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

#startupindia

STATES' STARTUP RANKING 2022
LEADER

UTTARAKHAND

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States' Startup Ranking Results 2022

Uttarakhand participated in 25 Action Points of the Ranking Framework 2022. Uttarakhand 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 toother participating States/UTs.

For example, if Uttarakhand has a score of 100th percentile in the 'InstitutionalSupport' Reform Area, this implies that the State has scored higher than all the participating States/UTs inthat Reform Area.

Uttarakhand 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 ecosystemare discussed in the subsequent sections.

83rd	50th	55th	50th
Institutional Support	Fostering Innovation and Entrepreneurship	Access to Market	Incubation & Mentorship Support

31st	89th	38th
Funding Support	Capacity Building of Enablers	Roadmap to a Sustainable Future

STATE STARTUP ECOSYSTEM

Uttarakhand is the 18th largest State in the country, contributing approximately 1.3% of the country's Gross Domestic Product (GDP) for FY 2022-23. Over the years, Uttarakhand has emerged as one of the fastest-growing States in India, due to a remarkable surge in capital investment catalysed by supportive industrial policies and generous tax benefits. These policies have enabled businesses to reap numerous advantages through interest incentives, financial assistance, subsidies, and concessions. In an effort to ensure effective implementation of the Uttarakhand Startup Policy and related programs, the State Government has designated the Micro, Small and Medium Enterprises (MSME) Department as the nodal department. Consequently, Uttarakhand has transformed itself into a business-friendly destination for Startups and entrepreneurs who can take advantage of this conducive ecosystem.

The Uttarakhand Startup Policy was published in 2018 to focus on areas that benefit the entrepreneurs and promote investment in the area of incubation and Startups. The vision of the policy is to foster an ecosystem for nurturing the spirit of entrepreneurship in the State, thereby positioning it as the most Startup friendly State in India.

Uttarakhand provides integrated services in a transparent and efficient manner to the Startups and stakeholders of the Startup ecosystem through its Startup portal. The State Government's commitment to promote economic growth by cultivating innovation and providing a conducive environment for Startups in the State and facilitating their efforts in every possible way has created a fertile ground for growth of new ventures. The State has allocated funds for the purpose and same are being used by the early-stage startups to fuel their growth.

State Startup Policies and Incentives

The Startup Policy of Uttarakhand is a comprehensive initiative designed to foster and support the growth of innovative Startups within the region. The policy aims to facilitate access to financing for aspiring and existing entrepreneurs, nurture a culture of entrepreneurship, and shift the focus from job seeking to job creation. To achieve these objectives, the policy provides clear definitions for Startups, incubators, angel investors, and outlines the eligibility criteria for each entity.

A key component of the policy is the creation of a Startup Council, comprised of members from both Government and private sectors, which is responsible for implementing the Uttarakhand Startup Initiative. The council focuses on primary sectors such as travel and tourism, food processing and agriculture, ayush, education, healthcare, biotechnology, and pharmaceuticals to drive economic growth in these areas.

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[1]Based on RBI Statistics

In order to support the selected Startups registered under this policy, a range of benefits are offered, including a monthly allowance for one year to sustain operations during the critical preliminary stages. Additionally, if the Startup is led by Scheduled Caste (SC)/Scheduled Tribe (ST)/women or Person with Disability (PwD) individuals, a higher allowance is provided as an incentive. Furthermore, Startups receive marketing assistance to promote their products or services more effectively, reimbursement of patent fees to encourage innovation and protection of intellectual property rights, and exemptions from stamp duty to ease administrative burdens.

Recognised incubators are also offered monetary support by the State Government through funding assistance for operating and maintenance expenses so that they can continue providing essential resources to budding entrepreneurs.

To cultivate an entrepreneurial mindset among students from an early stage, academic institutions across the State are encouraged to offer Massive Open Online Courses (MOOCs), which are included in college curriculums. This initiative also urges colleges and universities to set up Entrepreneurship Development Cells (EDCs) that foster innovation among young minds and prepare them for future opportunities in business creation. Overall, Uttarakhand's Startup Policy takes a comprehensive approach to nurturing entrepreneurship culture by providing financial, operational, regulatory, and academic support to the burgeoning Startup ecosystem in the region.

Highlights of State Startup Ecosystem

20+
Startups provided support by 10+ State departments

1200+
Registered Startups across 10+ districts

30+
events organised for student entrepreneurs

INR 1.5+Cr
worth of work orders awarded

15+
incubators functioning in the State

130+
Startups connected with mentors

20+

Workshops conducted for capacity building of State Government officials, incubators, and investors with participation from 60+ departments and institutions

30+

Startups with rural impact supported

30+

Startups working in the renewable energy sector

Key Initiatives Driving Growth

- **Student Startup Entrepreneurship Development Program**

The State of Uttarakhand has taken significant steps to support student entrepreneurs through a variety of workshops and programs in Higher Education Institutions (HEI). With the participation of 4,000+ students in 30 in-person workshops across the State, it is evident that there is a high level of engagement in the Startup ecosystem of Uttarakhand.

One notable program is the "Student Startup Entrepreneurship Development Program," which has been designed to guide, train, and mentor aspiring student innovators in the intricacies of entrepreneurship. Through this program, students got

an avenue to explore entrepreneurship opportunities and learn how to identify problems related to Startups.

- **Advisory Group on Startup, Innovation, and Entrepreneurship**

The Government of Uttarakhand has demonstrated a strong commitment to fostering innovation and entrepreneurship by establishing the Chief Minister's Advisory Group on Startup, Innovation, and Entrepreneurship. This initiative has involved the careful selection of notable individuals from across the nation, each bringing unique perspectives and expertise to the table.

The primary objective of this advisory group is to guide and advise the StateGovernment on matters pertaining to the formulation of policies, implementation of best practices, and introduction of programs that are crucial to the growth and development of a thriving Startup ecosystem within the State. This advisory group's responsibilities extend beyond mere discussions; it is tasked with sensitising StateGovernment officials to the various components and considerations that are essential to the Startup ecosystem. Regular

meetings are held to facilitate this exchange of ideas and to deliberate on the strategic directions that the Statemay pursue to ensure the flourishing of Startups. The advisory group operates under the leadership of the Honorable Chief Minister of the Government of Uttarakhand.

• Roundtable on Innovation and Entrepreneurship with Government Stakeholders

The Government recently organised a comprehensive roundtable to sensitise StateGovernment representatives on critical matters pertaining to policies, best practices, and programs instrumental for developing a robust Startup ecosystem. It was expertly segmented into seven distinct sessions; each dedicated to a different topic of relevance to provide a broad spectrum of insights and foster a comprehensive understanding of the diverse factors influencing the Startup ecosystem.

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.

Uttarakhand has a dedicated Startup portal and for easy access to the local people, the portal supports State language on each tab of webpages. The State Government has provided various Handbooks for startups under resources section providing guidance to startups. Grievances or regulatory issues are also being addressed through State Startup Portal having average resolution period of less than seven days. The performance of the State in the Reform Area of Institutional support has been highlighted in the section below.

State Performance

Uttarakhand has been ushering the growth of Startups launching several initiativessuch as programs for capacity building of Startups, investors, and incubators. The State has launched a single window platform for Startups that provides information on the initiatives of the State, policies, and guidelines for availing State support, approvals, and licenses.
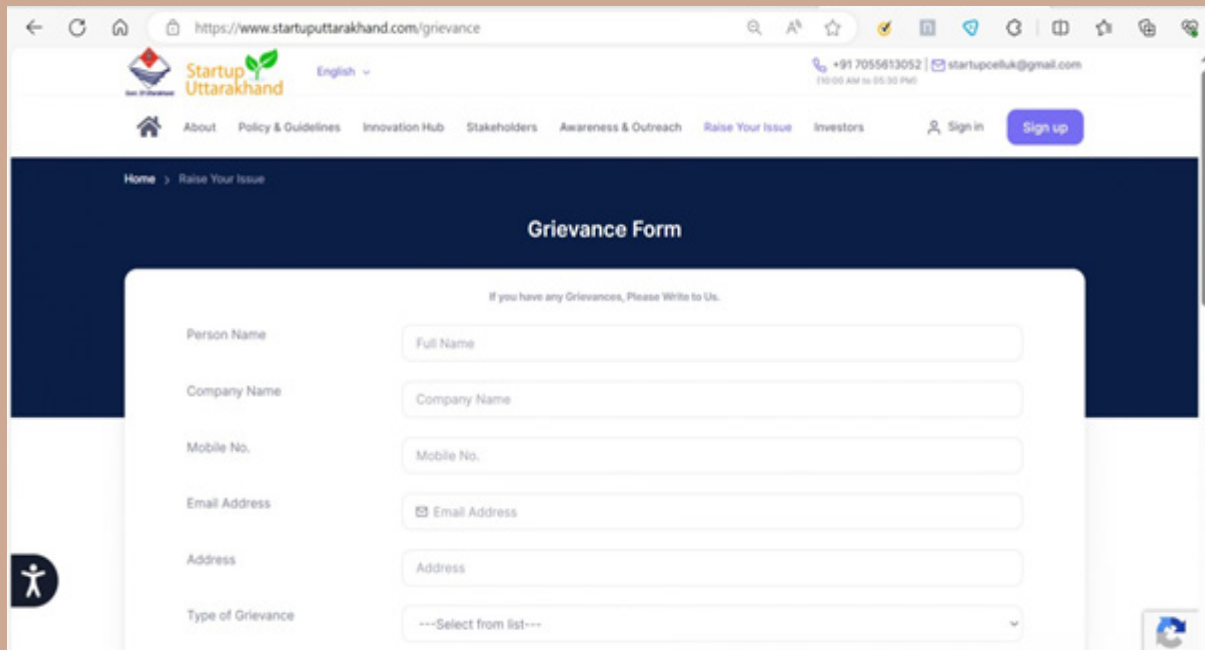

State Performance

The Government of Uttarakhand has developed a widespread network of registered incubators, funds, and investors which drive this growth on the ground via. the StateStartupportal.The portal hosts the following information in the public domain and provides access to information to support provided by State:

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 a dedicated team for Startups

3. Dedicated helpline or call centre for Startups

4. Startupregistration, including API integration with Startup India

5. List of State-supported incubators and accelerators, including Incubation support available

6. Mentorship supports 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 languages

11. Accessibility of website for Persons with Disabilities (PwD)

12. Section regarding marketing and outreach including events, webinars, mentorship sessions

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[4]https://startupodisha.gov.in/virtual-tour/

Under the "Raise the Issue" tab, State has provided the option to raise any Grievance or Query related to Funding, Incubation, Procurement or others. The Queries or Grievances are diligently addressed with an average resolution time of less than Seven days.

More than five State departments have been providing institutional support to the State Startups and 20+ Startups were supported during the period of Consideration. Apart from institutions, State have 10+ active policies with a provision to support State Startups working in Sectors and fields such as Biotechnology, Electric Vehicle, Information Technology and others

Way Forward

1. State or UT may provide informative virtual tour, walk through or video manuals on home page specific to Startup portal for proper information dissemination.

2. The functionality of Chatbot for Query/ Grievance resolution may be included on Grievance portal for quick resolution on basic queries or Grievances further reducing TAT of resolution.

3. More number of State government departments (excluding nodal department) may be added for providing institutional support to Startups. The number of activities and frequency of institutional 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.

Uttarakhand has ~300 registered Startups during period of consideration and getting benefitted from State initiatives. State government have been undertaking programs which includes trainings, workshops, bootcamps and others focused on innovation and entrepreneurship development. More than 50 such events were undertaken during the period of consideration engaging students from schools and HEIs.

State Performance

Startup Uttarakhand plays a key role in nurturing entrepreneurship from its preliminary stages and promote spirit of job creation amongst the youth. The State organises several programs across educational institutions to provide the correct knowledge base to kick start their entrepreneurial journey.

50+
Workshops for student entrepreneurs

45+
Participants in each workshop

In collaboration with Stateinstitutes such as Dehradun Institute of Technology (DIT), Dehradun and Graphic Era University, Startup Uttarakhand has conducted workshops on subjects such as Entrepreneurial Practices In Global Era: Startup Success, The Joy of Being an Entrepreneur, Entrepreneurship Opportunities RecognitionStory, and various demo days and investor meets.

Figure A: Entrepreneurship Opportunities Recognition at Graphic Era University

With an initiative to promote women entrepreneurship in the State has launched a dedicated scheme for Women Entrepreneurs with provisions of fiscal and non-fiscal incentives. Government of Uttarakhand has supported ~10 women-led Startups during the period of consideration.

Way Forward

1. State may consider analysis of its database of startups to evaluate the startups registered for five years and more.

2. The startups and the students from HEIs may be included 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.

3. State may focus on designing knowledge support and outreach programs to disseminate the benefits of registering Startups, thereby encouraging entrepreneurs to do the same.

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 State Startups are getting benefitted by the relaxations in public procurement criteria provisioned by the Government of Himachal Pradesh. For providing access to market, Himachal Pradesh Government have been actively organising events with an opportunity to showcase products and services for Startups in the State.

State Performance

To provide easy access to market and build trust in the Startups ecosystem to deliver quality services, the StateGovernment has provided 100% relaxations in prior experience, turnover and Earnest Money Deposit(EMD)for Startups bidding for Government contracts.

~INR 1.5 Cr
Worth of Purchase Orders and Work Orders awarded

10+
Workshops to encourage participation in public procurement

More than 70 Startups attended workshops organised to encourage participation of Startups in public procurement. The Uttarakhand Startup Summit and Expo and ICONN 2021 Summit and Expo are few of the major events encompassing the theme to promote participation of Startups in Request for Proposals (RFPs) by StateGovernmentdepartments.More thanfive Startups were awarded work order during the SRF 2022 period.

Way Forward

1. The State may provide the relaxations in a separate circular enlisting the relaxations for the category of startups who can receive it.

2. In addition to events organized by the State for creating market access for the startups, the State Government may organize additional events or programs with a focus on international markets and opportunities.

3. The State Government 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.

4. These programs may be GeM workshops, Demo Days, Grand Challenges, Hackathons, Innovation Zones, Buyer-Seller meets, and corporate innovation programs. The informational programs conducted may be streamed on the Startup portal and online streaming platforms for wider reach.

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.

Government of Uttarakhand have been actively supporting State Incubators and providing mentorship support to State Startups. On the State Startup portal, the "Stakeholders" tab provides the necessary details to connect with incubators, innovators and mentors.

State Performance

20+
Startups provided incubation support

100+
Startups provided mentorship support

In its aim topromoteentrepreneurship, Startup Uttarakhand has setup 15+ incubators in the State and organised more than two acceleration programs.Under the Integrated Livelihood Support Project (IFAD-ILSP), the Department of Rural Development has also setup two new rural incubators with a budget allocation of INR 15+Cr.

The incubators are provided monetary support to setup the necessary physical and social infrastructure services to facilitate Startupswhich includes:

1. Mentor connects

2. Flexible open space

3. Meeting rooms

4. Printer and LCD Displays

5. Laboratories

6. Research Database

7. Café for refreshments

8. Prototype development

9. Free Internet access

More than 100 Startups were connected with mentors by state supported incubators andprovided with mentorship support. State has 200+ State registered mentors, the details of mentors and sector of expertise is available on State Startup portal for easy access to Startups.

Way Forward

- The State may set up more incubators to guide young entrepreneurs. The State may explore the possibility of virtual incubation as well.

- The State may increase the reach of the acceleration programs. The State can leverage the virtual format for holding seminars and discussions. In this way, the State may take advantage of this opportunity to connect with stakeholders outside the State as well as outside the country.

- 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.

- The State 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.

- 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.

- The State Government may also guide the departments to conduct cross-mentoring sessions where Startups with their respective mentors engage in a brainstorming session. These sessions could help in creating a connection between the Startups and mentors at the earlystages and help multiply the growth rate of several Startups.

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

The State provides funding support to Startups via the Startup and Standup Udyamita Vikas Yojna, under incentives such as monthly allowances and subsidised loan.

5+
Startup-Investor Connect Programs

100+
Startups connected with Investors

30+
Startups funded via State funds

Under SRF 2022, the State Government has provided funding support of INR 65+lakhs to Startups in sectors such as healthcare, information technology and artificial intelligence, textiles, and more.Also, theStateGovernmenthas organised various events for Startups for showcase and to avail funding support under theStartup Policy-2018 which saw the participation of more than 100 State startups.

Way Forward

- The State may establish a loan scheme for Startups in the preliminary stages of their life cycle. The State may consider providing easy funding options in the form of loans or equity especially designed for Startups.

- The State Government may maintain an online dashboard by integrating it into the State Startup portal containing details of funding sponsored or supported by the Government.

- The State Government may organise events, conferences dedicated to Funding with discussions on funding opportunities provided by the State and processes of availing these funds.

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 Uttarakhand Government has conducted capacity building trainings on State Startup ecosystem and other topics which includes best practices for incubators in the country, policies, and initiatives of State and Central Government. Incubator roundtable and other workshop were also undertaken with the Stakeholders for the capacity building exercise.

State Performance

The Uttarakhand Government has organised five workshops to train the staff of 10+ supported incubators and more than five workshops separately for capacity building of Government officials and 10+ potential investors.

The State's objective of the incubator roundtable conducted under SRF 2022 encompassed understanding their operations and progress. Special focus was given to problems being faced by the incubators to make strategies and build the capacity of the incubators.

The TiE Global Summit is also an annual flagship conference for entrepreneurs. Each year, TiE chapters collaborate to bring the best in class of content–speaker sessions mentoring sessions, and new business trends and thought-provoking discussions on entrepreneurship. The TiECon Dehradun 2022 event included investors sensitisation workshops, Startup investors connect, Startup mentoring programs, a Startup expo, and a confluence of world leaders, entrepreneurs, investors and mentors.

Figure B: TiECON Dehradun 2022 event brochure

State Performance

- 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.

- 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 conduct monthly virtual programs spread across various districts to sensitise potential investors on investment in Startups.

Roadmap to a Sustainable

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 Uttarakhandhas been supporting Startups focused on sectors like renewable energy, sustainability, and climate change in shaping the future of the State. By the State initiatives, there are more than 10 active policies with provision to support these Startups.

State Performance

10+

Active policies with provision to support these startups

Uttarakhand Government has supported 25+ Startups that are creating rural impact during the period of consideration. In the domain of sustainability and renewable energy, the State has supported ~30 Startups.

Encouraging the Startups in these domains, 10+ policies have been formulated to promote sustainability and circular economy. The schemes include bio-energy scheme, solid waste management scheme, wind and solar energy schemes and others.

Way Forward

1. 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.

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

3. 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
Abbreviations

Gross Domestic Product (GDP)

SC: Scheduled Caste

ST: Scheduled Tribe

PwD: Person with Disability

MOOCs: Massive Open Online Courses

EDCs: Entrepreneurship Development Cells

TAT: Turn Around Time

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