



GOVERNMENT OF NAGALAND

# NAGALAND STARTUP POLICY 2019



**GOVERNMENT OF NAGALAND**  
**INDUSTRIES AND COMMERCE DEPARTMENT**  
*email-gon.indcom@gmail.com*

**NOTIFICATION**

Dated Kohima, the 12<sup>th</sup> June, 2019

**NO. I&C/C-Startup/12-6/2016(Pt)::** In the interest of Public Service and in consonance with the Startup India Scheme of the Government of India, the Governor is pleased to notify the Nagaland Startup Policy, 2019 with an aim to create a conducive atmosphere for local entrepreneurs and to provide opportunities to establish an entrepreneurial culture so as to bring out more job opportunities for the youth.

The Policy shall be effective for a period of 5 (five) years from the date of its notification or until notified, whichever is earlier.

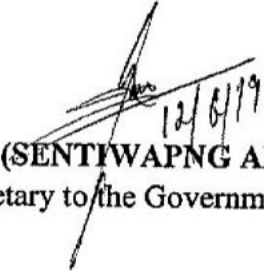
**Sd/- TEMJEN TOY, IAS**

Chief Secretary to the Government of Nagaland

**NO. I&C/C-Startup/12-6/2016(Pt) 1/3 //**  
Copy to:-

Dated Kohima, the 12<sup>th</sup> June, 2019

1. The Commissioner & Secretary to the Governor of Nagaland, Raj Bhawan, Nagaland, Kohima.
2. The Principal Secretary to the Chief Minister, Nagaland for kind information.
3. The PS to Advisor (Industries & Commerce), Nagaland for kind information.
4. The OSD to Chief Secretary, Nagaland for kind information.
5. All AHoDs/HoDs for kind information.
6. The Publisher, Nagaland Gazette, Kohima for publication in the Gazette.
7. Guard File

  
**(SENTIWAPNG AIER)**

Joint Secretary to the Government of Nagaland.

## 1. INTRODUCTION:

Nagaland has a population of 19.79 lakh as per 2011 census. More than 60% of the population is in the age group of 15-59. A young population means a young workforce with opportunities to develop an innovative and entrepreneurial culture. Start-up India is a flagship initiative of the Government of India, intended to build a strong ecosystem for nurturing innovation and startups in the country, which will drive sustainable economic growth and generate large scale employment opportunities. Start-up India aims at empowering start-ups to grow through innovation and design.

With an aim to accelerate and promote local entrepreneurs in the State of Nagaland, the Department of Industries & Commerce has been appointed as the Nodal department to implement the Start-up Policy for the state which will create an enabling environment for start-ups to grow, by ensuring knowledge exchange, capacity building, policy interventions and access to funding.

## 2. VISION:

Nagaland Start-up Policy aims to establish Nagaland as a model startup leader in the region, by creating a culture of entrepreneurship that nurtures creative and innovative youth, allowing them to build successful start-up companies, become job creators and contribute towards building a healthy and sustainable economy.

## 3. PILLARS:

- i. Developing a culture of innovation and entrepreneurship focused on rural and social enterprises.
- ii. Focus on creating sustainable business models by helping create business, supply chain and financial linkages, as well as provide necessary incentives.
- iii. Developing human capital, by creating the right environment and support systems for learning, experimentation and innovation from the early phases of education.
- iv. Proactively engaging with industry to continuously promote and identify innovation.

## 4. OBJECTIVE:

- i. Facilitate the growth of at least 500 start-ups in the next five years, with a focus on establishing innovative "Made in Nagaland" products and services.
- ii. Establish a world class State incubator, in partnership with global leaders on a PPP mode, which will nurture, guide and support existing and aspiring Startups to become successful business ventures.
- iii. Mobilizing funding for investment in Startups through various interventions, including establishing a Fund of Funds.
- iv. Inculcate and stimulate a culture of creativity, innovation and entrepreneurship by creating the requisite environment for learning and experimentation during all stages of education.

- v. Achieve creation of direct and indirect employment in the private sector.

## 5. DEFINITIONS:

- i. **Eligible Startup:** As define by the Government of India's 'Startup India' initiative, an entity shall be considered as a 'startup'-
  - a. The date of its 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.
  - b. Its annual turnover does not exceed INR 25 crore, for any preceding financial year.
  - c. It is working towards innovation, development, deployment or commercialisation of products, processes or services driven by technology or intellectual property; An entity that develops a business model based on some innovation and makes it scalable for achieving commercial success.
  - d. It is registered in Nagaland or employs at least 60 percent of its total qualified workforce from indigenous inhabitants of Nagaland.
  - e. 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.
- ii. **Entity** means a private limited company (as defined in the Company Act, 2013), or a registered partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2002).
- iii. **Incubator** is any organization designed to accelerate the growth and success of entrepreneurial ventures:
  - a. The incubator will provide critical facilities like plug-n-play working space, conference rooms, video conferencing and broadband connectivity along with research and testing labs.
  - b. Incubator will also provide other services like business and administrative assistance, financial counselling, accounting assistance, legal and regulatory guidance, patent registration, etc.
  - c. Organize various capacity building, skilling and training programs.
  - d. Provide access to mentors and investors.

## 6. POLICY PERIOD:

The Nagaland Start-Up Policy, 2018 shall be effective for a period of 5 years from the date of its Notification or until notified, whichever is earlier.

## 7. INCENTIVES:

- i. **GST Reimbursement-** Start-ups selected under this policy 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 Lakhs per Start-up per year.
- ii. **Stamp Duty Reimbursement-** Start-ups selected under this policy shall be eligible for 100% reimbursement of Stamp Duty/Registration Fee/ Conversion Fee on sale/lease deeds for first transaction.
- iii. **Digital Upgradation Subsidy-** Start-ups selected under this policy shall be eligible for digital upgradation subsidy at 50% of capital expenditure for purchase of computers, smart phones, related hardware and software subjected to a ceiling of INR 5 Lakhs per Startup.
- iv. **Broadband Connectivity Reimbursement-** Start-ups selected under this policy shall be eligible for 50% rental reimbursement for a maximum period of two years subject to a ceiling of INR 2 lakhs. It may include any rent being paid to an incubator/co-working.
- v. **Power Subsidy-** Start-ups selected under this policy shall be eligible for power subsidy @50% subject to a limit of Rs. 10 lakhs p.a for a period of 5 years.
- vi. **Reimbursement of Patent Filing Cost-** Start-ups selected under this policy shall be eligible for reimbursement up to 100% of the actual cost (including filing fees, attorney fees, search fees, maintenance fees) for patent filing with a maximum limit of INR 2 lakhs for filing domestic patent and up to INR 5 lakhs for filing international patent. This reimbursement shall be payable 50% after the patent is filed and the balance 50% after the patent has been granted.
- vii. **Marketing and Promotion Assistance-** Start-ups selected under this policy shall be eligible for reimbursement of 50% of the actual marketing and promotion costs (including travel) incurred by a Startup in listing fees for online and offline advertisements, in store promotions, publishing or digital marketing materials, trade show participation, market research, etc subject to maximum of INR 5 lakhs per Start-Up.
- viii. **Regulation-** The State Government will ease regulations for registrations and renewals with self-certification and deemed approval for recognized start-ups to avail Government licenses and services.
- ix. **Encourage Public Procurement-** The State Government will encourage participation of Startups in public procurement by waiving off prior experience or turnover requirements so long as the product meets the desired specifications and encourage consortium of eligible companies with start-ups in bidding for State Government projects which will bring in the element of innovation and new ideas.
- x. Start-ups selected under this policy shall be eligible for incentives/provisions under Nagaland Industrial and Investment Policy in force. However, the incentive for the same component cannot be claimed from more than one scheme.

## 8. POLICY IMPLEMENTATION

- i. **Nodal Agency:** The Department of Industries & Commerce, Government of Nagaland has been appointed as the nodal department to implement the Start-up Policy.

**ii. Selection of Start-Ups:**

- a. Eligible applicant need fill up the online application forms and submit through the Startup Nagaland website.
- b. First level screening will be done by the Nagaland Innovation Society.
- c. Selected Startups have to pitch their innovative business idea in front of a panel in the Startup Council who will select the Startup based on their innovation, business plan, feasibility, scalability and budget, etc.

**iii. Assistance / Hand-holding**

- a. **Nagaland Innovation Society** will be established to smoothly implement the Nagaland Startup policy. It will be responsible for:
  - i. Approve registration of selected startups and incubators.
  - ii. Setting up of a startup cells in each district, which shall look after tasks such as IP protection, obtaining state and central incentives, enabling entrepreneurs to focus on business and product development full time.
  - iii. Startup cell shall be access point to connect with Government departments and ensure ease of doing business.
  - iv. Establish the Nagaland Investor Network to attract investments in the startup community.
  - v. Liason with banks & financial institutions to enhance and extend their existing scheme of lending to the start-ups on convenient term (e.g collateral free lending, soft loans, interest free loans etc.)
  - vi. Review the implementation of Nagaland Start-Up Policy and provide recommendations for updation on a regular basis.
  - vii. Collaborate with and provide necessary support to various stakeholders to ensure the successful implementation of the Nagaland Start-Up Policy.
- b. **Startup Portal** shall be established which will integrate relevant information sources, help connect to government, private and international development agency resources to enable ease of information access.
- c. **Dedicated Helpline** shall be established to answer all Startup related queries which will be activated in Nagamese, English, and Hindi. The Helpline shall assist in addressing all queries in areas such as registering a business, raising funds/loans, policy, etc.

**iv. Establishing World Class Incubators:**

- a. The Government of Nagaland shall establish a world class incubator, in the public private partnership mode, in Kohima/ Dimapur. Additional incubators may be setup in each district in a phased manner to support local startup ecosystem

A Seed Grant up to Rs. 10 Lakhs per start-up shall be provided to each incubatee for validation of idea, prototype development, and assistance towards travelling costs and carrying out field/ market research/ skill training/ marketing and initial activities to setup a startup depending on the nature of the project.

- b. The State shall also provide incentives/ financial assistance to encourage private and higher educational/ technical institutions to establish incubators in the State:
  - i. Government shall provide financial assistance up to Rs. 25 lakhs as Capital grant to the incubator.
  - ii. Reimburse cost of incubating a startup maximum up to Rs 2 Lakhs per incubatee to Government recognized private / state supported incubators.
  - iii. Government will provide reimbursement of 25% of lease rental subsidy to startup units established in the State. Units operating from Incubators shall be eligible for a period of 3 years subject to the ceiling of Rs. 3 lakhs per year from the date of rent payment.
  - iv. To provide Mentorship by industry leaders, academicians and professors of reputed national and international universities or institution, eligible incubators shall be provided mentoring assistance support on reimbursement basis up to a limit of 1 lakh per year for a period of 3 years.
  - v. To promote innovation and mobilize students into entrepreneurship as a career option, incubator shall be encouraged to organize annual startup competition challenges and for which State Government shall provide assistance up to a limit of Rs 2 lakh per event.
  
- v. **Special Focus on Women Entrepreneurship:** The State is committed to encourage and support women entrepreneurs in the State. Special efforts will be made to
  - a. Identify women entrepreneurs in rural and urban Nagaland
  - b. Create awareness among women entrepreneurs on various State & Centrally sponsored schemes.
  - c. 25% funds will be dedicated to promote startups by women entrepreneurs in the State.

## 9. CREATING INNOVATIVE CULTURE IN EDUCATION SYSTEM:

In order to promote startup culture and innovation in youth of Nagaland, Government shall facilitate/recommend following interventions:

- i. Embed Entrepreneurship modules in high schools, university, skill training, and vocational training institutes' curriculums/programs; including inclusion of innovative projects as final year projects.
- ii. Education / Professional Institutes shall be supported to formulate Entrepreneurship Facilitation Centre to guide and assist students to pursue entrepreneurship.
- iii. Organize the annual State Social Innovation Fest, which support up to 10 innovators to support their ideas.
- iv. Establish Entrepreneurship Development Centre (EDC) in Schools and Colleges to encourage students:
  - a. State will fund expenditure upto Rs.10 lakhs per college/school to create EDC.
  - b. State will fund relevant activities of the EDC to nurture entrepreneurship and promotion of innovation led startup culture up to Rs.10 lakhs per annum, including but not limited to:

- i. Organizing training of trainers to empower local faculty with the tools needed to encourage students.
- ii. Organizing social innovation challenges for students, short listing up to 20 social innovations to participate in the State Social Start-Up Fest.
- c. State will offer assistance for EDC capacity development programme for maximum of 2 EDC faculty/resource per EDC at one of the recognized incubators in the country.
- v. Enable access to various nationally and internationally accredited Massive Open Online Courses (MOOCs) on entrepreneurship and innovation.

## 10. FUNDING MODELS & CAPITAL AVAILABILITY FOR ENTREPRENEURS

- i. The State Government shall establish the **Nagaland Investor Network**, to provide a platform for key ecosystem stakeholders including venture capitalists and impact investors, international donor and funding agencies, private sector partners, State Governments, Government of India and UN to invest in and mentor startups in the State.
- ii. A **Nagaland Innovation Fund** will be set up in partnership with leading National and international Investors, in which the Government will actively invest with matching capital in select Venture Capital investors (VCs) with significant potential. These investors will be selected based on criteria, through an exhaustive process that will be rolled out. Further, fund will flow to the VC based on the investments they make in startups that match selection criteria.

## 11. Nagaland Innovation Society

There shall be a Nagaland Innovation Society with the following members:

1	Chief Secretary	Chairman
2	Finance Commissioner	Member
3	Agriculture Production Commissioner	Member
4	Principal Secretary/Commissioner & Secretary, Industries & Commerce	Member
5	Principal Secretary/Commissioner & Secretary, Labour & Employment Department	Member
6	Principal Secretary/Commissioner & Secretary, Science & Technology Department	Member
7	Principal Secretary/Commissioner & Secretary, IT & C Department	Member
8	CEO, IDAN	Member
9	Two representative from Banks/ Financial Institutions	Member
10	Two representatives from Trade & Industry Associations	Member
11	Two representatives from Investors/ Incubators	Member
12	CEO(Director,Ind. & Com.)	Member Secretary



Terms of reference of the Nagaland Innovation Society are as follows:

- i. The Nagaland Innovation Society shall be responsible for the monitoring, evaluation and implementation of the Startup Policy of Nagaland, 2018 through the Nagaland Innovation Society.
- ii. The Nagaland Innovation Society may issue directive/suggestions/amendment; as the case may be, for effective implementation of the policy.
- iii. The Nagaland Innovation Society 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.
- iv. The Society may take necessary decision on the implementation of Online Nagaland Startup Portal, Mobile App, Creation of Helpline, Setting up of Incubators Centres, etc.
- v. The Nagaland Innovation Society shall select the entrepreneurs and incubators which will be supported through this policy
- vi. The Nagaland Innovation Society may sit as and when required but at least once every quarter in a year.
- vii. The Chairman may co-opt any members/expert for any meeting.
- viii. The status report shall be commissioned by the committee to critically examine the usefulness of the policy, the ease of implementation and the outcome achieved. The report shall be placed before the Startup Council.

## 12. STARTUP COUNCIL:

The members under the Startup Council are:

1	Hon'ble Chief Minister	Chairman
2	Hon'ble Minister/Advisor in charge (Industries & Commerce)	Member
3	Chief Secretary	Member
4	Development Commissioner	Member
5	Commissioner of Taxes	Member
6	CEO, IDAN	Member
7	Managing Director, NIDC	Member
8	One representative from Bank/Financial Institution to be Nominated by the Chairman	Member
9	One representative from Trade & Industries Association to be nominated by the Chairman	Member
10	One representative from Investor/ Incubator to be nominated by the Chairman	Member
11	One representative from Academic Institutions to be nominated by the Chairman	Member
12	CEO (Director, Ind. & Com.), Nagaland Innovation Society	Member
13	Commissioner & Secretary, Industries & Commerce Department	Member Convenor & Secretary

The terms of reference of the Council are as follows:

1. The Council shall approve the set of guidelines for the implementation and monitor the implementation of the Startup Policy of Nagaland, 2018.
2. The Council shall approve the fiscal and non-fiscal incentives under the policy.
3. The Council may sit as and when required but at least once a year.
4. The Council may co-opt any members / expert consultants for any meeting.
5. The Startup Council shall review the policy recommendations submitted by the HLC and approve recommendation as per the changing needs of the Startup business community.





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# DIRECTORATE OF INDUSTRIES & COMMERCE GOVERNMENT OF NAGALAND

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