



GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION

#startupindia

# Assam

## Emerging State

### State Startup Ranking Exercise 2018

December 2018

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# 1. Overview of State Startup Ecosystem

Assam has performed commendably well in the State Startup ranking exercise 2018. The State launched its Startup policy in 2017 to accelerate the development of Startup ecosystem. These efforts have been well recognized and State of Assam has being acknowledged as an **'Emerging State'** in the **State Startup Rankings 2018** conducted by Department of Industrial Policy and Promotion, Government of India.

Some of the key facts associated with the Startup initiative of the State are as follows:

1. Government of Assam **launched its Startup policy in 2017**. The vision of the policy is to facilitate at-least 1000 new Startups across all sectors over the next 5 years and attract funding opportunities of USD 250 million for State based Startups and incubators.
2. Nodal department for Startup is **Department of Industries and Commerce, Government of Assam** and Nodal officer for Startup is **Commissioner of Industries Department**.
3. Startup portal [startup.assam.gov.in](http://startup.assam.gov.in) provides following services:
  - Startup registration
  - Incubator registration
  - Learning and development programs
  - Mentor connect
  - Investor connect
  - Information on various policy incentives
4. **Government of Assam** has appointed a **nodal team with 6 members within the office of Commissioner of Industries & Commerce** for supporting the development of Startup ecosystem in State. The team composition is as follows:

1. Additional Director



2. Joint Director
3. Deputy Director
4. Two Industries Officer
5. I.T. Officer

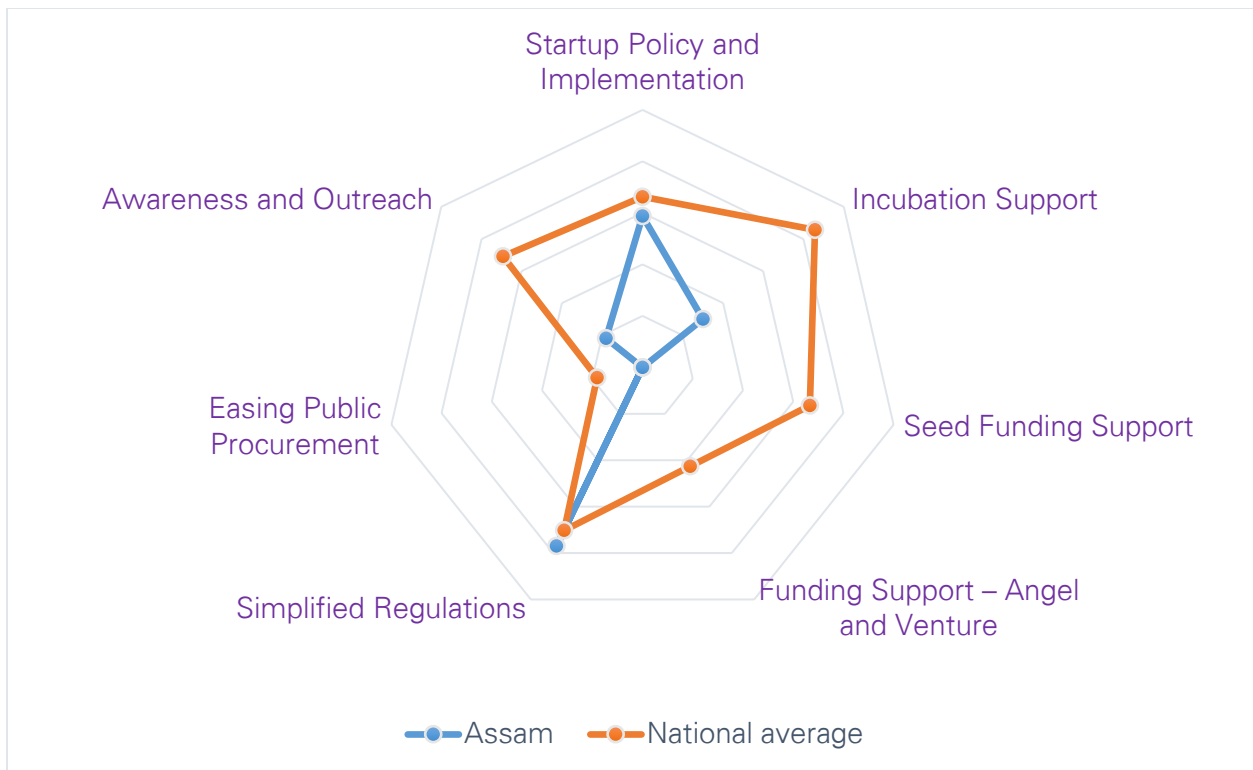
### KEY HIGHLIGHTS OF STATE

- ✓ State supported marquee incubator 'Assam Business Incubation Hub' in Guwahati
- ✓ Mentor network of more than 100 mentors



## 2. Snapshot of State Performance

The spider web graph below details the Assam's implementation status on each of the 7 pillars of assessment, in comparison to the national average.



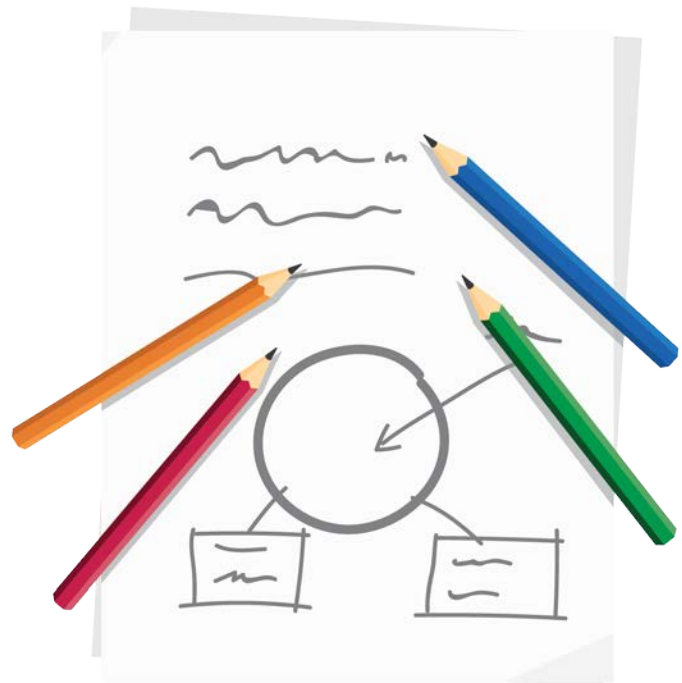
Each of the 7 pillars of ranking framework form individual axes and the overall performance of the State in each pillar has been indicated on respective axes. Brief analysis of Assam on above chart is provided below.

State Government has performed relatively well in 2 pillars namely 'Startup Policy and Implementation' and 'Simplified Regulations' as compared to national average.

In 'Incubation Support', 'Seed Funding Support', 'Angel and Venture Funding Support', 'Public Procurement', 'Awareness and Outreach' pillars, State performance is below par when compared to its peers. State performance has not been up to the national average. The State may prioritize initiatives or policies in providing support in abovementioned pillars. Some of the good practices may be referred to improve overall performance in the next round of ranking.

Above performance has contributed to the State's positioning as an 'Emerging State' in the ranking exercise. Detailed analysis of the State performance in each pillar has been provided in following chapter of this report.

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## 3. Pillar-wise Assessment

### 3.1 Startup Policy and Implementation

Startup Policy and Implementation covers the basic information related to Startup ecosystem such as Startup policy, nodal department, nodal officer, information wizard and mentors in the State. Additionally, it also verifies whether such details are available online for Startups. The State is also expected to develop online systems for registering Startups under the State Startup initiative and to allow Startups to avail all the policy incentives online through a single-window.

#### Key Strengths

- **Startup Policy**

Government of Assam notified Assam Startup Policy 2017 on 5<sup>th</sup> December, 2017. The State has laid following objectives as part of the policy:

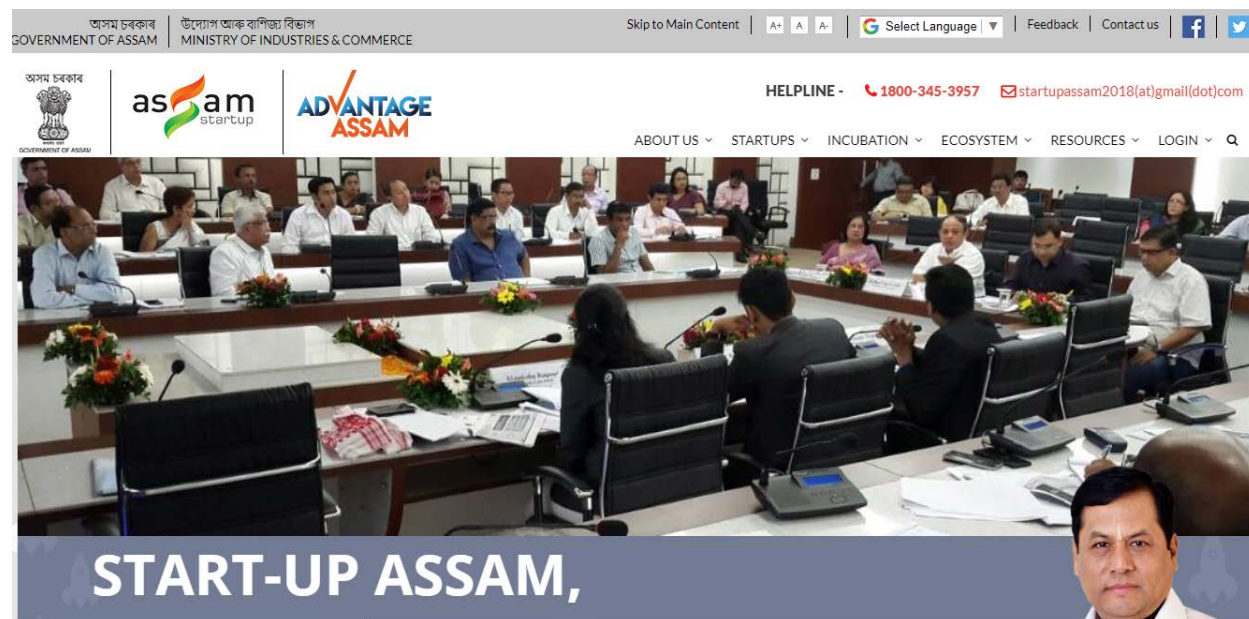
- Facilitate the growth of at least 1,000 new Startups over the next 5 years
- Establish a State owned marquee incubator
- Attract funding opportunities of USD 250 million for State Startups in incubators
- Create 1 lakh direct and indirect opportunities over the next 5 years
- Develop a mechanism of problem solving and culture of entrepreneurship in the state.

Assam Startup Policy 2017 also mentions the incentives available to Startups under 4 pillars – Digital Startup ecosystem, State owned incubator, fiscal and non-fiscal incentives and academic interventions.

- **Dedicated Startup portal**

The State has developed a Startup portal for State based Startups. The Startups can get registered through the Startup portal. The portal is accessible at <http://startup.assam.gov.in/>.

The portal provides important information or updates of the activities planned in Assam Startup ecosystem. Secondly, it also brings together the entire Startup community on a single platform by creating a mentor network, listing investors, Startup outreach events, etc.



### Startup portal of Assam

The portal also describes application process for incentives under the Startup policy of the State.

- **Query resolution**

The State has implemented dedicated Startup support systems with competent staff to resolve queries related to Startups via:

- Website: <http://startup.assam.gov.in/>
- Call support: 1800-345-3957
- E-mail support: [startupassam2018@gmail.com](mailto:startupassam2018@gmail.com)
- Office: Department of Industries & Commerce, Udyog Bhavan, (Ground Floor), MRD Road, Bamunimaidan, Guwahati – 781021 , Assam

- **Mentor network**

In order to provide access to business experts and successful entrepreneurs, the State has created a mentor network with diverse individuals. These mentors provide business and technical



mentorship to Startups or entrepreneurs. Currently, the State has 100 registered mentors from various domains including investors, marketing, business planning, IT experts, etc. The mentor list provides details about mentor's domain, contact and business profile.

## Way Forward

- **Women entrepreneurship:** A progressive State like Assam may consider including specific incentives in the Startup policy for encouraging women led Startups. Some of the women specific incentives could be in the form of:
  1. Dedicated percentage of seats in incubation centers
  2. Enhanced monthly or sustenance allowance
  3. Dedicated seed and venture funds for women entrepreneurs

Above list of incentives are indicative and only for the reference of State.

- **Online system for Startups:** State has developed an online portal for Startups to register and avail benefits or incentives. As a step towards improving the current system, State may consider to upload specific guidelines for registration, facilities like status tracking and online approvals for all the incentives. This will ease the application process for Startups as they get required access from a single portal.
- **Information wizard** has been developed which provides information on Pre-Establishment and Pre-Operation approvals applicable in limited sectors. However, State may enhance the current system by customizing information for variety of sectors. The wizard shall provide information on exit approvals required in the State. Also, incentives such as self-certification under labour and environment laws, faster exit, and other State exemptions shall be included in the State information wizard. The wizard shall act as a single source of information for young aspiring entrepreneurs who are unaware of approvals and clearances required while starting up a business.
- **Track and publish progress monitoring:** Nodal department may develop a mechanism for monitoring the progress of implementation of Startup policy on a regular basis. State can publish reports on progress made against each policy objective (such as funding, incubation

support or any other support provided) in public domain. State can also track, monitor and publish the status through a dynamic dashboard on the Startup portal. Some of the good practices adopted by other States to monitor progress of their Startup initiative are highlighted in the national report for reference of all States.

- **Intellectual Property (IP) support centers:** Government of Assam has also notified an Intellectual Property Facilitation Centers (IPFCs) at office of the Commissioner of Industries & Commerce, Assam. These centers play a very specific role in promoting innovation in the ecosystem. IPFC will provide facilities related to IP Services in various domains of science and technology such as Patent filing, copy right and trademark registration and technology transfer and commercialization. Hence, the activities may be carefully defined and regular monitoring of implementation shall be undertaken.
- **Partnership with corporates or educational institutions**  
Nodal department or innovation society may partner with business houses, corporates and or educational institutions in and outside the region for extending their assistance to State based Startups. Partners may provide assistance such as professional services, mentorship, Corporate Social Responsibility (CSR) funds for incubators and co-working spaces, software or hardware tools and other lab equipment, knowledge exchange, technology transfer and market linkages.



## 3.2 Incubation Support

Incubation Support covers performance in “setting up incubators for nurturing Startup ideas”. Incubator is a key component of a Startup ecosystem and provides access to essential business resources to enable growth of the Startups. State has a major role in creating infrastructure that promotes innovation and ensures their sustainability. Another important criteria is to ensure that incubators are accessible and affordable for Startups.

### Key Strengths

- **Setting up incubator**

Government of Assam has supported physical infrastructure for creative enterprises by setting up ‘Assam Business Incubation Hub’ in Guwahati, the heart of the State. This initiative is in line with the State Government’s vision of setting up a marquee incubator in the State. The State under its Startup policy has also provisioned for collaborating with other educational institutes, universities and private or public Startup related infrastructure for facility booking through Startup Assam portal.

### Way Forward

- **Incubators:** As per DIPP Startup recognition database, there are more than 100 Startups based out of Assam. The number is certainly going to increase in coming years with growing support from State Government. With this background, the State may like to speed up the setting up of incubators initiative.

State may explore the opportunity of setting up incubators in top academic institutes and Government offices. Corporates may be encouraged to setup incubators in a PPP mode with support from State Government.

- **Subsidized incubation:** State shall make provision for providing incubation at a subsidised cost to Startups in incubators. Subsidized incubation means providing subsidy to incubators for certain number of seats and for certain duration or providing free of cost seat to Startups. Considering, the State currently doesn’t financially support any incubator, it may explore the opportunity of partnering with other private incubators in the region.



### 3.3 Seed Funding Support

In an evolving Startup ecosystem, many ideas are born and the initial seed support works as a catalyst to transform these ideas into businesses of tomorrow. Seed Funding Support is one the key pillars of the framework. States are expected to:

- Develop seed funding guidelines
- Develop online systems to enable Startups to apply for seed support
- Measure the impact created by State by providing seed funding to Startups

#### Key Strengths

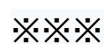
- **Seed funded Startups**

Government of Assam has included a provision to provide funding support to Startups through 'SAROTHI Startup fund' scheme. Under the scheme, loan of up to INR 25 lacs with interest subsidy @5% per annum is provided to entrepreneurs through Assam Gramin Vikash Bank. Over 210 entrepreneurs have received seed funding support in form of loan with amount ranging from INR 5000 to INR 8.5 lacs. The State Government is also in the process of finalizing guidelines for providing monthly allowance to Startups as seed support.

#### Way Forward

- **Guideline and online system for seed funding**

State shall design seed funding guidelines for 'monthly allowance' and ensure an online system for disbursing seed funding to Startups. The guideline may detail the process and extent of seed funding support available for Startups. The online system should provide application procedure(s) along with functionality of applying online, online approvals and online status tracking for availing seed funding being provided by State. Some of the good practices illustrated in the national report may be used for reference.



### 3.4 Angel and Venture Funding

It is observed that once a Startup starts gaining traction there is typically a gap in accessing the growth stage funds to scale up operations. States can play a vital role in bridging the gap by providing incentives for angel investors to attract investments in State based Startups. Another important measure to support growth stage Startups is venture funding where States have been recommended to support or create Venture Fund(s) or Fund of Funds for Startups.

#### Way Forward

- **Angel funding**

State may undertake steps to promote angel funding by consulting and partnering with existing angel networks in the country. As a first step, State may identify few leading angel investors and HNIs from the local region to discuss the benefits of angel investing. State may facilitate such discussion through workshops or networking events.

Additionally, State may design special fiscal or non-fiscal incentives to incentivize angel investors for their investments in Startups. Some of the good practices illustrated in the national report may be used for reference.

- **Venture fund(s) or fund of funds for Startups**

State may explore the opportunity of creating a venture fund or Fund of funds with an appropriate corpus for funding State based Startups. In this regard, State needs to prepare clear operating guidelines for the fund and hire fund manager for managing the fund operations.

The first dedicated venture capital fund for the North Eastern Region Namely “North East Venture Fund (NEVF)” launched by Government of India is another route to channelize investments in Startups. The State may consider partnering with NEVF to facilitate funding to Startups through venture fund(s) or fund of funds.

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### 3.5 Simplified Regulations

Often, new and small firms are unaware of nuances of the regulatory issues and can be subjected to intrusive action by regulatory agencies. In order to make compliance for Startups friendly and flexible, simplifications are required in the regulatory regime.

The framework recommends State to undertake reforms by:

- Enabling self-certification or third party certification for Startups under all applicable labour laws
- Developing online system to facilitate self-certification or third party certification
- Support to Startups working in new or disruptive areas or technologies
- Designing process for publishing policies or regulations regarding adoption of disruptive technologies or business models

#### Key Strengths

- **Self-certification or third party certification for Startups**

Commissionerate of Labour, Government of Assam has enabled the provision of self-certification for Startups under 18 labour laws. The scheme is open to all shops, establishment, factories, tea, coffee, rubber plantation and any employer, entrepreneur, occupier. Processing fee and security deposit has been prescribed to opt for the scheme and after opting, scheme is valid for 3 years. Further, State has also enabled scheme for Self-certification of boilers to support entrepreneurs working in the sector.

- **Online system for Self-certification or third party certification for Startups**

The online self-certification process is made available in the Startup portal under <http://labour.eodbassam.in/category/online-services/>. The portal also provides 'common application procedure' for the reference of Startups.

#### Way Forward

- **Online system for Self-certification or third party certification for Startups:** The existing online system to submit self-certification or third party certification may be enhanced. The system shall allow Startups to submit application online with a transparent mechanism. A

'self-certification' certificate or acknowledgement shall also be generated as a proof of compliance by the Startup.

- **Support to disruptive Startups:** The State Government organized a stakeholder consultation with Startups in April, 2018 to discuss challenges. However, as a result of these discussions, the State is expected to identify priority areas and undertake reforms. Various new Startups are working in newer or disruptive areas or technologies such as e-Pharmacy, electric vehicles, cab aggregators, etc. These Startups face challenges of lack of proper regulations, ambiguity in interpretation of regulations or archaic rules and guidelines which are not designed considering the needs of current enterprises. State may identify few priority sectors or technologies for identification of issues faced in business operations by conducting conferences, meetings, round table discussions, etc. Relevant stakeholders and Startups may share their issues or suggestions to improve the regulatory landscape for ease of doing business in the State. Also, State may proactively present such at various platforms to encourage more disruptive Startups.
- **Policies or regulations regarding adoption of disruptive technologies:** In order to encourage and support Startups working in newer or disruptive areas or technologies, Government may detail process of drafting policies or regulations through:
  1. Measuring impact: Long term economic and social impact
  2. Hosting pre-draft stakeholder consultation through online and offline medium
  3. Publication of draft policy or regulation in public domain
  4. Inviting stakeholder or public comment on draft policy or regulation
  5. Publication of final policy or regulationUsing the above approach, Startups will be encouraged to bring out regulatory issues facing their business operations which can be taken up by State Government for resolution.

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### 3.6 Easing Public Procurement

State Government shall provide an equal platform to Startups vis-à-vis the experienced entrepreneurs or companies in public procurement. Typically, whenever a tender is floated by a Government entity or by a PSU, very often the eligibility condition specifies either “prior experience” or “prior turnover” or “EMD”. Such a stipulation impedes Startups from participating in such tenders. In order to promote Startups, the framework recommends action points to States to do away with such conditions.

#### Way Forward

- **Do away with the criteria of ‘prior experience’, ‘turnover’ and ‘submission of EMD’:** Startups cannot compete with established players on ‘prior turnover’ and ‘prior experience’ criteria. Similarly, ‘submission of EMD’ is another big hurdle for Startups. Hence, Startups lose out on delivering superior and cost effective solutions to Government. The end objective of floating a public tender is to identify an organization that can provide best solution at a low cost. State Government may consider amending the rules and orders governing procurement for all the State Government Departments, agencies and PSUs. Following conditions may be included to provide exemptions:
  1. There would not be any minimum turnover requirement from Startups participating in public procurement process
  2. All Departments and agencies will additionally relax condition of prior experience with respect to Startups in all public procurement subject to meeting of quality and technical specifications
- **Preference to Startups in State procurement:** State Government may include relevant provision in order to support Startups by providing adequate preference in public procurement of goods and services. The preference may be provided as below:
  1. Startups quoting prices within decided %age of the lowest eligible price bid of other bidder(s) shall be eligible for purchase preference
  2. Preferential purchase shall be applicable to Startups where at least decided %age of the products should be procured from the local Startup units



3. Preference be given for procurement from Startups to the extent of decided %age of the total procurement cost

- **Grievance Redressal Mechanism for Startups for resolving public procurement issues** may be developed by appointing dedicated officer to liaison with other Government Departments concerned and complainant to resolve issues in a time-bound manner. An online or offline mechanism may be developed for Startups to submit issues pertaining to State Government procurement. Alternatively, the existing system of resolving grievances may be improved to include public procurement specific categories for Startups.

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### 3.7 Awareness and Outreach

State Government plays an important role in human capital development and thus the framework in this area evaluates efforts taken to promote entrepreneurship among students. Also, it encourages State to directly outreach to ecosystem components through events, hackathons, bootcamps, etc.

#### Key Strengths

- **Organizing bootcamps**

Bootcamps are workshops that are conducted in schools and colleges to foster innovation among students. Government of Assam has organized 9 bootcamps in various education institutes across the State.

- **Organizing hackathons**

State Government has used Hackathon as a tool to adopt low-cost, high impact technologies into governance. It has encouraged students to innovate through Ideathon which is a combination of ideation and hackathon. The ideathon was conducted in Assam Administrative Staff College, Khanapara, Guwahati in association with United Nations Development Programme (UNDP) Centre for Sustainable Development Goals (CSDGs). The event witnessed participation from 120 participants from 30 teams who worked on the identified problem statements.

#### Way Forward

- **Conduct Startup outreach event**

Startup fests or events are dedicated events to provide a platform to Startups for showcasing their ideas or products and services to the ecosystem components. Startups also get an opportunity to connect with other ecosystem components. State Government may organize such Startup events at a regular interval. The State Government is also encouraged to support other Startup events in the territory where all the ecosystem players such as entrepreneurs, mentors, investors and business experts come together.

- **Facilitate training programs in entrepreneurship development**

Students or aspiring entrepreneurs require basic understanding of ideation, business planning, finance, legal and pitching before they venture out to run a Startup. Entrepreneurship

development programs may be organized by the State Government in colleges and universities. These programs can be designed in the form of MOOC (Massive open online course) which can be accessed by students across the State. One such program is available with Startup India i.e. Startup India Learning and Development program.

- **Support Startup participation in national and international events**

State Government may support Startups for participation in national and international events. The support may be in the form of grants or reimbursements for travel, accommodation, registration or sponsorship to organizers to allow Startups to participate in events. In order to simplify the process and keep it transparent, application procedure for availing the assistance may be provided online.

- **Undertake partnership with other countries and international agencies**

State Government may undertake partnership(s) with countries and international agencies such as educational, funding institutions, incubators, accelerators etc. The partnership(s) may be for knowledge and resource exchange and market access for Startups.



