DPIIT #startupindia

NATIONAL STARTUP DAY
Celebrating 10 years of Startup India
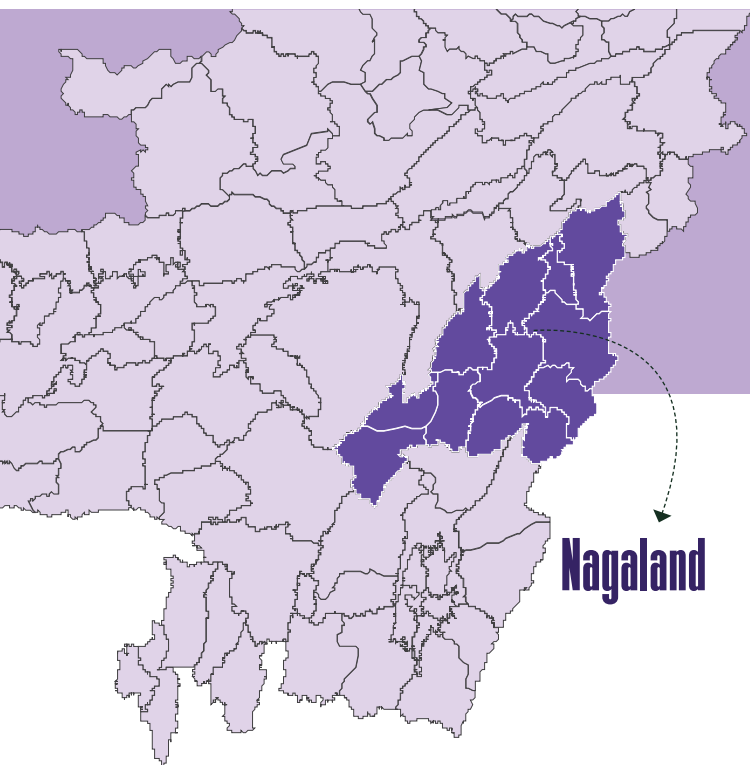
5ᵗʰ Edition

States' Startup Ecosystem Ranking

Nagaland

Leader

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1. About the State

Nagaland

Nagaland, with a population of INR 19.79L, as per the 2011 Census, has more than 60% of its people in the 15–59 age group, and has an urbanization rate of about 28.85%.

Nagaland, with a population of INR 19.79L, as per the 2011 Census, has more than 60% of its people in the 15–59 age group, and has an urbanization rate of about 28.85%. This young demographic represents a dynamic and energetic workforce with immense potential to foster innovation and entrepreneurship. Between 2013–14 and 2023–24, Nagaland's Gross State Domestic Product (GSDP) recorded a CAGR of 10.16%. In 2024-25, the state attracted a total FDI inflow of USD 0.05 Mn.

The State of Nagaland seeks to empower its youth by encouraging creativity, innovation, and entrepreneurship. The Nagaland Start-up Policy envisions establishing Nagaland as a model start up leader in the region. It aims to cultivate a vibrant culture of entrepreneurship that inspires and supports creative and innovative youth. Through this, the policy seeks to enable the growth of successful start up ventures, transform entrepreneurs into job creators, and contribute to building a strong, inclusive, and sustainable economy for the state.

To realize this objective, the Department of Industries & Commerce has been designated as the Nodal Department for implementing the Nagaland Start-up Policy. The policy focuses on creating an enabling environment for start-ups to thrive through knowledge exchange, capacity building, effective policy interventions, and improved access to funding.

2. State Startup Policies and Initiatives

2.1 State Startup Policies

The Government of Nagaland offers various fiscal and non-fiscal incentives to Startups to achieve its objectives, such as:

- **Reimbursement of State GST:**
Start-ups can claim annual State GST reimbursement on sales of goods and services for three years, up to INR 1.5L per year. Women-led start-ups are eligible for an additional 30% reimbursement for up to two more years.

- **Seed Grant:**
Startups will be eligible for a one-time seed grant of up to 1.00L, depending on their creativity and innovation.

- **Digital upgradation subsidy** for purchase of computers, related hardware, or purchase of relevant software: Start-ups are eligible for a one-time digital upgradation subsidy covering 50% of capital expenses on computers, smartphones, related hardware/software, and broadband connectivity, up to INR 2L.

- **Power subsidy to Startup:**
Start-ups are eligible for a power subsidy of 50% of the actual bill amount, up to INR 1L per year, for two years.

- **Reimbursement of patent filing cost**
(including filing fees, attorney fees, search fees, maintenance fees): Start-ups are eligible for reimbursement of up to 100% of actual patent filing costs (including filing, attorney, search, and maintenance fees), capped at INR 1L for domestic patents and INR 1.5L for women-led start-ups. The reimbursement will be disbursed in two phases: 50% after filing and the remaining 50% upon grant of the patent.

- **Marketing and promotional assistance:**
Start-ups are eligible for reimbursement of 50% of actual marketing and promotion expenses (including travel), covering costs such as listing fees, advertisements, promotions, marketing materials, trade shows, and market research, up to INR 2L per start-up.

  Incentives & Award for Persons with Disabilities (PwD) Start-ups

- **Special Incentives for women-led start-up:**
The state shall dedicate 25 per cent of total funds for startups to women led startups, registered with the state.

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2.2 Key initiatives driving growth

Start-up Nagaland is an initiative of the Department of Industries & Commerce that aims to foster a vibrant entrepreneurial ecosystem in the state by supporting early-stage, innovative-driven enterprises. The initiative provides a comprehensive support system to help start-ups grow and thrive.

- Support for incubators: e.g., new incubators can get up to INR 25L for setup & equipment; existing incubators can get INR 5L (in tranches) for infrastructure expansion.

- Entrepreneurship Development Centers (EDCs) have been established in schools and colleges across Nagaland to nurture entrepreneurial skills among students. Currently, there are 16 School EDCs facilitated through Youth Net and 6 College EDCs managed by the Edu Centre School of Business. These centers organize a variety of activities, including ideation camps, exposure visits, and skill-development programs, aimed at fostering innovation, practical learning, and entrepreneurial thinking among young learners.

- Engagement between start-ups and potential investors.

- Platforms for HNIs, funding agencies, and government bodies to discover and invest in promising local start-ups.
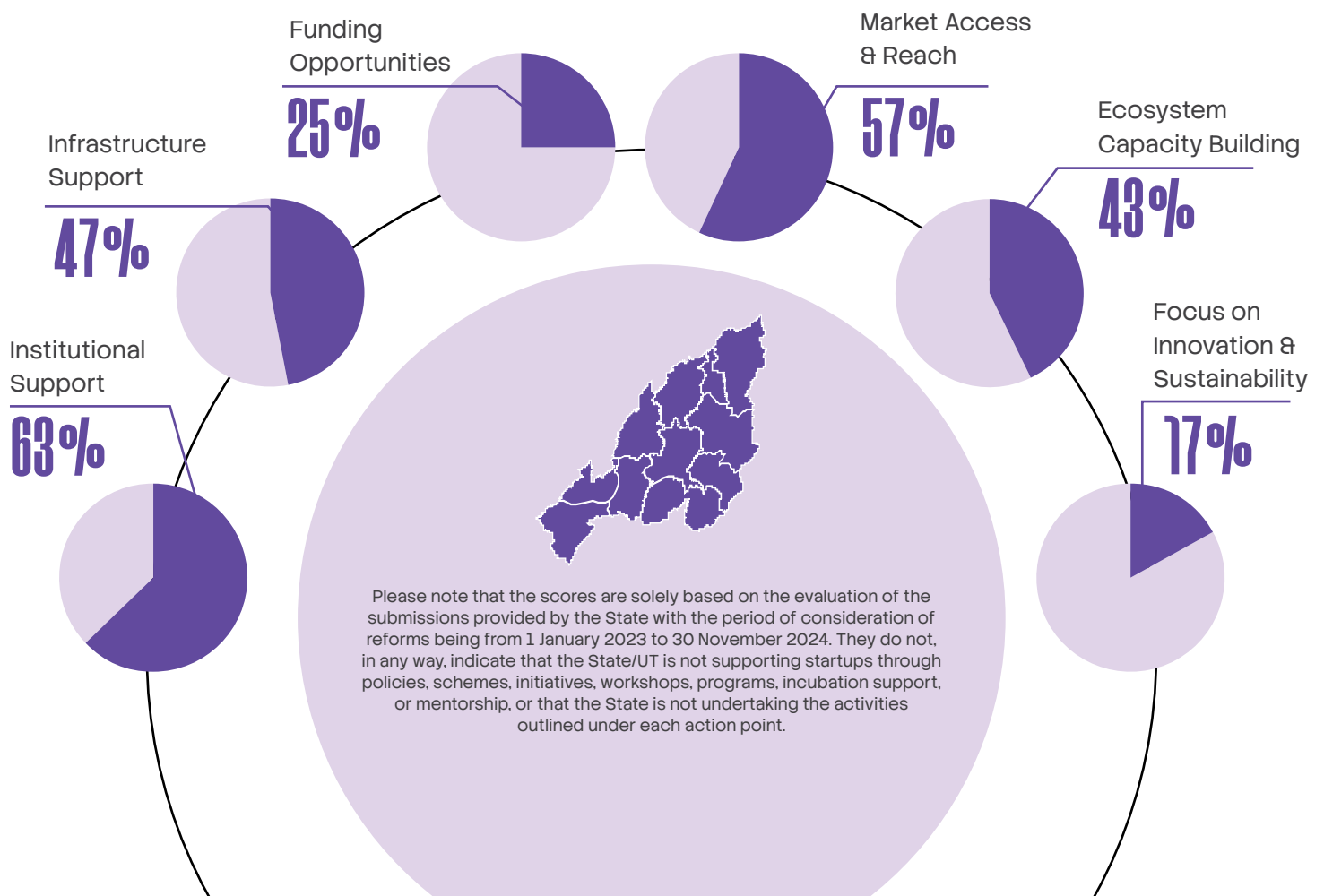
3. States' Startup Ecosystem Ranking Results

Nagaland participated in all 6 Reform Areas and 17 Action Points under the 5th edition of States' Startup Ecosystem Ranking Framework, and has been positioned as a "Leader" 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 of state reflect Nagaland's relative performance in each Reform Area vis-à-vis other participating States and UTs in Category B. For instance, a 100th percentile score in the 'Institutional Support' Reform Area indicates that Nagaland has outperformed all other participating States and UTs in Category B on this parameter.

Overall, Nagaland 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. The below diagram provides a snapshot of the performance of the state across reform areas.

Figure 1: Reform area wise scores for Nagaland

Funding Opportunities **25%**

Market Access & Reach **57%**

Infrastructure Support **47%**

Ecosystem Capacity Building **43%**

Institutional Support **63%**

Focus on Innovation & Sustainability **17%**

Please note that the scores are solely based on the evaluation of the submissions provided by the State with the period of consideration of reforms being from 1 January 2023 to 30 November 2024. They do not, in any way, indicate that the State/UT is not supporting startups through policies, schemes, initiatives, workshops, programs, incubation support, or mentorship, or that the State is not undertaking the activities outlined under each action point.

4. Reform Area 1 - 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

5+ Startups supported in priority sector

38+ Unique women-led startups

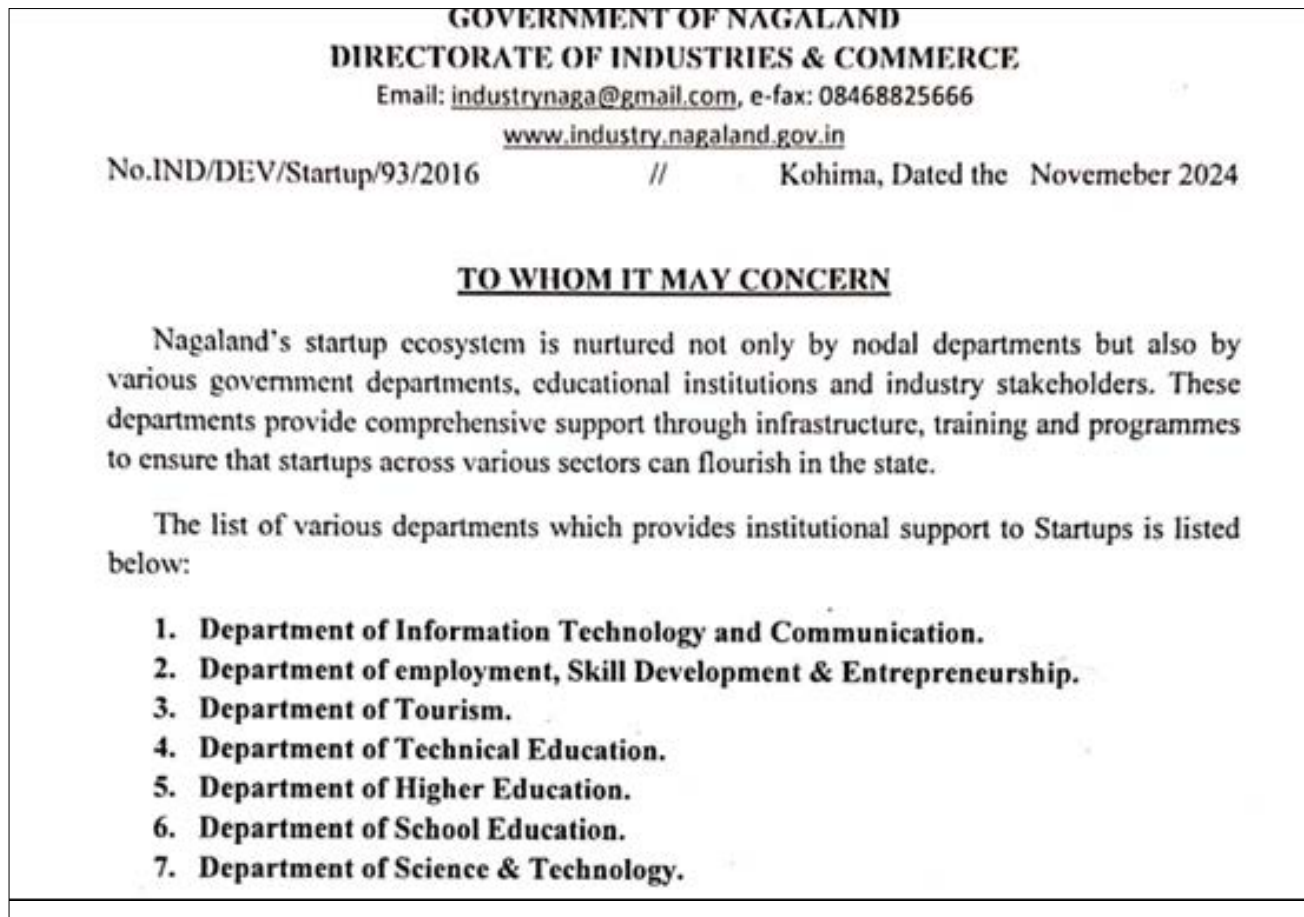**15+** Mentors providing support to Startups.

Institutional support provided to Startups

The State has put in place an institutional framework to support startups through its Startup Policy 'Nagaland State Startup Policy 2024, with its nodal department being Industries and Commerce Department. The State also has a dedicated nodal officer and a dedicated team responsible for startup promotion and facilitation. (Link)

Figure 2: Departments in Nagaland providing institutional Support to Startups

GOVERNMENT OF NAGALAND
DIRECTORATE OF INDUSTRIES & COMMERCE
Email: industrynaga@gmail.com, e-fax: 08468825666
www.industry.nagaland.gov.in

No.IND/DEV/Startup/93/2016   //   Kohima, Dated the Novemeber 2024

TO WHOM IT MAY CONCERN

Nagaland's startup ecosystem is nurtured not only by nodal departments but also by various government departments, educational institutions and industry stakeholders. These departments provide comprehensive support through infrastructure, training and programmes to ensure that startups across various sectors can flourish in the state.

The list of various departments which provides institutional support to Startups is listed below:

1. Department of Information Technology and Communication.
2. Department of employment, Skill Development & Entrepreneurship.
3. Department of Tourism.
4. Department of Technical Education.
5. Department of Higher Education.
6. Department of School Education.
7. Department of Science & Technology.

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 Integration of New Age Technologies such as Drones, Artificial Intelligence (AI), and Advanced Technologies and circular economy, startups working on Sustainable Development Goals (SDGs) and Green Initiatives such as Green IT, Renewable energy, Organic agriculture, waste management, among others. To promote startups operating within the identified priority sectors, the Nagaland had **1+ scheme, initiatives** / policies / activities operational during the evaluation period. As per the documentary evidence submitted, a total of **5+ unique startups** have been supported across the identified priority sectors.

Women Entrepreneurial Development

The Nagaland has undertaken focused measures to promote women entrepreneurship as part of its startup ecosystem development efforts. Dedicated incentives and support mechanisms for women-led startups have been introduced through Startup Nagaland Policy providing incubation support. These measures aim to improve participation of women entrepreneurs across sectors and regions within the Nagaland.

As per the documentary evidence submitted, the State has supported **38+ unique women-led startups during** the evaluation period. These startups are distributed across **6+ districts** within the State.

For the Growth of Young Entrepreneurs

The Nagaland has implemented structured interventions to encourage entrepreneurship among students and young innovators through educational institutions. These include entrepreneurial skill training, awareness programs.

For instance, the Nagaland initiated State Innovation challenge and Entrepreneurship awareness program, among others. Overall, during the evaluation period, the Nagaland implemented **40+ such comprehensive support structures** / schemes / programs aimed at supporting student entrepreneurs.

Mentorship Support Provided to Startups

The Nagaland has facilitated structured mentorship support for startups as part of its ecosystem development initiatives through overall mentoring support, global business assistance, financial plan development. As per the documentary evidence provided, a total of **15+ mentors** have been engaged to provide mentorship support to startups within the Nagaland during the evaluation period.

Details of mentors registered on the portal are provided by the State (Link)

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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
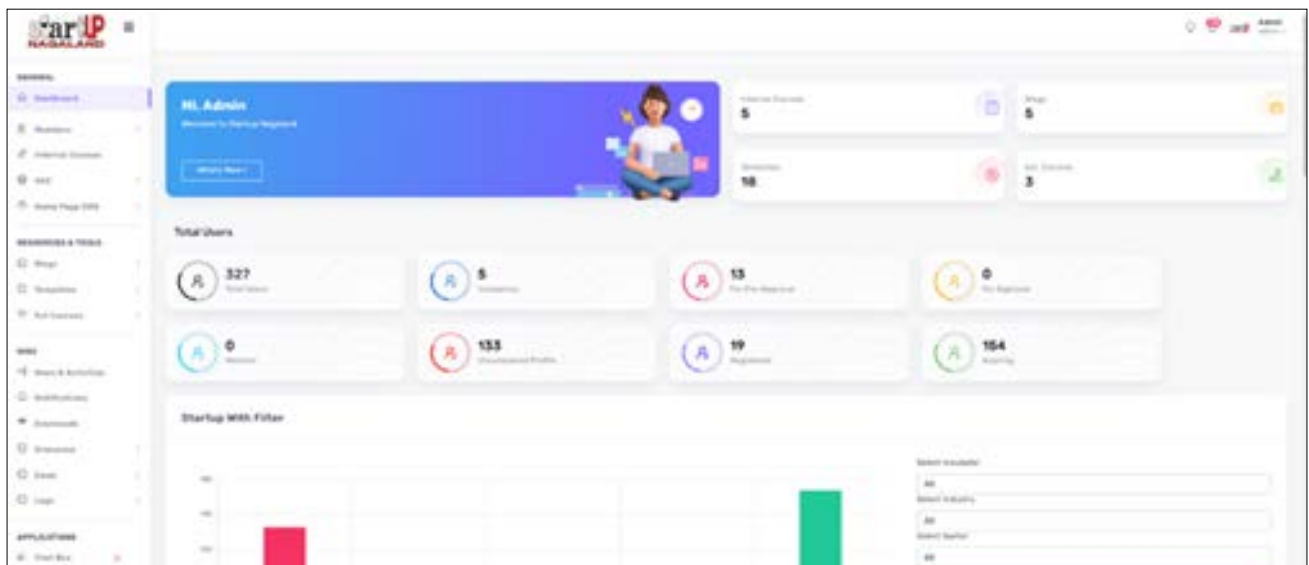
5.2 Performance

170+ Startups registered on the State Startup portal
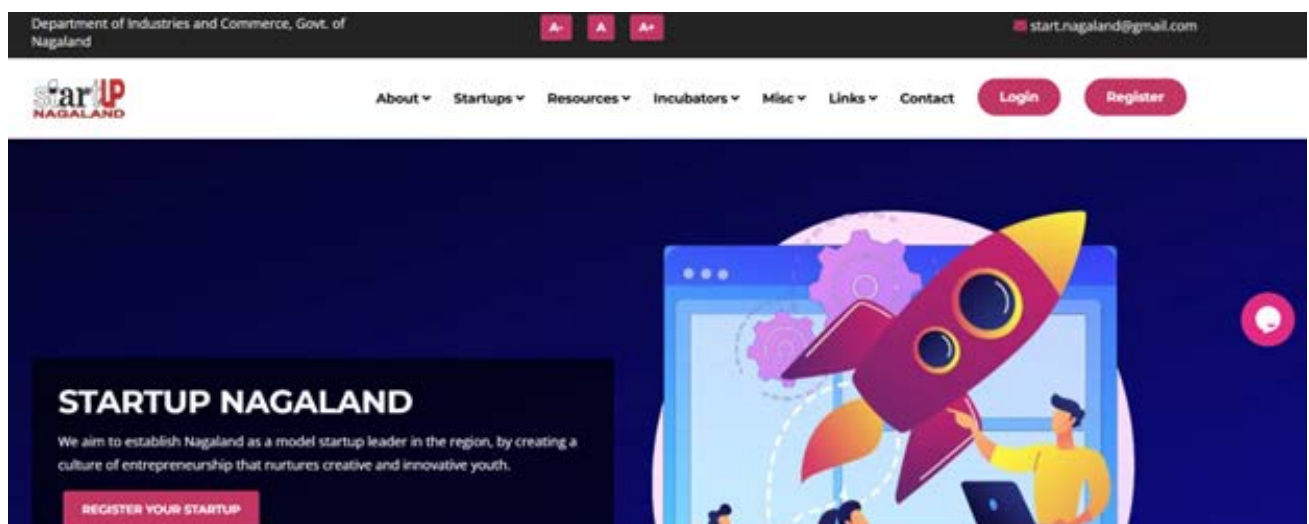
Access to Digital Infrastructure

The Nagaland has enabled digital access for startups through a unified State Startup Portal that serves as a single-window interface for registration, information dissemination, and service delivery. As per the records submitted, **170+ startups** are registered on the State Startup Portal.

Figure 3: Webpage of Startup Nagaland Dashboard

The Nagaland has ensured that key service delivery features are available through the digital platform, including a fully online application process for incentives under the State Startup Policy and a grievance redressal mechanism for startups to submit queries or complaints. The portal support accessibility for persons with disabilities. Link to Startup Nagaland Portal.

Figure 4: Webpage of Startup Nagaland

Access to Physical Infrastructure

The Nagaland 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.

During the evaluation period, the Nagaland upgraded **1+ existing incubator**- NAGABOTS Incubation Centre (NAIC) which focuses on fostering innovation and entrepreneurship, providing support to startups through infrastructure, mentorship, workshops, and access to resources. The centre aims to bridge educational gaps and promote technological

development in the region. These includes refurbished workspaces, enhanced office facilities, modern lab facilities, among others.

As per the documentary evidence submitted, **1+ unique startup** has received incubation or acceleration support across State-supported incubators and accelerators during the period of consideration. The support included Guidance (Developed a Lean Canvas and Detailed Project Report (DPR)), Design Assistance (Created blueprints for housing projects), Negotiation Help (Supported client negotiations), Operational Expansions.

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:
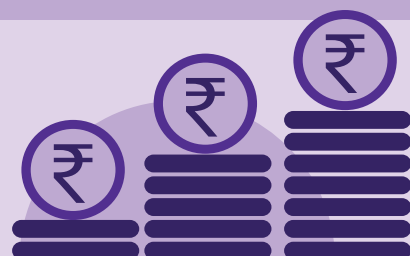Number of Startups which have Received Funding through State Supported Funds or Mechanisms

Action Point 11:
State Support in Fundraising Initiatives

6.2 Performance

5+ **Startups received funding through State-supported funds or mechanisms**

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Number of Startups which have Received Funding through State Supported Funds or Mechanisms

The Nagaland has extended direct financial support to startups through State-supported funds or funding mechanisms established or facilitated by the government. During the evaluation period, a total of **5+ startups** have received funding support through these mechanisms.

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

3+

Startups awarded purchase orders

3+

Unique market access opportunities

Number of Startups Awarded Purchase Orders or Work Orders

The Nagaland has enabled tangible market access for startups by awarding purchase orders or work orders through State government departments, agencies, and public sector undertakings. As per the documentary evidence submitted, **3+ startups** have been awarded purchase orders or work orders during the evaluation period. These startups were distributed across 1+ district within Nagaland.

Access to Domestic and International Market Access Opportunities

During the evaluation period, the State conducted/facilitated in **3+ market access initiatives,** including Participation in Startup Mahakumbh 2024, Brillante PiaNo Festival - 5th Edition, and Startup India Trip (including visit to boAt factory), among others, wherein 5+ startups were supported by the state.

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.
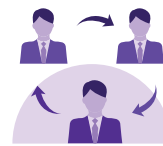
It covers 3 action points:

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

5+
State-supported incubators participated in Capacity building workshops

2+
Workshops/programs conducted to Sensitize Ecosystem Enablers

Number of State-supported Incubators Trained through Capacity Development Workshops

The Nagaland has undertaken capacity development initiatives to strengthen the operational and managerial capabilities of State-supported incubators through structured training workshops and programs.

As per the documentary evidence provided, 5+ State-supported incubators have participated in capacity development workshops during the evaluation period, including Educentre School of Business, YouthNet Incubation Centre, Nagaland Tool Room & Training Centre, National Institute of Electronics & Information Technology, and Nagabots Incubation Centre, among others.

The Nagaland Tool Rooms and Training Centre (NTRTC) is one of the incubators, established to strengthen the skill-development ecosystem in Nagaland, the centre provides hands-on training on the operation, maintenance and repair of various tools and equipment used in manufacturing, construction, agriculture and related small-scale industries. **40+ comprehensive support structures,** schemes, initiatives, and programs have been provided in Educational Institutions to support student entrepreneurs during the period of consideration, including Entrepreneurship Awareness Programs with St. Joseph University; Bapist College, Kohima; Nagaland Bible College, among others.

Figure 5: Nagaland Tool Rooms and Training Centre (NTRTC) website

The Nagaland has conducted targeted programs to sensitize existing and potential ecosystem enablers, focusing on themes such as Entrepreneurship & Business Management Workshop to sensitize mentors, investors, accelerators, and startups. The workshop delivered focused sessions on entrepreneurship basics, business planning, and innovation, helping ecosystem enablers align their support with emerging startup needs and strengthening overall ecosystem readiness. The state conducted/facilitated **2+ such workshops.**

The ASCEND Workshop was conducted to sensitize existing and potential ecosystem enablers by strengthening their understanding of entrepreneurship, innovation, and business development. The sessions focused on building awareness about key startup processes, business management practices, and available government support. The workshop also helped ecosystem stakeholders align with the State's vision for a robust startup ecosystem by fostering better collaboration, awareness, and readiness to support emerging startups.

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

The Nagaland Start-Up Policy 2019 reflects the State's intent to foster a sustainable and future-oriented startup ecosystem by promoting innovation and including circular economy within its identified new-age focus areas. State's focus sectors include New Age Technologies & Integration of New Age Technologies such as Drones, Artificial Intelligence (AI), and Advanced Technologies and circular economy.

10. Way Ahead

- The State may create a single-point coordination hub that links the nodal startup agency with all line departments, mirroring the inter-departmental coordination model used by states. This hub would catalogue incentives, procurement relaxations, and support services so that every department can deliver them consistently.

- The State may upgrade its startup portal to a real-time, analytics-driven platform that provides multilingual support, integrates national funding schemes, and offers a searchable database of incentives, incubators and mentors.

- The State may launch a publicly accessible market-access marketplace that publishes all tender notices, work-order opportunities and the specific relaxations to startups attached to each.

- The State may expand physical infrastructure by establishing additional incubators and acceleration centres in underserved districts, and by upgrading existing facilities to support hardware-intensive and manufacturing ventures.

- The State may institutionalise a sector-specific mentorship programme that on-boards experienced experts, defines structured mentorship cycles and tracks progress for early-stage founders, especially women-led and youth-led startups.

- The State may introduce dedicated grant and subsidy schemes for women-entrepreneurs and young innovators, combining cash assistance, subsidised co-working spaces and targeted capacity-building workshops.

- The State may set up a comprehensive IPR support service that offers streamlined patent, trademark and copyright assistance, clear reimbursement procedures and dedicated advisors to guide innovators through protection processes.

- The State may develop a data-driven monitoring and reporting system that captures key ecosystem metrics (startup registrations, funding disbursement, incubation capacity, market-access outcomes) and publishes regular dashboards.

- The State may launch focused R&D and sustainability grant tracks that prioritize renewable-energy, circular-economy and climate-tech solutions, encouraging collaboration between startups, research institutions and industry partners.

- The State may organise regular capacity-building programmes for ecosystem enablers (incubator managers, investors, mentors, government officials) covering emerging technologies, financing models, IPR processes and best practices.

- The State may facilitate international exposure by supporting participation in global tech summits, arranging outbound delegation visits and creating a virtual showcase platform where local startups can present to foreign investors and buyers.

- The State may publish a transparent funding framework that details eligibility criteria, application procedures, timelines and reporting requirements for all state-supported seed and venture funds, ensuring accountability and encouraging private-sector co-investment.

- The State may encourage public-private partnership (PPP) models for incubator financing and mentorship, leveraging banking institutions, industry bodies and academia to expand resources without over-reliance on state budgets.

- The State may implement a "start-up concierge" service within the portal that offers personalized assistance to founders navigating policy, funding, and market-access procedures.

11. Annexures

List of Figures

Figure 1: Reform area wise scores for Nagaland

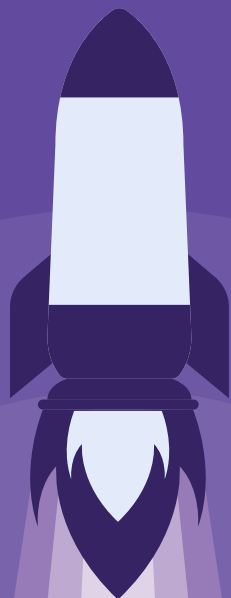Figure 2: Departments in Nagaland providing institutional Support to Startups

Figure 3: Webpage of Startup Nagaland Dashboard

Figure 4: Webpage of Startup Nagaland

Figure 5: Nagaland Tool Rooms and Training Centre (NTRTC) website

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