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

STATES' STARTUP RANKING 2019

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ODISHA
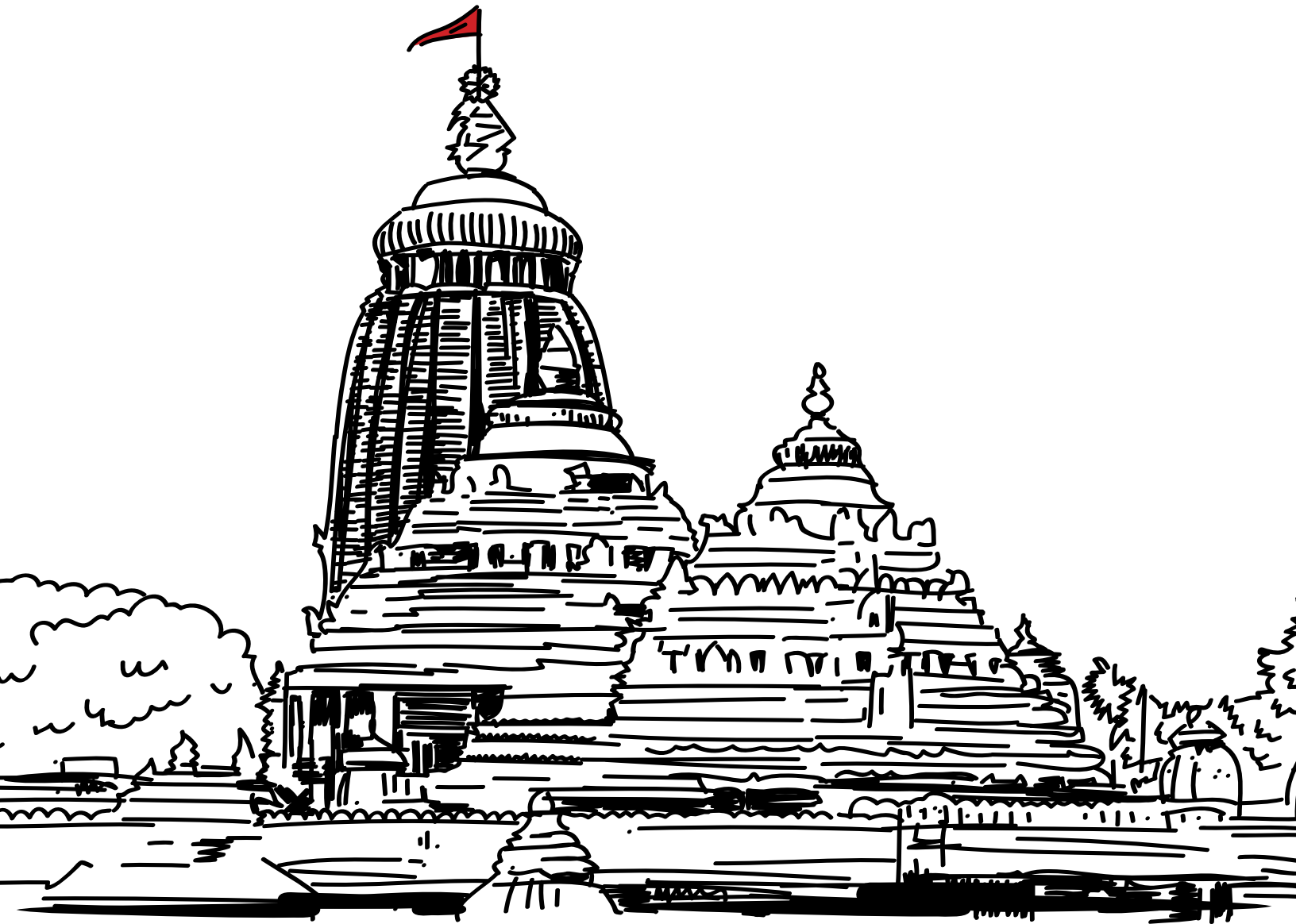
LEADER

Table of
Contents

01 OVERVIEW OF STATE STARTUP ECOSYSTEM

Over the past few years, a wide range of initiatives have been undertaken by the Government of Odisha. These initiatives have been praised for their impact on the ease of doing business in Odisha. Odisha has a robust startup ecosystem which has been highly rated by the Department for Promotion of Industry and Internal Trade (DPIIT). Startup Odisha is the state's flagship initiative to create a favorable environment for startups to develop and prosper.

As a part of this initiative, the state took another step to tap the potential of its people and to further the cause of the state's economy by rolling out the Startup Odisha Policy in 2016. This policy aims at nurturing a culture of ideation, entrepreneurship and innovation among the people of its state.

SOME OF THE FOCUS AREAS OF STARTUP ODISHA ARE:

Develop a world class hub for startups in Odisha by 2020

Encourage growth of incubators and align them with the state's strengths and requirements

Create an enabling environment and a supporting ecosystem that facilitates at least 1000 startups from 2016 to 2021

Take steps to provide skill-based training to encourage youth to take up entrepreneurship

Encourage all major companies operating out of Odisha to include skill and infrastructure development for startups as an integral component of their Corporate Social Responsibility (CSR) activities

Create a strong institutional framework for effective implementation, monitoring and evaluation of this policy

Foster women entrepreneurship in Odisha

KEY TENETS OF THE STARTUP ECOSYSTEM OF ODISHA ARE:

INCUBATORS

- The state provides strong financial support system for incubators to set up both private and public institutions
- Startup Odisha aims to partner with state and central public sector units to create incubation infrastructure in all regions of the state
- The Startup Odisha initiative encourages setting up of sector specific incubators in the areas of Information Technology (IT)/ Information Technology enabled Service (ITeS), Electronic System Design and Manufacturing (ESDM), healthcare, agribusiness, tourism, petrochemicals
- The Software Technology Parks of India (STPI) in collaboration with the Department of Electronics & IT, Odisha Government is setting up a startup innovation park called the Electropreneur park in Bhubaneshwar and is the first ESDM incubation center in eastern India

ACADEMIC INTERVENTION

- The state has extended support to universities by organising training programmes for their faculty which focus on the promotion of innovation and entrepreneurship
- A sabbatical scheme has been introduced for college professors to pursue entrepreneurship for a period of three years
- The state has created an annual campaign called "Startup Odisha Yatra" that gives a platform to innovators, entrepreneurs and students from remote areas to realise their entrepreneurial goals with the help of the state. The first edition of the campaign saw the advent of more than 15 startups in the initial six months

LEARNING AND EXPOSURE

- The state lays constant emphasis on awareness and learning through E-Cells, bootcamps and acceleration programmes. It also provides exposure through national and international events, as well as regularly organising mentor interactions

FINANCIAL INCENTIVES TO STARTUPS

- The state under its flagship programme "Odisha Youth Innovation Award" provides an amount of INR 50,000 at idea stage, INR 1 lakh at prototype stage and INR 3 lakh at scale up stage to a large number of startups every year
- The state has made provisions for a startup capital infrastructure fund/ seed fund of up to INR 25 crore to support development of infrastructure for the startup ecosystem

FOCUS SECTORS

The state has identified the following sectors as the new/ disruptive sectors and is in the process of creating special policy/ regulation to promote startups working in these areas. These include:

- Agriculture
- Healthcare and Life Science
- Biotechnology
- E-Pharmacy
- Green Technology
- Solar Energy
- Renewal Energy
- Electric Vehicle
- Cab Aggregation
- Augmented Reality

NODAL DEPARTMENT AND STARTUP PORTAL

- The Nodal Department for startups is the Micro Small and Medium Enterprises(MSME) Department
- As per a notification in September 2019, the Commissioner-Cum-Secretary of the MSME Department was designated as the nodal officer
- The startup portal for the state is startupodisha.gov.in. It includes features such as:
  - Startup registration
  - Nodal institution registration
  - Mentor registration
  - Relevant guidelines and notifications

GUIDANCE FROM EXPERIENCED MENTORS

As part of their startup role model programme, top 10 startups operating in the state are identified through a selection process and are given a platform to meet and interact with mentors to avail funding support in order to attain their goals in product development and marketing

02 SNAPSHOT OF STATE PERFORMANCE

The following representation details status of Odisha's implementation on each of the 7 pillars of assessment. Data presented below is the percentile score.

100%	**40%**	**32%**	**5%**
Institutional Support	Simplifying Regulations	Easing Public Procurement	Incubation Support
6%	**0%**	**38%**	
Seed Funding Support	Venture Funding Support	Awareness and Outreach	

○ Performance of the Best State in the pillar

◯ Relative Performance of the State

Odisha has been evaluated on 7 distinct pillars which largely contribute to the growth of the startup ecosystem in Odisha. The representation as expressed above depicts the relative performance of Odisha in each of the seven pillars in comparison to the performance of the best state in that pillar.

Odisha has shown impeccable performance in 'Institutional Support' by being in the 100th percentile. The range of impact generated through 'Awareness and Outreach', 'Easing Public Procurement' as well as 'Simplifying Regulations' are also noticeable through this graph. Although significant efforts have been made to enhance the startup ecosystem, the initiatives undertaken towards 'Venture Funding Support' require significant improvements since the results have been negligible in this pillar.

Detailed analyses of this snapshot can be viewed in the subsequent section, with extensive insight into the initiatives taken by Odisha to uplift its startup ecosystem.

03 PILLAR-WISE ASSESSMENT

1. INSTITUTIONAL SUPPORT

Institutional support envisages provisions and execution of the state's startup policy including information on the nodal team within the state, online implementation system, registration of mentors and their listing on the state startup portal. The states are evaluated based on the laid provisions along with parameters of availing benefits through state intellectual property rights portal, establishing partnerships with institutions, providing special incentives for women led startups and entrepreneurship.

KEY FACTS

The state has a well-defined startup policy with specific focus areas and a reliable online implementation system for startups to register and avail incentives offered by the state government. Further, the state has a Startup Cell with a dedicated team to aid startups. It also has a system in place to provide intellectual property assistance to startups in terms of provision of subsidies for filing patents/ trademarks.
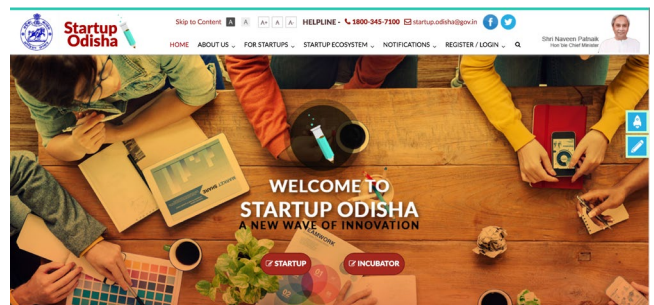
KEY STRENGTHS

ROBUST STARTUP POLICY

- The state has a robust startup policy which covers all the aspects of the startup ecosystem. It has clear guidelines on the definition, the registration process and the incentives available for startups. The policy was released in 2016 and was last amended in 2018.

- The policy is sector agnostic as the incentives/ benefits offered to startups are not restricted to specific sectors.

- The policy clearly states the definition of a startup. As per the same, the definition of a startup is:

  - Startup is an entity involved in crafting repeatable and scalable product or service making a positive impact in the society, where the solution is not obvious, and success is not guaranteed

  - The date of incorporation of incorporation/registration is not prior to seven years. In case of biotechnology startups, incorporation/registration should not be prior to 10 years

  - The annual turnover should not exceed INR 25 crore, for any preceding financial year

  - Working towards innovation, development, deployment or commercialisation of new products, processes or services driven by technology or intellectual property and makes it scalable for achieving commercial success

  - Registered in Odisha or employs at least 50% of its total qualified workforce in Odisha

  - Such entity is not an extension of the existing family business; or formed by splitting up or reconstruction of a business already in existence

- All details of their startup policy are available online through a dedicated portal for startups (startupodisha.gov.in).

- The state currently recognises 450+ startups under the Startup Odisha initiative.

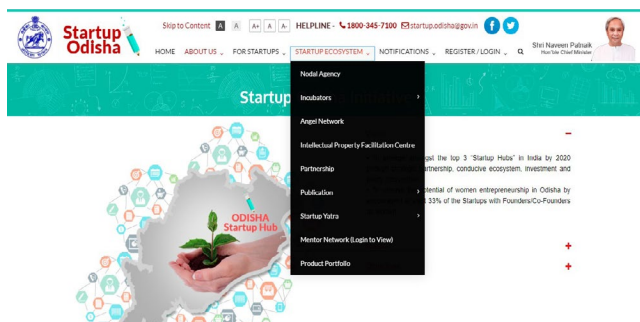## DEDICATED TEAM FOR GUIDING STARTUPS

- The state has set up a startup cell as part of the Institute of Entrepreneurship Development (IED) under the MSME Department which has a dedicated team of eight members to provide support to startups. The key activities performed by the team are:
  - Provide full facilitation, mentorship, guidance and advisory to startups
  - Coordinate communication regarding the Startup Odisha initiative with all the relevant stakeholders
  - Invite and identify partners to plan and execute awareness activities and events to promote entrepreneurship, innovation and startup culture in the state
  - Update, manage and increase usage of the Startup Odisha portal
  - Enable participation of startups in national and international events

INTERACTIVE ONLINE IMPLEMENTATION SYSTEM

- The state has a highly interactive startup portal (startupodisha.gov.in). The startups can submit their registration applications and documents online and track the status of the applications on a real time basis.

- The portal also has a robust query resolution mechanism which can be accessed via e mail and phone. All the helpline numbers are listed on the website.
- The details of incubators and any mentor registered with the portal are displayed in public domain.
- The details regarding the policy implementation dashboard are displayed on the startup portal. The dashboard reports both Month to Date (MTD) and Year to Date (YTD) figures.

KEY STRENGTHS

STRONG INTELLECTUAL PROPERTY (IP) SUPPORT

- The state provides IP support under Industrial Policy Resolution 2015 in the form of 100% reimbursement of registration cost which could be up to a maximum of INR 10 lakh.
- The state's definition of IP includes industrial design, trademarks, geographical indications and integrated circuit layout designs registrable under the Semiconductor Integrated Circuit Layout Designs Act 2000.
- The following entities are eligible for IP support:
  - New Industrial Units
  - Existing industrial units in MSME taking up expansion/modernisation/diversification
  - Migrated industrial unit treated as new industrial unit
  - Rehabilitated sick industrial unit treated at par with new industrial unit and duly recommended by State Level Inter Institutional Committee
  - Industrial unit seized under Section 29 of the State Financial Corporation Act and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit for the purpose of intellectual property rights
  - The entrepreneur should have submitted his/ her claim for IP support within one year from the date of obtaining patent registration
- The eligible costs of assistance shall include the following:
  - Cost of application form, processing charges, and all other costs/charges/fees
  - Reasonable expenditure incurred on documentation for the purpose of registration of patent/IP including fees paid to the consultants as consultancy fees and cost of work of preparation, reprography of artwork, industrial design
  - If any entity secures registration of more than one patent, the assistance shall be available for each
- Trademark assistance is also available to MSME units:
  - The state reimburses 50% of the costs incurred to obtain a trademark subject to a maximum of INR 25,000
  - It is applicable for startups where fixed capital investment has commenced on or after November 2016 and gone into production within 3 years from the date of the first fixed capital investment
  - The claim is to be submitted within one year from obtaining the trademark
- List of IP facilitation centers along with contact details are available on the startup portal.

COHESIVE PARTNERSHIPS TO FOSTER GROWTH OF STARTUP ECOSYSTEM

- The state has established cohesive partnerships with educational institutions and business entities to foster growth of the startup ecosystem.
- As per their startup policy, the state has an objective to create a "Three – I" (3i) platform where institutions, incubators and industry shall collaborate through an e-platform which will function as a "Virtual Incubator" for startups. The platform shall also provide access to government empaneled service providers in areas such as law, finance, accountancy, marketing.
- The state has formed partnerships with various international organisations, such as, The IndUS Entrepreneurs (TiE) Silicon Valley and Facebook.
- The state has formed tie ups with various educational institutions such as NIT Rourkela, IIT Bhubaneshwar, National Institute of Fashion Technology.
- The list of all the partners are available on the state's startup portal.

STRONG SUPPORT FOR WOMEN ENTREPRENEURS

- The state provides strong support to startups where women have more than 50% equity. The support is in the form of monthly allowance of INR 22,000.
- The state also offers product development/marketing assistance of up to INR 16 lakh to women entrepreneurs for introducing innovative products to the market.
- The state has advised incubators to reserve at least one third of the subsidised incubation space (5000 square feet) for women led startups.

KEY STRENGTHS

CONGENIAL SUPPORT SYSTEM CREATED BY STATE DEPARTMENTS TO PROMOTE THE GROWTH OF STARTUPS

- State level departments of the Odisha Government have created a congenial support system to promote the growth of startups. Some of the initiatives taken by the state departments to foster entrepreneurship are:
  - Exemption of startups from submitting earnest money deposit in public procurement activities provided by the finance department
  - Smart Odisha Hackathon organised by the Skill Development Department. The idea behind the hackathon was to encourage the students of Odisha to identify innovative and disruptive IT solutions for public service delivery and governance
  - Smart city innovation challenge organised by the Bhubaneshwar Smart City Limited. The main objective of the programme was to create of forum for young entrepreneurs to share their ideas/innovations to improve urban living
  - Implementation of an online system for submission and approval of building plans by the Bhubaneshwar Municipal Corporation
  - Make in Odisha conclave organised by the Government of Odisha to showcase the manufacturing prowess of the state and facilitate investments across various sectors of the industry
  - Incubation subsidies offered to startups by the Electronics & Information Technology Department

WAY FORWARD

From the list of initiatives carried out or proposed by the state as detailed above; the state has performed well in this pillar. There are additional steps that the state could take in order to build upon the initiatives further.
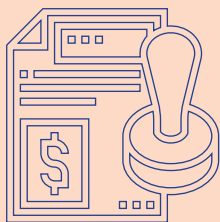
Towards this end, the state can prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

MEDIUM TERM ACTIVITIES (4-6 MONTHS)

The activities suggested in this category are important and will take relatively more time for implementation. Through dedicated efforts, results can be achieved within four to six months. Activities suggested under this category are as follows:

Develop an online mechanism

The state does not have an online mechanism in place to connect startups with mentors on the state portal and relies mostly on offline mechanisms. The state could develop such online systems to provide mentorship access to entrepreneurs.

2. SIMPLIFYING REGULATIONS

Simplification of regulations considers mandatory requisites for state level approvals and clearances for registering and operating a business or startup online. In order to make compliance for startups friendly and flexible, simplifications are required in the regulatory regime. It encapsulates regulatory issues faced by registered startups which have been identified through an interactive online mechanism subject to approving action by regulatory agencies. The states are evaluated based on the support provided to startups by introducing a list of rules, regulations or Acts in the state, including amendments in the Acts and regulations with requisite details to create a conducive environment for the state's startups.

KEY FACTS

The state has a mechanism in place to guide startups with all matters related to approvals and clearances. The startup portal allows startups to apply for the necessary approvals and track the status of their applications on a real time basis.
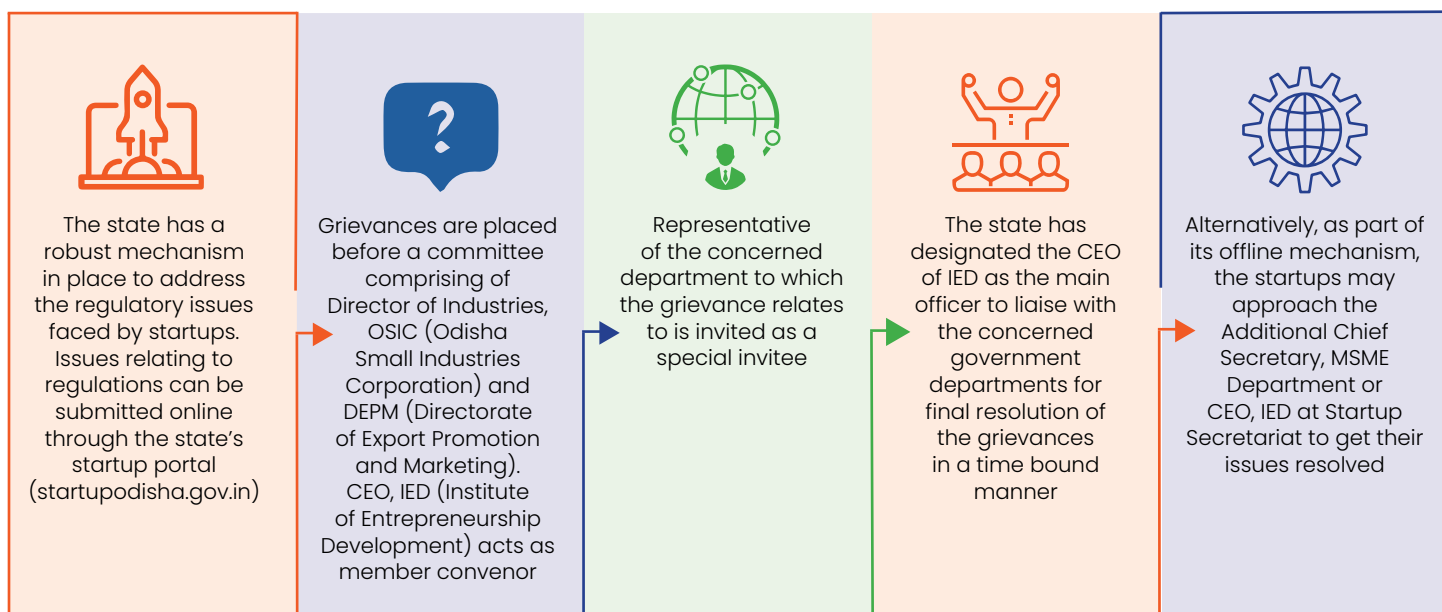
KEY STRENGTHS

COMPREHENSIVE BUSINESS COMPLIANCE INFORMATION SYSTEM

- The state has an online portal (investodisha.gov.in) with an interactive mechanism in place called GO SWIFT (Single Window Clearance Portal) for all approvals and clearances required for registering and operating startups across various sectors.

ROBUST MECHANISM TO DEAL WITH REGULATORY ISSUES

The state has a robust mechanism in place to address the regulatory issues faced by startups. Issues relating to regulations can be submitted online through the state's startup portal (startupodisha.gov.in)	Grievances are placed before a committee comprising of Director of Industries, OSIC (Odisha Small Industries Corporation) and DEPM (Directorate of Export Promotion and Marketing). CEO, IED (Institute of Entrepreneurship Development) acts as member convenor	Representative of the concerned department to which the grievance relates to is invited as a special invitee	The state has designated the CEO of IED as the main officer to liaise with the concerned government departments for final resolution of the grievances in a time bound manner	Alternatively, as part of its offline mechanism, the startups may approach the Additional Chief Secretary, MSME Department or CEO, IED at Startup Secretariat to get their issues resolved

FAVORABLE REGULATORY ENVIRONMENT FOR STARTUPS

- The state has carried out various amendments in rules and regulations to promote the growth of startups and create a favourable regulatory environment.

- The major amendments and policies are:

ODISHA STATE YOUTH POLICY (OSYP) 2013

Odisha Youth Innovation Fund has been proposed in the Odisha State Youth Policy (OSYP) 2013 for promoting innovative entrepreneurship among the youth/ startups of the State

SELF-CERTIFICATION SCHEME

In 2018, the state introduced a self-certification scheme for startups according to which startups can self-certify compliance with the provisions of the following labour laws implemented by the state government:

- The Building and Other Construction Workers Act
- The Inter State Migrant Workmen Act
- The Payment of Gratuity Act
- The Contract Labour Act

BIOTECHNOLOGY POLICY 2018

The Odisha Biotechnology Policy 2018 aims at prioritising the thrust areas for basic as well as applied research and technology development with industry-academia-social interface. The Policy provides fiscal & non-fiscal incentives, marketing assistance for development of the sector

KEY STRENGTHS

AEROSPACE DEFENCE MANUFACTURING POLICY 2018

- The main objective of the policy is to attract investments in Aerospace and Defence Manufacturing sector and create a strong ancillary ecosystem of manufacturers, suppliers and vendors through a focused cluster-based approach

- The policy provides incentives and exemptions in conjunction with any other applicable existing policy of the state government and Government of India. Any Aerospace & Defence manufacturing unit may choose to avail an incentive either from this policy or from any other policy of the state, but not both

ODISHA STATE FILM POLICY 2016

The key objectives of this policy are to promote Odia films and position Odisha as a destination for film shooting

RENEWABLE ENERGY (RE) POLICY 2016

The Renewable Energy Policy 2016 aims to contribute to long term energy security of the state as well as ecological security by reduction in carbon emissions and create skilled & semi-skilled manpower resources through promotion of technical and other related training facilities. The policy facilitates development of manufacturing units and Research & Development in the RE sector

WAY FORWARD

From the list of initiatives carried out or proposed by the state as detailed above; the state has performed well in this pillar. There are additional steps that the state could take in order to build upon the initiatives further.
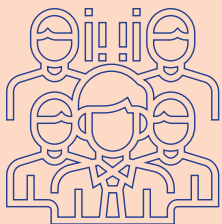
Towards this end, the state can prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

MEDIUM TERM ACTIVITIES (4-6 MONTHS)

The activities suggested in this category are important and will take relatively more time for implementation. Through dedicated efforts, results can be achieved within four to six months. Activities suggested under this category are as follows:

Develop mechanism to invite or identify regulatory issues for disruptive startups

- The portal has an option to file complaints/grievances related to regulatory framework; however, the mechanism does not aid in identifying regulatory issues faced by startups working in disruptive technology areas. Hence, the state needs to modify the mechanism in order to gain a better understanding of the regulatory issues faced by disruptive startups.

- The state could do so by hosting pre-drafting consultation through the online and offline medium by inviting feedback/comment on drafting policy or regulations from the promoters of disruptive startups and amend regulations accordingly.

3. EASING PUBLIC PROCUREMENT

Ease in public procurement simplifies criteria to ensure participation of startups in government tenders. The states are evaluated based on the support provided to startups in resolving issues related to state public procurement as norms of Earnest Money Deposit (EMD), prior experience, and prior turnover which prove to be barriers for participating startups. Easing of such norms enable startups and entrepreneurs to avail exemptions and share an equal platform with established organisations.

KEY FACTS

The state has made necessary relaxations in terms of experience, turnover and submission of earnest money deposits in order to encourage startups to participate in public procurement.

KEY STRENGTHS

STRONG ENCOURAGEMENT TO STARTUPS FOR PARTICIPATION IN PUBLIC PROCUREMENT

- As per a notification released in March 2018, the MSME Department in Odisha started exempting startups registered under 'Startup Odisha' and 'Startup India' from the prior experience and prior turnover criteria.
- Additionally, participating startups are not required to submit any earnest money deposit.
- Furthermore, the MSME Department mandates that 20% of total procurement for any state department/public sector company in Odisha must be from a startup. As part of this initiative, the state has awarded 15 work orders to 10 unique startups in Odisha.

COMPREHENSIVE GRIEVANCE REDRESSAL MECHANISM

The state has a comprehensive mechanism in place to address the grievances of startups

Startups can raise grievances related to public procurement on the state's startup portal (startupodisha.gov.in) and communication of resolution of the grievances is done through the same portal. For each grievance submitted, a timeline is specified for the resolution

Such grievances are placed before a committee comprising of Director, Industries, Odisha as Chairman and OSIC (Odisha Small Industries Corporation) and DEPM (Directorate of Export Promotion and Marketing) as members and CEO, IED (Institute of Entrepreneurship Development) as member convenor

Representative of the concerned department to which the grievance relates is invited as a special invitee to the committee

CEO, IED is declared as the nodal officer to liaise with the concerned government departments for final resolution of the grievances in a time bound manner

Alternatively, as part of its redressal mechanism, the startups approach the Additional Chief Secretary, MSME in the MSME Department or CEO, IED at Startup Secretariat to get their issues resolved

WAY FORWARD

From the list of initiatives carried out or proposed by the state as detailed above; the state has performed well in this pillar. There are additional steps that the state could take in order to build upon the initiatives further.

Towards this end, the state can prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

SHORT TERM ACTIVITIES (1-3 MONTHS)

The activities suggested in this category are important and will take relatively less time for implementation. Through dedicated efforts, results can be achieved within one to three months. Activities suggested under this category are:

Increase in number of work orders to startups

- The state could consider increasing the number of work orders awarded to startups in the coming years in order to encourage entrepreneurship.
- The state could consider organising annual events where startups can demonstrate their capabilities directly to the government and subsequently take part in public procurement activities.

4. INCUBATION SUPPORT

Incubation support is an integral element of the startup ecosystem that supports entrepreneurs to grow their businesses and assists new startups to succeed. In order to promote startups, the state governments collaborate with organisations, corporates or industry associates to establish incubators, to support startups in the form of capital expenditure or operational expenditure. The evaluation is based on setting up of incubators supported by the state governments to release funds to the startups, thereby creating a unique mechanism to provide subsidised incubation and operate acceleration programmes in partnership with the industry.

KEY FACTS

The state has devised a high-quality incubation support system to nurture the growth of startups. Through this, entrepreneurs can obtain funding and other forms of support, such as, market research and understanding required to grow their businesses.

KEY STRENGTHS

ROBUST FRAMEWORK TO PROMOTE THE DEVELOPMENT OF INCUBATORS

- As per their startup policy, the state encourages incubators recognised either by the central or state government and approved by state level implementation committee to support and mentor startups. Such incubators are eligible for obtaining mentoring service from the state.
- The state currently supports 12 incubators through the following initiatives:
  - Approved incubators can avail performance capital grant of INR 5 lakh for each successful startup they incubate and reimbursement benefit of INR 1 lakh per year for a period of three years (for free internet, electricity, and mentoring service)
  - The state also encourages its universities/educational institutions which are in existence for at least five years and approved by state level implementation committee to support and mentor innovators
  - Such approved institutions are eligible for a one-time capital grant of 50% of the capital cost (excluding the cost of building) up to a maximum of INR 1 crore to set up or scale up an incubation facility

INCUBATION SUBSIDIES

- Recognised startups may avail subsidy benefit to the extent of 50% of monthly rental of the incubation space (subject to a maximum of INR 5000) for a period of maximum one year.
- Performance capital grant of INR 5 lakh may be given to an approved incubator for its each successful startup incubated at least for a minimum period of three months.
- In case a university recognised under the Central/ State Act is able to raise funding for development of its incubation infrastructure, the Startup Council of Odisha may consider providing a matching grant subject to an upper limit of INR 5 Crore on a case-to-case basis. Such grant from the government shall only be used for development of incubation infrastructure including purchase of equipment for the incubation facility.
- As a resultant of the above-mentioned initiatives, three operational incubators in Odisha have allocated 170+ seats to startups.
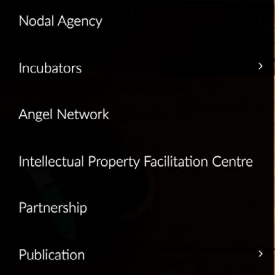
KEY STRENGTHS

ACCELERATION PROGRAMMES TO PROMOTE THE GROWTH OF THE STARTUP ECOSYSTEM

In order to promote the growth of startups, the state conducts acceleration programmes which have a major impact on the development of the startup ecosystem. Some of these programmes are:

Udaan Accelerator Programme for Fundraise: The objective of the programme is to make founder investors ready by exposing them to the investor ecosystem in India. It further helps them in identifying the right product market fit for their startups. The programme received participation from 5+ startups which included Tatvagyan thinkzone private limited, Iserveu technology private limited, Haripriya agro industries, Mere edu services private limited etc

IM2: Ignite the Momentum of Innovation to Market (IM2) Accelerator is a zealous 90 days programme that gives startups access to mentorship, investors, market linkages and other support that helps them to scale up their businesses. The programme received participation from 5+ startups which included Prakrika technology private limited, Azeedo, Nexyite, ML Green Projects Pvt Ltd etc

- The programme is supported by the Department of Science and Technology, GoI and Startup Odisha

- The objective of the programme is to provide the startups with momentum to establish a strong position in the market through idea validation, identification of business opportunities, identification of potential customers and by building a scalable business model and Go-To-Market strategy

- The programme focuses on startups working in Medtech, Agritech, Internet of Things, Cleantech, Digital Health, and Future Tech (AI/ML & AR/VR) space
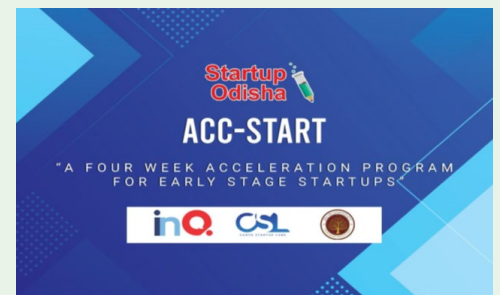
KEY STRENGTHS

Climate Launchpad: Climate Launchpad (CLP) is a 3-month accelerator programme and includes an intensive training programme by a European Union certified trainer, with an aim to introduce all modules to make the green idea into a business pitch. The programme received participation from 10+ startups such as Mavericks, EnLiGreen Innovations, EcoQuant, SunEmison, Envitek etc

Acc Start: This acceleration is conducted in association with INQ, Bangalore and CSL, Bangalore. The event is focused on Odisha based startups that are at an early stage of development. This is a 4-week intensive training programme on Internet of Things, Augmented Reality and preparing startups to raise funds. The programme received participation from 5 startups

WAY FORWARD

From the list of initiatives carried out or proposed by the state as detailed above; the state has performed well in this pillar. There are additional steps that the state could take in order to build upon the initiatives further.

Towards this end, the state can prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

MEDIUM TERM ACTIVITIES (4-6 MONTHS)

The activities suggested in this category are important and will take relatively more time for implementation. Through dedicated efforts, results can be achieved within four to six months. Activities suggested under this category are as follows:

Encourage industry involvement in acceleration programmes and improve participation of startups

- The involvement of industry in the acceleration programmes conducted was minimal, hence the state could formulate measures through its startup cell to encourage industry participation.
- The state could also encourage enrollment of startups in acceleration programmes to provide startups with the opportunity to connect with investors and mentors and receive direction and knowledge support.

5. SEED FUNDING SUPPORT

Seed funding can be in the form of a direct grant, subsidised loan, product development and marketing financial assistance, monthly sustenance allowance or even equity seed funding. With seed funding, the evaluation is based on the states' endeavor to help a business grow and generate its own capital by establishing a guideline document. The states need to ensure that startups scale with the right velocity in order to achieve leading positions, through state investment and startup's entrepreneurial knowledge.

KEY FACTS

- The state's startup policy clearly outlines the eligibility criteria, extent of seed funding and the application procedure for startups to avail seed funding from the state. The state has reliable infrastructure in place to provide early stage funding support to startups.
- As per its startup policy, the state has an objective to create a startup capital infrastructure fund of upto INR 25 crore to support development of hard and soft infrastructure for the startup ecosystem in the state. The state has provided seed funding under the startup policy to 80+ startups.
- The policy also talks about the state government participating in private state specific funds for startups such as venture capital funds. The involvement of the state would be limited to one fourth of the total size of the fund and would be based on the condition that the fund manager commits to bringing in three fourths of the total fund size.

KEY STRENGTHS

STRONG INSTITUTIONAL SUPPORT FOR SEED FUNDING

- The state has established a strong support system for seed funding. Startups can avail seed funding in the form of monthly assistance of INR 20,000 for a year.
- Also, recognised startups may avail subsidy benefit to the extent of 50% of monthly rental of the incubation space (subject to a maximum of INR 5000) for a period of maximum one year, if getting incubated at any of the incubators recognised by the Startup Odisha initiative.
- Product development and marketing/publicity assistance up to a maximum of INR 15 lakh is available for startups.
- The state encourages banks and other financial institutions to extend and enhance their lending facilities to startups and set up dedicated desks for startups in select branches for easy funding.
- The state also encourages various seed capital funding agencies to forge strategic partnerships with industry/ startup associations in the state.
- In addition to all the incentives, VAT/CST paid in Odisha by the startup companies shall be reimbursed as per the Industrial Policy 2015.
- An "Odisha Youth Innovation Fund" has been proposed in the "Odisha State Youth Policy (OSYP) 2013" for promoting innovative entrepreneurship among the youth/ startups of the state. Further a "Youth Entrepreneurship Development Agency"(YEDA) will be established to also promote innovation among young entrepreneurs and providing mentoring support, market linkages and facilitate soft loans through schemes and financial institutions. The size of the fund shall be INR 200 lakh funded by the state.

KEY STRENGTHS

STRONG ONLINE MECHANISM FOR SEED FUNDING

- The state has a robust online system in the form of its startup portal where startups can apply for seed funding.
- The portal allows startups to submit their application for seed funding online along with relevant documents. Startups can track the application on the portal and obtain subsequent approvals online

WAY FORWARD

From the list of initiatives carried out or proposed by the state as detailed above; the state has performed well in this pillar. There are additional steps that the state could take in order to build upon the initiatives further.

Towards this end, the state can prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:
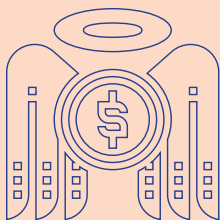
MEDIUM TERM ACTIVITIES (4-6 MONTHS)

The activities suggested in this category are important and will take relatively more time for implementation. Through dedicated efforts, results can be achieved within four to six months. Activities suggested under this category are as follows:

Increase in awareness for the seed funding scheme

- The state needs to reach out to more startups by conducting dedicated annual events for provision of seed funding.
- The state could consider other models for seed funding, such as, subsidisation of interest payments on loans obtained from commercial bank.

6. VENTURE FUNDING SUPPORT

Venture capital funding support is provided to the startups from state supported funds. The states are evaluated based on the establishment of the Fund of Funds (FoF) with approved operating guidelines and signing a memorandum of understanding (MoU) with the fund manager along with a concrete budget allocation. Venture funding provides strong growth potential to startups wherein the fund is used for the all-round development of startups and to levitate the startup ecosystem of the states.

KEY FACTS

The state government has not taken any initiative to promote venture funding in the state. Venture funding is a crucial element required for growth of early stage startups and the same needs to be developed in order to sustain the growth of the startup ecosystem of the state.

WAY FORWARD

From the list of initiatives carried out or proposed by the state as detailed above; the state has performed well in this pillar. There are additional steps that the state could take in order to build upon the initiatives further.

Towards this end, the state can prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

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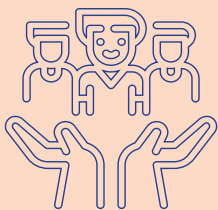
Increase support to venture funds

Although the state encourages angel investor network agencies to forge strategic partnerships with industry/startup associations in the state, it could establish venture funds to support startups through the following measures:

- The fund could be in the nature of Fund of Funds. It would not invest directly into start-up companies.
- The fund could participate in the capital of Securities and Exchange Board of India (SEBI) approved venture capital funds, up to a specified percentage as limited partner. The venture capital fund in turn would be free to invest in startups located in Odisha, based on its own criteria.
- The fund could be professionally managed like a Private Equity/Venture Fund with industry leaders on the investment committee and could also leverage support from private partners and Government of India. The state could sign a memorandum of understanding with the fund managers.
- The fund could also support establishment of pilot incubators and Human Capital Development Programmes through host institutes approved by the National Science and Technology Entrepreneurship Development Board.

Improve venture fund support to fund more startups

- In order to encourage startups to avail benefits from state supported venture funds, the state could consider deploying certain measures, such as, offering a success fee at a fixed rate to startups for availing investments through state supported seed funds.
- As a best practice, the state could mention the details of venture funds sponsored or supported by it on the startup portal.

7. AWARENESS AND OUTREACH

It is the endeavor of state governments to raise awareness about the Indian startup ecosystem and increase its outreach throughout the state. The states are evaluated based on awareness of startups created through workshops, national and international events including bootcamps and hackathons/ grand challenges. In order to promote startups, the state encourages participatory and inclusive processes for linking startups with angel investors and high net worth individuals. Maximum participation is encouraged for exchange of valuable knowledge amongst startups, and pitching sessions for angel investments with widespread propagation.

KEY FACTS

- The state has conducted various awareness and outreach events, such as, bootcamps, hackathons and angel investment workshops to support startups.
- Also, the state allows angel investors who have invested in startups in Odisha to use the Intellectual Property Facilitation Center (IPFC) seminar hall equipped with projector and internet connectivity on a free of cost basis.
- The state has also carried out **5+ Hackathon/Grand challenge** events where at least one problem statement was posed to startups and the events had participation from at least **100 startups/students**. Furthermore, all these events were conducted for at least 48 hours for a hackathon or seven days for a grand challenge.

KEY STRENGTHS

FOSTERING ENTREPRENEURSHIP THROUGH BOOTCAMPS

- The state has performed well in fostering entrepreneurship through bootcamps
- Around 30+ bootcamps were organised covering 30 districts of the state. Some of the these are given below:

MAKOVATION 2.0 BOOTCAMP AT KIIT UNIVERSITY IN BHUBANESHWAR

E- START BOOTCAMP AT IGIT UNIVERSITY, SARANG

E- START BOOTCAMP AT SUIIT UNIVERSITY, SAMBALPUR

KEY STRENGTHS

BOOTCAMP AT SONEPUR COLLEGE, SONEPUR

BOOTCAMP AT AANCHAL COLLEGE, PADAMPUR

BOOTCAMP AT RAJENDRA COLLEGE, BALANGIR

BOOTCAMP AT NIIT, ROURKELA

BOOTCAMP AT RAVENSHAW UNIVERSITY, CUTTACK

BOOTCAMP AT GIET UNIVERSITY, GUNUPUR

MODEL DEGREE COLLEGE NAYAGARH — **E-START BOOTCAMP AT MODEL DEGREE COLLEGE, NAVAGARH**

- Most of these events had an ideation workshop, a mentoring workshop conducted by a successful entrepreneur and a Startup India session on benefits and incentives

INCREASING EXPOSURE FOR STARTUPS THROUGH ANGEL INVESTMENT WORKSHOPS AND NATIONAL AND INTERNATIONAL EVENTS

- The state provides financial support to state recognised startups for participating in reputed national and international events. The support includes travel allowance and free space in the exhibition stalls set up by the state government
- The state has supported startups in Odisha for participation in 5+ national/ international knowledge exchange seminars/ workshops. Some of these events are mentioned below:
  - Startup Expo 2018, Pragati Maidan - 10+ startups received support for this event
  - TIE startup Expo 2018 - 10+ startups received support for this event
  - Make in Odisha 2018 – 15+ startups received support for this event
  - Odisha MSME International Trade Fair 2019 - 35+ startups received support for this event
  - Startup Expo 2019 – 5+ startups received support for this event
- As part of its initiative to promote angel investment funding, the state has carried out five angel investment workshops to connect angel investors/HNIs/angel networks with startups. In most of these events, at least 2 angel investors participated and at least 25 startups participated. Some of these events are mentioned below:
  - Investor meet in association with The Indus Entrepreneurs (TIE) in Bhubaneshwar: In September 2019 startup Odisha in association with TIE Bhubaneswar organised startup investors meet. Mr. Susanto Mitra, CEO, Lead Angels Mumbai and Mr. Vishal Kumar, Founder of Learning while Travelling were the evaluators for the session. 30 startups submitted business proposals out of which twelve were selected for the final pitch

KEY STRENGTHS

- Investor meet at Kalinga Institute of Industrial Technology (KIIT) Capitalize in Bhubaneshwar. The key objective of the event was to bring investors and startups on a common forum and enable the best startups to obtain funding. The event saw participation from 30+ startups. The key investors at the event were
  - Mr. Pranav Gupta, Vice President, Carpediem Capital
  - Mr. Nitin Jain, Director, Tan Advisors Pvt Ltd
  - Mr. Ishan Jindal, Head Investment, Lead Angels
  - Mr. Ankur Goel, Founder & CEO, SkwerUp.com
- Investor connect event organised in association with KIIT- Technology Business Incubator (TBI) and Startup Buddy
  - The two-day mentorship session was supported by KIIT-TBI and Startup Buddy where 12 startups received mentorship from Amit Singal, Founder, Startup Buddy
  - Startups presented their business ideas, progress made, future milestones and the biggest challenges faced by them in achieving their milestones
  - Mr. Amit Singal listened to each Startup's challenges and advised them on the measures to address the queries. Mr. Singal also advised startups on tweaking the business model, financial model, and addressing business challenges
- **Startup Luminescence 2019**
  - Startup Odisha in association with MystartupYatra & Incubation organised "Start-up Luminescence-2019". 10+ startups participated in this event
  - The key objective of the event was to nurture budding entrepreneurs by offering mentorship and financial support
  - The following Investors and mentors were present at the event:
    - Mr. T. K. Behera, Minister, IT Department
    - Mr. Vijetha Sashtry, Lead COE, NASSCOM
    - Dr. Subhakant Padhi, Prof XIMB
    - Mr. Arnab Gazi, CEO B3Bgroup
    - Mr. Amit Howladar, Founder Aisal
    - Dr. Shivananda koteshwar, Synopsysgroup
    - Mr. Priyadarshi, Founder mystartupyatra
- Investor cum mentor connect at Bhubaneshwar
- This event was the first leg of the rising Bharat journey and saw participation from 350+ startups
- The event had established entrepreneurs like Bibin Babu (Co-Founder, Innowork), Amit Singal (CEO, Startup Buddy), Vikas Bagaria (Founder, Pee Safe), Prasanta Biswal (Head, Startup Odisha), Shivani Singh (VP, Star India) Dhianu Das (Co-Founder, Alfa Ventures) and Rahul Dev (Honorary Advisor, Parliament of India) as keynote speakers
- More than 50 startups received mentorship assistance from this event

WAY FORWARD

From the list of initiatives carried out or proposed by the state as detailed above; the state has performed well in this pillar. There are additional steps that the state could take in order to build upon the initiatives further.

Towards this end, the state can prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

SHORT TERM ACTIVITIES (1-3 MONTHS)

The activities suggested in this category are important and will take relatively less time for implementation. Through dedicated efforts, results can be achieved within one to three months. Activities suggested under this category are:

Increase participation of startups in angel investment workshops

The state could consider offering more incentives to startups to participate in the angel investment workshops. Incentives such as offering a success fee at a fixed rate to startups for mobilising investments from angel investors could be provided.

Organise more national or international events

The state could consider increasing the total number of national and international events in a year and invite more startups from other states and countries.

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