

ASSAM STARTUP POLICY, 2017

1.0 INTRODUCTION

1.1 PREAMBLE :

Assam has a population of 3.12 crores, making it the most populous state in North East India with a literacy rate of 72.19%. While Assam remained one of the largest revenue earning states pre- independence, the state became completely landlocked and lost its access to sea ports, post partition in 1947. These events have over the years put forward tremendous economic challenges for Assam.

The economy of Assam remains predominantly agriculture based with over 50% of the population engaged in agriculture related activities, contributing nearly 25% to the State Domestic Product. The Tea Industry of Assam plays a vital role in the state as well as in the national economy, drawing significant importance and reputation in the global economy. The tea production in Assam constitutes more than 50% of the total production of the country.

With some of the finest education and research institutes including IIT, IIIT, NIT, Central and State Universities, Medical & Engineering Colleges, CIPET, Tocklai Tea Research Centre, Rainforest Research Centre, NEIST, IASST, etc., the state has educated, qualified, competent and skilled manpower that needs employment opportunities. Given its unique locational advantage, Assam also serves as a gateway to the vibrant economies of the South East Asian countries.

The combination of its prime location, rich natural resources, and highly skilled human resource base provide a natural backdrop for Assam government to promote entrepreneurship and growth of start- up culture in the state. The Start-up Policy shall act as a catalyst for the youth of Assam to participate in the economic growth of Assam creating models of scalability and replication across the state resulting in large scale employment opportunities.

1.2 VISION

Create a culture of entrepreneurship in Assam by promoting and empowering the youth to become job creators and pursue their entrepreneurial dreams. Thereby, transform Assam into a leading Start-up hub in the country.

1.2 OBJECTIVES

Basic objectives of the Policy are to:

- (i) Facilitate the growth of at least 1,000 new Startups over the next 5 years;
- (ii) Establish a state-owned marquee incubator;
- (iii) Attract funding opportunities of USD 250 million for state Start-ups and

- Incubators;
- (iv) Create 1 lakh direct and indirect employment opportunities over the next 5 years;
 - (v) Develop a mechanism of problem solving and culture of entrepreneurship in the State.

1.4 PILLARS OF THE POLICY

The Startup Policy of the Government of Assam is based on four broad pillars:

- (1) Digital Startup Ecosystem:** Constituting a digital environment for the state ecosystem, which shall include the Startup Assam Portal, Mobile App and Helpline. These components will act as an interface for ensuring easy access to infrastructure, incentives, MOOC (Massive open online course) for entrepreneurs and connect the various symbiotic components of the Startup ecosystem
- (2) State Owned Incubator:** Developing an ultra-modern state-owned incubator and various ancillary infrastructure that will be linked to this marquee incubator. This will assist in fostering the spirit of entrepreneurship in the community and fuel startups with infrastructure support, comprehensive mentorship and investment opportunities
- (3) Incentives:** Providing funding support through various fiscal and non-fiscal incentives that would encourage budding Assamese entrepreneurs to transform their ideas into fully fledged ventures
- (4) Academic Intervention:** Proactive academic intervention to inculcate and stimulate the culture of innovation amongst the next generation of entrepreneurs by creating the right environment for learning & experimentation from the early phases of education

2.0 DEFINITIONS

2.1 Entity: A Company (as per the Companies Act 2013), a Registered Partnership Firm (under the Partnership Act, 1932) or Limited Liability Partnership (under the Limited Liability Partnership Act, 2008)

2.2 Startup: An entity shall be considered as a “Startup” under this policy if the entity is recognized as a “Startup” under the “Startup India” initiative and fulfils the third condition below or fulfils all of the following conditions:

1. The date of the entity’s incorporation / registration is not prior to seven years. In case an entity is engaged in the biotech sector, the date of incorporation /

- registration should not be prior to ten years;
2. Its annual turnover does not exceed INR 25 crore, for any preceding financial year;
 3. It is registered in Assam or employs at least 50 percent of its total qualified workforce from Assam, which shall not include contract employees;
 4. Such an entity should not be an extension of an existing family business; or formed by splitting up or reconstruction of a business already in existence

2.3 Incubator: An organization designed to support start-up companies during the early stages to help develop a scalable business model through business support resources and services such as physical space, capital, coaching and mentoring, common services including corporate and legal services and providing networking connections.

2.4 DIPP: Department of Industrial Policy and Promotion (DIPP) falls under the Ministry of Commerce & Industry, Government of India and is responsible for the “Startup India” Initiative. DIPP is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector, keeping in view the national priorities and socio- economic objectives.

2.5 University: University means a University established or incorporated by or under a Central Act or a State Act, and includes any such institution as may be recognized by University Grant Commission.

2.6 My Assam Start-up ID (MASI): MASI is a unique ID granted to “Startups” that apply for recognition on the Assam Startup Portal and are duly approved by the concerned authority. Startups with a valid MASI become eligible to apply for benefits under the Assam Start-up Policy subject to other criteria laid out by the concerned authority.

3.0 SCOPE

The policy provides for incentives and exemptions over and above the Start-up policy of the Government of India. In case the same benefit is enlisted in another policy of the state government, then the said benefit may be availed under only one policy.

4.0 POLICY PERIOD

The Assam Start Up Policy, 2017 shall be effective for a period of 5 years from the date of its notification or until notified, whichever is earlier.

5.0 ASSAM STARTUP ECOSYSTEM

5.A. DIGITAL STARTUP ECOSYSTEM

To promote entrepreneurship and to ensure ease of applying for policy benefits, the

state government will undertake the following steps:

5.A.1. *Start-up portal, Mobile app & Helpline*

- (i) Information Aggregation - The state government will develop a Startup Portal and App which will aggregate all information related to the policy, its benefits and the procedure to avail them
- (ii) Facility booking system - The Assam Startup portal, in addition to all the above- mentioned features, will also strive to have a facility booking system that shall enable start-ups to book government owned or empanelled start-up related infrastructure in Assam (such as biotech labs, design labs, testing labs, research parks, co-working spaces, incubators, accelerators, etc)
- (iii) Inclusive - The portal shall be inclusive and made accessible to the differently-abled by ensuring that it complies with the WCAG 2.0 Level AA or more.
- (iv) Dedicated helpline – A dedicated helpline to answer all Startup related queries will be activated in Assamese, English and Hindi. The helpline shall assist in addressing all queries in areas such as registering a business, raising funds/loans, policy clarifications, etc

5.A.2. *My Assam Start-up Id (MASI)*

- (i) Automated Approval – Startups that apply for recognition on the Assam Startup portal and are duly approved by the concerned authority will be issued a MASI through an automated system.
- (ii) Access to state wide infrastructure & fiscal benefits - MASI will enable startups to have access to the state-wide infrastructure network and access to fiscal benefits through the Assam Startup portal. To ensure seamless coordination across departments and disbursal of benefits & incentives, the Assam Startup Portal may be integrated with Single Window Portal (www.easeofdoingbusinessinassam.in). List of infrastructure accessible through MASI will be available online on the Startup Assam website

5.A.3. *Ease of doing business*

Under the Assam Ease of Doing Business Act 2016, the following are the actions that have been initiated for ease of doing business:

- Single Window Agency (SWA) has been set up along with a Help desk

- A comprehensive Single Window Portal - (www.easeofdoingbusinessinassam.in)
- Over 250 services on the portal for online submission of forms and clearances
- Over 37 departments/agencies of State Government have been brought under the Portal with notified time lines for clearances
- Project Management Units (PMU) have been set up in each District Industries and Commerce Centre (DICC) to help businesses in the state

5.B. DEVELOPMENT OF INFRASTRUCTURE

The Government of Assam deems it crucial to develop world class infrastructure across the state with all necessary facilities made available for entrepreneurs. It is equally important to activate the usage of existing infrastructure.

5.B.1. State Owned Marquee Incubator

The Government of Assam shall establish a state of the art incubator with an end to end ecosystem and facilities like conference rooms, video conferencing facilities, high speed internet connectivity, plug and play work spaces, design and testing labs. Apart from these facilities, Startups will receive various services such as business assistance, financial counseling, accounting assistance, legal and regulatory guidance, and access to mentors and investors.

The state government shall anchor all its entrepreneurship related efforts through the state- owned incubator acting as the hub and other existing incubators across the state as its spokes. The state incubator will support Startups across multiple sectors with the sole mission of developing Assam into the regional Startup Hub.

- Creation of start-up incubator space will take place in Guwahati in the first phase and subsequently in other parts of the state.
- Universities, Technical institutes, Colleges, departments and other private and public Startup related infrastructure owners will be encouraged to make their facilities available through facility booking system on the Startup Assam Portal.

5.B.2. Development of Innovation Infrastructure & Sector specific incubation centres

- Establishment of ESDM (Electronic Systems and Design Manufacturing) Innovation Centre –* Efforts will be made to set up three ESDM innovation centres that will provide complete infrastructure to entrepreneurs and companies who want to take their product concept and implement a working prototype.
- Establishment of "Innovation Zones"* - Government proposes to establish

“Innovation Zones” in Institutions of higher learning, focusing on specific technology verticals viz. Telecom, Gaming, VLSI, Robotics, 3D Printing, Business Analytics, rural technology, etc. These zones shall have facilities like furnished space, mentoring support, networking opportunity, Lab Facilities and Innovation and Entrepreneurship Development Centres (IEDC).

- (ii) Agri- Horticulture and Food processing Business Incubation Centres - Assam Agriculture University, Horticulture Research Station, National Small Industries Corporation (NSIC), North Eastern Regional Marketing Corporation (NERAMAC) and other relevant state departments will be sensitized about the start-up ecosystem and its needs. These universities, agencies and departments will be encouraged to open incubation facilities to help Agri-Horticulture businesses which would also be linked to the facility booking system.
- (iii) Preference to Start-ups for Allotment & Purchase of Land - Priority allotment of land/shed shall be made to startups at the basic price fixed by the respective corporations from time to time. Startups shall be allowed to purchase land as per suitability of the project and shall be allowed to transfer land, if purchased from a private pattadar.

5.C. FUNDING UNDER THE POLICY

5.C.1. Funding

- (i) Assam Angel Network (AAN) and Social Impact Investor Groups - The state Government will encourage high net-worth individuals (HNIs), industrialists, successful entrepreneurs, University alumni and highly experienced business executives and professionals to create Assam Angel Network and social impact investor groups which will help with early stage funding needs of Startups in Assam
- (ii) Saroithi “Start-up Fund” Scheme - The scheme will provide financial assistance in the form of a loan up to INR 25 Lac with Interest subsidy @ 5% per annum to beneficiaries through Assam Gramin Vikash Bank (AGVB) across Assam. State Government, if necessary, may review the scheme in its modalities from time to time and may brought more banks or Financial Institutions under the scheme.
- (iii) Innovation Fund - State Government proposes to establish an Innovation Fund to foster research in ICT and Electronics in the State institutions. The fund will be utilised to facilitate technology transfer and commercialization in the institutes.

- (iii) Assistance to creation of Incubation Centres : It is proposed to set up Incubation centres at various locations to provide much needed support to start up units. It is proposed to provide financial assistance to encourage setting up of incubation centres by IIT, Engineering colleges , Universities , Bio-technology park, Information Technology park, Educational institutions, Trade & Industries Associations, etc. State Government is proposed to provide maximum of @75% grant, subject to a limit of maximum Rs.5 Cr to such institutions/organisations towards cost of construction of building, equipment, connectivity, etc.

6.0 FISCAL AND NON-FISCAL INCENTIVES

6.A FISCAL INCENTIVES

- (i) GST Reimbursement – ***Startups with MASI shall be eligible for annual reimbursement of state GST paid in sales of goods for a period of 3 years up to a maximum of INR 5 lakh per Startup per year.***
- (ii) Stamp Duty Reimbursement – Startups with MASI shall be eligible for 100% reimbursement of Stamp Duty/ Registration Fee/ Conversion Fee paid on sale/lease deeds for first transaction.
- (iii) Digital Upgradation Subsidy – Startups with MASI shall be eligible for digital upgradation subsidy at 50% of capital expenditure for purchase of computers, related hardware, purchase of relevant software subject to a ceiling of INR 1 lakh per Startup.
- (iv) Lease Rental Reimbursement – Startups with MASI shall be eligible for 50% lease rental reimbursement for a maximum period of 3 years subject to a ceiling of INR 5 lakhs. It may include any rent being paid to an incubator/co-working space.
- (v) Power Subsidy : Power subsidy @50% subject to a limit of Rs.10 lakh pa for a period of 5 years.
- (vi) 100% reimbursement on patent filing cost – Startups with MASI shall be eligible for reimbursement up to 100% of the actual costs (including filing fees, attorney fees, search fees, maintenance fees) for patent filing with a maximum limit of INR 1 lakh for filing a domestic patent and up to INR 5 lakh for filing an international patent. This reimbursement shall be payable 75% after the patent is filed and the balance 25% after the patent has been granted.
- (vii) Incentive for hiring women, transgenders and differently abled – Startups with

MASI shall be eligible for a special one-time incentive of INR 5,000 per woman, transgender, differently-abled employee that is hired subject to an upper limit of INR 1 lakh per startup for a period of 3 years.

(viii) Marketing and promotion assistance - Startups with MASI shall be eligible for reimbursements of 50% of the actual marketing and promotion costs (including travel) incurred by a Startup in listing fees for online and offline advertisement, in store promotion, publishing marketing collaterals, providing discounts, digital marketing, trade show participation, market research, etc. subject to a maximum of INR 5 lakhs per Startup.

(ix) Incentive for Entrepreneurs – Entrepreneurs of Startups with MASI shall be eligible for a Sustenance Allowance of ` 20,000/- per month per Start-Up entity for one year. Preference in this regard shall be accorded to women entrepreneurs. Eligibility for the grant shall be evaluated by Nodal Agencies as identified by the State Government and as per the operating guidelines.

(x) Idea2POC Grant – Startups with MASI shall be eligible for a ` 5,00,000/- one time Idea2POC (Idea to Proof of Concept) Grant per startup for developing their product/service. Eligibility for the grant shall be evaluated by Nodal Agencies as identified by the State Government and as per the operating guidelines.

(xi) Scale Up Grant – Startups with MASI shall be eligible for a grant of upto ` 50,00,000/- per startup [which would include the ` 5,00,000/- Idea2POC Grant per startup]. The rest of the Scale-Up Grant may be utilized towards raw material purchase, marketing and other scaling up costs required for supporting the commercialization of products and services of the startup. Eligibility for the grant shall be evaluated by Nodal Agencies as identified by the State Government and as per the operating guidelines.

6.B Non-Fiscal and Other Incentives

- (i) Preferential Market Access (PMA) – Startups with MASI shall be given Preferential Market Access for products procured by all Government Departments of Assam. Relaxation of condition of prior turnover and prior experience shall be given subject to meeting of quality and technical specifications
- (ii) Self-Certification & Compliance – Startups with MASI shall be exempt from the inspections under the following acts and the rules framed there under, barring inspections arising out of specific complaints. Startups will be permitted to file self- certification in prescribed format for the following Acts (<https://shramsuvudha.gov.in/startUp.action>);

- (1) The Building and Other Constructions Workers' (Regulation of Employment and Conditions of Service) Act, 1996
- (2) The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- (3) The Payment of Gratuity Act, 1972
- (4) The Contract Labour (Regulation and Abolition) Act, 1970
- (5) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- (6) The Employees' State Insurance Act, 1948

7.0. HUMAN CAPITAL & SKILL DEVELOPMENT

To create a culture of entrepreneurship in the state of Assam, it is necessary to provide education on entrepreneurship at the school and college level. For the same, the following suggestions are being made:

7.1. Academic Intervention/ Revamping education system

- (i) Syllabus Update - Schools, Colleges and Universities will be advised to update their respective curriculums to include a compulsory course on "Entrepreneurship Development" as an optional subject, to inspire students with the aspiration, capacity and inclination towards entrepreneurship.
- (ii) Training of trainers – Innovation and entrepreneurship teachers can propel the youth towards breakthrough discoveries. Strong emphasis will be put on training the local faculty by industry veterans, corporate and other leaders from startup ecosystem.
- (iii) Establishment of EDC (Entrepreneurship Development Cell) Network – Colleges / Universities will be encouraged to set-up EDCs to encourage students to take up entrepreneurship at the college level. These will be a part of the hub and spoke model envisioned and will assist in facilitating technology transfer and commercialization in their respective institutes. Three focal Entrepreneurship Promoting Bodies (EPBs) will be initiated at Guwahati University, Dibrugarh University and National Institute of Technology, Silchar.
- (iv) Inclusion of Massive Open Online Courses (MOOCs) in Curriculum - Various nationally and internationally accredited MOOCs focussed on entrepreneurship shall be included in the academic curriculum. These MOOCs may be taken by the students as electives and depending upon their rigour, they may be assigned credits accordingly.
- (v) Deferred Placement for Student Entrepreneurs – Students, in colleges and

universities, pursuing entrepreneurship should be allowed a minimum of one gap year. To tackle with the fear of failure, the gap years will not be counted towards completion of college and students will be allowed to join back and sit for placements.

- (vi) *Inclusion of Innovative Projects as Final year Projects* - Students working on a project based on a Start-up idea since their first year will be allowed to extend the same as their final year project.
- (vii) *Startup Sabbatical Scheme for College and University Faculty*- A pilot scheme shall be introduced for college and university faculty to pursue entrepreneurship and take a startup sabbatical for a minimum of 1 year

7.2. Events for Awareness, Mentoring, Networking and Training

To create a wave of entrepreneurship at the grassroots level, it is imperative that awareness drives, large scale mentoring and networking events, exchange programs for exposure and other ecosystem building activities are conducted. The following activities are proposed to be organized by the Government of Assam to promote entrepreneurship:

- (i) *Annual Innovative Assam Conference & Festival* – The State Government shall will organize an Annual Innovative Assam Conference & Festival – which will comprise informative talks and sessions about the Start-up ecosystem in Assam and serve as a platform to learn, network, and get inspired. The event will draw all stakeholders from the Startup ecosystem.
- (ii) *Startup Ecosystem building events* – Entrepreneurship and Innovation themed events will be conducted across the state to encourage the youth to have a problem-solving mindset and take up entrepreneurship. Events will range from social impact challenges, grand innovation challenges, annual Start-up role model programs, boot camps, hackathons to grassroots-level initiatives where prize money may be given to encourage participation.
- (iii) *World Class Advisory* - The State Government shall invite world class advisors for the training programs to be conducted by various Incubators.

Details of events shall be shared with Home Department and Assam Police for ensuring security and issuing necessary security clearance.

8.0 PROGRAMME MANAGEMENT / GOVERNANCE

For governance purposes, proper programme management and administration of the Start-up Policy, a Committee composed of **22 members and a Start-up Council composed of 13 members shall be formed.**

8.A. HIGH LEVEL COMMITTEE

There shall be a High Level Committee to monitor the implementation of the Startup Policy of Assam, 2017. The members of the Committee are:

1	Chief Secretary, Assam	Chairman
2	Seniormost Secretary, Industries & Commerce Department	Member
3	Seniormost Secretary, Finance Department	Member
4	Seniormost Secretary, Agriculture Department	Member
5	Seniormost Secretary, Planning and Development Department	Member
6	Seniormost Secretary, Labour Department	Member
7	Seniormost Secretary, Revenue and Disaster Management Department	Member
8	Seniormost Secretary, Science and Technology Department	Member
9	Seniormost Secretary, Skill Employment & Entrepreneurship Department	Member
10	Seniormost Secretary, Power Department	Member
11	Seniormost Secretary, Education Department	Member
12	Seniormost Secretary, Information Technology Department	Member
13	Seniormost Secretary, Home Department	Member
14	Two Representatives from Bank/Financial Institutions	Member
15	Two Representative from Trade and Industries Association	Member
16	3 representative from Academic Institutions	Member
17	Representative of Indian Institute of Entrepreneurship (IIE), Guwahati	Member
18	Commissioner of Industries & Commerce, Assam	Member Convener

Terms of Reference of the Committee are as follows:

- 1 The Committee shall monitor and evaluate the implementation of the Start of Policy of Assam, 2017.
- 2 The committee may issue directive / suggestions/ amendment, as the case may be, for effective implementation of the policy.
- 3 The Committee may sit as and when required but at least once in a year.
- 4 The Chairman may co-opt any members/ expert for any meeting.

8.B. STARTUP COUNCIL

There shall be a Startup Council under the policy and members are :

1	Seniormost Secretary, Industries & Commerce Department	Chairman
2	Commissioner of Taxes, Assam	Member
3	Managing Director, Assam Skill Development Mission	Member
4	Director of Technical Education	Member

5	Director of Higher Education	Member
6	Managing Director, APDCL	Member
7	Representative of Assam Police, nominated by Director General of Police, Assam	Member
8	One Representative from Bank / Financial Institution to be nominated by the Chairman	Member
9	One Representative from Industries and Trade Associations to be nominated by the Chairman	Member
10	3 representative from Academic Institutions to be nominated by the Chairman	Member
11	Commissioner of Industries & Commerce , Assam	Member Convener

The terms of reference of the Council are as follows:

- 1 The Council shall monitor the implementation of the Start of Policy of Assam , 2017 and responsible for overall implementation of the policy.
- 2 The Council may approve the fiscal and non-fiscal incentives under the policy.
- 3 The Council may sit as and when required but at least twice in a year.
- 4 The Council may co-opt any members/ expert for any meeting.
- 5 The Start-up Council shall also revisit the policy document from time to time to review and suggest recommendations to the State Level Implementation Committee to realign it as per the changing needs of the Start-up business community.
- 6 The Council may take up any issue relating to incubation centre, sanction of fund, hiring of manpower, etc. in the interest of effective implementation of the policy; and also to approve a set of guidelines for the implementation of the Policy.
- 7 The Council may constitute a sub-committee to issue "My Assam Startup ID (MASI)" under the Policy.
- 8 The Council may take necessary decisions on implementation of Online Assam Startup Portal, Mobile App , creation of Helpline, Massive Open Online Course (MOOC), setting up of Incubation centres, etc.

9.0 GENERAL TERMS AND CONDITIONS

- 1 Doubts relating to the interpretation of any term and/or dispute relating to the operation of any provision under this policy shall have to be referred to the Industries and Commerce Department, Government of Assam for clarification/ resolution; and the decision of Government in this regard shall be final and binding on all concerned.
- 2 The incentives under the Policy cannot be claimed unless the MASI has been issued to the Startup by the concerned authority and the Startup has complied with the stipulation/conditions pertaining to specific incentives to the satisfaction of the concerned authority. In certain cases, the government may relax the

condition of eligibility criteria to avail the benefit.

- 3 The decision of the concerned authority, subject to such direction from Government may be issued from time to time in this regard, will be final and binding.
- 4 The State Government may at any time amend any provision of this policy.

10.0 OPERATING GUIDELINES

Detailed operational guidelines shall be put in place for administering all the programs under this policy, and the same shall be reviewed annually.

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