

#startupindia

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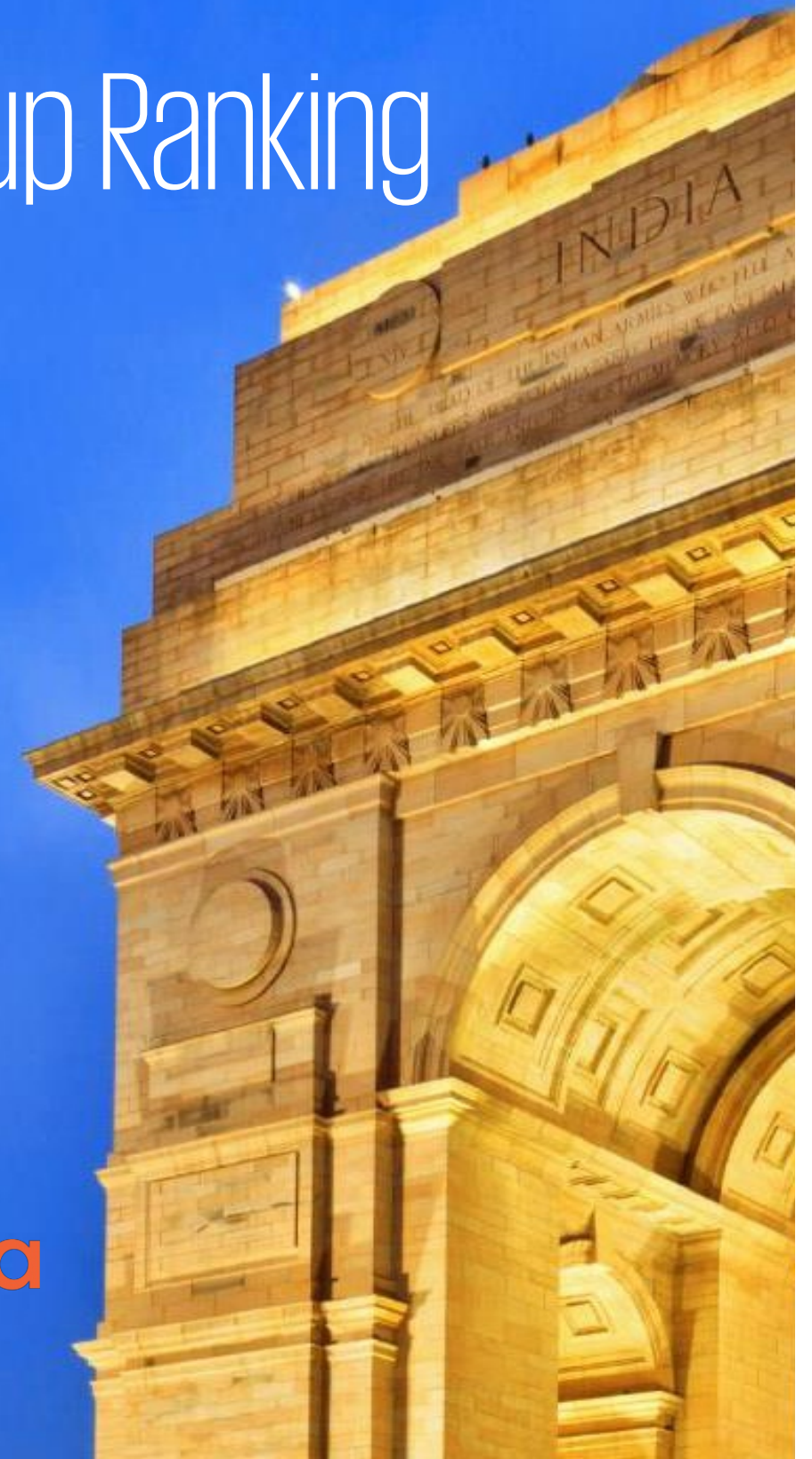


GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION

States' Startup Ranking 2018

December 2018

#startupindia



January



April



July



September



December



2014

2015

2016

2017

2018

Startup India

Karnataka

West Bengal

Telangana

Gujarat

Jharkhand

Uttar Pradesh

Madhya Pradesh

Odisha

Bihar

Chhattisgarh

Himachal Pradesh

Assam

Punjab

Uttarakhand

Maharashtra

Andhra Pradesh

Kerala

Rajasthan

Goa

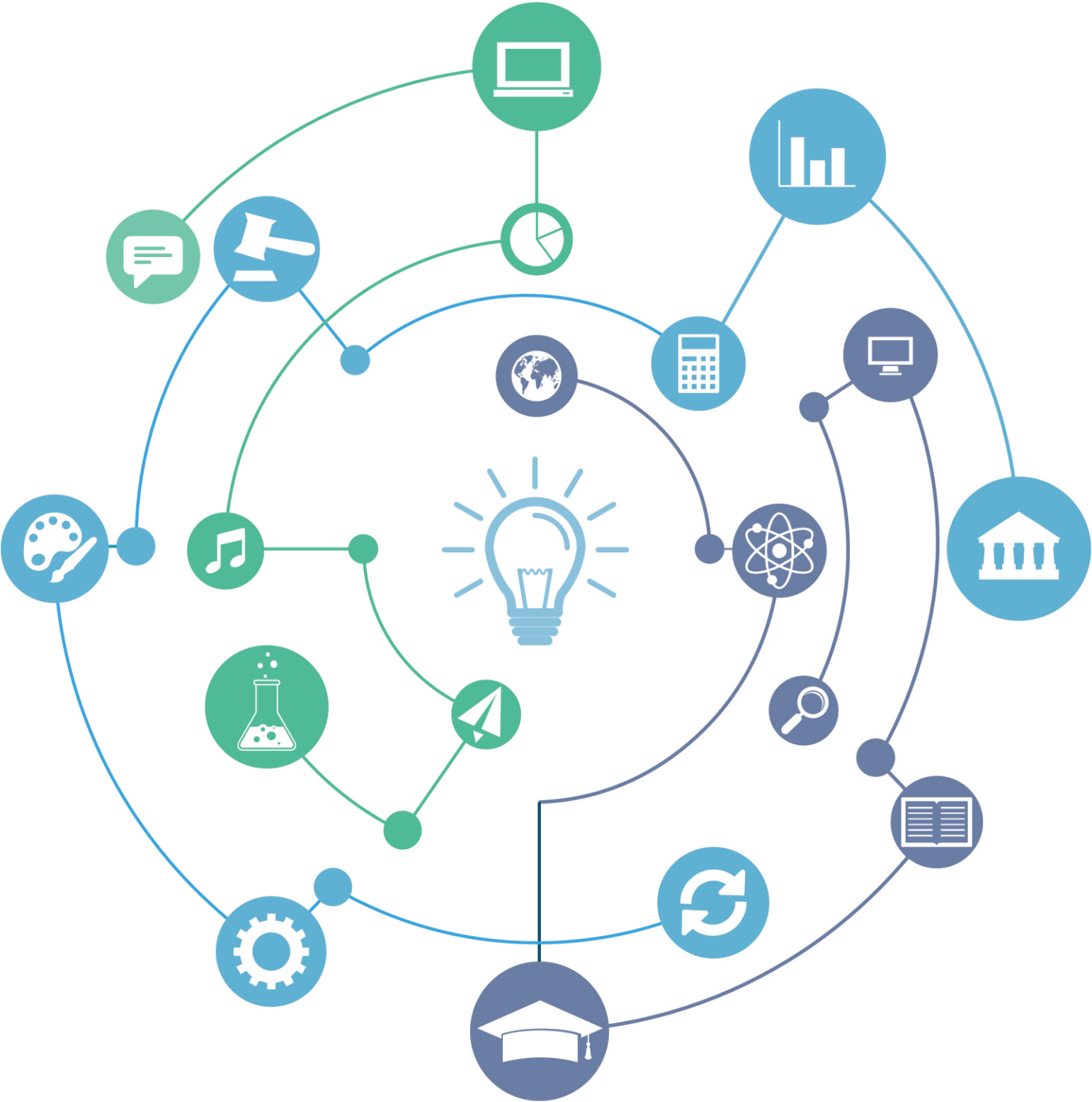
Sikkim

Haryana

Jammu & Kashmir

*States have been arranged as per the launch timeline of their Startup policy

Notes



Foreword

Notes



The Startup India initiative of the Government of India was launched by the Hon'ble Prime Minister in January, 2016. The initiative envisions building a strong ecosystem for nurturing innovation and entrepreneurship in the country. Driven by a 19 point Action Plan spanning across areas such as "Simplification and handholding", "Funding support and incentives" and "Industry-academia partnership and incubation", it lays down the roadmap for creation of a conducive ecosystem for the growth of Startups in India.

The Department of Industrial Policy and Promotion conceived the States Startup Ranking Framework with the key objective to encourage States and Union Territories to take proactive steps towards strengthening the enabling Startup ecosystems within their jurisdictions. There are 38 action points categorized into 7 broad pillars such as Startup Policy and implementation, Incubation support, Seed Funding, Angel and Venture Funding, Simplification of Regulations, Easing Public Procurement and Awareness & Outreach. The ranking methodology is aimed at creating healthy competition among States to further learn, share and adopt best practices.

Notes

The entire exercise has been conducted in essence as a capacity development exercise for the States in the true spirit of cooperative federalism. Awareness Workshops in all States, Knowledge Workshops at 3 leading incubators, Pairing of States for intensive mentoring, International Exposure Visits to US and Israel and intensive engagement with States through assignment of specific resources from Startup India Team and regular Video Conferencing have helped many States appreciate and initiate effective measures for supporting Startups.

A total of 27 States and 3 Union Territories participated in the exercise. Evaluation Committees comprising independent experts from Startup ecosystem have done a painstaking assessment of responses across various parameters. Many parameters involved getting feedback from beneficiaries. More than 3200 calls were made in 9 different languages to empathetically connect with beneficiaries to get a real pulse at the implementation level.

Result of the Ranking exercise reveals enormous efforts made by all the participating States. Announcement of this result is as much recognition of leading States as it is a celebration of efforts made by all the States for helping innovation and entrepreneurship across the length and breadth of India. **I congratulate all the States for their enthusiastic participation.**

The Ranking Exercise has been an extremely enriching and educating experience for all the participants. While there has been discernable capacity development in many States, who started their initiatives learning from this exercise, conventional leaders too gained much from novel measures adopted by many beginners. Our ‘Compendium of Good Practices’ now lists 118 models from across the States! The exercise has also offered many insights into the functioning of Startup ecosystems across the country and given us better understanding to carry out the next ranking exercise.



Ramesh Abhishek, IAS
Secretary to Government of India
Department of Industrial Policy and Promotion

Table of Contents

1. Lifecycle of a Startup 1

1.1. Startup Growth Stages 1

1.2. Startup Ecosystem Players 2

2. The Startup India Initiative..... 7

2.1. Achievements of Startup India 8

2.1.1. Boosting the Growth of Startups 9

2.1.2. Startup India Online Hub14

2.1.3. International Partnerships15

2.1.4. Startup India Yatra18

2.2. Role of State Governments.....23

3. Conceptualization and Evolution of Ranking Framework25

3.1. Vision and Conceptualization.....25

3.2. Launch of Ranking Framework.....27

4. Evaluation Methodology and Implementation29

4.1. Evaluation Methodology Overview29

4.2. Dedicated Online State Startup Ranking Portal30

4.3. Capacity Development of States.....31

4.3.1. Ranking Awareness Workshops31

4.3.2. Video Conferences.....32

4.3.3. Pairing of States for Intensive Mentoring.....32

4.3.4. State Knowledge Exchange Workshops33

4.3.5. International Exposure Visits39

4.4. Assessment Process41

4.4.1. Assessment by Evaluation Committees.....41

4.5. Feedback from Stakeholders42

5. Results.....45

5.1. Pillar-wise Participation Status45

5.2. Rationale for Grading the States47

5.3. Description of Grading Categories48

5.4. Overview of Performance of States50

6. Pillar-wise Performance of States53

6.1. Startup Policy and Implementation53

		<p>- Bengaluru Boston Biotech Gateway:4 Researchers have joined Harvard University South Asia Institute <i>(The objective of this initiative was to engage scientists from India and Harvard through exchange program)</i></p> <p>- BIRAC Ace Fund: 150Cr equity fund approved as fund of funds; - INR 150 Cr sanctioned and INR 51 Cr released <i>(Promoting investment in Biotech Startups)</i></p> <p>- BIRAC Seed Fund: INR 19 Cr sanctioned and INR 7.5 Crore disbursed to 11 Bio- Incubators <i>(Provides capital assistance to Startups with new and meritorious ideas)</i></p>
12	Innovation Programs for Students	<p>- NIDHI: Entrepreneurship driven Grand challenge for student community: 224 applications received, 30 finalists selected, 12 student run teams awarded INR10 Lakh each</p> <p>- Uchchatar Avishkar Yojana: The main aim of the scheme is to make students more accustomed with the outer world and give them market-oriented mind set. The students from IITs will be able to gain practical knowledge of those modern technologies which ease the process of manufacturing units.</p> <p>- INR 258 Cr. Sanctioned and disbursement has taken place for 85 projects totaling to INR 162.47 Cr</p> <p>- MANAK: An award scheme to foster culture of innovation & research through focused programs for students, 4 regional workshops organized, - 30,678 students have been selected, who will be given grant of INR 10,000 each</p>

7	Tax Incentives	- 94 Startups have received income tax exemption for 3 out of 7 years; further provisions for tax exemption on Investments above fair market value and capital gains
8	Atal Innovation Mission	- 5441 schools selected for establishing tinkering labs and INR 12 Lakh each has been disbursed to 2071 tinkering labs. - 8 existing Incubators have been sanctioned a total scale-up grant of INR 78 Cr. - 22 New Incubators approved for funding support of INR 175 Crore - Further, 71 additional Atal Incubation and Established Incubation Centers have been selected for further disbursement and are currently undergoing due-diligence.
9	Building Innovation Centers	TBIs help in growth of technology based new enterprises and improves their survival rate. They offer services ranging from marketing assistance, Business planning, obtaining statutory approvals, Syndicating finances, legal and IPR services, etc. Grant-in-aid of INR 3 – 5 Cr. each is being provided to TBIs - 11 TBIs (Technology Business Incubators) approved for which INR 42 Crore have been sanctioned and INR 17 Crore have been disbursed to TBIs.
10	Research Parks (RP's)	- 8 new Research Parks identified to be built over 5 years at 7 IITs and IISc Bangalore - Government has sanctioned total funding of INR 665 cr. towards development of these research parks with over INR 158 Cr. being disbursed so far.
11	Promoting Startups in Biotech Sector	- 4 bio-clusters funded at <ul style="list-style-type: none"> • Kalyani • Bangalore • Faridabad • Pune INR 176 Cr. disbursed out of INR 401 Cr. sanctioned <i>(Bio Clusters are centers for accelerating innovation & translational research in complex area of Biotechnology)</i> - 31 New Bio-incubators have been supported through the BioNEST(Bio-Incubator Nurturing Entrepreneurship for Scaling Technologies) Program (target of 50 over 3-5 years) - INR 173 Crore disbursed out of INR 235 Crore sanctioned <i>(Bio Incubators are incubators focused on biotechnology)</i> - 8 technology Transfer offices to be setup in FY18 <i>(Technology Transfer Offices are IPR and commercialization offices at research centers & universities)</i> - 3 BIRAC Regional Centres operationalized at Hyderabad, Bengaluru and Pune(target of 5 over next 3-5 years) <i>(BIRAC Regional Centres are setup with the aim of scaling entrepreneurship in biotech community)</i>

6.2.	Incubation Support.....	60
6.3.	Seed Funding Support	65
6.4.	Funding Support – Angel and Venture Funding	69
6.5.	Simplified Regulations	74
6.6.	Easing public procurement.....	79
6.7.	Awareness and outreach	85
7.	Impact of Ranking Exercise.....	93
8.	The Road Ahead.....	117
	Glossary.....	120
	Annexure	121



Annexure

Implementation of Startup India Action Plan

Detailed update on each of the action points of the Startup India Action Plan as of 12th December 2018 is as follows:

#	Point	Progress
1	Self-Certification	<ul style="list-style-type: none">- 26 states have complied for offering self-certification to Startups under 6 labor laws.- 36 industries have been classified as white categories where Startups will not require clearances under 3 environment laws.
2	Startup India Hub	<ul style="list-style-type: none">-118,600+ queries addressed (63% through calls, 33% Email, 4% through twitter).-70% calls in Hindi; 27% Calls from Tier 1 cities, 37% from Tier 2 Cities, & 36% from Tier 3 cities.
3	Startup India Hub App & Portal	<ul style="list-style-type: none">- Launch of Startup India Hub (Jun'17).- Over 280,000 total users registered on Startup India Hub (7 million views).- Startup India mobile app in android and iOS have 1 lakh+ users
4	Legal Support for IPR	<ul style="list-style-type: none">- 2,027 Total IPR Beneficiaries.- 801 Patent Rebate Applications (80% rebate), 176 expedited examination requests facilitated, and 41 patents granted.- 1,226 Trademark Rebate applications (50% rebate).
5	Relaxed Norms for Public Procurement	<ul style="list-style-type: none">- Requirement of prior turnover and experience relaxed for tenders, further Startups exempted from requirement of EMD.- These relaxations will also be extended to Startups on GeM- 541 DIPP recognized Startups have registered on GeM with over 281 products being published- 24 Startups have received orders worth INR 2.5 Cr.
6	Fund of Funds	<ul style="list-style-type: none">- INR 10,000 Cr corpus to be disbursed to SEBI registered AIFs till 2025 to invest into Startups- INR 1,611.7 Cr. committed to 32 Venture Capital Funds- This will raise a total corpus of INR 13,888 Cr.; thus Government contribution is catalyzing ~8x fund availability for Startups- 170 Startups have received funding under FFS with catalyzed investment of INR 879.18 crore

Glossary

#	Term	Description
1	Funding Range	Below are the description of funding requirement of Startups at various growth stages. Bootstrap – USD 50,000 to USD 1,50,000 Angel or Seed fund – USD 1,50,000 to USD 0.5 million Pre-Series A – USD 0.5 million to USD 2 million Series A – USD 2 million to USD 5 million Series B to E – USD 5 million to USD 1 billion Initial public offering (IPO) – USD 1 billion and above
2	VC (Venture Capital)	Venture capital ⁶ is a means of equity financing for rapidly-growing private companies. Finance may be required for the Startup, expansion or purchase of a company. Venture capitalists comprise of professionals in various fields. They provide funds (known as Venture Capital Fund) to these firms after carefully scrutinizing the projects. The typical venture capital investment occurs after an initial "seed funding" round.
3	Fund of Funds	Fund of Funds ⁷ (sometimes called umbrella fund) means that it will not invest directly into Startups, but shall participate in the capital of Securities and Exchange Board of India (SEBI) registered Venture Funds.
4	Elevator Pitch	Elevator pitch ⁸ is a term used to describe a brief speech that outlines an idea for a product, service or project. The name comes from the notion that the speech should be delivered in the short time period of an elevator ride, usually 20-60 seconds.

⁶ Small Industries Development Bank of India (SIDBI)

⁷ SIDBI

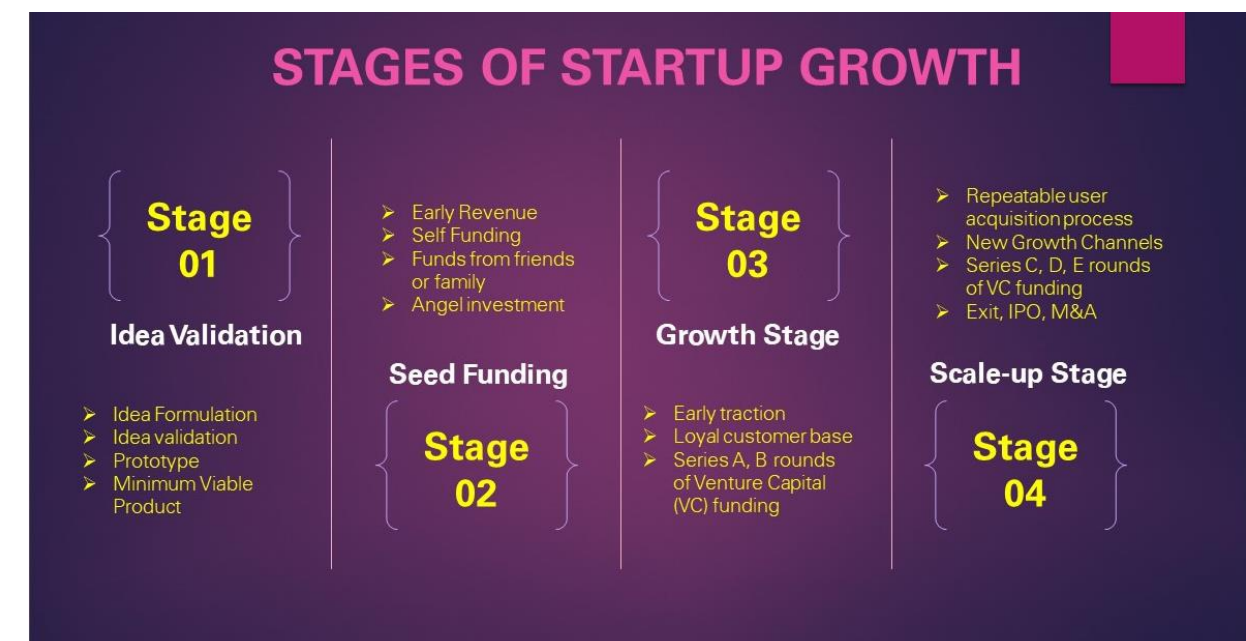
⁸ Investopedia

1. Lifecycle of a Startup

Globally, Startups are seen as nation builders as they create positive contribution to the nation's economy and create jobs. Startups are normally identified as a newly emerged, fast-growing business that aims to meet a marketplace need by developing a viable business model around innovative product, service, process or a platform. With their success they also create a sense that indigenous innovations and technologies can bring fruitful economic benefits in the long run. The Startup landscape is growing rapidly in our country. In order to sustain the growth and encourage Startups, it is important for enablers to understand the lifecycle of a Startup.

1.1. Startup Growth Stages

An entrepreneur treads multiple stages of business lifecycle of a Startup from birth (an idea) through its maturity. Each new phase brings forth new challenges that the entrepreneur must learn to navigate. The following section presents the Startup lifecycle along with the key requirements at each stage.



Concept or idea stage: The entrepreneur discovers a problem or identifies an opportunity that has a business potential. Mentorship support for entrepreneur is critical at this stage to ensure the business related activities are defined well and subsequent business plan is generated. At this stage, there is not much requirement of funding and typically founders tend to self-finance or bootstrap.

Pre-seed or validation stage: Entrepreneur builds a probable solution in the form of “a proof of concept” or “prototype” with relevant assumptions. These assumptions are then validated with initial small sample of target audience for the product or service related feedback and response. The funding requirements are generally met by self-financing (boot strapping), raising money from investors or Government grants for research or prototype development. Access to incubator and mentors at this stage helps in identifying and approaching early customers, building minimum viable product and identifying product-market fit.

Seed or early traction stage: Based on the feedback from early customers and mentors’ insights, demand for product or service is identified. The customer retention rate confirms the early traction of the company and its product. Startup acquires more customers by actively seeking funds from crowd funding agencies, angel investors or networks, incubators and seed grants from Government. The financing support at this stage supports the Startup in escaping the “valley of death” for a period of time spanning from when a Startup firm receives an initial capital contribution to when it begins generating revenues.

Growth or scaling stage: In this stage, most of the processes are defined and the business is firmly established. Entrepreneurs build a repeatable user or customer acquisition process, identifies channels of market growth and look for opportunities to expand the business to different geographies or markets. The expansion is backed by scale up funding support from institutional investors such as Venture Capitalists (VCs) and acceleration programs. .

Maturity or Exit, IPO, M&A stage: Many investors, promoters and founders look at opportunity to exit and realize profits either through partial or full sale of the business entity. The next set of investors may be identified as another entity in the same space looking to acquire the business and gain market share, or in some cases, Startup may issue a public offer or entirely sell the business. Bank funds, private equity funds and IPO investors play a major role in financing such large deals for Startups.

1.2. Startup Ecosystem Players

Several research papers and journals that provide advice for entrepreneurs, highlight a few common ingredients that help foster successful ecosystems. Briefly, an entrepreneurial ecosystem¹ may be presented into 9 categories as depicted in the figure.

¹ [World Economic Forum](#) | 2013

addition to this exercise. It is expected, with conducive environment, security, intellectual and financial support, budding ideas may be given a chance to solve nation’s biggest challenges that include but are not limited to issues like, air and water pollution, industrial waste (dumping), healthcare access and education reach etc.

State Startup ranking framework 2018 is an effort to identify key actions undertaken by various States to help and scale up Startups and related ecosystem. It is also an opportunity to recognize and acknowledge relevant departments of the States and UTs that have worked consistently in this mission to make India a thriving Startup nation. As India moves ahead, we need to push past boundaries, set bold vision and take strong actions to overcome inherent challenges of the past. The time is right and States must make full use of it.

interest subsidy on loan, interest free loan, reimbursement of subsidy on lease rental and funds as monthly sustenance allowance, product development assistance and/or marketing assistance.

In addition to seed funding, States have also created venture funds or fund of funds and promoted angel funding in their respective States. Various initiatives adopted by States include matching the contribution made by investors, providing a percentage of angel investment as success fee to Startup and creating partnership with agencies to do workshop for creating awareness among HNIs and other potential investors.

Apart from funding, other critical areas for Startups are complex regulatory issues and public procurement. Both Central and State Governments have taken efforts to simplify regulatory issues. Central Government provides the benefit of self-certification under six labour laws and three environment laws. Working in tandem with Central government, 19 States provide benefit of self-certification or third party certification under applicable labour laws to Startups. In case of public procurement, Central Government has taken the lead in relaxing condition of prior experience and prior turnover. Government eMarketplace (GEM) is a good example where all DIPP recognized Startups have been provided functionality to list their products and services on GeM portal. The portal provides exemption to Startups from criteria of 'prior experience', 'turnover' and 'submission of EMD' to provide equal opportunity to young entrepreneurs. In fact, the platform of GeM portal is managed by a Startup. In contrast, only three States have relaxed such conditions for Startups, and hence, more States need to take action in this area.

Centre and States made efforts in creating awareness about entrepreneurship among students. More than 100 boot camps have been organized by various State Governments since the start of Startup India initiative. The buzz of Startup culture has now reached 340 districts, where more than 600 entrepreneurship cells have been established by State Governments. The role of entrepreneurship cells is to foster the culture of innovation among students, who can use the space for conducting workshop, training, and sessions.

The intended objective of the evaluation exercise was to assess the Startup ecosystem in each State of the country. The exercise helped in identifying some of the best practices across different States and UTs. It also helped in identifying unique initiatives adopted by States in creating conducive environment for all players in the Startup ecosystem. The learnings and best practices captured in this report will help other States in identifying key priority areas to strengthen their respective Startup ecosystems.

As part of this collective initiative, Center and States would need to work together and build required infrastructure, dedicated system, pool of intellect and financial resources for all age groups across the country. Center and State Governments would need to adopt targeted approach for new emerging technologies, social issues and distinct demographics to scale up the Startup India program

In a large and diverse country such as India, one model or solution may not be sufficient. State Governments would also have to invest heavily in Research & Development (R&D) and upcoming technologies, to ensure first mover advantage and build further on their competitive value



Following section details the role played by major components of the Startup ecosystem in India.

Government policy and regulatory framework: In India, Central and State governments are playing an active role in Startup ecosystem development. The key objectives of the Government are as follows:

- Spur entrepreneurial activity to accelerate job creation
- Create enabling environment by reducing regulatory burden and introducing new policies
- Build capacity through infrastructure creation and training
- Provide funding support and fiscal incentives
- Facilitate all members of the Startup ecosystem to collaborate and connect

Regulations and archaic rules impede the growth of Startups. Government through its ease of doing business initiatives and business friendly policies is creating a conducive regulatory framework for Startups. Recently in October 2018, Indian made a staggering a record 53 rank jump in just two years to reach 77th position in the doing business ranking from World Bank.

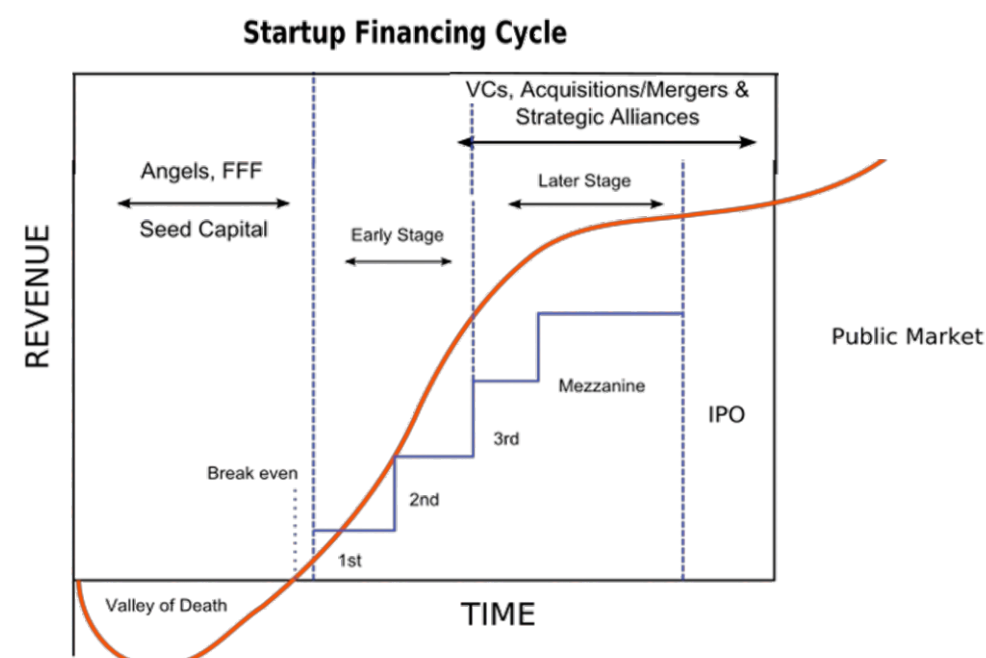
Infrastructure support and Incubators: Enables such as Incubators are also important partners in the overall Startup ecosystem which supports and accelerates successful development of businesses. It provides array of business services, technology and infrastructure support including office space, mentoring and funding (equity or debt) through grants or investor networking opportunities. Key facts about the incubation landscape in India are as follows:

- As per the data compiled within DIPP, as of November, 2018, India has over 270 incubators and accelerators managed by academic institutes, corporates, private players and Government. Majority of these incubators are supported by Central and State Governments through capital and operational grants under several schemes.

- As per a study by National Association of Software and Services Companies (NASSCOM) in 2017, 40% of all incubators and accelerators are concentrated in Bengaluru, Mumbai and Delhi-NCR.
- In the past 3-5 years, many large multinationals have set up incubator and accelerator programs. Corporates are seeking the latest in innovation and offering technical expertise to take Startup solutions to the next level.
- Large corporates have collaborated with Government and academia at T-Hub, Hyderabad. International and Indian Corporates also run their dedicated incubator and accelerator programs in India.

Funding and finance: Investors play a pivotal role in bridging the funding needs of a Startup. They nurture, invest and mentor Startups to make measurable returns and typically remain invested with a Startup for minimum 3-4 years. Depending on the stage of a Startup, the investor types are:

- **Angel:** An angel investor is an affluent person or a high net worth individual who provides initial capital to the Startup at its infancy stage.
- **Early stage investor:** Institutional investors come in at early growth stage of a Startup when the product is ready and it has been validated. This money is used to fuel business growth.
- **Late stage investor:** Venture capitalists or private equity firms invest in Startups at the growth or late stage. By this time Startup has reaped some revenues and gained market traction.



FFF- Friends and Family; VCs- Venture Capitalists; IPO- Initial Public Offering²

² [Forbes.com](https://www.forbes.com) | 2013

8. The Road Ahead

It is encouraging to notice significant participation from States in first ever States' Startup Ranking Exercise 2018 prepared by Department of Industrial Policy and Promotion (DIPP). The impact of this exercise is a testament to the fact that it has lent the desired impetus to the Startup culture across the country. States have taken great efforts in last couple of years in providing required impetus to Startup ecosystem. The effort and dedication of States can be gauged by the fact that from four States, in 2016, today 22 States have dedicated Startup policy in place to provide targeted incentives (both fiscal and non-fiscal) to Startups.

DIPP launched the State Startup Ranking Framework 2018 in February 2018 as a part of ranking exercise for States. The framework was based on seven pillars and States' responses were evaluated on 38 action points covered under those seven pillars. The key insights from ranking exercise are as follows:

Many States have provided special benefits and incentivised women's efforts for starting up a new business idea. Total 17 States offer special incentives to Startups, founded or co-founded by women entrepreneurs, in form of additional grant or subsidy over an above to what is given to a Startup.

State Governments have also focused on developing incubation infrastructure and mentor network to provide support to early stage Startups. More than 70 incubators with incubation area of approx. 10 lakh sq. ft. have been supported by State Governments since the start of Startup India initiative. These incubators have been set up in universities, academic institutions, Government offices and private institutions. State Governments have also build a pool of approx. 2000 registered mentors across the country. Registered mentors include university or college professors, domain experts, legal experts, Government officers, venture capitalists, consultants, businessmen, entrepreneurs, and technology experts.

While conducting the assessment exercise and interacting with States, access to funding was identified as one of the main challenge for any Startup. State Governments are building measures and policy action points to ensure inflow of capital to support upcoming Startups.

Since the launch of Startup India initiative, more than 3000 Startups have been supported by seed funding from State Governments. Seed funding is given in the form of grants to incubators,



Culture: India is a young nation with average age of 29 years. Our youth need to be encouraged to venture out and build successful enterprises. The word FAIL needs to be redefined as First Attempt In Learning to inculcate the culture of risk and failure. Consistent efforts by the Government are bringing cultural transformation in India and now there is definite growth in number of Startups from Tier-I and Tier-II cities in the country.

Mentors, advisors and support systems: Several mentor organizations and groups such as The indUS Entrepreneurs (TiE) and Bhartiya Yuva Shakti Trust (BYST) are working together to take the spirit of entrepreneurship to each district. Startup India has also created a vast pool of experienced mentors on the online hub for the benefit of Startup community.

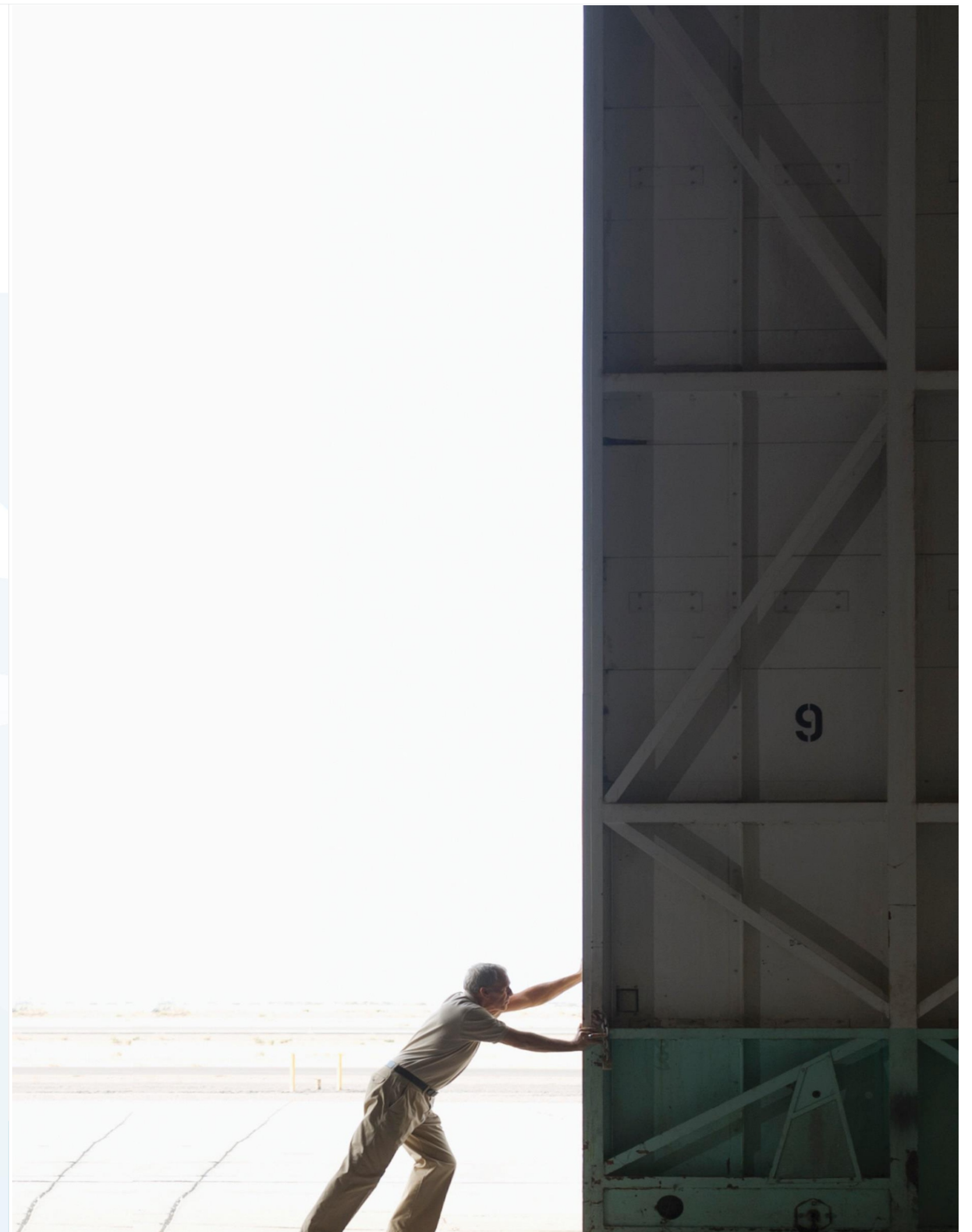
Universities as catalyst: Major Universities are promoting a culture of respect for entrepreneurship by including the courses in their curriculum, setting up technology and business incubators, setting up entrepreneurship cells, providing sustenance allowance to student entrepreneurs, introducing break year concepts and deferred placements.

Human Capital and workforce: Human capital and workforce is a pivotal ecosystem pillar for company growth. Access to management and technical talent is a key requirement of Startups. Nearly all Startups have to bargain a lot and offer highly competitive compensation to attract trained and experienced talent. In the absence of trained human capital, Startups have to invest substantially to provide in-house training to employees. Thus, Government has a significant role to play in mapping the resource pipeline for Startups and launching skilling and training programs both in management and technical fields. Government initiatives such as Skill India and online learning and development programs are contributing in this direction. The training needs are also being addressed at educational institutes at pre-university and university level by introduction of entrepreneurship specific training, dedicated programs on new technologies such as Artificial Intelligence, Machine Learning, Internet of Things (IoT), etc.

Local and global markets: In India, there is a large consumer market with increasing disposable income. Government itself is the major procurer in the country especially in agriculture, defence and social sectors. In this direction, Government has enabled Startups to participate in public tenders to ensure they have access to large demand. Further, the National Public Procurement Portal, Government e-Marketplace (GeM) has been launched to simplify public procurement. Our Startups are also expanding their footprint to foreign markets through their innovative products and services including support from international partnerships under Startup India.

To summarize, it is observed that the tighter and more connected an ecosystem is, the more efficient is the flow of knowledge and access to resources. The Startup India initiative has enabled key stakeholders of the Startup ecosystem to come together and leverage business growth opportunities for existing and upcoming Startups. The initiative has empowered Startups to grow through innovation and design.

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3. Support participation of Startups in national and international events	
State	Impact delivered
Andhra Pradesh	<p>Supported participation in international event – February, 2018</p> <p>Government of Andhra Pradesh supported 7 Startups to participate in TiE Global Summit 2018. AP Innovation Society extended support by reimbursing travel, accommodation, cost of exhibition booth, etc. AP Innovation Society acted as one of the state sponsors of this large global event and promoted the state Innovation & Startup policy at this platform. TiE (The Indus Entrepreneurs) chapter of Mumbai had organized TiE Global Summit at Mumbai on 21st & 22nd Feb’18, in partnership with the leading agencies of the Government of India, 20+ TiE chapters from India, USA, Canada, Singapore, Hong Kong, Australia and Dubai, and global venture capital funds.</p>
Odisha	<p>Supported participation in international event – March, 2018</p> <p>State conducted Odisha MSM International Trade Fair and facilitated Startup to participate in the national event by sponsoring exhibition space.</p>

The exercise has brought a change in the mindset of policy makers and directed Government machinery into a mission mode to achieve the objective of becoming a Startup nation.

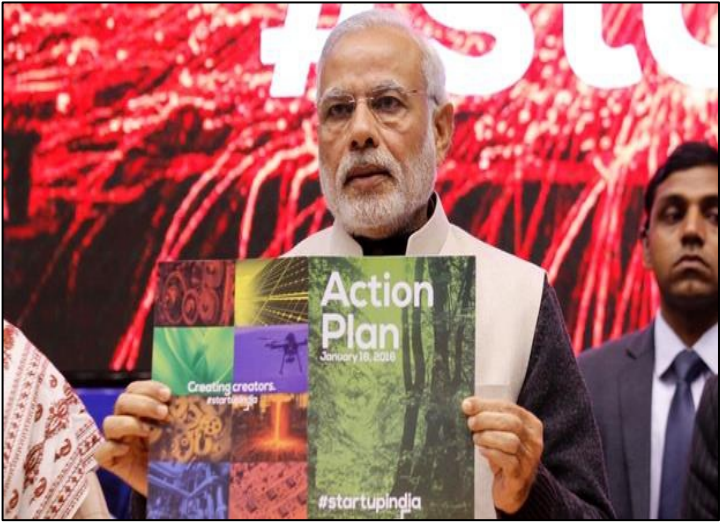
In this regard, State Governments have actively adopted several strategies and policies towards entrepreneurial development in their respective regions, by establishing nodal agencies, which provide support services to entrepreneurs; supporting incubators; creating platforms for promoting Startups, and many more. The impact highlighted above demonstrates how government policies may serve as a linking mechanism between the Startup ecosystem components throughout the various stages of an entrepreneurial venture’s lifecycle.

The exercise has also helped States with nascent Startup ecosystem to establish basic systems and infrastructure for development of entrepreneurial ecosystem. The framework parameters along with set systems may now be used by States as metrics to measure and improve performance through developmental initiatives.

This exercise of impact measurement will also help in establishing a baseline of data and information which would be helpful in measuring success of the State Government initiatives going forward.

2. The Startup India Initiative

In August 2015, the Hon’ble Prime Minister, Shri Narendra Modi, announced the launch of the **national flagship initiative – Startup India**, with a mandate to promote and encourage young entrepreneurs of our country. He envisioned the aim of the initiative to transform India into a Startup nation, **“a country of job creators instead of job seekers”**.



“हिंदुस्तान का कोई जिला, हिंदुस्तान का कोई ब्लॉक ऐसा न हो जहां आने वाले दिनों में नए स्टार्टअप शुरू न हुए हों।”

Sh. Narendra Modi, Hon’ble Prime Minister of India, at the launch of Startup India Programme, Vigyan Bhawan, New Delhi, 16th January 2016

Today, time is ripe to become an entrepreneur in India. Startup ecosystem experts, founders, investors and policy leaders have acknowledged the strength of current Startup ecosystem in India at several reputed platforms. The ecosystem comprises of over **14,600+ Startups³**, **approximately 270 incubation & business acceleration programs, 200 global & domestic VC firms** supporting homegrown Startups, and a fast-growing community of **231 angel investors and 8 angel networks**. India also boasts of being home to the **3rd largest unicorn community⁴**, with over 16 high valued Startups having raised over **\$17.27 billion** funding, with

³ DIPP, Ministry of Commerce & Industry as of 12th December, 2018

⁴ CB Insights, YourStory, Economic Times

overall valuation of over **\$58 billion**. These unicorns have made a huge difference by changing the outlook of global investors, VC & PE Firms, and global corporates towards the massive opportunity presented by the growing Indian consumer market. The fast growing number of internet users and falling internet prices has played a catalytic role in expanding the ecosystem, with almost **500 million⁵** Indians now using internet services across the country.

Central Government is playing a key role of channeling the energy, aspirations and vision of the youth. The measures propagated to build a pro-entrepreneurship environment are targeted to:

- reduce regulatory barriers;
- facilitate opportunities for learning and development;
- develop large scale innovation driven infrastructure facilities; and
- promote active collaboration among entrepreneurs, industry and academia

Government of India under the Startup India initiative is collaborating with various ecosystem stakeholders across different parts of the country to ensure that all the above components are available for entrepreneurs and Startups to engage with and utilize to its full potential.

2.1. Achievements of Startup India

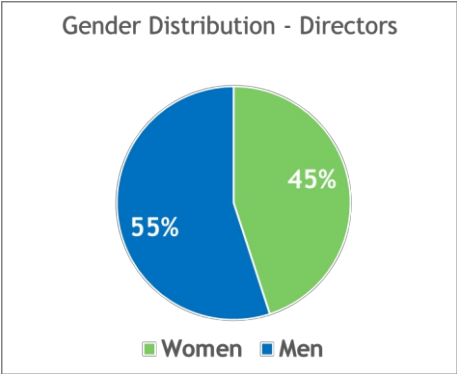
Shri Narendra Modi, launched the Startup India initiative on January 16, 2016. An Action Plan with 19 action points, focusing on simplification and hand-holding, funding support and industry-academia partnership and incubation was outlined. The Department of Industrial Policy and Promotion has been actively taking requisite measures to encourage entrepreneurship and promote innovation. There are over 14,600 Startups recognized under Startup India that are spread across **479 districts**, covering all **29 States and 6 UTs**. In order to provide growth stage funding to Startups, a Fund of Funds (FFS) of INR 10,000 Crore has been setup. This is supporting innovators and risk takers in their path towards the creation of a New India. The Government has already **committed INR 1,611.7 Crore to 32 Venture Capital Funds** through FFS. The funds contributed by Government have enabled **VC funds to raise a corpus of over INR 7,000 Crore** which is available for Startups. When these committed funds complete their fund-raising process, then a total of INR 13,888 Crore will be available to be used by Startups. Thus, Government contribution has catalyzed 8X funding for Startups.

It is encouraging to note the enthusiastic contribution from women to the Startup movement. More than 45% of the



Startups recognized

(As of 12th December, 2018)



⁵ iamai.in

1. Startup outreach events	
	State Government participated and supported TiECON Ahmedabad 2018 which hosted over 600+ delegates, 25+ speakers with over 10 exhibitors during a one-day entrepreneurship conference.
Punjab	Conducting outreach events for Startups – March, 2018 State Government collaborated TiE for hosting TiECON Chandigarh 2018 in March, 2018 and to support Startup Participants. Startup Yatra boot camps were conducted at 4 locations – Jalandhar, Ludhiana, Chandigarh and Patiala as part of Road to TiECON.
Kerala	Conducting outreach events for Startups – April, 2018 Kerala Government facilitated first edition of the Startup Ecosystem Space Huddle-Kerala - “ASIA’S LARGEST STARTUPS ECOSYSTEM CONGREGATION” conducted on 6 & 7 April 2018 in The Leela Kovalam, Trivandrum . The event was conducted in association with IAMAI.

2. Boot camps and hackathons	
State	Impact delivered
Andhra Pradesh	Organized boot camps– February-March, 2018 Government of Andhra Pradesh conducted 5 boot camps at engineering colleges in Anantapur, Nandyal, Ongole, Kadapa and Madanapalle districts. More than 600 students participated in these boot camps.
Delhi	Organized hackathon– January, 2018 Government of Delhi has provided support in organizing Hackeam 2018 conducted by NSIT IIF (state supported incubator). The event provided problem statements for innovators to develop solution. More than 50 teams participated in the hackathon event.
Punjab	Organized boot camps– April, 2018 Boot Camp organized on 12-April-2018 at Desh Bhagat University, Mandi Gobindgarh.
Uttar Pradesh	Organized boot camps– April, 2018 State Government conducted series of 7 boot camps during “Startup India Yatra UP Edition” across major districts of the State.
Odisha	Organized boot camps– February, 2018 Startup Odisha in partnership with Startup India has conducted 10 boot camps at various academic institutions across the State under the 'Startup India Odisha Yatra 2018' campaign
Rajasthan	Organized boot camps– March, 2018 Government of Rajasthan has conducted various boot camps in colleges and universities. More than 5 boot camps were conducted during Mar to Apr’18.

3. Preference to Startups in State Government procurement	
4. Grievance Redressal Mechanism for Startups on public procurement issues	
State	Impact delivered
Chhattisgarh	Grievance Redressal Mechanism – April, 2018 State Government has appointed Chhattisgarh State Industrial Development Corporation (CSIDC) as the nodal agency to regulate rules and regulation of procurement through a Government order (dated 28.4.2018). <ul style="list-style-type: none"> Startups grievance should be uploaded on CSIDC website. Executive Director, CSIDC and other three members have been included in a cell to resolve issues. The cell will coordinate with relevant department involved in the concerned procurement. Complaint will be resolved in maximum 2 months and concerned Startup will also be informed.
Uttarakhand	Grievance Redressal Mechanism – April, 2018 State has nominated a dedicated officer to liaise with other Government Departments concerned complainant to resolve procurement issues facing Startups. The Investor Facilitation Cell has been designated the task of handling the queries.
Odisha	Grievance Redressal Mechanism – April, 2018 The State has allowed Startups to submit their procurement related queries online and offline. The queries shall be placed to committee comprising senior Government officials who will be responsible for liaising with other department concerned with the issue.

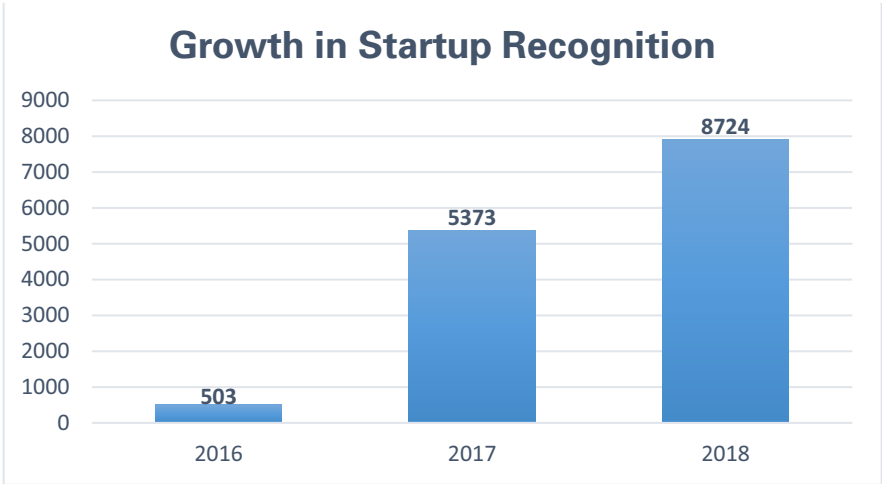
Awareness and Outreach

1. Startup outreach events	
State	Impact delivered
Andhra Pradesh	Conducting outreach events for Startups – April, 2018 Government of Andhra Pradesh in partnership with Dalberg, CII, Centre for Liveable cities, Govt. of Singapore, Govt. of Finland and Dep. for International trade of United Kingdom has organized Happy cities summit 2018 at Vijayawada on Apr 10 th , 11th and 12 th . This event served as a platform for city administrators, Environmentalists, Startups, academia and Public to debate and brainstorm the solutions which can improve the quality of living in urban areas. 16 Startups showcased their technologies in the Summit. Overall, more than 2000 stakeholders from Startup ecosystem participated in the summit.
Gujarat	Conducting outreach events for Startups – March, 2018

Startups recognized by DIPP have at-least one woman founder or director. The recognized Startups will generate over 1.25 lakh direct jobs.

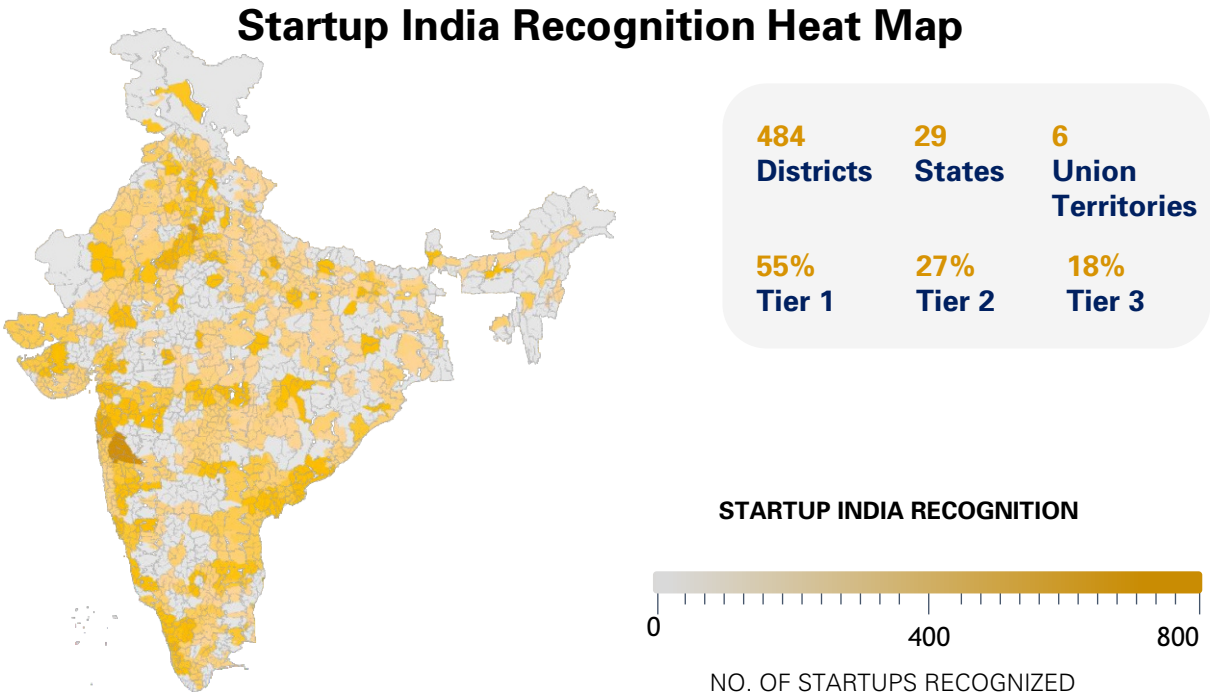
2.1.1. Boosting the Growth of Startups

The Startup India initiative has contributed significantly to the Startup movement across the country and a surge in entrepreneurial activity has been observed since 2016. The below graph of recognition highlights the growth in Startup recognition since the launch of the Startup India.



The DIPP recognition for Startups brought benefits ranging from tax exemption to easier participation in government procurement and easier norms for running a business for Indian Startups, leading to more individuals being nudged towards their entrepreneurial journey.

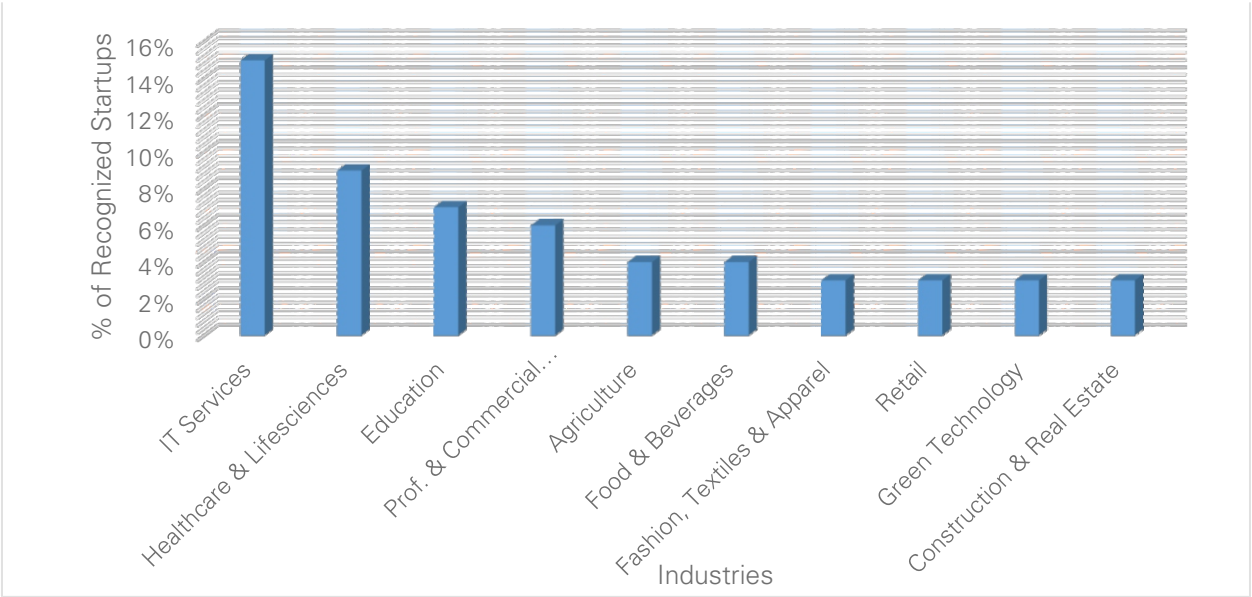
To ensure the program achieves the Prime Minister’s vision of ensuring a Startup in every district of the country, the Startup India program through its initiatives has ensured the culture of entrepreneurship trickles down to every town and district. The below charts and graphs represent geographical distribution and industry wise analysis for recognized Startups.



While top metros control majority share of Startups concentration in the country, the Tier-1 and Tier-2 cities have been catching up. As a result, we see increasing Startup activity in all States.

State	Startups	State	Startups
Maharashtra	2587	Assam	106
Karnataka	1973	Punjab	102
Delhi	1833	Jammu and Kashmir	63
Uttar Pradesh	1129	Goa	61
Telangana	748	Chandigarh	52
Gujarat	712	Himachal Pradesh	27
Haryana	710	Pondicherry	19
Tamil Nadu	709	Manipur	11
Kerala	461	Nagaland	7
West Bengal	417	Andaman and Nicobar Islands	4
Madhya Pradesh	384	Arunachal Pradesh	4
Rajasthan	371	Tripura	4
Andhra Pradesh	259	Dadra and Nagar Haveli	3
Orissa	251	Daman and Diu	2
Bihar	178	Meghalaya	2
Chhattisgarh	168	Mizoram	1
Jharkhand	116	Sikkim	1
Uttarakhand	108		

Being the 3rd largest Startup ecosystem in the world and one of the largest consumer markets, India has Startups working in industries ranging from Fintech to Food-tech and Robotics to Agri-Tech. The below graph highlights the top 10 industries where recognized Startups operate.



2. Do away with criteria of "submission of Earnest Money Deposit (EMD)"	
	EMD" criteria will not be applicable to Startups for Government procurement of all State Government Departments and PSUs.
Odisha	Do away with criteria of "submission of EMD"– March, 2018 State Government's Finance Department has exempted all eligible Startups and local MSEs from submission of EMD while participating in tenders of Government Department and agencies. The performance security (if any) has been reduced to 25% of the prescribed amount for Startups.
Gujarat	Do away with criteria of "submission of EMD"– April, 2018 Government of Gujarat, vide Industries and Mines Department Government Resolution No. PURCHASE-102018-UOR-1-CH, has done away with requirement of submission of Tender fees and EMD by Startups to encourage Startups to participate in public procurement
Madhya Pradesh	Do away with criteria of "submission of EMD"– April, 2018 State Government has amended MP Store Purchase Rules 2015 to exempt MP Startups from the mandatory submission of EMD for all government procurement by state departments and PSUs.

3. Preference to Startups in State Government procurement	
State	Impact delivered
Chhattisgarh	Preference to Startups in public procurement– April, 2018 State Government has made amendment to the clause 13 of the State Store Purchase Rules 2002 in order to support Startups by providing adequate preference in public procurement of goods and/or services. The preference is provided as below: <ul style="list-style-type: none">Participating Startups who agree to bring their quote on par with the Lowest received Bid (L1) and their products meet the required specifications,Preference will be given for procurement from such Startups to the extent of 1% of the total procurement cost, up to a maximum limit of INR 10 lakhs per year, within a period of 3 years from the start date of their commercial production.
Gujarat	Preference to Startups in public procurement– April, 2018 Government of Gujarat, vide Industries and Mines Department Government Resolution No. PURCHASE-102018-UOR-1-CH gives provision for giving preference to Startups. The Startup are is given for 10% price preference and a chance for Startup to match the lowest bidder (L1) and get 50% of the contract quantity.
Odisha	Preference to Startups in public procurement– March, 2018 Government of Odisha has issued an order to give preference to Startups to participate in public procurement. As per the order, 20% of all procurement by State Department / State PSUs shall be mandatory from MSME & Startups of the State.

1. Support to Startups working in new or disruptive areas or technologies	
	disruptive areas / technologies. A stakeholder consultation meeting was organized at the MSME Department on 26 th April, 2018.

Easing Public Procurement

1. Do away with criteria of "prior experience" and "turnover"	
State	Impact delivered
Chhattisgarh	Do away with criteria of “prior experience” and “turnover”– April, 2018 State Government has submitted Government order (dated 28 April 2018) amending Store purchase rules 2002 which mentions that “prior experience” and “turnover” criteria will not be applicable to Startups for Government procurement of all State Government Departments and PSUs. Chhattisgarh State Store Purchase Rules 2002 are applicable to all Government departments including all Public Undertakings, Boards, Jilla Panchayats, Urban Governing Bodies etc .
Odisha	Do away with criteria of “prior experience” and “turnover”– Mar, 2018 State Government order dated 13.3.2018 has included following provisions for Startups in public procurement: 1. There would not be any minimum turnover requirement from Micro, Small Enterprises and Startups in participating in public procurement process, 2. All State Departments and agencies will additionally relax condition of prior experience with respect to Startups in all public procurement subject to meeting of quality and technical specifications.
Gujarat	Do away with criteria of “prior experience” and “turnover”– Apr, 2018 Government of Gujarat, vide Industries and Mines Department Resolution dated 11.4.2018 has done away with criteria of "prior experience", "turnover", "tender fee" and "submission of EMD" for encouraging Startups to participate in public procurement. State Government has further directed all the offices to scrupulously follow the above mentioned provisions. The State departments have also included above clauses in their respective tenders.

2. Do away with criteria of "submission of Earnest Money Deposit (EMD)"	
State	Impact delivered
Andhra Pradesh	Do away with criteria of “submission of EMD”– April, 2018 Industries Department of the State Government has shared official order issued in April, 2018 which exempts Startups from submission of Earnest Money Deposit (EMD) in public procurement orders.
Chhattisgarh	Do away with criteria of “submission of EMD”– April, 2018 State Government has submitted Government order (dated 28 April 2018) amending Store purchase rules 2002 which mentions that “submission of

In order to ensure success of the program, it is important for all stakeholders to come together and align their vision of fostering the Startup ecosystem. Keeping this in view, Startup India has collaborated with various other government departments and ministries to help channelize resources and knowledge towards the Startup Ecosystem. A brief description is provided below.

Swachh Bharat Challenge: Startup India worked with Ministry of Water and Sanitation to recognise Startups spearheading novel innovations in the field of waste management and sanitation. The initiative helped the Ministry to identify relevant solutions for environmental challenges.

Agriculture Grand Challenge: Startup India worked with Ministry of Agriculture to help them identify 24 Startups working across 12 different problems the agriculture sector is facing. Selected Startups received mentorship and guidance from the Ministry of Agriculture and an opportunity to get incubated and gain market access. With over 1100 Agri-Tech applicants, the Agriculture Grand Challenge not only provided critical resources such as mentorship and incubation to Startups, but also helped the Agriculture Ministry find novel solutions to critical problem areas.

12 PROBLEMS. 24 WINNERS.

Under the 12 problem statements, the challenges aims to identify 1 idea stage startup and 1 enterprise stage startup. The benefits include:

Idea Stage:

- 3 months incubation support with a leading Agri-tech incubator
- Handholding support by domain experts from Agriculture sector
- Real-time testing of Proof of concept

Enterprise Stage:

- 3 months Market access program with Ministry of Agriculture
- Supervision & handholding by domain experts from Agriculture sector
- Access to real-time agriculture market

THEMES FOR THE CHALLENGE:

1 Simplified Soil Testing methods

2 Assaying and Grading Solution

3 Development of E-marketplace

4 Price Forecasting During Sowing

5 Last Mile Information Dissemination

6 Yield Estimation

7 Sorting and Grading of Produce

8 Adulteration Testing

9 Custom Hiring Centres

10 Crop Residue disposal

11 Prevent pre-harvest and post-harvest losses

12 Enhancing Agricultural Productivity

Toll free number: 1800115565
E-mail: dipp-startups@nic.in
Website: <https://www.startupindiahub.org/in/content/5/5/en/agriculture-grand-challenge.html>

Department of Industrial Policy and Promotion (DIPP) has constituted a broad-based **Inter-Ministerial Board (IMB)** as part of the initiative to boost Startups. The IMB considers applications of Startups for **claim of various tax incentives** under the Income Tax Act 1961. Incentives include exemption from levy of income tax on share premium received by eligible Startups under section 56 of the Act and 100% exemption from tax on profits from income for three years out of seven consecutive assessment years under section 80 IAC of the Act.

In order to improve regulatory regime, an institutional mechanism has been established within Startup India. A **Committee of Secretaries (CoS)** chaired by Finance Secretary, for **dealing with regulatory issues** facing Startups has been constituted.

Over **22 regulatory amendments** have been made to support all the ecosystem stakeholders. Following is the list of regulatory reforms undertaken from January 2016 for enabling small businesses or Startups across the country. The detailed progress of Startup India Action Plan is mentioned in **Annexure I**.



1. Support to Startups working in new or disruptive areas or technologies	
	<div>2. Nodal Officer will also conduct meetings with experts or scientists working in the domain,</div> <div>3. Review and Evaluation Committee will approve adoption of Startups working in newer or disruptive areas or technologies,</div> <div>4. Nodal Officer will facilitate those Startups in registering for the benefits such as- Incubation and Support required,</div> <div>5. Decision on adoption of Startups working in disruptive technologies or new business model shall be completed within 3 months after submission of application</div> <div>State Government also organised Frugal Innovation summit on 13 April, 2018 to discuss importance of disruptive technology through panel discussion.</div>
Gujarat	Mechanism to allow Startups to reach out to Government– Mar, 2018 Government of Gujarat along with Entrepreneurship Development Institute of India (Ahmedabad) organized Empressario 2018, on 10-11 March 2018. As part of this, focused sessions to discuss on policy level interventions required from government and other challenges being faced by Startups working in these areas were held.
Haryana	Mechanism to allow Startups to reach out to Government– April, 2018 Government of Haryana is introducing guidelines on online pharmacy services targeting enhanced ease for the public and wider market penetration for registered pharmacies. The State has drafted a set of proposed guidelines for adopting e-pharmacies, after due stakeholder consultation with prominent subject-matter experts.
Uttar Pradesh	Mechanism to allow Startups to reach out to Government– Mar, 2018 IT & Electronics Department, Government of Uttar Pradesh in partnership with FICCI organized a Round Table discussion with Startups with Disruptive Technologies on 26 March, 2018 . The initiative provided a platform for Startups in varying fields such as Artificial Intelligence (AI), Internet of Things (IOT), mentors and other significant stakeholders working in the Startup ecosystem to come together and share their ideas.
Karnataka	Mechanism to allow Startups to reach out to Government– Feb to Mar, 2018 Government of Karnataka has also conducted many events to discuss about the upcoming technologies in various sectors to facilitate interaction amongst various stakeholders. Some of the examples are Block Chain Conclave on 15 th February 2018 and Agritech Summit on 28 th March 2018.
Odisha	Mechanism to allow Startups to reach out to Government– April, 2018 Based on the discussions with Startups and ecosystem partners in the State, Government of Odisha has notified 10 different sectors as newer /

2. Venture funding	
Chhattisgarh	Venture funding for Startups – April, 2018 State Government of Chhattisgarh has funded 4 Startups through 36 Angel Fund. The amount of funding in terms of equity dilution ranges between INR 15 lacs to INR 21 lacs.
Haryana	Venture funding for Startups – April, 2018 Haryana Government has signed a MoU with HDFC for managing the State fund “Haryana Startup Fund” of INR 100 crore for Startups.
Uttar Pradesh	Venture funding for Startups – February to March, 2018 IT & Electronics Department, Government of Uttar Pradesh has signed MoUs with two Venture Funds, Venture Catalysts and Orios Venture Advisors for investing in UP based Startups. Along with this the state is in the final stages of signing a MoU with SIDBI as its Fund Manager for the UP Startup Fund worth INR 1,000 crores.
Rajasthan	Venture funding for Startups – February, 2018 State has notified the operating guidelines of the Bhamashah Techno Fund of INR 500 crores for Startups. The fund would be used for providing loan or equity to the Startups of the State.
Karnataka	Venture funding for Startups – February to April, 2018 Through State Government efforts, 2 Startups received venture funding support during February to April, 2018.
Kerala	Venture funding for Startups – November, 2018 Kerala Government has shared a ‘Request for Proposal’ to all SEBI accredited Alternative Investment Funds (AIFs) for partnering with the State Fund of Funds scheme. 4 Startups received funding support from State Government support from February to May, 2018.

Simplified Regulations

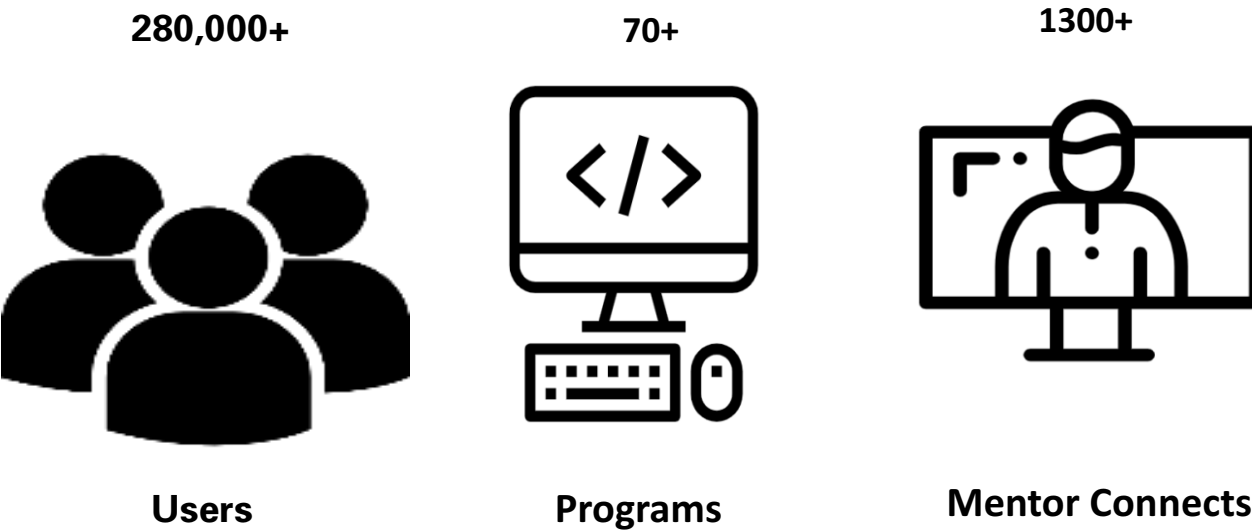
1. Support to Startups working in new or disruptive areas or technologies	
State	Impact delivered
Assam	Mechanism to allow Startups to reach out to Government– April, 2018 State Government conducted stakeholder meeting in April, 2018 to identify innovative technologies and disruptive Startups in the region. Nodal Government Department also discussed application of new technologies and challenges faced by them. As part of the discussion, 4 Entrepreneurs or Startups explained about technologies and innovation and support required from State Government.
Chhattisgarh	Mechanism to allow Startups to reach out to Government– April, 2018 Government of Chhattisgarh has shared the Government order issued in April, 2018 regarding mechanism adopted by the Government to reach out to Startups. <ol style="list-style-type: none"> State has identified 10 disruptive areas of technologies that shall be supported,

#	Regulatory Reforms	Timeline
Regulations pertaining to Banking and Commercial Borrowings		
1	Opening of foreign currency account - Indian Startup, having an overseas subsidiary allowed to open foreign currency account with a bank outside of India	June'16
2	External Commercial Borrowing regulations relaxed for Startups	Oct'16
Regulations pertaining to Investments		
3	Investment by foreign Venture Capital Investors (FVCI) - SEBI registered FVCI can invest in equity or equity linked instrument or debt instrument of Indian 'Startup' under an automatic route	Oct'16
4	Angel funds allowed to invest up to 25% of their corpus in overseas Startups	Nov'16
5	Upper limit for number of angel investors in an angel fund increased to 200	Nov'16
6	Minimum investment made by angel fund in a Startup reduced to INR 25 lakhs	Nov'16
7	Increase in maximum investment amount by an angel from five crore rupees to ten crore rupees	Mar'18
8	Requirement of minimum corpus of an angel fund reduced from ten crore rupees to five crore rupees	Mar'18
9	Lock in period for investments made by an Angel Fund reduced to 1 year	Nov'16
Regulations pertaining to Other Compliances		
10	Exemption from providing Cash flow statement as part of financial statements	June'17
11	Annual return can be signed by company secretary of a director	June'17
12	Reduction in number of board meeting for Startup companies (from 4 to 2)	June'17
13	Removal of limit on acceptance of deposits by Startups from members	Sept'17
14	Definition of eligible business as stated in Section 80-IAC aligned with Startups definition	Mar'18
Regulations pertaining to Taxation		
15	Section 54GB has undergone change for capital gains exemption to Startups	Feb'16
16	Taxation of convertible notes - Period for which a bond, debenture, deposit certificate held prior to conversion to be considered for determining period of holding	Mar'16
17	Introduction of section 54EE to encourage Startups	May'16
18	Tax exemption on investments above Fair Market Value (FMV)	June'16
19	Startups to be provided exemption on income tax for 3 years out of 7 years	Feb'17
20	Minimum Alternate Tax carry forward period increased to 15 years	Feb'17
21	25% corporate tax slab for companies with an annual turnover of less than INR 250 crores	Feb'18
22	Exemption from levy of income tax (angel tax) on share premium received by eligible Startups under section 56 of the Act	Apr '18

2.1.2. Startup India Online Hub

DIPP launched Startup India Online Hub in June, 2017, a one stop online platform to bring together all the Startup ecosystem players. The Startup India Hub is built keeping in mind the needs of the Startup ecosystem – resources that enable the growth of Startup businesses, drive sustainable economic growth, and generate large scale employment opportunities. The Government aims to empower Startups to grow through innovation and design using this portal.

The platform behaves as an aggregator of the Startup ecosystem stakeholders, which includes individuals, Startups, accelerators, incubators, investors, mentors, and Government agencies.



Keeping in mind the wide array of active users registered on the Startup India platform, numerous offerings have been made available, which include communication between the registered users, learning and development programs and having access to a number of services provided by recognized corporates, free of cost. Some of these bespoke offerings have been discussed below.

Partner Services

The Partner Services section on the Startup India platform is a haven for Startups of all stages to access a plethora of services provided by established companies on a pro-bono basis to all the registered Startups. These services are spread across areas that prove to be quintessential for a Startup to enhance their growth. Some of the most widely used Pro-Bono Services have been:

- Cloud services and free cloud credits worth \$1000
- Application based services offering an entire suite of custom apps to the Startup

Application Management System

Application Management System (AMS) allows the enabling bodies registered on the Hub to create their own program, workshop or a challenge. The AMS is an easy to use mechanism and an effective way to reach out to a huge entrepreneurial ecosystem. The type of applications can

1. Angel funding	
	Seminar Halls at 6 locations (Ahmedabad, Vadodara, Rajkot and Gandhinagar) equipped with projector and internet connectivity.
Uttar Pradesh	Promoting angel investment– February, 2018 State had organized UP Investors’ Summit 2018 on 22 nd February 2018 where prominent angel investors including Mr. Saurabh Srivastava, Chairman of IAN was a guest speaker at the Startup Session.
Karnataka	Promoting angel investment– April, 2018 Government of Karnataka is providing benefits to Angel Investors registered with the Startup Karnataka Portal. One of the most important aspects of helping Startups to become successful is providing access to capital. The incentives for angels include free entry to all Startup and tech events of the State, nominating angel investors as judges, mentors, observers across all its pitching sessions, emerging tech sector Startups funded by Angel Investors to receive matching fund.
Odisha	Promoting angel investment– February, 2018 With an objective to promote angel funding for Startups in the State, Government of Odisha through Startup Secretariat at I.E.D has notified guidelines, highlighting facilities and benefits to be provided to Angel funders. Startup Odisha has approached the Indian Angel Network (IAN) and TIE Silicon Valley to support State based Startups with Angel funding. Additionally, the State is providing IPFC seminar 60 seater hall at no cost for angel investors. State Government has conducted a seminar on 19 Feb 2018 with Angel investors and Startups
Rajasthan	Promoting angel investment– March, 2018 State Government organized two roadshows in Delhi and Mumbai on 1 st March 2018 to connect State based Startups to investors, HNIs and Angel Investor Groups.
Madhya Pradesh	Promoting angel investment– April, 2018 State Government has released guidelines (dated 26.4.2018) for providing incentives to angel investors. The guidelines include provision of free space, listing of angel investors on State Startup portal, building a common platform for Startup-investor connect, etc.

2. Venture funding	
State	Impact delivered
Andhra Pradesh	Venture Fund or Fund of funds– April, 2018 Government of Andhra Pradesh has provisioned funding support for Startups by allocating a corpus of INR 100 crores as State Innovation Fund on the lines of Fund of Funds. State has also drafted guidelines for this envisaged “Sunrise Startup Fund”.

Funding Support- Angel and Venture Funding

1. Angel funding	
State	Impact delivered
Andhra Pradesh	<p>Promoting angel investment– March-April, 2018</p> <p>State Government has organized multiple event to encourage angel investment in the State.</p> <p>“Investor Innovator Meet” was organized on 27 March 2018 in association with FICCI at Visakhapatnam to connect the investors with high-potential technology Startups working in APIS supported incubators.</p> <p>“Investing in Startups Made Easy” – A workshop organized by APIS in collaboration with LetsVenture at Bimavaram, Andhra Pradesh, on 27 April, 2018 for local industrialists, businessmen and aspiring investors to introduce them to Angel Investing in Startups as a lucrative investment options.</p> <p>State has also signed a MoU with Indian Angel Network (IAN) on 27 April, 2018 for developing Startup ecosystem and to support Startups in securing funding from IAN.</p>
Chhattisgarh	<p>Incentive for angel investors– February, 2018</p> <p>Government of Chhattisgarh has notified an angel fund “36 Angel Fund (36AF)” dated February, 2018. It is an angel fund specially founded for early stage investing in Chhattisgarh based Startups. 36AF also directly co-invest, along with Angel Funds or groups, in Startups registered in Chhattisgarh.</p> <p>36INC which is the nodal agency in the State has also organized an event “Fuelling the ecosystem through Funds and Investment” on 4 and 5 April, 2018. The event involved discussion around funding models, State Government schemes, 36 Angel Fund with angel investors and Startups in the event.</p>
Goa	<p>Promoting angel investment– April, 2018</p> <p>State Government organized “Goa Startup and Innovation day 2018” where the announcement of launch of Goa Angel Network was made in association with Mumbai Angel Network.</p> <p>Mumbai Angels as the partner will bring in their expertise and access to best in class Startups, a large national network of 250+ members across 6 chapters and gold standard processes that they are known for. They will also help build the Angel Investing ecosystem in Goa through pitching sessions, investment syndication, Portfolio Management Services, Learning & Development etc.</p>
Gujarat	<p>Promoting angel investment– April, 2018</p> <p>In order to facilitate interaction of Startups with the Angel Investors, Venture Funds and Angel Network, Government of Gujarat is providing free of cost</p>

be specific to any industry, service type or stakeholder. The platform provides access to manage all the applications received from Startups with the functionality of accepting, rejecting and marking applications as incomplete.

Learning and Development

Realizing the need to provide easy access to quality knowledge and learning material, the section “Learning & Development” on the Hub offers courses that can add to the user’s personal development and knowledge. Hub users have access to course modules by NPTEL and other organizations at no cost.

Startup India Learning Program, the most adopted course on this platform, is a free online entrepreneurship program. The main aim of the course is to help entrepreneurs get their ideas and ventures to the next level through structured learning. The program covers lessons on key areas of starting up by 40+ top founders of India in an extensive 4-week program.

Market Research Reports and Blogs for Startups

These sections are dynamically updated with on-going trends and developments in the Startup world. Reports in the field of Startup ecosystem, Fintech, investments and others from industry bodies and consulting firms are easily accessible to the users. Many of the blogs on latest trends and technologies have been submitted by the Startups themselves, giving a fresh perspective on the approach that Startups are adopting today.

2.1.3. International Partnerships

One of the key objectives under the Startup India program is to help connect Indian Startup ecosystems to global Startup ecosystems through various engagement models. Key international partnerships have been executed by Startup India and their benefits are described below.

Indo-Israel Innovation Bridge:

Israel-India Innovation Bridge is a tech platform to facilitate bilateral co-operation between Indian and Israeli Startups, tech hubs, corporations and other key innovation ecosystem players. The Innovation Bridge is housed in the Startup India Portal.

During 2017, the partnership resulted into a bilateral innovation challenge inviting Israeli and Indian Startups to combine forces to develop solutions for critical problems in the field of agriculture, water and digital health. Within each of these areas, two problems statements were presented to innovators. 18 Startups were selected as winners and they received mentorship and incubation support apart from cash prizes of up to INR 2 - 5 lacs.



India Singapore Entrepreneurship Bridge

India Singapore Entrepreneurship Bridge is a digital platform to enable Startups, investors and aspiring entrepreneurs of both countries to connect with one another with the focus on:

- Knowledge exchange,
- Networking opportunities, and
- Capacity building



The first initiative was the ASEAN India Grand Challenge to support ASEAN Startups with a commercially viable solution to solve India’s priority sectors through a market access program in 5 States of India. The themes for the challenge are as follows:

- IoT for smart cities
- Financial technology & financial inclusion
- Renewable energy
- Agriculture & rural development
- Digital health & Clean India

India Portugal Startup Hub (IPSH)

IPSH will enable Startups, investors, incubators and aspiring entrepreneurs of both countries to connect with one another and provide them with resources to become global Startups.



2. Subsidized incubation

	State Government has supported 23 Startups by providing subsidized incubation from the launch of ranking framework till June, 2018.
Uttar Pradesh	Subsidized cost of incubation for Startups – February to April, 2018 3 Startups received approval for 3 months of monthly sustenance allowance for the above mentioned period in 2018 at BIMTech Incubator supported by State Government.
Karnataka	Subsidized cost of incubation for Startups – February to April, 2018 Through efforts from the State Government, 23 Startups received subsidized incubation support from February 2018 onwards at Incubator based in Bengaluru.
Odisha	Subsidized cost of incubation for Startups – April, 2018 State Government has shared list of 76 entrepreneurs that have received free or subsidized incubation support from Government post the launch of ranking exercise.
Kerala	Subsidized cost of incubation for Startups – February to April, 2018 Since February 2018, Government of Kerala has supported 4 Startups in availing incubation facilities at subsidized cost of INR 37 per sq. ft. against the original cost of INR 60 per sq. ft.

Seed Funding Support

1. Seed funding

State	Impact delivered
Chhattisgarh	Seed funding to Startups – April 2018 State Government has provided seed funding to one Startup with a rental subsidy of INR 24,000. The rental subsidy was released on 25 th April 2018.
Odisha	Seed funding to Startups – April 2018 6 Startups received seed funding support from State Government during April 2018.
Gujarat	Seed funding to Startups – February to April 2018 53 Startups received seed funding support from Government of Gujarat during February to April 2018. The seed funding was provided for the purpose of marketing assistance and product development assistance.
Jammu and Kashmir	Seed funding to Startups – February to April 2018 79 entrepreneurs received seed funding support from Government of Jammu and Kashmir during February to April 2018.
Kerala	Seed funding to Startups – February to April 2018 Under the seed support scheme of Kerala, 5 Startups received seed funding for amount ranging from INR 2.5 lakh to 5 lakh per Startup.

1. Setting up incubation centers and incubation area	
	State has provided financial support to 2 incubators after the launch of ranking framework. The incubators – iCreate and Savli Biotech Incubator have received sanction for financial grant for managing operating expenses.
Odisha	Financial support to incubators– April, 2018 State Government has issued sanction letters (dated April 2018) to 4 incubators in the State regarding reimbursement of operating expenses. The 4 supported incubators are NIT Rourkela, Gram Tarang Employability Training Services, KIIT-TBI and STPI- Bhubaneswar.
Rajasthan	Financial support to incubators– April, 2018 and August, 2018 Rajasthan has supported incubators also known as iStart Nest incubators in Jaipur, Udaipur and Kota by providing financial support covering sustenance allowance, setting up infrastructure and hiring resources. Additionally, the State also launched one of the largest incubation facility i.e. Bhamashah Techno Hub with 1.5 lakh sq. ft. incubation area in Jaipur in August 2018.
Madhya Pradesh	Financial support to incubators– April, 2018 State has supported 3 incubators namely VASPL Initiatives Pvt. Ltd. In Bhopal, AIC-Aartech Solonics Pvt. Ltd. In Bhopal and Space Entrepreneurship Centre Pvt. Ltd. In Bhopal under the Startup Promotion Scheme 2016 in the State.
Kerala	Financial support to incubators– April, 2018 State Government has financially supported the Piravom Technolodge Incubator through financial support for operational expenses in March, 2018.

2. Subsidized incubation	
State	Impact delivered
Andhra Pradesh	Free of cost of incubation for Startups – February, 2018 State has provided subsidized incubation to 5 Startups. These Startups have been allowed incubation space free of cost.
Bihar	Free of cost of incubation for Startups – March, 2018 As per Bihar Startup Policy 2017, the state government provides free of cost incubation support to the potential Startups (i.e. 100% subsidized incubation). After the launch of ranking framework, 17 Startups have been provided subsidized incubation in the State.
Gujarat	Free of cost of incubation for Startups – February to April, 2018 Gujarat has provided subsidized incubation to 5 Startups after the launch of ranking framework. These Startups have been allowed incubation space free of cost.
Haryana	Free of cost of incubation for Startups – February to June, 2018

India Sweden Startup Sambandh: The digital platform focuses on deepening engagement among stakeholders in both ecosystems. It will provide favorable business environment and necessary guidance to Startups from both the countries for sustainable growth of their businesses.

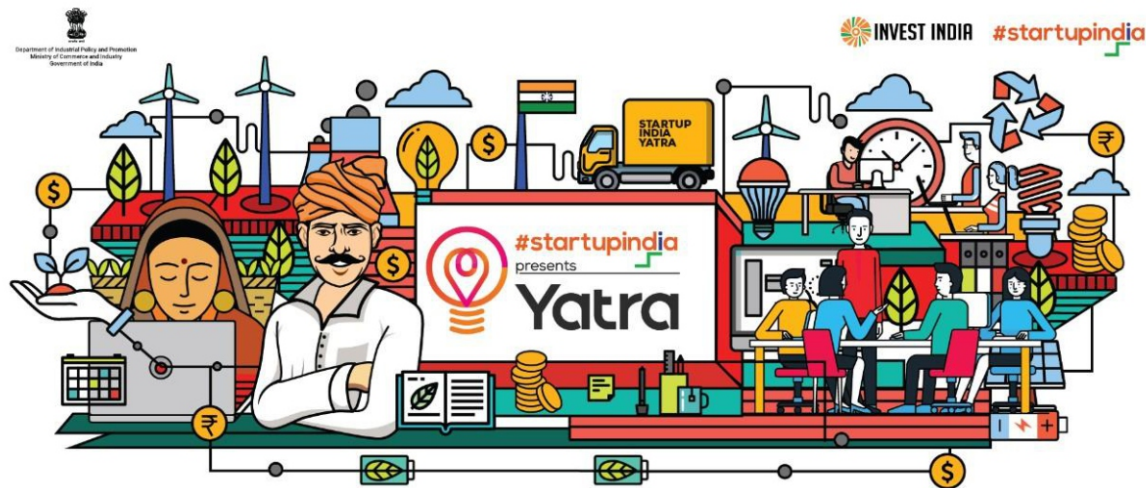


Indo-Dutch #StartUpLink: The Indo-Dutch Startup Link will act as a one stop platform for Startups from India and Netherlands. The initiative will enable Startups, investors, incubators and aspiring entrepreneurs of both countries to connect with one another, facilitate knowledge exchange, and provide pilot opportunities for Startups. Startup India Hub and Netherlands Enterprise Agency would act as single points of contact for their respective countries. The initiative will assist Startups through their lifecycle with specific focus on aspects like funding, market expansion, feasibility testing, business structuring advisory, enhancement of marketing skills, and technology commercialization.



2.1.4. Startup India Yatra

“Startup India Yatra” is an initiative aimed to scout grassroot level entrepreneurs from the non-metro cities of the country. The initiative provides aspiring entrepreneurs a platform to realize their Startup dream by getting incubated at excellent facilities and taking their idea to the next level. The initiative is being conducted through a collaboration between DIPP and States.



As of September 2018, the Startup India Yatra has been executed in 9 States covering 99 districts. The States covered under the initiative are Gujarat, Uttar Pradesh, Odisha, Uttarakhand, Madhya Pradesh, Jharkhand, Chhattisgarh, Andhra Pradesh and Telangana facilitating over 45,000 aspiring entrepreneurs.

So far, 685 incubation offers, and cash prizes worth INR 42.6 lakhs have been awarded to the winners of Yatra. Telangana has been the only state which offered incubation to all the 200 finalists during their Grand Finale. Participation from school students has also been witnessed during these Yatras.

The Yatra starts with the launch and flagging off of the Startup India Yatra Van by Chief Minister and other Ministers of the state. This van travelled around the State to different colleges spreading awareness about the Central and State level Startup policies as well as providing an opportunity to aspiring entrepreneurs to pitch their ideas online through video recordings.

Additionally, 8-10 boot camps are organised in tier-2 and tier-3 districts of the State where participants attended an ideation workshop and pitch their ideas. The aspiring entrepreneurs shortlisted from these boot camps further participated in a two-day acceleration program to learn:

- How to pitch to an incubator or investor,
- How to create a pitch deck,
- How to validate their product, etc.

Finally, selected finalists pitch to the panel of incubators at the Grand Finale for winning incubation offers and cash prizes.

9. Mentor Network

100 mentors provides expertise in various domains as these are business leaders, entrepreneurs, Government officials, etc.

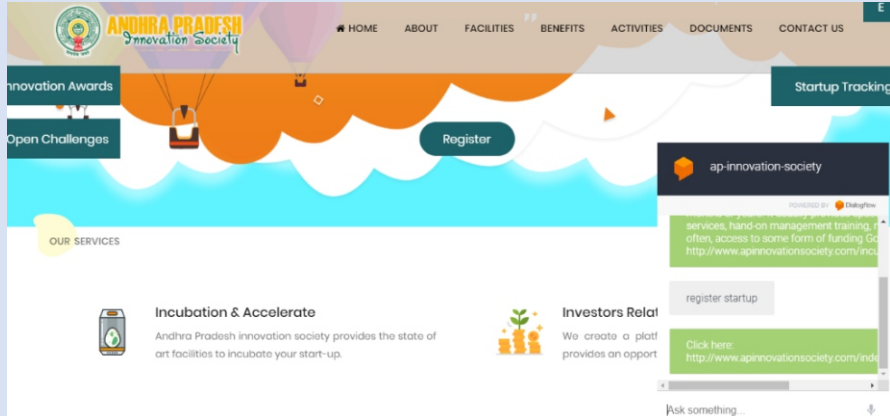
10. Intellectual Property (IP) support centers

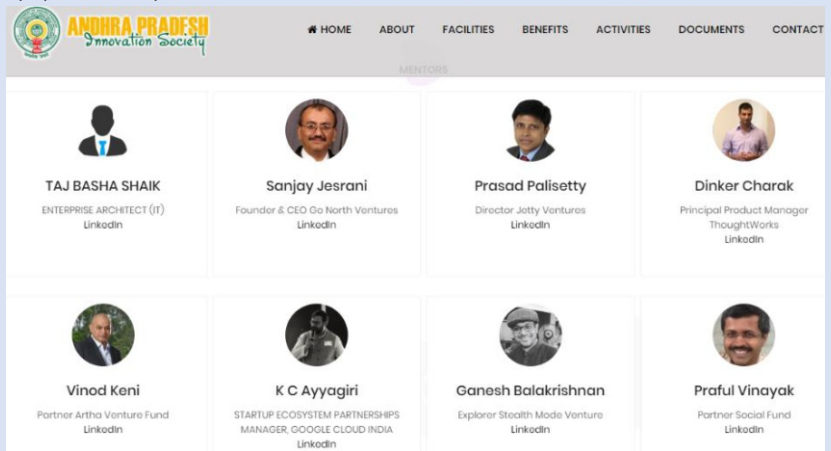
State	Impact delivered
Assam	Government order notifying IP support center– April, 2018 State Government has Government order dated 17 April, 2018 notifying the setting up of Intellectual Property Facilitation Centre (IPFC) at office of the Commissioner of Industries & Commerce, Assam. The IPFC is managed by five officers from the industries department. The objective of the IPFC is to guide entrepreneurs in filing of patent application, coordinate with different related department and Investment Cell.
Chhattisgarh	Government order notifying IP support center– April, 2018 Government of Chhattisgarh has shared office order (dated 24 April, 2018) setting up 31 IP Support Centers at all District trade and industries centers, CSIDC, etc. Details of all the 31 centers have been provided on the State Startup portal. State has also established Patent Information Centre (PIC) at Chhattisgarh Council of Science & Technology, Government of Chhattisgarh with assistance from TIFAC, Government of India.
Rajasthan	Partnership with IPR and Legal partner firms- April, 2018 DoIT&C, Government of Rajasthan has partnered with DSK Legal to provide IP support to State based Startups. The partners firm shall organize workshops on trademarks, patents, copyrights and design across the State.

Incubation Support

1. Setting up incubation centers and incubation area

State	Impact delivered
Andhra Pradesh	Financial support to incubators– February, 2018 AP Innovation Society, nodal agency of Government of Andhra Pradesh has provided matching grant of INR 450 Lakh to establish and operate Atal Incubation Center in Sri Krishnadevaraya University in Ananthapur. The incubator is sanctioned with 10,000 sq. ft. incubation area.
Assam	Financial support to incubators – February, 2018 State Government has provided approval of INR 3 crore for setting up Assam Business Incubation Hub Incubator at Ambari, Guwahati to be implemented by Assam Industrial Infrastructure Development Corporation (APIIDC).
Gujarat	Financial support to incubators– March to April, 2018

8. Query resolution	
	<p>State Government has enabled multiple mediums for resolving Startup queries. Issues and queries related to State Startup initiative are resolved through ticket tracking on Startup portal (website), helpline, e-mail. Additionally, State has enabled the online chatbot facility which auto-answers the query of user basis the standard text.</p> 
Uttar Pradesh	<p>Setting up a call center for query resolution– March, 2018</p> <p>A toll free helpline number 1800115565 has been provided on the Startup portal. Startup queries are responded by professional staff.</p>

9. Mentor Network	
State	Impact delivered
Andhra Pradesh	<p>Creation of mentor network– April, 2018</p> <p>State Government has developed a mentor network of over 100 mentors to allow Startups to identify experts best suited for their respective area of interest and to reach out to mentors. Snapshot of mentors listed on State Startup portal is provided below.</p> 
Assam	<p>Creation of mentor network– April, 2018</p> <p>A vast pool of mentors have been registered on the State Startup portal and list is provided for the benefit of Startups. The mentor network of more than</p>



Hon'ble Governor of Maharashtra, Shri C. Vidyasagar Rao, Hon'ble Chief Minister of Maharashtra, Shri Devendra Fadnavis and Hon'ble Commerce and Industries Minister, Shri Suresh Prabhu, fagging off the Startup India Yatra Van at the launch of Startup India Maharashtra Yatra



Hon'ble Cabinet Minister of State for IT E&C, Shri K.T. Rama Rao flagging off Startup India Yatra Van at the launch of Startup India Telangana Yatra



Startup India Chhattisgarh Yatra Grand Finale



Hon'ble Chief Minister of Odisha flagging off Startup Odisha Yatra



Cash prize being offered to winners at Startup India Jharkhand Yatra Grand Finale

6. Online system for Startup registration and disbursing incentives

Uttarakhand

Development of online system for Startups– April- June, 2018

A dedicated Startup portal has been developed for Startups operating in Uttarakhand. The website with features such as registration, access to mentors, angels, incubators and other policy incentives is available at: <http://www.startuputtarakhand.com/>



7. Progress Monitoring

State	Impact delivered
Assam	Development of online dashboard for monitoring progress - Aug, 2018 Assam has developed an online dashboard which tracks the important metrics of growth of Startups ecosystem in the State. The dashboard presents Startups registered, benefitted, employment and no. of incubators.
Goa	Organizing policy monitoring meeting – April, 2018 State of Goa announced its revised Startup policy in December 2017 and has setup a monitoring mechanism to review the progress of the policy implementation. The State has uploaded a progress report (dated 30.4.2018) monitoring progress of the policy incentives mentioned in State Startup policy.
West Bengal	Publishing policy progress reports– April, 2018 The monitoring mechanism is in place from the April, 2018 and reports are being published or updated regularly. The report on West Bengal MSME VC Fund has been updated and published on 01.06.2018.

8. Query resolution

State	Impact delivered
Andhra Pradesh	Development of online chatbot for query resolution– April, 2018

6. Online system for Startup registration and disbursing incentives

Goa

Development of online system for Startups– August, 2018



State has developed a new Startup portal (<http://startup.goa.gov.in/index>) which allows Startups to register and apply for various incentives under the Startup policy. It provides details of eligibility criteria and extent of support associated with of each incentive.

Gujarat

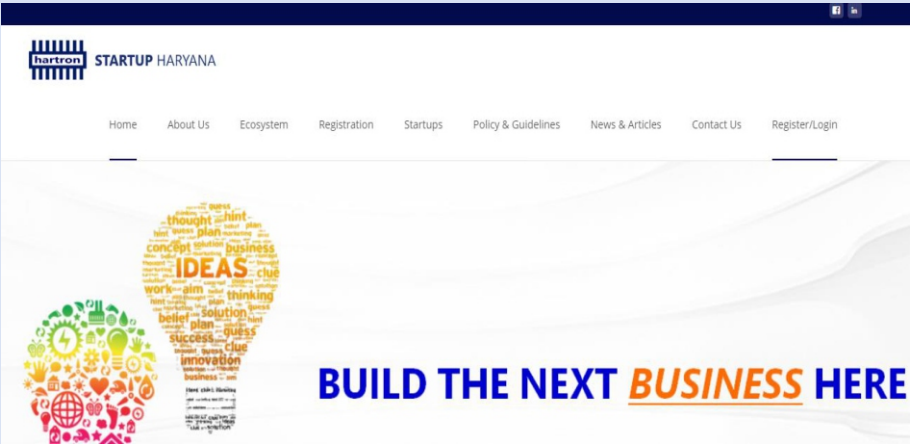
Timeline for issuing registration certificate – April, 2018

In Gujarat, the Startups can submit the application for registration by submitting all documents online. The status of the application is also reflected online in real time. Once the Startup is registered successfully, it is issued a “Registration Certificate” with a unique registration number. As per the circular dated 23.04.2018, all the Nodal Institutes have been mandated to process the applications within 10 days of submission of applications.

Haryana

Development of online system for Startups– April, 2018

Startups in Haryana can register on the Startup Haryana web portal by filling up the registration form online. URL of Startup Registration Portal: <https://startupharyana.org.in/>



Uttarakhand CM Trivendra Singh Rawat along with other dignitaries flagging off the Startup India van in Dehradun



Startup India Jammu & Kashmir Yatra being flagged off by Shri Sanjeev Verma, Divisional Commissioner Jammu Region




Himachal Pradesh Chief Minister Jai Ram Thakur while flagging off the Startup Yatra van



Startup India Yatra being flagged off in Andhra Pradesh by the Hon'ble CM Shri N. Chandrababu Naidu

Department of Industrial Policy and Promotion in collaboration with State Governments has planned to reach many more districts and budding entrepreneurs through Yatras.

5. Innovation Society	
	implementing the "Chhattisgarh Innovation and Entrepreneurship Development Policy 2015".
Karnataka	Government order constituting innovation society– April, 2018 Karnataka Biotechnology and Information Technology is reconstituted as Karnataka Innovation and Technology Society (KITS) to further promote a culture of Innovation and Entrepreneurship in the State. Some of the responsibilities assigned to KITS are: creation of innovation clubs, encouraging innovation across sectors viz. education, health, social, etc., creating incubation ecosystem and innovation in public service delivery.
Odisha	Government order constituting innovation society– April, 2018 Government of Odisha has shared that the Institute of Entrepreneurship Development (IED), Odisha is working as the society for promotion of Innovation and Entrepreneurship in the state.
Madhya Pradesh	State of Madhya Pradesh has joined hands with Madhya Pradesh Council on Science and Technology (MPCOST) in letter dated 13 March 2018 which shall work as the innovation society in the State.

6. Online system for Startup registration and disbursing incentives	
State	Impact delivered
Assam	Development of online system for Startups– April, 2018 Government of Assam has developed a dedicated Startup portal (http://startup.assam.gov.in/) where Startups can register and apply for incentives under the State Startup policy. The portal also provides functionality of tracking the status of application. <div>  </div>
Bihar	Enhancement of online system for registration of Startups – April, 2018 State had developed an online system for registering Startups and providing incentives without any physical touch point. However, since the launch of ranking framework the State has made enhancements in the registration process and portal. The online registration process has been improved to include 10 days as timeline for registration. The inclusion of status tracking facility and issue of approval letter through portal has further simplified the registration process for Startups.

4. Nodal team or agency	
	“StartupTN action plan 2016” are also involved as a team for successfully implementing the activities for the promotion of the State Startup ecosystem in Tamilnadu.
Uttarakhand	Government order for appointing nodal team– April, 2018 A Startup Cell having domain experience pertaining to Startups has been formed within the nodal department. The cell has members who are responsible for monitoring, documentation and reporting of the progress of the Startup initiatives being undertaken by the State Government.
Odisha	Government order for appointing nodal team– March, 2018 Government of Odisha through the Startup Secretariat at Institute of Entrepreneurship Development, Odisha has notified a dedicated team for Startup Odisha Initiative, the details of which are given on the web portal. The team comprises of 8 experienced domain experts and experienced professional.
Madhya Pradesh	Government order for appointing nodal team– April, 2018 A dedicated team has been assigned to the Startup and Incubation cell under the nodal officer of the State. 4 full time members are part of the team responsible for implementation and monitoring of the Startup policy of Madhya Pradesh.
Manipur	Government order for appointing nodal team– March, 2018 Governor of Manipur has directed to setup a Startup Cell in Planning Department, Manipur for smooth implementation of Startup scheme in the State.
Nagaland	Government order for appointing nodal team– April, 2018 A dedicated team consisting of 5 officials from Industries and Commerce Department, Government of Nagaland has been constituted for implementation of Startup program in the State.
Jammu & Kashmir	Government order for appointing nodal team– April, 2018 A core team with 5 officers has been nominated for implementation of State Startup policy for J&K.

5. Innovation Society	
State	Impact delivered
Chhattisgarh	Government order constituting innovation society– April, 2018 State Government has submitted Government order (dated 28 April 2018) constituting Innovation Society in Department of Commerce and Industries. The objective of the society is to promote new ideas across the State through workshops, seminars, events, etc. Additionally, AIC@36INC (which is Atal Incubation Center) has been entrusted with an objective of

2.2. Role of State Governments

States have a vital role to play in promoting the Startup ecosystem. One of the core strengths of India lies in its diversity, leading to enormous opportunities for cross-learning from each other.

Only four State Governments were actively supporting Startups before the launch of Startup India through a State Startup policy. The Startup movement across the country was fragmented and there was a need for consolidating standalone efforts. Emphasis was also required simultaneously to encourage more and more States to undertake new initiatives. The national priority initiative has led to a wide spread movement across the country and presently 22 States have their own Startup policies. Many other States and Union Territories (UTs) are in the process of drafting their policies and operating guidelines. The core functioning of an enabling ecosystem in a State is a function of the policy framework and effective implementation of the same. In the journey of developing a conducive Startup community, it is important that States and UTs exchange and adopt good practices undertaken by each other.

Another important role of State is to reduce the regulatory burden on budding Startup founders by simplifying labour, taxation, land, and other laws and regulations under the State purview. Many States are organizing hackathons, boot camps, pitching sessions to promote Startups. Several other States have already begun to actively setup world class incubators for Startups across various sectors. However, a significant effort is required to accelerate the pace of these initiatives to be at par with the pace of growth of Startups. Concerted initiatives by States will accelerate the growth of Startup ecosystems in their respective territories and transform the country into a flourishing Startup Nation.

The State Startup Ranking exercise has provided the required momentum to the Startup initiatives across the country by channelizing efforts through a guiding framework for States. The exercise aligns with the objective of Startup India initiative, which seeks to have a ‘Startup in each block and each zila in the country’.

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India is a federal nation. When States build robust Startup ecosystems at their level, these components integrate to build a thriving national Startup ecosystem.



4. Nodal team or agency	
State	Impact delivered
Andhra Pradesh	Government order for appointing nodal team– April, 2018 State has submitted Government order (dated Apr, 2018) regarding appointment of Andhra Pradesh Innovation Society (APIS) as an agency within the nodal department for supporting the development of Startup ecosystem in the State. Dedicated team members of the nodal team are assigned the responsibility of managing the incubation activities in all State supported incubators. The State also mentioned details of nodal team on its Startup portal.
Assam	Government order for appointing nodal team– March, 2018 State through a Government order dated 27 March, 2018 has constituted a nodal team with 6 members in the office of Commissioner of Industries & Commerce, Government of Assam. The team includes Government officials including Additional Director and Joint Director, among others. The team shall be responsible for implementation of Startup Policy, implementation of incubator, networking of mentors and other related activities etc. for development of Startups in the State.
Chhattisgarh	Government order for appointing nodal team– April, 2018 State Government has submitted office order (dated 28.4.2018) where 6 members have been appointed for supporting the development of Startup ecosystem in the State. The team comprises of Director of Industries, Managing Director, Chhattisgarh State Industrial Development Corporation, Chief Executive Officer, Chhattisgarh Infotech Promotion Society, Chief Executive Officer, 36INC- Incubator, DGM State Bank of India and Joint Director, Industries.
Goa	Government order for appointing nodal team– March, 2018 State has issued Government order in March, 2018 regarding constitution of dedicated team with Secretary (IT), Director (IT), software engineers, consultants from Startup promotion cell as members to oversee the implementation of Innovation and Startup Policy. Team details have been provided on State Startup portal as well.
Gujarat	Government order for appointing nodal team– April, 2018 State Government has formed a Startup Cell through a Government notification (dated 23.4.2018). A dedicated team with 5 members has been appointed to implement the Startup and Innovation policy in the State.
Tamilnadu	Government order for appointing nodal team– February, 2018 The Innovation, Incubation, Research Division and Student Entrepreneurship Division of EDII teams working for implementation of the

3. Nodal Department and Officer	
	State Government of Goa has issued the Government order dated 27 March, 2018 regarding assignment of Nodal Department and Nodal Officer for developing Startup ecosystem. Secretary (IT) has been appointed as the Nodal officer and Department of IT as the nodal department.
Himachal Pradesh	Government order for appointing nodal officer and Dept. – March, 2018 Government of Himachal Pradesh has appointed Principal Secretary, Industries as the nodal officer for leading the Startup initiative in the State through a Government order issued in March, 2018.
Punjab	Government order for appointing nodal officer and Dept. – March, 2018 In order to effectively coordinate with various stakeholders such as various departments, universities, other organizations and Government of India Ministries, Director Industries & Commerce, Punjab has been appointed as the nodal officer.
Gujarat	Government order for appointing nodal officer and Dept. – April, 2018 The State Government has nominated Industries Commissioner as the Nodal Officer and Industries Commissionerate has been nominated as the Nodal Department for managing the Startup activities in Gujarat. The details has also been published on the Gujarat Startup Portal.
Haryana	Government order for appointing nodal officer and Dept. – April, 2018 State has mentioned that Secretary E&IT-cum-MD, HARTRON shall be responsible for implementation of all the provision mentioned in the State Startup policy.
Uttarakhand	Government order for appointing nodal officer and Dept. – April, 2018 To promote Uttarakhand's Startup ecosystem, Government of Uttarakhand has designated Department of Industries as the Nodal Department and Commissioner- Industries as its Nodal officer.
Karnataka	Government order for appointing nodal officer and Dept. – April, 2018 Government of Karnataka has shared a GO dated 20 April 2018, appointing Principal Secretary, Department of IT, BT and S&T as the nodal officer for Startup ecosystem development in the State.
Odisha	Government order for appointing nodal officer and Dept. – March, 2018 Government of Odisha has nominated Additional Chief Secretary, MSME as nodal officer for Startup in the State. Government has shared notification, dated 22 March 2018, in this regard.
Nagaland	Government order for appointing nodal officer and Dept. – June, 2018 Commissioner & Secretary, Industries & Commerce has been appointed as Nodal officer for the Startup activities in Nagaland.
Jammu & Kashmir	Government order for appointing nodal officer and Dept. – April, 2018 State Government has shared a notification (dated 27-Apr-2018) issued by Dept. I&C nominating JKEDI as nodal agency and Director, JKEDI as nodal officer.

3. Conceptualization and Evolution of Ranking Framework

Government of India has undertaken the implementation of the Startup India initiative with the spirit of collaborating with States and consolidating individual efforts. Department of Industrial Policy and Promotion (DIPP) has always encouraged States towards creation of thriving Startup ecosystems which, together shall integrate into a strong national Startup ecosystem for entrepreneurs.

3.1. Vision and Conceptualization

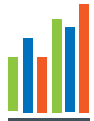
The vision of launching State Startup Ranking Exercise was laid in April 2017 under the leadership of Sh. Ramesh Abhishek, Secretary, DIPP, Ministry of Commerce and Industry, Government of India. This is first of its kind initiative, across the world, to utilize the power of competitive federalism to transform a country into a Startup nation. DIPP along with Startup India team then explored good practices of leading Startup ecosystems across the world to identify pillars and themes to serve as the foundation for the ranking framework. The team also undertook a benchmarking exercise of Startup ecosystems in several States across India to understand their maturity level and to customize the framework in that context. The pillars of framework were identified and assigned weightage keeping in view the requirements of Startups for their growth.

DIPP introduced first draft of the ranking framework in September 2017 during the Second Startup India States' Conference. The event witnessed intensive discussions with State Governments on ranking framework to understand their feedback and preparedness for the exercise.

The draft was then shared with all State Governments, concerned Central Government Departments including Department of Science and Technology, Department of Bio-technology, NITI Aayog, Ministry of Labour and Employment (MoLE),



Facilitate States to identify, learn and replicate good practices



Help bring to fore progress made by States for promoting Startup ecosystem



Foster competitiveness & propel the States to work proactively

Key Objectives of the Ranking Exercise



Ranking framework with detailed guidelines, methodology and assessment model launched on 6th February by Sh. Suresh Prabhu, Hon'ble Minister for Commerce and Industry

Compilation of 95 good practices across 18 Indian States for promoting Startups launched on 6th February by Sh. Suresh Prabhu, Hon'ble Minister for Commerce and Industry



2. Women Entrepreneurship	
Gujarat	<p>Sustenance allowance for women entrepreneurs – April 2018</p> <p>State has issued a Government Resolution amending the State Startup policy for providing additional benefits such as enhanced sustenance allowance of Women Entrepreneurs.</p> <p>The incentive provided reads as follows, “10,000 per month will be provided to innovator as sustenance allowance for one year whose project is recommended by institution as approved by committee. If 50% or more promoters or founders are women then, the Startups will get 12,000 per month for a period of one year as Sustenance allowance”</p>
Odisha	<p>Monthly allowance and marketing assistance</p> <p>The State has also included additional incentives such as monthly allowance and marketing assistance for women entrepreneurs in its Startup policy.</p>
Madhya Pradesh	<p>Enhanced subsidy on loans for women entrepreneurs- April, 2018</p> <p>The Startup policy in the State has been amended to provide interest subsidy on loan provided to women entrepreneurs. The subsidy of maximum of INR 5 lakh shall be provided to women entrepreneurs' vis-à-vis INR 4 lakh for other entrepreneurs.</p>

3. Nodal Department and Officer	
State	Impact delivered
Assam	<p>Government order for appointing nodal officer – March, 2018</p> <p>State through a Government order dated 23 March, 2018 nominated Shri K.K.Dwivedi, Commissioner of Industries and Commerce Department, Government of Assam as the Nodal officer for any Startup related activities. The State also mentioned details of nodal officer on its Startup portal.</p>
Bihar	<p>Government order for appointing nodal officer and dept. – April, 2018</p> <p>Government of Bihar has issued a Government Order dated 25 April, 2018 vide which it has notified Department of Industries as the nodal department and the Principal Secretary of the Department of Industries as the nodal officer for the implementation of the Bihar Startup Policy, 2017. The information has been provided on State Startup portal as well for benefit of Startup ecosystem components.</p>
Chhattisgarh	<p>Government order for appointing nodal officer and Dept. – April, 2018</p> <p>The state through a Government order dated 28 April, 2018 has assigned Department of Commerce & Industries, Government of Chhattisgarh as Nodal Department and appointed Alarmelmangai D. (IAS), Director Industries, Government of Chhattisgarh a Nodal Officer with responsibility of Startup ecosystem development in the State.</p>
Goa	<p>Government order for appointing nodal officer and Dept. – March, 2018</p>

1. Startup Policy	
	<ul style="list-style-type: none"> Develop at least 15 incubators in collaboration with industry and academia Facilitate incorporation of at least 10,000 Startups Create 500,000 direct and indirect employment opportunities
Jammu & Kashmir	<p>State Startup policy launched – September 2018</p> <p>In order to improve and enhance growth in the Startup sector, the State Administrative Council (SAC) of Jammu and Kashmir (J&K) has approved the J&K Startup Policy 2018. The policy was approved on September 13, 2018.</p> <p>The policy will facilitate and nurture the growth of new Startups through:</p> <ul style="list-style-type: none"> Establishment of at least 10 new state-of-the-art incubators, Innovation labs and fabrication labs across all three regions of the state including private sector, Monthly allowance up to INR 12,000, for a period of one year during incubation, and One-time assistance up to INR 12 lakhs shall be given to a recognized Startup for product research and development.
Uttarakhand	<p>State Startup policy launched – February 2018</p> <p>Uttarakhand State Startup Policy-2018 has been notified on 22 February, 2018 by Department of Micro, Small and Medium Enterprises, Government of Uttarakhand. The policy caters to the entire Startup ecosystem, right from Startups to Incubators, Angel investors, Task Force, Nodal agency, Startup Council etc. The policy focuses on nurturing the spirit of entrepreneurship across the State by:</p> <ul style="list-style-type: none"> Providing training to trainers, Introducing courses on ‘Entrepreneurship Development’ at School level Establishment of Entrepreneurship Development Cell at College and University level, <p>State Government is making all efforts to instil the spirit of entrepreneurship at all levels.</p>
Punjab	<p>Formulation of operational guidelines for State Startup policy</p> <p>Government of Punjab has drafted the operating guidelines for its Startup policy.</p>
Tamilnadu	<p>Formulation of draft State Startup policy – February 2018</p> <p>The State has held extensive consultations to formulate the Startup and innovation policy 2018. The final policy is under approval for notification.</p>

2. Women Entrepreneurship	
State	Impact delivered

Ministry of Human Resource Development (MHRD) and industry bodies including Confederation of Indian Industries (CII), Federation of Indian Chambers of Commerce & Industry (FICCI) and NASSCOM for their suggestions and feedback. Simultaneously, the framework was published on the Startup India platform (startupindia.gov.in) for public consultation.

3.2. Launch of Ranking Framework

The intent of the ranking exercise was consultative and collaborative to ensure key learnings are documented. The feedback and insights from all the stakeholders were reviewed and the framework was revised. DIPP further held extensive consultations from October - November 2017 with State Government officials, and ecosystem players, including Startups, incubators, angel investors, venture fund managers, and mentors among others for formulation of the ranking framework. Diversified knowledge and expertise brought in by various stakeholders ensured the co-creation of a well-rounded **State Startup Ranking Framework 2018**. The State Startup ranking framework 2018 was launched by Shri Suresh Prabhu, Hon’ble Minister of Commerce & Industry, on 6th February 2018.

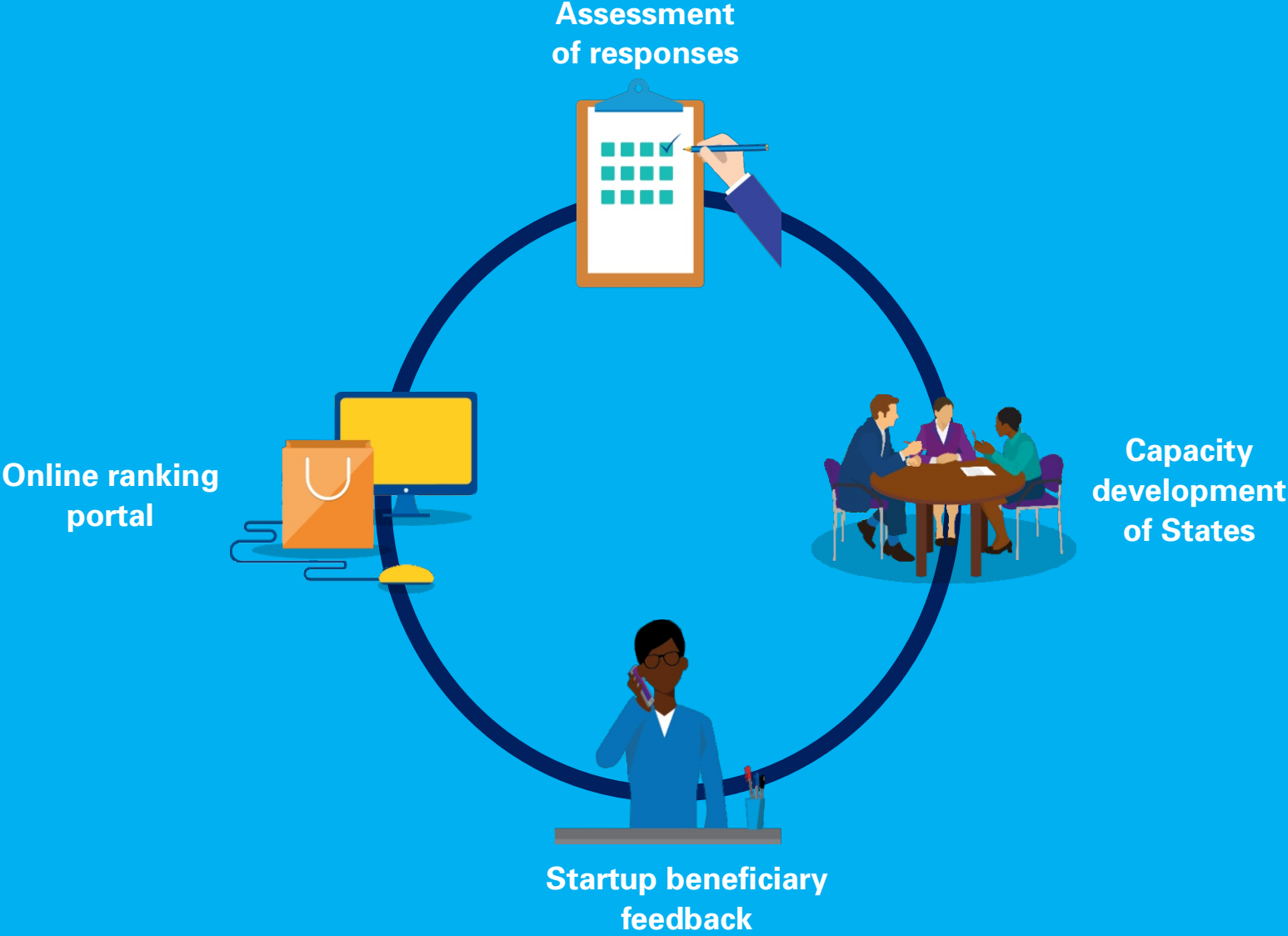
The ranking framework was drafted and released with the intent to serve as a guideline document for States to refer while implementing initiatives for Startup ecosystem development. The framework spreads over **7 pillars and across 38 action points**, which covers most of the requirements of a Startup that may be facilitated by the Government.



In order to facilitate cross-learning among States, Startup India team also prepared a **compendium of 95 good practices** curated across each action point of the ranking framework. The compendium of good practices highlighted initiatives undertaken across the country by several States. DIPP prepared the document with an objective to motivate other states to formulate and implement similar initiatives in their respective territories.

Furthermore, dedicated officers from States were identified to support in providing required supporting documents against action points and Startup beneficiary data for collecting feedback.

Ranking Evaluation Process



7. Impact of Ranking Exercise

The launch of ranking framework brought all the States into action. State Governments and nodal officers have prioritized Startup promotion as was noticeable from their participation in several collaboration platforms created by DIPP.

Three incubator knowledge exchange workshops witnessed enthusiastic participation from majority States and UTs. Further, 30 States and UTs interacted with Startup India team through personal meetings and video conferences to discuss the nuances of ranking framework. Finally, 30 States including 3 UTs participated in the ranking exercise to learn, implement and share good practices for promotion of Startups.

The real impact of the ranking exercise can be determined by the fact that new Startup policies were launched, old and archaic laws were abolished, new Government orders were issued and many Startups were supported after the launch of State Startup ranking framework. The success of the exercise has been achieved as it recorded the best efforts from all the States. Some of the major impacts recorded across all States under each pillar of the framework after the launch of ranking exercise in February 2018 are described below:

Startup Policy and Implementation

1. Startup Policy	
State	Impact delivered
Maharashtra	<p>State Startup policy launched – February 2018</p> <p>With a vision to create an innovation-based economy and develop entrepreneurial spirit across the State, the Skill Development and Entrepreneurship Department (SDED) of Government of Maharashtra (GoM) has formulated the Maharashtra State Innovative Startup Policy 2018 in February 2018. Over a period of five years i.e. 2018 to 2023, the Maharashtra State Innovative Startup Policy 2018 sets out to achieve the following:</p> <ul style="list-style-type: none">Attract angel and seed stage investment of INR 5,000 Cr.



4. Evaluation Methodology and Implementation

The State Startup ranking framework measures States on 38 indicators across 7 pillars and rates the overall efforts by States on a scale of 0 to 100. The 7 diverse pillars of the ranking framework cover parameters such as Startup policy and implementation, incubation support, seed funding support, angel and venture funding support, simplification of regulations, ease in public procurement and awareness and outreach efforts in States.

4.1. Evaluation Methodology Overview

The evaluation of States involved assessing supporting documents for each action point and collecting feedback from the Startup beneficiaries on 17 action points out of 38 action points to understand their point of view. The methodology ensured fair and objective assessment of States' efforts.

Within each pillar, the scores assigned for each action points are different. For example, the overall score for the "Startup policy and implementation" pillar is 17, and it has 13 action points under it. On the other hand, score for the "incubation support" pillar is 20, and it has only 3 action points. Hence, each pillar has been assigned weights as per its importance and after consultation with Startup ecosystem stakeholders. Following is the scoring matrix used as part of the overall ranking framework:



#	Pillars of framework	Number of action points	Number of feedback based questions	Pillar-wise score
1	Startup policy and implementation	13	7	17
2	Incubation support	3	0	20
3	Seed funding support	2	0	15
4	Funding support – angel and venture funding	3	0	10
5	Simplified regulations	4	2	13
6	Easing public procurement	5	5	14
7	Awareness and outreach	8	3	11
Grand Total		38	17	100

Guidelines against each action point were provided in the ranking framework for guiding States in implementing reforms. Another document was shared with States explaining the methodology for feedback exercise. Based on the queries received from various States, an additional set of clarification was issued in March 2018. Detailed evaluation methodology is available at [State Startup Ranking Portal](#).

4.2. Dedicated Online State Startup Ranking Portal

In order to ensure seamless dissemination of information and transparent system for collection of responses from the States and Union Territories (UTs), the State Startup ranking portal was launched on 6th Feb 2018 alongside the launch of State Startup ranking framework 2018. The portal is available on www.startupindia.gov.in/srf

State Startup ranking portal is specially designed to serve as a single point of access for all the information regarding State Startup ranking exercise. States and Union Territories (UTs) through their individual login could access a dynamic and personalized dashboard. Each State and Union Territory (UT) was linked to one user account and could submit information directly to Department of Industrial Policy & Promotion (DIPP) in a secure and safe manner for each action point.



State Governments efforts create an environment where aspiring entrepreneurs with drive and good ideas can start a business and create new jobs. The role played by State government in the lifecycle of a Startup is the central focus of pillar wise performance chapter. The ranking framework pillars were carefully designed keeping in view the expectations of entrepreneurs from Government. The pillar-wise analysis shares broad insights of the performance by States at a national level and highlights good practices undertaken to promote Startups. It is expected that the analysis will help States to understand areas of improvement and prioritize action plans to create pro-entrepreneurship policies and environment.

Entrepreneurship cells

West Bengal: State has formulated “West Bengal Startup Policy 2016” The policy of the State intends to set up Entrepreneur Development Cell (EDC) in educational institutions of each district for creation of ‘Enabling Environment’ for the Startups. Entrepreneurship cells have been established in all 23 districts of the State. The e-cells organize entrepreneurship related activities across the year which include pitching sessions, training, entrepreneurship courses, seed funding from institute.

Support participation in national and international events

Karnataka: Government of Karnataka provides support in the form of grants, reimbursements, allowance and sponsorship for Startups to participate in national and international events. The operational guideline of the Startup policy mentions the details on the eligibility, selection process along with the support and assistance provided for national and international event. The State has supported 28 Startups to participate in 5 international events namely Bio Korea 2016, Biotech Japan 2016, Bio-San Francisco 2016, CeBIT 2016 and Japan IT Week. The support is provided in the form of stall space, travel and accommodation and registration fee.

Kerala: In order to provide support and give exposure to Startups, Kerala Government has enabled Startups to participate in International Exchange Programs. The Startups from State got the opportunity to participate in key global Startup events such as NASSCOM InnoTrek, Slush 2017 in Finland. Startup delegations have also visited US, China and Hongkong with support from State Government.

Andhra Pradesh: The State Government has supported participation of Startups in both national and international events. As per the data with DIPP, Startups were encouraged to attend 7 such reputed events. 25 Startups have been supported to attend important events. APIS, the nodal agency in the State extends support through reimbursement of registration fee, free exhibition hall, grant for travel and accommodation, reimbursement of travel, etc.

State Startup ranking portal provides ease of navigation for States and Union Territories (UTs) as users. For DIPP, it provides productive ways to issue notifications, provide comments to the submissions and respond to inquiries of the States and Union Territories (UTs) on each action point. The portal also provided functionality to seek additional documents from States and UTs wherever necessary.

State Startup ranking portal was built to provide the following:

- Real time tracking and assessment of submissions and inquiries of States and UT's
- Details of the State level good practices to learn and replicate from the experience

State Startup ranking portal represents a paradigm shift by using technology as an enabler to make governance and data management more efficient and transparent. Several capacity development workshops and meetings were organized to apprise States about the ranking portal functionalities and features.

4.3. Capacity Development of States

4.3.1. Ranking Awareness Workshops

After the launch of ranking exercise on 6th February 2018, DIPP directed its team to schedule visits to all States and Union Territories. A dedicated team from DIPP visited States to meet with the designated officials of the State Startup policy team. The objective was to introduce the Startup India initiative, the State ranking framework, the 38 action points and assessment methodology. During these interactions, State Government officials and State Startup teams were given a live demo of the State Startup ranking portal. This included creating user profile, uploading documents and navigating through the dashboard to submit feedback information. DIPP appointed team ensured that the State government officials understand the framework, can submit responses with ease and have a dedicated SPOC to troubleshoot the problems of the State (if any). From February 2018 to March 2018, more than 30 such meetings were held.

For these visits, a single point of contact (SPOC) from DIPP-Startup team was assigned to each State Government to handhold them during the State ranking framework exercise.

As a result of these visits, a deeper engagement was developed between the State Government and DIPP. Furthermore, State government officials also proposed opportunities of engagement with DIPP by way of:

- Setting up toll-Free helpline and website,
- Support in policy formulation and drafting operating guidelines, and
- Support in identifying and engaging Startup ecosystem stakeholders.

4.3.2. Video Conferences

A parallel channel of engagement was established between DIPP and States for their preparedness for the ranking exercise. Five rounds of video conferences were organized with all States during March-May 2018. Video conferences helped in understanding the initiatives taken by States post the launch of ranking framework and to resolve any queries related to compliance with framework guidelines. Dedicated team members from DIPP and each State Government was nominated to facilitate these interaction and successful implementation of exercise. The video conferences provided platform for States to suggest amendment in ranking guidelines for certain action points e.g. several States highlighted that they provide seed funding to Startups through monthly allowance and/ or reimbursement of lease rental. States requested that same shall be considered for the purpose of evaluation in action points related to seed funding. DIPP acknowledged all such suggestions and issued a clarification document on 28th March 2018 on the ranking portal.



4.3.3. Pairing of States for Intensive Mentoring

In the process of studying State Startup ecosystems, it was observed that many States are ahead in the Startup ecosystem learning curve and have undertaken significant efforts to create a cohesive Startup community. Realizing the need for handholding and mutual learning, DIPP took an initiative and paired together States and UTs to facilitated mentoring. The key objective of pairing was to promote cross-learning and providing impetus to upcoming States for building their Startup community. The pairings were intended to facilitate intensive interactions among them for formulation of effective policies and execution of meaningful programs. An overview of the pairing of States for the purpose of mentoring is as follows:

Boot Camps across schools and colleges

Andhra Pradesh: Govt. of Andhra Pradesh has actively organized boot camps to foster innovation among students. The State has organized over 12 boot camps for aspiring entrepreneurs. Boot camps on Rural Entrepreneurship were organized in association with University of California, Berkeley during 2017 to create scalable and sustainable smart villages across 4 districts.

Odisha: Startup Odisha in partnership with Startup India has conducted 10 boot camps at various academic institutions across the State under the 'Startup India Odisha Yatra 2018' campaign.



Organizing Hackathons to identify innovative technological solutions

Telangana: Government of Telangana regularly organizes hackathons to identify innovative technological solutions. The state has organized 5 hackathons for innovators: Hack2Innovate, Hackadrone, Smartcity hackaton, Solv-a-thon and Telangana Smart City Hackaton. Details of one of the hackathons is as follows:

Hack2Innovate is a national hackathon that occurs over 24 hours in each of the 7 cities around the country. Coders, startups, entrepreneurs, researchers, designers, makers, technologists enthusiastic about Deep-Tech come together to uproot the Deep-Tech innovation by working on the problem statements provided by partners. The challenges include: AI in healthcare, Smarter and safer cities, AI in retail, Machine learning in weather forecast, sentiment in social media, etc.

Good practices in awareness and outreach

Leading practices from various States for undertaking impactful outreach initiatives are highlighted below:

Organizing Startup outreach events

Chhattisgarh: Department of Commerce & Industries, Govt. of Chhattisgarh actively organized and participated in dedicated events to provide a platform to Startups for showcasing their ideas, products, services. The State organized 7 outreach events for Startups and details for few of them are as follows:

- Alphapreneur Startup Conference & Expo'17 in Raipur - Startup Exhibition, Talk sessions on Fundamentals of Starting up and Leveraging AI and Deep Tech to solve problem for masses, One to one Fast mentoring session, Fire side chat on Scaling up, etc.
- Frugal Innovation - Frugal Innovation Summit was a forum for discussing affordability-driven innovations and investigating how startups can effectively reduce market uncertainty and technology uncertainty of product innovation. One to one connect session and pitching sessions were organized for providing an opportunity for the Chhattisgarh start-ups to connect with other stakeholders.

Gujarat: State Government has organized large scale events to provide a platform to Startups for showcasing their innovative ideas. The State has organized 5 outreach events for Startups. Details of the marquee event of the State is as follows:

- Vibrant Gujarat Startup Summit 2016: Government of Gujarat hosted a two-day event full of experiential networking and learning for start-ups and aspiring entrepreneurs. Some of the key learning sessions for Startups included:
 - STARTUP INCUBATION AND ACCELERATION BEST PRACTICES
 - DEMYSTIFYING STARTUP FINANCING - FROM IDEATION TO SCALE
 - START-UP FAILURES (R+4P) RESEARCH + PRODUCT + PEOPLE + PAISA (FINANCE) + POLICY
 - ROLE OF INDUSTRY IN STARTUP ECOSYSTEM

Dedicated stalls were provided to Startups to showcase their products and services. Some of the key sessions also allowed Startups to make a business pitch to investors and mentors. Over 1000 Startup ecosystem stakeholders attended the summit.



Mentor State	Paired State
Andhra Pradesh	Chhattisgarh, West Bengal
Kerala	Tamil Nadu, Lakshadweep
Telangana	Goa, Assam, Odisha
Karnataka	Uttarakhand, Bihar, Himachal Pradesh
Gujarat	Uttar Pradesh, Maharashtra Daman and Diu, Dadra and Nagar Haveli
Rajasthan	Delhi, Haryana Madhya Pradesh
West Bengal	Nagaland, Andaman and Nicobar Islands Sikkim
Odisha	Jharkhand, Meghalaya
Assam	Tripura, Manipur Arunachal Pradesh, Mizoram
Haryana	Punjab, Chandigarh Jammu & Kashmir
Tamil Nadu	Puducherry

Exchange of good practices can have an influential effect in federal structure like India, in large part due to better reception of approaches which have been ‘tried and tested’ in similar context.

4.3.4. State Knowledge Exchange Workshops

In another capacity development initiative, DIPP organized knowledge exchange workshops for dissemination of good practices and mutual learning among States and UTs. 3(three) two-day knowledge exchange workshops were organized in leading incubators in the country. The workshops offered an opportunity for participating States and UTs to interact with each other, exchange best practices, interact with leading Startups, investors and incubators.

The workshops were organized at the following locations:

- T-Hub, Hyderabad, Telangana – 9th & 10th April 2018
- iCreate, Ahmedabad, Gujarat – 11th & 12th April 2018
- Sunrise Incubation Hub, Vizag, Andhra Pradesh – 16th & 17th April 2018

Brief overview of these workshops is provided in following section.

T-Hub, Hyderabad, Telangana

T-Hub is a unique public private partnership between the government of Telangana, 3 of India's premier academic institutes (IIIT-H, ISB & NALSAR) and key private sector leaders. It stands at the intersection of the Startup, academic, corporate, research and government sectors. The knowledge sharing workshop was conducted on 9th & 10th April 2018 in the presence of 12 States including:

1. Telangana
2. Assam
3. Goa
4. Odisha
5. Tripura
6. Manipur
7. Karnataka
8. Uttarakhand
9. Bihar
10. Himachal Pradesh
11. Meghalaya
12. Jharkhand

The workshop covered important themes of discussion, such as progress of Startup India, Startup India Hub and Startup India Yatra followed by a presentation by T-Hub explaining the journey of building a collaborative incubator. Among many other activities, T-Hub tour was organized for all the officials from State governments to discuss ideas on developing a vibrant and creative infrastructure for innovators.

The workshop also witnessed business pitch from 3 Startups including:

1. **AuthBase**, a CyberSecurity Company that provides frameworks to help developers secure their applications,
2. **Banyan Nation**, a high technology social venture that takes an integrated approach to recycling & waste management. It innovates across the entire value chain right from pre-sorting and collection to post-sorting and processing, and
3. **GMW** an electric auto and electric bicycle manufacturing Startup based out of Hyderabad.



T-Hub	
Startups:	835
Mentors:	117 mentors
Partnerships:	32 community and 14 international partnerships
Outreach events:	13 Startup oriented programs
Funding Support:	57 Startups raise \$33.6 MN

Communication Champions

States with exemplary performance in the seventh pillar of the framework i.e. 'Awareness and outreach' have been recognized in this category to appreciate their efforts.

- ❖ Andhra Pradesh
- ❖ Chhattisgarh
- ❖ Gujarat
- ❖ Karnataka
- ❖ Kerala
- ❖ Odisha
- ❖ Telangana



*States have been arranged in alphabetical order.

The performance of States on the critical action points in this pillar was as follows:

- i. **Startup outreach events:** Out of 30 States that participated in the State Startup ranking exercise, **15 States have conducted several Startup outreach events** where Startups got an opportunity to present their products and services to other ecosystem stakeholders. These events had large gathering of founders, investors, Government officials, students, among other stakeholders. Overall, **more than 90 Startup outreach events** were conducted across the country with support from State Governments in last 2 years.
- ii. **Boot Camps across schools and colleges:** **18 out of 30 States** conducted boot camps, workshops or grand challenges in schools and colleges to foster innovation among students. Overall, **more than 100 boot camps** were conducted with support from State Governments.
- iii. **Hackathons:** **15 out of 30 States** have ensured that they identify innovative technological solutions for supporting entrepreneurs by conducting hackathons in various sectors. A single hackathon conducted through State support with complete details was eligible for securing full mark in this action point. Overall, **more than 36 hackathons** were conducted across the country with support from State Governments in last 2 years.
- iv. **Entrepreneurship Programs:** Only **9 out of 30 States have launched entrepreneurship programs** for students and aspiring entrepreneurs. Entrepreneurship programs provide structured training to students about important aspects of running a business. It covers important topics ranging from idea generation, business model development, marketing, financial planning, legal aspects of business, fund raising to business pitch preparation. Overall, **more than 28,000 students enrolled in entrepreneurship training** supported by State Government in last 2 years.
- v. **Entrepreneurship Cells (e-cells):** The requirement of setting up e-cells in educational institutes across all districts in the State was challenging. Nevertheless, **7 States** were able to meet the expectations and have been successful in creating a network of e-cells across all districts. Other States are encouraged to scale up the spirit of innovation and entrepreneurship by creating state-wide e-cell network.
- vi. **Support participation of Startups in national and international events:** **14 out of 30 States** have supported Startups to participate in national or international events. The support has been provided in various forms including grants, travel and accommodation reimbursement, free of cost stall space and reimbursement of registration fee.

This pillar had few of the easier action points which may be taken up by all States immediately. Startup India has been working along with States to conduct entrepreneurship awareness and outreach events through Startup India Yatra. Similar such joint efforts may be explored by all States. Additionally, States may learn from good practices of other States in this pillar.

The first day concluded with 3 field visits to:

1. **IIIT & D Labs** which is structured around research centers and labs as opposed to schools and departments,
2. **I - hub, ICRISAT** where demonstration was given by ICRISAT representative to State officials on technology in agriculture and (Agri-tech) entrepreneurs, and
3. **LVPEI** which is the center for innovation and receives funding support from Cyient Ltd.

In the second leg of the workshop, knowledge exchange session were organized with State representatives to discuss initiatives undertaken to promote Startups. Paired States also engaged in closed door interaction on developing Startup policies and possible areas of collaboration for building strong Startup ecosystem. The State officials also interacted with angel investors and VCs on providing funding avenues for Startups and corporate leaders on hosting promotional events.



iCreate, Ahmedabad, Gujarat

Established as an autonomous center of excellence, The International Centre for Entrepreneurship and Technology (iCreate) is a 34 acres campus on the outskirts of Ahmedabad.

Second Knowledge sharing workshop was conducted on 11th & 12th April 2018 and 6 States participated in this workshop including:

- 1. Gujarat
- 2. Uttar Pradesh
- 3. Maharashtra
- 4. Tamil Nadu
- 5. Puducherry
- 6. Kerala



The workshop emphasized on important initiatives for Startup ecosystem development including:

- Building up an incubator,
- Creation of mentor network, and
- Promotion of angel networks in the State.

The first day witnessed presentation by Commissioner Industries, Government of Gujarat explaining the journey of building an innovation and entrepreneurial culture in the State. Learning tour of iCreate facility was also organized for all the officials present from State governments to inspire ideas for developing vibrant Startup ecosystem.

As part of the workshop several Startups also presented their ideas and products across various sectors including:

- Smart city,
- Smart parking,
- Smart electricity,
- Nanotechnology

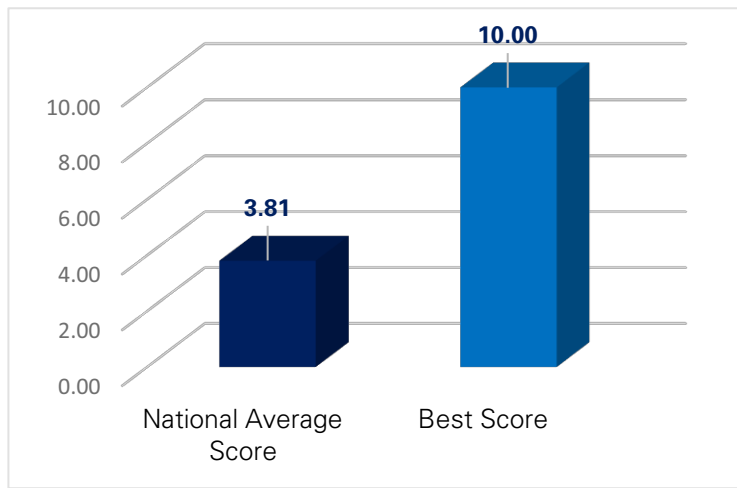


The second day of the workshop discussed challenges of running incubators and role of the State Government. Ecosystem stakeholders like CIIE, cradle, Aashray Foundation, and Venture Studio provided suggestive measures to overcome the challenges associated with managing incubators.

6.7. Awareness and outreach

Awareness and outreach is the seventh and last pillar of the framework and it covers States initiatives in directly reaching out to ecosystem components through events, hackathons, boot camps, etc. State Government also plays an important role in human capital development and thus the framework in this pillar evaluates efforts taken to promote entrepreneurship among students.

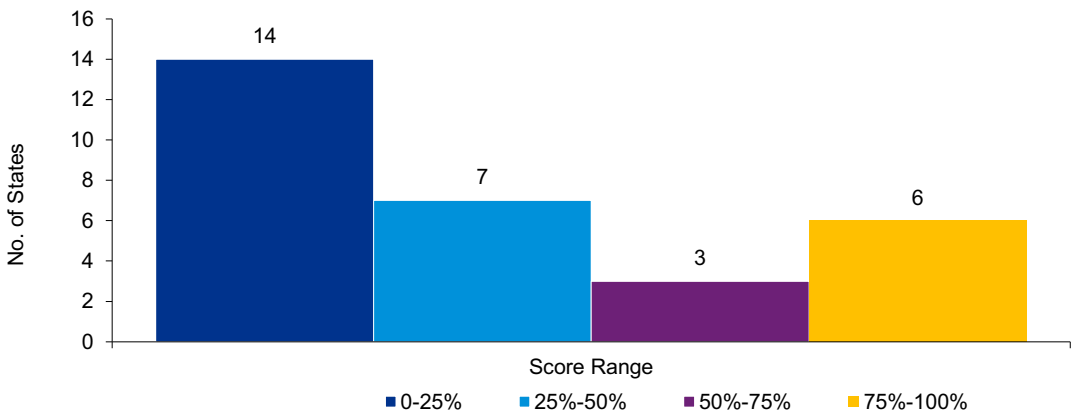
This pillar captures parameters such as organizing Startup focused outreach events, bootcamps, and hackathons to provide platform to Startups to showcase their products or services. Efforts in introducing entrepreneurship programs, setting up e-cells in colleges have also been assessed. Also, role of State Government in providing international exposure to Startups through participation in national or international events and on-boarding international partners are other key action points.



The seventh pillar had **8 action points**, and **3 action points had feedback component**. **1 action point out of the 3 was completely based on feedback** and no supporting documents have been evaluated. **Total marks in this pillar were 11** out of which **feedback component had 2.5 marks**.

Based on assessment, the national average score of this pillar comes out at **3.81 out of 11 marks**.

Overall, performance of majority States is below average in this pillar as 21 States have scored in between 0% to 50% of the maximum marks. Only 9 States could breach the 50% mark milestone. Majority of the action points in this pillar were based on quantum of efforts and many States have just started to undertake initiatives to connect with Startup ecosystem.



Preference to Startups in State and UT Government procurement

Bihar: State Government has included relevant provision in order to support Startups by providing adequate preference in public procurement of goods and/or services. The preference is provided as below:

- MSMEs or Startups quoting prices within 15% of the lowest eligible price bid of other bidder(s) shall be eligible for purchase preference.
- Preferential purchase policy shall also apply to contractors and sub-contractors where at least 15% of the products should be procured from the local MSME or Startup units.

Madhya Pradesh: State has amended the MP Store Purchase Rules 2015 to give preference to Startup (at par with MSME). Following provisions have been included:

- UNSERVED ITEMS - This includes placement of supply order to the tune of 50% to first three MSME and Startup which fall within bracket of L1+15%, provided they match L1 rates.
- RESERVED ITEMS - This includes placement of supply order to the tune of 50% to all MSME and Startup which fall within bracket of L1 +15%, provided they match L1 rates.

Sunrise Incubation Hub, Vishakhapatnam, Andhra Pradesh

Sunrise incubation hub is the melting pot of innovative ideas, creative businesses and close knit Startups community in Vishakhapatnam. Third knowledge sharing workshop was conducted on 16th & 17th April 2018 and 13 States participated in this workshop including:

1. Chhattisgarh
2. Delhi
3. West Bengal
4. Nagaland
5. Andhra Pradesh
6. Andaman and Nicobar Islands
7. Sikkim
8. Rajasthan
9. Madhya Pradesh
10. Haryana
11. Punjab
12. Chandigarh
13. Jammu & Kashmir

The workshop started with introduction on Startup initiatives in Andhra Pradesh led by Andhra Pradesh Innovation Society (APIS). DIPP also discussed the Startup India program and the State Startup ranking exercise. The participants engaged in panel discussions on State Startup initiatives, creation of angel network and incubation for Startups. A learning tour of Sunrise Incubation Hub in Vishakhapatnam was an immersive experience for all the Government officials. The facility is a junction of multiple Startup support programs from NASSCOM Startup Warehouse to Fortissimo which is an agri-accelerator, research and development labs, co-working spaces, etc.

Interactive sessions were planned with States on following themes:

1. Role of State Government in promoting Venture Funding by CEO, LetsVenture. The discussion ensued comparison of strength of domestic venture capital industry with that of other Startup nations. It emphasized on the need for collaboration between State Government and Venture Funds.
2. Pitching session by Startups:



Sunrise Incubation Hub

Startups: 50+

Incubation Area: 37951 sq. ft.

Incubator: NASSCOM 10K Warehouse

Accelerator: Fortissimo, Agri-accelerator

Partners: NASSCOM, Gastrotape Pvt. Ltd., NRDC, etc.

- i. **Reckon Green** provides services in energy audit and provides energy saving turnkey solutions and supplies energy saving products,
- ii. **Oxytech Reclamation**, a Startup working with Municipal & Administration Department and Rural Water Supply & Sanitation department in reducing water contamination, and
- iii. **SmartR technologies** created 'Swachhta technology application' for sustainable maintenance of hygiene toilets.

Participating States also engaged in one-to-one closed room discussion as per their pairing. States with mature Startup ecosystem shared their approach adopted for leading successful Startup initiatives. States also explored areas of collaboration to leverage strengths and knowledge of each other for effective Startup policy initiatives.

The workshop concluded with DIPP encouraging all States to participate actively in the State Startup Ranking Exercise 2018 and with a commitment to create more such platforms for State collaboration in future.



Removing the criteria of prior experience, turnover and EMD from public procurement

Chhattisgarh: State Government has amended Store purchase rules 2002 through a submitted Government order (dated 28 April 2018). The amendment enumerates that "prior experience", "turnover" and "submission of EMD" criteria will not be applicable to startups for Government procurement of all State Government Departments and PSUs.

Chhattisgarh State Store Purchase Rules 2002 are applicable to all Government departments including all Public Undertakings, Boards, Jilla Panchayats, Urban Governing Bodies, etc.

Odisha: State Government notified a Government order dated 13.3.2018 which has included following provisions for Startups in public procurement:

1. There would not be any minimum turnover requirement from Micro, Small Enterprises and Startups in public procurement process,
2. All State Departments and agencies will additionally relax condition of prior experience with respect to Startups in all public procurement subject to meeting of quality and technical specifications.

Further, State Government's Finance Department has exempted all eligible Startups and local MSEs from submission of EMD while participating in tenders of Government Department and agencies. The performance security (if any) has been reduced to 25% of the prescribed amount for Startups.

The above provisions are followed in-principle as State Government Departments have also included above clauses in their procurement tenders.

Gujarat: Government of Gujarat, vide Industries and Mines Department Resolution dated 11.4.2018 has done away with criteria of "prior experience", "turnover", "tender fee" and "submission of EMD" for encouraging Startups to participate in public procurement.

State Government has further directed all the offices to scrupulously follow the above mentioned provisions. The State departments have also included above clauses in their respective tenders.

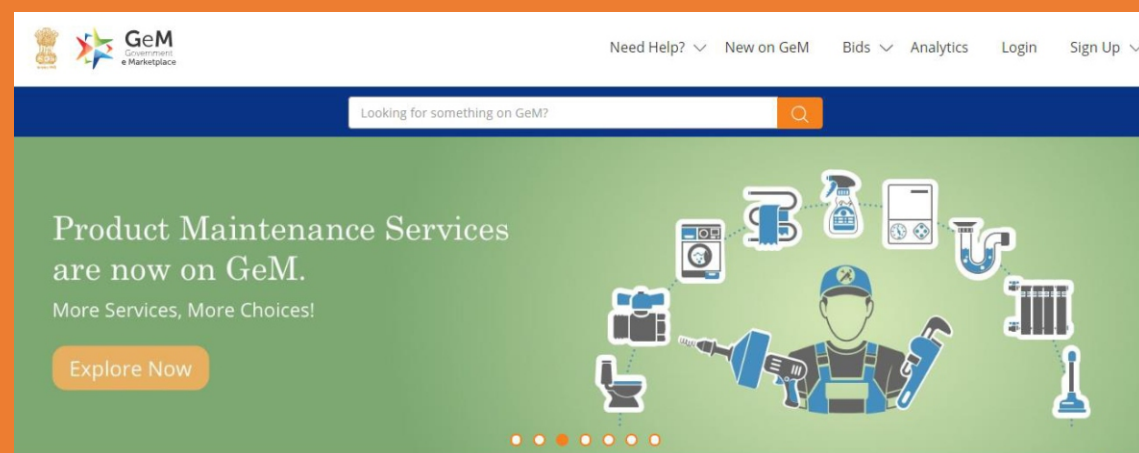
Good practices in easing public procurement

Leading practices from Central Government and various States for easing public procurement are highlighted below:

Removing the criteria of prior experience, turnover and EMD from public procurement

Government eMarketplace (GeM): At Central Government, Ministry of Commerce & Industry has launched **Government eMarketplace (GeM)**, an online marketplace to facilitate procurement of goods and services by various Ministries and agencies of the Government. In order to promote inclusiveness, all DIPP recognized Startups have been provided functionality to list their products and services on GeM portal. The portal provides exemption to Startups from criteria of 'prior experience', 'turnover' and 'submission of EMD' to provide equal opportunity to young entrepreneurs.

The GeM has completed two years and as on 26th of August 2018 and so far it has crossed Rs 10,800 crore in terms of value and 6.96 lakh in terms of volume of transactions. More than 1.47 lakh sellers offer 5.2 lakh products on the GeM platform which has 28,500 organizations as buyers.



4.3.5. International Exposure Visits

As part of the continued efforts from DIPP to handhold and support States and UTs, selected representatives from States visited United States of America (USA) and Israel to understand and learn key Startup initiatives in these successful Startup nations.

USA Program

Silicon Valley, San Francisco, California is one of the world's largest Startup ecosystems for technology professionals, entrepreneurs, tech influencers, domain experts, enterprise executives, venture capitalists, and educators. Silicon Valley is also home to the world's top technology disruptors like Google, Uber, PayPal, Netflix, Facebook, Twitter, Oracle, Tesla, and Pixar.



Selected Government officials visited Silicon Valley and Austin during July 2018. Following are the key outcomes and learning from their visit.

Key learning from the visit-

- **Importance of industry academia linkage:** States shared interest in incorporating a model similar to XLR8 Andhra Pradesh Technology Business Accelerator. XLR8 is a joint venture between IC2 Institute and AP Innovation Society and has completed its first four-month acceleration cycle for 33 Indian technology companies.
- **Establishing India mentor network:** Experts from TiE Global suggested the need for establishing an India Mentor Network (affiliated to Government of India) where mentors can participate and share their learnings with various Startups. As part of this exercise, it was proposed to collaborate with industry associations like FICCI, CII, ASSOCHAM to onboard their key sector experts for building a similar model like TiE.

- **Need for international exposure to Startups or entrepreneurs:** Stakeholders emphasized on importance of providing international exposure to Startups to help them learn from the mature ecosystem like Silicon Valley and build network.
- **Development of Fab Labs:** Stakeholders also suggested the need for developing fab labs (small scale workshops offering digital fabrication) to promote innovation. Fab Lab set up in Ahmedabad may be visited and similar model can be adopted by every state.
- **Easing Regulation:** Many stakeholders highlighted that investors are usually not willing to invest in Startups incorporated in India and companies are not willing to acquire Startups here due to regulatory constraints. It was suggested that the Government shall focus on creating environment that attracts foreign capital. Additionally, IPR transfer issues that result in companies to incorporate their company outside of India shall be addressed to enable ease of doing business.

Israel Program

Startup ecosystem in Israel is a very close-knit system developed on strong tech-expertise. It is created by elite units of Israeli defense forces and world class universities (Technion, Tel Aviv University, and Ben Gurion University). The country has a strong focus on R&D with over 350+ corporates having their R&D centers or Innovation offices in Israel.



Selected Government officials visited Tel Aviv, Jerusalem during July 2018. Following are the key outcomes and learning from their visit.

Key learning from the visit

- **Creation of physical space:** The States in their visit to the places across Tel-Aviv & Jerusalem, realized the importance of having physical incubators in their nodal economic centers. This allows Startups to have an access to investors, incubators, accelerators etc. Jerusalem Venture Partners, OurCrowd, MassChallenge, SOSA, Tel -Aviv Global City had the physical meet-up spaces with proper facilities for Startups.

Procurement Leaders

States with exemplary performance in the sixth pillar of the framework i.e. 'Easing public procurement' have been recognized in this category to appreciate their efforts.

❖ Chhattisgarh

❖ Gujarat

❖ Odisha



*States have been arranged in alphabetical order.

The performance of States on critical action points in this pillar was as follows:

- i. **Do away with criteria of 'prior experience' and 'turnover':** Out of 30 States that participated in the State Startup ranking exercise, **only 3 States have removed the criteria of 'prior experience' and 'turnover' completely** for Startups participating in public procurement. Such conditions in public tenders constraints the participation from Startups which are young enterprises with innovative and competitive products and services. Active measures from States would provide required market and business opportunity to Startups while working with the Government.
- ii. **Do away with criteria of 'EMD submission':** Only **5 out of 30 States** could undertake this reform completely by removing the criteria of 'EMD submission' from all State procurement tenders. Government of India has amended Rule 170(i) of General Financial Rules 2017 in July, 2017 to exempt Startups as recognized by DIPP from submission of EMD in public tenders. Similar initiatives are required from State Governments to support Startups in the State.
- iii. **Preference to Startups in State and UT Government procurement:** Only **5 out of 30 States** could ensure compliance with the requirement of this action point. State support is very important in providing adequate preference to Startups in percentage terms of bidding price or total value of goods or services procured. For e.g. one of the States have a preferential purchase policy for Startups with a clause that at least 15% of the products should be procured from the local MSME or Startup units.
- iv. **Grievance redressal mechanism for Startups on the public procurement issues:** Compliance of the policy guidelines providing incentives to Startups participating in public tenders is a big challenge. Hence, States were assessed for setting up a grievance redressal mechanism at the State level to ensure public procurement related issues are resolved in time bound manner. As per framework guidelines, the State may setup online or offline dedicated mechanism to resolve procurement related issues of Startups. It is observed that only **5 out of 30 States** have setup a dedicated grievance redressal mechanism for Startups. Many States have quoted general grievance redressal mechanisms in their response, but, a dedicated attention and intervention is required.

Clearly, action points in this pillar of the ranking framework remain very high and critical on the selected areas of improvement going forward.

- **Anchor investment by the Govt.:** One of the reason behind Israel's dominance in the Tech Startup world is the investment its Govt. made in the 1990s to develop its R&D ecosystem. Followed by opening of tenders for VCs, incubators, accelerators to partner with the Government. Under such a model, 85% of the R&D cost of Startups incubated under the selected organization was taken care of by the Government.
- **Industry-incubator partnership for B2B development:** With the help of industry-incubator interface, Startups can use the match-making channels to expand their businesses. Corporates can also open a strategic channel to engage with the Startup ecosystem. In Israel, SOSA (South of Solomon, open innovation platform connecting corporates and Startups), Lab02 (a pre-seed incubator working towards Business & Corporate development) displayed a promising model of Industry-Incubator partnerships that can be replicated in India.
- **Tech commercialization & legal frameworks:** States in their interaction with Tel-Aviv University got an understanding of the Tech Commercialization model of the University. The University had its own company that held ownership of all the patents and executed all the transactions. The framework allowed University to navigate the intricacies of the legal procedures involved in tech transfer and commercialization. The University had its own venture fund headed by the Vice Chancellor that invested in promising ideas within the University.

Such capacity development initiatives from DIPP has facilitated peer learning and resulted in enthusiastic participation from States in the State Startup ranking exercise.

4.4. Assessment Process

4.4.1. Assessment by Evaluation Committees

In order to assess the States' responses, Department of Industrial Policy & Promotion appointed dedicated evaluation committees (ECs) for each pillar of assessment of the ranking framework. EC members included experts from public and private organizations.

The EC members evaluated each action point of related pillars of the framework for all States. Supporting documents from States were assessed on the basis of guidelines provided in the ranking framework document. However, it was realized that in certain cases, States followed different models to provide support to Startups. Through detailed discussion among EC members and DIPP officials, it was decided that this being the first evaluation exercise for State Startup initiatives in the country, certain guidelines need to be revised to ensure fair assessment.

After the first round of assessment, requests for clarifications with remarks were issued to all States through emails in May – June, 2018. The remarks (or clarification round 1) from EC members were also issued on ranking dashboard for the reference of States. A certificate or undertaking was sought from all States for the beneficiaries submitted by them for feedback exercise. This was done to ensure that exhaustive and complete data is submitted for assessment. All States were given a window of 9 working days to provide their responses to the

clarifications through ranking dashboard. Simultaneously, queries received from States were addressed through individual video conferences, calls or e-mails.

Responses received from States after clarification round 1 were evaluated again by EC members in the second round. Subsequently, EC members advised to get additional clarifications (or clarification round 2) from States on few action points. Accordingly, another request for clarification mail along with remarks were issued to all States through email and ranking dashboard in August 2018.

In second round of clarification, a period of 4 working days was provided for States to respond. States were again engaged and supported via video conferences, email and call. The last round of assessment was conducted with EC members during September – October 2018. States' responses were evaluated for both supporting documents and feedback component. Based on approved supporting documents and data from feedback exercise, all the participating States were grouped on the basis of merit.

4.5. Feedback from Stakeholders

A parallel exercise of feedback collection was conducted by an external agency appointed by DIPP. The beneficiary data provided by States was collated across each applicable action point. The feedback collection mechanism was driven through an online system to ensure transparency in the feedback exercise.

Out of the total of 36 Action Points, 17 Action points were selected to collect feedback from the direct beneficiaries. A team of call center professionals collected feedback survey responses from the 18 states in 9 different languages including English, Hindi, Bengali, Kannada, Punjabi, Odiya, Tamil, Telugu and Malayalam. 3,200 successful calls were made from a total of 42,000 calls. It was derived from the exercise that 78.03% of the respondents were aware about their state's Startup policy and 88% of the respondents using online system for registering Startups were highly satisfied with the systems. 82.97% of the respondents using online system to avail benefits were satisfied by the performance of such systems.

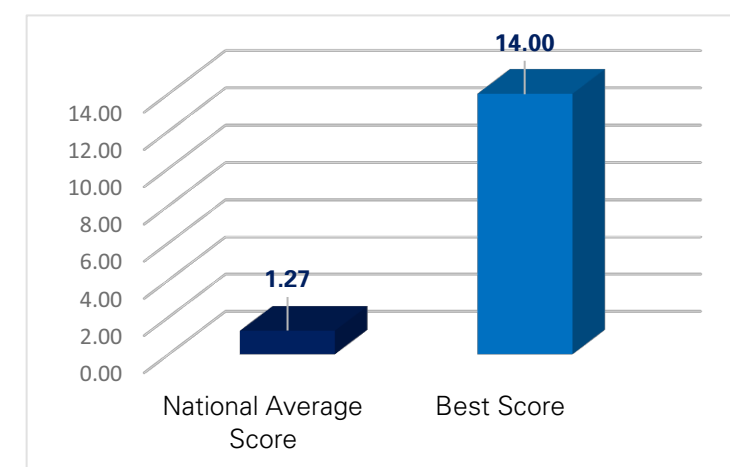
The entire assessment exercise took more than five months, three rounds of assessment and numerous EC meetings to finally arrive at a conclusion. The results are explained in the next chapter of this report.

6.6. Easing public procurement

Easing public procurement is the sixth pillar of the framework and it covers States' initiatives to allow Startups to participate in State procurement. State Government support shall provide an equal platform to Startups vis-à-vis the experienced entrepreneurs or companies in public procurement. Typically, whenever a tender is floated by a Government entity or by a PSU, very often the eligibility condition specifies either "prior experience" or "prior turnover" or "EMD". Such a stipulation impedes Startups from participating in such tenders. In order to promote Startups, the framework highlights the action points to assess States on various procurement related measures

This pillar has captured parameters such as completely removing 'prior experience', 'prior turnover' and 'Earnest Money Deposit (EMD) submission' criteria for Startups from Government procurement of all State and UT Government Departments and PSUs. Also, States were assessed on preference given to Startups in State and UT Government procurement and measures taken to resolve Startup grievances related to public procurement.

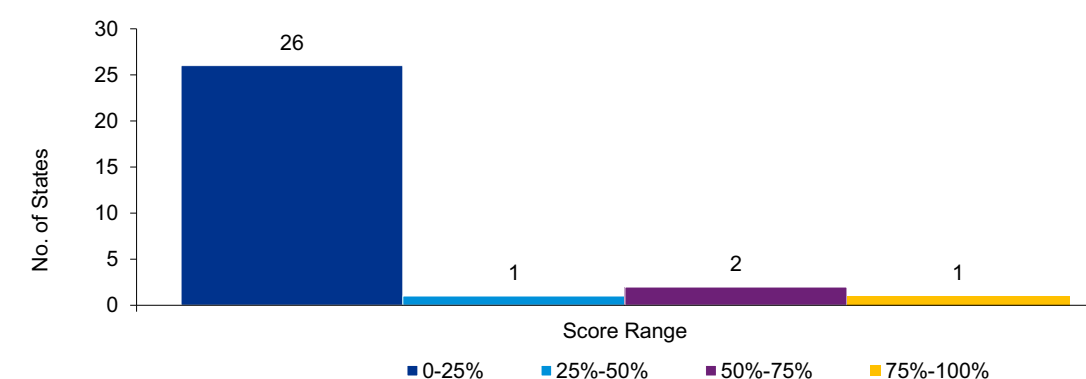
Easing public procurement had **5 action points**, and **all the action points had feedback component**. **Total marks of this pillar were 14** of which **feedback component had 7 marks**.



Based on assessment, the national average score of this pillar comes out to be **1.27 out of 14 marks**. The national average is very low compared to the best score by a State which reflects that reforms in public procurement are yet to be implemented by majority States.

Overall, performance of majority States is below average in this pillar as 26 States have scored in between 0%

to 25% of the maximum marks. Only 3 States could cross the 50% marks benchmark and there is an immediate need for reforms to ease public procurement for Startups.



Andhra Pradesh: State Government has announced SUO MOTO scheme where any Startup or MSME or Enthusiastic First Generation Technocrat or Entrepreneur from Andhra Pradesh, with an annual turnover between INR 50 lakh and INR 25 Crore in identified sectors can submit a proposal after a call for proposal is announced. After the evaluation, the selected startups are connected to the respective State departments. Subsequent to department's internal evaluation, Startups are given necessary orders for procurement. 4 Startups have already availed benefits of the scheme.

Policies or regulations regarding adoption of disruptive technologies

Odisha: In order to encourage and Support Startups working in newer or disruptive areas or technologies, Government has identified upcoming or disruptive areas. Further, Government of Odisha has submitted a Government Order dated 26 April 2018, detailing process of drafting policies or regulations:

1. Impact: Long term economic and social impact;
2. pre-draft stakeholder consultation through online and offline medium
3. Publication of draft policy or regulation in public domain
4. Inviting stakeholder or public comment on draft Policy or Regulation- 45 days
5. Publication of final Policy or Regulation



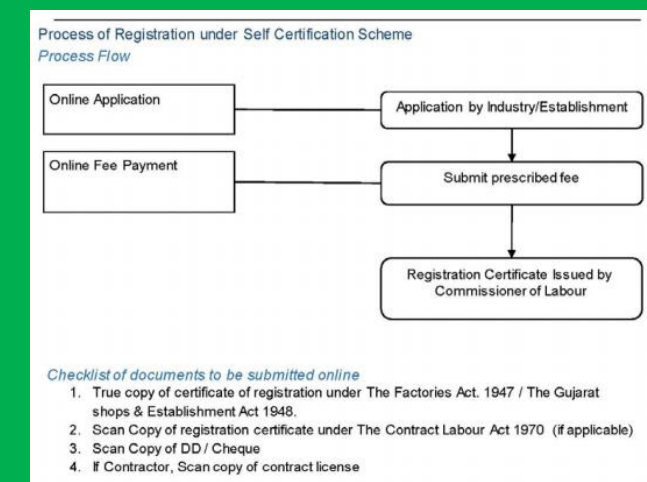


Good practices in simplified regulations

Leading practices from various States for simplified regulations are highlighted below:

Online platform for self-certification or third party certification

Gujarat: State has developed an online system to facilitate self-certification or third party certification under all applicable Labour Laws in the State. The applicant can get to know the procedure and checklist for the application of self-certification. Upon submission, the applicant is issued the certificate stating the period of validity.



Support to Startups working in new or disruptive areas or technologies

Chhattisgarh: Government of Chhattisgarh has shared the Government order issued in April, 2018 regarding mechanism adopted by the Government to reach out to startups.

1. State has identified 10 disruptive areas of technologies that shall be supported,
2. Nodal Officer is expected to conduct meetings with experts or scientists working in the domain,
3. Review and Evaluation Committee approves adoption of Startups working in newer or disruptive areas or technologies,
4. Nodal Officer facilitates those startups in registering for the benefits such as Incubation and Support required,
5. Decision on adoption of startups working in disruptive technologies or new business model is expected to be completed within 3 months after submission of application

State Government also organised Frugal Innovation summit on 13th April, 2018 to discuss importance of disruptive technology through panel discussion.

Regulatory Change Champions

States with exemplary performance in the fifth pillar of the framework i.e. 'Simplified regulations' have been recognized in this category to appreciate their efforts.

- ❖ Andhra Pradesh
- ❖ Chhattisgarh
- ❖ Gujarat
- ❖ Haryana
- ❖ Himachal Pradesh
- ❖ Jharkhand
- ❖ Karnataka
- ❖ Odisha
- ❖ Telangana
- ❖ Uttar Pradesh
- ❖ West Bengal



*States have been arranged in alphabetical order.

5. Results

States and UTs have shown enthusiastic participation in the first edition of State Startup ranking exercise. It is encouraging to note that a total of 27 States and 3 Union Territories including 5 north-eastern States participated in this exhaustive ranking exercise. The list of participating States and Union Territories is as follows:

Andhra Pradesh	Assam	Bihar	Chandigarh	Chhattisgarh	Delhi
Goa	Gujarat	Haryana	Himachal Pradesh	Jammu & Kashmir	Jharkhand
Karnataka	Kerala	Madhya Pradesh	Maharashtra	Manipur	Mizoram
Nagaland	Odisha	Puducherry	Punjab	Rajasthan	Sikkim
Tamil Nadu	Telangana	Tripura	Uttar Pradesh	Uttarakhand	West Bengal

5.1. Pillar-wise Participation Status

This was first of its kind ranking exercise at national level and States' strengths are reflected across different pillars of the ranking framework. Some of the participating States are extremely enterprising in policy initiatives for Startups, whereas other States have made incredible progress in setting up incubators. Few other States had innovative ideas which require appropriate guidance on preparing actionable implementation plan. A quick snapshot of number of action points attempted by each State across all the seven pillars of ranking framework is presented in the following section.

State	Pillar 1	Pillar 2	Pillar 3	Pillar 4	Pillar 5	Pillar 6	Pillar 7	Total
Andhra Pradesh	13	3	2	3	4	5	8	38
Assam	12	2	2	3	3	5	4	31
Bihar	13	3	2	3	4	5	8	38
Chandigarh	11	3	0	0	0	0	5	19
Chhattisgarh	13	3	2	3	4	5	8	38
Delhi	4	3	2	0	1	0	5	15
Goa	12	2	1	1	2	0	8	26
Gujarat	13	3	2	3	4	5	8	38
Haryana	13	3	2	2	4	5	8	37
Himachal Pradesh	13	3	2	1	4	5	8	36
Jammu & Kashmir	13	3	2	3	3	3	8	35
Jharkhand	13	3	2	3	4	5	8	38
Karnataka	13	3	2	3	4	5	8	38
Kerala	13	3	2	3	4	5	8	38
Madhya Pradesh	13	3	2	3	4	5	8	38
Maharashtra	8	0	2	2	4	4	1	21
Manipur	5	0	0	0	0	0	0	5
Mizoram	0	0	0	0	0	0	0	0
Nagaland	3	0	0	0	0	1	2	6
Odisha	13	3	2	2	4	5	8	37
Puducherry	2	0	0	0	0	0	3	5
Punjab	10	2	1	2	2	1	3	21
Rajasthan	13	3	2	3	4	5	8	38
Sikkim	2	0	0	0	0	0	0	2
Tamil Nadu	12	3	2	1	2	1	8	29
Telangana	12	3	2	3	4	5	8	37
Tripura	2	0	0	0	0	0	0	2
Uttar Pradesh	12	3	2	3	3	5	6	34
Uttarakhand	12	0	1	1	4	1	6	25
West Bengal	13	3	2	3	2	5	8	36

Participation by States across seven pillars of ranking framework

Pillar 1- Startup Policy and Implementation

Pillar 2- Incubation support

Pillar 3- Seed funding support

Pillar 4- Funding support- Angel and Venture funding

Pillar 5- Simplified regulations

Pillar 6- Easing public procurement

Pillar 7- Awareness and outreach

The performance of States on critical action points in this pillar was as follows:

- Self-certification or third party certification for Startups:** Out of 30 States that participated in State Startup ranking exercise, **19 States have provisioned functionality of self-certification or third party certification** for Startups either for 3 years or 5 years.
- Online platform for self-certification or third party certification:** From above 19 States, **10 States** have enabled online systems to apply for self-certification or third party certification and systems are linked with their respective Startup portals.
- Support to Startups working in new or disruptive areas or technologies:** Only **12 out of 30 States** could undertake this reform completely as per guidelines. States have taken initiatives to create platform or events to support the disruptive Startups. However, it is important that States pro-actively identify disruptive technologies in their respective State and then formulate guidelines to support them. Given the transforming technology landscape, advanced technologies and disruptive business models demand special attention and clear regulatory framework to operate without hassle.
- Policies or regulations regarding adoption of disruptive technologies or business models:** The action point was among the easier reforms for States to score well as the requirement was only to formulate a process supported by a Government order for drafting policies or regulations regarding adoption of disruptive technologies. However, only **2 States** could ensure the complete compliance to the framework guidelines. This reform would be large area of improvement for all States and should be part of the roadmap ahead.

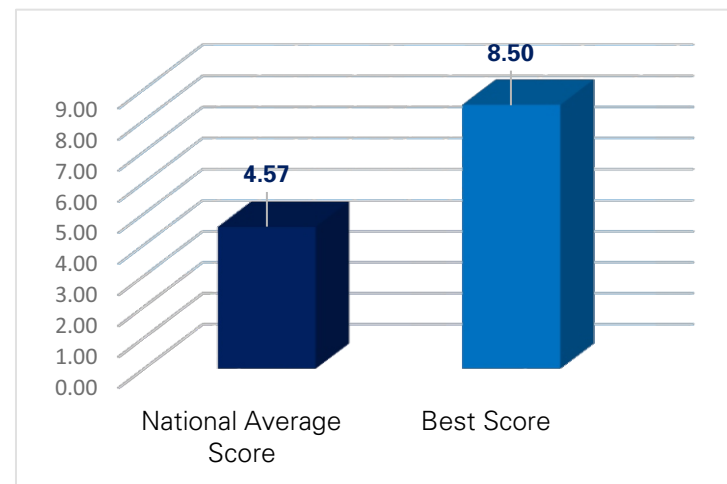
Disruptive Startups and State Governments need to come on a common platform on a regular basis to discuss the regulatory issues related to Startup business models. Enabling pro-business regulations is a continuous process and requires consistent efforts from State Governments.

6.5. Simplified Regulations

Simplified regulations is the fifth pillar of the framework and it covers steps taken by States to create a well-structured regulatory environment for Startups. Often, new and small firms are unaware of nuances of the regulatory issues and can be subjected to intrusive action by regulatory agencies. In order to make compliance requirements for Startups friendly and flexible, transformation is required in the regulatory regime.

This pillar captures parameters such as:

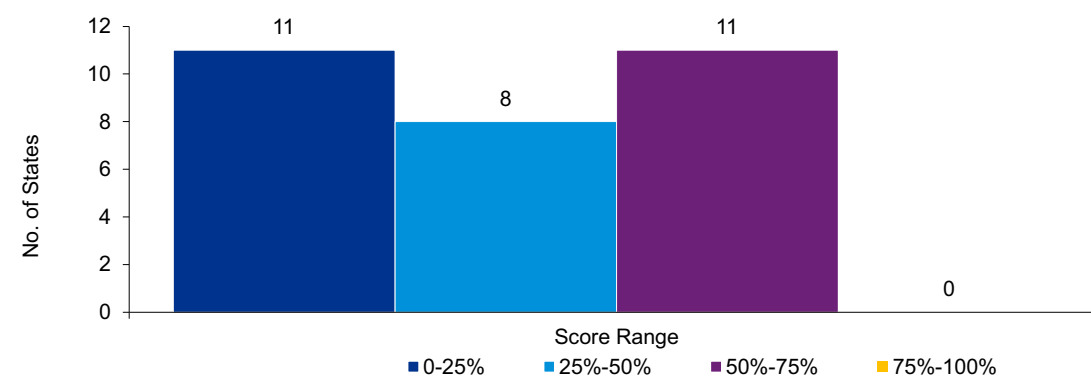
- Enabling self-certification or third party certification under all applicable labour laws,
- Developing online system to facilitate self-certification or third party certification,
- Support to Startups working in new or disruptive areas or technologies, and
- Designing process for publishing policies or regulations regarding adoption of disruptive technologies or business models.



Simplified regulations had **4 action points, out of which 2 had feedback component. Total marks in this pillar were 13** out of which **feedback component had 3.5 marks.**

Based on assessment, the national average score of this pillar comes out to be **4.57 out of 13 marks.** While majority States have provisioned self-certification under labour laws, support to Startups in disruptive areas still remains an area for improvement.

Overall, performance of majority States is average in this pillar as 19 States have scored in between 25% to 75% of the maximum marks. None of the States could cross the 75% marks milestone. There is still a large requirement for a formal regulation for Startups working in disruptive pillars. Policies and specific action plans are required to be prepared and made in collaboration with Startups for easing business environment.



5.2. Rationale for Grading the States

Considering key objectives of the ranking exercise, DIPPP had taken a view that in order to support and encourage States in developing Startup ecosystem, States be grouped into six categories basis their overall performance in the State Startup ranking exercise. The description of the ranking grading categories is provided below. Assessment of Startup ecosystem of participating States reveals that States are at very different levels on 38 action points of the ranking framework. This grouping helped to identify States on the basis of:

- Maturity of Startup ecosystem,
- Cohesiveness of the Startup community, and
- Activities undertaken by State Government.

Also, it is learnt that though the evaluation has been concluded objectively by the Evaluation Committee members on the basis of guidelines provided in the framework, there are certain action points which involved subjective view of the committee members.

Out of 38 action points, 17 action points were assessed on the feedback component apart from supporting document provided by the State. Startup as a concept is still new for a lot of States and as a result a lot of beneficiaries are either not aware or have not availed of the schemes launched by State Governments. In future, the initiatives are expected to reach more number of beneficiaries and feedback scores will play a very critical role in assessment of States going forward.

Percentile scores used in assessment

All the States have been grouped into six grading categories based on the percentile score ranges. The States with similar percentile score range have been graded in a common group i.e. grading category. Accordingly, six percentile based grading categories are as follows:

- **Best Performer:** 100 percentile
- **Top Performers:** More than 85 to less than 100 percentile
- **Leaders:** More than or equal to 70 percentile to less than or equal to 85 percentile
- **Aspiring Leaders:** More than 50 percentile to less than 70 percentile
- **Emerging States:** More than 25 percentile to less than or equal to 50 percentile
- **Beginners:** Less than or equal to 25 percentile

A percentile score indicates how well a State or Union Territory has performed in comparison to other States. A State's percentile rank range indicates that the State scored as well as, or better than, the percent of States which participated in the ranking exercise.

5.3. Description of Grading Categories

Best Performer

The 'Best Performer' category recognizes the State which is ahead of all other States, overall and across all the pillars of the ranking framework. The State has also aced the ranking in the overall assessment and has undertaken novel measures to promote the Startup ecosystem. The all-round performance by the State has led to significant impact amongst young and aspiring entrepreneurs. The performance by the 'Best Performer' State also reflects the maturity of its Startup ecosystem thereby setting benchmark for other States. The State is expected to continue its efforts above and beyond the ranking framework contours and compete at global level.

Top Performers

The 'Top Performers' category recognizes States which have displayed visionary leadership and took strategic initiatives to strengthen innovation and entrepreneurship ecosystem within their jurisdictions. These States have made an amazing impact on their Startup ecosystem through strong leadership and forward thinking strategies. These States have exhibited unwavering commitment to the growth of their Startup ecosystem by taking dedicated and focused initiatives across all pillars of the State Startup ranking framework. All such efforts have been recommended as good practices for implementation by other States.

Leaders

The 'Leaders' category recognizes the States which have set clear vision for their Startup initiative and measurable goals for their Startup community. They have also ensured robust institutional mechanism for implementing their Startup policy with effective communication systems. These States have simplified regulatory issues and established excellent incubation facilities along with strong pool of mentor network for Startups. They are particularly impressive in outreach activities and connecting with upcoming entrepreneurs. The Leaders are building upon their good work to scale up their Startup initiative to progress to 'Top Performers' category.

Jharkhand: State Government has included following provision to encourage angel investments in the State.

- 30% of Jharkhand Entrepreneurship Development Fund is earmarked as Jharkhand Angel Fund,
- Earmarked amount for Angel fund is allocated to dedicated Asset Management Company registered with SEBI as (Category I AIF as defined by SEBI) managing Jharkhand Venture Capital Fund for Angel funding to Startups, and
- Asset Management Company is responsible for managing Jharkhand Angel Funds. The ticket size for angel funding is from INR 10 Lac to INR 1 Crore.

Support setting up Venture funds or Funds of funds

Rajasthan: Government of Rajasthan has introduced INR 500 crores Bhamashah Techno Fund in February, 2018 to ensure the robust growth in the investment infrastructure or substructure and encouraging the startup ecosystem. Out of the said fund, INR 100 Crore is be earmarked for Women Start-ups.

Another venture funding mechanism has been established in the form of Rajasthan Venture Capital Fund (RVCF) which is managed by Rajasthan Asset Management Company Pvt. Ltd. The fund invests in Early and growth stage companies with equity exposures ranging from INR 1 crore to INR 10 crore. So far, 36 Startups have been provided venture funding through above mentioned venture funds.

Kerala: Kerala Startup Mission (KSUM), the nodal agency for Startup initiative in Kerala has invested in 2 Venture Funds i.e. UNICORN and SEA Fund with a condition that double the amount invested by Govt. of Kerala in these Funds will be invested by these Funds in Kerala based by startups. The fund operates in a Fund of funds type investment model and has so far entered into a commitment of INR 12.5 crore with above mentioned funds. A similar amount has been invested by UNICORN and SEA resulting in a corpus of INR 25 crore for state based Startups.

Gujarat: GVFL Limited is widely regarded as pioneer of Venture capital in India. Founded in 1990 at the initiative of Government of Gujarat and World Bank, GVFL has supported ventures working on cutting edge of technology and has encouraged entrepreneurs with innovative ideas. State Government has contributed INR 75 Cr. to the overall fund corpus of INR 250 Cr.

Good practices in funding support- Angel and Venture funding

Leading practices from various States for angel and venture funding are highlighted below:

Providing incentives for angel investors

Chhattisgarh: Government of Chhattisgarh has notified an angel fund “36 Angel Fund (36AF)” on February, 2018. It is an angel fund specially founded for early stage investing in Chhattisgarh based startups. 36AF also directly co-invest, along with Angel Funds or angel groups for up to INR 50 lacs in a single startup registered in Chhattisgarh.

36INC which is the nodal agency in the State has also organized an event “Fuelling the ecosystem through Funds and Investment” on 4th and 5th April, 2018. The event involved discussion around funding models, State Government schemes, 36 angel fund with angel investors and Startups.

Bihar: Early stage funding support of Bihar Start-up Policy 2017 provides following incentives to promote angel investment in the State based startups:

- 1. A success fee @2% of investment to start-ups for mobilizing investments from state registered angel investors towards early stage funding.
- 2. Financial assistance equal to the amount invested in Start-up by the angel groups and category I alternate investment funds given as loan to the Start-up

Bihar Industries Association (BIA) has a key mandate to “search angel investors and tag them with eligible entrepreneurs”. To achieve the objectives, BIA in association with the Indian Angel Network, has established the “Venture Park Incubation Centre” in Patna, Bihar.

Karnataka: The State Government is providing benefits to Angel Investors registered with the Startup Karnataka Portal. Angel Investors are one of the most important sources of funds for startups. The state is incentivizing them in the following manner:

- 1. Opportunity for Angel Investors to register on the Startup Portal of the State and seamlessly connect with the entire startup ecosystem,
- 2. For all registered Angel Investors, free entry to all startup and tech events of the State
- 3. Government shall prioritize and engage with all registered Angel Investors as judges, mentors, observers across all its pitching session, and
- 4. Government may prioritize certain emerging tech sector startups funded by Angel Investors for matching funds.

Aspiring Leaders

The ‘Aspiring Leaders’ category recognizes the States which have exhibited exemplary performance in select pillars of the ranking framework and are at advance stages of implementation of their Startup policy objectives. They have well-established seed funding structure for Startups and have been consistently refining the delivery and communication infrastructure to enable these Startups compete at a global scale.

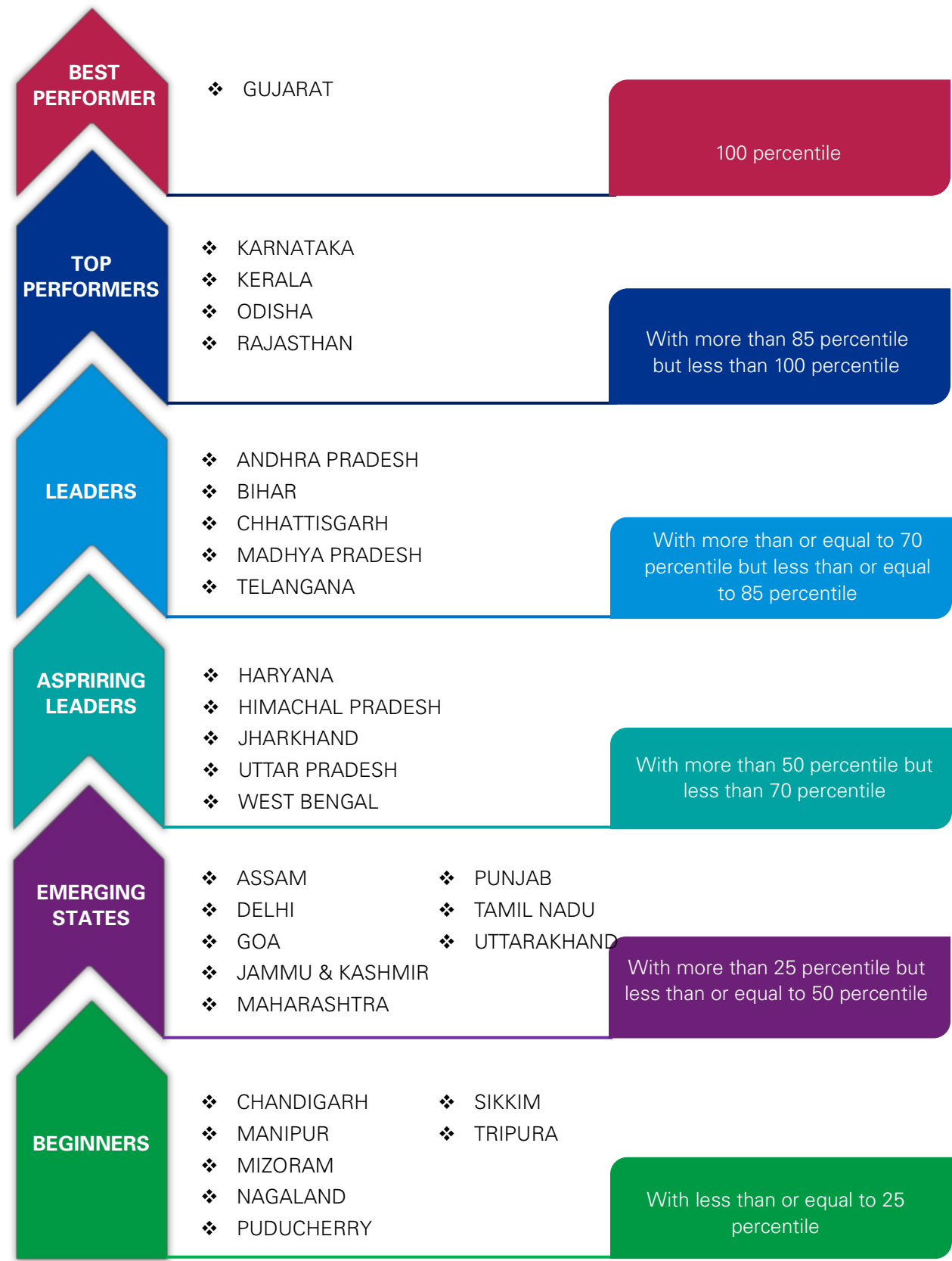
Emerging States

The ‘Emerging’ category acknowledges States which are rapidly scaling-up the Startup ecosystem knowledge curve. These States are actively promoting the implementation of their Startup policy, incubation support, seed funding and simplified regulations to provide upcoming Startups with essential infrastructure and intellectual support. These States are in the process of strengthening the institutional mechanism to organize and scale their Startup programs to replicate the success stories from the leading States.

Beginners

The ‘Beginners’ category acknowledges the efforts from States and Union Territories which have recently embarked upon their journey to build a Startup ecosystem. The ranking framework provided them a unique platform to showcase their potential ideas. Their zeal to nurture innovation and entrepreneurship in the State is praiseworthy and many States are under the process to build Startup policies. These States are actively reaching out to concerned stakeholders of the ecosystem to accelerate the pace of implementing their Startup programs.

5.4. Overview of Performance of States



*States in each group are presented in alphabetical order

Scaling Innovation

States with exemplary performance in the fourth pillar i.e. 'Funding support- Angel and Venture funding support' have been recognized in this category to appreciate their efforts.

- ❖ Chhattisgarh
- ❖ Gujarat
- ❖ Jharkhand
- ❖ Karnataka
- ❖ Kerala
- ❖ Rajasthan



* States are presented in alphabetical order.

The performance of States on critical action points in this pillar was as follows:

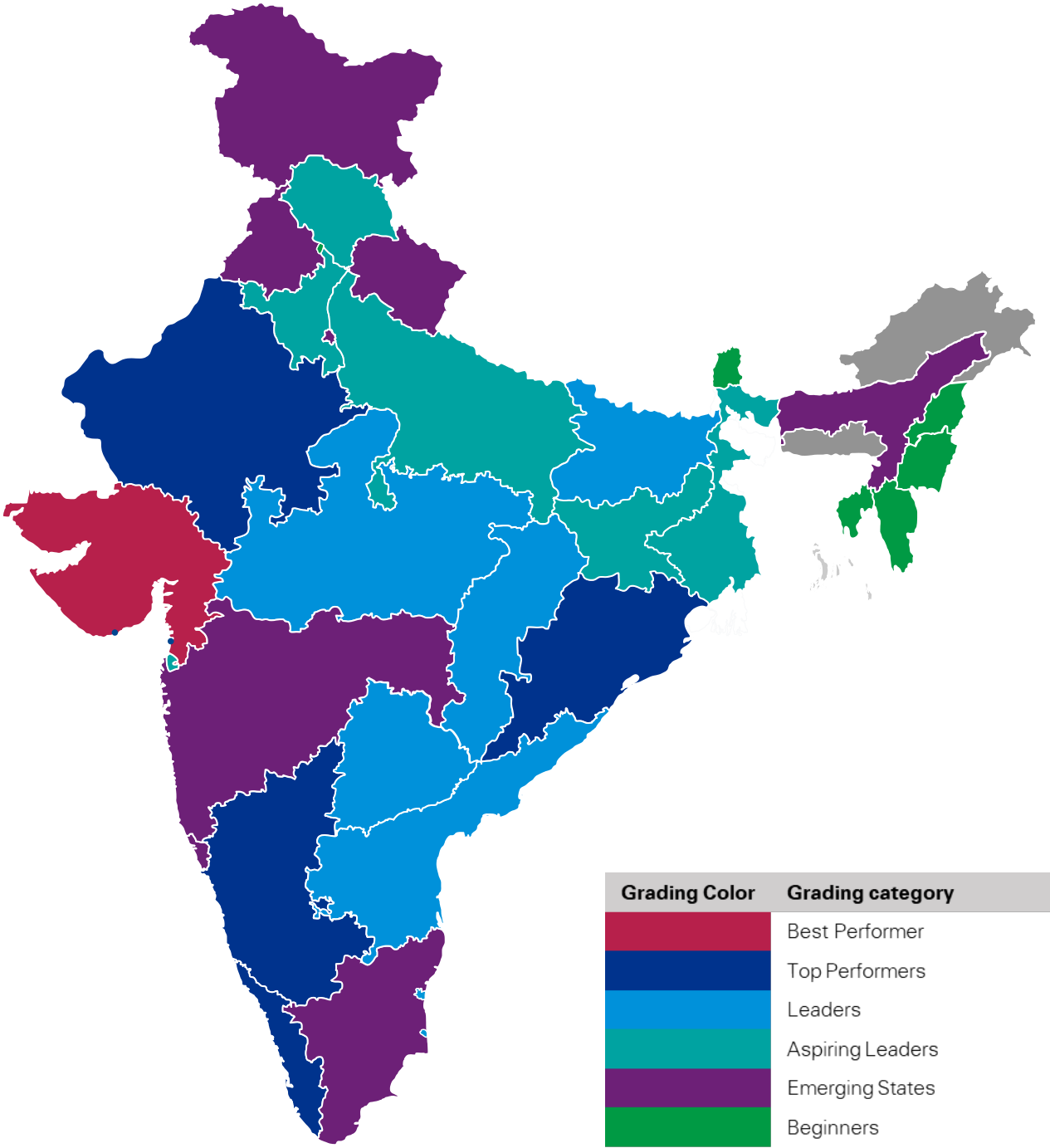
- i. **Angel funding:** Out of 30 States that participated in State Startup ranking exercise, only **10 States have designed the incentives for angels** to encourage their investments in Startups. Many States have organized angel investment focused events but are yet to advance to a stage where direct or indirect financial support is provided to angel investors in the State. The incentives, if provided would facilitate creation of angel group chapters in the State.
- ii. **Venture Fund(s) or Fund of Funds for Startups:** **9 States** have matured to a level of venture funding support and have either supported venture funds by providing funds contribution or have **created their dedicated venture funds to support Startups**. Few States are in process of drafting operational guidelines and on-boarding fund managers for managing venture funds. This reflects that there is strong need of collaboration between States to enable venture funding support.
- iii. **Startups funded through Venture Fund(s) or Fund of Funds for Startups:** A metric to evaluate the performance of venture funding support. It is observed that only **6 States** have actively funded Startups through their Venture Funds or Fund of Funds in last 2 years ending 30th April 2018. **Overall, 87 Startups got funded through these venture funds.**

Setting up venture funds or Fund of Funds (FoF) is a time taking process and requires diligent approach from State Governments. The process includes:

- Conceptualizing,
- Drafting guidelines,
- Stakeholder consultation,
- Seeking approval from higher authorities,
- Notifying fund guidelines,
- Identifying fund manager,
- Attracting partner venture funds (in case of FoF), and
- Finally selecting Startups for funding.

Above mentioned milestones could only be achieved through proper planning and resolute intent from State. Many States are already in the process of notifying such funds and a better performance is expected in this pillar going forward.

Snapshot of States' Performance



Pillars of Ranking Framework

Startup Policy and Implementation



Incubation Support



Seed Funding Support



Angel and Venture Funding Support



Simplified Regulations



Easing Public Procurement



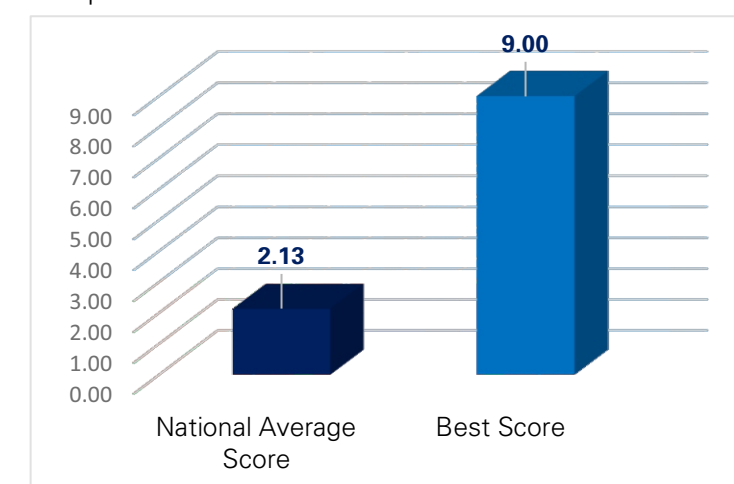
Awareness and Outreach



6.4. Funding Support – Angel and Venture Funding

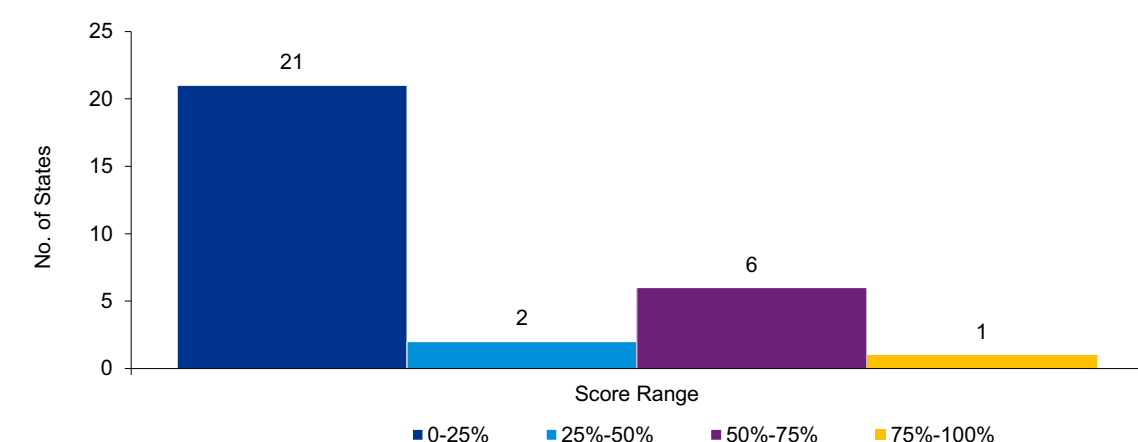
Fourth pillar of the framework is angel and venture funding support. It covers important measure to support growth stage Startups through incentivizing angel investment and providing venture funding through State supported venture funds or Fund of funds. It is observed that once a Startup gains traction there is a gap in accessing the growth stage funding to scale up the operations. States can play a vital role in bridging the gap by creating aforementioned funding mechanisms.

Angel and Venture funding support had **3 action points** and **all were assessed on the basis of documents submitted by State. Total marks in this pillar were 10** and there was no feedback component.



Based on assessment, the national average score of this pillar comes out at **2.13 out of 10 marks**. It shows that a lot needs to be done to develop growth stage funding mechanism in States and UTs. Though many States have organized events, workshops to promote angel investment, only few have been able to develop guidelines that will incentivize angel investors.

Overall, performance of majority States is low in this pillar as 21 States have scored in between 0% to 25% of the maximum marks. Only 7 States could cross the 50% mark milestone. A partial reason for low national average and majority State scoring under 25% is due to low participation in this pillar of the framework. Since most of the States have just started their journey of building a Startup ecosystem, venture funding remains an action point as they progress towards maturity stages in future.



Good practices in seed funding support

Leading practices from various States for Seed Funding are highlighted below:

Formulation of seed funding guidelines and online system to apply for seed support

Karnataka: Government of Karnataka provides seed funding under the 'Idea2PoC' scheme of Startup Policy of Karnataka 2015-20. Idea2POC is given in the form of Grant-in-aid but limited to a one time grant of up to INR 50 lakhs. Funding is released in tranches as per the Project milestones agreed in the MoA between Startup and KBITS. Aspiring entrepreneurs can apply for the scheme incentive during call for proposal through an online portal. The website also mentions the required eligibility criteria.

Portal Link: <http://www.elevate.bengaluruite.biz/elevate/ForIdea2PoC.php>

Elevate- Idea2POC is a uniquely designed programme which is a mix of online and offline process. Entire schedule is followed as: 1. receiving of applications online 2. Pitching in-person 3. Judgment offline 4. Collation, compilation & declaration of results online. A total of 177 Startups have received seed funding support under the scheme.

Rajasthan: Government of Rajasthan provides seed funding in form of monthly sustenance allowance under the 'Assistance for Startup at Idea or prototype stage' of Rajasthan Startup Policy 2015. All eligible startups can apply for seed funding through their iStart Startup dashboard. The applications are reviewed by the evaluation committee and approved by the iStart Admin dashboard. Through State Government initiatives, 50 Startups have received seed funding in last 2 years. Portal accessible at: <https://istart.rajasthan.gov.in/>

Seed funded Startups

Gujarat: State Government provides seed funding to Startups in the form of Sustenance Allowance, Product Development Assistance and Marketing Assistance. An amount of up to INR 10 lakh is provided as seed funding. The Startups have to submit expense reports in their online dashboard as a proof of utilization of the seed grant. Overall, 157 Startups have received seed funding support from 2016-18 through State Government initiatives.

Jammu & Kashmir: Government of J&K has launched Seed Capital Fund Scheme under which Seed Money equivalent to 35% and up to maximum of INR 10 lacs the project cost is provided to the eligible prospective entrepreneurs to kick start their ventures. More than 500 aspiring entrepreneurs have received support in last 2 years under the State scheme.

6. Pillar-wise Performance of States

This chapter highlights the pillar wise performance of various participating States and UTs on the basis of guidelines provided in the ranking framework. The assessment has been derived after carefully examining supporting documents of the States and results from feedback exercise.

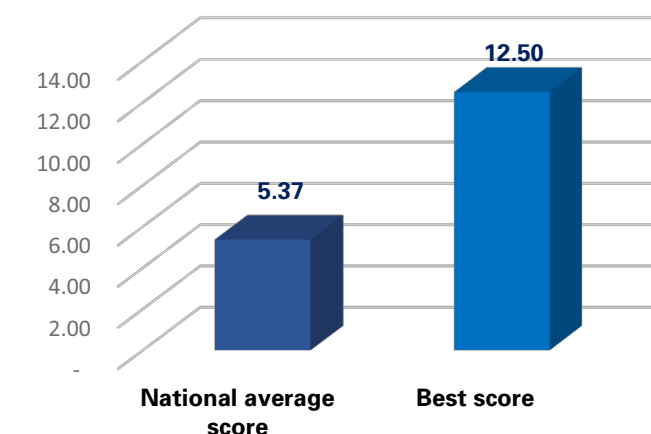
6.1. Startup Policy and Implementation

Startup policy and implementation was the first pillar of the framework and it covers important parameters related to Startup ecosystem in the State. This pillar captured key parameters such as availability of:

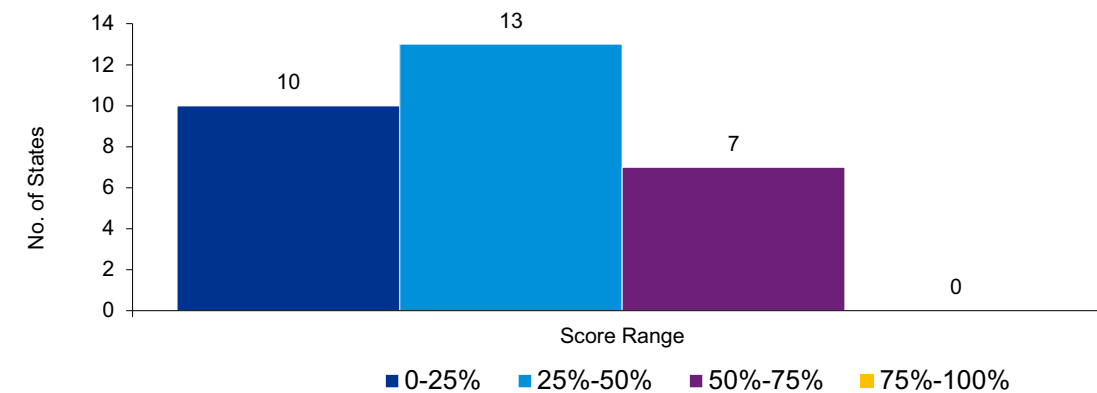
- Startup policy,
- Nodal department and agency,
- Query resolution system,
- Mentor network,
- IP support centers,
- Corporate and academic partnerships, and
- Online platform for registration and availing incentives from State and UT Government.

Startup policy and implementation had **13 actions points, of which 7 comprised of feedback component. Total marks of this pillar was 17** out of which **feedback had 5.5 marks**.

Based on the assessment, the national average score stands at **5.37 out of 17 marks**. It reflects that significant effort needs to be taken up to enable Startup ecosystem across States and UTs. It also highlights the immediate need to encourage new business ideas and transform them into successful businesses using State infrastructure and policy support.



Performance of majority of the States is relatively better in this pillar as many States have scored from 25% to 75% of the maximum marks (refer to figure), however some of the outlier State performances has resulted in low national average score.



The performance of States on some of the critical action points was as follows:

- i. **Policy:** Out of 30 States that participated in States Startup ranking exercise, **22 States have well-established Startup policy in place** to support the Startup ecosystem. It is noteworthy to share that only 4 States had Startup policies before January 2016 and since the launch of Startup India initiative, 18 more States have prioritized development of Startup ecosystem by announcing dedicated Startup policies.
- ii. **Women Entrepreneurship:** Out of 22 States that have Startup policy in place, **15 States provides specific incentives to women entrepreneurs**. Incentives are provided through different models such as increased monthly allowance, seed grant, stamp duty exemptions, reserved seats in incubators, among others.
- iii. **Dedicated team or agency:** **20 States have appointed dedicated team or agency** within the concerned department for supporting the development of Startup ecosystem in State. Nodal teams comprised of professionals with varied experience such as senior Government officials, entrepreneurs, management consultants, incubation managers, professors and banking officials to ensure appropriate handholding for Startups.
- iv. **Online system for registering Startups and disbursing incentives:** One of the important parameter from Startups point of view was to have online portal for registration. While many States have developed online systems for registering Startups and disbursing incentives, only **11 States have enabled all the functionalities which makes it a single-window system for Startups**. The Startups in these 11 States can submit their application, track the status of their request and download the certificate online.

Seeding Innovation

States with exemplary performance in the third pillar i.e. 'Seed funding support' have been recognized in this category to appreciate their efforts.

- ❖ Bihar
- ❖ Gujarat
- ❖ Jammu & Kashmir
- ❖ Karnataka
- ❖ Kerala
- ❖ Odisha
- ❖ Rajasthan
- ❖ Tamil Nadu



* States are presented in alphabetical order.

The performance of States on the critical action points in this pillar was as follows:

- i. **Seed funding guidelines and online systems:** Out of 30 States that participated in State Startup ranking exercise, **12 States have designed the seed funding guidelines** to support budding Startups in the State. These States have also enabled online systems to apply for seed fund primarily on their State Startup portal.
- ii. **Seed funded Startups: 15 States** have proactively provided seed funding support to Startups and at a national level more than 3000 Startups have received seed funding within the period of consideration. The number of seed funded Startups has been significantly high due to outlier States who have funded hundreds of Startups. However, majority States need to undertake extra efforts on this action point.

Seed funding being one of the critical requirements of an early stage Startups needs further attention from State Governments. Typically, it is used to pay for expenses such as product development, marketing costs and sundry costs incurred by Startup, including legal fees and company registration expenses. Thus, State Government could also explore the possibility of reimbursing cost of above mentioned expenses as an alternative to seed grant. The action points in this pillar would remain areas of improvement going forward.

- v. **Progress monitoring: 16 States have developed mechanism** for monitoring the progress of implementation of Startup policy on regular basis. Each State follows a different way to publish the progress either annually, monthly or frequently on their portal using dynamic dashboards.
- vi. **Mentor network: 19 States have created pool of Startup mentors** in their respective States. Mentors are registered on State portal from where Startups can connect with them. Mentors empanelled by States bring diversity in experience as they are business leaders, academicians, founders, investors, technology experts and senior bureaucrats who could provide mentoring in any aspect related to business growth.

To summarize, the initiatives by States in this pillar of framework has led to improvement in State Startup portals and online systems for disbursing incentives. Several reforms by States related to creating a mentor network, setting IP support centers, forming partnerships with corporates and publishing progress reports online has helped the States in developing one-stop information source for Startups. These initiatives will ease information and resource access for many individuals in the State who have innovative ideas and are looking for Government support.

Startup Policy Leaders

States with exemplary performance in the first pillar of framework i.e. 'Startup Policy and implementation' have been recognized in this category to appreciate their efforts.

❖ Andhra Pradesh

❖ Chhattisgarh

❖ Gujarat

❖ Jharkhand

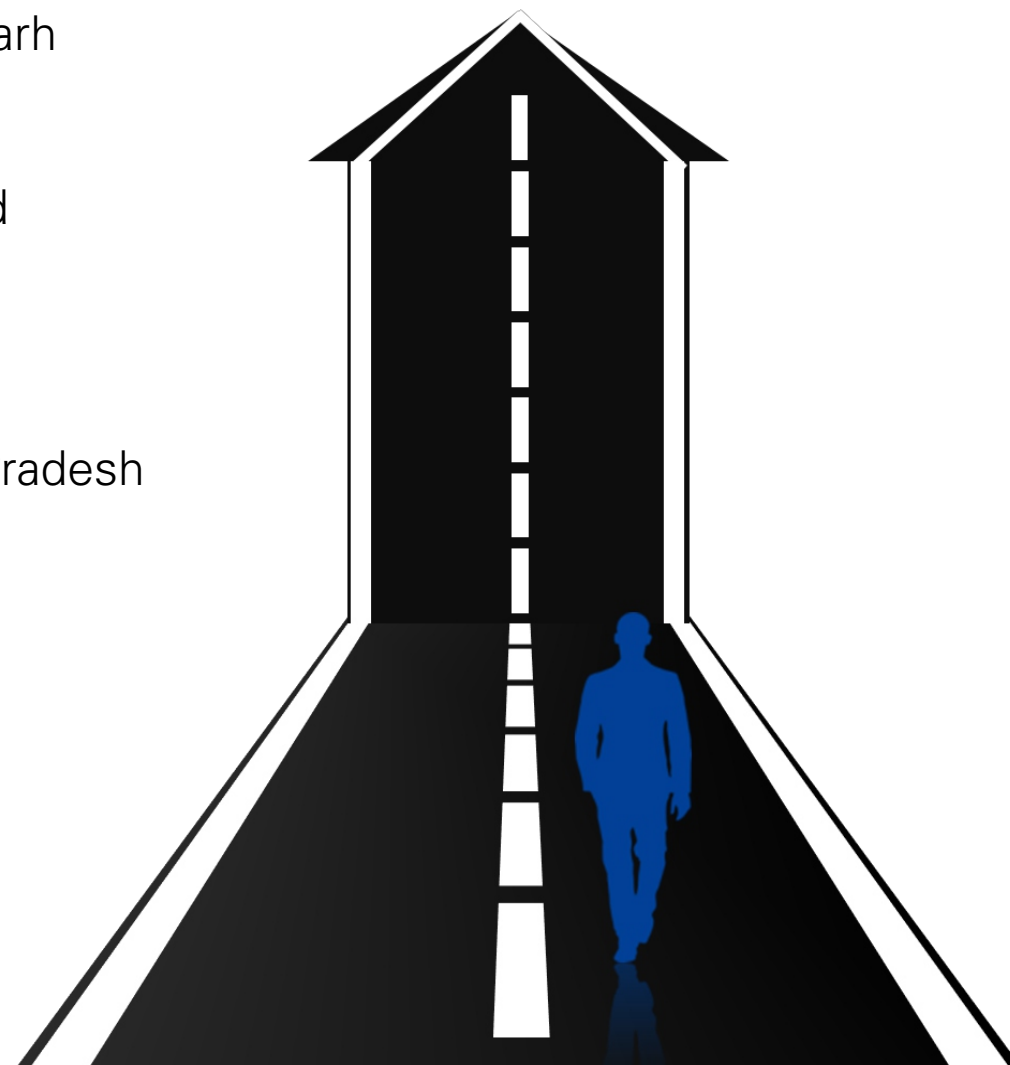
❖ Karnataka

❖ Kerala

❖ Madhya Pradesh

❖ Odisha

❖ Rajasthan



*States are presented in alphabetical order.

6.3. Seed Funding Support

Seed funding support is the third pillar of the framework and it covers States' performance in:

- Developing seed funding guidelines,
- Developing online systems to enable Startups to apply for seed support, and
- Measuring the impact created by providing seed funding to Startups.

In an evolving Startup ecosystem, many ideas are born and the initial seed support works as a catalyst to transform these ideas into businesses of tomorrow. This initial funding support at the nascent stage of a Startup can decide whether the idea will see light of the day or not.

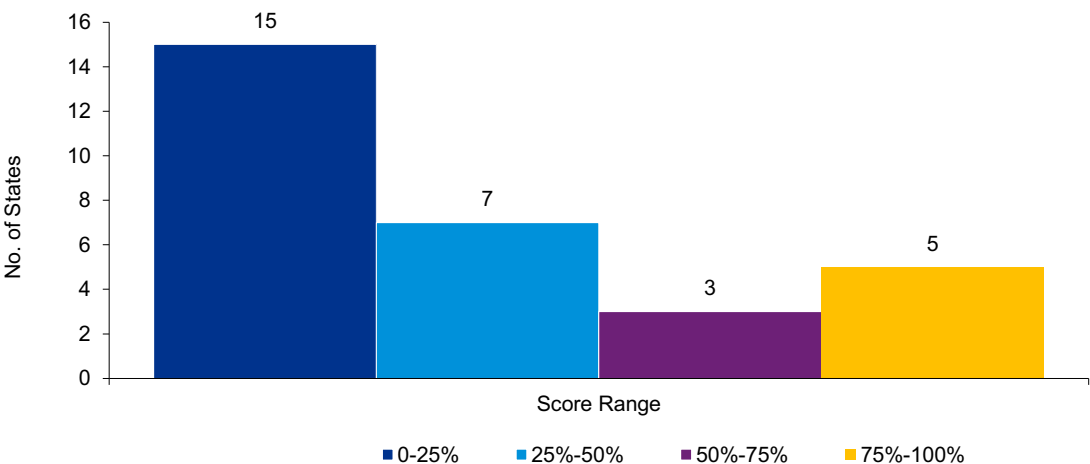
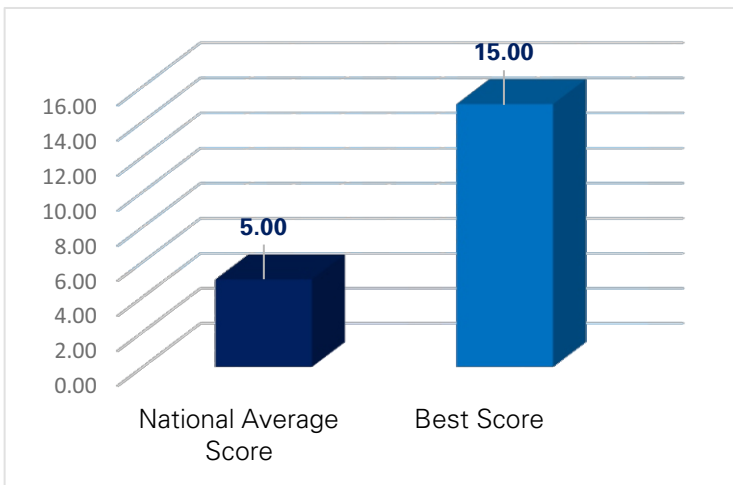
Seed funding support had **2 action points** and **both were assessed on the basis of documents**

submitted by State. The pillar had higher weightage per action point and **the 15 marks given to this pillar** as seed funding support is one of the most critical requirement of Startups.

Based on assessment, the national average score of this pillar comes out to be **5 out of 15 marks**. The assessment shows there is an immediate need to undertake reforms to provide seed support to Startups in majority States. The maximum score

achieved in this pillar is 15 which highlights that States with clear seed funding guidelines and system could act as role models in building seed support systems for all States.

Overall, performance of majority States is below average in this pillar as many States have scored within 0% to 50% of the maximum marks. One of the reason for lower national average is the fact that majority States have not participated in this reform pillar.



Karnataka: One of the key objectives of Karnataka Startup policy is to invite private sector including globally and nationally well-known accelerators and incubators to set up world class incubation centers and accelerators or expand existing facility or operations on PPP basis. State has been successful in partnering with multiple agencies to set up incubators.

The incubators include: GOK NASSCOM10K Startups Warehouse with NASSCOM; GOK Incubator for Tech Start-Ups (GIFTS) with 91SpringBoard; GOK-Mobile 10x Start-Up Hub with IAMAI; Bangalore Bio-innovation Centre; NASSCOM DeITY IoT-CoE; Common Instrumentation Facilities (CIFs) to be set up by IKP Knowledge Park. The State supports over 1,20,000 sq. ft. of incubation area. Over 250 Startups have received subsidized incubation in the supported incubators.

Support in setting up large incubation area

Gujarat: State has adopted a formal mechanism to identify and encourage innovations by launching Critical Infrastructure Scheme and Student Startup and Innovation Policy. Under these initiatives, State Government is providing financial support to 7 incubators in the form of financial grants and/or reimbursement on capital expenditure.

The State has also been successful in developing large incubation facility at iCREATE, Ahmedabad. iCREATE has been funded by the Government of Gujarat under the Critical Infrastructure scheme. The **1,12,139 sq. ft.** incubator provides working space, library, digital innovation centre, design centre, rapid prototyping using 3D printer, among other facilities.

Telangana: Government of Telangana is anchoring all its entrepreneurship related efforts through T-Hub. T-Hub is a unique public private partnership between the government of Telangana, 3 of India's premier academic institutes (IIIT-H, ISB & NALSAR) and key private sector leaders. State has supported the development of CatalysT, a 70,000 square foot facility, which is one of the largest building dedicated entirely to entrepreneurs.

The State has also provisioned institutional support by providing capital investment subsidy. Subsidy of 20% of the value of the Capital Expenditure, other than land and building is provided to Incubators. This subsidy is limited to a minimum capital investment of INR 1 Crore and a maximum subsidy of INR 30,00,000.

Additionally, the State has supported Kakatiya Sandbox, a privately held social incubator; T-Works, a hardware product startup incubator and IT incubation centers at Karimnagar, Warangal, Nizamabad and Khammam.

Good practices in Startup Policy and Implementation

States identified as 'Startup Policy Leaders' in this section may share inspiration and experience with other States to undertake reforms in Startup policy and implementation. Some of the good practices from leading States in this pillar have been highlighted to share learning with all States.

Partnerships

Startup Karnataka Booster Kit: State Government has partnered with corporates and service providers to design a Startup Karnataka Booster Kit which is a collection of software tools and services available at a special price for young Startups. The Startup Karnataka Booster Kit is available to all Startups registered with the Karnataka Startup Cell. Startups can apply for incentives or package to the Startup Cell to avail the offers under the Startup Karnataka Booster Kit.

The support to Startups are in various categories such as cloud services, virtual telephony, pilot with Govt., incubation facilities, marketing and promotion, incentives, mentorship, legal and accounting.



Mentor Network

Telangana: State Government has developed a strong network of over 100 Startup mentors from industry, academia, and government. T-Hub conducts mentor connect events from time to time for Startups and mentors to interact with each other. Additionally, potential mentors are given an opportunity to register themselves using T-Hub portal at <https://www.t-hub.co/mentors/>



Innovation Society

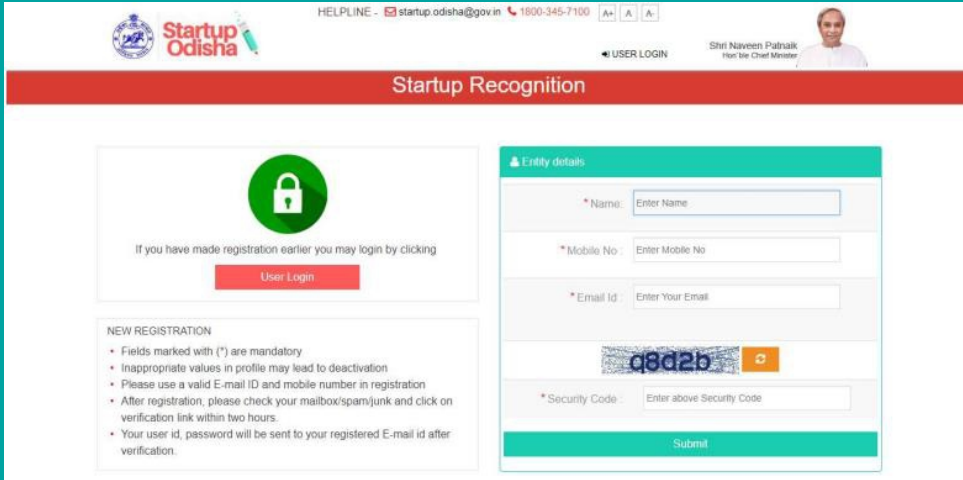
Andhra Pradesh Innovation Society: State has a well-structured and fully functional Andhra Pradesh Innovation Society (APIS). It is also the nodal agency responsible for managing the implementation of Startup initiatives in the State. APIS was constituted in 2014 and is headed by a CEO. The team has 18 full time members overseeing the implementation of the Innovation and Startup Policy. The society also maintains an online portal for the State Startup initiative <http://www.apinnovationsociety.com/index.php>

The innovation society has been actively managing incubators, on-boarding partners, organizing capacity development programs, boot camps and roadshows.

Online System for registration and availing incentives

Startup Odisha: Government of Odisha has developed a dedicated online portal for Startups at www.startupodisha.gov.in. The online system allows Startups to register under the State Startup initiative and submit application for various policy incentives. Startups receive their registration certificate through email (or through dashboard) within 2 weeks from date of application submission. Over 300 Startups have been registered on the Startup portal.

Incentives such as monthly allowance, product development and marketing plan, need based assistance can be directly availed from the online system.



Good practices in Incubation support

States identified as 'Incubation hubs' in this section may share inspiration and experience with other States to undertake reforms in incubation support. Some of the good practices from leading States in this pillar have been highlighted to share learning with all States.

Setting up academic incubator network

Delhi: Department of Training and Technical Education, Government of NCT of Delhi launched the incubation policy in March, 2016 to provide financial support of INR 1.5 Crore to higher educational institutes in the region for setting up incubation centers. As on 30th April, Department has provided financial support to 11 academic incubators.

Netaji Subhash Institute of Technology Delhi Technological University (DTU)	Acharya Narendra Dev College (AND) Delhi Pharmaceutical Science & Research University (DPRSU)
Bhai Parmanand Institute of Business Studies (BPIBS)	Ambedkar Institute of Advanced communication Tech & Research (AIACTR)
Indira Gandhi Technical Univ. for Women Ambedkar University Delhi (AUD)	College of Art (COA) Indraprastha Institute of IT (IIIT Delhi)
Shaheed Sukhdev Singh College of Business	

Setting up or scaling up incubators

Andhra Pradesh: Government of Andhra Pradesh has set-up physical infrastructure for creative enterprises and collaborated with renowned Incubators and Accelerators. State Government has envisioned setting up incubators in its Startup policy. Additionally, operational guidelines for setting up of Incubation centers in educational institutions with Government support have been prepared. State has supported following incubators for setting up, operations and maintenance of the facility: Sunrise Incubation Centre, Vizag; Incubation tower, Kakinada; Incubation Tower, Anantapuram; Technology Business & Acceleration program, Tirupati and Atal Incubation Centre, Sri Krishnadevaraya University, Anantapuram.

Incubation Hubs

States with exemplary performance in the second pillar of framework i.e. ‘Incubation support’ have been recognized in this category to appreciate their efforts.

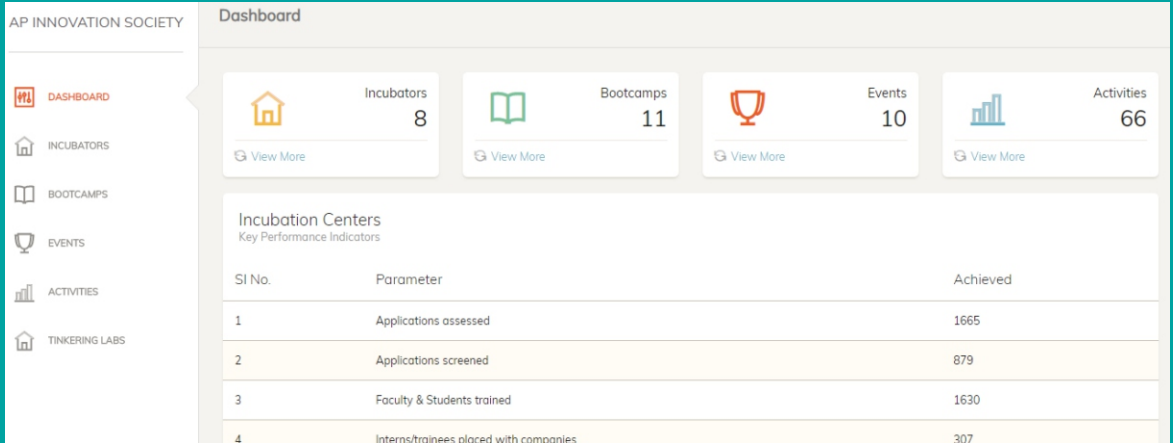
- ❖ Andhra Pradesh
- ❖ Delhi
- ❖ Gujarat
- ❖ Haryana
- ❖ Karnataka
- ❖ Kerala
- ❖ Madhya Pradesh
- ❖ Odisha
- ❖ Telangana
- ❖ Uttar Pradesh



* States are presented in alphabetical order.

Progress Monitoring

Andhra Pradesh: State has developed a comprehensive online dashboard for monitoring all the startup activities. The status of all activities and events is updated dynamically and the dashboard presents detailed information about each initiative. It monitors the progress of all programs or achieved results against targets set of Incubators, Accelerators, Startups incubated, incubations space to be created, venture capital mobilization, boot camps conducted, hack-a-thon conducted, exhibitions conducted and attended, innovations awards, etc.



Query Resolution

Bihar: Government of Bihar has established a dedicated 5 member call center to assist the startups. A dedicated toll free helpline number (18003456214) and e-mail id (startup.care@bihar.gov.in) has been created for interacting with the call center. The toll free helpline number and the email id are displayed on the online portal for startups at <http://www.startup.bihar.gov.in/>

Specific feedback about the call center responses are captured through the online feedback survey mechanism. The call center system automatically generates a set of feedback questions which is pushed to the mobile number of the user to capture satisfaction level.

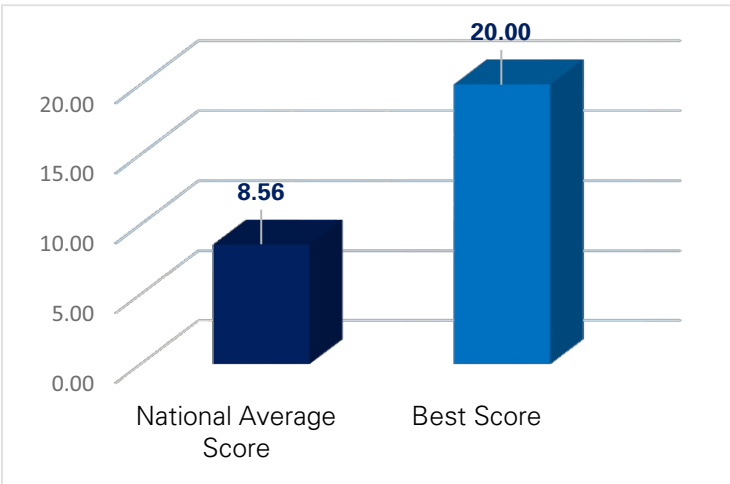
Information Wizard

Gujarat: ‘Know your approvals’ is the information wizard available on Gujarat Startup Portal. Startups entrepreneurs can key in answers to a defined set of questions to get complete details of all applicable approvals or clearances required by entrepreneurs to setup and operate a business in the State. A separate tab named ‘Exit a Business’ within Information Wizard also gives the complete information on how to close a company.

6.2. Incubation Support

Incubation support is the second pillar of the framework and it covers States’ performance in “supporting setting up incubators for nurturing Startup ideas”. Incubator is a key component of a Startup ecosystem and provides access to essential business resources to enable growth of the Startups. State has a major role in creating infrastructure that promotes innovation and ensures their sustainability. Another important criteria is to ensure that incubators are accessible and affordable for Startups.

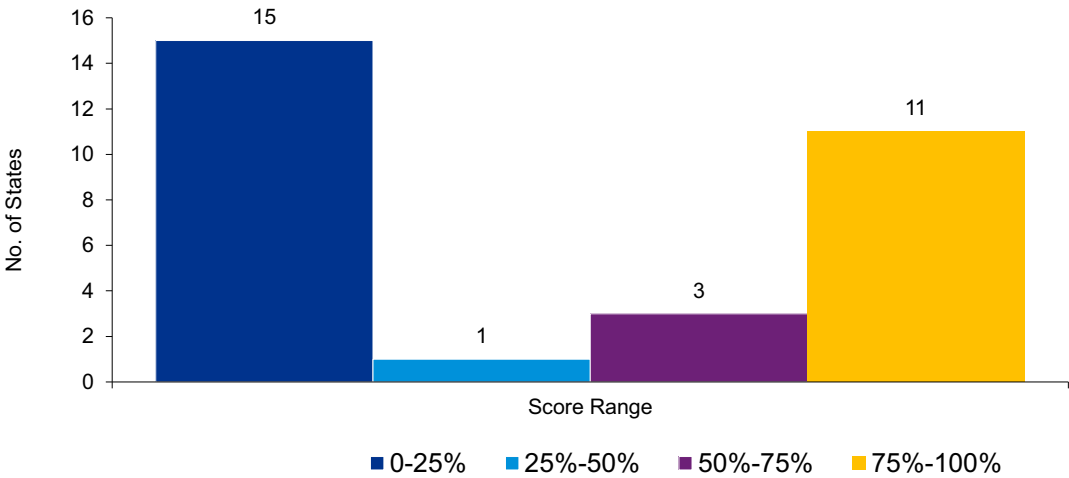
Incubation support had **3 action points and all were assessed on the basis of documents submitted by State. Total marks of this pillar were 20**, given the reason that incubation support is a critical requirement of Startups.



Based on the assessment, the national average score of this pillar comes out to be **8.56 out of 20 marks**. Few States have secured full marks i.e. 20 marks in this pillar which highlights that they are actively setting up incubators. However, the challenge remains with the presence of such infrastructure across the country and not in few States.

Overall, it is observed that performance by States has been in

either extremes as almost half the number of States have scored more than 50% marks and rest could not cross the same barrier. The national average score is observed to be low because of some of the outlier State performances.



The performance of States on critical action points in this pillar was as follows:

- i. **Incubators:** Out of 30 States that participated in State Startup ranking exercise, **16 States have supported in setting up or scaling up of incubators** through financial grants. These incubators have been setup independently or in academic institutions or in partnership with private entities. Overall, **more than 70 incubators** across the country have received financial support by State Governments in last 2 years.
- ii. **Incubation area:** **14 out of above 16 States** have supported incubation area within a range of 5000 sq. ft. to 30,000 sq. ft. Few States have gone beyond the range of 30,000 sq. ft. incubation area and have setup state-of-the-art incubators with area more than 1 lakh sq. ft. The efforts have resulted into an **aggregate of 10 lakh sq. ft. incubation area** being developed for supporting Startups. Some of the good practice examples have been highlighted in following section.
- iii. **Subsidized incubation:** **14 States** have also provided subsidized incubation support to at-least 10 Startups in last 2 years. The subsidized support has been provided either by reducing the cost per seat in incubators for Startups or by providing seats free of cost.

It is observed that our vision of becoming a Startup nation shall only be fulfilled when all States and UTs setup required infrastructure i.e. incubators for Startups. Startups especially need constant support, encouragement and new ideas to stay upgraded and incubator plays a key role of an enabler for Startup promotion. All the scattered incubation efforts from various States need to be directed in one direction to achieve the common goals. The target of setting up 5 incubators in each State is not ambitious and State may refer to good practices from leading States to understand their incubation models, funding mechanism and learning associated.