorship, guidance and advisory to startups,
- Coordinate communication regarding the Manipur Startup initiative with all relevant stakeholders,
- Identify and invite partners to plan and execute awareness activities and events to promote entrepreneurship, innovation and Startup culture within the state,
- Update, manage and increase usage of the Startup portal,
- Enable participation of Startups in national and international events,

23. Operational Guidelines: The policy will be implemented through the guidelines issued from time to time by Planning Department.

24. Definition of some of the terms referred under this policy is at Annexure.

Definitions

1 **Entity:** A Company incorporated as a Private Limited Company (as defined in the Companies Act, 2013) or registered as a Partnership Firm (registered under section 59 of the Partnership Act, 1932) or a Limited Liability Partnership (under the Limited Liability Partnership Act, 2008) in India.

2 **Incubator:** An organization designed to support entrepreneurs solve some of the problems commonly associated with running a start-up by providing workspace, arranging seed funding, coaching and mentoring which includes providing 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

3 **Accelerator:** A startup accelerator is a business program that supports early-stage, growth-driven companies through education, mentorship and financing. Business Accelerator Programme is a set of business tools designed to help start-ups build and grow their business. Participants will have access to professional business advice and will undergo business workshops catered to meet their ongoing business needs.

4 **Entrepreneurship:** Entrepreneurship refers to all business ventures encompassing sole-proprietorship, small businesses, partnerships, firms, and corporations. It can be based on an existing idea or on a new idea. It differs from Startups on the nature of risk they take. Startups intend to solve problems uniquely and to grow large. Start-ups face high uncertainty and have high rates of failure, a minority go on to be highly successful and influential. All startups are entrepreneurship ventures whereas while all entrepreneurship ventures may not be startups.

5 **Mentoring:** Actively rendered by experienced and knowledgeable persons with a view to guiding and handholding the start-up on various aspects of business (e.g. marketing, finance, etc.).

6 **Angel Investor:** An angel investor provides financial backing for start-ups. It can be in the form of one-time investment in the form of seed money or as an on-going support to development the business.

- 7 **Investment Banker:** An investment bank is a financial institution that assists starts-ups in raising financial capital by acting as the client's agent in the issuance of securities.
- 8 **Proof of Concept:** A proof of concept (POC) is a real life implementation/execution of certain method of idea to demonstrate its feasibility or a demonstration in principle, whose purpose is to verify that some concept or theory has the potential of being used.
- 9 **Venture Capital:** Venture (VC) is money provided to seed, early-stage, emerging and emerging growth companies. The venture capital funds invest in companies in exchange for equity in the companies it invests in which usually have a novel technology to business model.
- 10 **Seed Fund:** Seed funding is a form of startup funding for a business. The reason it is referred to as "seed" is because this financing happens at the very beginning of the life cycle of a startup. The goal of seed funding is to launch the business and help it grow so that it can start generating its own revenue. In exchange for the funding, investors normally receive equity in the business.
- 11 **Rural Enterprise:** An enterprise set up in a rural area to solve a rural problem or to address a rural demand generating local employment.
- 12 **Women Enterprise:** An enterprise headed by a woman where majority stake is also owned by a woman.
- 13 **Private Equity:** A source of investment capital from high net worth individuals and institutions for the purpose of investing and acquiring equity ownership in an enterprise.