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

#startupindia

STATES' STARTUP RANKING 2021 UTTARAKHAND



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States' Startup Ranking 2021 Results

Uttarakhand has participated in all 26 Action Points under the Startup Ranking Framework 2020. The status of Uttarakhand's performance in each of the Reform Area has been graphically represented below. Data presented 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 Uttarakhand has a score of 81st percentile in the 'Institutional Support' Reform Area, this implies that the State has scored higher than 81% of the participating States/UTs in that Reform Area.



Uttarakhand has been evaluated across seven Reform Areas that have a significant contribution towards propelling the startup ecosystem in the State. The State has shown remarkable performance through 'Institutional Support' and 'Capacity Building for Enablers'. The range of impact generated through 'Fostering Innovation and Entrepreneurship', 'Access to Market' and 'Incubation Support' is also noticeable. Detailed analysis with insights into the initiatives taken by the State to promote its startup ecosystem are discussed in the subsequent sections.

*The evaluation has been done on submissions made by States/UTs and data available with Startup India, DPIIT.



Uttarakhand Startup Ecosystem

1.1 Introduction

Uttarakhand has a robust startup ecosystem and the State has extended immense opportunities, incentives and support to startups (refer to Figure A for achievements of Uttarakhand Startup Ecosystem). The State is the home of premier institutions guiding aspiring entrepreneurs. The State has also set up the "CM Advisory Group", a unique initiative by the Government of Uttarakhand to encourage innovation and entrepreneurship in the State. This group comprises experts and thought leaders who can play the role of catalysts in the growth story of Uttarakhand.

Through the Uttarakhand Startup Policy 2018, the State aims to foster an ecosystem for nurturing the spirit of entrepreneurship in Uttarakhand. The policy aims to focus on sectors like Travel and Tourism, Food Processing and Agriculture, AYUSH, Education, Healthcare, Biotechnology, and pharmaceuticals (refer to Figure B).



Figure B: Pillars of Uttarakhand Startup Policy 2018



The nodal department for the startups in Uttarakhand is the Micro Small Medium Enterprise (MSME) Department, Government of Uttarakhand (refer to Figure C for the key stakeholders of the Uttarakhand Startup Ecosystem).



Figure C: Flowchart of Uttarakhand Startup ecosystem



1.2 Highlights of Uttarakhand Startup Ecosystem

The Government of Uttarakhand has undertaken several initiatives to boost more than 300 registered startups in the State (refer to Figure D for the highlights of the Uttarakhand Startup Ecosystem).

Figure D: Highlights of Uttarakhand Startup Ecosystem





The Uttarakhand Government organised a two-day 'Startup Boot Camp' in selected educational institutions across the State.

The selected ideas from each boot camp then had an opportunity to pitch their ideas at the **'Grand Challenge 2020'** and a chance to get pre-incubation support from the incubator recognised by the State Government for a period of six months

UDYAM - Introduction of Pre-Incubation Programme was a two-day induction session organised by UCIE Team in association with Startup Uttarakhand, with an audience of passionate and motivated entrepreneurs.

Pre-Incubation Programme gave entrepreneurs the right platform to launch their ideas and develop it into a marketable Minimum Viable Product (MVP)





Saksham is an incubation program for startups from Minimum Viable Product or scalable stage. Funding amount for this stage of startups is up to **INR 25 Lakh**.

Startups are offered incubation space at IIM Kashipur-FIED and expenses for activities such as development of prototype or product, data generation or data acquisition, technology commercialization, etc. under pre-stage funding support





Reform Area Wise Assessment

2.1 Institutional Support

Institutional Support focuses on the execution and facilitation of the State/UT's 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 State-supported initiatives. It analyzes 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 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 emphasizes on institutionalized support provided to the startups from various State/UT Government departments.



Startup Uttarakhand (<u>https://www.startuputtarakhand.com/</u>) is the official website for all information relating to startups in the State (refer to Figure F).

Uttarakhand Startup Policy 2018 presents a pragmatic approach to promoting entrepreneurship through a culture of innovation across sectors which include both fiscal and non-fiscal incentives.

The Micro Small Medium Enterprise (MSME) Department, Government of Uttarakhand is the nodal department for the development of the startup ecosystem of the State.

Figure E: QR Code for Startup Uttarakhand portal







Startup Uttarakhand, a comprehensive startup portal, includes information such as:

- 1. State Startup Policy
- 2. Information on Nodal Department and team
- 3. Dedicated helpline for Startups
- 4. Startup Registration with API integration with Startup India Hub
- 5. State-level approvals and Clearances
- 6. List of incubators and procedures to connect
- 7. List of mentors and procedures to connect with mentors
- 8. Detailed support on Public Procurement, Funding, New/Amended Rules/Regulation
- 9. Details on Departments providing Institutional Support to Startups



Startup Uttarakhand - the State startup portal can be translated into two different languages i.e., Hindi and English (refer to Figure G for the translated Home Page of the Startup Portal).

¹ "Homepage", *Startup Uttarakhand website*, https://www.startuputtarakhand.com/ accessed 19 March 2022 **Uttarakhand | Leader**





Figure G: Startup Uttarakhand website with provision for language translation¹





Startup Uttarakhand offers Grievance Redressal for startups to raise queries on issues faced such as incubation support, funding support, public procurement grievances, regulatory issues, any other query or grievance.

The Government of Uttarakhand has supported women-led startups by providing incentives to women entrepreneurs under the Uttarakhand Startup Policy 2018.

Through a Government notification, the State has defined 'Women Entrepreneurs' to identify and support such startups through schemes and incentives.

The State has also formulated 'Women Entrepreneurship Policy' and facilitated incentives under Land Allotment Policy.



State Government departments conduct programs to provide institutional, funding and incubation support to startups



India Drone Festival 2.0

Conducted in February 2020, this two-day event saw exchange of ideas, and discussion around challenges faced by the drone industry, possible solution and policy initiatives that the Government can help with.

Several drone-related competitions, focusing on speed, control, and other skills of the participants while operating drones were organised. More than 20 companies, various departments and students participated in the event.



The State may prioritize actions based on the following suggestions to further strengthen its startup ecosystem.

Policy Intervention²

- The State may conduct department-specific awareness programs and design policies to encourage other departments to provide holistic support to startups.
- The other departments of the State may notify the important and recurring events from their departments on the Startup Uttarakhand portal to encourage maximum participation from the entire ecosystem.



² Policy Intervention – Actions that involve policy-related engagement by the State **Uttarakhand | Leader**

2.2 Fostering Innovation and Entrepreneurship

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 State/UT, which is a direct result of the State/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 State-supported technological disruption to help drive innovation.

2.2.1 Key Initiatives

Uttarakhand has taken initiatives to support startups in the disruptive sector by amending rules, regulations, and acts and introducing new rules. The State had released the Uttarakhand EV manufacturing, EV usage promotion and related services infrastructure policy implementation order 2019. The State is working towards becoming a hub of investment and employment in EV manufacturing units and facilities.

Uttarakhand Electric Vehicle Policy 2019

₽ (J)

The policy aims to encourage the adoption of eco-friendly vehicles and reduce vehicle related pollution. The policy provides fiscal and non-fiscal incentives.

Term Loan Interest Subsidy on investment of INR 10-50 Crore as per Heavy Industrial Investment and Employment Promotion Policy 2018

100 % Exemption of stage carriage permit for commercial vehicles for **5 years** from the date of registration

Organisations imparting skill development training in EV and HEV component manufacturing will be entitled for training reimbursement at INR 1000 per month for 50 trainees.





Uttarakhand has conducted more than **30 programs** in HEIs to promote entrepreneurial spirit and support student entrepreneurs. A few of these programs are:



More than **3700 students** received support with these programs

Colloquy - The Voice of Womenpreneurs

Startup Uttarakhand in collaboration with UPES Council for Innovation and Entrepreneurship and Entrepreneurship Cell UPES organized this event on 10 July 2021.

The programme revolved around sexism in the sphere of entrepreneurship and concept of gender specific investors. Close to 130 participants attended the event.



The State may prioritize actions based on the following suggestions to further strengthen its startup ecosystem.

Policy Intervention

The State departments may formulate respective policies to support the relevant disruptive technologies to support the startup ecosystem. The State may work on the inclusion of disruptive areas such as the Internet of Things, Artificial Intelligence, Robotics, Machine Learning, and Blockchain, in its policy development.



- The State can look at providing a "Digital Upscaling Subsidy" to facilitate startups with the adoption of disruptive technologies. The State can provide a one-time subsidy for the procurement and up-gradation of high-end electronic equipment.
- The State may formulate a policy or interventions targeted to promote grassroot innovations to steer focus on grassroots and local innovation.
- The State may identify and recognize grassroot innovations from rural areas with rural impact and promote them regularly on its portal. This will aid in encouraging and promoting an innovative mindset bridging the gap between urban and rural areas.
- The State can look at developing a separate parameter for "Social Impact", under which a startup either promotes a product that relates to the State's ethnicity or promotes a product or service that is based in a rural area.







This Reform Area seeks to encourage the State/UT Government to ease participation in the public procurement process for startups and become an enabler in connecting startups with private stakeholders. The States/UTs are evaluated based on the support provided by them to startups through the organization 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.



The Government of Uttarakhand has ensured 100% relaxations on Prior Experience, Prior Turn Over, and EMD Submission to increase participation of startups in public procurement activities.

The State, in an order in March 2019, has offered relaxation in the norms for startups in public procurement.

The State has conducted hackathons, grand challenges and workshops to encourage the participation of startups in public procurement activities. Some of these programs are:



The State has conducted showcase opportunities for startups. One such program is:

Uttishtha 2019 - Entrepreneurship Summit

E-Cell of IIM Kashipur organized "Uttishtha 2019 – Entrepreneurship Summit". The event was conducted on October 2019 in association with Ministry of Agriculture, Department of Science and Technology, Startup Uttarakhand, Government of Uttarakhand, State Bank of India, PHD Chamber of Commerce and Industry, IIM Kashipur and Foundation for Innovation and Entrepreneurship Development (FIED).

The event was a confluence of more than 100 startup owners showcasing their innovative products to the general public and more than 1000 people attend this event.



The Government of Uttarakhand provided work orders for public procurement to more than **10 startups** More than INR 45 Lakh worth work order given to startups by the State Government



The State may prioritize actions based on the following suggestions to further strengthen its startup ecosystem.

Handholding Support³

- The State may consider increasing the volume of work orders awarded to startups to encourage entrepreneurial development in the State.
- The State may also consider organizing annual events where startups may demonstrate their capabilities directly to the Government and subsequently take part in public procurement activities.



³Handholding Support - Actions that involve States to improve provisions under access to market, incubation support, mentorship support for startups. Uttarakhand | Leader





Incubation support is provided in the form of financial and infrastructural support to startups and Statesupported incubators. The State/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 utilization of the incubation capacity of the State-supported incubators. The support provided by the State/UT to the incubators through programs and incentives will in turn help startups in scaling up and thereby, contribute to the growth of the State/UT startup ecosystem.



_____2.4.1 Key Initiatives ____

Uttarakhand has **10 incubators** providing mentoring support, funding support, provisioning of co-working space, and connecting with investor networks. More than **25 startups** have received incubation support from State-supported incubators.



2.4.2 Way Forward

The State may prioritize actions based on the following suggestions to further strengthen its startup ecosystem.

Handholding Support

- The State may promote subsidized incubation. This can be done by partnering with private incubators in supporting the reimbursement of the cost of incubation.
- The State could support new incubators in the form of (a) one-time capital assistance (b) 100% reimbursement of Stamp Duty and Registration Fee paid, (c) Power tariff subsidy, (d) monthly rental of incubation space, (e) providing land for new set up, and in other possible ways.
- The State may enroll more startups in acceleration programs to provide startups with the opportunity to connect with investors, engage in skill development and obtain knowledge support.



Capacity Development

- The State may conduct acceleration programs for the startups in the State to provide startups with the opportunity to connect with investors, engage in skill development and obtain knowledge support.
- The State can leverage the virtual format for holding seminars and discussions. In this way, the State could take advantage of this opportunity to connect with stakeholders outside the State as well as outside the Country.







All startups require timely availability of funding for their growth. This Reform Area encourages various State/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 State/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.



The State has conducted several programs to facilitate startup investor connections. The programs saw participation from more than **200 startups** and around **40 investors**.

HS Chapter Launch and Investors

Startup Uttarakhand in association with Headstart Network Foundation organized one day event on HS Chapter Launch and Investors Connect Program to provide opportunities to students in the academic institution. This program was conducted in January 2020 at UPES University.

Around 60 people from various sectors and professional areas attended the program. Startup Uttarakhand has designed this program to guide, train, mentor and connect aspiring innovators to the investors, funding bodies and financial institutions to provide easy access to finance. This way the startups got guidance on the way to translate their ideas into products and services and gather financial support as required.





The State may prioritize actions based on the following suggestions to further strengthen its startup ecosystem.

Policy Intervention

- The State may establish a fund, subsidy grant or loan assistance scheme to provide financial assistance to startups. When the fund is created, the State may establish operating guidelines and appoint a fund manager. This can be validated by signing a formal Memorandum of Understanding.
- In the case of venture funds, the State may approach independent venture funds to participate and support the startups of the State. It may also consider providing easy funding options in the form of loans or equity especially designed for startups. In this regard, the State can provide startups with a grant or loan for the first three years.

Digital Infrastructure⁴

- The State may develop an online mechanism for the disbursement of funds ensuring transparency and easing the process of tracking the transactions.
- The State Government may maintain an online dashboard by integrating it with the State Startup Portal containing details of funding sponsored or supported by the Government.

Capacity Development⁵

- The State may conduct quarterly events and programs for funding provisions available to startups. These
 programs can become the platform for connecting with angel investors and High Net worth Individuals.
 These programs could guide startups on pitch presentations and the various kinds of fundraising options
 available.
- Once a fund is established for startups by the State, it may organize programs for knowledge dissemination about the eligibility and application procedure for receiving funding support through the State.

and workshops for ecosystem stakeholders. Uttarakhand | Leader





⁴ Digital Infrastructure – Actions that involve improvement or enhancement for access to information by the State on the public domain to support startups

⁵ Capacity Development – Actions that involve support extended by the State to conduct programs



Mentorship support provided by States/UTs is a crucial factor in the growth of startups that do not have the means and network to find such guidance on their own. Mentors can be from business schools providing support in terms of marketing, finances, product, international expansion, fundraising, legal, etc. They can also be founders of established businesses or academic researchers. The Reform Area measures efforts by the State/UT Government in facilitating mentorship to startups. This has been assessed by the number of startups benefitting from the State's/UT's network of mentors and the time spent by the startups with mentors.



2.6.1 Key Initiatives

The State has acknowledged the importance of mentorship in developing the startup ecosystem of the State and thus, mentorship support has been highlighted in the Uttarakhand Startup Policy 2018. Startup Uttarakhand conducted a series of "Mentor Connect Programs" to facilitate and handhold startups.

Mentorship is also provided to startups through programs such as:

Impact of COVID 19 on Startups

This session was conducted to discuss how Covid-19 is affecting startups, upcoming major challenges and strategies to deal with. The session was organized in May 2020.

HDFC Bank Smartup – a SMART Solution for your Startup

Startup Uttarakhand organized this session in June 2020 to guide, train and mentor startups on finding innovative solutions. Around 70 startups, aspiring entrepreneurs, students and innovators participated in this programme.

Anatomy of Unicorn Startups

Startup Uttarakhand organized this session in May 2020 to guide, train and mentor startups on the art of making a unicorn startup. Various case studies were discussed during the session.



In addition to the programs, startups can avail of mentorship through the State startup portal. Any startup founder or entrepreneur can request mentorship support by sending a message through the portal (refer to Figure I).

Figure H: QR code for mentorship support on Startup Uttarakhand





The State may prioritize actions based on the following suggestions to further strengthen its startup ecosystem.

Handholding Support

- The State may further engage and connect with mentors outside the State, at the national as well as international level.
- The option for virtual mentorship through video calls could be explored to learn from other national and international experiences.

⁶ "Onboarded Mentors", *Startup Uttarakhand website*, https://www.startuputtarakhand.com/ on_boarded_mentors_accessed 19 March 2022 **Uttarakhand | Leader**





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 sensitization 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.



2.7.1 Key Initiatives

In order to encourage innovation and entrepreneurship in the State, the Government of Uttarakhand has set up a "CM Advisory Group on Startups, Innovation and Entrepreneurship" comprising the experts and thought leaders who can play the role of a catalyst in the growth story of the State. Apart from the advisory group, the State has conducted several sensitization workshops to sensitize Government officials regarding the startup landscape in the State.

The workshops conducted for State Government officials included broad themes such as:

- A brief overview of the initiatives and activities undertaken by the State
- Government of Uttarakhand initiatives for startups, innovators and entrepreneurs under Startup Uttarakhand initiative
- Discussion on the impact of COVID-19 on the Indian Startup Ecosystem
- Opportunities for startups in medical tourism and leveraging the startup ecosystem

The State has trained close to **10 State-supported incubators** through multiple capacity development workshops.

More than 90 Government officials were sensitised on the startup landscape in the State





The capacity development programs highlighted the benefits of investing in startups along with understanding the challenges faced by the incubators in the State.

Some of the themes of the capacity development programs were:





Headstart Ecosystem Connect

The program was conducted virtually in August 2020 and was organised by the Headstart Network Foundation. It aimed to accelerate the startup ecosystem by giving access of its network, knowledge and sharing the resources to incubators.

The session was focused for the sector agonistic incubators and startups majorly working on robotics, Artificial Intelligence, Healthcare, EdTech, Agritech and Biotech. The program was designed by making an impact on deep-tech, R&D based, Solar, renewable, EV, IoT, SaaS, and social enterprise based startups, in line with the policies of State and Central Government for contributing to the startup ecosystem. The program saw participation from 6 State-supported incubators and 2 Central recognised incubators.

The State has conducted more than **10 programs** to sensitize potential investors (including family businesses, corporate houses, and entrepreneurs) on investment in startups. These programs sensitized investors on mapping the growth cycle of a startup, factors that matter in the scale-up of any startup business, availability of different funds, stages of funds, and choosing the right idea for investments.



2.7.2 Way Forward

The State may prioritize actions based on the following suggestions to further strengthen its startup ecosystem.

Capacity Building

- The State may increase the reach of the various workshops in terms of the number of districts covered.
 With the pandemic offering the opportunity for virtual programs, this route can be explored by the State to reach out to all the districts of the State.
- The State may conduct monthly virtual programs spread across various districts to sensitize potential investors on investment in startups. With the pandemic affecting investment spirit, these programs may be designed to channel investment from local communities to support local innovators using local resources in a sustainable manner.
- The State may document the details of the workshops and programs conducted in terms of the record of discussion and detailed participation records of the stakeholders. This might aid the process of record-keeping and documentation for the number of initiatives undertaken by the Government in an endeavour to showcase efforts on Startup Uttarakhand.



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List of Abbreviations

AI	Artificial Intelligence
EMD	Earnest Money Deposit
HEI	Higher Education Institution
MVP	Minimum Viable Product
UCIE	UPES Council for Innovation and Entrepreneurship
QR	Quick Response





CONTACT US

www.startupindia.gov.in

dipp-startups@nic.in

1800-115-565

