

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



STATES' STARTUP RANKING 2022 ** ASPIRING LEADER





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States' Startup Ranking 2022 Results

Haryana participated in 21 Action Points of the Ranking Framework 2022. Haryana 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 Haryana 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.

Haryana 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.



STATE STARTUP ECOSYSTEM

Haryana is a landlocked State in northern India. The State of Haryana has 22 districts and six administrative divisions. Chandigarh famous for its well-planned city is the joint capital of Haryana and Punjab

The economy of Haryana is led by the software industry, BPO, automobile industry, agriculture, and retail. Haryana is primarily an agricultural State. It has quickly built an exceptional infrastructure, gaining interest and funding from both the public and commercial sectors. The primary industrial goods include tractors, mobile cranes, and motorcycles. In addition to being a major car hub in India, Haryana has established itself as a basis for the knowledge industry, including IT and biotechnology. Many large Indian and multinational companies are available in the State. Haryana stands as the second-largest contributor of food grains to India's central pool.

A new Startup policy was introduced in July 2022 to achieve the initiative's goals. The State has a well-organised Startup ecosystem, with an emphasis on the growth of the ecosystem, incubation, regulatory assistance, promotion of women entrepreneurship, student entrepreneurship development and awareness, as well as outreach programs.

The Haryana Department of Information Technology, Electronics and Communication (DITECH) oversees the efficient implementation of the Startup Policy 2020. The Nodal Agency is in charge of establishing the right political environment for the State Startup ecosystem to flourish steadily. It will serve as a single point of contact for all ecosystem stakeholders.

State Startup Policies and Incentives

The Haryana Startup Policy aims to strengthen and support the thriving Startup ecosystem of the State. It encourages innovative and creative thinking and offers dynamic policy interventions, solid infrastructure, and relaxed regulatory norms. The State also aims to promote an entrepreneurial culture at the local level and encourage young people to pursue their own businesses, thus, leading to job creation.

The policy's pillars include infrastructure augmentation, fiscal support, regulatory easing, and entrepreneurship development. Infrastructure is crucial for Startups growth in the State, and the State Government has established top-notch incubation facility that provides a whole ecosystem for people in business. Financial support during the early stages is essential for incubators and Startups, and the State Government has suggested numerous incentives for the same and other stakeholders to encourage entrepreneurship in the State.

The State Government has put into effect significant measures for regulatory ease to foster a business-friendly environment and give investors a hassle-free experience. Promoting the culture of innovation entails instilling the habit and anchoring the concept of innovation and entrepreneurship in the minds of citizens in every sphere of economic activity. For achieving this, the State Government plans to collaborate with universities, educational institutions, and businesses to promote an entrepreneurial culture across all industries.

Highlights of State Startup Ecosystem¹

1700+ Startups Registered

~100

events to support student in Schools and HEI

20+

State-supported incubators functioning

~5

Programs conducted to connect Startups with private fund 10+

policies to support Startups

~20

Women-led Startups supported with incentives

30+

Startups receiving incubation support

~50

Startups received mentorship support



10+ Startups were provided with market and showcase opportunities

Key Initiatives Driving Growth

- Startup Boxes: The State provided microcontroller or microprocessor base Startup boxes to learners in order to boost the learning of basic computer science and electronics in schools. The States schools are urged to disperse the most recent technological kits. The State Government has also made an effort to secure CSR and corporate financing towards this objective.
- **Day-long Boot Camps:** DITECH in collaboration with the Technical Education Department and the Commerce Department, organised a number of Startup boot camps. These are held in all 22 district colleges of Haryana. The goal is to encourage pupils to be innovative and entrepreneurial. The outcomes of these extensive bootcamps was to increase the awareness about Startup ecosystem, policies, schemes & support being provided by central and State Government.
- Startup Haryana Grand Challenge: The purpose of the State-organised event is to find novel and disruptive technical advancements that can help State departments with their problems. Startups must create high-end goods and services using tools like AI, Data analytics and others.
- Scientific Conferences for Industry Institute Collaboration: Every year, the State hosts scientific conferences where experts from all over the world are invited. These conferences are organised in partnership with research institutions with the goal of fostering cooperation between universities and researchers that may result in new producers and economic prospects.



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 singlewindow 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.

State Startup portal by Government of Haryana covers the relevant information on State Startup ecosystem. The portal also supports grievance redressal mechanism having average resolution period of less than 10 days. The performance of the State in the Reform Area of Institutional support has been highlighted in the section below.

State Performance

Haryana State Government has designed a single platform (https://Startupharyana.gov. in/) for State Startups for interacting with State Government and Regulatory Institutions for all business needs and information exchange among various stakeholders.





Figure A: Haryana State Startup Portal URL





Figure B: Haryana State Startup Portal webpage

The State Startup portal has complied with 11 out of 12 criteria for evaluation and provides easy access to information such as:

- 1. Details of State level approvals & clearances for Startup registration
- 2. Details of State Nodal Officer, Nodal Department and Dedicated team for Startups
- 3. Details of Dedicated Helpline or call centre number on Startup Portal
- 4. List of Incubators and Accelerators with contact details
- 5. List of Mentors
- 6. Details of Public Procurement relaxation for Startup on Portal
- 7. Details of availing Funding Support
- 8. Details of departments providing institutional support to Startups
- 9. Details of marketing, outreach, events, webinars on State
- 10. Tracking of submitted applications
- 11. The portal is also accessible to persons with disabilities (PwD)

State Startup portal also have a grievance redressal mechanism and, in a year, have resolved queries registered on the portal in less than 15 days. A dedicated tab on Grievance submission, FAQ and timeline is available on the State Startup portal.



Figure C: Grievance redressal webpage of State Startup Portal



Figure D: List of State policies as on State Startup Portal

Apart from State Startup policy, State has 10+ policy that facilitates State Startup with fiscal and non-fiscal incentives working in various sectors such as Renewable energy, Health, Information Technology, Textiles, and others.

Way Forward

- 1. The State may provide informative virtual tour, walk through or video manuals on home page specific to Startup portal for proper information dissemination.
- 2. The State may provide multiple language support for easy understanding of local people.
- 3. The State may add the functionality of Chatbot for Query or Grievance resolution on Grievance portal for quick resolution on basic queries or further reducing TAT of resolution.
- 4. The State 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.
- 5. All State Government departments may be mandated to provided 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 Startup.

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.

The State Government has been proactively engaging students entrepreneurs from schools and HEIs. The State has undertaken various types of events which includes mentoring and counselling sessions, pitching event and innovation classes, workshops, bootcamps and others.

State Performance

The State recognised 1700+ Startups during the period of consideration which are actively working in various fields i.e., in Information Technology, Engineering, Electronics, Automobiles, Textiles, and other Hi-Technology Industries.

DPIIT registered Startups

~100 events undertaken to support Student entrepreneurs

The State has conducted ~100 events to support 5000+ Student Entrepreneurs of various schools and HEIs of the State.



Figure E: Snapshot of Awareness session for Student entrepreneurs

State has provided incubation support to close to 20 women-led Startups in a year and has provisioned special incentives for women-led Startups.



 $\label{eq:Figure} Figure\,F: Snapshot\, of\,Bootcamps\, organised\, by\, Haryana\, State\, Government$

Way Forward

- 1. The State may consider analysis of its database of Startups to evaluate the Startups registered for five years and more.
- 2. The 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.
- 3. The State may include the Startups and the students from HEIs in workshops with case studies on the latest rules, regulations, and acts to support the Startups in disruptive sectors and the effect of these rules on the ecosystem. Government departments could also be part of these workshops for effective knowledge dissemination.
- 4. The State may provide specific incentives to women-led Startups, which could be included in the Startup policy of the State. The incentives could include a monthly sustenance allowance for women-led Startups and others.

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.

Government of Haryana has been a front runner in providing ease in participation for the State Startups in the public procurement process by providing exemptions. State Government has been providing avenues to State Startups by organising events to showcase the products and services in the market.

State Performance

With a commitment in facilitating regulatory support to Startups by providing a transparent and resilient procurement processes, Government of Haryana has provided relaxation to Startups in prior experience criteria, prior turnover criteria as well as relaxation in submission of EMD criteria.

A separate tab on State Startup portal has been provided by the State Government that provides details of available RFPs for participation of Startups.



Figure G: Haryana Startup portal webpage for Public Procurement

There were 10+ State Startups who were provided with access to market and facilitated with showcase opportunities. One such event was "Startup India Innovation Week 2022" organised by DPIIT and other is "India Pavilion of Dubai Expo 2022" where State Government actively participated with the State Startups.



Figure H: Events with showcase opportunities provided by Government of Haryana

- The State 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.
- 2. More number of State Startups may be encouraged to participate in public procurement process by the State Government through sensitisation workshops.

3. The State may give mandate to each State Departments and State PSUs to compulsorily procure a certain percentage of required goods or services from registered startups.

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.

Haryana State Government has been augmenting infrastructure support and strengthening Startup ecosystem by support programs and services provided through State-supported incubator. More than 100 Startups received incubation support during the year.

State Performance

20+ State supported Incubators functioning 30+

Startups provided incubation support

Government of Haryana for easy access to State Startups has provided with the list of State Government incubators on the State Startup portal.

More than 20 State incubators have been supported by the State Government. During the period of consideration, 30+ Startups were incubated by these incubators.



Figure I: Haryana Startup portal webpage with List of Incubators

State Government has provided the details of all registered mentors in Haryana Startup portal and has 20+ dedicated mentors which provided mentorship to ~50 State Startups. The Startup platform has facilitated these Startups in connecting with mentors which comes from diverse background and industry expertise.

- The State may set up more incubators to guide young entrepreneurs. The State may also explore the possibility of virtual incubation as well. Support to new incubators can be provided in the form of (a) one-time capital assistance (b) 100% reimbursement of stamp duty and registration fee paid (c) power tariff subsidy (d) 100% reimbursement for electricity duty paid for a period of 5 years continuously with power tariff subsidy.
- 2. The State may encourage more Startups to enrol in acceleration programs where Startups get an opportunity to connect with investors, engage in skill development and obtain knowledge support.
- 3. The State may look to engage and connect with mentors outside the State, at the national as well as international level.

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.

State Performance

With an objective to promote and support State Startups, Government of Haryana has organised 5+ programs for 50+ Startups, connecting them directly with private funds or investors.

Some of the funds being provided by the State Government to Startups are:

- Incentives to Startups and Entrepreneurs which includes lease subsidy, Patent reimbursement, Cloud reimbursement and others.
- Seed funding for Startups

- 1. The State may ensure that it offers funding assistance to more startups by setting up a dedicated fund or through incentives such as lease rental assistance, utilities tariff assistance, subsidised incubation and patent reimbursement.
- 2. The State may organise events, conferences dedicated to outreach related to funding with discussions on funding opportunities and processes and to connect startups with funds as well as investors.
- 3. The State may present the details of the Funds on the Startup portal with the eligibility conditions along with the option of Startups applying for the Fund.

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.

Government of Haryana has conducted capacity building trainings and sensitisation workshops with the Stakeholders to support State Startup ecosystem.

- 1. The State may conduct monthly virtual programs spread across various districts to sensitise potential investors on investment in Startups.
- 2. The State Government may hold quarterly sensitisation workshops for various Government departments and officials to encourage them to interact with Startups to understand their concerns.
- 3. The State may train State-supported incubators through capacity development workshops by collaborating with incubators from other States to explore mutual learning opportunities.



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.

Government of Haryana has generously supported the Startups with rural impact appreciating their contribution in overall development of the State. State has introduced policies that are focused on sustainability and circular economy and have also supported Startups working in these domain.

State Performance

A total of 200+ Startups have been supported with rural impact schemes of which four of them are women-led Startups.

Government of Haryana has been encouraging Circular Economy initiatives through schemes and policy such the Haryana E-waste management policy.

Active Policy supporting Circular economy

Government of Haryana has been encouraging Circular Economy initiatives through schemes and policy such the Haryana E-waste management policy.

- 1. 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.
- 2. The State may set up incubation centres in rural areas to provide infrastructure, mentorship, and networking support to startups with rural impact.
- 3. The State may develop specific incentives for the Startups working in the field of rural impact, 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.

- 4. The State may undertake sensitisation workshops with Startups, Incubators and other stakeholders in the field of sustainability, renewable energy, climate change and circular economy.
- 5. 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 List of Figures

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Abbreviations

DITECH: Department of Information Technology, Electronics and Communication

BPO: Business Process Outsourcing

CSR: Corporate Social Responsibility

TAT: Turn Around Time

Al: Artificial Intelligence

PwD: Persons with disabilities

FAQs: Frequently asked questions

API: Application Programming Interface

HEI: Higher Education Institutions

EMD: Earnest Money Deposit

RFP: Request for Proposal

GeM: Government e-Marketplace



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