



# Goa StartUp Policy - 2021



### **Key Information about Goa -**

<b>Statistics</b>	<b>Value</b>
Area (in sq. km.)	3702
Population	1458545
Literacy	1165487
Number of Certified Startups in Goa	149 Certified by Startup Promotion Cell, Government of Goa 140+ Certified by Startup India, DPIIT, Government of India
Estimated Number of Startups	350+ is the number of Startups across all industries and sectors <i>Source: Inc 42</i>
Number of Co-Working Spaces & Incubators	15+ Co-Working & Incubator spaces in Goa <i>Source: SPC survey</i>
Number of E-Cells, Innovation Councils in Colleges, Universities in Goa	20+ e-Cells & Innovation Council in Colleges & Universities <i>Source: SPC survey</i>
Number of Students after school in Graduation & Under graduation Courses in Goa	40,000+ <i>Source: Directorate of Education</i>

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## 1. Preamble

- a) Demographic dividend is one of India's biggest strengths. However, our demographic dividend can be leveraged only when a suitable eco-system is made available for the youth to meaningfully deploy their energies, skills and talents towards the nation building and economic development processes. Hence facilitating entrepreneurship, which in turn leads to value creation and job creation, is governance and a moral imperative which the Government of Goa is unflinchingly committed to. Hence the Government of Goa has released this new Goa Startup policy, which pertains to proliferation of start-ups and unleashing of economic opportunities across the state of Goa.
- b) Goa is a popular urban state with the highest per-capita GDP and enviable human development indices. Goa's cosmopolitan culture, impressive infrastructure, quality manpower, picturesque landscape, clean environment and development orientation, not only makes Goa an ideal base for entrepreneurs to realise their dreams, but will also play a key role in facilitating an environment that is supportive and makes the start-ups innovative and globally competitive. It is towards this objective that this new Goa Startup policy has been drafted.
- c) One of the transformative factors of Startups is their matchless potential to exponentially scale up, leading to large scale job & wealth creation. While the Government is committed to promoting entrepreneurs from Goa and generating employment for Goans, the Government is equally committed to inviting the best entrepreneurial talent and the brightest innovative minds and the startup ecosystem enablers like Incubators, Accelerators, Investors from outside Goa in order to build a robust startup eco system within the state.
- d) The Government recognises that education and skill development that is aligned to the requirements of the industry are vital for a robust startup eco-system. Hence the Government is committed to continuously improving the Goan Education system, and providing Do IT Yourself course to students of schools and university for upgrading their skills.

- e) In order to incentivise promising Startups to be incorporated, registered in Goa and/or operating from Goa, the Government of Goa, on a case to case basis, can grant any exemption beyond the scope of this policy, to startups operating in the following areas with a special focus on areas such as smart cities, urban management, mining, tourism & hospitality, gaming, waste management, renewable energy, education, health care, communication, and entertainment.
  
- f) Building a lasting institutional framework that changes the Startup landscape of Goa, and makes the state an attractive Startup base for entrepreneurs, involves a concentrated strategy and robust implementation. Based on the changing dynamics of the Startups, entrepreneurs, human capital, industry and other aspects related to the start-up ecosystem, this policy will keep evolving and remain proactively responsive to put Goa on top of the Startup game.

## **2. Definitions**

The definitions stated below are only applicable to the contents of the Goa Start-up Policy 2021 and shall be void beyond the scope specified herein.

- a) Start-up means an entity meeting the following criterion:
  - 1. Up to ten years from the date of incorporation / registration in the State of Goa and/or operating in the State of Goa; and,
  - 2. With annual turnover not exceeding INR 100 crore in any of the preceding financial years; and,
  - 3. Incorporated as a Private Limited Company, a Registered Partnership Firm or a Limited Liability Partnership; and,
  - 4. Should be working towards development or improvement of a product, process or service and/or have scalable business model.

Note: Entity should not have been formed by splitting up or reconstructing an already existing business

- b) Cell means Startup – IT Promotion Cell, a Goa Government appointed governing body constituted under the State Designated Agency.

- c) State Designated Agency means an agency designated by the Government to perform specified functions.
- d) State means State of Goa.
- e) Local refers to a person satisfying at least one of the following criteria:
  - 1. Person born in the State of Goa; or,
  - 2. Person having domicile for 10 years or more in the state; or,
  - 3. Spouse of a person covered under any of the conditions mentioned in d (1) and d (2), through marriages registered in Goa.
- f) Local start-up means start-up in which at least 50% equity/share is held by one or more Goans continuously since the time of inception. Unless and until explicitly mentioned as a local start-up, start-up herein refers to any entity meeting the conditions detailed above (paragraph a).
- g) Fresher's means Graduate & Postgraduate professionals who have completed their graduation within the stipulated period of study, and not more than two years have elapsed since the completion of the graduation & post-graduation courses respectively.
- h) IT Policy refers to the IT Policy – 2018 notified by the Government of Goa vide Notification No. 2(15)/DOIT/2017-18/Goa IT Policy – 2018/624 dt. 18/07/2018.

### **3. Vision**

To make Goa one of the most preferred start-up destinations of India, and make it feature in the top 25 start-up destinations in Asia by 2025.

### **4. Objectives**

- a) To make Goa an aspirational geographical and human resources base for high value start-ups.

- b) To invite the best entrepreneurial minds to make Goa their professional base, and thereby build a robust start-up eco-system in the state.
- c) To assist the Goan Entrepreneurs and local start-ups.
- d) Evangelising Creation of at least 500 innovative, technology enabled startups and building sustainable services and solution oriented startups in Goa by providing requisite assistance and support in next 3 years, targeting generation of employment for at least 6000 Goans
- e) Providing requisite assistance and support for developing technology & innovation hubs, centres of excellence, R&D labs and incubation centres in the next 3 years.
- f) To infuse technology-enabled real-world problem-solving skills into the Goan education system through collaboration between industry, academia, and through the introduction of DIY modules as part of school curriculum, and Massive Online Open Courses as part of University curriculum.
- g) To create an eco-system that makes it easy for Goan students to acquire technical skills required for employability and professional growth in the startup space.
- h) To ensure continuous evolution of policy measures and creation of a responsive policy framework for accelerating growth of the start-up ecosystem and incorporating new frontiers of technology enablement on an ongoing basis.
- i) To facilitate creation of dedicated funds for providing various types of support and impetus to start-ups:
  - 1. Idea to P-o-C (Proof of Concept) Fund
  - 2. Seed Capital Fund
  - 3. Working Capital Fund
  - 4. Women Entrepreneurs Development Fund.
  - 5. Research & Development Fund
  - 6. Student Innovation Fund
  - 7. Skill Development Fund
  - 8. Incubation Support Fund

## 5. State Support

### 5.1 Institutional Support

- a) A Startup – IT Promotion Cell (SITPC) will be formed, which would serve as the nodal agency to register/recognise/certify the Start-ups under this Policy and New Units / Existing Units of IT Industry as defined in the IT Policy established in the State. Secretary (IT) shall be the Convenor of the cell. Director (IT) / CEO (SITPC) is empowered to certify the start-ups.
- b) The Cell would report to the Empowered Committee (EC) constituted under the IT Policy – 2018. The Empowered Committee will oversee the implementation of this Policy and also grant approval for disbursement of incentives to the Startups. The EC shall be authority in deciding the incentives, which would be provided as per schemes defined in this policy.
- c) The cell is headed by a CEO, and dedicated team of professionals and/or professional agencies to carry out the following functions:
  1. Administration
  2. Communication
  3. Due Diligence of Applications
  4. Eco System Development
  5. Enabling Access to Finance
  6. Incubation
  7. Mentoring
  8. Operation Management of the Cell
- d) The cell will be responsible for processing applications received under this Policy and the IT Policy – 2018. The cell will conduct Startup and IT ecosystem programs by themselves and by inviting industry expert and professions including Empanelled agencies for assisting the startups in the statutory matters regarding company formation, filings, accounting and taxes.

- e) The cell would also engage professionals/agencies for the following functions, who would provide services to the startups on a shared services model, at notified rates:
  1. Management
  2. Human Resources
  3. Technical
  4. Legal
  5. Finance

## ***5.2 Regulatory Compliance Enablement***

- a) All start-ups registered in Goa will be allowed to operate 24/7. An intimation from Startup Promotion Cell will be issued to the Panchayat and Local Bodies intimating them on the Certified Goa Startups to operate 24x7.
- b) Start-ups registered with the Government of India under the Start-up India program, and registered with the cell will be exempted from inspection under the following acts:
  1. Factories Act, 1948
  2. Maternity Benefit Act, 1961
  3. The Contract Labour/Regulations and Abolition Act, 1970
  4. The Payment of Wages Act, 1936
  5. The Minimum Wages Act, 1948
  6. The Employment Exchange Act, 1959

However, start-ups will need to confirm compliance based on self-certification.

- c) As part of the Government of Goa's endeavour to promote EoDB in the state, the cell has set-up an internet based single-window portal exclusively for start-ups and continues to update and maintain the portal providing due information.
- d) The Goa State Start up portal ([www.startup.goa.gov.in](http://www.startup.goa.gov.in)) enables registration of the start-ups, facilitates two-way communication with the Government for updates and reminders on regulatory matters, and access to the repository of information on all state-level as well as national regulatory compliances that are

required for new and existing start-ups. Through the single window portal, the cell also provides a channel for the start-ups to provide policy inputs to the Government.

- e) In addition, each Government department having a regulatory or administrative interface with start-ups shall have Head of Department duly appointed as a Nodal Officer designate, to serve as the single point of contact in respect of all permissions/ grievances/ queries pertaining to the Department concerned.

### ***5.3. Infrastructure - Incubators and Accelerators***

As part of Goa Government's commitment to promoting start-ups and incubators in the state, the Government would strive towards developing world-class infrastructure through the following models:

#### **5.3.1 Government Developed Incubators:**

- a) The cell would assist in setting up one state-of-the-art, fully equipped, plug-and-play innovation and incubation centre in Goa, of an appropriate size, within the next 1 year from the date of notification of this policy. Satellite centres of an appropriate size would also be set-up across various locations in Goa, based on demand.
- b) Through the incubation centres outlined above, the Government would provide the following at subsidised rates:
  - 1) Fully functional and semi-functional plug-&-play working spaces for start-ups and incubators.
  - 2) High-speed internet connectivity.
  - 3) Shared IT infrastructure such as printers, projectors, fax machines, photo copiers, etc.
  - 4) Other infrastructure like meeting rooms, server rooms, QA/QC labs, etc.
- c) In the next two years, the cell would aim to mentor a minimum of 50 start-ups operating out of such Government developed facilities.

- d) The cell would endeavour to mentor and train the Staff of Goa Incubators as well by using resources of DPIIT, Startup India, Central Government resources and schemes.
- e) Startup Promotion Cell will explore the possibility of development and operational of a Virtual Incubation Platform for Startups. The Virtual Platform can be without charges for registered Startup. The Cell will explore possibility of development of this Virtual Platform which can be self-sustaining model in few years. Funds for the same would be provisioned from the Incubation Support Fund.
- f) Corporate Social Responsibility (CSR) Funding will be explored by the cell to provide additional funds to establish and promote incubators both virtual and physical. Funds raised from these CSR activities can be placed under the Incubation Support Fund.

### **5.3.2 Privately Run Incubators:**

- a) The cell would enter a tie-up with established incubators who would be admitting start-ups registered with the cell. The start-ups will be selected by the incubators as per their extant admission rules. The Cell will subsidize part of the cost per seat provided by the incubator and the rest would be collected from the start-up. The rate charged per-seat, by the incubator, will be as per agreed terms between the cell and the incubator.
- b) The cell will explore possibility of running Incubators and Accelerator program through public private partnership mode. Funds for the same would be provisioned from the Incubation Support Fund.

### **5.3.3 Incubation within Government leased space:**

- a) The cell may lease fully functional and semi-functional spaces and appoint an incubator to manage the incubation process in those spaces. The leased premises and the incubation cost will be borne on a per-seat basis. Funds for the same would be provisioned from the Incubation Support Fund.

### **5.3.4 Incubators within educational institutes:**

- a) All educational institutes in Goa, affiliated to a recognized public university, can avail a one-time grant of up to Rs. 10 lacs towards capital expenses, for setting up of an incubator within their institute campuses, for the purpose of nurturing start-ups founded by students enrolled in these institutes. Such incubators will also be provided a grant of up to Rs. 3 lacs per year, for a period of three years, towards operational expenses. Funds for the same would be provisioned from the Incubation Support Fund.

## **5.4. Access to Finance**

- a) Government of Goa intends to actively support the set-up, operations and growth of eligible start-ups based in Goa through various measures giving them access to finance by enabling an investor network, funding process and financial schemes by way of incentives and enabling provisions listed in this section.

### **5.4.1 Incentives and Enabling Funding:**

Through the online single-window, the cell shall receive, process, approve and disburse the incentives eligible under this policy. The cell will execute all provisions listed in this section within 1 year of the notification of policy as per the operational guidelines of each of the incentives listed here.

- a) The Government will create a Venture Capital Fund to meet the funding requirements of scalable Startups in Goa. This Venture Capital Fund will be in the nature of "Fund Of Funds" and hence will not directly invest in the Startups. The objective of this Venture Capital Fund is to provide the funds needed for growing and scaling Startups. This Fund can invest upto Rs 1 crore in lieu of Equity in promising Startups. With this Fund, the Government would aim to fund atleast 25 startups via this "Fund of Funds". The charter of the "Fund of Funds" will determine the modus operandi and process of the Fund. Government will appoint a suitable entity to administer and be the lead managers' for this "Fund of Funds".

- b) For start-ups registering patents at National and International levels, the cell will reimburse up to 100% of the cost incurred by the start-up concerned in fees and all other costs associated with patent application, subject to a cap of Rs. 2 lacs for national patents and Rs. 5 lacs for international patents. Funds for the same would be provisioned from the Research and Development Fund.
- c) For start-ups that have successfully entered the production/service delivery phase, 50% of the cost of trade-mark registration of their company name and logo, will be reimbursed by the cell. Funds for the same would be provisioned from the Research and Development Fund.
- d) For start-ups hiring local talent, 50% of the salary of freshers will be reimbursed, subject to a cap of Rs. 15,000 per month per recruit. Freshers for the purpose of this incentive provision are defined as professionals who have completed their graduation in the last two years. For start-ups whose work force comprises 60% of locals, a matching grant of up to 25% of salary of the local workforce will be reimbursed. Funds for the same would be provisioned from the Working Capital Fund.
- e) For start-ups that operate from their own premises or rented premises, and do not use the Government developed facilities, cost towards internet connectivity, software license fees, and cloud services fee, will be reimbursed subject to a maximum limit of Rs. 1,00,000 per quarter. Funds for the same would be provisioned from the Working Capital Fund.
- f) For such start-ups lease rental subsidy of up to Rs. 20 / square feet per month, will be provided for a period of two years. This is applicable only for local start-ups. This incentive is subject to a cap of Rs. 3 lacs per annum. Funds for the same would be provisioned from the Working Capital Fund.
- g) In order to promote innovation amongst the Goan start-ups, 50% of R&D expenses, including salaries of employees holding Ph.D and Master Degree employed by start-ups will be reimbursed for a period of two years, subject to a cap of Rs. 5 lacs per annum. Salary component must not be in excess of Rs. 2 lacs of this incentive.

Funds for the same would be provisioned from the Research and Development Fund.

- h) Requirements of all Government departments for Information and Technology solutions will be routed centrally through an agency nominated for this purpose. The agency so nominated shall necessarily outsource a minimum of 50% of the anticipated requirements in terms of the total estimated contract value, to Goan Start-ups only. In cases where Goan Start-ups are not in a position to provide the product or service, then in such cases, the agency may, subject to other conditions, avail the product or service from any other source.
- i) The cell will carry out a Dedicated Mentoring program and funding for Women Entrepreneurs. Startups by Women Entrepreneurs at idea stage will be given a Monthly allowance Rs 22000 per month for a period of 1 year. A marketing/technology support assistance up to Rs 10 lakh will be provided to Women Startups'. The fund for the same will be allocated from the Women Entrepreneurs Development Fund. The Cell would aim to support a maximum of 40 Women Startups every year under the above schemes.
- j) To encourage promising Startups from every region to set up base in Goa, the Cell would extend the support from Fund of Funds to even Startup from outside Goa who set up their major operations in Goa and employ more than 50% local.
- k) Start-ups with a promising Minimum Viable Product can get a onetime grant of up-to Rs. 10 lacs, as determined by the cell. Funds for the same would be provisioned from the Seed Capital Fund.

## **6. Skill Development & Access to Talent**

- a) Retail educational institutes that impart programming and technical skills will be encouraged in Goa. Institutes registered with the cell and providing courses at pre-fixed rates, will be provided internet subsidy (up to Rs. 5 lacs per year), power subsidy (up to Rs. 1 lac per year), 25% capital investments reimbursement (on all capital procurement for a period of two years), and 10% salary cost subsidy for a period of two years. Funds for the same would be provisioned from the Skill

Development Fund. This would be available for retail educational institute which are certified by the cell.

- b) The cell would also come out with a list of courses that must be imparted through the Massive Online Open Courses format, in all colleges in Goa. Startup Promotion Cell would also come out with a list of courses that must be imparted through the Massive Online Open Courses format, in all colleges in Goa and the Students who take up that courses will be provided reimbursement up to 50% of fees paid and reimbursement per student per year will be limited to Rs 50,000 per year. Startup Promotion Cell will also endeavour to provide the courses on the Startup Goa Portal for students at subsidised rates. Funds for the same would be provisioned from the Skill Development Fund.
- c) Each year the cell will organize a 'Goa Start-Up Ideas' competition, for students from class VIII up to graduation, from which five promising Start-up ideas will be identified, incubated and fully funded by the cell for a period of three years. Additional incentives including stipend, equity distribution, etc. will be spelt out under a separate scheme for this purpose. Funds for the same would be provisioned from the Student Innovation Fund.
- d) Cell would collaborate with the Department of Skill Development & Entrepreneurship & Department of Higher Education, Technical Education to undertake activities and jointly run a technology fellowship program and identify technology educators in technical educational institutes in the State of Goa who are keen to upgrade their skills in the relevant areas.
- e) The Government will collaborate and assist Goa based educational institutes, industrial parks to set-up IT labs, Maker-labs, Centre of Excellence, Innovation centres in their premises with state-of-the-art facilities for school students to experiment and familiarise with emerging technologies. Funds for the same would be provisioned from the Student Innovation Fund.

## **7. Other Aspects**

- a) This policy shall remain in operation for a period of three years from the date of notification of the policy in the Official Gazette.

- b) Adequate budgetary provision will be made and transferred into the respective fund heads, through which benefits/incentives envisaged under this policy will be disbursed by the cell to applicants/ beneficiaries, thereby ensuring continuous availability of funds for the smooth and uninterrupted operationalization of this policy.
- c) In case of any doubt/ambiguity/lack of clarity regarding the meaning or interpretation of the any of the provisions of the policy stated above, which may arise during the implementation of the policy, the same shall be clarified in terms of the contents of the Preamble, Vision and Objectives stated above.
- d) In case of any disagreement regarding meaning/implementation of any of the provisions of the policy, the same shall be decided by the Government and the decision of the Government in this regard shall be final and binding on all parties.
- e) Disbursement of incentives will be done as per schemes and details rolled out pertaining to every incentive detailed in this policy. The Cell shall carry out entire due – diligence on the applications received and submit proposal to the Empowered Committee for approval. The decision of the Empowered Committee in this regard shall be final and binding on all parties.

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