



Startup India



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Startup India

The Government of India decided to boost the Startup ecosystem in the country and help India become a nation of job creators rather than job seekers. The Hon'ble Prime Minister of India, Shri Narendra Modi, on the 69th Independence Day celebration of India, announced the 'Startup India' initiative and subsequently, launched the Startup India Action Plan on January 16, 2016 in New Delhi. The Government through this initiative aims to empower Startups to grow through innovation and design and to accelerate spreading of the Startup movement.

The focus areas, with regards to implementation of Startup India, for the States/ Union Territories are listed below.

- **Startup Policy:** Notifying a Startup policy
- **Simplification & Handholding:**
 - Enabling ease of registration as a Startup
 - Enabling ease of recognition as a Startup
 - Enabling ease of compliances under various laws
 - Facilitating for setting up of incubators
 - Setting up a dedicated Startup Cell/ Helpline
 - Setting up a dedicated Portal/ Mobile Application
- **Funding Support:** Undertaking initiatives to increase access to funds for Startups and formulating a credit guarantee scheme
- **Industry-Academia Partnership:** Building partnerships with Industry and Educational Institutes to set up incubators and support for vocational training institutes
- **Fest/ Events:** Organizing Startup Fests/ Events
- **Others:**
 - Adopting innovative ways for effective implementation of scheme
 - Ensuring transparency/ accountability in implementation of scheme

Executive Summary

Karnataka

Background/ Initiatives Undertaken

- State is the **first to announce a multi-sector Startup policy**
- State allows **self-certification based compliance under Labour and Environment Laws** identified by DIPP.
- State has **dedicated website and helpline** for direct communication between Startups and Government.
- State has a **Startup cell** with a dedicated relationship manager and **Startup Portal** which helps Startups with **registration, application for Incentives, booster kit**, etc.
- State has **tie ups with industry bodies** such as NASSCOM, IMAI, 91SpringBoard etc.
- The State has **partnership with academia through NAIN - New Age Incubation Network**, for providing financial assistance, mentor connect, etc.to startups
- For commercialization of R&D, **2 Technology Business Incubators (TBIs)** have been setup and 7 new TBIs have been identified
- **Funding support** is extended by means of ongoing **Grand Challenges** and specific funds such as **Semiconductor Venture Fund, Bio Venture Fund, AVGC Venture Fund**, etc.
- **GoK-Mobile 10X Startup Hub** in partnership with IMAI.
- State is a pioneer in setting up the first **Startup Warehouse** in 2013 in collaboration with NASSCOM and has also set up the **Bangalore Bio Innovation Centre (BBC)**.

Key Achievements/ Impact

- **Earmarked Fund of Funds Rs. 200 Crore to invest** across **multiple sectors** **3 Grand Challenges** have been floated till now wherein **3 proposals have been selected for funding**.
- State in partnership with NAIN, has in the first phase taken up 9 colleges up in tier-2 cities and out of **90 projects that were selected 74 working prototypes were realized**. Also, there were **7 incorporations and 2 patents awarded**.
- **40 ideas have been funded** across different sectors with **funding of Rs. 14 Crore**



STARTUP KARNATAKA

Karnataka

Background

Karnataka has been contributing to the growth of Information Technology, Electronics manufacturing, Biotechnology, Animation and other knowledge-based industry in the country, owing to the conducive ecosystem for entrepreneurship and startups in the state. The state has more than 4,000 startups set up in Bengaluru. In the Global Startup Ecosystem Ranking, Bengaluru, at rank 15, is the only Asian city apart from Singapore to figure in the top 20 list and is world's 2nd fastest growing startup ecosystem.

Approach Adopted

Karnataka Startup Policy 2015-2020

The Karnataka Startup Policy 2015-2020 is the 1st multi sector Startup Policy, constituting initiatives and mechanism for further strengthening innovation ecosystem in the state. The policy recognizes the importance of promoting startups and the need to give necessary impetus to entrepreneurship early in the day. It aims to

- Stimulate growth of 20,000 technology startups including 6,000 products startups by 2020
- Generate 6 lakh direct and 12 lakh indirect jobs in the sector
- Mobilize Rs. 2000 Cr funding for investment in startups through Government intervention alone, by leveraging the Fund of Funds proposed to be put in place by the State Government
- Facilitate generation of at least 25 innovative technology solutions with social impact in areas like healthcare, food security, clean environment and education etc.

The state also allows self-certification by registered startups under various Labour and Environment laws

Incubation



Enablement

Startup Cell: The Government of Karnataka has established a dedicated Startup Cell which aims to interact with Startups and facilitate smooth implementation of the Startup Policy and act as one-stop-shop for information on Regulatory Environment, Incentives, events etc. Once the startup is registered with Startup Cell, a dedicated relationship manager provide handholding to startup by making it aware of all the benefits available under Startup Policy and other schemes of the state, such as incubation, funding, incentives, connecting with mentors, marketing platforms etc.

Open House: The Hon'ble Minister of IT & BT chairs an Open House conducted every month to engage member of Startup Community on various aspects, like policy, startup infrastructure, benefits, incentives etc. for feedback and resolve issues, if any.

Startup Council: In addition to these, a Startup Council has been set up under the chairmanship of Hon'ble Chief Minister of Karnataka with representatives from various sectors and senior officers of Government as member for an annual appraisal of the implementation of the policy.

Incubators

The state government has taken several steps to encourage innovation and entrepreneurship through partnership with Industry and Academia. The state has tied up with NASSCOM, IAMAI, 91SpringBoard etc. for setting up incubation facilities and for providing mentorship and networking platforms to startups. Through New Age Incubation Network (NAIN), financial assistance to selected ideas for prototyping and incubation for one year is provided and exposure visits for capacity building for domain specific technologies are organized. Currently, NAIN is operational in 9 colleges in 9 districts and 16 more colleges across 10 districts are being added. 1st batch of 90 graduated in 2016 with 74 working prototypes, 7 incorporations, 2 patents, 2nd batch is incubated and 3rd batch is being mobilized. The state has also set up the Bangalore Bio Innovation Centre (BBC) which was inaugurated in February, 2015.

Events



Funding

Some of the initiatives started by Government of Karnataka for providing financial help to startups include:

- Financial support (up to Rs. 3 lakhs per project) to 10 student projects every year.
- Funding for setting up of TBIs in institutes of higher learning and common instrumentation facility.
- Funding for setting up of Incubation centers focusing on Nutri Nutraceuticals and Phyto Pharmaceutical (N2P2) startups in CFTRI, Mysore.
- Committed fund of Rs. 12.20 crores for funding 32 ideas in early stage/ Idea2PoC (Proof of Concept) stage.
- Special fund from Agriculture Dept, Tourism, Planning etc. for sector and region specific startups.
- 8 ideas selected for funding (up to Rs. 1.8 crores) through The Tourism Challenge , inviting proposals from early stage startups to crowd source innovative solutions and products from startups working in the area of tourism.
- Venture Funds such as Semiconductor Venture Fund (100 crore), Biotech Venture Fund (Rs. 50 crore) etc.
- Animation Visual Effects Gaming and Comics (AVGC) Fund (Rs. 20 crore) and Fund of Funds (Rs. 200 crores) to invest in daughter funds across multiple sectors are under process of registration.

Events

A number of events were organized by the state to create awareness about the initiatives undertaken by Government for startups and create a networking platform for all the stakeholders, such as BengaluruITE.biz 2016, YESSS Program, Startup Top Tech-25 Awards, Hackathons, Startup Pavillion, Bengaluru India Bio 2016, Bio Accelerate, Bengaluru India Nano 2016, TiECon 2016 in Hubli and Bengaluru, Anthaprerana 2016 by TiE, Startup Dialogue 2016 by Deshpande Foundation etc., among others. The state also provide sponsorship for exposure visits to Japan IT Week, Bio Japan, CeBIT Germany, GITEX Dubai etc.

Dedicated Portal and Helpline

A dedicated **Startup portal** (<http://www.startup.Karnataka.gov.in>) has been set up by the State which is updated on regular basis. It facilitates online registration of startups and filling up of applications for various incentives. A total of 2233 startups, 44 incubators, 28 investors and 53 individuals as mentors have signed up on the portal. A dedicated **helpline** (080-22231007) is also operational where relationship managers address the queries and issues of the startups. Single **email ID** (startupcell@Karnataka.gov.in) is also available for startups to write their issues and concerns. The response is provided within 24-48 working hours of the receipt of the email.

Impact

A Fund of Funds to invest Rs. 200 Crore in the daughter funds across multiple sectors which promote innovation, R&D, product development and focus on core development of domestic technology has been earmarked. 3 Grand Challenges have been floated till now, wherein 3 proposals have been selected for funding. State in partnership with NAIN, has in the first phase taken up 9 colleges up in tier-2 cities and out of 90 projects that were selected 74 working prototypes were realized. Also, there were 7 incorporations and 2 patents awarded. 40 ideas have been funded across different sectors with funding of Rs.14 Cr.

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Executive Summary

Telangana

Background/ Initiatives Undertaken

- State has **notified an Innovation Policy**, offering various **incentives for incubators and Startups** are provided including marketing support, subsidy on lease rentals and internet charges, exemption of VAT/CST, relaxed norms in government procurement, among others.
- State allows **self-certification based compliance under Labour and Environment Laws** identified by DIPP.
- State has a **dedicated website, helpline and email id** for all communication between Startups and Government.
- State has startup engine - **T-Hub**, which provides incubation services, funding support and works towards developing a robust innovation ecosystem. It is a unique PPP between the Government of Telangana, 3 of India's premier academic institutes (IIIT-H, ISB & NALSAR) and key private sector leaders
- T-Hub, organizes up to **200 events every year**, including **AugustFest** which is India's largest Startup conference
- CatalysT, T-Hub's incubator is a state-of-the-art 70,000 sq. ft building
- State also has an **innovation cell** which focuses on idea stage startups and the activities of the cell feed into T-Hub
- State has setup sector specific incubators as well and has the **first of its kind rural livelihood incubator**

Key Achievements/ Impact

- T-Hub has become one of the largest startup ecosystem builders in India, with **over 2000 startups** in its database clustered into various stages of growth.
- CatalysT, T-Hub's incubator currently **hosts 206 startups** out of which 23 have successfully raised **funding of 3.5+ million USD** in the past year.
- T-Hub has been **supporting startups to raise funds from private investors** and a senior management executive (known as Investor Liaison) is dedicated for this purpose
- T-Hub, with Anthill Ventures, conducted **Global Mobile Challenge** (National Finals) and selected winners to represent India at The Global Mobile Challenge Asia Pacific in Singapore



Telangana

Background

Telangana, the newest state of India, has been a hot bed of technology innovation owing to its rapid growth in IT. The state has traditionally been highly entrepreneurial and aims to put Telangana and its capital, Hyderabad, on the global innovation map.

Approach Adopted

Innovation Policy 2016

The Government of Telangana launched Innovation Policy on 4th April 2016, to boost the startup ecosystem in the State. A multitude of initiatives have been announced along with a slew of incentives for startups and incubators, including marketing support, subsidy on lease rentals and internet charges, provision of server space, exemption of VAT/CST. Special benefits and exemptions are given to startups to help them compete with larger players in government procurement.

Incubators

T-Hub is a unique public-private partnership between the Government of Telangana, three of India's premier academic institutes (IIIT-H, ISB and NALSAR) and key private sector leaders. T-Hub is one of the largest startup ecosystem builders in India, with over 2000 startups in its database clustered into various stages of growth across seven sectors of specialization - FinTech, Analytics,

Incubation (T-Hub)



HealthTech, AgriTech, SmartCity, Transportation & Logistics, IoT, Sustainability and SocialTech capturing Big Data, Sensors, Cloud and Mobility. T-Hub has also partnered with 11 incubators and 18 co-working spaces across Telangana. T-Hub's vision is to position Hyderabad amongst the top 10 startup ecosystems in the world by 2020.

A number of incubators have been set up in the state, viz. IMAGE, T-Works, Rural Livelihood Incubator and Technology Entrepreneurship Program to provide handholding support to the startups.

State Innovation Cell

State Innovation Cell has been formed with one Chief Innovation Officer and has following roles:

- Maintaining relationships with universities and corporates to support innovation through partnering incubators and centres of excellence
- Enabling E-Cells of various colleges of the State to scale
- Maintaining a dynamic network of all the co-working spaces, incubators, accelerators etc.
- Structuring programs to collectively enable co-working spaces and incubators

Telangana Approach

The State has adopted a very innovative model, wherein State Innovation Cell and T-Hub work hand-in-hand to foster innovation and entrepreneurship in the state. State Innovation Cell focuses on entrepreneurship education at idea and early stage startups, ensuring that T-Hub has a steady flow of highly potential startups. T-Hub focuses on startups from seed stage and above to help them scale and script a success story. Such a unique model enables investors and corporates to plan programs and capacity building initiatives in a targeted and organized manner.

T-Hub Phase II is being planned to be constructed by June 2018. It will host all the startup ecosystem players under one roof i.e. startups, mentors, incubators, accelerators, corporate innovation centers, investors etc.

Events



Funding to Startups

Telangana aims to mobilize INR 2000 Cr. for startups across different sectors and growth stages, providing financial assistance through Fund of Funds for both Seed & Growth stage companies. A separate fund for distressed ventures has also been announced. T-Hub has a systematic process in place to ensure access to various investment entities for supporting startups at various stages of maturity. It is in the process of setting up a INR 100 Cr fund (T-Fund) to directly invest in startups and will be operational in 2017. It has been actively supporting startups to raise funds from private investors.

Dedicated Portal and Helpline

The State has set up a dedicated portal providing end to end services for startups across the state and beyond. There is a helpline number for answering queries pertaining to startup initiatives and incentives in the state. Single e-Mail id for all communication between startups and the government – startup_cell@telangana.gov.in is also made available to connect with public.

Events

54 events were organized at T-Hub in 2015-16.

- T-Hub, with Intel India & DST, hosted the **Innovate For Digital India Challenge 2.0**. Top 10 startups participated in a USMAC bootcamp and pitched to a panel of corporates and investors at T-Hub for a grant of INR 20 lakhs.
- **Global Mobile Challenge** was conducted to select startups to represent India at Global Mobile Challenge Asia Pacific, Singapore. The selected startup won the event and will now pitch their startup at the Mobile world congress in Barcelona.
- **AugustFest**, India's largest Startup conference, was conducted in partnership with Government of Telangana, T-Hub and ISB.

Impact

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