Arunachal Pradesh – Arunachal Pradesh Startup Policy 2022-23

Introduction

Arunachal Pradesh aims to leverage its demographic dividend and growing entrepreneurial interest among youth to build a robust startup ecosystem.

The policy seeks to address challenges in innovation, employment generation, and sustainable development within the state.

Vision

To transform Arunachal Pradesh into a global hub for innovation and entrepreneurship by proactive policy interventions and ecosystem development.

Mission

Promote entrepreneurship awareness among youth.

Provide both fiscal and non-fiscal support to startups.

Facilitate stakeholder network creation.

Operate a dedicated nodal team for implementation and continuous policy updates.

Objectives

Develop a vibrant startup ecosystem within 5 years.

Enhance innovation and R&D capabilities.

Institutionalize funding, regulatory easing, and procurement preferences.

Make startups integral to the state's commercial fabric.

Policy Scope and Targets

Incentives supplement central Startup India schemes, avoiding double benefits across state policies.

Targets:

Setup incubation centers in at least 50% of districts.

Facilitate 250+ startups.

Attract funding.

Generate substantial employment via startups.

Governance Structure

Startup Advisory Body: Apex policy advisory, headed by the Chief Minister.

Startup Council: Regular operational monitoring and decision-making body.

Nodal Agency: Investment Division, Department of Finance, Planning & Investment.

Nodal Officer: Director/Joint Director, responsible for direct implementation.

Key Policy Pillars

Ecosystem: Digital portals for licensing, info, and grievance redressal; dedicated helpline.

Incubation: Network of state-registered incubators providing business and marketing support.

Academia: Innovation fostering through toolkits, boot camps, and skill development in educational institutions.

Incentives: Comprehensive support via fiscal (grants, subsidies) and non-fiscal means (procurement preference).

Arunachal Pradesh Innovation & Investment Park (APIIP)

Umbrella body for state-supported incubators; invests in startups via equity stakes (up to 10%).

Equity tied to fiscal incentives and incubation support.

Minimum two-year lock-in on equity before exit options like buyback, IPO, or takeover.

Digital Infrastructure

One-stop portal for startups, offering:

Policy information.

Stakeholder details.

Approval process transparency.

Incubator/mentor listings.

Procurement and funding procedures.

Grievance mechanisms with 2-working-day response.

Startup registration with API integration with Startup India.

Controlled data sharing for pilot projects.

Physical Infrastructure

Partnerships to create/upscale incubation centers linked via common portals.

Establish co-working spaces in all districts, with subsidized/free access for registered startups.

Funding Mechanisms

Seed Fund Scheme: ₹50 crore corpus over 5 years, divided into Idea Support, Innovation, and Infrastructure funds.

Startup Fund of Funds: To invest in venture funds (no state capital).

CSR Fund: Encourage CSR investments into startups/incubators.

Angel Investment Network: Mobilize local capital and investor awareness.

Fund managed by Investment Division, advised by the Startup Council.

Incentives Offered

Fiscal Incentives

Incentive Type	Description	Coverage & Amounts
Idea Support Grant	Annual challenge selecting startups offering grants for pre-incubation & incubation.	50 selected startups/year; top 10 – ₹5L, others – ₹4L

Proof of Concept Support	Grants under SISFS or state funds for PoC, prototype development, product trials.	Up to ₹20L (SISFS) / ₹10L (State); 100 startups total
R&D Incentive	Reimbursement up to 50% of capital research costs.	Max ₹5L; 50 startups over 5 years
Patent Filing Reimbursement	100% cost reimbursement for Indian and international patents.	₹10,000 Indian, ₹1L foreign; 100 Indian/50 foreign startups
Quality Certification Subsidy	Subsidizes fees for ISO, BIS, CMMI, FSSAI, etc., certifications.	Max ₹5L; 100 startups total
Domicile Incentive	Grant for startups with local domicile status for leasing expenses and utilities.	Up to ₹1L; 50 startups total
Recruitment Incentive for Diversity	Grants for hiring women and differently-abled employees (40% salary reimbursement for 1 year).	Up to ₹40,000; 150 startups
Scale-up Grant	Market entry or commercialization support via SISFS or partial reimbursement from state funds.	Up to ₹50L (SISFS), ₹25L (75% State); 25 companies
Digital Up-scaling Subsidy	Support for purchase of tech hardware/software with preference for disruptive tech like AI.	Up to ₹10L; 25 startups

Non-fiscal Incentives

20% public procurement reservation for eligible startups.

Relaxed public procurement norms (no prior experience/turnover/EMD).

Promotion of registration on Government e-Marketplace (GeM).

Trial Orders to test new products with government.

Self-certification exemptions for startup compliance under several labor acts.

Workshops and programs to create procurement awareness among government departments.

Mentorship and Academic Initiatives

Empanel mentors across domains like business, funding, legal, marketing; accessible free via Startup Portal.

Promote entrepreneurship through Higher Education Institutions (HEIs):

Grants to establish Entrepreneurship Cells (e-Cells).

Support for student startups through credits, internships, project allowances.

Subsidized access to professional training & certification.

Women-led Startups Support

Entrepreneurship Centre for Women to provide targeted mentorship and incubation.

Minimum 33% of seed fund dedicated to women-led startups.

Ecosystem Mobilization

Organize networking events, annual entrepreneurship challenges, startup festivals.

Financial support for selected startups to attend national/international events.

General Conditions

Policy interpretation and disputes resolved by Planning & Investment Department.

No automatic entitlement; incentives subject to an established selection and approval process.

Policy subject to amendment by state government as needed.

Standard operating procedures on registration, fund disbursement, grievance redressal will be updated over time.

Source: Arunachal Pradesh Startup Policy 2020

Issued by: Government of Arunachal Pradesh – Department of Finance, Planning & Investment

Policy Period: 2020–2025

Updated as on: 2020 Notification