Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade

#startupindia

STATES' STARTUP RANKING 2022 TOP PERFORMER

ARUNACHAL PRADESH

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States' Startup Ranking 2022 Results

Arunachal participated in 24 Action Points of the Ranking Framework 2022. Arunachal Pradesh performance in each of the Reform Area has been graphically represented. Data presented below is the percentile score, which is the relative performance of the State in each Reform Area as compared to other participating States/UTs.

For example, if Arunachal has a score of 100th percentile in the 'Institutional Support' Reform Area, this implies that the State has scored higher than all the participating States/UTs in that Reform Area.

Arunachal has been evaluated on seven Reform Areas that have a significant contribution towards propelling the startup ecosystem in the State. Detailed analysis with insights into the initiatives taken by the State to promote its startup ecosystem are discussed in the subsequent sections.

78th	64th	71st	85th
Institutional Support	Fostering Innovation and Entrepreneurship	Access to Market	Incubation & Mentorship Support
79th	86th	33rd	
Funding Support	Capacity Building of Enablers	Roadmap to a Sustainable Future	

STATE STARTUP ECOSYSTEM

Arunachal Pradesh is a State in the Northeast Region of the Republic of India with a population of 13.8 lakh people (census 2011) and a literacy rate of over 65%. It is uniquely located as it shares its domestic borders with the States of Assam and Nagaland, and its international borders with Bhutan, China, and Myanmar. Arunachal Pradesh also has the lowest population density in the country with a very young population. This favourable demographic dividend offers a great opportunity for growth for the State. Arunachal Pradesh is the largest state among the eight North-Eastern states of India.

As a State, there has seen increasing activity in sectors such as Information Technology (IT), education, tourism, hospitality and agriculture in the last decade. Along with this there is growing recognition of the importance of innovation and enterprise for solving problems. Today, Arunachal Pradesh's youth is motivated to explore its entrepreneurial capability to design environmentally and socially conscious business models to address the key challenges faced by the State.

The Government of Arunachal Pradesh believes that holistic and robust support to the startup ecosystem will leverage the growing interest of the youth in entrepreneurship and support them in innovating on a large-scale to generate positive macro level impact and employment in the State.

The Startup Arunachal web portal aims to facilitate the budding entrepreneurs in the State by creating a digital ecosystem that will act as a one-stop solution for all startup related activities.

State Startup Policies and Incentives[1]

The Government of Arunachal Pradesh is aligned with the Atmanirbhar Bharat Mission and would like to utilise the power of entrepreneurship to unlock innovation, employment generation, and social transformation in the State

Benefits under Arunachal Pradesh Startup Policy

1. Fiscal Benefits

Arunachal Pradesh Seed Fund Scheme - Idea Support Seed

Stage 1 of startup funding to invite and entice startups into the ecosystem. Principle - more startups, less amount per startup. About one-third of incentive budget.

Arunachal Pradesh Seed Fund Scheme –Innovation

Stage 2 of funding focusing on and facilitating research, innovation, etc. About one-third of incentive budget.

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[1]https://www.apstartup.in/schemes-benefits

Arunachal Pradesh Seed Fund Scheme - Infrastructure Fund

Stage 3 of funding for upgradation and scaling up of already successful startups. Startups can avail any one incentive. Principle - less startups, more amount per startup. About one-third of incentive budget.

B. Non-Fiscal Benefits

- Purchase Preference

- Relaxation of Public Procurement Norms

- Procurement through GeM Startup Runway

- Trial Orders

- Self-Certification and Compliance

- Facilitation by Investment Division

C. Ecosystem Support

- Networking Events

- Annual Entrepreneurship Challenges

- Annual Startup Festival

- National and International Events

Highlights of State Startup Ecosystem[2]

40+
Startups Registered

15+
Women Led Startups

5+
Programs conducted in Schools and HEIs

50+
Startups provided fiscal support

~2

Active policies
supporting Startups

5+

Programs conducted to
connect Startups with Investors

~4

Departments
providing institutional
support to Startups

60+

Startups provided
incubation support

30+

Startups working on Rural
Impact

Key Initiatives Driving Growth

1. The Arunachal Pradesh Startup Portal **(http://apstartup.in/)** provides important and relevant information for startups. The portal offers information on the following aspects: 1. State Startup Policy 2. Nodal Officer and Nodal Department for startups (refer to Figure F) 3. Steps to register as a startup 4. Mentorship and incubation support 5. Funding and incentives.

2. The State Government has defined a woman-led startup as one with a woman as the Founder, Co-Founder, Chief Operating Officer, or equivalent. Women-led startups can enjoy the following benefit from the State Government:

- 33% of the Arunachal Pradesh Seed Fund (a grant-in-aid-based seed fund of the State Government) has been dedicated to women-led startups

- Close to 15 women-led startups have benefited as part of this scheme. These startups have received incentives such as (a) up to INR 5 lakhs prize money and (b) Incubation support for 9-12 months

3. The State Government has introduced a "Digital Upscaling Subsidy" to support startups in disruptive sectors. The key features of this incentive are as follows:

- One-time digital upgradation subsidy provided as reimbursement

- To be used for procurement and upgradation of high-end computers, related peripheral hardware, relevant software, and related items

- Subsidy of up to INR 10 lakhs per startup. Preference is given to the adoption of disruptive technologies such as Artificial Intelligence, Machine Learning, Blockchain, and others

4. The State Government has given due importance to supporting innovations with impact at the rural or grassroots level. Startups classified under these criteria get the advantage of having 20% of spots reserved for them in the Arunachal Pradesh Entrepreneurship Challenge (APEC). The APEC is part of the State's entrepreneurship development program and aims to identify, promote, support, and nurture sustainable business ideas and entrepreneurs. Top entrepreneurs in the APEC get awarded up to INR 5 lakhs for their startup as seed funding. Close to 15 startups in the State have benefitted from the incentives for their grassroots and rural impact focus.

5. All State-registered startups are exempt from the criteria of Prior Experience, Prior Turnover, and submission of Earnest Money Deposit (EMD) and Bid Security.

6. The State has signed a Memorandum of Understanding (MoU) with IIM Calcutta Innovation Park to provide the startups of the State with incubation and pre-incubation support. More than 30 startups have received incubation support from the State.

7. Mentors to guide startups in terms of business planning, product and service development, market penetration strategy, branding and networking, and financial links. The list of mentors is available on the State Startup Portal as well.

Institutional Support

Introduction

Institutional Support focuses on the facilitation and execution of the State/UT's startup policy through a comprehensive user-friendly portal and specific incentives provided by various Government stakeholders. This Reform Area focuses on paving way for easy access of information to startups and ecosystem stakeholders.

It analyses whether a particular State/UT has a functional startup portal offering single-window solutions for all startup ecosystem stakeholders. A holistic startup portal offers services ranging from startup registration to an efficient grievance redressal mechanism having quick 30 days of query resolution. The Reform Area also emphasises institutionalised support provided to the startups from various State/UT Government departments including that of government policies that are currently active for support to startups.
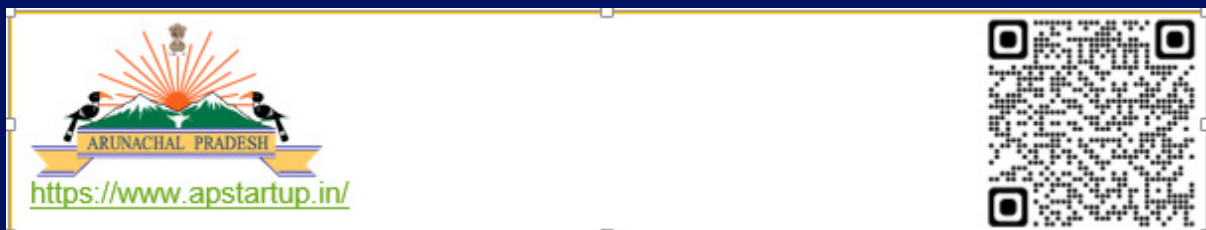
Figure A: QR Code for State Startup Portal

State Performance

|~4

Departments providing institutional support

|~2

Active policies supporting the Startups

The Arunachal Pradesh Startup Portal (http://apstartup.in/) serves as a valuable resource for startups, offering essential information on policies, incentives, and other pertinent details.

The Government of Arunachal Pradesh has notified the Arunachal Pradesh Startup Policy 2022-23 on 20 June 2022.

Figure B: Arunachal Startup Portal

The State Startup portal has complied with 11 out of 12 criteria for evaluation and provides easy access to information such as:

1. Details of State level approvals & clearances for Startup registration

2. Details of State Nodal Officer, Nodal Department and Dedicated team for Startups

3. Details of Dedicated Helpline or call centre number on Startup Portal

4. List of Incubators and Accelerators with contact details

5. List of Registered Mentors

6. Details of Public Procurement relaxation for Startup on Portal

7. Details of availing Funding Support

8. Details of departments providing institutional support to Startups

9. Details of marketing, outreach, events, webinars on State

10. Tracking of submitted applications

11. The portal is also accessible to persons with disabilities (PwD)

The State portal has an online grievance redressal platform and state also supports walk-in queries. State has received and resolved close to 100 investor quires. The average query resolution period for them was less than 30 days.

Way Forward

1. The State may include tabs and add specific information tabs on the State Startup portal to support and handhold the Startups and entrepreneurs.

   - Adding an option to translate the State Startup Portal into local language to widen access to more startups and aspiring entrepreneurs

2. The State may add the functionality of Chatbot for Query or Grievance resolution on Grievance portal for quick resolution on basic queries or further reducing TAT of resolution.

3. Requests or grievances or issues on provision to avail all types of funding, including seed funding, subsidised loans, government grants, sustenance allowance, debt or equity financing through incubators, venture funding, public procurement amongst others, may be addressed on the platform.

4. The State Government departments apart from Nodal Department may provide institutional support to Startups. The institutional support could be in the form of sustainable programs, hackathons, grand challenges, incubation support, funding support, venture funding, open data APIs, public procurement support and other sustainable programs.

Fostering Innovation & Entrepreneurship

Introduction

Fostering Innovation and Entrepreneurship, as the name of reform area suggests, seeks to encourage the spirit of innovation among aspiring entrepreneurs with a focus on student entrepreneurs, entrepreneurs from higher education institutions and women entrepreneurs. It focuses not only on the assessment of the total number of registered startups in each State/UT, which is a direct result of the State/UT support but also on the regulatory reforms undertaken to support startups in diverse sectors.

This Reform Area assesses the extent to which Higher Educational Institutes (HEIs) have been engaged in providing support to student entrepreneurs. It also highlights the value of innovation and entrepreneurship be it students or women. Furthermore, special focus has been drawn towards women-led startups with specially tailored incentives and schemes to ensure equitable implementation

The Arunachal Pradesh Startup Policy aims to actively promote entrepreneurship and innovation among students through relevant programs executed in partnership with select HEIs located in the State.

State Performance

~40
Registered Startups within the period of consideration

~15
Women-led Startups

5+
Programs undertaken in schools and HEIs to support 500+ student entrepreneurs

As per the State Startup Policy, the following Academic Interventions would be done by the State Government

Credits for MOOCs - HEIs will be encouraged to award credits to certified online courses related to entrepreneurship upon completion and let Massive Open Online Courses (MOOCs) be an option for elective subjects.

Entrepreneurship Cells (e-Cells) at HEIs - State Government will endeavour to set up Entrepreneurship Cells (eCells) in selected HEIs by providing advisory assistance and capacity building support.

Consideration for Final Year Project - Student entrepreneurs from State based HEIs working on a startup idea in their graduation year may receive allowances such as attendance relaxation, grace marks, and permission to convert their startup project into a final year project counted towards their degree completion

Deferred Placement for Student Entrepreneurs - The State Government will endeavour that student entrepreneurs availing the Gap Year option for working on their startups will be allowed to sit for University/ College placements after one year.

Startup Internship - Startup internships provide a great learning experience for students looking to pursue entrepreneurship or work in a dynamic environment. State Government will endeavour that HEIs in the State will tie up with startups, incubators, accelerator, etc. across the country to facilitate students in obtaining internship projects with various ecosystem players.

Professional Training & Certification Support - State Government will endeavour to enter into agreements with institutes of repute that impart course-based professional training and certification and empanel institutions to provide relevant trainings to eligible startup owners and operators at a pre-fixed rate, wherein Government will aim to provide subsidy to some of the capital expenditure for imparting the training, and also aim to partially reimburse the fees for training and certification in successful completion of the same by the eligible startups owner and operators. Rs. 70,000/- per startup for 250 startups will be covered under this support.

The state has conducted close to 5 programs in schools and HEIs, attended by over 500 students. These programs included Entrepreneurship Programs and Bootcamps. Some of these programs were:

- Business Model Canvas

- Startup Workshop

- 2022 Business Workshop

- NEEDP Outreach Programme

Way Forward

1. The State may focus on designing knowledge support and outreach programs to disseminate the benefits of registering Startups, thereby encouraging entrepreneurs to register.

2. The State may provide specific incentives to women-led Startups, which may be included in the Startup policy of the State. The incentives may include a monthly sustenance allowance for women-led Startups.

3. The State may further reserve a specific quota for women-led Startups in terms of funding grants and incubation support.

4. The State may organise interaction events for students with successful entrepreneurs and industry experts. Students will get a chance to understand the real-world challenges and opportunities that exist in the Startup Ecosystem through these events.

Access to Market

Introduction

This Reform Area seeks to encourage the State/UT Government to increase participation in the public procurement process for startups and become an enabler in providing the opportunities to startups in the domestic and international market. The States/UTs are evaluated based on their support to startups through the organisation of showcase opportunities such as Demo-Day, Buyer-Seller Meet, National and International Events, and relaxation in criteria for Government work orders.

The aim is to steadily increase the number of work orders awarded to startups by helping them be at par with the established players in their respective sectors

The Arunachal Pradesh State Government is exploring partnerships with other startup stakeholders such as accelerators, corporates, and industry associations to provide holistic mentoring support and greater market access to State registered startups.

State Performance

~5

Startups received
work orders for
public procurement

INR ~3 Lakh

Worth of work orders
given to Startups

Way Forward

1. The State may explore the possibility of introducing relaxations in its procurement proposals to encourage startups to participate in public procurement.

2. The State may assign a certain percentage of the total procurement by the State Departments to be acquired from startups.

3. The State may develop a dedicated page on their respective startup website for the public procurement activities and exemptions provided to the startups with all the required details.

4. The State may undertake programs to connect startups to government departments as well to present case-wise solutions to the departments and promote procurement activities by them.

5. These programs could be GeM workshops, Demo Days, Grand Challenges, Hackathons, Innovation Zones, Buyer-Seller meets, and corporate innovation programs. The informational programs conducted could be streamed on the startup portal and online streaming platforms for wider reach.

Incubation and Mentorship Support

Introduction

Incubation and Mentorship support is provided to States/UTs in the form of financial and infrastructural support to startups and State-supported incubators. The State/UT Governments are initiating setting up of new incubators or in upgrading existing incubator facilities through various fiscal and non-fiscal incentives including conduction of acceleration programs across State/UTs. This Reform Area also aims at ensuring proportionate utilisation of the incubation capacity of the State-supported incubators.

The support provided by the State/UT to the incubators through programs and incentives will in turn help startups in scaling up and thereby, contribute to the growth of the State/UT startup ecosystem. The Reform Area measures efforts by the State/UT Government in facilitating mentorship to startups. This has been assessed by the number of startups benefitting from the State's/UT's network of mentors.

The State Government has setup the Arunachal Pradesh Innovation & Investment Park (APIIP). It is the first state owned marquee incubator initiated as a pivotal pillar of the Arunachal Pradesh Startup Policy. APIIP is working with IIM Calcutta Innovation Park (IIMCIP) as its knowledge partner, with a mission to develop a culture of entrepreneurship in Arunachal Pradesh and to transform the State into a global hub for innovation and entrepreneurship by providing holistic support to local startups through proactive policy intervention and creation of a network of key ecosystem stakeholders.

State Performance

~2

Incubators supported

60+

Startups received
incubation support

5+

Startups received
mentorship support

~10

Registered mentors

To facilitate the startups and entrepreneurial talent of the state[3] , the Government of Arunachal Pradesh has onboarded IIMCIP as a knowledge Partner to kickstart the entrepreneurship development in the state. Regarding this, IIMCIP has proposed Arunachal Pradesh Entrepreneurship program consisting of AP Entrepreneurship Challenge, Incubation, Pre-incubation, Livelihood Acceleration. IIMCIP will generally follow the AP Entrepreneurship challenge route to onboard startups into the system as incubates.

Arunachal Pradesh has listed mentors[4] that are market leaders in specific industry segments. State also wishes to support the startups by connecting them with relevant experts, industry& business services providers, and providing access to literature, laboratories, workshop, library, to mention a few. In addition, the state supported incubators have connect with mentors with expertise in different areas of industries and functionalities of entrepreneurship.

[3] https://apstartup.in/uploads/pdf/sop_startup_incubation1.pdf
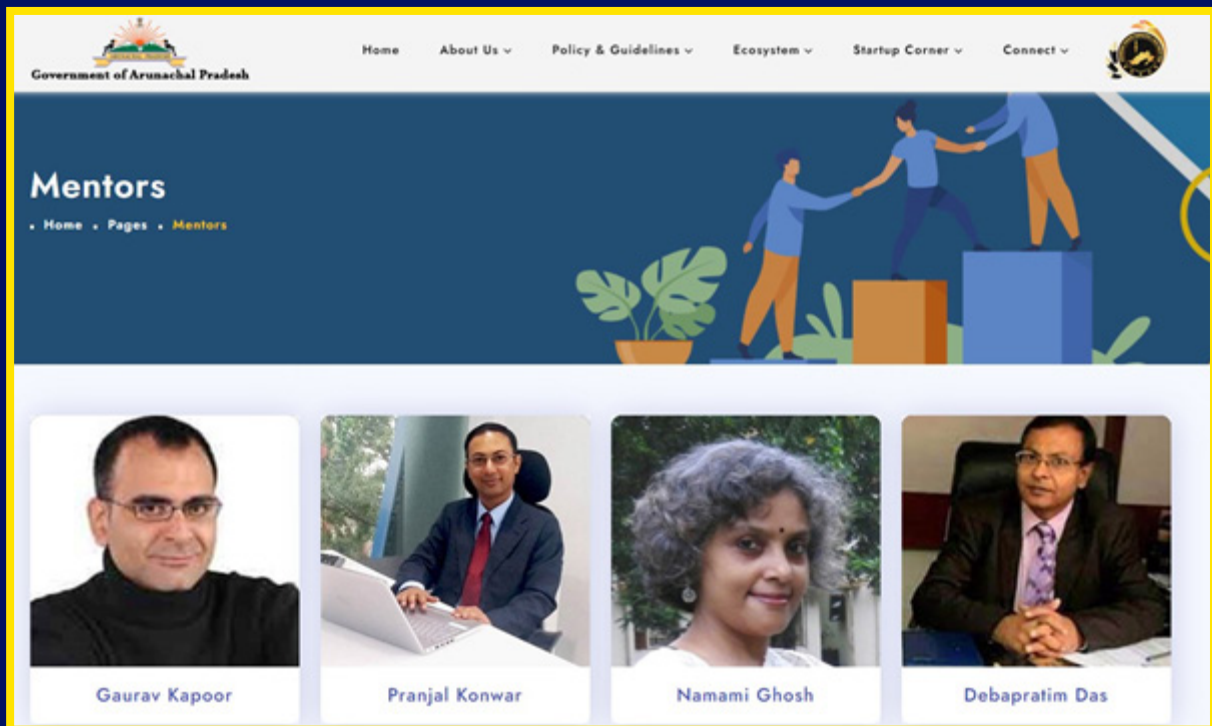[4] https://apstartup.in/uploads/pdf/8348568a9a63d5b0937b405a38591e5.pdf

Figure C: Mentors page of Arunachal Pradesh Startup Portal

Way Forward

1. Going forward, the State may organise acceleration programs and work on increasing the reach of these programs. The State may enhance the reach of workshops by leveraging the virtual format. The State could take advantage virtual format to connect with stakeholders outside the State as well as internationally.

2. The State may set up incubators to guide young entrepreneurs. The State may explore the possibility of virtual incubation as well. Support to new incubators can be provided in the form of (a) one-time capital assistance (b) 100% reimbursement of stamp duty and registration fee paid (c) power tariff subsidy (d) 100 % reimbursement for electricity duty paid.

3. The State may assess the feasibility of amplifying the existing incubators' capabilities and explore the potential establishment of new ones, recognising the growing entrepreneurial fervour in the State to further bolster the burgeoning Startup ecosystem.

4. The State may further expand the mentorship network to include experts from the relevant sectors, including industry experts, corporates with experience in the required field, people from the financial sector with funding experience, and successful entrepreneurs

5. The State may look to engage and connect with mentors outside the State, at the national level. The option for virtual mentorship through video calls should be explored to learn from other national and international experiences.

Funding Support

Introduction

All startups require timely availability of funding for their growth. This Reform Area encourages various State/UT Governments to establish either new Seed or Venture funds or Fund of Funds for startups or continue supporting the existing ones. It also focuses on the access to these funds established by the State/UT Government.

A special emphasis has been given to state-supported initiatives and programs to mobilise the private investments into startup ecosystem by connecting startups with investors such as workshops, networking events and pitching sessions

The State has launched The Arunachal Pradesh Seed Fund Scheme. It is a grant-in-aid-based seed fund with an initial corpus of INR 10 Cr and a total corpus of INR 50 Cr over a period of five years is proposed to be established to support over 250 entrepreneurs in the State within the policy period. This seed fund will be further divided into three separate funds to support early, intermediate and final stages of startup support.

State Performance

50+

Startups received funding support of ~INR 1.5 Cr

5+

Programs conducted to connect Startups with Investors

The different funding funds under the Arunachal Pradesh Seed Fund Scheme is as follows:

- Idea Support Fund

- Innovation Fund

- Infrastructure Fund

- Startup Fund of Funds

- CSR Fund

- Angel Investment Network

- Fund Management

- Startup India Seed Fund Scheme (SISFS)

The Government of Arunachal Pradesh encourages women entrepreneurs towards an inclusive society. A minimum of 33% of the Arunachal Pradesh Seed Fund as in the policy, is dedicated to women-led Startups meeting the eligibility criteria. In order to avail the same, the Founder or Co-Founder or Chief Operating Officer or equivalent of the startup organisation needs to be a woman.

The State has conducted 5+ programs to connect Startups with private investors. A total of 5 Startups were provided such support. Some of these programs were:

- Startup Investors' Summit 2022-23

- Business Workshop 2022

- One-on-one interactions to facilitate investor - Supersonic Exim Pvt Ltd / Himalayan Watch Dog / RIPL Infotech Pvt Ltd

- Business workshop in collaboration with junior Chamber International (Itanagar Royals)

Way Forward

1. The State may develop an online mechanism for the disbursement of funds which captures the details of all transactions of the Fund.

2. The State may present the Details of the Funds on the startup portal with the eligibility conditions along the option of startups applying for the Fund.

3. The State may organise events, conferences dedicated to outreach related to funding with discussions on funding opportunities and processes and to connect startups with funds as well as investors.

Capacity Building of Enablers

Introduction

Capacity building of key stakeholders and enablers is essential for driving the growth of the entire startup ecosystem. It is vital to provide necessary information to the key ecosystem facilitators to enable startups with the opportunity to contribute to Government initiatives.

This Reform Area assesses sensitisation workshops, programs conducted for Government officials, and workshops conducted to train State-supported incubators. It also focuses on the capacity development of potential private investors to encourage local private investments.

Capacity building and training of Government officials, incubators, and potential investors are essential to keep up with the changing needs of startups. Continuous training programs ensure that the key players in the startup ecosystem are up to date with the needs of startups and hence provide services accordingly.

State Performance

~2

Sensitisation workshops conducted for 25+ Government officials

~3

Programs conducted to sensitise 50+ potential investors

~3

Capacity development workshops Conducted to train State-supported incubators

The State conducted a Capacity Building exercise for Incubators at IIM, Calcutta held in the month of December 2022. The exercise was intended to develop the capacity of incubators by providing exposure to the best practices adopted by incubators. It was focused on the development of the incubation model through one-on-one mentoring, providing learning Opportunities and fundraising demos with donors to build joint partnerships.

The workshop also had a session on Program Management for Incubation Managers to understand Incubation Management System effectively and tracking entrepreneur support programs. The workshop had sessions on monitoring and reporting on business incubation and enterprise development programs. The Workshop also stressed upon smooth workflow management between the stakeholders, extends funding & services to the startups, project management, tracking progress, monitoring and evaluation of performances and overall life cycle management of the incubation support.

Way Forward

1. The State Government may hold quarterly sensitisation workshops for various Government departments and officials to encourage them to interact with Startups to understand their concerns.

2. The State may train State-supported incubators through capacity development workshops by collaborating with incubators from other States as well to explore mutual learning opportunities.

3. The State may conduct monthly virtual programs spread across various districts to sensitise potential investors on investment in Startups

Roadmap to a Sustainable Future

Introduction

Roadmap to a Sustainable Future sought to encourage the spirit of innovation in rural startups, and at the same time focus on sectors like renewable energy, sustainability, and climate change with an emphasis given to startups working on Circular Economy.

The aim is to steadily increase the number of startups working in the space of renewable energy and sustainability and follow India's direction of attaining a more inclusive and greener world.

State Performance

30+

Startups working on Rural Impact Supported

The State Government has given due importance to supporting innovations with impact at the rural or grassroots level. According to the State, a registered startup with grassroots or rural impact is defined as one that:

- Scores at least 7 out of 10 in "Social Impact" parameter of the Standard Selection Criteria of the State.

- Either promote a product that relates to the State's ethnicity such as handicraft or promotes a product or service that is based in a rural area such as organic farming.

Out of the 50 startups that would be selected for the initial seed fund support through Arunachal Pradesh Entrepreneurship Challenge, there shall be a minimum 20% or 10 numbers of startups with grassroots / rural impact.

The State provides a separate tab[5] on the state startup portal to provide definitions on Grassroots / Rural Startups along with names and details of such startups working in the state.

[5]https://www.apstartup.in/grassroot-startups

Figure D: Grassroots / Rural Startups Page

Way Forward

1. The State may develop specific incentives for the Startups working in the field of rural impact, sustainability, renewable energy, climate change and circular economy and consider amending any existing policy or incentive for Startups in the State to support these Startups.

2. The State may undertake sensitisation workshops with Startups, Incubators and other stakeholders in the field of sustainability, renewable energy, climate change and circular economy.

3. The State may look at developing a separate parameter for "Social Impact", under which a Startup promotes a product or service that is based in a rural area as well as related to sustainable practices, renewable energy, circular economy and climate change.

Annexure

List of Figures

Abbreviations

IT: Information Technology

e-Cells: Entrepreneurship Cells

APEC: Arunachal Pradesh Entrepreneurship Challenge

EMD: Earnest Money Deposit

MoU: Memorandum of Understanding

PwD: Persons with Disabilities

HEIs: Higher Educational Institutes

MOOCs: Massive Open Online Courses

APIIP: Arunachal Pradesh Innovation & Investment Park

IIMCIP: IIM Calcutta Innovation Park

SISFS: Startup India Seed Fund Scheme

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