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Manipur Start up Policy 2016

1. Preamble :

Innovative Manipur has been the call of the State Government to the youth of the State to come forward and set up new enterprises with assured support from the Government. Over the past few years a need is being realised to support the start-up culture in the State. For growth of entrepreneurship in the State, smooth and time bound decision on statutory compliances, seamless access to incentives and network of support for access to appropriate technology, and a facilitative State apparatus are needed. It is high time that the State places its weight behind this culture of entrepreneurship to synergise the energy and innovative potential of the youth of today's Manipur. A special focus is for women and rural youth to join this movement and add momentum to the process of start-up led industrial growth of the State. Realising the potential that today's youth presents, the State will facilitate development of a network that promotes entrepreneurship as a preferred career choice for students. Government of Manipur envisages an enabling environment to address the aspirations of youth, and proposes to engage with all stakeholders in the development of an eco-system for strengthening the start-up with appropriate incubation & mentoring infrastructure, fast track statutory support, and network of appropriate funding agencies.

2. Vision

To make Manipur emerge as one of the top start-up destinations in the North East by providing the most enabling ecosystems to support and nurture start-up entrepreneurship in the State.

3. Mission

3.1 To strengthen the start-up culture in the State by fostering greater social acceptance and recognition of promising start-ups, through strategic investment, policy interventions and such other programmes.

3.2 Encourage and inspire the youth of Manipur to actively consider entrepreneurship as a career choice by including appropriate learning modules, developing relevant entrepreneurship development programs in vocational institutions, and supporting outreach programs, interactions with entrepreneurs, e-cells and entrepreneurship development centres across educational institutions in the State.

3.3 To support and strengthen business incubators & accelerators in the State.

3.4 To encourage setting up new business incubators in the State, also in collaboration with private sector.

3.5 To continuously provide enabling mechanisms to start-ups, through training and skill development, capacity building, networking, access to knowledge & support services, etc.

3.6 To implement a supportive regulatory framework that enables hassle-free and time bound statutory clearances for all start-ups.

3.7 To provide appropriate infrastructural support required to enable start-ups to set up and grow rapidly.

3.8 To create a platform for accessing multiple avenues that provide financial support to start-ups in Manipur, like grants, bank loans, fiscal incentives, etc.

3.9 To create enabling environment and supporting eco-system that facilitates 200 start-ups in next five years, going Special Forces to ST, SC, OBC, differently abled and women entrepreneurs.

3.10 Growth of start-ups would be largely sector-agnostic, it would be appropriate to give added focus to areas particularly suitable for Manipur :-

3.10.1. Entrepreneurship initiatives that enable sustainable and inclusive socio-economic development across the whole State.

3.10.2. Entrepreneurship development activities that leverage the natural resources, human skills and other strength areas of the State.

3.10.3. Innovative ideas, new business domains and sectors that have high future growth potential would be encouraged, like IT, Education, Health, Industries, Commerce & Trade, Fisheries, Horticultures, Agricultures, Veterinary, Science & Technology, Environment, Skill Development, etc.

3.10.4 Particular encouragement to sectors and capabilities that can catalyse growth across multiple industries, or can have a multiplier effect.

4. Enabling Environment :

The State will develop an ecosystem with seamless access to start-ups across the State. Appreciating that a successful start-up sector will require quality services offered by the statutory domain in an enabling environment, the State will strive towards achieving partnerships with leading technical business institutions like IIIT, NIT, MIT, IIT/G etc. It will facilitate new partnerships with professional and academic institutions of national repute to rapidly expand their reach out with improved accessibility for newer start-ups across the State.

4.1 Pre-idea stage –Network of Entrepreneurship Development Centres (NEDC)

Recognising the fact that the seeds of entrepreneurship and the innate ability to innovate must be nurtured in institutions, the State would work towards creating such an ecosystem in academic institutions as follows:

4.1.1 State will create a Network of Entrepreneurship Development Centres(NEDC), with Universities and leading higher education institutes across Manipur and outside to undertake the role of creating entrepreneurial aspiration among with younger generation of the State. NEDC will facilitate information dissemination and sharing of

best practices for promoting entrepreneurship. More and more institutions will be brought under NEDC to expand the network's reach and impact.

4.1.2 State will facilitate NEDC partner institutions to incentivise entrepreneurship.

4.1.3 State will facilitate capacity building of NEDC partner institutions through active collaboration with leading business incubators (BI) in the State and outside.

NEDC will recommend/submit performance report to State Govt. for extending Govt. support.

4.2 Idea/Prototype state of Start-ups-Business idea incubation

4.2.1.1 Recognising the importance of business incubation as a critical driver of start-ups and an important tool for economic development and job creation the State will create ecosystem in which the incubators would play a critical role. A multipronged approach would be adopted to facilitate effective incubation support for the start-ups.

4.2.1.1.1 The State will assist in creating business incubators (BIs) in the State to enable them incubate a number of start-ups besides providing mentoring to the new incubators. Necessary assistance to create additional capacity in terms of incubation infrastructure including trained human resources, awareness and entrepreneurship development programs will be provided by the State.

4.2.1.1.2 The State will facilitate setting up of new incubators in government as well as private sector. It will also facilitate setting up of incubation centres in institutions of higher learning and other leading establishments of the Government and the Private Sector provide services such as business advice, financial counselling, assistance with business management and accounting, legal and regulatory guidance, access to mentors etc., in addition to physical infrastructure appropriate for the area of the incubator.

4.2.1.1.3 Preferential lease of land from State Government as per its land policy to government recognized BIs in the State.

4.2.1.1.4 20% of space available will be earmarked in existing and forthcoming Industrial Estate. For having common facility centre for start-ups during their proof of concept (POC) development stage.

4.2.1.1.5 Access to Government R & D labs and resources to start-ups will be facilitated by State Government.

4.2.1.1.6 Access to cutting edge technology for start-ups will be facilitated by the State.

4.3 Idea/Prototype stage of Start-ups : Networks of Mentor and Expert (MEN), Kick-starter funds (KSFN) and innovation Enabler Mechanism (IEM).

4.3.1.1 State will facilitate creation of a state-wide Mentor and Expert Network (MEN) for Start-ups. Start-ups will be able to access MEN through a digital gateway maintained by the State.

4.3.1.2 State will set-up an Innovation Enabler Mechanism (IEM) to address statutory compliance issues/legal hurdles emanating from innovative/disruptive technology or processes for which there is no specific enabling provision. IEM will assist start-ups by assisting in getting legal/regulatory support in the form of enabling legislation/clarification from the Government on a fast track mode. Directorate of Commerce & Industries will be the nodal agency where a separate centre will be created.

4.4 State will facilitate access to effective networking and showcasing opportunities for promising start-ups through active linkage programmes; a start-up contest cum TV reality show being one of them.

4.5 State will create a Pool of Fund to incentivise funding of start-ups in the State.

4.6 A digital platform will connect all the eco-system stakeholders, network of support, funding and service providers to enable seamless access.

4.7 Provision for one-stop comprehensive service to promising start-ups through www.startupmanipur.in (to be created) This platform will provide the following services:

4.7.1. Free online project evaluation and assessment services.

4.7.2. Access to network of registered angel and venture capital funds.

4.7.3. Providing potential investors to select the project from the database that they would be interested to fund.

4.7.4 Digital application gateway to Manipur State Equity Fund.

4.7.5 Access to a resource base of mentors and professional experts.

4.7.6 Facility for voluntary start-up registration will be available for start-ups to voluntarily register themselves with the government at www.startupmanipur.in. The unique registration number /ID assigned to a start-up will serve as its single point of identification for dealing with State Government Departments/Agencies.

4.7.7 Web-based tutorial on statutory requirements for setting up a business enterprise and Single Application Gateway (SAG) for all statutory clearances through www.myenterprisemn.in.

4.7.8 Neighbourhood handholding and mentoring support for rural start-ups and start-up by women entrepreneurs through Facilitation Centres. The registration will be done offline till the online portal is operationalized.

5. Incentives

5.1 Pre-idea stage.

5.1.1. State will fund expenditure upto Rs. 10 lakhs to Colleges in the State to create an Entrepreneurship Development Centre (EDC).

5.1.2. State will fund relevant activities of the EDCs to nurture entrepreneurship and promotion of innovation led start-up culture upto 10 lakhs per annum.

5.1.3. State will offer assistance for NEDC capacity development programme for maximum of 2 EDC faculty/resource per EDC at one of the recognised Business Incubators in the Country.

5.2 Idea/Proof of Concept stage

5.2.1.State will create as well as facilitate creation of a network of kick-starter funds for sustenance or early stage funding to start-ups to stimulate commercialisation of resources of research discoveries and in validating proof of concept and subsequently to assist them to cover costs like certification, manufacturing pilot devices etc.

5.2.2. The cost of filing and prosecution of patent application will be reimbursed to the incubated start-up companies as per relevant Policy of Government of Manipur.

5.3 Pilot Stage

5.3.1. Access to equity funding from Government of Manipur, (to be created).

5.3.2. Any fiscal incentive available under State Government policy will be applicable to Start-ups.

5.3.3. Special fiscal incentive to investment bankers @ 1% of the investment made by registered Venture Capital/Private Equity Fund into Manipur-based start-ups as success fee.

5.3.4. Special fiscal incentive to incubators @ 2% of the investment received by its incubates from SEBI registered Venture Capital/Private Equity Fund into Manipur-based start-ups.

5.3.5. Special grant to BIs in the State @ 5% of the investment received by its incubates from SEBI registered Venture Capital/Private Equity Fund or Grant received from Government of India for promoting rural technology based start-ups and social enterprise start-ups providing solution to service-access problems in rural Manipur.

5.3.6. Incentives under the extant policies/schemes of the State Government, like performance based lease incentive, electricity duty subsidy, market development support through FICCI, IITF, annual award/ prize, etc., will be available to registered start-ups.

5.3 Recognizing the special needs of IT sector start-ups, separate incentives and support to IT start-ups may be notified by the Government.

5.4 In order to avail of the incentives under this Policy, the entity must be registered with the State Government.

6. Promotion:

The Start-up Centre shall promote Manipur as a start-up destination through participation in international and national events, sponsoring the participation of local start-ups in such events and various other means. The Centre must also sponsor the visit of delegation of start-ups to promotional and marketing events in India and abroad.

A corpus fund will be created to conduct training workshops and organise exposure visits to both international and national start up ecosystems/innovation hubs for faculty, students and incubates in reputed incubators. Ideations and start up festivals would be organised to create an exhilarating climate to inspire innovation.

7. Procedure

7.1 Eligibility

7.1.1. A domicile of Manipur by birth/Any individual/group of individuals having innovative idea/concept.

7.1.2. Students of NEDC Institutes

7.1.3. Incubates of BIs or similar incubators in the State

7.1.4. Incubators /Investment Bankers/Institutions.

7.2.1. Access to all the Government Department support, services and incentives will be through www.startupmanipur.in.

7.2.2. Access to Incubator /MEN / NEDC/ Kick-starter fund /Govt. of Manipur equity fund etc. will be as per their own administrative process. Selection of incubates will be done by the Government on the recommended of a committee of Experts representing high renting institution of technology / engineering, management and industries.

7.3 Start-up Council

All the assistance and incentives under the Policy will be available to any start-up in the State by direct lateral access without passing through any government regulatory regime. A State Start-up Council chaired by the Chief Minister and consisting of Ministers, Administrative Secretaries and Heads of all concerned Government Department will ensure effective operationalization of this Policy. Attempt shall be made for representation from various domain like ICT, Agri-biotechnology, health, manufacturing, human resource development, food process etc. An industry expert as well as legal expert will be associated. It will take stock of the Policy impact and recommend policy changes and systemic reforms to ensure that start-ups in the State get the best start.

8. Policy Period: The Manipur Start-up Policy 2016 will be in effect from November 2016 to December, 2021.

9. Review mechanism: A **Start-up Monitoring and Review Committee** shall be constituted under the Chief Secretary with administration Secretaries, Commissioners of the concerned departments and reputed industry experts. **The Policy shall be reviewed**

thrice a year. A status report shall be commissioned by the State to critically examine the usefulness of the policy, the ease of Implementation and the outcome achieved. The report shall be placed before the Start-up Council.

10.0: Nodal Department:

Planning Department, Govt. of Manipur will act as Nodal Department.

11.0: Operation Manual:

To be notified later.

10. Definitions

Start-up – a start-up is a scalable business enterprise created to solve a problem or leverage an opportunity in an innovative way. An existing business enterprise, satisfying the above definition, can also be called a start-up provided it is not more than three years old. Start-ups are different from traditional business and do not include extension of existing family business.

Incubator - Incubators help entrepreneurs solve some of the problems commonly associated with running a start-up by providing workspace, arranging seed funding, mentoring and training.

Mentoring – Actively rendered by experienced and knowledgeable persons with a view to guiding and handholding the start-ups on various aspects of business (e.g. marketing, finance, etc.).

Angel Investor – An angel investor provides financial backing for start-ups. It can be in the form of one-time investment in the form of seed money or as on-going support to develop the business.

Investment Banker - An investment bank is a financial institution that assists start-ups in raising financial capital by acting as the client's agent in the issuance of securities.

Proof of Concept - A proof of concept (POC) is a real life implementation / execution of a certain method or idea to demonstrate its feasibility, or a demonstration in principle, whose purpose is to verify that some concept or theory has the potential of being used.

Pilot Stage - is a stage where minimal capacity is designated for delivering desired product or service features and can be scaled up to desired capacity.

Venture Capital - Venture Capital (VC) is money provided to seed, early-state, emerging and emerging growth companies. The venture capital funds invest in companies in exchange for equity in the companies it invests in, which usually have a novel technology or business model.

Kick-start Fund Network - A network of individual investors interested in funding for early stage-sustenance of start-ups.

Business Accelerator Programme - is a set of business tools designed to help start-ups build and grow their businesses. Participants will have access to professional business advice and will undergo business workshops catered to meet their ongoing business needs.

Rural Enterprise - an enterprise set up in a rural area to solve a rural problem or to address a rural demand generating local employment.

Women Enterprise – an enterprise headed by a woman where majority stake is also owned by a woman.

Private Equity - is a source of investment capital from high net worth individuals and institutions for the purpose of investing and acquiring equity ownership in an enterprise.

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