



सत्यमेव जयते

Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade

#startupindia

❖ STATES' STARTUP RANKING 2022 ❖
EMERGING ECOSYSTEMS

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CHANDIGARH



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States' Startup Ranking Results 2022

Chandigarh participated in 24 action points of the ranking framework 2022.

Chandigarh performance in each of the reform area has been graphically represented. Data presented below is the percentile score, which is the relative performance of the state in each reform area as compared to other participating states/uts.

For example, if Chandigarh has a score of 100th percentile in the 'institutional support' reform area, this implies that the state has scored higher than all the participating states/uts in that reform area.

Chandigarh has been evaluated on seven reform areas that have a significant contribution towards propelling the startup ecosystem in the state. Detailed analysis with insights into the initiatives taken by the state to promote its startup ecosystem are discussed in the subsequent sections.



UT'S (UNION TERRITORY) STARTUP ECOSYSTEM

Chandigarh is a city and a union territory in northern India. It is the capital of the two states of Punjab and Haryana and is also the seat of the High Court of Punjab and Haryana. Chandigarh is known for its modern architecture and urban planning and is considered to be one of the most beautiful cities in India.

Chandigarh stands as a shining example of meticulous urban planning, seamlessly blending modernisation with environmental preservation. Nestled at the crossroads of Punjab, Haryana, and Himachal Pradesh, it serves as a pivotal hub in northern India.

The city's allure lies in its exceptional quality of life, often rivalling some of the world's finest metropolises. Boasting a wealth of social infrastructure, vast green expanses, and a compact layout, it offers an idyllic environment for both living and working.

In its commitment to sustainability, Chandigarh sources nearly 70% of its power needs from renewable energy. The city's industrial landscape is robust, with around 2950 small scale and 15 large and medium scale units. A significant portion of these units caters to the tractor industry, manufacturing components, along with agricultural equipment, auto parts, tires, electronic items, metals, alloys, and engineering products. Pharmaceutical companies also find a home in Chandigarh's industrial areas.

Furthermore, the city boasts a thriving urban population, with over 95% of its residents residing in urban areas. Its demography is characterised by a youthful workforce, with 68% of the population falling within the 15-59 age group.

State Startup Policies And Incentives

The Chandigarh startup ecosystem is still in its early stages of development, but it has the potential to grow rapidly in the coming years. The union territory has a number of unique advantages that make it an attractive place to start a business. The government of Chandigarh is also supportive of startups and has introduced a number of policies to support their growth.

Currently the UT does not have any startup policy.

¹Based on RBI Statistics

Srf 2022: Performance Assessment

Institutional Support

Introduction

Institutional support focuses on the execution and facilitation of the UTs startup policy through a comprehensive portal and specific incentives provided by various government stakeholders. This reform area focuses on the access to information for startups on the UT-supported initiatives. It analyses whether a particular UT has a functional startup portal offering single window solutions for all startup ecosystem stakeholders. A holistic startup portal offers services ranging from startup registration to an efficient grievance redressal mechanism in making information accessible and inclusive through the functionality of local languages. A special focus has been drawn towards women-led startups with specially tailored incentives and schemes to ensure equitable implementation. The reform area also emphasises on institutionalised support provided to the startups from various UT government departments.

UTs Performance

UT is working on drafting the Startup Policy.

²Based on SRF 2022 submission



Suggestive Recommendations

- the ut may develop a dedicated startup portal comprising with atleast below highlighted information to support and handholding of the startups and entrepreneurs.

1. Ut startup policy and details of all ut level approvals and clearances required for registering and operating a startup in the ut
2. Details of ut nodal officer, nodal department, and dedicated team for startups
3. Dedicated helpline or call center for startups
4. Startup registration, including api integration with startup india
5. List of ut-supported incubators and accelerators, including incubation support available
6. Mentorship support available
7. Public procurement support available
8. Funding support available
9. Details of departments providing institutional support to startups
10. Accessibility of all pages of the website in local/official language
11. Accessibility of website for persons with disabilities (pwd)
12. Section regarding marketing and outreach including events, webinars, mentorship sessions and others.

- ut may have an active tracking mechanism for query resolution. The query or grievance resolution must have a set timeframe in days, it is suggestive to be less than 30 days.

- the ut in startup portal or a separate unified web platform may develop or include a mechanism for startups to submit requests or grievances with a tracking mechanism.

- requests or grievances or issues on provision to avail all types of funding, including seed funding, subsidised loans, government grants, sustenance allowance, debt or equity financing through incubators, venture funding, public procurement amongst others, may be addressed on the platform.

- query response timeframe may be mentioned in the public domain through a ut notification/ government order/ faqs.
- ut government departments apart from nodal department may provide institutional support to startups. The institutional support could be in the form of sustainable programs, hackathons, grand challenges, incubation support, funding support, venture funding, open data apis, public procurement support and other sustainable programs.
- apart from ut startup policy, the ut may make regulations considering long-term impact of the technology or business model. Under ut sectoral policies or schemes, startup ecosystem stakeholders support may be included. It may be ensured that the amendments and their details are to be provided on ut startup portal for easy access to information.

Fostering Innovation & Entrepreneurship

Introduction

Fostering innovation and entrepreneurship seeks to encourage the spirit of innovation among aspiring students and rural entrepreneurs. It focuses not only on the assessment of the total number of registered startups in each ut, which is a direct result of the ut support but also on the regulatory reforms undertaken to support startups in disruptive sectors. This reform area assesses the extent to which higher educational institutes (heis) have been engaged in providing support to student entrepreneurs. It also highlights the value of innovation through disruption and promotes ut-supported technological disruption to help drive innovation.

Uts Performance

The UT has
100+
Registered Startups

Suggestive Recommendations

- the ut may ensure that all the ut-registered startups are also registered with dpiit.
- the ut may provide specific incentives to women-led startups, which could be included in the startup policy of the ut. The incentives could include a monthly sustenance allowance for women-led startups.
- the ut may further reserve a specific quota for women-led startups in terms of funding grants and incubation support.

Access To Market

Introduction

This reform area seeks to encourage the ut government to ease participation in the public procurement process for startups and become an enabler in connecting startups with private stakeholders. The uts are evaluated based on the support provided by them to startups through the organisation of showcase opportunities such as demo-day, buyer-seller meet, national and international events, and relaxation in rules for government work orders. The aim is to steadily increase the number of work orders awarded to startups by helping them be at par with the established players in their respective sectors.

UTs Performance

NA

Suggestive Recommendations

- the ut may explore the possibility of introducing relaxations in its procurement proposals to encourage startups to participate in public procurement.
- the ut may assign a certain percentage of the total procurement by the administration's departments / ut psus to be acquired from startups.
- the ut may develop a dedicated page on their respective startup website for the public procurement activities and exemptions provided to the startups with all the required details
- the ut administration may undertake programs to connect startups to government departments as well to present case-wise solutions to the departments and promote procurement activities by them. These programs could be gem workshops, demo days, grand challenges, hackathons, innovation zones, buyer-seller meets, and corporate innovation programs. The informational programs conducted could be streamed on the startup portal and online streaming platforms for wider reach.

Incubation And Mentorship Support

Introduction

Incubation support is provided in the form of financial and infrastructural support to startups and ut supported incubators. The ut governments have been supporting incubators to set up or upgrade existing facilities through funds and incentives to enhance the incubation infrastructure. This reform area also aims at ensuring proportionate utilisation of the incubation capacity of the ut-supported incubators. The support provided by the ut to the incubators through programs and incentives will in turn help startups in scaling up and thereby, contribute to the growth of the ut startup ecosystem.

UTs Performance

UT is working on drafting the Startup Policy.

Suggestive Recommendations

- the ut has one functional incubator but considering the increasing spirit of entrepreneurship in the ut, the incubator could be upgraded. The ut may explore the possibility of setting up more incubators
- the ut may provide support to incubators such as (a) one-time capital assistance (b) 100% reimbursement of stamp duty and registration fee (c) power tariff subsidy (d) 100 % reimbursement for electricity duty paid for the first 5 years.
- the ut may develop its portal in a way such that startups could connect with incubators through a dedicated incubator dashboard
- ut may create a centralised form for enrolling into the incubation program and request for ratings and acknowledgment from startups which have been incubated.
- the ut may explore the possibility of setting up more incubators and virtual incubation as well

- the ut may provide support to incubators such as (a) one-time capital assistance (b) 100% reimbursement of stamp duty and registration fee (c) power tariff subsidy (d) 100 % reimbursement for electricity duty paid for the first 5 years.
- going forward, the ut may organise acceleration programs and work on increasing the reach of these programs. The ut may enhance the reach of workshops by leveraging the virtual format. The ut could take advantage virtual format to connect with stakeholders outside the ut as well as internationally
- the ut may further expand the mentorship network to include experts from the relevant sectors, including industry experts, corporates with experience in the required field, people from the financial sector with funding experience, and successful entrepreneurs.
- the ut may further look to engage and connect with mentors at the national and international levels. The option for virtual mentorship through video calls could be explored.
- as the number of mentors grows, the ut could categorise registered mentors for startups to gain sector-specific guidance

Funding Support

Introduction

All startups require timely availability of funding for their growth. This reform area encourages various ut governments to establish either seed or venture funds or fund of funds for startups. It also focuses on the access to these funds established by the ut government. A special focus has been given to initiatives and programs undertaken for connecting startups with private investors through workshops, networking events, pitching sessions, and investor networking events.

UTs Performance

NA

Suggestive Recommendations

- the ut may establish a loan scheme for startups in the early stages of their lifecycle. The ut may consider providing easy funding options in the form of loans or equity especially designed for startups.
- the ut government may maintain an online dashboard by integrating it into the ut startup portal containing details of funding sponsored or supported by the government.

Capacity Building Of Enablers

Introduction

Capacity building of key stakeholders and enablers is essential for driving the growth of the entire startup ecosystem. It is vital to provide necessary information to the key ecosystem facilitators to enable startups with the opportunity to contribute to government initiatives. This reform area assesses sensitisation workshops, programs conducted for government officials, and workshops conducted to train ut-supported incubators. It also focuses on the capacity development of potential private investors to encourage local private investments.

UTs Performance

NA

Suggestive Recommendations

- the ut may conduct monthly virtual programs spread across various districts to sensitise potential investors on investment in startups

Roadmap To Sustainable Future

Introduction

Roadmap to a sustainable future seeks to encourage the spirit of innovation in rural startups, focused on sectors like renewable energy, sustainability, and climate change. Special focus is given to startups working on circular economy.

The aim is to steadily increase the number of rural and future sectors in sustainability by established players in their respective sectors and cater to circular economy.

UTs Performance

NA

Suggestive Recommendations

- **ut may develop specific incentives for the startups working in the field of sustainability, renewable energy, climate change and circular economy and consider amending any existing policy or incentive for startups in the ut to support these startups.**

Annexure

Sources

Abbreviations

Union Territory (UT)

Persons with Disabilities (PwD)

Higher Educational Institutes (HEIs)

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