

Punjab Startup and Entrepreneurship Development Policy 2017 (Draft)





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PUNJAB

BUSINESS F1RST



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Innovation and Entrepreneurship are crucial for future growth of State's economy. The State would support cluster specific bottom up approach to build and strengthen Startup and Entrepreneurship ecosystem in the State. The State would follow an entrepreneur centric approach fostering connections and learning. The State will facilitate networking between entrepreneurs and entrepreneurship support organizations by bringing entrepreneurs together in an environment that catalyzes learning. The State would set up a dedicated organization for spearheading its strategy and action plan for promotion of Startup and Entrepreneurship.

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Captain Amarinder Singh
Chief Minister, Punjab

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Chapter 1: Introduction

1.1. Punjab – a Progressive State

The State of Punjab is known for its leadership position in the country with rapid strides in all round growth and prosperity. The State has done remarkably well in sectors across the spectrum such as Agriculture, Industry, Health, Education, Sports, Arts, Literature and Culture. The State has excellent infrastructure, human capital, progressive and enterprising people, who can transform every potential opportunity into success. Punjabi diaspora is spread across the world and has carved out a niche for itself.

1.2. Startup and Entrepreneurship Development Policy 2017

The State has identified Startup and Entrepreneurship as a key pillar for economic growth, job creation, wealth creation and competitiveness. The Startup and Entrepreneurship Development Policy is based on the Industrial and Business Development Policy 2017 of Government of Punjab and Startup Action Plan of Government of India and Standup India.

1.3. Applicability of the Policy

The policy will be co-terminus with Punjab Industrial & Business Development Policy 2017, which is applicable for 5 years from w.e.f. 17th October 2017. It and can be extended further by the State. The policy may be amended and modified in the course of implementation, however, all such amendments and modifications shall be applied prospectively and shall not curtail any benefit or concession already granted under the policy.

Chapter 2: Vision, Mission and Goals

2.1. Vision

To develop the State as leading global hub of Startups and Innovation to accelerate economic growth and to provide large scale entrepreneurial and job opportunities in the State

2.2. Mission

- (i). To develop conducive ecosystem by addressing the challenges in Enterprise, Market, Product, Knowledge, Idea, Culture
- (ii). To create the infrastructure and environment required for promoting entrepreneurial activities
- (iii). To foster Industry Academy linkages in building an entrepreneurial culture
- (iv). To create a Startup friendly environment by streamlining laws, rules and regulations

2.3. Goals

- (i). To facilitate 1000 start-ups in 5 years
- (ii). To set up 10 incubation centres/ accelerators in the State particularly focusing on Digital manufacturing, Lifesciences (Biotechnology), Agro & Food Processing and Information Technology
- (iii). To build strong linkages with all the major institutions
- (iv). To facilitate 50 Entrepreneurship Development Centres in the colleges

Chapter 3: Startup and Entrepreneurship – A Key Strategic Pillar of Industrial Policy

3.1. State's approach to Innovation and Entrepreneurship

3.1.1. The State is known for the enterprising spirit of its people, which brought green revolution and also made Punjab a hub of small and medium enterprises. The State now has to transition to knowledge and technology driven enterprises. It has to develop a new culture of innovation. The State recognizes that innovation and entrepreneurship are crucial for future growth of State's economy.

3.1.2. The State would support cluster specific bottom up approach to build and strengthen Innovation and Entrepreneurship ecosystem in the State. The State would follow an entrepreneur centric approach fostering connections and learning. The State will facilitate networking between entrepreneurs and entrepreneurship support organizations by bringing entrepreneurs together in an environment that catalyzes learning.

3.2. Startup Punjab - Building a Strong Eco-system for Startups

3.2.1. The State will launch "Startup Punjab" to build a strong eco-system for nurturing innovation and Startup. The State will ensure necessary convergence and synergy in various Central and State programs promoting innovation, entrepreneurship and Startup. It will promote networking of various reputed academic institutions carrying out research and innovation and other organizations running incubators and accelerators.

3.2.2. The State has a large number of reputed national level research and academic institutions particularly around the State capital such as Indian School of Business (ISB), Indian Institute of Technology (IIT), National Institute of Pharmaceutical Education and Research (NIPER), Indian Institute of Science Education and Research (IISER) and National Agri-biotech Institute apart from various State Universities for Technical Education and Higher Education and other institutions of excellence.

3.2.3. The State will connect these leading institutions and leverage their expertise and research capabilities for promoting innovation, entrepreneurship and Startups in the State. The State will connect them with entrepreneurs and global network of venture capital, angel funds and mentors. It will accelerate the state's handholding in not only technology sector but also other fields like manufacturing, healthcare, agriculture, tourism etc.

3.3. University and College Incubators

The State will promote setting up of Incubation Centres in Universities and other Academic Institutions. These incubation centres play an important role in promoting entrepreneurial culture in students. It inculcates the concept of entrepreneurship in the mind of students in place of finding the jobs after completing their study. Besides the principles and practices of good business ownership which incubator programs provide, the student business owners also enjoy a creative, innovative, and engaging environment. The State will also put in the efforts to build strong academia industry linkages and networking through these incubation centres. The incubation facilities could also be made available to non-residents or non-students to bring greater benefits and learnings for all stakeholders. The students will be provided information and support regarding available State & Central schemes, incentives and grants.

3.4. IKG PTU to set up Fund for Startup

In order to help youth of the State and develop them into entrepreneurs, IKG Punjab Technical University in partnership with State Government will set up Startup Fund of Rs. 100 crores, which will be used for promoting incubation centres, seed money for Startups, scale up funding and other support to the Startup units. 25% funds will be dedicated to promote Startups by SC and Women entrepreneurs.

3.5. Incubation Centres by other Government Organizations

There are a number of Incubation Centres set up by various Central and State Government organizations such as Biotech Incubator, STPI Incubation Centre. These incubation centres need to be promoted effectively and necessary linkages with the State Government programs and industry shall be provided.

3.6. Private Incubators and Accelerators

The State would also encourage private sector lead Incubation Centres and Accelerators and provide them necessary support. The State would provide various fiscal and non-fiscal incentives to promote development of Incubation Centres in private sector.

3.7. Setting up of sector specific incubators

In order to provide impetus to entrepreneurship in the focus sectors for development, the State would encourage setting up of sector specific incubators such as Digital manufacturing, Lifesciences & Biotechnology, Agro & Food Processing and Information Technology. These incubators will be set up in and around the existing and envisaged industry clusters in the State.

3.8. Creation of common infrastructure and co-working spaces

The State would facilitate creation of adequate support infrastructure for boosting innovation ecosystem. Such infrastructure would be created across different sectors in all districts in Punjab and would comprise of components such as:

- (i) Ready-to-use office spaces
- (ii) R&D and testing labs
- (iii) Software and hardware solutions
- (iv) Services such as legal, accounting, HR, IPR, etc.
- (v) Facilities such as internet connectivity, electricity, water, security, etc.

Chapter 4 - Fiscal Incentives

4.1. Definition and Eligibility

4.1.1. Definition

Any entity claiming to be a Startup unit has to meet the criteria laid down by GOI from the time to time.

- (i). As a private limited company (as defined in the Companies Act, 2013) or registered as a Partnership firm (registered under Section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India; and
- (ii). Not prior to seven years and in the case of Biotechnology Companies this period shall be up to 10 years; and
- (iii). With annual turnover not exceeding INR 25 crore in any preceding financial year; and
- (iv). Working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation
- (v). Provided that such entity is not formed by splitting up, or reconstruction, of a business already in existence and should not have been formed by the demerger or reconstitution of a business already in existence;
- (vi). Provided that such entity is not a holding company and it is not a subsidiary of any firm already in existence or except the subsidiary of any startup;

4.1.2. Eligibility Conditions

In addition to the definition of Startup as defined above, the unit has to meet the following criteria:

- (i). Location:

The company/entity be registered in Punjab under the Punjab Shops and Commercial Establishment Act, 1958;
- (ii). Employment:

The company employs at least 50 (fifty) per cent of its total qualified workforce in Punjab, which shall not include contract employees.

4.1.3. Exit Conditions

- (i). If the company is found guilty on any charges of fraud or if the company is found to have made any false declarations to claim any benefits from or derived under this policy. Legal action shall be initiated to recover all financial assistance provided to such an entity.
- (ii). Once an entity ceases to be recognized as a start-up; the Government or entity through which the Government makes its investment will be eligible to exit its investment in the start-up and guidelines for exit will be framed for channelizing investments into the Startup.

4.2. General Provision

- 4.2.1. The State would frame detailed schemes in line with the provisions of the policy regarding various fiscal incentives and other support measures. The detailed schemes would inter-alia lay down in detail, eligibility criteria, terms and conditions, manner of processing the applications and disbursement of incentives amongst other relevant modalities for availing the incentives. In order to ensure clarity and unambiguity in the instructions, all the departments will consult the Department of Industries and Commerce before issuance of notifications.
- 4.2.2. The State would like to encourage adoption of modern quality practices and the incentives may be linked to achievement of performance ratings, ZED ratings etc.
- 4.2.3. All the incentives to individual units will be disbursed through online portal. The applications will be submitted in the system, using the forms designed for the same. The system will enable online scrutiny of applications and online generation of responses to the applicant. The applicants will be able to view the response in the system.
- 4.2.4. In case of any conflict or contradiction in the provisions contained in the policy and detailed schemes, the provisions of detailed scheme shall prevail for all intent and purposes.

4.3. Fiscal incentives for Startup Units

4.3.1. Following fiscal benefits will be available to Incubators and Startup units:

SN	Nature of Incentive	Extent of Incentive
A	Incubators	
1	Capital Subsidy	<p>i) Govt. Host Institutes shall be provided capital grant of 100% of FCI subject to max INR 1 Cr for setting up of Incubator</p> <p>ii) Private Host Institutes & Stand-alone Incubators shall be provided capital grant of 50% of FCI subject to max INR 50 lakh for setting up Incubator</p>
2	Recurring Expense Reimbursement	All approved Incubators shall get the support for recurring expenses as Operational Subsidy assistance up to the limit of INR 3 lakh per year for a period of 5 years
3	Mentoring & Training	In order to provide mentoring for priority issues such as fund raising, scaling, recruitment and product interface, Incubators shall be provided Mentoring Assistance support up to a limit of INR 3 lakh per year for a period of 5 years
4	Startup Competition Assistance:	To encourage entrepreneurship culture in colleges, Eligible Institutes of National Importance, State Universities & Central Universities based in the State, established Incubators in these institution's premises shall be supported by state government to organize such startup competition fest annually in which state shall provide assistance up to the limit of INR 5 lakh per event.
B	Startup Units	
1	Interest Subsidy	Eligible Startups shall be provided interest subsidy of 8% per annum for a period of 5 years on the rate of interest paid on loans obtained from scheduled banks/financial institutions subject to the maximum limit of INR 5 lakh per annum

2	Lease Rental Subsidy	Reimbursement of 25% of lease rental subsidy to eligible Startup units established in the State, operating from Incubators/IT Parks/Industrial Clusters or any other notified location shall be eligible for a period of 1 year subject to the ceiling of INR 3 lakh per annum.
3	Seed Funding	A Seed Grant up to INR 3 Lakh per start-up shall be provided for validation of idea, prototype development, assistance towards travelling costs and carrying out field/ market research/ skill training/ marketing and initial activities to setup a Startup etc. Seed funding to Startups would be routed through State/Centre recognized Incubators.
4	Scale up Funding	<p>The Government would create a corpus fund of INR 100 Cr dedicatedly for category I funding to meet the funding requirement for scalability of Startups. The salient features of the Fund would be as follows:</p> <p>(a) It will have initial corpus of INR 100 Cr to be invested over a period of 5 years as the Alternative Investment Fund (AIF).</p> <p>(b)The Fund would not invest directly into the Start-ups, but shall participate with capital commitment in SEBI registered Category 1 AIF Venture Funds</p> <p>(c) SIDBI would be professional fund manager for managing this Fund of Fund & would empower their empanelled VCs to fund Punjab Based Startups.</p> <p>(d) The mandate would be given by state government to make 10% contribution in the total corpus of the VC Fund subject to the condition that VC invests twice the amount contributed by the State Government in the Startups based in Punjab. The proportionate return or proceeds from the Venture Funds shall be remitted back to the FoF. This returns along with Capital gains shall be used to continue to fund Venture Funds to continuously support rapidly growing start-up eco-system.</p> <p>(e) The State Government in total would contribute 10 % of the funds size to be raised by VC and it shall be released only when the VC makes investment in Punjab based Startup</p>

4.3.2. All Startup units are also entitled to following incentives provided to MSME Units in Industrial and Business Development Policy 2017 of Government of Punjab

SN	Nature of Incentive	Extent of Incentive
A.	Access to Finance	
1	Investment subsidy by way of reimbursement of net SGST on intra-State sale	Reimbursement of 100% of net SGST for 7 years from the date of commercial production with a cap of 100% of FCI.
2	Interest Subsidy on term loan in Border Districts and Kandi Area	Interest subsidy @ 5% pa only in Border Districts and Kandi Area subject to maximum of Rs. 10 lakh per year for 3 years
3	Interest Subsidy on term loan to SC Entrepreneur/ Women Entrepreneur	Interest subsidy @ 5% pa only to SC Entrepreneur/ Women Entrepreneur subject to maximum of Rs. 10 lakh per year for 3 years
4	Additional State Support of interest subsidy under Credit Linked Capital Subsidy Scheme (CLCSS) of Ministry of MSME, GOI	Interest subsidy of 5% subject to maximum of 5 lakh per year for a period of 3 years and shall not exceed amount of net SGST paid during the relevant year to such units eligible under CLCSS scheme.
5	Additional State Support of reimbursement of guarantee fee charged under Collateral Free Credit Guarantee Trust for Micro and Small enterprises (CGTMSE) Scheme	100% of guarantee fee to be reimbursed to micro and small enterprises subject to maximum of Rs. 1 lac
6	Financial assistance to SMEs for 'Emerge' exchange platform set up by NSE	To make the SMEs available on the 'Emerge' exchange platform set up by NSE, the State will provide the following incentives: (i). 10% of the cost of Public Issue expenses, subject to maximum of Rs.2.50 lakh for registration of National Stock Exchange. (ii). Direct subscription upto 10% of the Public Issue to be provided out of corpus to be created jointly with SIDBI, Nationalized banks & the State Government subject to a maximum of Rs. 10 lakh.

B.	Access to Infrastructure	
7	Exemption from Electricity Duty	100% exemption for 7 years
8	Exemption/Reimbursement from Stamp Duty	100% exemption/reimbursement from stamp duty for purchase or lease of land and building
C.	Access to Technology	
9	Assistance for Technology Acquisition	50% of the cost subject to maximum of Rs. 25 lakh for adopting technology from a recognized National Institute
10	Additional support to ZED scheme of GOI.	Reimbursement of 50% of expenses subject to maximum of Rs. 5 lakh incurred on plant and machinery/testing equipment for obtaining at least silver category status under ZED scheme.
11	Reimbursement of expenses incurred for Energy Audit/ Water Audit/ Safety Audit	75% subject to maximum of Rs. 2 lakh for energy audit and maximum of Rs. 1 lac each for water audit and Safety Audit
12	Assistance for Environmental Compliance	50% financial support subject to max of Rs. 25 lakh on capital cost for setting up of effluent treatment plant and for installation of Air Pollution Control Devices
D.	Access to Market	
13	Reimbursement of expenses incurred for patent registration	75% of the expenses subject to 10 lakh for domestic patent and 20 lakh for international patent
14	Additional Support for Performance and Credit Rating Scheme of Ministry of MSME	Reimbursement of 25% of the fee subject to maximum of 10 thousands
15	Reimbursement of expenses incurred on quality certifications	100% subject to maximum of Rs. 10 lakh

16	Design Clinic Scheme	Reimbursement of the contribution of industries of Rs. 1 lac per program for design awareness program by National Institute of Design, Ahmedabad
17	Vendor Development	Program Assistance of INR 5 Cr to MSME Punjab for assisting the Industry in organizing Vendor Development Programmes, Buyer – Seller meets, Reverse Buyer-Seller meets.
18	Marketing Support	Assistance to MSME for showcasing their products at local, national and international event: (a). @50% of total rent limiting to ₹10 lakh for participation of minimum 5 units in Punjab Pavilion in International Trade Fairs abroad (b). @25% of total rent limiting to ₹ 3 lakh for Domestic Conferences and Trade Fairs. (c). Nil for Pavilion at Progressive Punjab Events and Conferences
19	Freight Assistance to Export Oriented Units	1% of FOB value or actual freight paid from the place of Manufacture to the place of shipment, whichever is less subject to maximum of Rs 20 Lac per annum
20	Annual State Awards to MSME, SC, Women and Exporters	Annual award of Rs. 3 lakh per unit for excellence in productivity, quality, export for each category of enterprise.

Chapter 5: Partnership with Startup India

5.1. Startup India Initiative

The Government of India has launched Startup India initiative intended to build a strong eco-system for nurturing innovation and Startups in the country that will drive sustainable economic growth and generate large scale employment opportunities. The Government of India through this initiative aims to empower Startups to grow through innovation and design. The State Government will partner with Startup India initiative and undertake various measures to support Startup eco system in the State.

5.2. Compliance Regime based on Self Certification

5.2.1. In order to reduce the regulatory burden on Startups thereby allowing them to focus on their core business and keep compliance cost low, the Government will implement compliance regime based on Self Certification.

5.2.2. Regulatory formalities requiring compliance with various labour and environment laws are time consuming and difficult in nature. Often, new and small firms are unaware of nuances of the issues and can be subjected to intrusive action by regulatory agencies. In order to make compliance for Startups friendly and flexible, simplifications are required in the regulatory regime.

5.2.3. Accordingly, the process of conducting inspections shall be made more meaningful and simple. Startups shall be allowed to self-certify compliance (through the Startup mobile app) with 9 labour and environment laws:

(i). Labour Laws:

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

(ii). Environment Laws:

- The Water (Prevention & Control of Pollution) Act, 1974
- The Water (Prevention & Control of Pollution) Cess (Amendment) Act, 2003
- The Air (Prevention & Control of Pollution) Act, 1981

5.2.4. In case of the labour laws, no inspections will be conducted for a period of 3 years. Startups may be inspected on receipt of credible and verifiable complaint of violation, filed in writing and approved by at least one level senior to the inspecting officer.

5.2.5. In case of environment laws, Startups which fall under the 'white category' and 'green category' would be able to self-certify compliance and only random checks would be carried out in such cases.

5.3. Setting up of Startup Punjab Hub

To create a single point of contact for the entire Startup ecosystem and enable knowledge exchange and access to funding, the State would create a "Startup Punjab Hub" in partnership with Startup India Hub, which will be a key stakeholder in the emerging vibrant ecosystem and will

- (i). Work in a hub and spoke model and collaborate with Central & State governments, Indian and foreign VCs, angel networks, banks, incubators, legal partners, consultants, universities and R&D institutions
- (ii). Assist Startups through their lifecycle with specific focus on important aspects like obtaining financing, feasibility testing, business structuring advisory, enhancement of marketing skills, technology commercialization and management evaluation
- (iii). Organize mentorship programs in collaboration with government organizations, incubation centers, educational institutions and private organizations who aspire to foster innovation.
- (iv). To all young Punjabis, who have the courage to enter an environment of risk, the Startup India Hub will be their friend, mentor and guide to hold their hand and walk with them through this journey.

5.4. Roll out Mobile App and Portal

To serve as the single platform for Startups for interacting with Government and Regulatory Institutions for all business needs and information exchange among various stakeholders, the Government shall introduce a Mobile App to provide on-the-go accessibility for:

- (i). Registering Startups with relevant agencies of the Government. A simple form shall be made available for the same. The Mobile App shall have backend integration with Ministry of Corporate Affairs and Registrar of Firms for seamless information exchange and processing of the registration application
- (ii). Tracking the status of the registration application and anytime downloading of the registration certificate. A digital version of the final registration certificate shall be made available for downloading through the Mobile App
- (iii). Filing for compliances and obtaining information on various clearances/ approvals/ registrations required
- (iv). Collaborating with various Startup ecosystem partners. The App shall provide a collaborative platform with a national network of stakeholders (including venture funds, incubators, academia, mentors etc.) of the Startup ecosystem to have discussions towards enhancing and bolstering the ecosystem
- (v). Applying for various schemes being undertaken under the Startup India Action Plan

The App shall be made available on all leading mobile/ smart devices' platforms. The Startup portal shall have similar functionalities (being offered through the mobile app) using a richer web-based User Interface.

5.5. Support for Intellectual Property Rights

The State will promote awareness and adoption of IPRs by Startups and facilitate them in protecting and commercializing the IPRs by providing access to high quality Intellectual Property services and resources, including fast-track examination of patent applications and rebate in fees.

5.6. Funding Support from various GOI Schemes

The State Government will work towards facilitating funding support from various GOI Schemes for Startups namely:

- (i). Providing Funding Support through a Fund of Funds with a Corpus of INR 10,000 Crore
- (ii). Credit Guarantee Fund for Startups

- (iii). Tax Exemptions on Capital Gains
- (iv). Tax Exemptions on Startups for 3 years
- (v). Tax Exemptions on investments above fair market value

5.7. Preferential Procurement from Startups

The Government will encourage participation of Startups in public procurements by waiving off prior experience or turnover requirements so long as the product meets the desired specifications.

5.8. Organizing Startup Fests for Showcasing Innovation

5.8.1. A pivotal component for growth of Startups is regular communication and collaboration within the Startup community, both national as well international. An effective Startup ecosystem can't be created by the Startups alone. It is dependent on active participation of academia, investors, industry and other stakeholders.

5.8.2. To bolster the Startup ecosystem in India, the Government is proposing to introduce Startup fests at national and international stages. These fests would provide a platform to Startups in India to showcase their ideas and work with a larger audience comprising of potential investors, mentors and fellow Startups.

5.8.3. The fests shall have activities such as sessions to connect with investors, mentors, incubators and Startups, showcasing innovations, exhibitions and product launches, pitches by Startups, mentoring sessions, curated Startup walks, talks by disruptive innovators, competitions such as Hackathon, Makerspace, etc., announcements of rewards and recognitions, panels and conferences with industry leaders, etc.

5.9. Atal Innovation Mission (AIM)

The State Government will participate in Atal Innovation Mission (AIM) with Self-Employment and Talent Utilization (SETU) program to create world class innovation facilities in the State.

5.10. Harnessing Private Sector Expertise for Incubator Setup

The State Government will encourage private sector expertise for Incubator set up to ensure professional management of Government sponsored / funded incubators. The State Government will evolve suitable framework for public private partnership.

5.11. Launching of Innovation Focused Programs for Students

The State Government will launch and promote innovation focused programs for students to foster a culture of innovation in the field of Science and Technology amongst students.

Chapter 6: Partnership with Standup India

6.1. Special Focus on Women Entrepreneurship

6.1.1. Women entrepreneurs constitute a small percentage of overall entrepreneurs. Women entrepreneurs need to be encouraged for significant social and economic development and inclusive growth. The State would identify specific challenges women entrepreneurs face in formal and informal sectors of economy including rural and urban areas and create facilitative environment for women entrepreneurs to contribute to economic development.

6.1.2. The State would encourage women entrepreneurs, create awareness among women entrepreneurs on various State & Centrally sponsored schemes. The State would also handhold women who have business ideas and are interested to start their business ventures. The State will provide specific schemes to promote Women entrepreneurship.

6.2. Special Focus on SC Entrepreneurship

6.2.1. For growth and prosperity to be truly inclusive, all sections of the society need to partake in this prosperity. Besides wage employment and education, the marginalized sections of the society also need to envision, create and scale-up ventures to be a major participant in this growth story. There is a need to substantially increase SC entrepreneurs and number of SC owned enterprises to enable the socio-economic empowerment of the SC communities.

6.2.2. The state would encourage SC entrepreneurs, create awareness among SC entrepreneurs on various State & Centrally sponsored schemes and provide handholding support to them. The state will dovetail Standup India program with State specific schemes to promote entrepreneurship amongst SC youth.

6.3. Stand-Up India Scheme for financing SC/ST and/or Women Entrepreneurs

The objective of the Stand-Up India scheme is to facilitate bank loans between 10 lakh and 1 Crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per bank branch for setting up a greenfield enterprise. This enterprise may be in manufacturing, services or the trading sector. In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an SC/ST or Woman entrepreneur.

6.4. MUDRA Scheme

6.4.1. Micro Units Development and Refinance Agency Ltd. [MUDRA] is an NBFC supporting development of micro enterprise sector in the country. MUDRA provides refinance support to Banks / MFIs for lending to micro units having loan requirement up to 10 lakh. MUDRA provides refinance to micro business under the Scheme of Pradhan Mantri MUDRA Yojana. The other products are for development support to the sector.

6.4.2. Under the aegis of Pradhan Mantri Mudra Yojana (PMMY), MUDRA has created products / schemes. The interventions have been named 'Shishu', 'Kishor' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur and also provide a reference point for the next phase of graduation / growth to look forward to :

- (i). Shishu : covering loans upto 50,000/-
- (ii). Kishor : covering loans above 50,000/- and upto 5 lakh
- (iii). Tarun : covering loans above 5 lakh and upto 10 lakh

6.4.3. Within the framework and overall objective of development and growth of micro enterprises sector under Shishu, Kishor and Tarun, the products being offered by MUDRA are so designed, to meet requirements of different sectors / business activities as well as business / entrepreneur segments. The funding support from MUDRA are of four types :

- (i). Micro Credit Scheme (MCS) for loans upto 1 lakh finance through MFIs.
- (ii). Refinance Scheme for Commercial Banks / Regional Rural Banks (RRBs) / Scheduled Co-operative Banks
- (iii). Women Enterprise programme
- (iv). Securitization of loan portfolio

6.4.4. Mudra loan is extended for a variety of purposes which provide income generation and employment creation. The loans are extended mainly for :

- (i). Business loan for Vendors, Traders, Shopkeepers and other Service Sector activities
- (ii). Working capital loan through MUDRA Cards
- (iii). Equipment Finance for Micro Units
- (iv). Transport Vehicle loans

6.5. Partnership with Standup India & MUDRA

The State Government will work with the Banks within Standup India and MUDRA framework to promote Women Entrepreneurs, SC Entrepreneurs and Micro Units. The State will also connect with National SC-ST Hub for better implementation of various GOI initiatives in the State.

Chapter 7: Stakeholder Engagement and Policy Implementation

7.1. Governance Mechanism

The State has already set up a Policy Implementation Unit (PIU) under Industrial and Business Development Policy 2017. The State has also constituted Punjab Industrial and Business Development Board under Chief Minister, an Executive Committee under Chief Secretary and Sectoral Committees under the Administrative Secretary for smooth implementation of Industrial and Business Development Policy 2017 and the same shall be applicable for Startup and Entrepreneurship Policy 2017 as well. A copy of the relevant notifications is attached as annexure to the Policy.

7.2. Startup Coordination Committee

7.2.1. In order to engage with various stakeholder and take their guidance and feedback on implementation of various initiatives, a Coordination Committee under Secretary Industries and Commerce, and comprising of MD, Infotech/DIT, STPI, TiE, CII, PTU, Nalanda School of TQM, any other expert member from the region will be constituted.

7.2.2. Startup Punjab (A cell under Department of Industries and Commerce) shall provide necessary Secretarial and Technical Support to the Startup Coordination Committee. The cell shall also act as a single connect with Government departments where the Startup needs to implement their projects. The role of this cell would be to highlight, amalgamate and disseminate the resources, funding mechanisms, investments, incentives available at a single portal for Startups in Punjab or Startups looking to relocate to Punjab.

7.2.3. All applications of potential Startups received shall undergo a preliminary examination by Startup Punjab. After preliminary examination, a list of shortlisted applications shall be tagged to the concerned subject related incubators. The Incubators after the incubation process shall prepare a proposal on the following issues:

- (i). The amount of funding assistance required at various stages
- (ii). Any requirement of common infrastructure or other infrastructure created under this policy
- (iii). Any assistance as envisaged under this policy
- (iv). Business Plan

The list of such recommendations/proposals of the incubators shall be placed before the Startup Coordination Committee for approval.



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