SIKKIM

GOVERNMENT GAZETTE

EXTRAORDINARY
PUBLISHED BY AUTHORITY

Gangtok **Monday 10th November 2025** **No. 421**

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No: 09/C&I/2025 **Date: 09/10/2025**

NOTIFICATION

The Government of Sikkim is hereby pleased to notify the "Sikkim Start-up Policy, 2025", with immediate effect. The Policy shall remain in force for a period of 5(five) years or until modified/superseded by the subsequent Policy of the State Government.

Detailed guidelines for the implementation of the said Policy shall be issued separately.

By order and in the name of the Governor.

Karma D. Youtso, SCS
Secretary
Commerce & Industries Department
(File No:9/SI/58/C&I/2024-25)

SIKKIM STARTUP POLICY 2025

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Glossary

CSR	Corporate Social Responsibility
COI	Certificate of Identification
DIC	District Industries Centre
DLC	District Level Committee
EDC	Entrepreneurship Development Cell
EMD	Earnest Money Deposit
EPC	Entrepreneurship Promotion Cell
FAQ	Frequently Asked Questions
FoF	Fund of Funds
GeM	Government e-Marketplace
GST	Goods and Services Tax
ID	Identification
IIM	Indian Institutes of Management
IIT	Indian Institute of Technology
INR	Indian Rupee
IPR	Intellectual Property Rights
IT	Information Technology
KPI	Key Performance Indicator
MOOC	Massive Open Online Course
MSME	Micro, Small and Medium Enterprises
NABARD	National Bank for Agriculture and Rural Development
NGO	Non-Governmental Organization
NIESBD	National Institute for Entrepreneurship and Small Business Development
NIT	National Institutes of Technology
PSU	Public Sector Undertaking
PWD	Persons with Disabilities
RBI	Reserve Bank of India

R&D	Research and Development
SHG	Self-Help Group
SIDBI	Small Industries Development Bank of India
SISCO	Sikkim Industrial Development and Investment Corporation
SLC	State Level Committee
SMUTBI	Sikkim Manipal University Technology Business Incubator
SOP	Standard Operating Procedure
SPARK	Sikkim Promotion and Assistance for Rapid Knowledge
TBI	Technology Business Incubator
UGC	University Grants Commission

1. Sikkim: A Nexus of Biodiversity, Culture and Sustainable Development

Sikkim, a small state in the eastern Himalayas, holds significant strategic value due to its unique geography, rich culture and growing economy. Covering an area of 7,096 square kilometers, It is the second smallest State in India by both area and population, with approx. 6,10,577 residents as per the 2011 Census.[1] Its varied climate, ranging from subtropical to alpine, supports remarkable biodiversity, making it a prominent biodiversity hotspot in the country.

Culturally, Sikkim is a vibrant mix of traditions influenced by its Indigenous communities, such as the Lepchas, Bhutias and Nepalis and is home to eleven official languages. The State's cultural richness is evident in its festivals, like Losoong, Namsoong, Tendong Lho Rum Faat, Losar (Tibetan New Year) and Dasain, as well as its cuisine, featuring dishes such as momo and phagshapa. Agriculture plays a vital role in the State's economy, with Sikkim leading the way in organic farming, being the first State in India to achieve 100% organic certification. Key crops include cardamom, ginger and other various fruits and vegetables. Tourism is another significant contributor, attracting over 1.6 million visitors in 2022 who come to explore the State's natural beauty and eco-tourism opportunities.[2]

Sikkim's economy is further strengthened by its hydropower potential, utilizing its river systems for sustainable energy. The industrial sector is expanding, particularly in areas like small-scale industries, handicrafts and IT, with a growing focus on renewable energy. Technological advancements in precision farming, digital literacy and infrastructure development are driving sustainable growth.

With its unique natural resources, cultural diversity and technological progress, Sikkim serves as a model for inclusive and sustainable development, balancing the preservation of its heritage with modern advancements.

2. Preamble

Sikkim is making considerable progress in areas like education, technical institutions and local businesses, supported by a strong tradition of organic farming, innovation, handicraft, art and tourism. These strengths create a favorable environment for fostering new Startup ventures.

The State envisions building a robust Startup ecosystem by encouraging collaboration among the Government, industries, NGOs, civil society and educational institutions. This initiative aims

[1] https://sikkim.gov.in/departments/sikkim-information-commission

[2] https://www.ceicdata.com/en/india/resident-visits-by-States/visitor-arrivals-local-sikkim

to empower local entrepreneurs, meet the aspirations of the youth and align with Sikkim's cultural identity.

The Sikkim Startup Policy focuses on key areas such as skill development, financial support, market access and branding while preserving the State's unique cultural and environmental heritage. Special emphasis is placed on empowering women and youth, ensuring their active involvement in shaping the Startup landscape.

By nurturing local talent, leveraging resources and promoting creativity, the Policy aims to position Sikkim as a leader in sustainable and inclusive entrepreneurship. This effort will generate employment, support community growth and contribute to the State's long-term economic development.

3. Policy Period

The Startup Policy will be effective for 5 (five) years from the date of its notification or until the State Government decides to come up with the new policy which will supersede the existing policy or extend or modify it.

4. Vision

To transform Sikkim into a vibrant Startup Ecosystem that nurtures local talent, encourages innovation and promotes sustainable economic growth, all while safeguarding the State's distinctive cultural and environmental heritage.

5. Mission

(1) **Empowering local talent** by providing focused skill development, financial support and market opportunities, with an emphasis on uplifting women and youth to leverage their unique perspectives and abilities in the Innovation space.
(2) **Encouraging innovation** by creating an environment that promotes creativity, technological progress and inventive solutions to meet the changing needs of the market.
(3) **Building a supportive ecosystem** by establishing a collaborative framework that brings together Government, Industries, NGOs, Educational Institutions and formal Financial Institutions to foster local entrepreneurship and create a strong support network.
(4) **Promoting sustainable development** by creating frameworks that encourage economic growth while prioritizing responsible, sustainable practices that benefit both society and the environment.
(5) **Providing startup-led support** through access to capital, market linkages and technical assistance to foster growth and innovation.

(6) To **streamline the regulatory environment** and **simplify Government procurement processes** to facilitate ease of business for Startups and local entrepreneurs.

6. Policy Objectives

The primary goals of the Policy are outlined below:

(a) to create 500 (**five hundred) new Startups** including 200 (**two hundred) new women-led Startups** during the Policy period, supported by the establishment of 1(**one) innovation hub** and 4(**four) incubation centers** in Sikkim;

(b) **to empowering existing and new startups** with strategic support, resources and innovation-driven initiatives to scale sustainably and compete globally;

(c) to form **partnerships with key stakeholders**, providing resources, mentorship, funding and market access for Startups at various stages of development, both nationally and internationally;

(d) to **nominate State Ambassadors** from successful Startups and innovations, recognizing and promoting their contributions to inspire others within the ecosystem;

(e) to deliver **entrepreneurship training** through workshops and skill-building programs, with a focus on **encouraging women's entrepreneurship** and supporting women-led businesses;

(f) to **address State-specific challenges** through grand challenges that encourage innovative solutions from Startups and educational institutions;

(g) to **foster innovative thinking in educational institutions**, inspiring students to develop solutions that address local and regional issues;

7. Key Definitions

(1) **Entity:** Private Limited company or one person company (as per the Companies Act, 2013/ the Registration of Companies Act, Sikkim, 1961), a Registered Partnership Firm (under The Partnership Act, 1932) or Limited Liability Partnership Firm (under the Limited Liability Partnership Act, 2008) in India.

(2) **Incubator:** An organization created to assist Startups in their initial stages by helping them develop scalable business models. It offers various business support resources and services, such as office space, capital, coaching, mentoring, legal and corporate services and networking opportunities. An incubator can also refer to a Technology Business Incubator (TBI) recognized by the Central or State Government. The incubator must be a registered entity under one of the following categories:

(a) Society registered under The Societies Registration Act, 1860 or under The Sikkim Regulation of Societies, Associations and Voluntary Organizations Act,2015
(b) Company registered under Sector 8 of The Companies Act, 2013
(c) Private Limited Company registered under The Companies Act, 2013 or The Registration of Companies Act, Sikkim, 1961
(d) Public Company registered under The Companies Act, 2013 or The Registration of Companies Act, Sikkim, 1961
(e) Limited Liability Partnership registered under The Limited Liability Partnership Act, 2008)
(f) State-Level Committee may consider case of a reputed academic Institution or University or Deemed University for recognition as incubator even if the same does not fall under any of the above categories.

(3) **Innovation:** The process of translating an idea or invention into a product or service that creates value for which customers are willing to pay. Innovation involves deliberate application of information, imagination and initiative in deriving greater or unique value from available resources.

(4) **Startup:** An entity will be considered a "Startup" under this Policy if it is recognized as a "Startup" under the "Startup India initiative" with 51% (fifty-one per cent) equity/ownership by individuals of Sikkim origin[3] and meets the condition listed below, or if it satisfies all the following conditions:
a) The entity's date of incorporation/registration must not be more than 10 (ten) years old. However, for entities in the biotech sector, this period extends to 15 (fifteen) years;
b) Its annual turnover does not exceed INR 100 crore (rupees one hundred crores) for any preceding fiscal year;
c) A minimum of 51% (fifty-one percent) equity share or ownership of the entity must be held by an individual of the Sikkim origin possessing a valid Certificate of Identification (COI) issued by the Govt of Sikkim;
d) Such an entity is working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property and makes it scalable for achieving commercial success;
e) Such an entity is not an extension of the existing family business or formed by splitting up or reconstruction of a business already in existence;

[3] In joint venture, it is essential that one of partners or entrepreneurs combined is from Sikkim origin and holds a valid Certification of Identification (COI), which mandates a minimum equity share of 51%.

(5) **Aspirant or Startup Aspirant:** It refers to an individual or a group of individuals of Sikkim origin with an innovative business idea who intend to establish a startup. They may be in the ideation or early-stage development phase and are yet to formally incorporate or register their business.

(6) **University:** A University established or incorporated by or under a Central Act, a Provincial Act or a State Act and includes any such institution as may, in consultation with the University concerned, be recognized by the University Grants Commission (UGC) in accordance with the regulations made in this behalf under the University Grants Commission Act, 1956[4].

(7) **Entrepreneur:** The actions of an individual or group focused on launching economic activities in the formal sector through a legally recognized business structure.[5]

(8) **Women led-enterprise:** industry-related service, or business enterprise managed by one or more women entrepreneurs in a proprietary setup, or where they individually or jointly hold at least 51% (fifty one percent) of the share capital as partners, shareholders, directors of a private limited company, or members of a cooperative society.[6]

(9) **Spark ID:** The Spark ID is a unique ID generated in the Sikkim Spark Portal duly approved by the concerned authority which recognizes a Start up to be eligible to apply for benefits under the Sikkim Start up Policy, subject to conditions laid out by the authority.

(10) **Scope:** The policy provides for exemptions and benefits over and above the Startup Policy of the Government of India. In case the same benefit is available under another State policy, the benefit will only be allowed under one policy.

(11) **Disqualification of a Startup under the Startup Policy:** A registered startup shall be disqualified under this Policy if it is found to have submitted false, manipulated, or forged documents or information at any stage of the application or incentive availing process. In such cases:

(a) All incentives, benefits and financial assistance availed under this Policy shall be revoked and the startup shall be liable to refund the entire amount received;

(b) The startup shall be blacklisted and barred from availing any further support under this Policy or any other State or Central Government Schemes;

(c) Legal action may be initiated against the entity and individuals responsible, as per applicable laws;

The decision of the competent authority regarding disqualification, recovery of incentives and blacklisting shall be final and binding.

[4] University Grants Commission Act, 1956, chapter 1(f), p. 6

[5] World Bank. (2007). *Entrepreneurship and Firm Formation Across Countries* (Policy Research Working Paper No. 4313, p. 3). World Bank.

[6] Government of India, Ministry of Industry, Circular No. 1 (6)/90- SSI.Bd, August 16.1991

(12) **Exit from the Policy:** A registered startup may exit from the benefits of this Policy under the following circumstances:

(a) If the startup voluntarily chooses not to avail of further benefits under the Policy, it may formally communicate its decision to the designated authority for withdrawal.

(b) If the equity share or ownership held by individuals of Sikkim origin falls below 26% (twenty-six percent) due to dilution or any other reason, the startup shall no longer be eligible for benefits under this Policy.

Upon exit, no further fiscal incentives or support shall be provided to the startup. However, any incentives already availed before the exit shall not be subject to recovery unless obtained through misrepresentation or fraud.

8. Nodal Agency

The **Department of Commerce and Industry, Government of Sikkim**, will serve as the Nodal Agency for the Sikkim Startup Policy 2025. The Nodal agency will establish a system for recognizing Startups, enabling them to apply for and benefit from the provisions outlined in this Policy, as well as any future initiatives. The Nodal Agency will also be responsible for the following:

(a) oversee the selection and registration of eligible Startups;
(b) identify key sectors and remain open to discussions on new and innovative ideas;
(c) implementation of the policy will be the responsibility of the nodal agency;
(d) form a **Startup Advisory Committee** as the main body to advise on facilitating Startups in the State. This committee will be tasked with the following duties namely:-
    (i) Conducting an annual review of Startup initiatives in the State.
    (ii) Streamlining and monitoring Startup-related activities.
    (iii) Suggesting necessary modifications during Policy reviews.

9. Ongoing Stakeholder Engagement

The Policy aims to maintain consistent engagement with emerging Aspirants, Startups at all stages, incubators, funding institutions, relevant Central or State Government departments, sector-specific organizations, national and State-level industry or entrepreneurship promotion bodies, skill development agencies, students and other key players in the ecosystem. This ongoing interaction will help generate awareness and address key issues to support and facilitate the growth of Startups.

(1) Stakeholder Mapping

(a) **Local Startups and Aspirants:** Individuals and organizations actively engaged in starting and running Startups, especially in emerging sectors.

(b) **Government Departments:** Departments of the Sikkim Government, Departments of the Central Government, Central and State PSUs, Deemed Government Companies, Academic Institutions and Universities.

(c) **Financial Institutions:** Banks (e.g. NABARD, SIDBI, etc.), Seed Funds, Venture Capitalists, Angel Investors and other funding sources recognized by RBI Bank of India that provide financial support for Startups.

(d) **Educational and Research Institutions:** Universities and Technical and Management Institutes (e.g NIESBUD, NITs, IITs, IIMs and other renowned National Institutions) with incubation centers) that foster research, innovation and entrepreneurship.

(e) **Incubation and Support Centers:** Organizations that offer resources, mentorship and infrastructure for Startups.

(f) **NGOs:** Non-Governmental organizations and platforms supporting social enterprises, women entrepreneurs and marginalized groups.

(2) Engagement Strategies

(a) **Workshops:** Interactive workshops will be organized to promote knowledge-sharing, discussions and collaboration. These events will provide a platform for stakeholders to explore new opportunities, best practices and address challenges.

(b) **Grand Challenges:** Special grand challenges will be introduced to address State-specific issues, encouraging innovative solutions from Incubators, Startups, Aspirants, Students and driving creative problem-solving.

(c) **Sessions with Mentors:** Regular mentoring sessions will be organized, connecting Startups with experienced entrepreneurs and industry experts to guide them through challenges, share knowledge and provide practical advice.

(d) **Inclusive Engagement:** Efforts will ensure equal participation from all groups, such as women entrepreneurs, rural Startups and social enterprises.

(e) **Stakeholder Portal:** A dedicated online portal, Sikkim SPARK, will be promoted to connect all stakeholders, facilitating easier access to resources, networking opportunities and collaboration across the Startup ecosystem.

(f) **Feedback Mechanisms:** Feedback tools will be used to gather insights on specific challenges and opportunities in the Startup ecosystem, allowing stakeholders to voice their concerns and provide actionable feedback.

10. Regulatory Frameworks

A supportive regulatory framework is crucial to address the unique challenges faced by Startups, such as compliance requirements and intellectual property protection. The Policy aims to simplify compliance processes, streamline business registration, protect intellectual property, provide legal assistance. By reducing operational burdens and fostering a transparent and supportive environment, the framework seeks to enable Startups to focus on innovation and contribute to economic growth.

(1) **Self-Certification Compliance Regime**: Startups shall be allowed to self-certify compliance. This approach will minimize the need for physical inspections in the early stages of operation, reducing regulatory burdens for new businesses.

(2) **Simplified Business Registration Process:** The State Government shall identify a regulatory framework offering a simplified, streamlined online business registration process, enabling Startups to quickly obtain necessary licenses and permits for business operations.

(3) **Intellectual Property Protection and Ideation IPR:** Support, guidance and fiscal incentives shall be provided for intellectual property protection and ideation activities.

(4) **Annual Compliance Requirements:** Clear and manageable annual compliance requirements will be set, such as filing returns and conducting audits, ensuring accountability while minimizing administrative burdens. These requirements will be tailored to the scale and nature of each Startup's operations.

(5) **Procurement Support Framework**

(a) Exemption from Experience and Turnover Criteria: Startups participating in public tenders will be granted exemption from prior experience and turnover criteria. This measure will reduce entry barriers, allowing Startups to compete on equal terms with established businesses.

(b) Waiver on Earnest Money Deposit (EMD): The Government of Sikkim shall waive the Earnest Money Deposit (EMD) for Startups participating in Government tenders. This waiver will alleviate financial constraints and encourage greater participation by Startups in public procurement processes.

(c) Direct Procurement from Startups: The Government of Sikkim shall facilitate the direct procurement of goods and services from registered Startups, up to a specified limit of INR 50 lakhs, without the need for a formal tendering process. This mechanism will streamline procurement, enable quick acquisition of innovative solutions and encourage local innovation by providing Startups direct access to Government departments.

11. Digital Resource Library

The establishment of a comprehensive digital platform, dedicated web portal Sikkim SPARK, aims to support the growth and development of Startups in the State. The portal will serve as a centralized resource hub, offering crucial information on business registration, funding opportunities, training programs and innovation support. Additionally, it will facilitate networking, mentorship connections and market access, creating a collaborative environment for entrepreneurs.

(1) **Startup Resource Hub**

(a) The portal will offer **step-by-step guidance** on business registration processes, including compliance with the Companies Act, 2013, the Registration of Companies Act, Sikkim, 1961 and IPR registration. It will also provide information on relevant Acts, Rules for Self-Certification and other applicable regulatory requirements necessary to operate a Startup or Enterprise in Sikkim.

(b) It will offer awareness to both **Central and State Government Schemes**, detailing available bank loans, subsidies and other funding opportunities for Startups and Aspirants.

(c) **Updates on workshops, boot camps, training programs, seminars and event calendar** aimed at fostering Startup development will be available.

(d) **Knowledge resources**, such as case studies, best practices, success stories and real-time scenarios, will be provided to help entrepreneurs navigate the Startup journey.

(e) The portal will offer **multilingual resources** in English, Nepali, Bhutia, Lepcha, disability-inclusive language and other relevant languages to ensure broader accessibility. Collaborations will be formed to offer certified courses and programs.

(f) A wide range of **training courses** will be available for Startup founders and employees, focusing on essential entrepreneurship skills.

(g) The portal shall serve as a **learning platform for potential investors**, for Startup Identifications/ promoter profile for Startup investment fundamentals, while fostering the development of angel investor networks in the State. Direct connections will be facilitated between Startups and investors, including Venture Capital firms.

(2) Fundraising Opportunities

(a) The portal shall function as a bridge connecting Startups with funding agencies, angel investors and venture capitalists, both national and global, expanding opportunities for investment and business scaling.

(b) Access to Government schemes, loans, subsidies, reimbursements, Seed Funds and other financial benefits will be available to Startups through the portal.

(c) Information on banking services for easy access to loans and business account offerings will be provided to support financial needs and operations.

(3) Social Media and Transparency

(a) A dedicated Agency shall manage social media accounts, promoting transparency and highlighting the activities conducted from ideation to launch and ensuring active engagement with the Startup community.

(4) Support Services

(a) The portal will feature a dedicated query team to assist with inquiries related to registration, funding, schemes and other Startup services.

(b) A formal grievance mechanism will be in place to address complaints and ensure timely resolution.

(c) The portal will collect feedback on services and resources, enabling continuous improvement.

(d) A self-help section will be provided, including FAQs, guides, troubleshooting tips and an AI chatbot for immediate support.

12. Innovation Hub and Incubation Support

This Policy outlines the establishment of the Innovation Hub and 4 (four) incubation centers across Sikkim, with the goal of fostering technology and entrepreneurship by building strong linkages between academic institutions, industries and research organizations. The initiative aims to provide critical resources, funding and expertise to support innovation and local industry development, leveraging collaborations with national bodies and stakeholders.

(1) Physical Space and Infrastructure

(a) **Central Innovation Hub:** The Innovation Hub shall be in the State capital, providing flexible co-working spaces for collaboration across industries and disciplines. These spaces will be equipped with modern infrastructure, supporting various activities from individual work to team-based projects.

(b) **R&D Labs:** The Hub will establish the State-of-the-art research and development labs for testing, prototyping and the development of innovative ideas and technologies.

(c) **Showcase Space**: A dedicated space will be set aside for entrepreneurs to display their products, prototypes and innovative ideas, encouraging networking, feedback and visibility.

(2) Partnerships and Stakeholder Engagement

(a) **National and Regional Collaboration:** Partnerships will be initiated with national and regional incubators, universities, industry bodies and professional networks to provide Startups with access to mentors, investors and strategic partners.

(b) **Awareness Campaign:** A promotional campaign will raise awareness about the services, resources and funding opportunities available to Startups.

(3) Support Services

(a) **District-level Incubation Centers:** 4 (Four) incubation centers across Sikkim will provide essential services for Aspirants, Early-stage Startups, including trainings, mentorship, business development resources and access to technical assistance tailored to local entrepreneurs.

(b) **Tinkering Labs:** These labs will be established in schools and colleges, fostering creativity among young minds and supporting the development of innovative concepts.

(c) **Entrepreneurship Development Cells (EDCs):** EDCs will be set up in District Industries Centre (DIC), promoting entrepreneurial thinking and providing support through resources, training and mentorship.

(d) **Entrepreneurship Promotion Centers (EPCs):** EPCs shall be established in the Universities, Colleges and Technical Educational Institutions (e.g. ITI, Polytechnic and Engineering Collages) to foster entrepreneurial thinking. These centers will provide resources, mentorship and support while facilitating connections between Aspirants, Startups, Entrepreneurship Development Centers (EDCs) and other Government initiatives.

(4) Mentorship and Accelerator Programs

(a) **Mentorship Network:** The Hub will establish a wide-ranging network of mentors from various sectors, including technology, business, management and regional arts, to guide Startups through the initial stages of development.

(b) **Accelerator Programs:** Designed to support Startups in the Growth Stage, these programs will provide mentorship, resources and potential financial backing, lasting between 3 (three) to 6 (six) months. A dedicated women-led Accelerator Program will also be introduced to address the specific challenges faced by women entrepreneurs.

(5) Community Engagement

(a) **Diversity and Inclusion:** Special programs will target underrepresented groups, including women, youth, marginalized communities, SHGs and SHG federations and ensuring their active participation in the innovation ecosystem.

(b) **Institutions Collaborations:** Strong partnerships with universities, colleges and technical institutes will enable students and faculty to engage with the Startup ecosystem, contributing to product development and fostering innovation.

(6) Access to Resources

(a) **Access to financial Information:** Startups will relate to seed fund, angel investors and Government grant programs. An angel network consisting of local industrialists, successful entrepreneurs and university alumni will be developed to provide early-stage funding.

(b) **Technology and Infrastructure Support:** The Hub will provide access to advanced technology, including internet, specialized software and hardware for product development and research. Startups will also receive support in areas like product design, branding, market access and machinery.

(c) **Scaling Innovation Support:** The number of Innovation Hub or Incubation Centers will be expanded across Sikkim, ensuring that even rural and remote areas have access to innovation resources.

(7) Innovation Culture and Networking

(a) **Sector-Specific Innovation:** This provision will be developed for sectors specific such as agriculture, tourism, renewable energy and IT, providing specialized support and encouraging sector-specific experimentation.

(b) **Forums:** Forums will be organized to facilitate direct connections between Startups and large corporations, helping Startups gain insights into industry trends and explore collaboration opportunities.

(8) Mentorship and Continuous Support

(a) **Refinement of Mentorship Programs:** Mentorship matching will be continuously assessed, ensuring better alignment and more effective guidance. New mentorship tracks and specialized advisors will be added to support Startups as they scale.

(b) **Corporate Mentorship:** Through partnerships with large corporations, senior executives and industry leaders will be connected to Startups, providing strategic guidance on scaling operations.

(9) Support to Women led Startups

(a) **Women-Focused Incubation Centers:** Specialized incubation centers for women entrepreneurs will be established, offering mentorship, resources and networking opportunities.

(b) **Pre-Incubation and SHG Recognition:** Pre-incubation programs will help aspiring women entrepreneurs validate their business ideas and develop prototypes. Self-Help Groups (SHGs) will be recognized as formal Startup units, enabling their participation in procurement processes and access to State-driven schemes.

(c) **Women Scale-Up Centre:** A dedicated Women Scale-Up Centre will be set up to provide targeted support to women innovators looking to scale their businesses. This center will assist in preparing for investment, market expansion and leadership development.

(d) **Support Networks for Women Entrepreneurs:** Support groups and networks for women entrepreneurs will be encouraged to foster peer learning, experience sharing and collective problem-solving. These networks will provide a sense of community and empowerment, particularly for women in rural or underserved areas.

(e) **Engagement with Local NGOs:** Local NGOs focusing on women's empowerment will be engaged to extend the reach of resources and programs to a wider audience, ensuring that women from diverse socio-economic backgrounds have access to the entrepreneurial ecosystem.

(10) Sustainable Growth and Exit Strategy

(a) **Ongoing Support:** The Hub will facilitate connections between Startups and national or international networks of investors and industry experts to provide continuous guidance as Startups mature.

(b) **Exit Strategy:** A transition plan will be established to help startups integrate into larger industry networks and access growth capital as they outgrow the support provided by the Innovation Hub. The exit from the scheme will be defined and may include: startups that have been incorporated for more than 10 (ten) or 15(fifteen) years, startups involved in fraud or any other non-compliance, or if the Government makes an investment, the exit can occur after the support period is over.

(11) Continuous Monitoring and Evaluation

(a) **Feedback:** The progress of Startups and the effectiveness of the Innovation Hub will be regularly monitored through feedback mechanisms, ensuring that the ecosystem adapts to emerging technologies and market trends.

(b) **Innovation Ecosystem Updates:** Based on the results of evaluations, the innovation ecosystem will be continuously updated to address the evolving needs of Startups and the broader market.

13. Capacity Building and Enablement

The Policy aims to foster human capital development, infrastructure support among Startups. It emphasizes the importance of structured training programs, mentorship and networking opportunities to build the skills necessary for entrepreneurs to succeed. By focusing on technical expertise, traditional crafts, sector-specific knowledge and business acumen, the Policy aims to equip entrepreneurs with the tools to scale and sustain their ventures.

(1) Human Capital Development

(a) **Technical Skill Enhancement:** Structured training sessions and workshops will be organized to enhance the technical skills of the Aspirants. These sessions will focus on key areas such as software development, digital marketing, design thinking, entrepreneurship and other technological fields identified by the Nodal Agency, ensuring that Startups remain at the forefront of innovation.

(b) **Promotion of Traditional Crafts:** Dedicated training programs will be established to preserve and promote traditional crafts such as Thanka Painting, Wood Carving, Mask Making, Cane and Bamboo Crafts, Handloom Weaving and other regional art forms. These programs will combine modern techniques with traditional knowledge, enabling artisans and entrepreneurs to refine their craft while preserving Sikkim's cultural heritage.

(c) **Sector-Specific Training:** Training sessions will be offered based on emerging industry trends and specific demand assessments. These will be designed to meet the evolving needs of different sectors, providing Startups with relevant and up-to-date knowledge.

(d) **Collaboration with Experts:** The nodal agency will collaborate with industry experts, educational institutions and training organizations to identify sector-specific training needs. High-quality, customized training modules will be developed and delivered to address the unique challenges faced by Startups in various industries.

(e) **Mentorship Networks:** The Startups will establish robust mentorship networks that connect entrepreneurs with industry experts. These mentorship programs will guide founders through early-stage challenges, offering valuable insights into business strategies, product development and market penetration.

(f) **Networking and Knowledge Sharing:** Regular networking events, seminars and conferences will be organized to foster collaboration and facilitate connections between Startups, investors, industry peers and potential business partners. These events will encourage knowledge exchange, partnership opportunities and access to funding.

(g) **Publications and Outreach:** Brochures, booklets and newsletters will be published in local languages to facilitate the availability of fiscal and non-fiscal support from banks and District Industries Centers (DICs).

(2) Infrastructure and Technology Support

(a) **Access to Technology and Infrastructure:** Startups will be provided with access to essential technology, software tools, hardware and flexible workspace to streamline their operations. This support will ensure that entrepreneurs can focus on innovation without being hindered by a lack of resources.

(b) **Specialized Training in Emerging Technologies:** The Policy will encourage Startups to stay ahead of technological advancements by providing specialized training in the latest tools and technologies. This training will ensure that entrepreneurs are equipped to leverage current trends and innovations in their business models.

(c) **Research and Development (R&D) Support:** Startups will be incentivized to invest in R&D through dedicated support in terms of funding, infrastructure and technical expertise. This will help Startups develop innovative products and services, enhancing their competitive edge in the market.

(3) Building Capacity for Sustainable Growth

(a) **Comprehensive Financial Training:** Startups will have access to fiscal management training programs that cover budgeting, cash flow management, financial Statements, securing low-interest loans and navigating venture capital. These programs will equip entrepreneurs with the knowledge to manage their financial resources effectively and make informed decisions as they scale their businesses.

(b) **Capacity-building** programs will be introduced to help startups participate in public procurement. These will include orientation programs, handholding support, workshops and mentorship to guide startups through tendering, compliance and bidding processes, enabling better access to Government contracts.

(c) **Training on Financial Risk and Its Management:** Startups face various financial risks that can impact their sustainability and growth. This program will focus on identifying financial risks, such as cash flow shortages, market fluctuations, and debt burdens. It will provide strategies for risk mitigation, including credit management, contingency planning, diversification, and insurance coverage, ensuring startups develop financial resilience and long-term stability

(4) Community Engagement and Knowledge Exchange

(a) The State will host an **annual innovation summit** that will serve as a platform for conferences, talks, workshops and webinars. This event will bring together entrepreneurs, investors, mentors, stakeholders, fostering connections, collaborations and the sharing of innovative ideas.

(b) **Quarterly sessions with local and national mentors, business leaders and experienced entrepreneurs** will be organized. These programs will offer knowledge exchange, skill-building opportunities and motivational talks, benefiting Startups and entrepreneurs in Sikkim.

(c) **Hackathons, Pitch Competitions and Startup Meetups:** The Government shall organize hackathons, pitch competitions and Startup meetups, providing opportunities for students, faculty and entrepreneurs to collaborate, share ideas and display their innovations. These events will foster a vibrant Startup ecosystem and encourage cross-collaboration between academia and industry.

(d) **Massive Open Online Courses (MOOCs):** MOOCs will be introduced into the curriculum as elective courses, providing accessible, flexible learning opportunities for students across Sikkim. Depending on regional requirements, these courses may be assigned credit, further integrating entrepreneurial education into the State's academic framework.

(e) **Yearly Exchange Programs:** A yearly exchange program will be established for students and entrepreneurs to gain exposure to leading innovation hubs in other States. These exchange programs will provide valuable first-hand experience and promote cultural and Startup ecosystem exchanges.

(f) **Certification and Recognition:** The Government shall partner with national institutions offering professional training and certification to ensure these programs meet high standards and are accessible to Startups.

(g) **Financial Support for Training:** The Government shall subsidize certain operational costs associated with delivering training programs. Startups that successfully complete approved programs will be eligible for reimbursement of training and certification fees, with a maximum limit of INR 50,000. Reimbursement for training institutes and facilitators will also be provided, with a cap of INR 80,000. Detailed guidelines on eligibility, registration and application processes will be made available by the nodal agency.

14. Market Linkages Facilitation

The Policy will establish connections between Startups and larger businesses, Government procurement processes and other market access channels. This approach will enable Startups to tap into viable markets for their products and services, thereby increasing their chances of success and growth.

(1) **Promotion of Traditional Crafts and Organic Products:** Startups involved in Sikkim's traditional crafts and organic products will be provided with platforms to display their offerings. These platforms will include State fairs, exhibitions and online marketplaces, enhancing the visibility and marketability of local products.

(2) **Global Market Access:** The Policy will facilitate a market access program through the Global Alliance, promoting international collaboration with global innovation hubs. This initiative will bolster the global positioning of Sikkim-based Startups and provide them with international exposure and partnership opportunities.

(3) **Marketing Support Programs:** To assist Startups in entering the market, developing a customer base and positioning themselves competitively, the Government shall implement marketing support programs. These programs will provide crucial resources such as branding, promotional activities and customer outreach initiatives as well as training for Government procurement will also be provided.

(4) **Rural Startup Support:** Special provisions will be made for rural Startups, including facilitation and testing support to encourage innovation and scalability in rural solutions. This will empower rural entrepreneurs to address local challenges through innovative business models, contributing to rural economic growth.

(5) **Expos and Trade Show Participation:** Eligible Startups, with a focus on women-led, rural and social impact Startups, will be provided with special assistance to participate in national and international expos and trade shows. This will ensure equitable access to platforms that enhance visibility and market growth for these Startups.

(6) **Local Expos and Fairs:** Local expos and fairs will be organized to allow businesses and Startups to display their products, services and innovations. These events will promote local entrepreneurship and provide a platform for attracting customers, partners and investors, contributing to the overall growth of the Startup ecosystem.

(7) **National and International Exposure:** Platforms will be developed for Startups to demonstrate their products to national and international buyers. These opportunities will help Startups secure orders and form long-term business partnerships, expanding their reach and client base.

15. Fiscal Incentives

This Policy aims to provide strategic financial support and incentives aimed at stimulating the growth of Startups, particularly in key sectors vital to the State's development. By addressing financial challenges, the Policy encourages innovation, attracts investment and fosters a dynamic entrepreneurial ecosystem. Moreover, the Policy integrates incentives that promote gender inclusivity, local employment and rural development, ensuring that the benefits of entrepreneurship are distributed widely, creating a sustainable and inclusive Startup landscape.

(1) Seed Fund Support

The State-backed Seed Fund, offering equity-free capital, will provide funding support of up to INR 15 lakh (rupees fifteen lakhs) for startups engaged in rural development, eco-tourism, eco-friendly products, organic farming and services, horticulture and food processing, handloom, and handicrafts. Additionally, startups contributing to the State's enterprise ecosystem—including those in transport, logistics, disaster mitigation, financial inclusion services, digital connectivity services—as well as social enterprises in health, education, and related sectors, will also be eligible for seed fund support of up to INR 15 lakh (rupees fifteen lakhs). All other startups may avail seed fund support of up to INR 10 lakh (rupees ten lakhs).

The selection of startups shall include the following criteria:

(a) **Impact on the State's Enterprise Ecosystem** – The potential of the startup's products and services to contribute positively to Sikkim's business landscape.

(b) **Employment Generation** – The startup's capacity to create sustainable employment opportunities.

(c) **Investment in Research and Development** – The existing investment made and future requirements for innovation and development.

(d) **Socio-Cultural Benefits** – The potential benefits for the residents of Sikkim and the startup's positive impact on the state's art and culture.

(e) **Resource Requirements** – The need for raw materials, consumables, hardware & software, professional services, and other essential equipment/tools for prototype, product, or process development.

(f) **Marketing and Publicity Support –** Assistance for startups to attend national and international events, covering participation fees/charges.

A separate Standard Operating Procedure (SOP) or guidelines will be notified to define the eligibility criteria and application process for the Seed funding.

(2) Establishment Support

(a) **Rental Reimbursement:** Startups will be eligible for 50% (fifty percent) of rental reimbursement for up to 3(three) years, with a maximum limit of INR 2.5 lakh (rupees two lakhs fifty thousand) per year, which can be applied to payments made to incubators or co-working spaces in Sikkim.

(b) **Stamp Duty Reimbursement:** Startups shall be eligible for 100 % (one hundred percent) reimbursement of Stamp Duty or Registration Fee or Conversion Fee paid on sale or lease deeds for first transaction.

(c) **Establishment Grant:** Startups exclusively based in Sikkim will be eligible for a one-time grant of up to INR 1 lakh (rupees one lakh) to support establishment, marketing, and recurring expenses.

(3) Innovation and R&D Support

(a) Startups shall be eligible for reimbursement @ 100 % (one hundred percent) of the actual costs (including filing fees, attorney fees, search fees, maintenance fees) for patent filing with a maximum limit of INR 3 lakh (rupees three lakhs) for filing a domestic patent and upto INR 6 lakh (rupees six lakhs) for filing an international patent.

(b) Startups engaged in research and innovation will be eligible for a 50% (fifty percent) capital subsidy on the costs incurred for setting up an R&D lab, including expenses on equipment, software, testing tools, and other essential infrastructure. The subsidy will be capped at INR 10 lakh (rupees ten lakh) and will be provided upon verification of expenditures, ensuring that the facility is utilized for research and development activities that contribute to innovation and economic growth in the State.

(c) Startups engaged in working to utilize local resources, promote reuse and recycling and foster sustainable innovation will be eligible for a 30% (thirty percent) capital subsidy on the costs of Plant and Machinery setup in the Sikkim.

(4) Marketing and Networking Support

(a) The government shall provide a 50% (fifty percent) reimbursement on the actual costs incurred, including travel expenses, for startups participating in national and international marketing and networking events such as trade shows, innovation meets, hackathons, pitch competitions, and startup meetups. This incentive will be capped at INR 1 lakh (rupees one lakh) per year per startup for domestic events and INR 3 lakh (rupees three lakhs) per year per startup for international events, subject to verification of expenses.

(b) Startups will be eligible for a 50% (fifty percent) reimbursement of the quality certification fee, up to a maximum of INR 3 lakh (rupees three lakhs). This support will cover the cost of obtaining up to three industry-standard quality certifications from recognized and reputed certification authorities. These certifications aim to enhance product credibility, facilitate market expansion, and strengthen the startup's competitiveness in both domestic and international markets.

(5) Employment and Rural Development Incentives

(a) Startups employing at least 30(thirty) individuals, with 50% (fifty percent) or more of their wage workforce comprising women, transgender individuals, or persons with disabilities, will be eligible for a financial incentive of INR 2 lakh (rupees two lakhs) per year per startup for up to five years.

(b) Startups employing at least 30(thirty) individuals, with 80% (eighty percent) or more of their wage workforce being citizens of Sikkim, will be eligible for a special incentive of INR 1 lakh (rupees one lakh) per year per startup for five years.

(c) Startups operating in rural areas (outside municipal corporation limits) will be eligible for a 50% (fifty percent) additional incentive under the "Employment and Rural Development Incentive" scheme. This incentive aims to encourage entrepreneurship in rural regions, promote local employment generation, and contribute to economic development outside urban centers.

(6) Other Incentives

(a) Public Sector Undertakings (PSUs) will be encouraged to use their CSR funds to establish Incubation Centers and provide infrastructure, mentorship and resources to Startups.

(b) The State Government shall establish a Fund of Funds (FoFs) and sector-specific funds to provide equity funding for Startups in key sectors like organic farming, eco-tourism, sports and technology.

(c) Annual entrepreneurship challenges will be organized, selecting twenty Startups each year for grant-in-aid support. The top ten winners will receive INR 4 lakh (rupees four lakhs) and incubation offers, while the next ten winners will receive INR 2 lakh (rupees two lakhs) and pre-incubation offers.

16. Governance Mechanism

The governance structure for the implementation, monitoring and evaluation of the Startup Policy in Sikkim ensures that initiatives are effectively executed, progress is systematically tracked and Policy objectives are achieved.

(1) State-Level Committee (SLC): A State-Level Committee (SLC) will be established to oversee the implementation of the Startup Policy at the State level. The SLC will be chaired by the Chief Secretary (CS) and will include representatives from various key departments, along with the director, Industries as the Member Convenor. The SLC will meet every six months to review progress and address strategic issues.

Roles of the State-Level Committee (SLC):

(a) Review of Implementation: The SLC will assess the overall implementation of the Startup Policy, ensuring that all departments are on track with their respective roles.
(b) Managing Roadblocks: The committee will be responsible for identifying and managing any challenges or roadblocks that may arise during policy implementation.
(c) Regulatory Changes: The SLC will recommend any regulatory or policy changes required to foster a more conducive environment for startups in Sikkim.
(d) Strategic Decisions: The committee will make decisions on strategic goals, funding allocation and other high-level matters that impact the startup ecosystem.

Members of the State-Level Committee (SLC):

Position	Name	Department
Chairperson	Chief Secretary (CS)	Government of Sikkim
Member	Secretary, Commerce and Industries Department (C&ID)	Commerce and Industries
Member	Secretary, Planning and Development Department (P&DD)	Planning and Development
Member	Secretary, Department of Education	Education
Member	Secretary, Department of Rural Development	Rural Development
Member	Secretary, Department of Information Technology	Information Technology
Member	Secretary, Department of Finance	Finance
Member	Secretary, Department of Tourism	Tourism
Member Convenor	Director Industries	Commerce and Industries

(2) **District-Level Committee (DLC):** A District-Level Committee (DLC) will be established in each district to oversee the implementation of the Startup Policy at the district level. The DLC will be chaired by the District Magistrate (DM) and will include representatives from relevant district departments, with the General Manager (GM), District Industries Centre (DIC) serving as the Member Convener. The DLC will meet every three months to ensure that the policy is implemented effectively at the grassroots level.

Roles of the District-Level Committee (DLC):

(a) Policy Implementation at District Level: The DLC will oversee the implementation of the Startup Policy within the district, ensuring local initiatives align with State-level directives.

(b) Identifying Issues: The DLC will identify any issues related to policy implementation at the district level, including resource gaps, capacity building and infrastructure requirements.

(c) Addressing Local Needs: The committee will address any specific needs for additional support, funding, or training required to boost the startup ecosystem in the district.

Members of the District-Level Committee (DLC):

Position	Name	Department
Chairperson	District Magistrate (DM)	District Administration
Member	Additional District Magistrates (ADMs)	Various District Departments
Member	General Manager, DIC (Member Convener)	District Industries Centre
Member	District Education Officer	Department of Education
Member	District Rural Development Officer	Rural Development

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