



सत्यमेव जयते

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

#startupindia

➤ STATES' STARTUP RANKING 2022 ➤
BEST PERFORMER



GUJARAT



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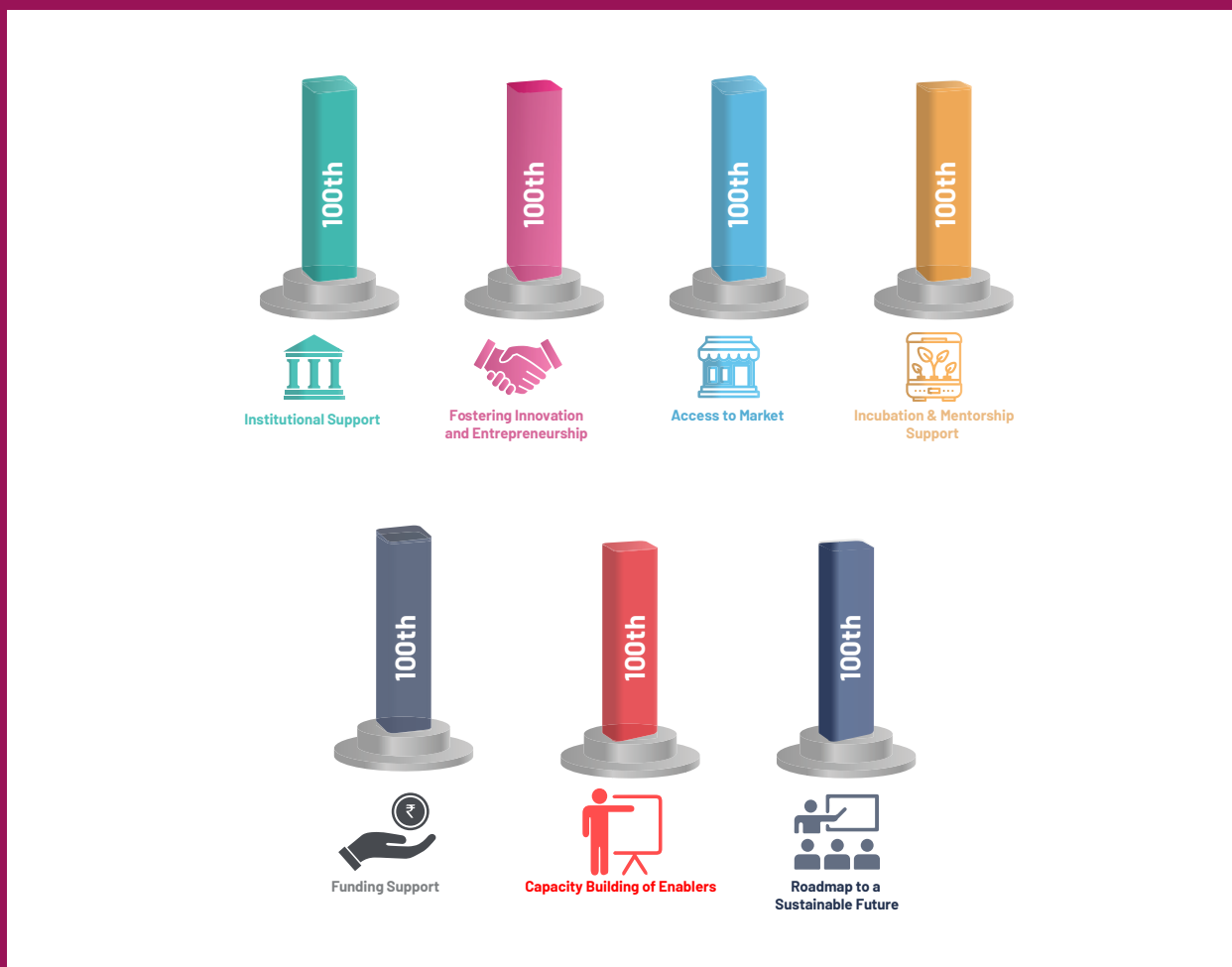
States' Startup Ranking 2022 Results

Gujarat participated in all 7 Reform Areas and 25 Action Points of the Ranking Framework 2022. Gujarat's 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 Gujarat 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.

Gujarat 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.

For all 7 Reform Areas, Gujarat is in the topmost percentile of 75 to 100, details of which is represented below:



STATE STARTUP ECOSYSTEM

Gujarat is the fifth largest state of India, with a population over six crore (census 2011). During the FY 2021-2022, Gujarat contributed to approximately **9%** of India's gross domestic product (GDP).¹

Gujarat offers a model for economic progress and development for developing nations. The state is the second largest producer of crude oil (onshore) and the fourth largest producer of natural gas. It has 49 ports, including one major and 48 non-major ports, which handle **40%** of the entire country's cargo of the entire country.²

The incentives given to Startups under the Gujarat Industrial Policy 2015 have allowed the creation of a strong network of nodal institutions, as a result of which several Startups have expanded their operations and products both at the national and international levels.

The State of Gujarat has successfully established a dynamic and thriving startup ecosystem. The accomplishments of this ecosystem are evident through evaluations across seven key reform areas which have driven its growth. The state Startup ecosystem boasts of close to **13,000** Startups, **200+** incubators and **300+** mentors.³

The Startup Policy for Promotion of Startups and Innovation aims to give a further thrust to the promotion of Startups and strengthening the ecosystem in the state. A task force was constituted comprising of leading stakeholders in the Gujarat startup ecosystem to formulate and promote the cause of Startups and innovation in the state.

Moreover, the state has implemented numerous initiatives to encourage and support women and student-led Startups, fostering a vibrant entrepreneurial environment. In addition, Gujarat has made substantial strides in financing and connecting Startups with prospective investors.

State Startup Policies and Incentives

The State Government of Gujarat offers comprehensive assistance to Startups throughout various stages of their life cycle. The state has also implemented different sector-specific schemes in the areas of Information Technology and Information Technology-enabled Services (IT & ITeS), Electronics, and Biotech for providing support to specific needs of the Startups. The schemes providing support to Startups are listed as follows:

- **Drone Usage and Promotion Policy of Gujarat:** Promoting Startups towards the commercial utilisation of drones and making it safer through regulations.

¹Based on RBI Statistics

²<https://www.investindia.gov.in/state/gujarat> as accessed on 9 December 2023

³Startup Gujarat; as accessed on 4 January 2023

- **Science, Technology, and Innovation Policy of Gujarat:** Promoting sustainability by use of technology for faster and inclusive development with focus on Startups in dairy, animal husbandry, fisheries and aquaculture
- **Scheme of assistance for Biotechnology (BT) Industry under the Gujarat State Biotechnology Policy (2016):** Offers special incentives for Startups across the business lifecycle in the Biotechnology sector
- **Scheme of assistance for Incubators and Startups under Electronics & IT/ITeS Startup Policy of Gujarat (2016):** Focuses on development of concepts into tangible products and necessary creation of business linkages so that a culture of booming Startup industry is created and sustained
- **Student Startup and Innovation Policy (SSIP)(2017-21):** It is a first-of-its-kind policy in the country initiated by the Gujarat Government that aims to create a much-needed Innovation and Preincubation Ecosystem Support for Students (IPIES) across the state. Student Startup and Innovation Policy of Gujarat (SSIP 2.0) under SSIP caters to Startups in the proof of concept or minimum viable product phase
- **Scheme for assistance for Startups/Innovation under the Gujarat Industrial Policy 2020:** Supports Startups during seed funding and scaling up phases

Highlights of State Startup Ecosystem⁴

Some of the key highlights of the Gujarat Startup Ecosystem based on SRF 2022 submissions are as follows.

4500+

Startups Recognised

850+

Women- led Startups

200+

Incubation Centres
across 25+ districts

230+

Startups connected with
investors

⁴Based on SRF 2022 submissions



INR 55 Cr +

Provided for FoF

10+

Acceleration program with
200+ Startups incubated

200+

Startups provided INR 35+
Cr fiscal support

1300+

Startups incubated across
25+ districts

Key Initiatives Driving Growth

- **Handholding Support:** Gujarat has conducted close to **10** programs during the period of evaluation to provide showcase opportunities for Startups. The programs were based on the theme of Harnessing Innovation, Technology, Entrepreneurship, and Sustainability with the objective of promoting entrepreneurship and scouting best innovations from the state offering them support through state funds.
- **Women Entrepreneurship:** The state of Gujarat has a number of incentives catered towards women-led Startups. While the usual reimbursement amount is **75%** of the expenses of the event, in the case of events specific to “Women Entrepreneurship”, the amount is raised to **90%** of the expenses. These incentives have impacted close to **500** women-led Startups in Gujarat.

- **Work Orders:** Gujarat has awarded **100+** work orders to unique Startups through various events conducted by the state Government e-Marketplace (GeM) portal. The state has supported Startups through public procurement to bring their innovation in products and services to the mark.
- **Connecting with Investors:** The state of Gujarat has conducted a range of programs to connect Startups with investors. Over the course of five months in 2021, the state government facilitated **15+** sessions of **10+** different programs. Approximately **1,000** Startups attended these programs to share their ideas with **60+** investors.

Institutional Support

Introduction

Institutional Support focuses on the facilitation and execution of the State/UT's Startup policy through a comprehensive user-friendly portal and specific incentives provided by various Government stakeholders. This Reform Area focuses on paving way for easy access of information to Startups and ecosystem stakeholders.

It analyses whether a particular State/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 having quick 30 days of query resolution.

The Reform Area also emphasises institutionalised support provided to the Startups from various State/UT Government departments including through government policies that are currently active for support to Startups.

Gujarat has been one of the first movers in setting a robust Startup portal in the country. State Startup Portal has an effective grievance redressal mechanism with an average resolution period of seven days. The performance of the state in the Reform Area of Institutional support has been highlighted in the section below.

State Performance

The State of Gujarat has created a comprehensive startup portal, Startup Gujarat, while keeping the users' needs in perspective. It has fulfilled all the prerequisites of a robust Startup portal as per the States' Startup Ranking Framework 2022 (SRF 2022)..

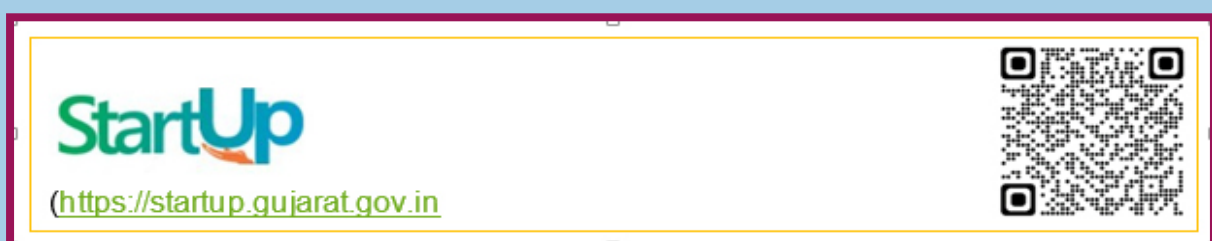


Figure A: Gujarat Startup Portal

These pre-requisites include:

1. State Startup Policy and details of all state level approvals and clearances required for registering and operating a Startup in the State
2. Details of State Nodal Officer, Nodal Department, and dedicated team for Startups
3. Dedicated helpline or call centre for Startups
4. Startup registration, including API integration with Startup India
5. List of state-supported incubators and accelerators, including incubation support
6. Mentorship support
7. Public procurement support
8. Funding support
9. Details of departments providing institutional support to Startups
10. Accessibility of all pages of the website in local/official languages
11. Accessibility of website for Persons with Disabilities (PwD)
12. Section regarding marketing and outreach including events, webinars, and mentorship sessions

Gujarat has an active tracking mechanism for query resolution within the Startup Gujarat Portal. The state has maintained a record of all the queries or requests that have been received during the period of consideration of SRF 2022. Besides this, the State Startup Portal also has an interactive Chatbot, which helps website visitors resolve basic information-related queries in real time.

For Queries & Feedback

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Raise Your Grievance

Grievance Type *
Public

First Name *
First Name

Last Name *
Last Name

Email *
Email

Mobile *
Mobile

Address *
Address

Country *
--SELECT--

State/UT *
State

City *
City

Figure B: Raise Grievance Page of Startup Gujarat Portal

The state has institutionalised the support to Startups by government departments with **25+** state government departments offering support to **300+** startups in form of incubation, procurement and capacity building. The state has also developed more than five active government policies supporting startups during the period of consideration.

Way Forward

- **The State may develop additional features on the Startup portal such as virtual showcase as well as interactive registered Startup database.**
- **All State Government departments may be mandated to provide institutional support to Startups in the state. The number of activities and frequency of institutional support offered by the departments already offering support may be increased so as to increase the number of beneficiary startups.**
- **The State may develop more sector specific policies to support Startups.**

Fostering Innovation & Entrepreneurship

Introduction

Fostering Innovation and Entrepreneurship, as the name of the Reform Area suggests, seeks to encourage the spirit of innovation among aspiring entrepreneurs with a focus on student entrepreneurs, entrepreneurs from Higher Education Institutions (HEIs) and women entrepreneurs. It focuses not only on the assessment of the total number of registered Startups in each State, which is a direct result of the State support but also on the regulatory reforms undertaken to support Startups in diverse sectors.

This Reform Area assesses the extent to which HEIs have been engaged in providing support to student entrepreneurs. It also highlights the value of innovation and entrepreneurship be it students or women. Furthermore, special focus has been drawn towards women-led Startups with specially tailored incentives and schemes to ensure equitable implementation.

Gujarat has one of the highest number of registered Startups in the country with **12500+** registered Startups. It is a sign of a culture of innovation and entrepreneurship in the state. State has actively engaged students from schools and HEIs during the period by conducting more than **50** events. These programs include workshops & bootcamps focused on entrepreneurship development.

State Performance

850+

Women-led startups received support

2500+

Students attended ~30 events held at Schools

~2000

Students attended 25+ events held at HEIs

State has formalised the support for women-led Startups through a notified document covering incentives for women startup, clear definition of women entrepreneur and a special incentive provisioned for women led Startups. During the period of consideration, the state has provided **800+** women-led startups across **26** districts. The State has provided both fiscal support in form of seed funding and grants as well non-fiscal support in the form of incubation support and capacity development workshops.

Gujarat, a state known for its rich industrial heritage, has always been at the forefront of innovation and entrepreneurship. To further ignite the spirit of innovation among the youth and college students of Gujarat, a momentous event took place – the “Startup Fest Gujarat,” providing an exceptional platform for budding entrepreneurs, young innovators, and college students to showcase their creativity, ideas, and projects.



Startup Fest Gujarat embodies the vision of nurturing an entrepreneurial culture within the state. By bringing together experienced entrepreneurs, mentors, and enthusiastic young minds, this event not only celebrated innovation, but also paved the way for collaborative industrial Startups that can drive economic growth and job creation.

Way Forward

- The State may consider analysis of its database of Startups to evaluate the startups registered for five years and more.
- State may organise interaction events for students with successful entrepreneurs and industry experts. Students will get a chance to understand the real-world challenges and opportunities that exist in the Startup Ecosystem through these events.

Access to Market

Introduction

This Reform Area seeks to encourage state Governments to ease participation in the public procurement process for Startups and become an enabler in connecting startups with private stakeholders. The states are evaluated based on the support provided by them to Startups through the organisation of showcase opportunities such as Demo-Days, Buyer-Seller Meets, 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.

The Government of Gujarat intends to encourage Startups to participate in the public procurement process. It also intends to provide a platform to startups for participating in such a process. To achieve this, the Government of Gujarat provided relaxations for Startups in prior experience, prior turnover and exemptions in EMD criteria. Gujarat also has been actively organising events that showcase opportunities for Startups in the State.

State Performance

320+

Startups received work orders for public

INR ~100 Cr

Worth work-orders given to Startups

Gujarat has conducted **15+** events in the state to provide market access opportunities to Startups with **250+** Startups participating in such events. These events provide Startups with a platform to interact and learn about industry trends and needs.

Startups have been connected with relevant state government departments, private stakeholders, industry associations, corporates, and other national as well as international relevant stakeholders through these events. One such event has been showcased below.

Gujarat Startup Conclave: EMPRESARIO STARTUP SUMMIT 2021

Gujarat Startup Conclave was an exclusive event for Startups and new age entrepreneurs from the Gujarat Startup ecosystem. The idea was to gather them at one place, discuss their entrepreneurial experiences and exhibit their Startup. This provided an opportunity to receive funds from a panel of investors from all over the nation.

Empresario Startup Summit 2021 was the 10th Annual Flagship Event of Entrepreneurship Development Institute of India, Ahmedabad. 60 Startups were allocated individual exhibition stalls. The Startups in various sectors registered and applied for exhibitions and other activities.



Figure D: Event pictures from Gujarat Startup Conclave 2021

Way Forward

- The State may provide the relaxations in a separate circular enlisting the relaxations for the category of Startups who can receive it.
- The State may also specifically specify the percentage of each relaxation they are providing in the State.
- In addition to events organised by the State for creating market access for the Startups, the State Government may organise additional events or programs with a focus on international markets and opportunities.

Incubation and Mentorship Support

Introduction

Incubation and Mentorship support is provided to States in the form of financial and infrastructural support to Startups and State-supported incubators. The State Governments are initiating the setting up of new incubators or upgrading existing incubator facilities through various fiscal and non-fiscal incentives along with conduction of acceleration programs across the State/ UT. This Reform Area also aims at ensuring proportionate utilisation of the incubation capacity of the State-supported incubators.

The support provided by the State to the incubators through programs and incentives will in turn help Startups in scaling up and thereby, contribute to the growth of the State Startup ecosystem. The Reform Area measures efforts by the State Government in facilitating mentorship to startups. This has been assessed by the number of startups benefitting from the States' network of mentors.

Keeping the needs of startups and entrepreneurs in perspective, the "Ecosystem" tab on the Startup Gujarat portal provides startups a platform to connect with incubators, innovators and mentors.

State Performance

~250

Incubators supported and set up

200+

Startups enrolled in acceleration programs

1350+

Startups receiving incubation support

Of the **~250** incubators submitted by the State, around **100** incubators have been upgraded during the period of consideration. These incubators cover almost all the districts of the State with **85%** coverage of the districts of the state supporting more than **1350** Startups.

The State also conducted around 10 acceleration programs supporting more than **200** Startups. One of these programs is the iCreate Idea Accelerator – iIA program, an introductory program aimed at idea-stage Startups. iCreate (International Centre for Entrepreneurship and Technology) hosted the 7th iCreate Idea Accelerator Program from 13 to 28 June 2022. In which, out of **30+** applied Startups, **13** were selected to attend the In-Campus Residential from different districts of Gujarat.



The Government of Gujarat has a pool of mentors registered with the state startup portal, including but not limited to corporations, medium, small, and micro enterprises, higher education institutes and academicians. In addition, the incubators supported by the state, possess connections with mentors having expertise in different areas of industries and functionalities of entrepreneurship.

Under the scheme for assistance for Startups/Innovation – Gujarat Industrial Policy – 2020, the government provides mentoring assistance to nodal institutions for mentoring services. There are around **300+** mentors registered in the state which provide mentorship support to **240+** Startups under SRF 2022.

Additionally, Startup Grow is a comprehensive incubation program by i-Hub to scout, engage, and nurture the best startups across domains and regions to help them flourish and grow exponentially. As incubation plays a pivotal role in giving both direction and support to early-stage innovators and Startups, i-Hub takes a comprehensive approach to enable that through various essential services. This program played an integral role in catalysing the entrepreneurial/Startup movement in India and acted like a startup support system providing a cluster of incubation services.



Figure E: Startup Grow Incubation Program

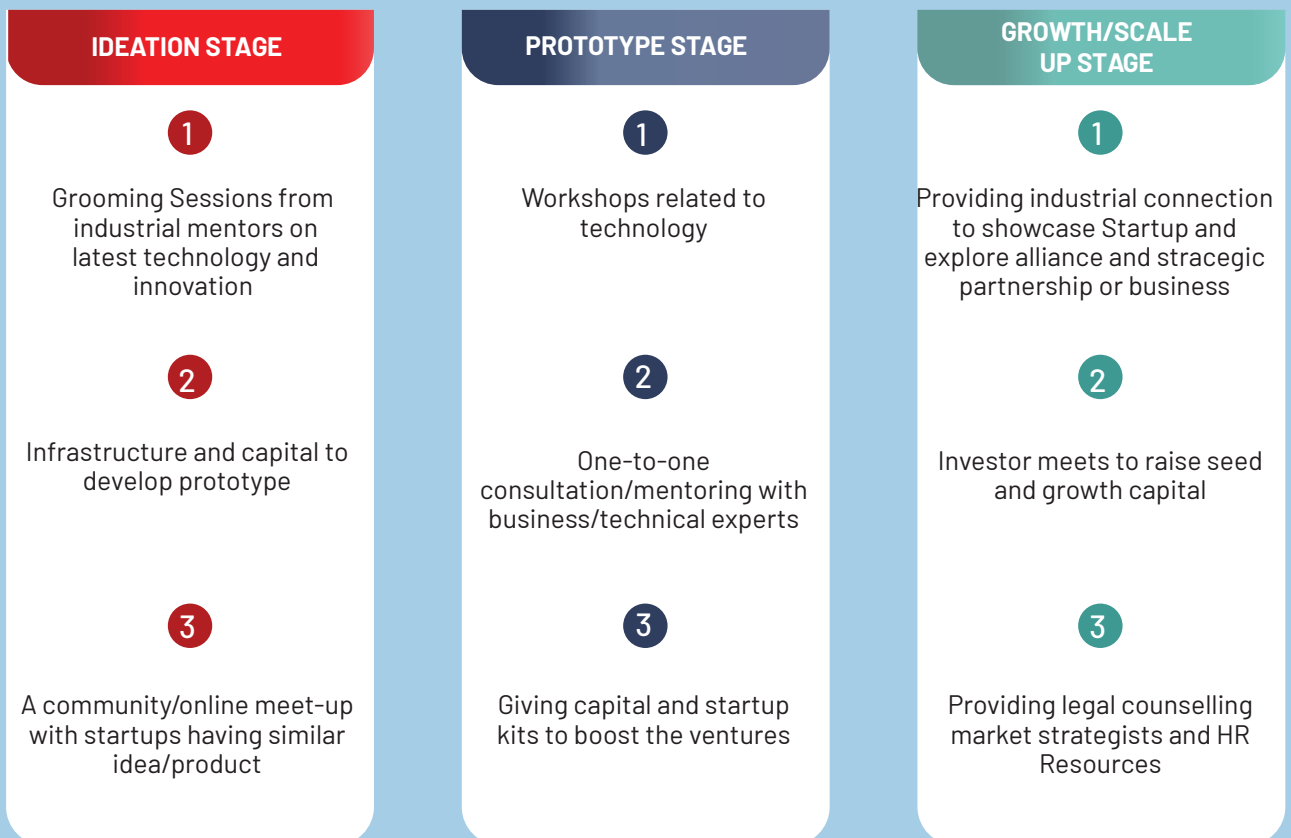


Figure F: Incubation Program Details

Way Forward

- The State may continue increasing the reach of the existing programs, as per its Startup Policy which highlights regional diversity
- The State may develop key performance indicators for incubators enabling them to make better decisions and give them direction. Capacity utilisation is an important metric for assessing the performance of incubators
- State could organise the programs in hub and spoke model differentiating between Startups and scaleups and launch an integrated district level acceleration and incubation programs
- To create a strong network of mentors for providing sector-specific knowledge and real-world practical guidance to the Startups, the State may further look to engage and connect with mentors outside the State, at the national as well as international level. The possibility for virtual mentorship through video calls could be explored to learn from other national and international experiences

Funding Support

Introduction

All Startups require timely availability of funding for their growth. This Reform Area encourages various State Governments to establish either new Seed or Venture funds or Fund of Funds for Startups or continue supporting the existing ones. It also focuses on the access to these funds established by the State Government.

A special emphasis has been given to state-supported initiatives and programs to mobilise the private investments into the Startup ecosystem by connecting Startups with investors such as workshops, networking events and pitching sessions.

The Government of Gujarat helps Startups with multiple Funding options. State offers funding through seed funds, venture funds as well as through policies, schemes and grants. One such scheme is the “Scheme for assistance for Startups/ Innovation” which provides support to Startups at seed funding and scale up stage.

State Performance

200+

Startups sanctioned
funding support of INR 35+
Cr

~5

Programs to connect ~200
Startups with investors

INR 50+ Cr

Venture fund with allocation

The Gujarat Government has provided funding support to **200+** Startups during the period of consideration with a fiscal sum of more than **INR 35 Cr**. Of these **80+** were at ideation stage and **60+** at validation stage.

The State has also conducted more than five programs to sensitise potential investors, facilitating approximately 30 institutional investors to connect with **250+** Startups.

The Government of Gujarat has established or supported various seed and venture funds to support Startups. These include:

Gujarat Venture Finance Limited (GVFL), which is a government-backed venture fund. GVFL Emerging Enterprises Venture Capital Fund raised approximately **INR 55 Cr** funding from the State Government during the consideration period. GVFL has focused on providing venture capital to early-stage companies and Startups and has gained deep insight into the growth cycle of such innovative companies.

GVFL has recently launched the GVFL Startup Fund, which focuses on early growth stage Startups and MSMEs that showcase:

- **Innovativeness - new or improved products, services, or processes**

- Technology either as a differentiator or enabler
- Proven product or service offerings
- Market validation on a commercial basis

Way Forward

- The State may develop an online mechanism for the disbursement of funds which captures the details of all transactions of the fund.
- The State may offer the option of startups applying for the fund from the portal.
- The State may organise more events, programs and conferences to connect startups with investors.
- The State may partner with industry associations and business chambers to create sector-specific funds that align with the state's economic strengths.
- The State may look to provide tailored funding solutions to cater to different stages of startups (seed, early-stage, growth), industries, and business models.

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 State-supported incubators. It also focuses on the capacity development of potential private investors to encourage local private investments.

The Government of Gujarat understands the need of training government officials for creating a nurturing Startup Ecosystem. These workshops help to relate them to current market scenarios and stay updated. The State Government has conducted capacity building training to make the incubator managers well equipped through business training, financial management, monitoring and evaluation, marketing and stakeholder management, and networking.

State Performance

10+

Sensitisation workshops for Government officials

350+

Government officials sensitised on Startup ecosystem

200+

State-supported incubators trained

15 Districts

Investor sensitisation programs organised

The Startup Gujarat Cell has supported and conducted around **10** capacity development programs, workshops, and courses for state Startup ecosystem enablers such as the incubation manager and other supporting staff.

The state has organised close to **15** programs to sensitise potential investors on investment in startups for increasing the number of early-stage investors. These programs were planned and organised across 15 districts with close to **50%** coverage of all the districts of the state.



Figure G: Sensitisation Workshop for Potential Investors

Way Forward

- The State may hold quarterly sensitisation workshops for various Government departments and officials to encourage them to interact with Startups to understand their concerns.
- The State may train State-supported incubators through capacity development workshops by collaborating with incubators from other states to explore mutual learning opportunities.
- The State may increase the coverage of the potential investor sensitisation program across all the districts of the state.

Roadmap to a Sustainable Future

Introduction

Roadmap to a Sustainable Future seeks to encourage the spirit of innovation in rural Startups, and at the same time focus on sectors like renewable energy, sustainability, and climate change with an emphasis given to startups working on Circular Economy.

The aim is to steadily increase the number of startups working in the space of renewable energy and sustainability and follow India's direction of attaining a more inclusive and greener world.

The State understands the role of Startups focused on sectors like renewable energy, sustainability, and climate change in shaping the future of Gujarat. State has thus provided support to Startups working in these areas.

State Performance

350+

Startups with rural impact supported

120+

Startups working on sectors focussed on renewable energy, sustainability, and climate change supported

The state has actively provided support to **350+** Startups working for rural impact. Startups with rural impact are defined by the state as startups working on innovative solutions generated by people at grassroots levels through their creatively deployed indigenous skills and local knowledge for solving localised problems which are not available or not affordable. The state has provided assistance up to **INR 10 L** to such Startups.

The state has supported more than **120** Startups working in the area of renewable energy, climate change, and sustainability. Such startups are working towards innovations in ESG (environment, social, and governance), SDGs (Sustainable Development Goals), sustainable products/services/process solutions, and other similar areas.

The state also has these active policies working in circular economy:

- **Scheme for assistance for startups/innovation - Gujarat Industrial Policy 2020**
- **Student Startup and Innovation Policy for Gujarat (SSIP 2.0)**
- **Scheme for assistance for Biotechnology (BT) Industry - Gujarat State Biotechnology Policy**

Way Forward

- **The State may conduct brainstorming workshops with mentors and Startups, especially grassroots Startups, to come up with innovative ideas. These workshops could be televised or streamed on a video streaming platform to get higher engagement.**
- **The State may set up incubation centers in rural areas to provide infrastructure, mentorship, and networking support to Startups with rural impact.**
- **The State may develop a clear definition of startups which qualify as working in the field of sustainability, renewable energy, climate change and circular economy may be established as an amendment to the Startup Policy.**
- **The State 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 State to support these Startups.**
- **The State may undertake sensitisation workshops with Startups, Incubators and other stakeholders in the field of sustainability, renewable energy, climate change and circular economy.**
- **The State may look at developing a separate parameter for “Social Impact”, under which a Startup promotes a product or service that is based in a rural area as well as related to sustainable practices, renewable energy, circular economy and climate change.**

Annexure

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Figure E: Startup Grow Incubation Program

Figure F: Incubation Program Details

Figure G: Sensitisation Workshop for Potential Investors

Abbreviations

Gross Domestic Product (GDP)

Information Technology and Information Technology-enabled Services (IT & ITeS)

Student Startup and Innovation Policy (SSIP)

Innovation and Preincubation Ecosystem Support for Students (IPIES)

Government e-Marketplace (GeM)

Gujarat State Biotechnology Technology Mission (GSBTM)

Higher Educational Institutes (HEIs)

Gujarat Venture Finance Limited (GVFL)

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