



**DPIIT**  
#startupindia



5<sup>th</sup> Edition

# States' Startup Ecosystem Ranking

# Arunachal Pradesh

Best Performer

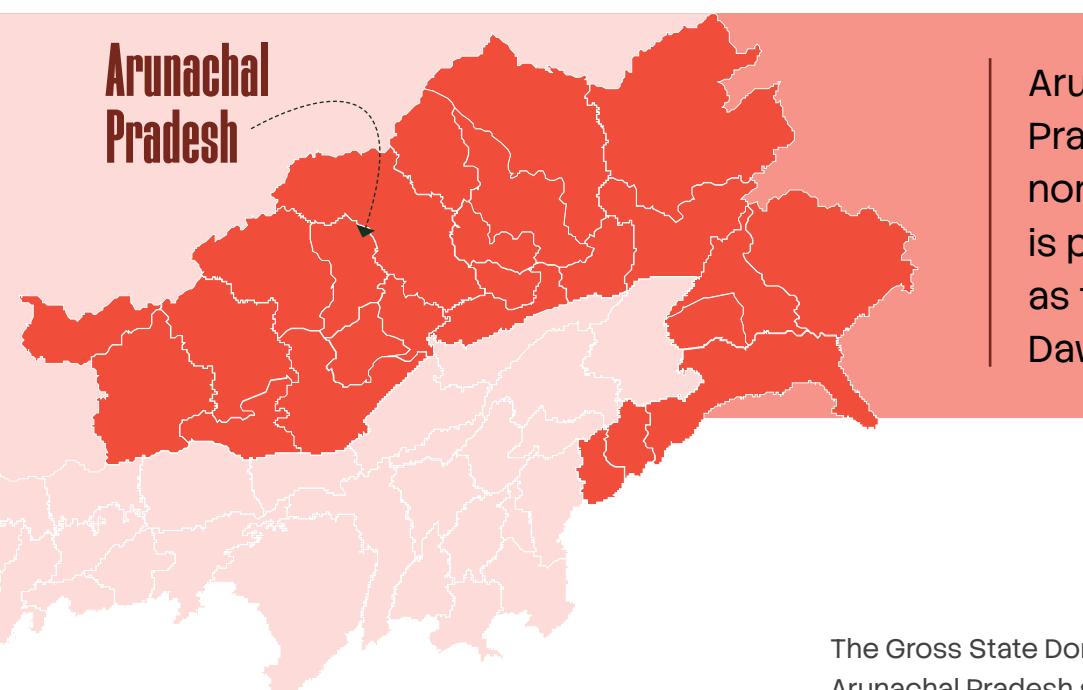




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# 1. About the State



Arunachal Pradesh, located in northeastern India, is popularly known as the "Land of the Dawn-lit Mountains."

Arunachal Pradesh, located in northeastern India, is popularly known as the "Land of the Dawn-lit Mountains." It spans an area of 83,743 Sq. Km, making it one of the largest states in northeastern India. Arunachal Pradesh occupies a strategic location, sharing domestic borders with Assam and Nagaland, and international borders with Bhutan, China, and Myanmar. It has a population of 13.84 Lakh.

The Gross State Domestic Product (GSDP) of Arunachal Pradesh stood at INR 44,228.7 Crore, growing at a CAGR of 11.2% between the FY 2011-12 and 2023-24.

The Investment Division under the Department of Finance, Planning & Investment serves as the nodal department for implementing the Arunachal Pradesh Startup Policy, driving the state's startup ecosystem through policy execution, incubation support, incentive management, and awareness initiatives.

# 2. State Startup Policies and Initiatives

## 2.1 State Startup Policies

During the period of consideration under 5<sup>th</sup> edition States' Startup Ecosystem Ranking, the Arunachal Pradesh Startup Policy 2022-23, has been the governing policy, aligned with the Atmanirbhar Bharat Mission, to promote entrepreneurship as a driver of innovation, employment and social transformation.

The policy aims to raise awareness of

entrepreneurship among youth, provide comprehensive fiscal and non-fiscal support, facilitate a network of ecosystem stakeholders and update the policy according to evolving startup needs.

Key incentives include grants up to INR 20 Lakh for Proof of Concept (PoC), reimbursement of 50% of R&D capital costs up to INR 5 Lakh, patent cost reimbursement of up to INR 10,000 per Indian patent and INR 1 Lakh per international patent, scale-up grants of up to INR 50 Lakh, minimum 20% purchase preference for eligible startups in state procurement, and opportunities to test products through government trial orders.

### Deen Dayal Upadhyaya Swavalamban Yojana

The state has also launched the Deen Dayal Upadhyaya Swavalamban Yojana, a startup loan scheme that provides financial assistance through subsidies on loans granted to startups. This scheme aims to support unemployed youth by offering access to affordable capital for establishing their entrepreneurial ventures.



## 2.2 Key Initiatives Driving Growth

Several strategic initiatives have been launched to accelerate startup growth, enhance investor support, and strengthen the overall startup ecosystem.

### ● **Women-led Startups:**

The state has clearly defined the women-led startups as those with a woman Founder, Co-Founder, or Chief Operating Officer for providing targeted incentives and support to women-led startup ecosystem.

### ● **Startup Success Stories:**

Arunachal Pradesh, through its startup portal, shares success stories of startups to foster a vibrant and motivated startup ecosystem.

### ● **Relaxation of Public Procurement Norms:**

Exemption from prior experience, turnover, and bid security requirements to ease regulatory compliance for startups bidding for Government projects.

### ● **Arunachal Pradesh Entrepreneurship Development Programme (APEDP):**

Launched in August 2020, the programme sensitizes aspiring entrepreneurs about startups and provides them a platform to realize their dreams, encouraging them to become job creators rather than job seekers.

### ● **Arunachal Pradesh Innovation & Investment Park (APIIP):**

The first state-owned marquee incubator, APIIP encourages a culture of entrepreneurship and transforms the state into a hub for innovation by providing comprehensive support and building a strong ecosystem for local startups.



# 3. States' Startup Ecosystem Ranking Results

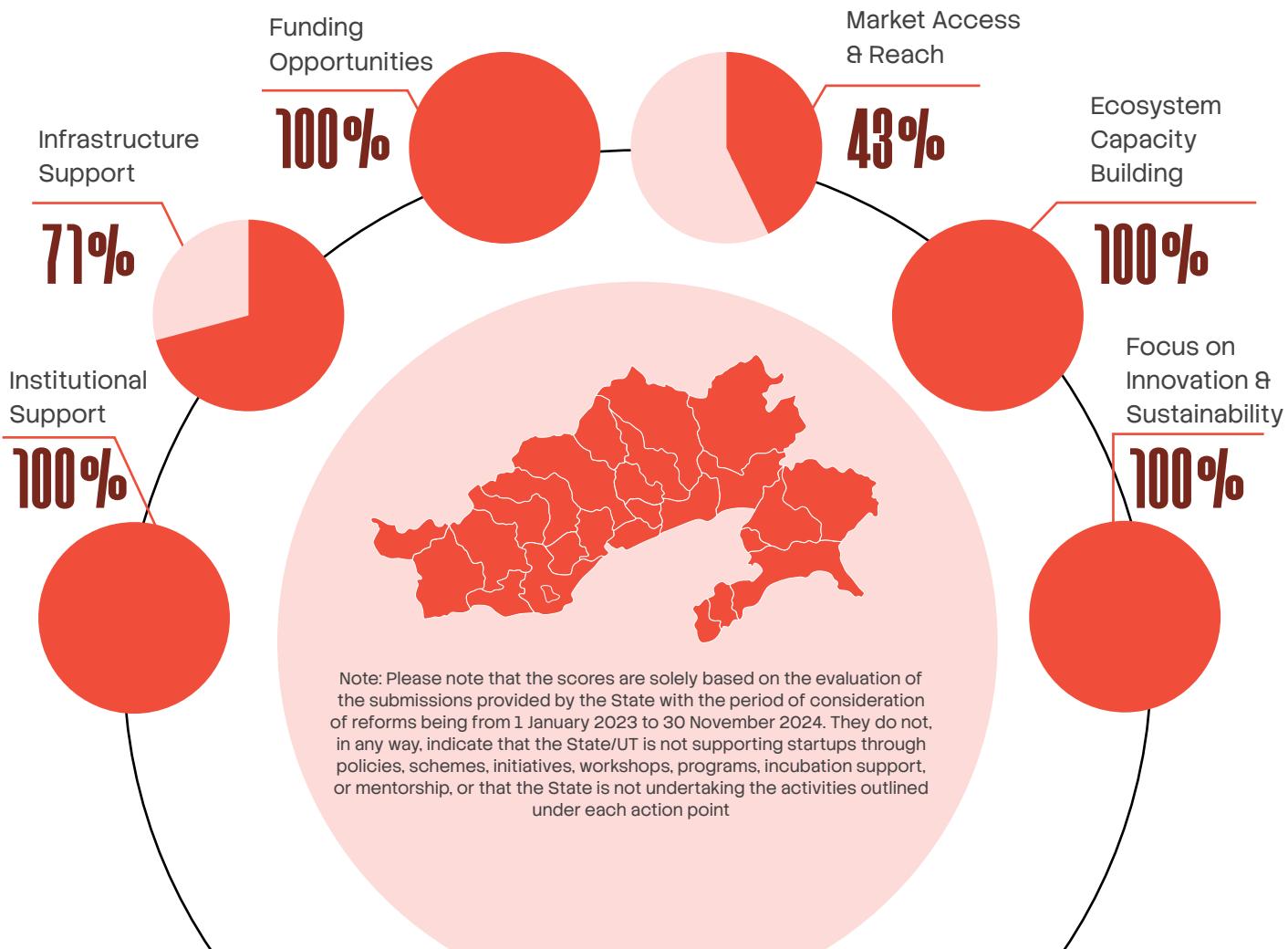
Arunachal Pradesh participated in all 6 Reform Areas and 19 Action Points under the 5<sup>th</sup> edition of States' Startup Ecosystem Ranking, and has been positioned as a 'Best Performer' State in Category B.

The State's performance in each of the Reform Areas has been graphically represented, with the results presented in the form of percentile scores. These percentile scores reflect Arunachal Pradesh's relative performance in each Reform Area vis-à-vis other participating States and UTs in Category B. For instance, a 100<sup>th</sup> percentile score in the 'Institutional Support' Reform Area indicates that Arunachal Pradesh has outperformed all other

participating States and UTs in Category B on this parameter.

Overall, Arunachal Pradesh has been evaluated across 6 Reform Areas that are critical to strengthening and advancing the State's startup ecosystem. A detailed analysis with insights into the initiatives taken by the State to promote its startup ecosystem are discussed in the subsequent sections.

**Figure 1: Reform area wise scores for Arunachal Pradesh**



# 4. Reform Area 1 -

# 4. Institutional Support

## 4.1 Introduction

**Institutional Support** focuses on the foundational support provided by state governments to foster startup ecosystems. It evaluates whether states have active startup policies, designated nodal departments, and

dedicated teams. It also assesses the extent of support provided by other government departments beyond the nodal agency. Key action points include the presence of a startup policy, identification and development of priority sectors, support for women entrepreneurs and initiatives for young student entrepreneurs.

**It covers 6 action points:**



**Action Point 1:**  
Support Provided to Startups  
by State/UT Department(s)



**Action Point 2:**  
For Development with a Futuristic  
and Disruptive Focus



**Action Point 3:**  
Women Entrepreneurial  
Development



**Action Point 4:**  
For the Growth of  
Young Entrepreneurs



**Action Point 5:**  
Entrepreneurial Growth in the  
Social Innovation Landscape



**Action Point 6:**  
Mentorship Support  
Provided to Startups

## 4.2 Performance

60+



**Startups supported in  
the priority sectors**

35+

**Women-led  
startups  
supported**





## Institutional support provided to Startups:

The State has put in place an institutional framework to support startups through its Arunachal Pradesh Startup Policy 2022-23, with its nodal department being Finance, Planning & Investment Department. The State also has a dedicated nodal officer and a dedicated team responsible for startup promotion and facilitation.

In addition to the nodal department, Department of Tourism has also extended institutional support to startups through its Chief Minister Paryatan Vikas Yojna in the State.

## Development with a Futuristic and Disruptive Focus:

The State has identified priority sectors to guide the development of a futuristic and innovation-driven startup ecosystem. These priority sectors include Agriculture & Horticulture, Forest & Bamboo, Minerals and Tourism among others.

To promote startups operating within the identified priority sectors, the State had **5+** schemes, initiatives / policies / activities

operational during the evaluation period. These interventions include AP Logistics Policy 2023, Deen Dayal Upadhyaya Swavalamban Yojana, Arunachal Pradesh State Industrial & Investment Policy 2020, Arunachal State Rural Livelihoods Mission, Arunachal Pradesh Entrepreneurship Development Program among others.

As per the documentary evidence submitted, **60+ unique startups have been supported across the identified priority sectors.**

## Women Entrepreneurial Development

Dedicated incentives and support mechanisms for women-led startups have been introduced through:

- **Deen Dayal Upadhyay Swabalamban Yojana:** Women entrepreneurs are additionally eligible for 5% interest subsidy annually provided the entrepreneur does not become Non-Performing Asset.
- **Arunachal Pradesh State Industrial and Investment Policy 2020:** State Capital Investment Subsidy @50% on the cost of the investment in plant and machinery with

an upper limit of INR 75 Lakhs for Women Entrepreneurs.

- **Arunachal Pradesh Start-up Policy 2022-23:** A minimum of 33% of the Arunachal Pradesh Seed Fund proposed in this policy is dedicated to women-led startups. Further, the Entrepreneurship Centre for Women (ECW) runs dedicated incubation and acceleration program for women on annual or bi-annual basis.

As per the documentary evidence submitted, the State has supported **35+ unique women-led startups during the evaluation period**. These startups are distributed across **16 districts** within the State.

## For the Growth of Young Entrepreneurs

The State has implemented structured interventions to encourage entrepreneurship among students and young innovators through educational institutions. These include G20-University Connect: Rajiv Gandhi University

Chapter, Startup Outreach program and MOU Signing with Arunachal University of Studies Namsai, Startup Outreach program - Arunachal Pradesh University and Entrepreneurship Development Program - EDC, Dera Natung Government College, Itanagar among others.

Overall, during the evaluation period, the State implemented **12+ such comprehensive support structures / schemes / programs aimed at supporting student entrepreneurs.**

## Entrepreneurial Growth in the Social Innovation Landscape

The State has extended targeted support to startups operating in the public welfare and social innovation space, providing financial assistance/ grants through its Arunachal Pradesh Entrepreneurship Development Program.

As per the documentary evidence submitted, the State has supported **20+ startups operating in the public welfare sphere during the evaluation period.**



# 5. Reform Area 2 - Infrastructure Support

## 5.1 Introduction

**Infrastructure Support** evaluates the availability and quality of both digital and physical infrastructure provided by states to startups. Digital infrastructure includes state startup portals with features like online registration, grievance redressal, and accessibility in local

languages and for persons with disabilities. Physical infrastructure focuses on the establishment and upgrading of incubators, especially those supporting manufacturing and hardware startups. It also assesses the number of startups receiving incubation support and the facilities available to them.

It covers 2 action points:



**Action Point 7:**  
Access to Digital Infrastructure



**Action Point 8:**  
Access to Physical Infrastructure

## 5.2 Performance

100+

Startups  
registered on  
the State Startup  
portal



70+

Startups provided  
incubation Support



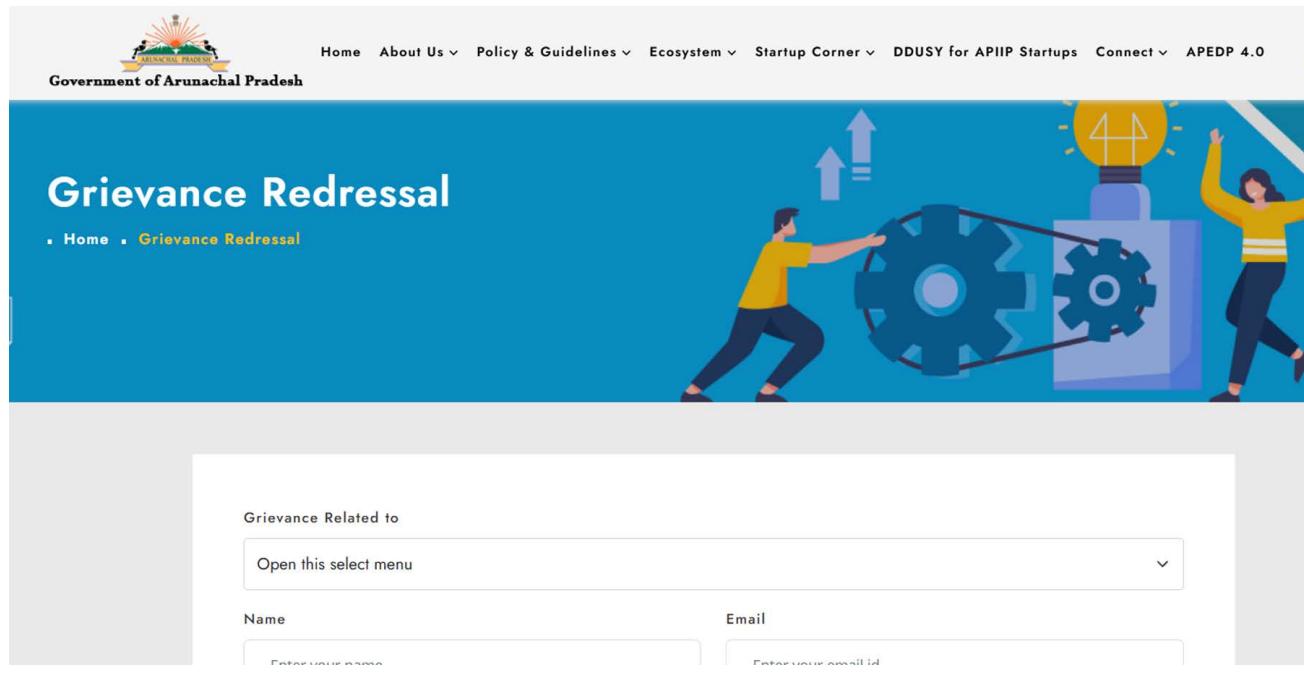
## Access to Digital Infrastructure

The State has ensured that key service delivery features are available through the digital platform, including grievance redressal mechanism for startups to submit queries or complaints. The portal is accessible in the

local or official language of the State and has provisions to support accessibility for persons with disabilities.

As per the records submitted, **100+ startups are registered on the State Startup Portal.**

**Figure 2: Grievance tracking mechanism on the Arunachal Pradesh startup portal**



## Access to Physical Infrastructure

The State has strengthened physical infrastructure support for startups, particularly those engaged in manufacturing and hardware sectors, through the establishment and upgradation of incubators and acceleration facilities.

As per the documentary evidence submitted, **a total of 70+ unique startups have received incubation or acceleration support** across State-supported incubators and accelerators during the period of consideration, while **one new manufacturing incubator** has been set up in the State.

# 6. Reform Area 3 - Funding Opportunities

## 6.1 Introduction

**Funding Opportunities** examines the financial mechanisms established by states to support startups. It includes the creation and management of seed funds, venture funds, and funds of funds, especially those

targeting priority sectors. It also evaluates the number of startups that have received funding through these mechanisms and the extent of collaboration with financial institutions. Additionally, it assesses initiatives like pitching sessions and investor connect programs that facilitate access to private capital.

It covers 3 action points:



**Action Point 9:**  
Access to Funding



**Action Point 10:**  
Number of Startups which have Received Funding through State Supported Funds or Mechanisms



**Action Point 11:**  
State Support in Fundraising Initiatives

## 6.2 Performance

70+



Startups  
received funding  
from the State

50+

Startups  
connected  
with  
investors



## Access to Funding

The State has initiated collaborative funding provisions for startups in partnership with banking and financial institutions such as NABARD and SIDBI. As per the documentary evidence submitted, details have been provided on sanctioned funding, proof of release of funds, total amount disbursed during the evaluation period, and associated sanction letters.

## Startups Receiving Funding through State Supported Funds or Mechanisms

The State has extended direct financial support to startups through State-supported funds or funding mechanisms established or facilitated

by the government. During the evaluation period, **70+ startups have received funding support through these mechanisms.**

Further, the State has undertaken multiple initiatives to facilitate fundraising for startups by enabling structured interactions with angels, investors, and financial institutions. These include programs such as 'NRL Ideation Business Pitching Event', 'Funding schemes for SC/ST entrepreneurs under the SC/ST Venture Fund Scheme (VCF)', 'MStrategy Global Investment Group-Investor Call' among others.

As per the documentary evidence submitted, the State has **facilitated successful connections between 50+ startups and investors** through its initiatives and partnerships during the evaluation period.

# 7. Reform Area 4 - Market Access & Reach

## 7.1 Introduction

**Market Access & Reach** focuses on how states help startups access markets by relaxing public procurement processes, awarding government work orders, and domestic and international exposure. It evaluates the number of tenders floated with startup-friendly relaxations, the

number of startups awarded work orders, and the reach of market access initiatives across districts. It also considers programs that connect startups with government departments, corporates, and international trade bodies for product showcases and pilot projects.

It covers 3 action points:



#### Action Point 12:

Market Access Opportunity Provided to Startups through Public Procurement



#### Action Point 13:

Number of Startups Awarded Purchase Orders or Work Orders

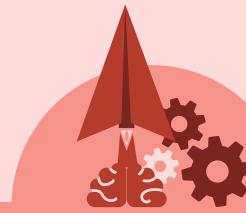


#### Action Point 14:

Access to Domestic and International Market Access Opportunities

## 7.2 Performance

**25+** Unique market access opportunities



### Access to Domestic and International Market Access Opportunities

During the evaluation period, the State implemented **25+ market access initiatives**, including Partnership and other innovative programs, designed to improve visibility, customer acquisition, and business expansion opportunities for startups.

Some of these include events such as IIT Guwahati Kickstart Industrial Conclave, Statehood Day Celebration 2023, NE India Launchpad 2.0 Acceleration program, The Vastra, North East Sustainable Textile Show, Mpower Business Women Meet and NRL Ideation Business Pitching Event among others.

### NE India Launchpad 2.0 Acceleration Program

The State facilitated participation in the NE India Launchpad 2.0 Acceleration Program, organised by KIIT-TBI under the MeitY-TIDE Scheme, to support ICT-based startups from the North Eastern region. The program provided startups with market access, mentoring, financial exposure, and structured acceleration support, enabling innovators from Arunachal Pradesh to engage with the national startup ecosystem and scale their ventures.

# 8. Reform Area 5 - Ecosystem Capacity Building

## 8.1 Introduction

**Ecosystem Capacity Building** evaluates efforts to strengthen the startup ecosystem through training and sensitization programs. It includes workshops for government officials, capacity

development for incubators, and sensitization programs for ecosystem enablers like mentors, investors, and accelerators. The focus is on building awareness, improving stakeholder capabilities, and fostering collaboration across the ecosystem.

It covers 3 action points:



**Action Point 15:**  
Capacity Building of Officials  
of State Government  
Departments on Startup  
Ecosystem of India



**Action Point 16:**  
Number of State-supported  
Incubators Trained Through  
Capacity Development  
Workshops



**Action Point 17:**  
Number of Programs  
Conducted to  
Sensitize Ecosystem  
Enablers

## 8.2 Performance

9+ State  
departments  
participated



12+ Workshops/programs  
conducted to Sensitize  
Ecosystem Enablers



## Capacity Building of Officials of State Government Departments on Startup Ecosystem of India

During the evaluation period, sensitization workshops or programs have been conducted to familiarize officials with startup-related policies, regulatory frameworks, and the role of government in enabling entrepreneurship. These include 'Entrepreneurship Development Programme (EDP)' and 'First Entrepreneurship Awareness Program (EAP), DNGC' among others.

As per the documentary evidence submitted, **officials from 9+ State departments** such as Department of Planning & Investment, Department of Textiles and Arunachal Pradesh State Rural Livelihood Mission participated in these sensitization programs.

Further, State-supported incubator - 'Arunachal Pradesh Innovation and Investment Park' participated in capacity development workshop

'Building Innovation and Startup Ecosystem Workshop for North East India' during the evaluation period.

## Number of Programs Conducted to Sensitize Ecosystem Enablers

The State has conducted targeted programs to sensitize existing and potential ecosystem enablers, focusing on knowledge-based sessions, masterclasses and one-on-one interactions to facilitate investor to investor connects as well as basics of angel Investment among other themes to encourage greater engagement with startups at various stages of growth.

As per the documentary evidence submitted, the State has conducted or supported **12+ sensitization programs during the evaluation period**.

**Figure 3: Webinar on IPR with special emphasis on Copyright & Trademarks organized by Government of Arunachal Pradesh**



# 9. Reform Area 6 - Focus on Innovation & Sustainability

## 9.1 Introduction

**Focus on Innovation and Sustainability** assesses how states promote innovation and sustainability through support for Intellectual Property Rights (IPR), Research

and Development (R&D), and startups focused on climate change and circular economy. It evaluates the presence of policies facilitating IPR, the extent of R&D support, and the number of sustainability-focused startups receiving incentives.

It covers 2 action points:



### Action Point 18:

Initiatives Undertaken by the State/UT to Facilitate Research and Innovation



### Action Point 19:

Support to Startups for a Sustainable Focus

## 9.2 Performance

2+



**Policies for startups focused on renewable energy/ sustainability**

15+



**Startups focused on renewable energy, climate change, and sustainability**

## Facilitating Research and Innovation in the State

The State has undertaken initiatives to strengthen research and innovation within the startup ecosystem. For instance, the State's Startup Policy contains provisions of patent cost reimbursement for the patents applied by startups. Similarly, Arunachal Pradesh Seed Fund Scheme – Innovation Fund contains provisions for Patent Reimbursements for both Indian and International patents.

In addition, the State has extended R&D support to startups operating in identified priority sectors through targeted incentives and programs. For instance, the State's Startup policy contains provisions for promotion of research-led innovation in the State. Similarly, Arunachal Pradesh Seed Fund Scheme – Innovation Fund contains provisions for R&D Incentives provided to startups.

## Support to Startups for a Sustainable Future

During the evaluation period, **2+ active policies or schemes supporting startups in the circular economy and sustainability domains** have been implemented by the State. These include Arunachal Pradesh Start-up Policy 2022-23, wherein the objective of the policy is to bolster entrepreneurship and innovation to support the State in achieving its development goals, including the Sustainable Development Goals. Also, Arunachal Pradesh Entrepreneurship Development Program places special emphasis on startups working towards the development of Circular Economy solutions.

As per the documentary evidence submitted, the State/UT has supported **15+ startups working in areas such as renewable energy, climate resilience, climate technology, resource efficiency, waste management, and other sustainability-focused solutions.**



# 10. Way Ahead



- The state may strengthen awareness and utilisation of existing procurement relaxations for startups by conducting targeted sensitisation workshops, in collaboration with Government e-Marketplace, to familiarise startups with available relaxations and simplify understanding of tendering and application procedures.
- The State may foster stronger linkages between incubation centres and manufacturing hubs, ensuring hardware-focused startups receive tailored technical, logistic and financing support.
- The State may consider introducing dedicated priority-sector funds and investor connect platforms to improve capital access and accelerate startup growth.
- The State may promote the state's priority sectors through targeted outreach, sector-specific hackathons and collaborative R&D projects with academia and industry.
- The State may expand mentorship and incubation networks by partnering with established industry players, research institutions and successful alumni entrepreneurs.
- The State may formalize a structured pipeline for young-entrepreneur ventures, providing dedicated seed funding and mentorship. More challenges may be conducted for aspiring young entrepreneurs from which the top participants can be provided incubation support.
- The State may enhance digital portal capabilities to include real-time grievance tracking, multilingual assistance and integration with national startup services.
- The State may create regular investor-matchmaking events and pitch-fests that bring together startups, angel networks, venture funds and financial institutions.
- The State may establish a continuous feedback loop with the startup community to regularly assess the impact of existing policies and adjust them for greater relevance and effectiveness.
- The state may review and strengthen outreach and facilitation mechanisms for existing fast-tracking and fiscal and non-fiscal IPR and R&D incentives, to improve awareness, uptake, and effective utilisation of these provisions by startups.

# 11. Annexures

## **List of Figures**

Figure 1: Reform area wise scores for Arunachal Pradesh

Figure 2: Grievance tracking mechanism on the Arunachal Pradesh startup portal

Figure 3: Webinar on IPR with special emphasis on Copyright & Trademarks organized by Government of Arunachal Pradesh

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