



“Initiatives taken by State Government in promoting startups in Haryana”

Dr Raman Deep Singh

Assistant Professor
Department of Commerce
Government College
Ding Mandi, Sirsa (Haryana)

Vikrant Mohan

Assistant Professor
Department of Commerce
Government College
Bhattu Kalan, Fatehabad (Haryana)

Abstract

India ranks 3rd in the global startup ecosystem and also in terms of the number of Unicorns. Several Indian companies which started their initial journey as humble Startups have now been able to make a significant mark in the global business fraternity. The Government of Haryana firmly believes that innovation is the backbone of the economy and for that purpose it has developed an inclusive Blueprint of the growth of the Startups in the State. Government of Haryana has been instrumental in providing institutional support to the startups. The present study discusses the initiatives taken and benefits provided by Government for the Startups in the Haryana. Moreover, this study also assesses the various challenges which are faced by Government in the setting up and promoting the startups.

Introduction

Haryana is the home land of various new age entrepreneurs and is birth place of the many successful business magnets and large industrial houses of India. Gurugram, the IT city of Haryana has evolved as a technology startup hub of India and has nurtured many successful startups, which now have become big brands. The Government of Haryana is determined to use the potential of young entrepreneurs by offering them the necessary vital policies and maximum convergence by linking the broader Government of India initiatives including Digital India, Make in India, Skill India and Startup India.

With easy access to markets, an educated workforce along with excellent infrastructure, the State of Haryana has all the right ingredients to develop a strong ecosystem for both social betterment & sustained growth. At this point, when Government of India is brutally chasing the goal of creating an enterprising

India, it is very important for the State Governments to place startups at the core of policy making and launch a committed policy for foster growth of entrepreneurship. Historically an agrarian state, Haryana today is a well-developed industrial state. Out of 101 Unicorn Startups in India, 14 Unicorn Startups are based out in Haryana like Zomato, Urban Company, Policy bazaar, Delhivery, Cars24, Spinny, OfBusiness etc.

Presently, 3910 Haryana based startups are recognized by the Department for Promotion of Industry and Internal Trade (DPIIT) under the ministry of Commerce and Industry, Government of India as of 15th June 2022. Through this policy, the state government aims to promote and nurture the vibrant startup ecosystem in Haryana. The state has taken a multitude of initiatives to prioritize startup businesses and position them on an equal platform as established companies, by easing public procurement. The objective of the present study is to discuss the distinct levels of initiatives taken by government at every stage of startups in Haryana.

Definition of Startup

An entity shall be considered as a Startup:

- a) Up to a period of ten years from the date of incorporation/registration, if it is incorporated as a private limited company or listed as partnership form or a limited liability partnership in India.
- b) Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded Rs 100 crores.
- c) Entity is working towards innovation, development or improvement of products or processes or services.
- d) Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a 'Startup'.

Initiatives taken by Government of Haryana for the startups

The State Government on June 27, 2022 approved a new Haryana State Startup Policy, 2022 prepared by the Department of Information Technology, Electronics and Communications, Haryana. Through this policy, the state government aims to promote and nurture the vibrant startup ecosystem in Haryana. The following initiatives have been taken by the government to boost up the startups in Haryana:

1. Infrastructure augmentation

Infrastructure will be the key to the growth of the startups in the State. For this purpose, the Haryana Government aims to develop the world-class physical infrastructure in the state that provides an encouraging environment for ideas to originate, scale-up and see business fruition.

1.1 Developing Infrastructure

The State Government has set up an innovation hub in Gurugram covering an area of 30,000 square feet comprising of Startup Warehouse, Mobile Application Centre, United Nation Technology & Innovation lab and IoT (Internet of Things) Centre to enhance the start-up ecosystem in Haryana.

a. Start-up Warehouse in Gurugram:

Haryana State Electronic Development Corporation Limited (HARTRON) introduced a start-up

warehouse on 10,000 Sq. ft. of land in Gurugram in association with NASSCOM in the year 2018.

The Startup warehouse shall offer shared office space to startups and entrepreneurs.

b. IoT Centre

An IoT center has been setup in Gurugram collaboration with NASSCOM and ERNET in the year 2018 with the aim to provide platform for Design, prototype to realizing product by harnessing creative capability of Academia, Industry, start-ups and entrepreneur.

c. Entrepreneurs Centre

New Entrepreneurs Centre would be developed in the state in addition to already established centre in Gurugram. The purpose of these centers would be to provide holistic infrastructure support to startups. These centers would be attracting the best startups and entrepreneur organization from across the world to various districts in the state.

d. New Incubation Centers in Government Universities and other Institutions Financial assistance for creating incubation center at government universities and other government institutions up to the extent of Rs 50 Lakhs per incubator and Rs 20 Lakh for recurring expenditure for 5 years.

Financial assistance up to Rs 10 Lakh per incubator for existing incubation center at government universities and other government institutions for upgrading the facilities.

e. New Mobile Application Centre:

Financial support of Rs 4 crore for capital expenditure to any Government Department for creating Mobile Apps Development Center in collaboration with Internet & Mobile Association of India/Central/State Government Universities and yearly support of Rs 1 crore for three years at Panchkula, Hisar and other locations in Block 'C' and 'D'.

f. Incubation Center

The incubation centers would be created in every district in phased manner based on the resources which are available in that region. The Government will give space to the startup in their Incubation centre for one year in the first instance. The period may be extended to a maximum of 3 years. The Incubation centers would assist the following activities.

1. Play and Plug Infrastructure
2. Mentoring support in business plans, networking of business resources, and entrepreneurial development through Haryana Startup Ecosystem.
3. Facilitate in project and product selection
4. Credit facilitation such as seed capital assistance, marketing assistance, professional assistance.

g) Incubation Network in Haryana

a) State Owned Incubation Network

The Government would develop its own incubation network by utilizing the existing infrastructure in the State. All the Government/Private incubators operating from Haryana have to mandatorily register with the Startup Haryana, DITECH.

b) Accelerator

The Government will establish at least one world class Accelerator by inviting Global

Accelerators to set up their program in State.

2. Fiscal Support

The State Government has proposed many incentives for Incubators, startups and other stakeholders.

2.1 Incentives to Startups/Entrepreneurs

a) Lease rental subsidy:

Reimbursement of 30% of lease rental for general Startups and 45% for startups with only women founders, operating from incubators/IT parks/Industrial Clusters shall be eligible for a period of 1 year subject to minimum of Rs 5 Lakh.

b) Patent Cost

Reimbursement of 100% of the actual expenses with a maximum of Rs 25 Lakh for domestic and international registration.

c) Net SGST Reimbursement

50% Net SGST Reimbursement for 7 years with a cap of 100 FCI.

d) Assistance in Acceleration Program

Support Startups up to Rs 2.5 Lakh to attend national acceleration programs and Rs 5Lakh for international acceleration programs.

3. Regulatory Easing

3.1 Optimizing Regulatory Framework

In its endeavor to create a encouraging environment for companies, the Government of Haryana shall be implementing some landmark reforms for regulatory simplification. All the regulatory clearances shall be approved under the Single Roof Clearance System of Haryana Enterprise Promotion Center in a time bound manner by implementing an online state startup portal.

3.2. Preferential Procurement

The Government shall encourage the participation of startups in the Government procurements by the exemption of Tender Fee, Earnest Money Deposit, and concession in security etc.

3.3. CSR Fund Utilization for Development of Startup Ecosystem

The CSR Funds of PSUs/Corporate will be utilized to strengthen the incubators & other infrastructure.

4. Entrepreneurial Development

The Government would work with universities, educational institutions and the industry to inculcate the habit of innovation and entrepreneurship in the minds of citizens.

4.1. Academic Intervention

A special training program will be designed organized by faculty development to be equipped with the know-how of startups in order to cultivate entrepreneurship intellect.

4.2 Distribution of Technology Kit

Distribution of microcontroller or microprocessor-based startup boxes to students to promote the learning of basic computer science and electronics in schools and ignite the imagination of students

through Do-it-yourself projects.

4.3 Scientific Conferences for industry-institute collaboration

Scientific Conference would be conducted annually by DITECH along with Department of Science and Technology by inviting scientists and researchers from around the world in association with Research Institutions with the aim to create collaborations among colleges.

5. Awareness and Outreach

Entrepreneurship Development Programs across 22 districts of Haryana will be organized every six months for sensitization and awareness among the aspiring innovators/entrepreneurs and school/college students about their growth opportunities and potential in the Startup Ecosystem. The incubator will be given assistance of up to Rs 20 Lakh per event for organizing startup competition festival in institutes of national importance.

6. Way Forward

There are additional steps that the state could take in order to build upon the already engaged initiatives.

1. Increase number of registered startups
2. Prioritize market outreach to boost Women Entrepreneurship
3. Additional amendments in rules and regulations to support startups
4. Real-time query resolution support integration
5. Setting up additional incubators

7. Conclusion

At present day, startups are growing like a grapevine. Haryana's financial development has been praiseworthy and regardless of being little in size, its contribution to public money is almost 3.5 percent of the GDP. The State firmly believes that innovation is the backbone of the economy and hence developed an inclusive blueprint for the development of a Startup Ecosystem in the State. While the State economy is having a strong manufacturing base, the Startup Sector is moving at a very pace. The Government of Haryana needs to provide the youngsters and new entrepreneurs with the necessary policy push, robust infrastructure and liberalized regulatory compliances. The state has also developed a well-equipped online implementation system along with a mentor network to support the startups. A call center has been setup by the state to respond to the queries raised by startups. Additionally, the state is also taking support from various other departments in order to boost the startup ecosystem. The economy of the state is developing at a high speed especially in the area of Services and IT making Haryana ready for the startups. At this stage when The Government of India is very much committed towards making India an Enterprising economy, the Government of Haryana is quick to taking major initiatives for creating a good environment for the Startups. The government needs to reduce the procedural and bureaucratic hurdles which hinder the functioning of Startups.

References

<https://fcd.harviana.gov.in/images/FileUploaded/HaryanaStartupPolicy2022pdf718202221514PM.pdf> https://www.startupindia.gov.in/srf/reports/Haryana_State_Report_26072020.pdf

<https://www.drishtiias.com/state-pcs-current-affairs/haryana-state-startup-policy-2022>

<https://www.newindianexpress.com/nation/2022/jul/05/gujarat-on-top-of-list-of-states-in-startup-ranking-meghalaya-best-among-smaller-states-2473079.html> <https://www.india.com/business/india-ranks-3rd-in-global-startup-ecosystem-number-of-unicorns-says-minister-5568608/>

https://manavrachna.edu.in/wp-content/uploads/2021/01/Haryana-startup-policy_final_28th-sep-2017.pdf https://www.startupindia.gov.in/content/dam/investindia/Templates/public/Dpiit_new%20V3.pdf