



# START-UP ECOSYSTEM

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## BEYOND TIER 1 CITIES

STPI KnowledgeUp Series  
November, 2022





**Shri Alkesh Kumar Sharma**  
**Secretary**  
Ministry of Electronics and  
Information Technology



Next decade as India's "Techade", clearly emphasizes the criticality of technology in shaping the future of the economy. Success in this technology-driven economy would be determined by adoption of technology at the grassroots level. The digital revolution brought by Aadhar, UPI and other e-governance applications has been possible due to acceptance & high adoption in Tier 2, 3 cities and other small towns.

Innovation & Technology has been equated with panacea for addressing the majority of local and global level concerns. The key source of innovation today is start-ups, which are referred as 'structure for Digital India' and the talent pool from Tier 2, 3 cities is the force behind these start-ups. The promising role of these towns is not limited to technology adoption but also to carry out innovation & boost the entrepreneurial ecosystem of India. The snowballing effect will bring about Atamanirbharta among the youth and align with the vision of building Atma Nirbhar Bharat.

To catalyze the growth of young entrepreneurs, the government has conceptualized and implemented various schemes and policies in a timely manner. Within the government, it has always been clear that the disproportionate load on Metro cities has to be eased and cities beyond Tier 1 are the key pillars for the inclusive growth.

It draws on the collective effort and expertise of governments to provide a conducive environment in Tier 2, 3 cities to nurture entrepreneurship. States must focus on collaboration, start-up-friendly policies and incentives for creating a nurturing start-up ecosystem. Some states have implemented State level friendly policies and financial incentives which acted as guiding force for cities beyond Tier 1 to excel in distinguished sector & technology, depending to the type of skills available and commercial activities in the region. Through focus on 'Digital By Default' approach and principles of Presence-less, Contact-less, Paperless, Anytime, Anywhere and Invite-less services delivery, states would create huge opportunities for start-ups to innovate. Initiatives like "My Scheme", "Meri Pehchaan", and "Digital Bhashini" have been launched with the same premise to deliver service to the citizens. Enablement of the traditional trades and contemporary thought towards innovation are the driving forces for this transformation.

The report on 'Start-up Ecosystem Beyond Tier 1 Cities' report aligns with government's effort by annotating the growth momentum of start-ups from Tier 2, 3 cities, the upcoming start-up hubs, key sectors growing at the hubs, various government schemes & benefits and impediments to start-up growth etc. The pro-active initiatives of the states in form of schemes & benefits shall encourage both individuals & start-ups from cities beyond Tier 1 to innovate and succeed.

This report would be a valuable source of information for start-ups, academia, industry, investors and government departments & agencies acting as stakeholders in the start-up ecosystem. I congratulate the STPI team for bringing this report together and extend my best wishes for their upcoming endeavors.





## Shri Arvind Kumar

**Director General**  
Software Technology  
Parks of India



The Global agencies & institutes acknowledge India as the fastest growing economy in the world. A recent report by a banking and research institute states that GDP of India could double by 2031. Government initiatives over the past decade to boost innovation, technology and entrepreneurship can be imputed as one of the fundamental steps towards this growth.

Currently, India is the 5th largest economy in the world and the achievement of this milestone has a significant contribution by non-metro and other small cities. The mass scale adoption of government offered digital tools and platforms like UPI, JAM (Jan Dhan – Aadhar – Mobile), Common Service Centers etc. by all urban and rural cities and town is an apparent example. By 2027, India is poised to become the 3rd largest economy and surpass Japan and Germany.

The Indian start-up ecosystem has been ranked third largest in the world and second highest contributor to the list of Number of Unicorns. Metro cities are the clear contributor but business opportunities in cities beyond metros also have been on rise. These newer cities are now the emerging innovation hubs in the country. Technology has lowered the physical presence barrier and the multi-pronged government support routed through various incubators & accelerators, start-up policy implementation agencies/departments etc. has been a paramount impetus to the growth of start-ups from Tier 2, 3 and other non-metro locations. Currently, almost half of the total number of start-ups is from these newer cities.

Technology start-ups have been the frontrunner for driving innovation and entrepreneurship. To support their journey, organizations like STPI with the support of Ministry of Electronics and Information Technology (MeitY) have enabled technology start-ups to overcome the growth challenges. With the implementation of 5G, enhancement in digital connectivity and technology up-gradation will give a significant rise to start-ups' technical capabilities.

The report on 'Start-up Ecosystem Beyond Tier 1 cities' shall be helpful in understanding the landscape of Indian Start-up Ecosystem across the new non-metro emerging hubs of the country. It would encourage young entrepreneurs based at Tier 2, 3 and other cities to work on their idea & start their enterprise. In their journey they would be able to approach right government department and agencies for accessing support & benefits available for them.

I extend my gratitude to all the industry leaders, experts, investors and entrepreneurs for their valuable inputs towards preparation of the report. I believe that this report acts as a source of inspiration to all individuals or organizations that aim to innovate in any field.





## Shri Subodh Sachan

### Director

Software Technology  
Parks of India



In this rapidly evolving world Innovation is chief conduit to address the challenges for growth across all sectors. Innovation has been actively driven by start-ups and metro cities were the preferred destination due to various reasons. But in the last five years multiple success stories of start-ups originating from cities beyond Tier 1 have created a tailwind. To nurture the ecosystem, central and state government policies & initiatives are playing an indispensable role. Over and above the benefits offered by national schemes, plentiful state government schemes are enabling successful proliferation of the start-ups.

In Metros, soaring operational cost and premium rentals has been considered a major hindrance for start-ups setting up their business. In contrast to this, cities beyond Tier 1 offer skilled resources at affordable cost, lower cost for setup & operations and benevolent local authorities. The successful progression of start-ups from cities beyond Tier 1 is fated. These cities and small towns are also offer playing field in terms of unique & localized issues for innovators to develop a product/solution.

In the last decade, the share of start-ups originating from locations beyond Tier 1 have been on rise, improvement of state start-up ecosystem has been on the radar of the state government. The preparation of report on 'Start-up Ecosystem Beyond Tier 1 Cities' involved one to one interaction with the start-ups from tier 2,3 cities and other small towns, experts, investors etc.

Report on 'Start-up Ecosystem Beyond Tier 1 Cities' aims to present a holistic view of the start-up ecosystem beyond Tier 1 cities of India. The report encompasses the trend of start-ups origination and growth, focused sectors, government initiatives and schemes across the key cities beyond Tier 1. This report brings an extensive understanding of opportunities, government benefits, growth impediments, needs & demands etc. of start-up from these cities. The report analyses growth trend in form of funding and deal count from these locations. Insights from the report would be valuable for all the stakeholders of the start-up ecosystem. This may act as input for policy makers to effectively deploy, amend or develop new policies to leverage potential of Tier 2, 3 and other small towns.

The report has been developed after extensive effort of Praxian Global with support of STPI/STPINEXT and it shall act as a great source of disseminating knowledge about transformation the Indian Start-up ecosystem is going through. It would make Indian cities beyond Tier 1, the new hub for innovation and entrepreneurship in the country.



# Key highlights

Total **~218K** startups, **~75K** registered with DPIIT

**~14K** startups launched in the emerging hubs beyond Tier 1 cities (2011-2021)



VC/ PE funds invested **~US\$ 328B** till CY22 H1

The same for cities beyond Tier 1 stood at **~US\$ 85B**



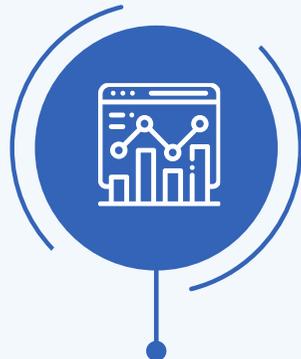
**E-commerce & EdTech** emerged as top sectors where startups saw growth

**Enterprise & Retail Tech** top sectors in cities beyond Tier 1 by # of deals



No. of startups are growing at **133% CAGR** (2016-2022)

**~49%** startups from cities beyond Tier 1



**10K+** investment deals till CY22 H1

**1,600+** deals in cities beyond Tier 1



## Indian startup at a glance

- **23** Indian startups have achieved **unicorn status** in 2022 H1, out of the total **109 recognized unicorns** in India
- The number of DPIIT-recognized startups has increased from **~470** in 2016 to **~75K** in total by 2022 (data till August) with a CAGR of **~133%**
- VC/PE funds invested **US\$ 33.3B** in CY22 H1 across **1,076 deals** in India on an **overall level**, the same for cities beyond Tier 1 stood at **US\$ 14.5B** across **238 deals**



## Startup ecosystem of cities beyond Tier 1

- Enterprise Tech, Retail Tech, and Health Tech are the **top 3 sectors** by number of startups beyond Tier 1 cities
- **Enterprise Tech & Retail and Retail Tech** are the top sectors in cities beyond Tier 1<sup>1</sup> by **deal count**
- **Retail and Retail Tech & BFSI and FinTech** are top sectors by **funding amount**
- The top ten emerging hubs<sup>2</sup> in cities beyond Tier 1 in India are **Bhubaneswar, Chandigarh, Coimbatore, Indore, Jaipur, Kochi, Lucknow, Surat, Thiruvananthapuram, & Vadodara**



## Key success parameters and case studies

- In the **emerging hubs beyond Tier 1 cities**, a total of **~14K startups** have been added in the past decade, with 2020 seeing the highest number of registered **startups at ~2K**
- **The emerging hubs beyond Tier 1 cities** are **performing well** on **most of the parameters** like literacy, GDP, ease of doing business index, business environment, etc. which are **important for startups to scale**
- On the international front, cities beyond Tier 1 are **emerging as global hubs**, support startups by providing tax rebates, funding, and mentoring support to the startups



### Best practices and learnings

- Emerging hubs beyond Tier 1 cities have **local, state-level** policies and initiatives which are **helping startups flourish** in those cities like **GVFL** (Gujarat Venture Finance Limited) being the **driving forces** behind the startups in **Vadodara**
- **Multi-product SEZs** (Special Economic Zones), **incubators, and integrated platforms** are the key reasons for growth in emerging hubs beyond Tier 1 cities



### Role of government for promotion of startups

- Pan-India startup promoting bodies like **STPI**, Startup India initiative, **Startup India Seed Fund Scheme**, Atal Innovation Mission (AIM), and **National Initiative for Development and Harnessing Innovations (NIDHI)** are operational and providing round-the-clock services to startups
  - **NGIS** (Next Generation Incubation Scheme), launched by STPI, is a comprehensive incubation scheme that has provided support to over **240+ startups**, extended seed funding of **INR 14.85Cr** to **63** startups
  - **AICs** (Atal Incubation Centers) and **EICs** (Established Incubation Centers) set up under Atal Innovation Mission (AIM) have incubated **2,200+ startups** and conducted 1,000+ events to date; **59** AICs and **9** EICs have been set till date
- **MSH, MeitY Startup Hub**, launched in 2019, is a nodal entity set up by the Ministry of Electronics & IT, Government of India, to act as a coordination and facilitation center that integrates all incubators, accelerators, start-ups and innovation-related activities of MeitY and run various schemes such as SAMRIDH, SASACT, Challenge programs like ICTGC, Bhumi Challenge, JAL Jivan Mission Challenge, etc.



### Key challenges and growth drivers

- Challenges faced by startups:
  - **Lack of proficiency in vernacular languages** combined with the difficulty in building trust and positive brand perception leads to challenges in tapping the market potential
  - **Access to raw materials, manufacturing units and other operation-related tasks** may be limited in cities beyond Tier 1, especially where connectivity is a challenge
- Growth drivers for startups:
  - Growth and government efforts have attracted **Venture Capitalists (VC) interest**, thus opening up funding opportunities
  - Broadened **internet reach and connectivity** and increased social media reach has allowed these startups to get online visibility and thus attract funding from investors across the country

# Agenda

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## Indian Startup Ecosystem at a glance

Startup ecosystem beyond Tier 1 cities

Emerging hubs beyond Tier 1 cities

Key success parameters and case studies

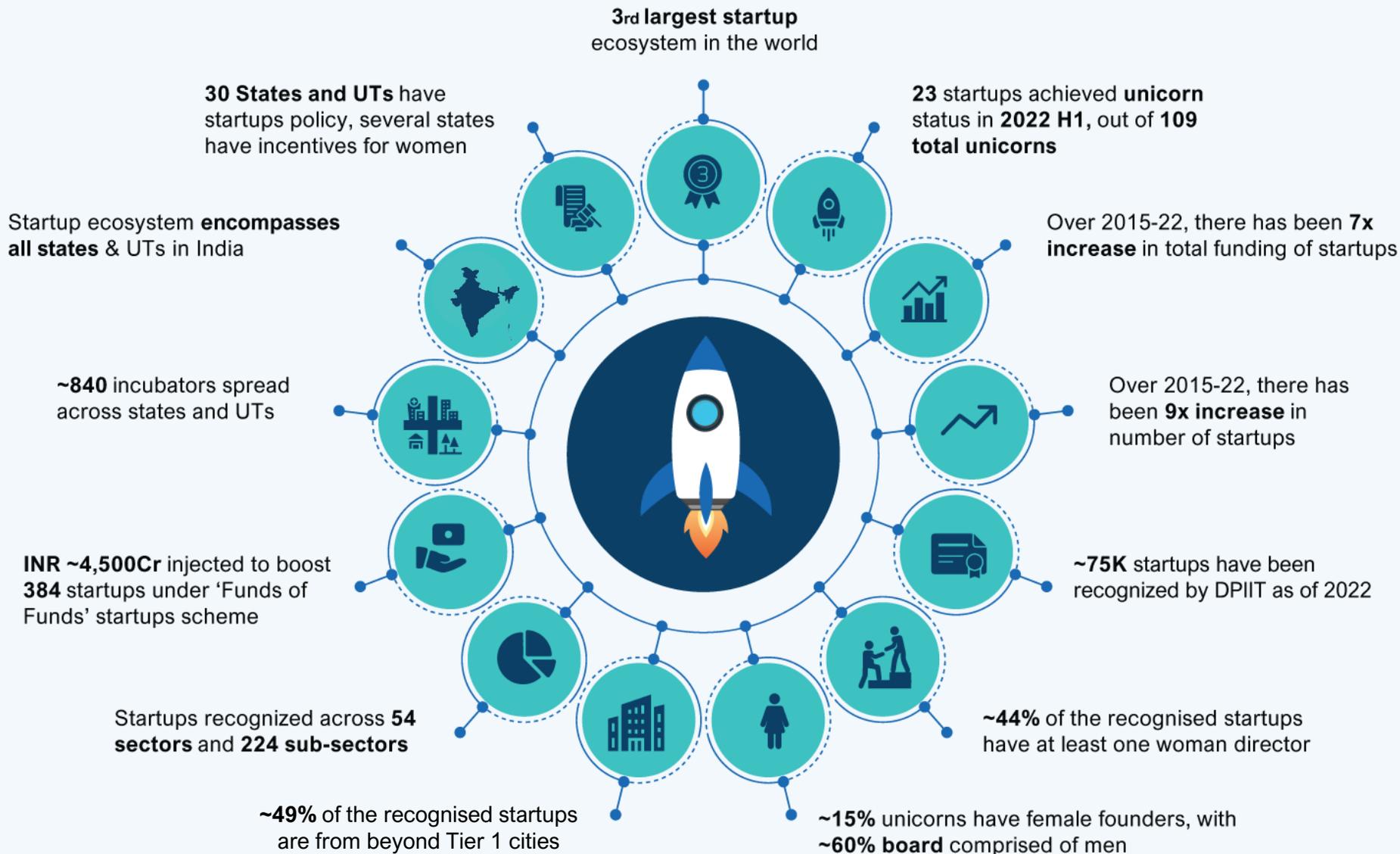
Best practices and learnings

Role of government for promotion of startups

Key challenges and growth drivers



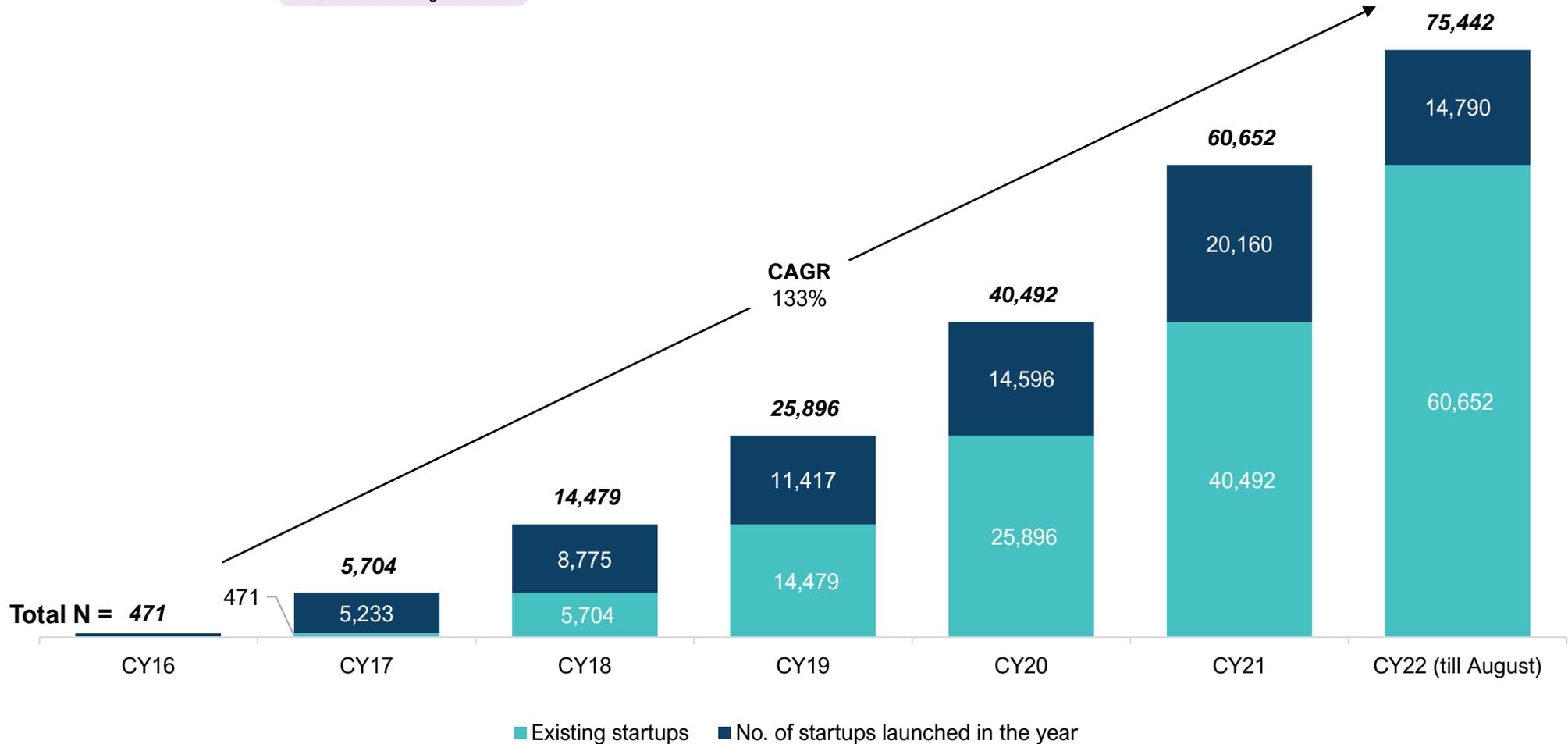
# Indian startup ecosystem at a glance



# The number of DPIIT-recognized startups is growing at a CAGR of ~133%, from ~470 in CY16 to ~14.8K in CY22 (till August)

The total number of startups recognised by DPIIT is 75,442 as on August 2022

**No. of total recognized startups by DPIIT**  
(#, CY16-22 as of August)



Note(s): Data as of August 2022, and covers startups from CY16 to CY22  
Source(s): Government of India report, Secondary research, Praxis analysis

# Maharashtra has the highest number of recognised startups by DPIIT, followed by Karnataka and Delhi respectively

Total startups in India are about ~218K, out of which total DPIIT recognised startups are ~75K

State	DPIIT Recognized Startups (#)	Total Startups (#)	Key sector
Maharashtra	13,929	37,748	Food Processing
Karnataka	9,103	21,437	Product Development
Delhi	8,866	25,662	Food Processing
Uttar Pradesh	6,933	22,087	Construction & Engineering
Gujarat	5,136	14,762	Business Support Services
Haryana	4,116	13,482	Food Processing
Tamil Nadu	4,107	10,406	Application Development
Telangana	3,998	10,487	Application Development
Kerala	3,387	7,494	Food Processing
Rajasthan	2,393	7,506	Business Support Services
West Bengal	2,383	9,128	Business Support Services
Madhya Pradesh	2,200	7,792	Construction & Engineering
Odisha	1,376	3,635	Food Processing
Bihar	1,276	4,391	Construction & Engineering
Andhra Pradesh	1,176	4,162	Product Development
Chhattisgarh	795	2,236	Agri-tech
Punjab	748	2,990	Food Processing
Jharkhand	696	2,525	Construction & Engineering
Assam	633	2,396	Oil & Gas Transportation Services

State	DPIIT Recognized Startups (#)	Total Startups (#)	Key sector
Uttarakhand	625	2,235	Food Processing
Jammu & Kashmir	396	1,660	Construction & Engineering
Goa	319	837	Business Support Services
Chandigarh	265	1,106	Application Development
Himachal Pradesh	214	935	Food Processing
Manipur	84	370	Freight & Logistics Services
Puducherry	76	292	Application Development
Tripura	66	263	Construction & Engineering
Andaman & Nicobar Islands	35	192	Oil & Gas Transportation Services
Dadar & Nagar Haveli & Daman & Diu	32	138	Food & Beverages
Nagaland	24	123	Application Development
Meghalaya	23	133	Business Support Services
Arunachal Pradesh	12	83	Construction & Engineering
Sikkim	8	62	Construction & Engineering
Mizoram	8	54	IT Services
Ladakh	3	37	Travel & Tourism
Lakshadweep	1	6	IT Services

## IT services sector has the highest % of DPIIT recognized startups i.e. ~12.6% and contribution to job creation i.e. ~14%, followed by healthcare & life sciences

Industry	% Recognized startups	% Jobs created*
IT Services	12.6%	13.9%
Healthcare & Lifesciences	9.3%	9.3%
Education	6.7%	6.5%
Professional & Commercial Services	5.0%	6.1%
Agriculture	4.6%	3.7%
Food & Beverages	4.6%	5.3%
Miscellaneous <sup>1</sup>	4.0%	2.0%
Construction	3.5%	3.8%
Finance Technology	3.1%	4.0%
Technology Hardware	3.1%	2.7%
Renewable Energy	2.7%	2.4%
Retail	2.4%	2.5%
Green Technology	2.4%	1.9%
Marketing	2.1%	1.8%
Enterprise Software	2.0%	2.0%
Non - Renewable Energy	2.0%	1.0%
Artificial Intelligence (AI)	2.0%	1.6%
Human Resources	1.9%	3.6%
Automotive	1.9%	1.8%

~43% of the founders in the e-commerce sector are female

Industry	% Recognized startups	% Jobs created*
Internet of Things	1.8%	1.4%
Transportation & Storage	1.7%	2.5%
Media & Entertainment	1.6%	1.4%
Travel & Tourism	1.6%	1.5%
Textiles & Apparel	1.3%	1.7%
Fashion	1.2%	1.1%
Security Solutions	1.0%	1.7%
Telecommunication & Networking	1.0%	1.0%
Aeronautics	0.9%	0.6%
Aerospace & Defence	0.9%	0.6%
Analytics	0.8%	0.8%
Social Network	0.8%	0.4%
Advertising	0.8%	0.6%
Real Estate	0.8%	0.9%
Chemicals	0.8%	0.6%
Design	0.8%	0.6%
Other Specialty Retailers	0.7%	0.6%
House-Hold Services	0.7%	1.0%
Social Impact	0.7%	0.5%
Robotics	0.6%	0.4%

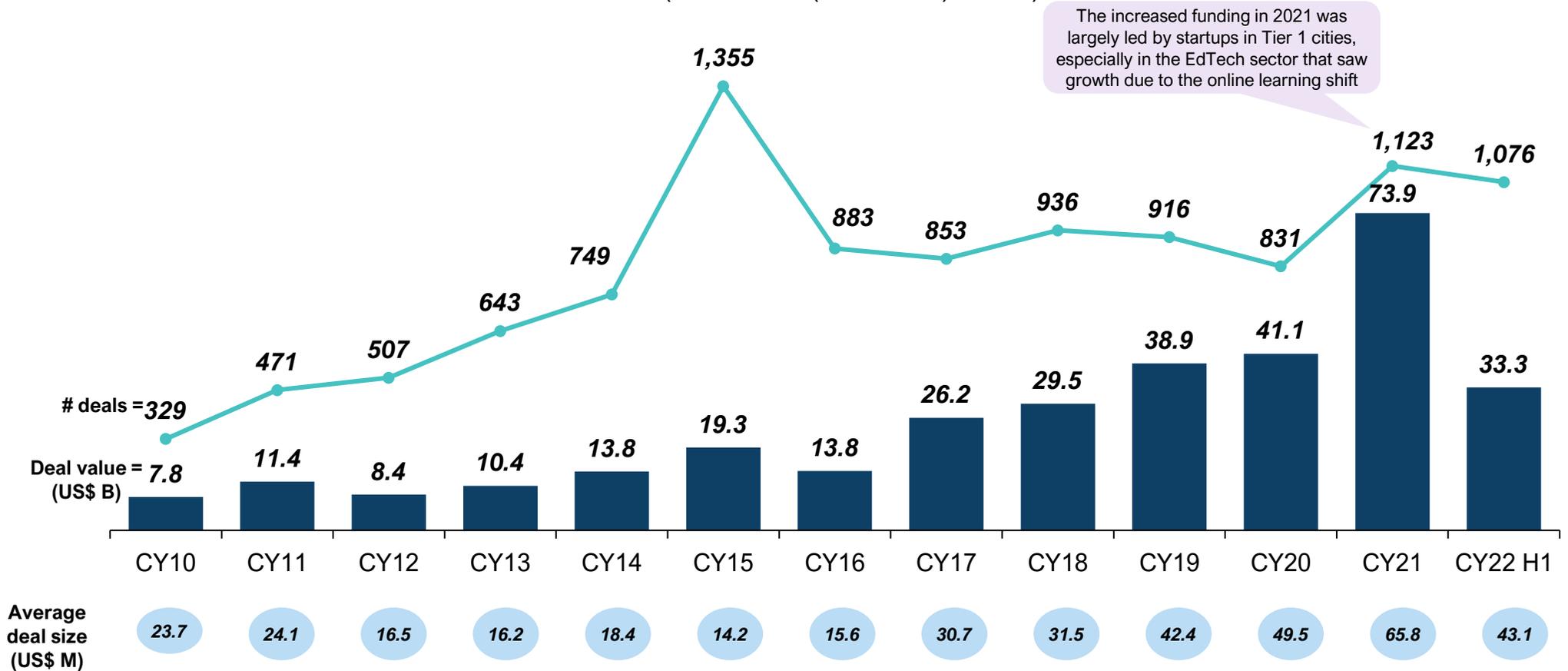
Industry	% Recognized startups	% Jobs created*
AR VR (Augmented + Virtual Reality)	0.6%	0.4%
Architecture Interior Design	0.5%	0.6%
Sports	0.5%	0.4%
Waste Management	0.4%	0.6%
Events	0.4%	0.3%
Art & Photography	0.3%	0.2%
Logistics	0.3%	0.5%
Safety	0.3%	0.4%
Computer Vision	0.3%	0.2%
Indic Language startups	0.3%	0.1%
Pets & Animals	0.2%	0.1%
Biotechnology	0.2%	0.1%
Nanotechnology	0.2%	0.2%
Toys and Games	0.2%	0.2%
Animation	0.1%	0.1%
Dating Matrimonial	0.1%	0.0%
Airport Operations	0.0%	0.1%

High  Low

# VC/ PE funds invested US\$ 33.3B in CY22 H1 across 1,076 deals in India on an overall level; CY21 saw the highest amount of funding at ~US\$ 74B

## VC/PE deal value and # deals in India

(CY10-22 H1 (till June '22), US\$ B)



Note(s): 1. Real estate deals have been excluded; 2. Angel investors and accelerators have been excluded; Current year CY, starts from Jan 2022 – Dec 2022, CY22 H1 is from Jan 2022 – June 2022  
Source(s): PGA Labs Deals database, Secondary research, Praxis analysis

# Agenda

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Indian Startup Ecosystem at a glance

Startup ecosystem beyond Tier 1 cities

Emerging hubs beyond Tier 1 cities

Key success parameters and case studies

Best practices and learnings

Role of government for promotion of startups

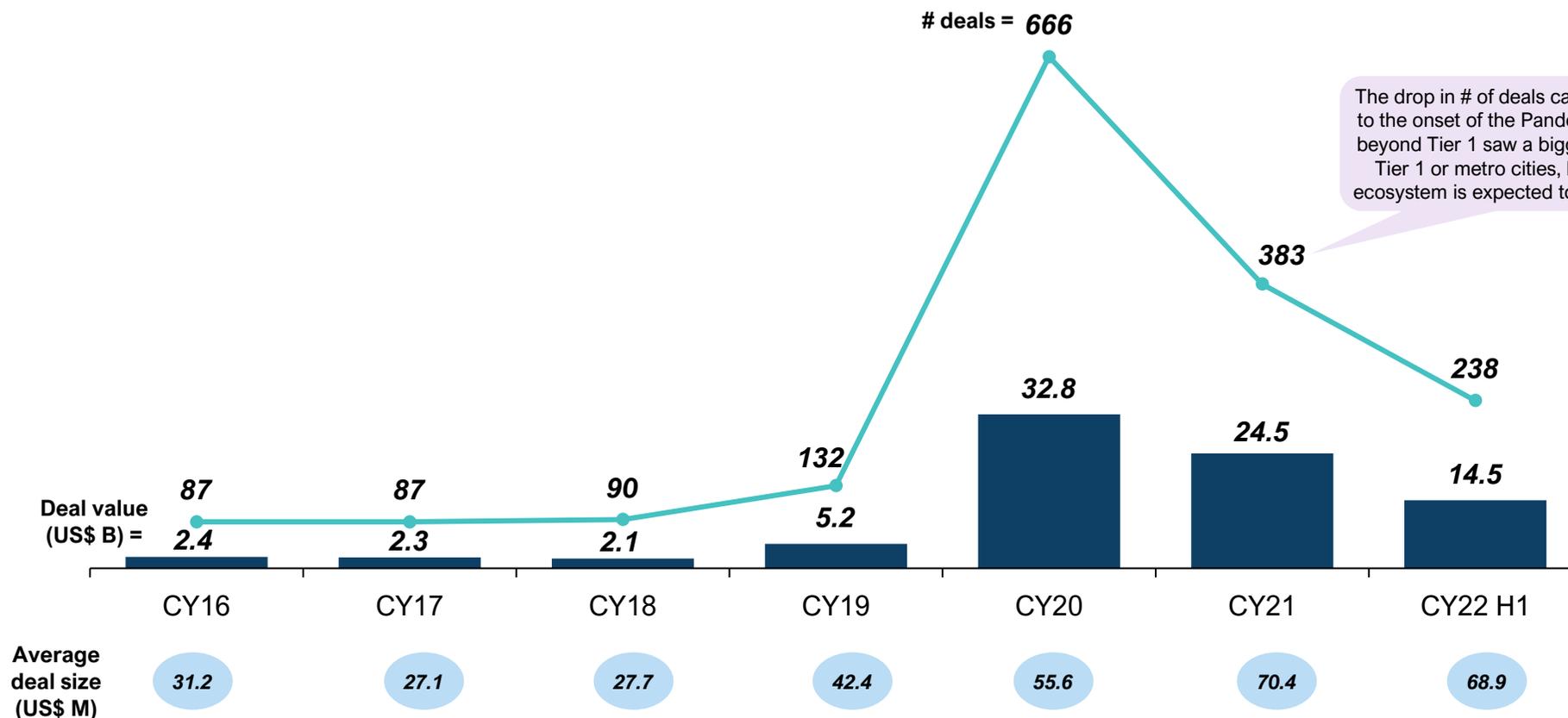
Key challenges and growth drivers



# Beyond Tier 1 cities in India saw a similar trend in increased PE/ VC funding, with CY22 H1 alone at ~US\$ 14B in total funding and avg. funding at ~US\$ 68M

## VC/PE deal value and # deals in cities beyond Tier 1 in India

(CY16-22 H1 (till June '22), US\$ B)



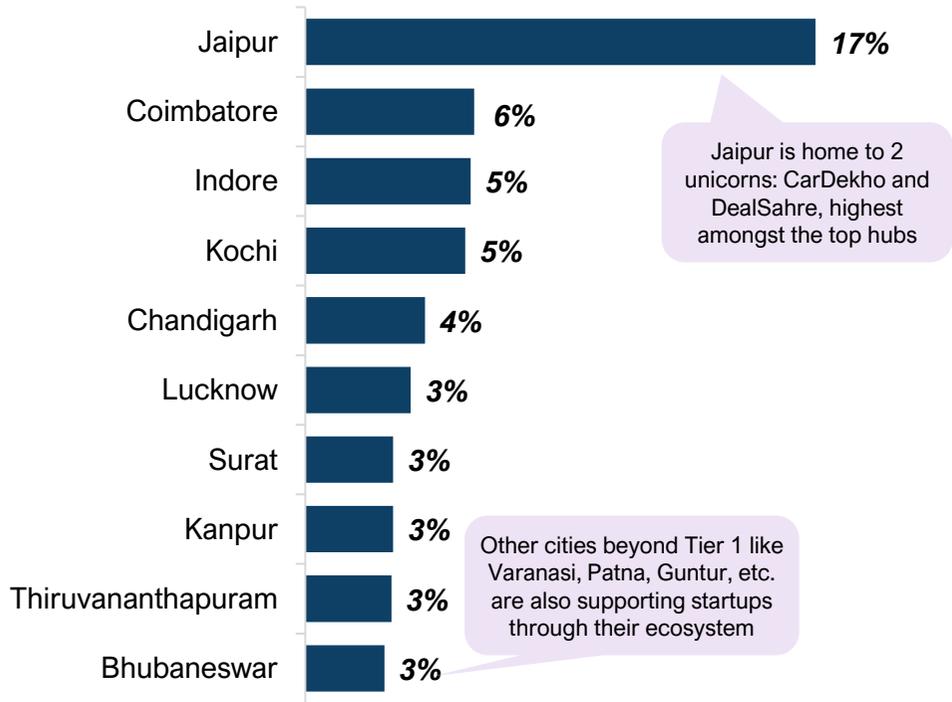
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Source(s): PGA Labs Deals database, Secondary research, Praxis analysis

# Startups from cities beyond Tier 1 have started receiving more and more traction, increased deal counts and amounts of funding, highlighting growth

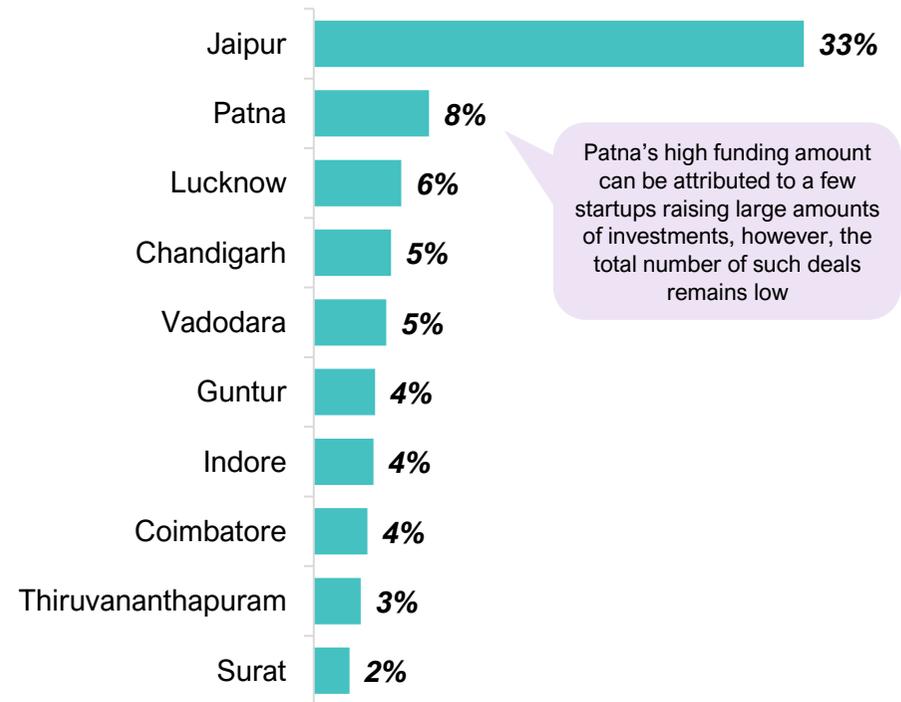
Jaipur has the highest startup deal counts, followed by Coimbatore and Indore

Jaipur has the highest funding amount, followed by Patna and Lucknow

**Top startup hubs from cities beyond Tier 1 (by deal count)**  
(2013-2022, %, N = 1,717)



**Top startup hubs from cities beyond Tier 1 (by funding amount)**  
(2013-2022, %, US\$ 2.7B)



Note(s): 1. Funding amount and deal count includes publicly disclosed rounds from 1<sup>st</sup> January, 2013- 30<sup>th</sup> June, 2022  
Source(s): Tracxn, Crunchbase, PGA Labs Pulse Deal database, Secondary research, Praxis analysis

# Emerging hubs house sectors like Education and EdTech, Enterprise Tech, Retail and Retail Tech, and Health and Health Tech

Hubs	Deals (#)	Funding amount (in US\$ M)	Top sectors	Top funded companies		
Bhubaneswar	45	28	<ul style="list-style-type: none"> <li>BFSI and FinTech</li> <li>Enterprise Tech</li> </ul>			
Chandigarh	68	142	<ul style="list-style-type: none"> <li>Enterprise Tech</li> <li>Retail and Retail Tech</li> </ul>			
Coimbatore	96	99	<ul style="list-style-type: none"> <li>Enterprise Tech</li> <li>SCM &amp; Logistics</li> </ul>			
Indore	94	110	<ul style="list-style-type: none"> <li>Enterprise Tech</li> <li>Retail and Retail Tech</li> </ul>			
Jaipur	290	899	<ul style="list-style-type: none"> <li>Education and edtech</li> <li>Retail and Retail Tech</li> </ul>			
Kochi	91	52	<ul style="list-style-type: none"> <li>Enterprise Tech</li> <li>Health and Health Tech</li> </ul>			
Lucknow	60	161	<ul style="list-style-type: none"> <li>Health and Health Tech</li> <li>Education and edtech</li> </ul>			
Surat	50	66	<ul style="list-style-type: none"> <li>Enterprise Tech</li> <li>Retail and Retail Tech</li> </ul>			
Thiruvananthapuram	49	87	<ul style="list-style-type: none"> <li>Education and edtech</li> <li>Health and Health Tech</li> </ul>			
Vadodara	35	133	<ul style="list-style-type: none"> <li>Food and Food Tech</li> <li>Industrial &amp; Manufacturing</li> </ul>			

High Low

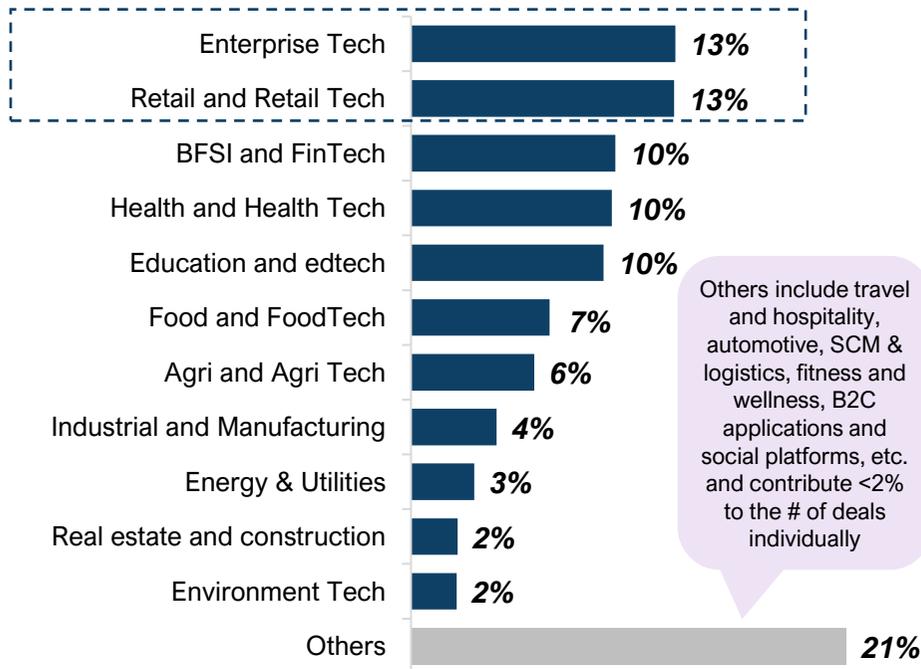
Note(s): 1. Hubs are basis the number of startups established in the city and the funding amount raised;  
 2. Funding amount and deal count includes publicly disclosed rounds from 1<sup>st</sup> January, 2013- 30<sup>th</sup> June, 2022  
 Source(s): Tracxn, Crunchbase, PGA Labs Pulse Deal database, Secondary research, Praxis analysis

# Enterprise Tech is the top sector in cities beyond Tier 1 by # of deals, however, is ranked 5 in terms of funding amount; Retail and Retail Tech & BFSI and FinTech are top sectors by funding amount

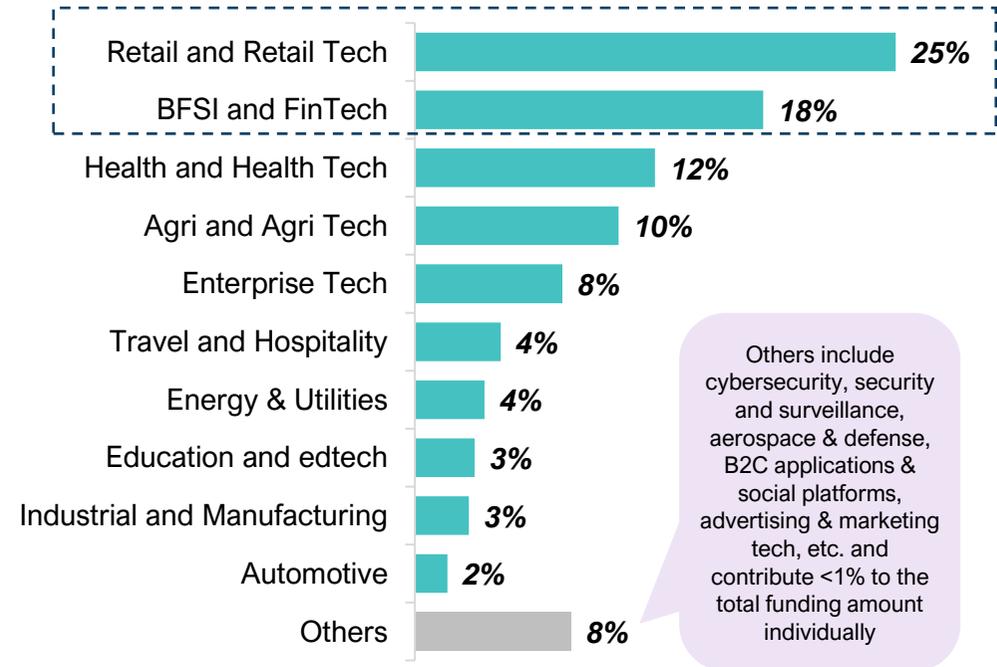
Enterprise Tech and Retail and Retail Tech (~13% each) are top sectors with highest startup deal counts

Retail and Retail Tech (~25%), and BFSI and FinTech (~18%) are the top sectors by total funding amount

**Top sectors of startups in cities beyond Tier 1 (by deal count)**  
(2013-2022, %, N = 1,717)



**Top sectors of startups in cities beyond Tier 1 (by funding amount)**  
(2013-2022, %, US\$ 2.7B)



Note(s): 1. Funding amount and deal count includes publicly disclosed rounds from 1<sup>st</sup> January, 2013- 30<sup>th</sup> June, 2022  
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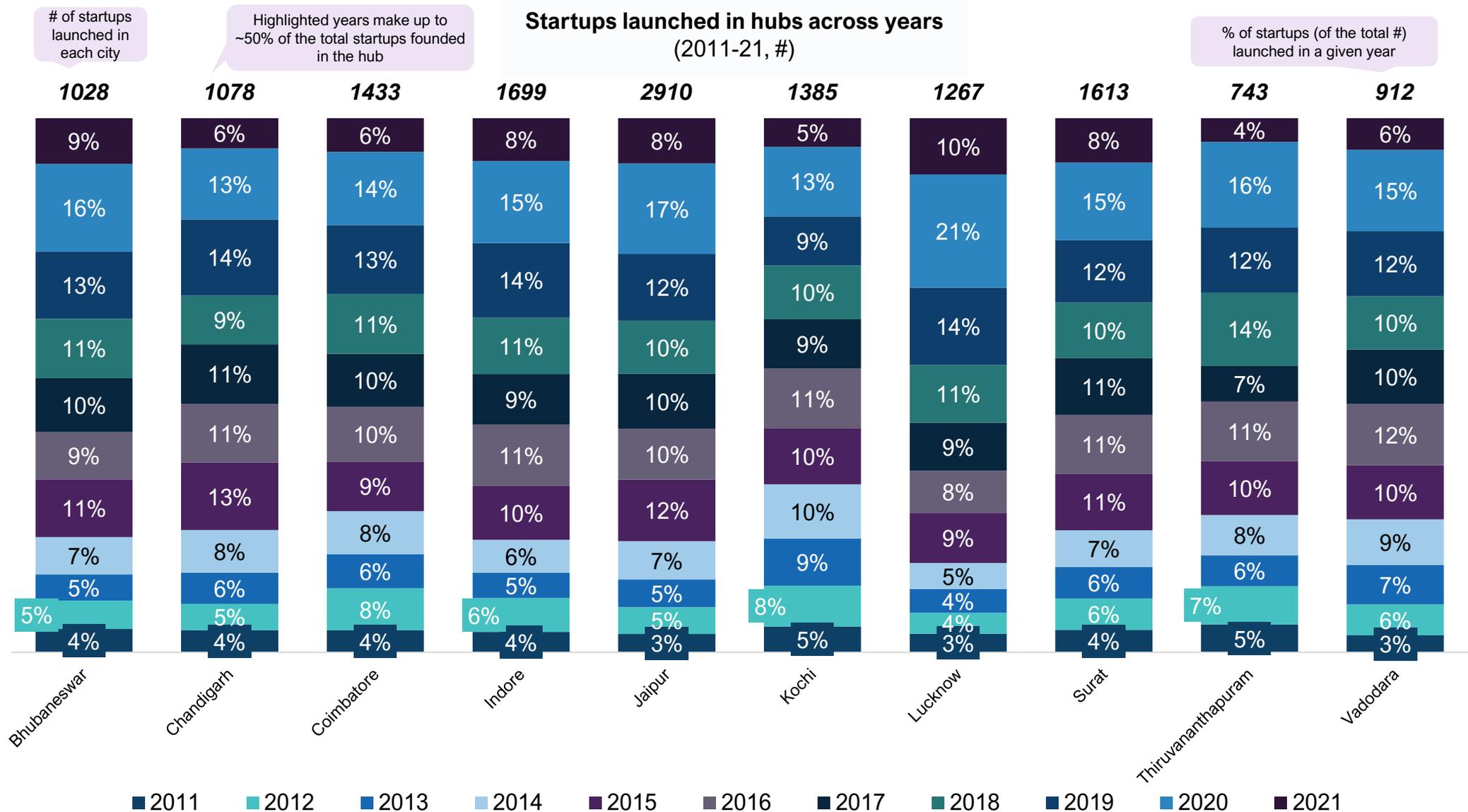
# Enterprise Tech, Retail Tech and BFSI & FinTech are the top 3 sectors by # of deals in cities beyond Tier 1; Retail Tech and BFSI & FinTech are the top funded sectors

Sector	No. of deals	Funding amount (in US\$ M)	Hubs	Top funded companies
Enterprise Tech	228	204	Indore, Kochi, Coimbatore, Bhubaneswar	
Retail and Retail Tech	216	665	Jaipur, Surat, Indore	
BFSI and FinTech	174	482	Jaipur, Indore, Lucknow	
Health and Health Tech	171	332	Jaipur, Kochi, Lucknow, Bhubaneswar	
Education and EdTech	164	82	Jaipur, Lucknow, Bhubaneswar	
Food and FoodTech	118	67	Kochi, Jaipur, Lucknow	
Agri and Agri Tech	105	282	Jaipur, Coimbatore, Lucknow	
Industrial and Manufacturing	73	75	Coimbatore, Surat, Vadodara	
Energy & Utilities	54	96	Jaipur, Coimbatore, Kochi	
Automotive	41	48	Jaipur, Kochi, Indore	



Note(s): 1. Top sectors are basis the number of startups established in the city;  
 2. Funding amount and deal count includes publicly disclosed rounds from 1st January, 2013- 30th June, 2022  
 Source(s): Tracxn, Crunchbase, PGA Labs Pulse Deal database, Secondary research, Praxis analysis

# In the top ten emerging hubs out of cities beyond Tier 1, a total of ~14K startups have been added in the past decade (1/2)



Note(s): The emerging hubs are in no particular order  
 Source(s): Tracxn, Crunchbase, PGA Labs Pulse Deal database, Secondary research, Praxis analysis

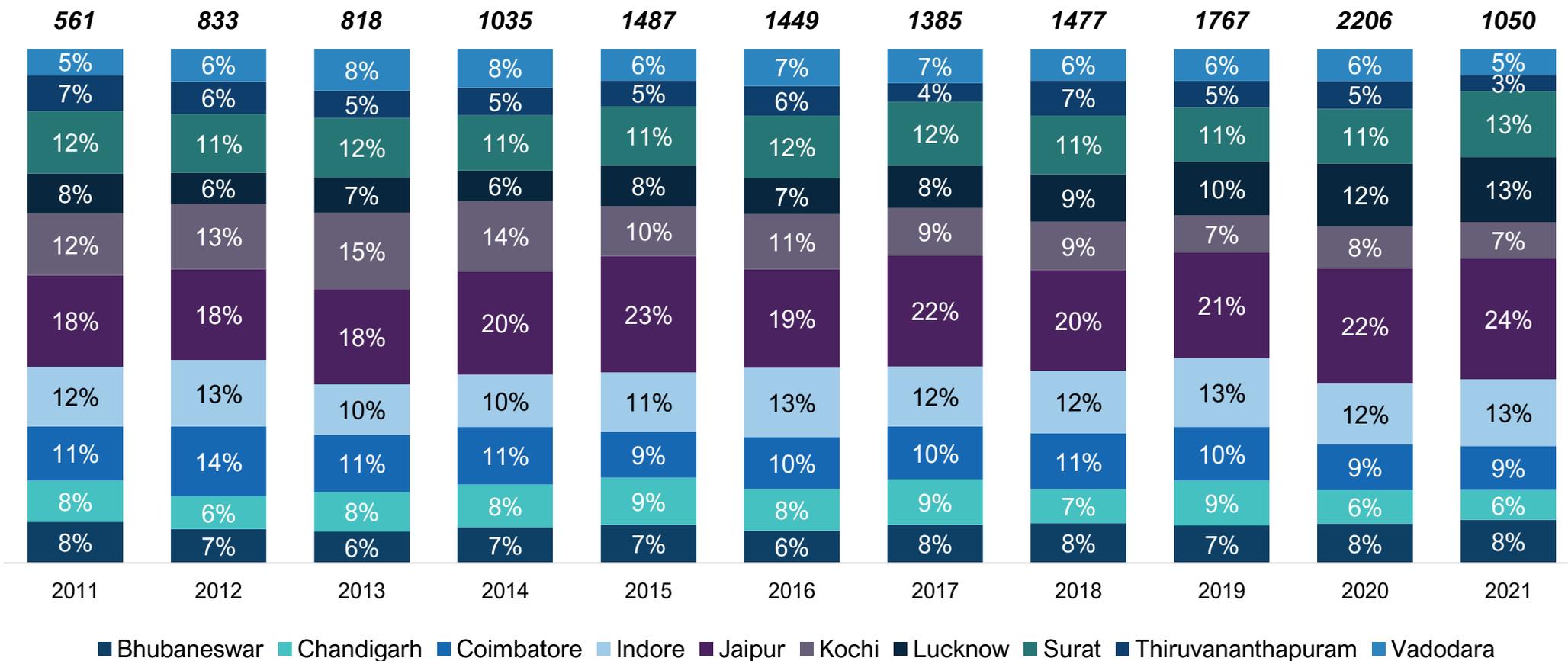
# Number of new startups added has seen a general growth trend from 2011-2021, with 2020 seeing the highest number of registered startups at ~2K (2/2)

**Startups launched in the past decade across top emerging hubs (2011-21, #)**

# of startups launched in each year

% of startups (of the total #) launched in a given year

The # of startups launched fluctuated due to the pandemic, but according to industry estimates it will rise in the years to come



Note(s): The emerging hubs are in no particular order  
 Source(s): Tracxn, Crunchbase, PGA Labs Pulse Deal database, Secondary research, Praxis analysis

# Top sectors and themes of emerging hubs beyond Tier 1 cities

Bhubaneswar	Chandigarh	Coimbatore	Indore	Jaipur
<p> <b>BFSI and FinTech</b> SaaS Referral Automation Financial service offerings</p> <p> <b>Enterprise Tech</b> IoT platform management Last mile delivery GPS &amp; tracking system</p> <p> <b>Education and EdTech</b> SaaS in EdTech Exam support platform EdTech in miscellaneous</p>	<p> <b>Enterprise Tech</b> SaaS IT Solutions AI in enterprise tech</p> <p> <b>Retail and Retail Tech</b> E-commerce Online Grocery &amp; home essential platform</p> <p> <b>Fitness and Wellness</b> Exercise &amp; wellness consultation provider Fitness &amp; wellness app Nutraceuticals tech</p>	<p> <b>Enterprise Tech</b> Software tools IT Solutions SaaS</p> <p> <b>SCM and Logistics</b> Warehouse &amp; Warehouse tech Supply chain SaaS Logistics service marketplace</p> <p> <b>Retail and Retail Tech</b> D2C brands Consumer products &amp; electronics Retail enablers &amp; B2B marketplaces</p>	<p> <b>Enterprise Tech</b> AI in enterprise tech SaaS IT Solutions</p> <p> <b>Retail and Retail Tech</b> Retail enablers &amp; B2B marketplace Online grocery &amp; home essential platform D2C brands</p> <p> <b>BFSI and FinTech</b> Digital cards &amp; payment platforms Investment platforms Blockchain Infrastructure</p>	<p> <b>Education and EdTech</b> EdTech in miscellaneous K12/Higher education platforms SaaS in Edtech</p> <p> <b>Retail and Retail Tech</b> E-commerce D2C brands Social commerce</p> <p> <b>BFSI and FinTech</b> Alternative lending platforms Accounting &amp; expense management platforms Digital cards &amp; payment platforms</p>
Kochi	Lucknow	Surat	Thiruvananthapuram	Vadodara
<p> <b>Enterprise Tech</b> Software tools IT Solutions SaaS</p> <p> <b>Health and Health Tech</b> SaaS &amp; AI in Health Tech Medical solutions</p> <p> <b>Food and Food Tech</b> SaaS in Food tech Online food delivery Online food &amp; beverage</p>	<p> <b>Health and Health Tech</b> SaaS &amp; AI in Health Tech Medical Solutions Pathology &amp; diagnostics</p> <p> <b>Education and EdTech</b> Edtech in miscellaneous SaaS in Edtech EdTech in corporate training</p> <p> <b>Food and Food Tech</b> Online food delivery Online food &amp; beverage brands Retail Chains</p>	<p> <b>Enterprise Tech</b> SaaS Software tools IoT sensor technology and services</p> <p> <b>Retail and Retail Tech</b> E-commerce Retail enablers &amp; B2B marketplaces Pet Care</p> <p> <b>Industrial and Manufacturing</b> Tech in Industry, Manufacturing Chemical manufacturer</p>	<p> <b>Education and EdTech</b> K12/Higher Education Platforms SaaS in EdTech EdTech in miscellaneous</p> <p> <b>Health and Health Tech</b> Health Tech SaaS Tele Health Medical Devices</p> <p> <b>Enterprise Tech</b> Computer Vision &amp; speech Social Media Analytics AR/VR device, development &amp; services</p>	<p> <b>Food and Food Tech</b> Retail Chains Online Food Delivery Online food &amp; beverage brands</p> <p> <b>Industrial &amp; Manufacturing</b> Chemical manufacturer 3D printing manufacturing &amp; services</p> <p> <b>Agri and Agri Tech</b> Agriculture machinery manufacturer Agrichemicals &amp; fertilizer manufacturer</p>

# Agenda

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Indian Startup Ecosystem at a glance

Startup ecosystem beyond Tier 1 cities

Emerging hubs beyond Tier 1 cities

Key success parameters and case studies

Best practices and learnings

Role of government for promotion of startups

Key challenges and growth drivers

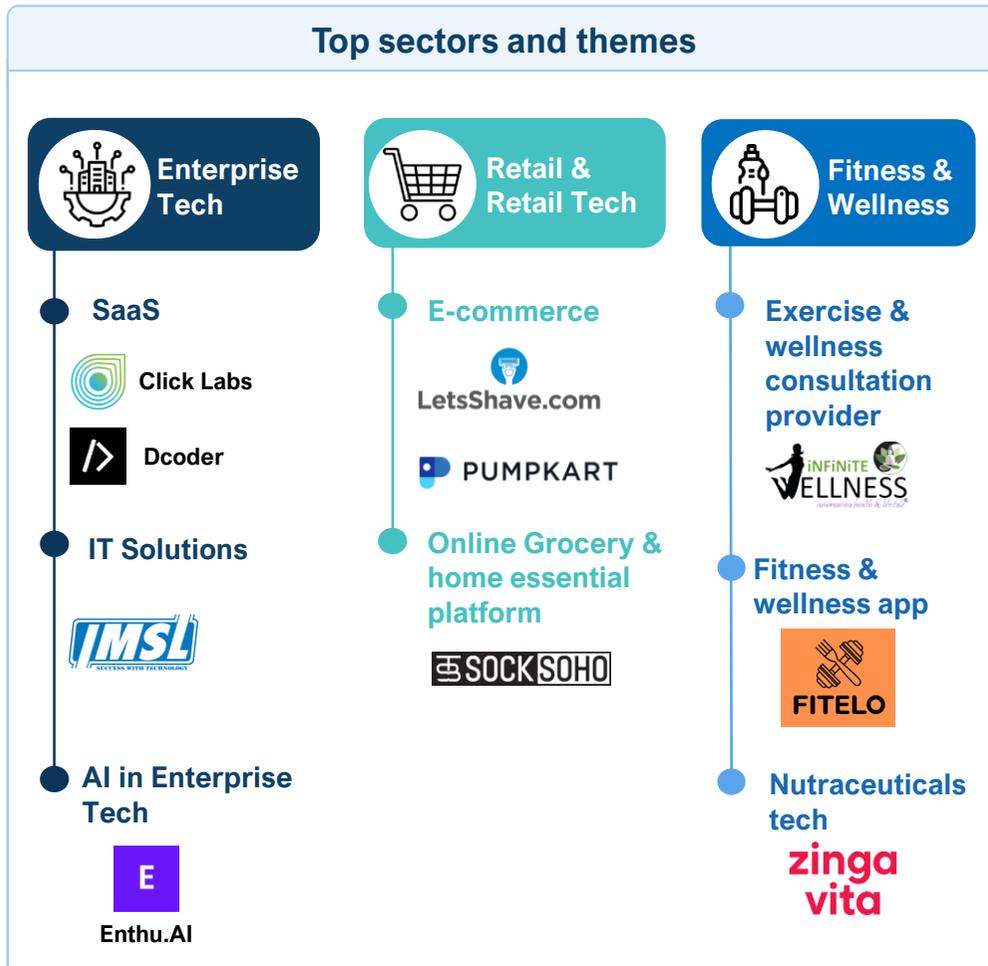


# BFSI & FinTech and Enterprise Tech are the top sectors of Bhubaneswar; Bookingjini and Lecture notes are top-funded companies



Note(s): Funding data available as of September 2022  
 Source(s): Tracxn, Crunchbase, PGA Labs Pulse deal database, Secondary research, Praxis analysis

# Enterprise Tech and Retail & Retail Tech are top sectors of Chandigarh; Ayu Health and Evage are the top funded companies



### Top funded companies

Top funded companies	Founded year	Sector	Investors	Total funding raised (US\$ M)
Ayu Health	2013	Health & Health Tech	Fundamentum, 57 Stars, Capier Investments, Stellaris Venture Partners, Vertex Ventures, Alteria Capital	34.7
EVage	2019	Automotive	RedBlue Capital, Maniv Mobility, Onnivation	32.7
INFINITE WELLNESS	2014	Fitness & Wellness	Long Hill Capital	20
FRONTROW	2020	Education & EdTech	Raftaar, Eight Roads Ventures, Lightspeed, Elevation, Jigar K Shah, Harsh Shah	18
JUGNOO	2020	Mobility	Paytm, Rocketship, Kunal Naresh Shah	17

Note(s): Funding data available as of September 2022  
 Source(s): Tracxn, Crunchbase, PGA Labs Pulse deal database, Secondary research, Praxis analysis

# Enterprise Tech and Retail & Retail Tech are top sectors of Coimbatore; Leap India and Ezon Energy are the top funded companies

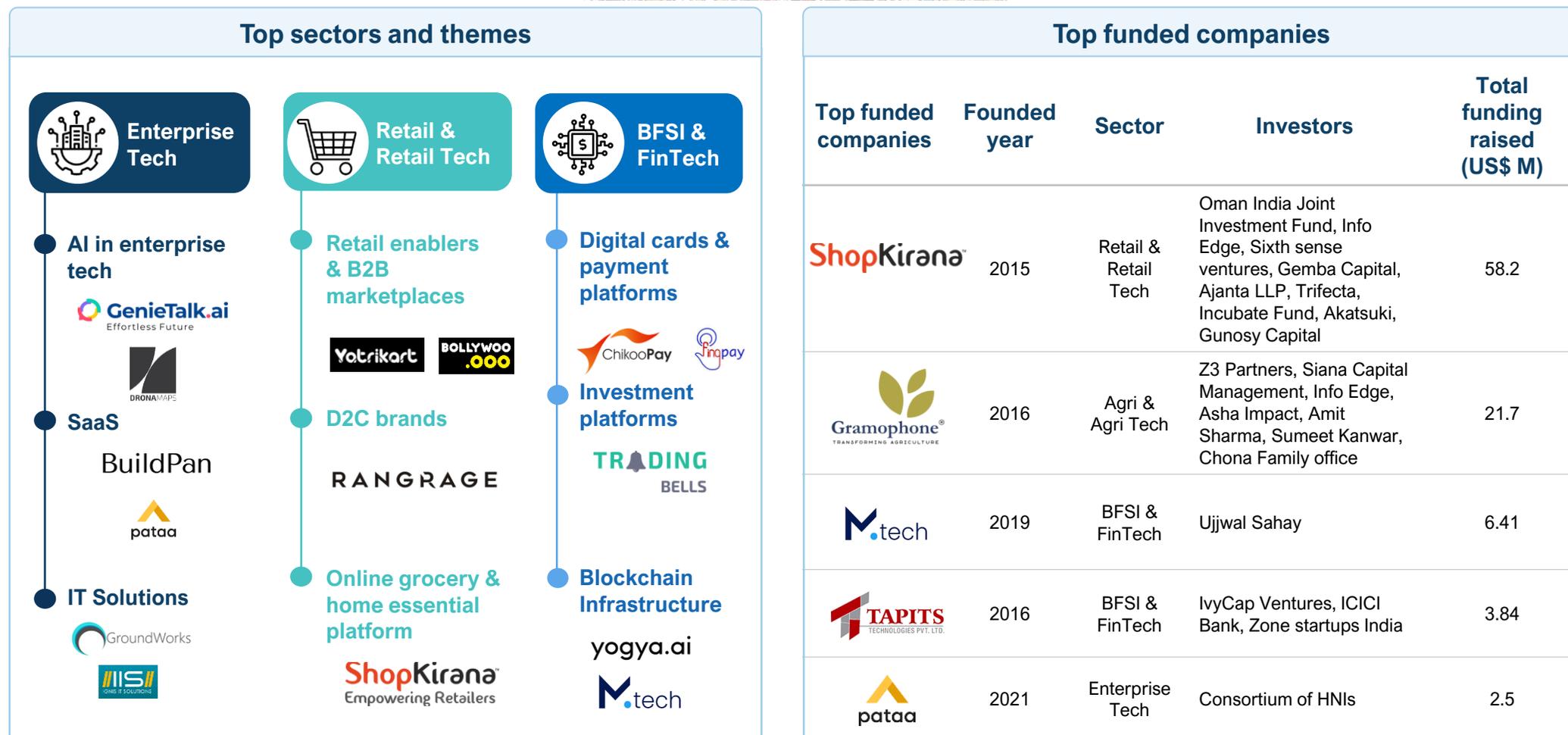


### Top funded companies

Top funded companies	Founded year	Sector	Investors	Total funding raised (US\$ M)
Leap India	2016	SCM & Logistics	British International Investment, CDC Group, SDG Invest, Neev Fund, State Bank of India	37
Ezon Energy Solutions (P) Ltd	2015	Energy & Utilities	Natori Nohisa	21
Bellatrix Aerospace	2015	Aerospace & Defence	Survam Partners, Inflexor Ventures, Pavestone Capital, StartupsXseed Ventures, Karsemven Fund, BASF Venture Capital, Mankind Group family office, SINE	11
juicy chemistry organic by nature™	2014	Retail & Retail Tech	Spring Marketing Capital, Verlinvest, Akya Ventures	7.56
trustrace	2016	SCM & Logistics	Fairpoint Capital, Backing Minds, Industrifonden, Fashion for good, Zalando, Vinnova	6

Note(s): Funding data available as of September 2022  
 Source(s): Tracxn, Crunchbase, PGA Labs Pulse deal database, Secondary research, Praxis analysis

# Enterprise Tech and Retail & Retail Tech are top sectors of Indore; ShopKirana and Gramophone are the top funded companies



Note(s): Funding data available as of September 2022  
 Source(s): Tracxn, Crunchbase, PGA Labs Pulse deal database, Secondary research, Praxis analysis

# Education & EdTech and Retail & Retail Tech are top sectors of Jaipur; DealShare and Finova Capital are the top funded companies



### Top sectors and themes

**Education & edtech**

- Edtech in miscellaneous
  - HELLO ENGLISH
  - QRIYO
- SaaS in Edtech
  - e shiksha
  - myly
- K12/Higher education platforms
  - Toppersnotes
  - LOGIC ROOTS

**Retail & Retail Tech**

- E-commerce
  - Wooden Street
  - VÖYLLA
- Social Commerce
  - DealShare
  - Frontier Markets
- D2C brands
  - Minimalist
  - FABRICLORE

**BFSI & FinTech**

- Alternative lending platforms
  - Agvys
  - paisabuddy
- Accounting & expense management platforms
  - Tax2win
- Digital cards & payment platforms
  - Jelly
  - Get ePay

### Top funded companies

Top funded companies	Founded year	Sector	Investors	Total funding raised (US\$ M)
DealShare	2018	Retail & Retail Tech	Abu Dhabi Investment Authority, Twenty-Nine Capital Partners, Tiger Global Management, Unilever Ventures, DF International Partners, Alpha Wave Global, Kora, DST Global, Z3 Partners	393
FINOVA CAPITAL	2015	BFSI & FinTech	Norwest Venture Partners, Faering Capital, Maj Invest, Sequoia Capital	141
Agvys	2011	BFSI & FinTech	British International Investment, Peyush Bansal, CDC Group, Kedara Capital, Partners Group	108
RAYS	2011	Energy & Utilities	DMI Finance, Sanjay Garudapally	37.2
Dream Holdings	2017	Real estate & Construction	Undisclosed	34.3

Note(s): Funding data available as of September 2022  
 Source(s): Tracxn, Crunchbase, PGA Labs Pulse deal database, Secondary research, Praxis analysis

# Enterprise Tech and Health & Health Tech are top sectors of Kochi; Entri and Intergrow are the top funded companies



### Top funded companies

Top funded companies	Founded year	Sector	Investors	Total funding raised (US\$ M)
<b>ENTRI</b>	2015	Education & EdTech	Gokul Rajaram, Sriram Krishnan, Omidyar Network India, Innospark Ventures, Integrated Capital, Veda VC, Good Capital, Google for Startups, Hari T.N, Kashyap Deorah	11.4
<b>Intergrow</b>	2017	Food & Food Tech	Investcorp	11.3
<b>Livve</b>	2017	Real Estate & Construction	Angel Investors	6.5
<b>buildnext</b>	2015	Real Estate & Construction	Pidilite Industries Limited, Konglo Ventures, Vineet Kumar, Deep Gupta	4.54
<b>VERTEIL</b>	2016	Aerospace & Defence	Kochouseph Chittilappilly, BlueBell Group, K.M Varghese, Hassan Kunhi	3.59

Note(s): Funding data available as of September 2022  
 Source(s): Tracxn, Crunchbase, PGA Labs Pulse deal database, Secondary research, Praxis analysis

# Health & Health Tech and Education & EdTech are top sectors of Lucknow; Financekart and Medics Lifesciences are the top funded companies

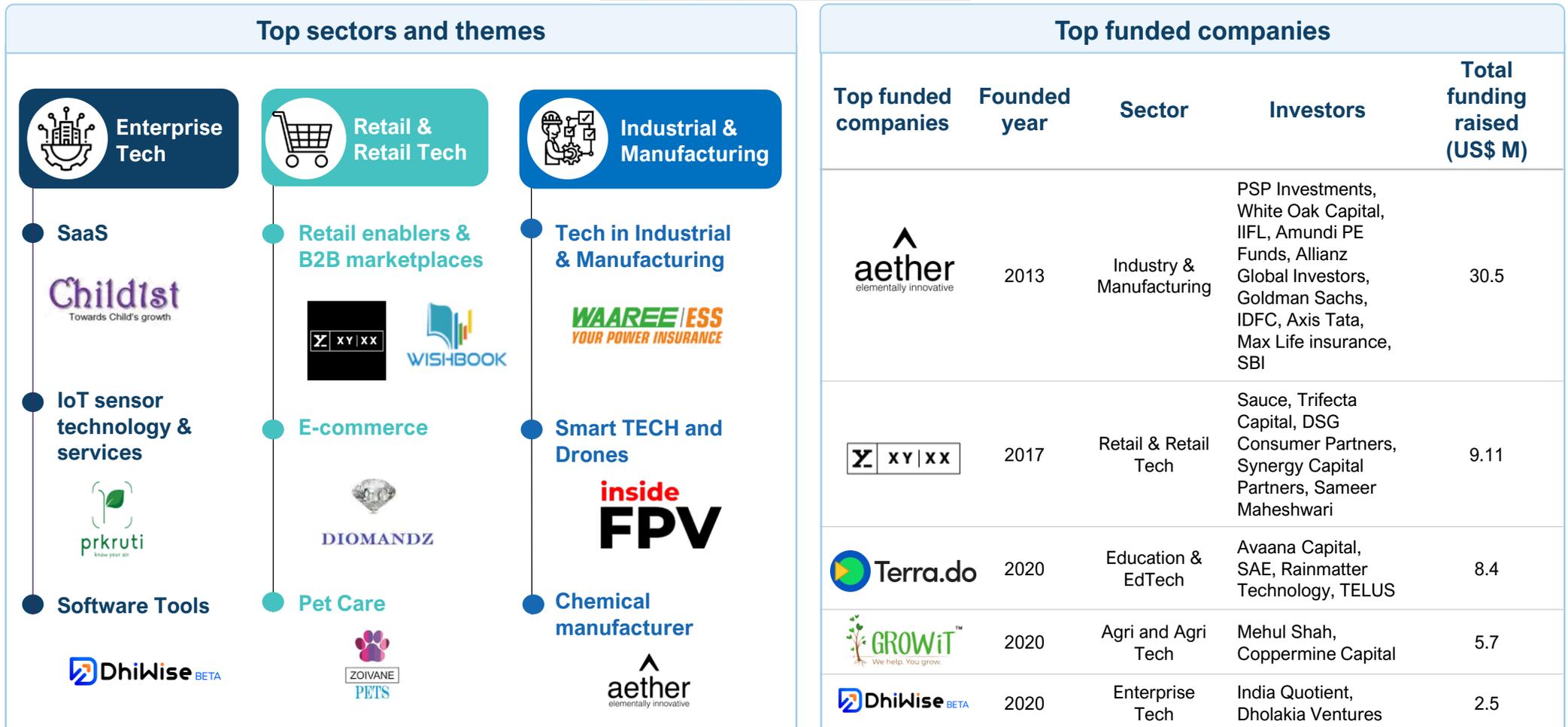


### Top funded companies

Top funded companies	Founded year	Sector	Investors / Incubators	Total funding raised (US\$ M)
FinanceKaaft.com	2018	BFSI & FinTech	Incubated at IIM-L, Finblue-STPI	127.8
medics SUPER SPECIALITY HOSPITAL	2011	Health & HealthTech	Apollo Hospitals Enterprise Ltd.	13.2
EDUGORILLA™ ASK ANYTHING	2016	Education & EdTech	Aspen Network of International Finance Corporation, Turbostart, Auxano, SucSEED Indovation, Lead Angels, TIE Pune	4.14
arth	2015	BFSI & FinTech	KFW DEG, MIT Alumni	3.5
Wiral Web Pvt. Ltd.	2017	Enterprise Tech	Northzone	3

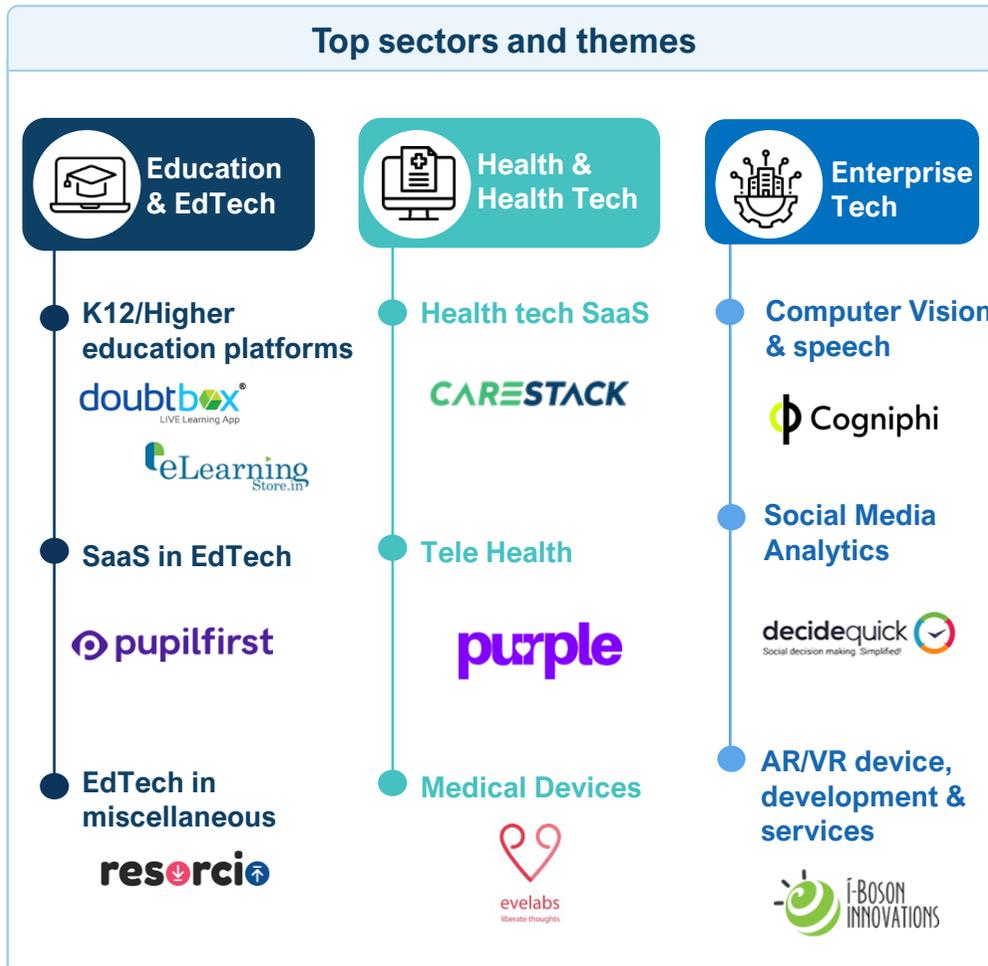
Note(s): Funding data available as of September 2022  
 Source(s): Tracxn, Crunchbase, PGA Labs Pulse deal database, Secondary research, Praxis analysis

# Enterprise Tech and Retail & Retail Tech are top sectors of Surat; Aether and XYXX Apparels are the top funded companies



Note(s): Funding data available as of September 2022  
 Source(s): Tracxn, Crunchbase, PGA Labs Pulse deal database, Secondary research, Praxis analysis

# Education & EdTech and Health & Health Tech are top sectors of Thiruvananthapuram; Carestack and Cogniphi are the top funded companies

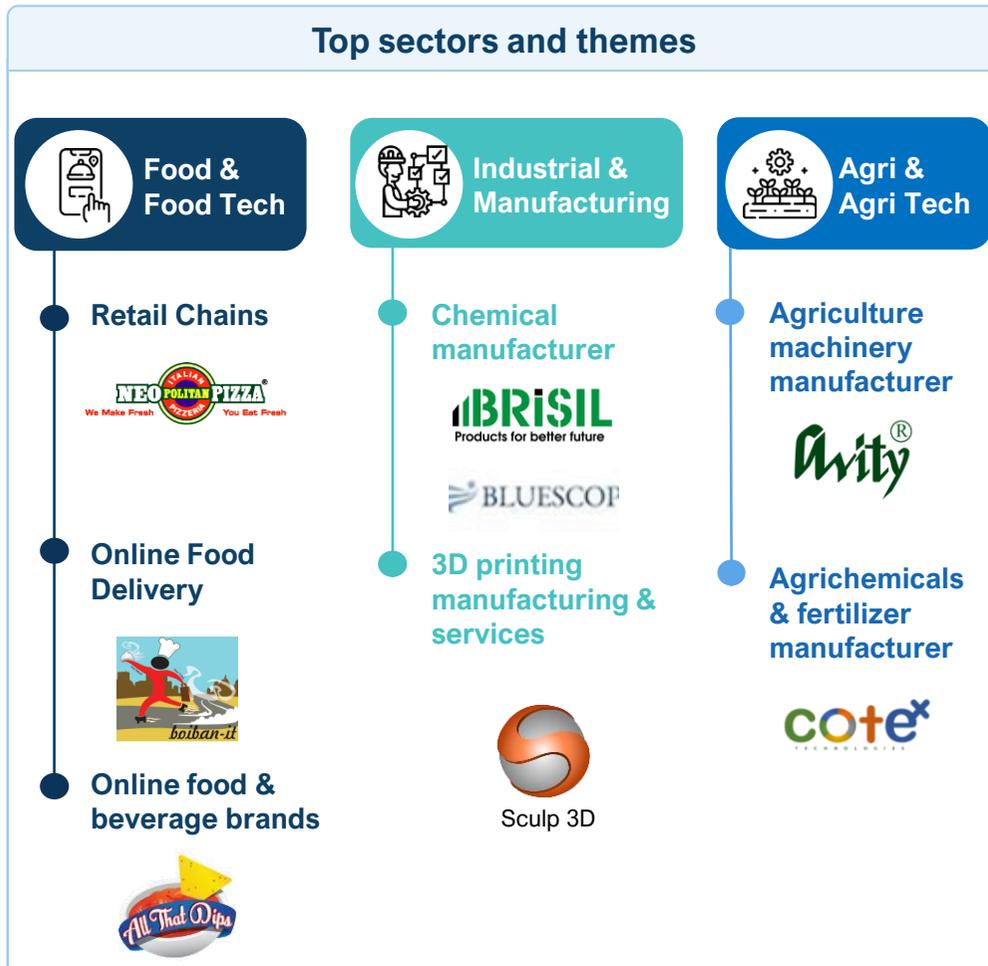


### Top funded companies

Top funded companies	Founded year	Sector	Investors	Total funding raised (US\$ M)
<b>CARESTACK</b>	2015	Health & Health Tech	Straumann Hld, Steadview Capital, Accel, F-Prime Capital, Delta Dental, Eight Roads Ventures	74.1
<b>Cogniphi</b>	2015	Enterprise Tech	UST Global	3.16
<b>GENROBOTICS<sup>®</sup></b>	2015	Environment Tech	Zoho, Unicorn India Ventures	3.01
<b>pupilfirst</b>	2011	Education & EdTech	Ipreneur Accelerator, Callapina Capital, 3one4 Capital, Konglo Ventures	2.16
<b>gogocar</b>	2015	Automotive	Innovator Incubator	1.1

Note(s): Funding data available as of September 2022  
 Source(s): Tracxn, Crunchbase, PGA Labs Pulse deal database, Secondary research, Praxis analysis

# Food & Food Tech and Industrial & Manufacturing are top sectors of Vadodara; Travelurcity and Charge Zone are the top funded companies



### Top funded companies

Top funded companies	Founded year	Sector	Investors	Total funding raised (US\$ M)
	2017	Travel & Hospitality	Undisclosed	111.17
	2018	Energy & Utilities	Z Nation Lab, Venture Catalysts	18.1
	2015	Retail & Retail Tech	Saha Fund, Brand Capital, Mohandas Pai	2.03
	2015	Mobility	Indian Angel Network, Artha India Ventures, Brand Capital	0.45
	2019	Health & Health Tech	Ketan Jajal	0.25

Note(s): Funding data available as of September 2022  
 Source(s): Tracxn, Crunchbase, PGA Labs Pulse deal database, Secondary research, Praxis analysis

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Best practices and learnings

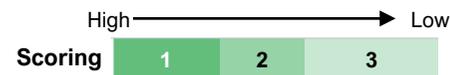
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# Emerging hubs beyond Tier 1 cities have been assessed basis parameters like population, LFPR, literacy rate, GDP, operational SEZs, etc. to identify success trends, if any

Parameters	Description	Data as on	Data level	Rubric		
<b>Population (in Lakhs)</b>	Population of the city based on 2011 census	2011	City	>20	11-20	≤10
<b>LFPR<sup>1</sup> (%)</b>	Percentage of population in the labor force	2021-Q1	State	>66	34-66	≤33
<b>Literacy rate (%)</b>	Percentage of the population who can read and write	2011	City	>66	34-66	≤33
<b>GDP (in USD B)</b>	Gross domestic product of state at current prices; base period – 2011-12	2022 YTD	State	>3,000	3,000-4,000	≤4,000
<b>Internet penetration (%)</b>	Percentage of residences in state which have access to the Internet	Feb 2022	State	>66	34-66	≤33
<b>Innovation Index</b>	Dimension for evaluating innovation ecosystem based on enablers and performance factors	2021	State	>21	14-21	≤13
<b>Incubators (#)</b>	Number of Startup India recognized incubators	July 2022	City	>13	5-13	≤4
<b>Ease of doing business index (Rank)</b>	A measure of how easy it is to conduct business in a city/state/country	2019	State	≤12	13-25	>25
<b>Business environment</b>	Dimension examines the business environment in each state/UT by considering factors such as ease of doing business, efficient governance, and digitization, etc.	2021	State	>31	22-31	≤21
<b>Investment</b>	Dimension gauges the financial standing of a state/UT and the amount it spends on R&D	2021	State	>13	7-13	≤6
<b>Operational SEZs (#)</b>	Number of operational Special Economic Zones (SEZs) in the city	Jan 2022	City	>3	2-3	≤1
<b>Knowledge workers</b>	Dimension considers the workforce employed in knowledge-intensive employment, skill development trainings. R&D institutions funded by state/UT, etc.	2021	State	>15	9-15	≤8
<b>Educational front</b>	Number of city-based institutions appearing in NIRF overall ranking list (Rank band 1-200)	2021	City	>4	3-4	≤2
<b>Human capital</b>	Dimension captures the strength of human capital in the state/UT via school with ICT labs, pupil-teacher ratio, NER in school education, etc.	2021	State	>29	21-29	≤20
<b>Safety and legal environment</b>	Dimension analyses the safeguards put in place by the state/UT governments to enact and enforce open and fair procedures, regulations of markets, and protection of property rights	2021	State	>52	32-52	≤31



Note(s): 1. LFPR stands for Labour force participation rate; Exchange rate as of September 2022 stands at USD 1 = INR 80 for conversions  
 Source(s): Secondary research, Praxis analysis

The emerging hubs are performing well on the parameters which are important for startups to scale, with many states scoring high on business and education related metrics

	Bhubaneswar	Chandigarh	Coimbatore	Indore	Jaipur	Kochi	Lucknow	Surat	Thiruvananthapuram	Vadodara
Population	3	3	1	1	1	1	1	1	1	1
LFPR <sup>1</sup>	3	3	1	1	1	1	1	1	1	1
Literacy rate	3	3	1	1	1	1	1	1	1	1
GDP	2	3	1	1	1	1	1	1	1	1
Internet penetration	3	3	1	1	1	1	1	1	1	1
Connectivity	2	3	1	1	1	1	1	1	1	1
Innovation Index	2	3	1	1	1	1	1	1	1	1
Incubators	3	3	1	1	1	1	1	1	1	1
Ease of doing business	3	3	1	1	1	1	1	1	1	1
Business environment	3	3	1	1	1	1	1	1	1	1
Investment	3	3	1	1	1	1	1	1	1	1
Operational SEZs	3	3	1	1	1	1	1	1	1	1
Knowledge workers	3	3	1	1	1	1	1	1	1	1
Educational front	3	3	1	1	1	1	1	1	1	1
Human capital	3	3	1	1	1	1	1	1	1	1
Safety and legal environment	3	3	1	1	1	1	1	1	1	1

Note(s): 1. LFPR: Labour Force Participation Rate  
Source(s): Secondary research, Praxis analysis



# Nascent startups are continuously evolving into established; Stable network of funding, digitization, cloud operations are key enablers



We consider a startup to be nascent if they have annual revenue of <INR 5Cr and have been in existence for 5 years or less

Parameter	Established startups	Nascent startups
 <b>Infrastructural facilities</b>	<ul style="list-style-type: none"> <li>Usually <b>lease co-working spaces</b> or have their <b>own setups</b></li> <li>Provision of <b>special economic zones (SEZs)</b> to provide benefits in terms of tax incentives, promotion of investments, infrastructure facilities, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Requirement of <b>co-working spaces, warehouses, logistical services</b>, etc. at subsidized costs</li> <li>Provision of <b>special economic zones (SEZs)</b> to provide benefits in terms of tax incentives, promotion of investments, infrastructure facilities, etc.</li> </ul>
 <b>Mentoring support</b>	<ul style="list-style-type: none"> <li><b>Workshops</b> to support the expansion and scalability of business</li> <li>Experienced <b>PE and VC investors</b> also provide mentorship</li> </ul>	<ul style="list-style-type: none"> <li><b>Mentorship and workshops</b> to guide operations, funding, and growth</li> <li>Experienced <b>PE and VC investors</b> also provide mentorship</li> </ul>
 <b>Government support</b>	<ul style="list-style-type: none"> <li><b>Ease of imports/exports</b> regulations and procedures</li> <li>Tax incentives and rebates</li> <li><b>Digitalisation of non-core processes</b> to help speed up operations like GST return filing, etc.</li> <li>Provision of <b>special economic zones (SEZs)</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Single window government processes</b></li> <li><b>Tax incentives</b> for the initial years basis recognition as 'startup'</li> <li>Ease of patent/trademark/company registration</li> <li>Access to <b>funding via incubators and policies on city/state/central level</b></li> </ul>
 <b>Market connect</b>	<ul style="list-style-type: none"> <li>Access to <b>experienced mentors, financing opportunities, and talent pool</b></li> <li><b>Tie-ups with B2B service providers</b> to meet operational needs</li> <li><b>Media and advertisement</b> coverage through both <b>organic</b> and <b>in-organic channels</b></li> </ul>	<ul style="list-style-type: none"> <li>Access to key target segments, investor networks, and accelerators through <b>events, platforms and conferences</b></li> <li>Access to <b>logistic providers, talent pool, etc.</b> to set up operations</li> </ul>
 <b>Funding</b>	<ul style="list-style-type: none"> <li>Funding support received from <b>Initial Public Offering (IPO), PE<sup>1</sup> and VC<sup>2</sup> firms, investment banks</b></li> <li>Maintain <b>fund networks</b> and connections with <b>previous investors</b></li> </ul>	<ul style="list-style-type: none"> <li>Require support through <b>initial capital investment phase</b> through <b>fund networks</b></li> <li>Funding sources include debt financing, <b>PE, VC firms, angel investors, bank loans</b>, etc.</li> </ul>
 <b>Scalability</b>	<ul style="list-style-type: none"> <li>Access to <b>support network</b></li> <li><b>Funding</b> needed to expand and scale existing operations</li> <li>Availability of resources needed to scale &amp; sustain</li> </ul>	<ul style="list-style-type: none"> <li>Access to <b>support network</b></li> <li><b>Funding</b> needed to expand and scale existing operations</li> <li>Availability of resources needed to scale &amp; sustain</li> </ul>

Note(s): 1. PE: Private Equity; 2. VC: Venture Capitalists; 3. B2B: Business-To-Business; Established startups will be in existence for 10 years or less since beyond 10 years a company loses the startup tag  
 Source(s): Secondary research, Praxis analysis



# Successful Tier 1 hubs have more nurturing startups environment as compared to cities beyond Tier 1 in India, like better infrastructural facilities and mentoring support

Parameter	Bangalore (Sample Tier 1 city)	Jaipur (Sample Tier 2 city)
<b>Infrastructural facilities</b>	<ul style="list-style-type: none"> <li>Bengaluru startups had one of the highest leasing shares of <b>34%</b> in 2019-21</li> <li>Presence of <b>114</b> Govt. and private accelerators &amp; incubators</li> </ul>	<ul style="list-style-type: none"> <li>The biggest startup hub in the country, <b>Bhamashah Techno Hub in Jaipur</b> with a seating capacity of <b>700+</b> startups, all services free</li> <li>Office and coworking spaces are less in numbers when compared to Tier 1 cities, but at the same time available at lesser costs</li> </ul>
<b>Mentoring support</b>	<ul style="list-style-type: none"> <li>Presence of global mentoring support like Founders network, Coffee Mug, etc. with a network of <b>600+</b> founders, VCs, angel investors</li> </ul>	<ul style="list-style-type: none"> <li>iStart Nest, a centralised state incubator assists <b>30+</b> startups in each division providing a network of investors, accelerators &amp; mentors</li> </ul>
<b>Government support</b>	<ul style="list-style-type: none"> <li>Govt. fund set up with a corpus of <b>INR 300Cr+</b> to back startups across different sectors</li> <li>K-Tech Innovation Hubs have a cumulative area of <b>1,45,000+ sq. ft.</b> with a 100% power backup</li> </ul>	<ul style="list-style-type: none"> <li>Eligible startups at the concept stage provided financial assistance as equity of up to <b>INR 5L</b></li> <li><b>1,00,000</b> sq ft of incubation space entirely dedicated to entrepreneurship &amp; development</li> </ul>
<b>Market connect</b>	<ul style="list-style-type: none"> <li>India's flagship tech event, the <b>Bangalore Tech Summit</b> helped launch <b>1000+</b> startups</li> <li><b>11+</b> International partnerships made by the state govt. to boost startups</li> </ul>	<ul style="list-style-type: none"> <li><b>Rajasthan Digifest'22</b> held in Jaipur to give funding of <b>INR 4.41Cr</b> to around <b>65+</b> startups</li> <li>iStart partnership with <b>60+</b> VC firms to assist startups in fundraising</li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li><b>US\$ 7.5B</b> of VC fund was raised by Tech startups in the first half of 2022</li> <li><b>Ranked 8</b> among cities globally in the <b>amount of VC investment</b> attracted by its <b>Fintech</b> sub-sector</li> </ul>	<ul style="list-style-type: none"> <li><b>US\$ 899M+</b> raised by startups in the city</li> <li><b>24K+</b> active investments have been made in startups since 2020</li> </ul>
<b>Scalability</b>	<ul style="list-style-type: none"> <li>Has the highest no. of unicorns (<b>39</b>) in the country</li> <li><b>High growth potential</b> since it is a renowned tech hub with an established network of resources</li> </ul>	<ul style="list-style-type: none"> <li><b>Car Dekho (GirnarSoft) &amp; DealShare</b> are <b>2</b> unicorns from the city</li> <li>Emerging startup ecosystem housing <b>40+</b> venture-backed firms</li> </ul>



# Indian cities have risen in global city-level startup ecosystem rankings, with Bangalore taking the lead at 8<sup>th</sup> position in the world

## Global Startup Scenario

58% of startups have less than <b>\$25,000</b> at their disposal during the startup phase	The <b>USA</b> is the leading country by the <b>number of startups</b> (71,153)	<b>7.1%</b> of the startups in the world <b>operate in the Fintech</b> industry	Only <b>40%</b> of startups are able to <b>become profitable</b>	<b>Around 50%</b> of Unicorn companies are located in the United States	60% of entrepreneurs agree that <b>AI</b> is currently the most <b>promising innovation technology</b>
	The value of eCommerce sales globally is around <b>\$3.5 trillion</b> , with rapid growth expected in the future	<b>19%</b> of startup leaders agree that <b>competition is the greatest challenge</b> when starting a business	From 2018 to 2022, US startup's average funding amount <b>grew by 13.6% CAGR</b> for series A rounds		

Global Ranking	Country (level ecosystem)	Global Ranking	City (level ecosystem)	Top sectors
1	USA	1	San Francisco	<ul style="list-style-type: none"> <li>eCommerce Tech</li> <li>FinTech</li> <li>AI</li> </ul>
2	UK	2	New York	<ul style="list-style-type: none"> <li>FinTech</li> <li>IT Security</li> <li>Real Estate</li> </ul>
3	Israel	3	London	<ul style="list-style-type: none"> <li>HR Tech</li> <li>FinTech</li> <li>EdTech</li> </ul>
19	India	8	Bangalore	<ul style="list-style-type: none"> <li>Enterprise Tech</li> <li>FinTech</li> <li>EdTech</li> </ul>

eCommerce Tech and FinTech are amongst the top sectors that overlap with emerging hubs in the Indian startup ecosystem as well

HR Tech, Real Estate, and IT security are three sectors that Indian entrepreneurs can explore

# Liverpool, Cambridge, Osaka, and Dallas are emerging global startup hubs beyond Tier 1 cities providing tax rebates, funding, and mentoring support to the startups



	Liverpool	Cambridge	Osaka	Dallas-Fort Worth
<b>Country</b>	• United Kingdom	• United Kingdom	• Japan	• United States
<b>Population</b>	• ~906K	• ~146K	• ~19.1M	• ~1.5M
<b>Top sectors</b>	<ul style="list-style-type: none"> <li> Health and Health Tech</li> <li> Ecommerce &amp; Retail</li> <li> Software and Data</li> </ul>	<ul style="list-style-type: none"> <li> Health and Health Tech</li> <li> Fintech</li> <li> Energy and Environment</li> </ul>	<ul style="list-style-type: none"> <li> Hardware and IoT</li> <li> Education</li> <li> Foodtech</li> </ul>	<ul style="list-style-type: none"> <li> Enterprise Tech</li> <li> Health and Health Tech</li> <li> FinTech</li> </ul>
<b>Top startups</b>	Medallia  LivingLens  OH MY MOOD  sentic music	eLife  eSchools  PATIENTS KNOW BEST	Mountain Gorilla  Orano  nosh	INTEGRITY  STACKPATH  Island
<b>Notable policies and initiatives</b>	<ul style="list-style-type: none"> <li>• <b>Liverpool Youth Contract</b> <ul style="list-style-type: none"> <li>– Nationally funded program offering an apprenticeship wage subsidy of up to <b>US\$ 3.56K</b></li> </ul> </li> <li>• <b>Liverpool City Region Local Enterprise Partnership (LEP)</b> <ul style="list-style-type: none"> <li>– Focus on developing an innovation economy with <b>~3 science parks</b> and Liverpool Innovation Park</li> <li>– <b>Business &amp; IP Centre</b> with a wide range of advice and resources to small business owners</li> </ul> </li> <li>• <b>Grants and funding support</b> <ul style="list-style-type: none"> <li>– Business Growth Grant scheme allocates funds of <b>~US\$ 15.25M</b> from the Regional Growth Fund</li> <li>– <b>~US\$ 10-101K</b> grant to small businesses to fund up to <b>20%</b> of projects and spark co-investment from private sector</li> <li>– Regional Investment Aid Merseyside provides <b>funding to job creators</b> in areas of high unemployment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Access to talent</b> <ul style="list-style-type: none"> <li>– <b>High-quality education and renowned institutions</b> like the University of Cambridge</li> <li>– Average working population being <b>60K+</b> (2015 survey)</li> </ul> </li> <li>• <b>Access to business support</b> <ul style="list-style-type: none"> <li>– Science parks and accelerators, co-working spaces run by the <b>University of Cambridge</b></li> <li>– Business lounges, membership programs for access to grants and funding</li> </ul> </li> <li>• <b>Access to funding</b> <ul style="list-style-type: none"> <li>– Organisations such as <b>Connecting Cambridgeshire</b> and <b>Enterprise East Cambridgeshire</b> provide mentoring and funding support</li> <li>– <b>Well served by angel networks</b>, Cambridge Angels are the most prominent of these; making investments of up to <b>US\$ 1.2M</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Osaka Innovation Hub (OIH)</b> <ul style="list-style-type: none"> <li>– OIH <b>conducts various events</b> including hackathons, pitch events, accelerating programs, and international conventions, aiming for establishing a network to create innovation</li> </ul> </li> <li>• <b>5G X LAB OSAKA</b> <ul style="list-style-type: none"> <li>– Supports <b>small and medium-sized startup enterprises that are exploring 5G</b> (5th generation mobile communication system) applications and helps them to produce new 5G-based products and services</li> </ul> </li> <li>• <b>World Expo to be held in Osaka in 2025</b> <ul style="list-style-type: none"> <li>– With theme “<b>Designing Future Society for Our Lives</b>” the world expo is expected to help creation of innovations for <b>new tourism and industries</b> throughout the Kansai region</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Opportunity Zones Program</b> <ul style="list-style-type: none"> <li>– <b>Federal tax benefit</b> encouraging private investment in certain state-designated zones in the city</li> </ul> </li> <li>• <b>Mayor’s Startup Package</b> <ul style="list-style-type: none"> <li>– Provides <b>US\$ 500K+ in-kind offerings</b> to help entrepreneurs start &amp; grow their businesses including services from Amazon, IBM, Google, etc.</li> </ul> </li> <li>• <b>Enterprise Zones</b> <ul style="list-style-type: none"> <li>– Offer <b>local &amp; state tax benefits for new &amp; growing businesses</b> including benefits like State Sales &amp; Use Tax refunds, Franchise Tax reductions, etc.</li> </ul> </li> <li>• <b>Tax Abatement Program</b> <ul style="list-style-type: none"> <li>– Local governments publicly <b>finance required structural improvements and infrastructure</b> for startups</li> </ul> </li> </ul>

Note(s): Conversion rates: 1 EUR = 1.02 USD, 1 GBP = 1.20 USD; Top sectors were identified by measuring ecosystems based on the number of startups, their quality & business environment; Top startups have been identified basis their traction; Population as of 2021  
 Source(s): Secondary research, Praxis analysis

# Case study: DealShare, a Jaipur-based social e-commerce platform turns unicorn with the help of fresh funding rounds and government collaborations

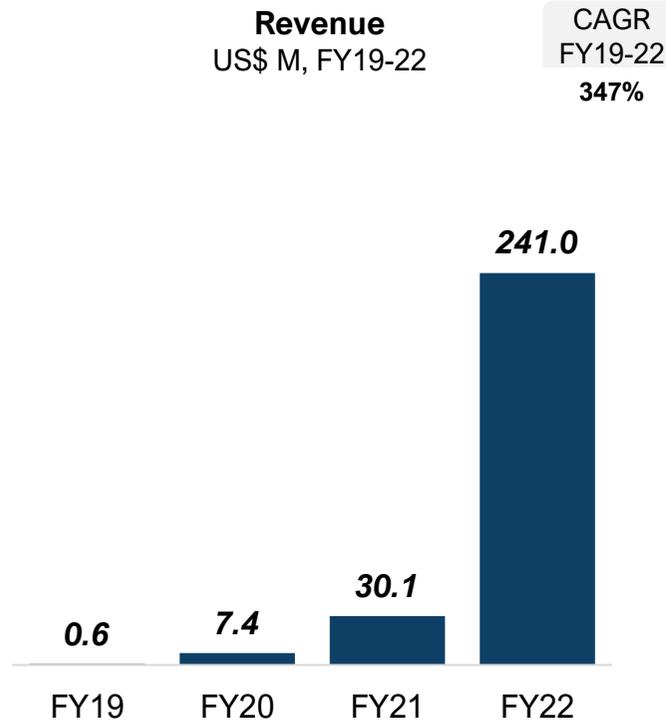


## DealShare Company Profile

Dealshare is a **social e-commerce model** with the objective to **re-invent retail** for the next billion users. It offers relevant catalogs with **low prices** and shopping experiences with **vernacular browsing**. The company offers deals on various products like fruits & vegetables, grocery items, fashion accessories and more.

<b>Founded in</b> 2018	<b>Based in</b> Jaipur, Rajasthan
<b>Total funding<sup>1</sup></b> ~US\$ 393M	<b>~400x growth</b> in revenue, FY19-22
<b>Unicorn status</b> with valuation of <b>US\$ 1.7B*</b>	<b>15M+</b> Customers
<b>2K+</b> Employees	<b>1B+</b> Deliveries
Operations in <b>100+ cities</b>	Expanding across <b>10+ states</b>

### Notable Investors



### DealShare's Growth drivers

**Collaborated with Rajasthan Government** to build a procurement system for supporting **45K+ kiranas**, fostering initial B2B systems, thereby strengthening its **partner base**

**Low-cost high impact model** operated via availability of **locally abundant manufactured products**, promoted by **local government** in Jaipur

**Partnered with the government** to launch their online sales platform, **E-Bazaar Kirana**, connecting wholesalers and retail stores across districts, and thus **consolidating** their partner base

DealShare targets **non-metro cities and lower to middle-income groups** in India, thus making Jaipur an attractive market

Note(s): 1. Funding amount includes publicly disclosed rounds; 2. Conversion rate: US\$ 1=INR 80 \*Valuation as of Feb 17, 2022; Financial Year FY22 starts from April 2021 to March 2022  
Source(s): Tracxn, Crunchbase, PGA Labs Pulse deal database, Secondary research, Praxis analysis

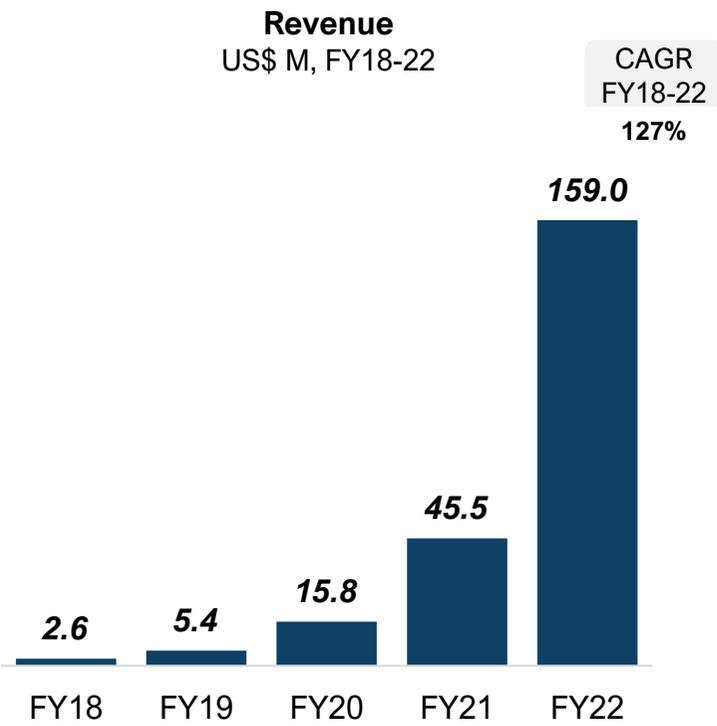
# Case study: DeHaat from Patna generated US\$ 159M revenue in FY22 by working in collaboration with the state government and having 1M+ farmers service network



**DeHaat Company Profile**

DeHaat provides **end-to-end solutions and services** to the **farming community** in India. It is building an AI-enabled technology to revolutionize the supply chain and production efficiency in this sector. It offers **solutions** to farmers, micro-entrepreneurs, and institutional buyers.

<b>Founded in</b> 2012	<b>Based in</b> <b>Patna, Bihar</b>
<b>Total funding<sup>1</sup></b> ~US\$ 194.3M	<b>70+</b> Input Suppliers
<b>Annual growth rate ~3-4x</b>	<b>1M+</b> Farmers service network
<b>250+</b> Corporate Buyers	<b>3K+</b> DeHaat microentrepreneurs
<b>1.8K+</b> DeHaat Centers	<b>Farm plus</b> Agri-supply chain unit with <b>8K+ orders</b>



**DeHaat’s Growth drivers**

Introduction of the **Farm Bill 2020**: Enables direct buying from farmers for DeHaat and **eases tedious process of procuring license** from APMCS<sup>3</sup> helping in **onboarding more and more farmers** and thus helping expand its customer base

Signed **MoU<sup>4</sup>** with **women farmer groups** of World Bank funded - Jharkhand State Government program “**Johar**”, which increased the income of rural households and **farmer base for DeHaat**, thereby expanding its customer base

Signed **MoU** with Foundation for Development of Rural Value Chains (FDRVC) to **facilitate engagements between DeHaat and producer enterprises** for better **market linkages**, which helps to strengthen its supply chain

DeHaat works with **10 NABARD<sup>6</sup> FPOs<sup>7</sup>** in Bihar & Odisha and has tied up with **Jeevika (BRLPS<sup>8</sup>) FPOs** to establish a system for **sustained input and output marketing** in each producer company, which helps it to maintain its strong brand name

Note(s): 1. Funding amount includes publicly disclosed rounds; 2. Conversion rate: US\$ 1=INR 80; 3. APMCS: Agricultural Produce & Livestock Market Committee; 4. MoU: Memorandum of Understanding; 5. Information and Communications Technology; 6. National Bank for Agriculture and Rural Development; 7. Farmer Producer Organizations; 8. Bihar Rural Livelihoods Promotion Society; Financial Year FY22 starts from April 2021 to March 2022  
Source(s): Tracxn, Crunchbase, PGA Labs Pulse deal database, Secondary research, Praxis analysis

# Case study: Pi Datacenters from Guntur raised a total funding of ~US\$ 112.7M and set up data centers in Special Economic Zones for availing government incentives



## Pi Datacentres' Company Profile

Pi Datacenters provides innovative and customized products and solutions to businesses in cloud technologies with IaaS<sup>3</sup>, PaaS<sup>4</sup>, DRaaS<sup>5</sup> and other cloud-enabled services. The company is targeting customers from **governments** and city administrations as well as **BFS, e-commerce, hospitals** and **educational institutions**.

Founded in 2014

Based in Guntur, Andhra Pradesh

### Industries served

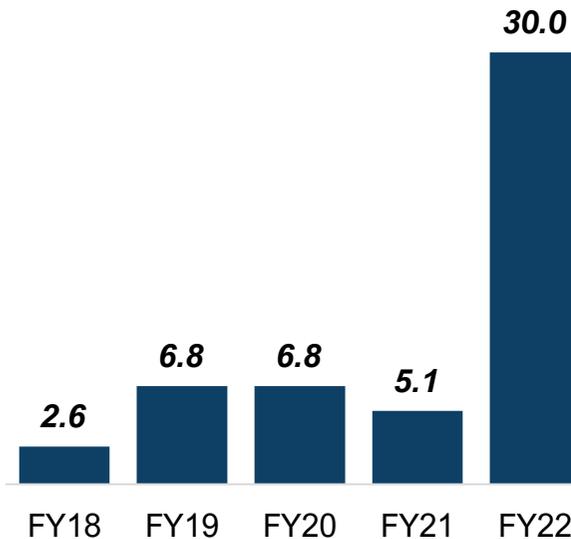


~12x growth in revenue, FY18-22

Key products range from SAP<sup>6</sup>, SaaS<sup>7</sup> Harbour Front, Internet Exchange, Security to Pi Workspace

Total funding<sup>1</sup> ~US\$ 112.7M

Revenue US\$ M, FY18-22  
CAGR FY18-22 63%



## Pi Datacentres' Growth drivers

Maharashtra, Andhra Pradesh, and Telangana governments provide **incentives for data center development**, thereby helping **promote** companies like Pi Datacenters

**AP Cloud Hub Policy 2018-20, AP IT Policy 2014-20 & Integrated Innovation and Technology Centre Policy** by the Andhra Pradesh government **promote investments** in the IT and data center companies like Pi Datacenters

Infopark (Kochi), a special economic zone (SEZ) provides **tax, infrastructure, and other incentives** to the companies like Pi; **Pi Kochi** data center is set up in the said SEZ

Pi Datacenters being **MeitY<sup>8</sup> and GeM<sup>9</sup> empaneled**, provides services to government and public sector, thus having **big-ticket customers**

## Notable Investors



Note(s): 1. Funding amount includes publicly disclosed rounds; 2. Conversion rate: US\$ 1=INR 80; 3. Infrastructure-as-a-Service; 4. Platform-as-a-Service; 5. Disaster-Recovery-as-a-Service; 6. Systems, Applications & Products; 7. Software-as-a-Service; 8. Ministry of Electronics and Information Technology; 9. Government e-Marketplace; Financial Year FY22 starts from April 2021 to March 2022  
Source(s): Tracxn, Crunchbase, PGA Labs Pulse deal database, Secondary research, Praxis analysis

# Agenda

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Indian Startup Ecosystem at a glance

Startup ecosystem beyond Tier 1 cities

Emerging hubs beyond Tier 1 cities

Key success parameters and case studies

Best practices and learnings

Role of government for promotion of startups

Key challenges and growth drivers



# Startup Odisha supported 1400+ startups; Startup Accelerator Chamber of Commerce mentored 150+ startups (1/5)



City	Policy	Outcome
Bhubaneswar	 <ul style="list-style-type: none"> <li>• <b>Startup Odisha, 2016</b> <ul style="list-style-type: none"> <li>– Promote Ideas/Innovations of budding entrepreneurs in the state</li> <li>– Working towards the scaling-up of ideas towards a sustainable business model with a high potential for employment generation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Startup Odisha has been home to the best entrepreneurial minds</li> <li>• <b>1415 total startups</b> supported already</li> <li>• 5L sq. ft. incubation space, hosting <b>93 incubates</b></li> <li>• <b>140 seed-funded</b> startups, <b>21 venture</b> funded</li> </ul>
Chandigarh	 <ul style="list-style-type: none"> <li>• <b>Invest Punjab, 2013</b> <ul style="list-style-type: none"> <li>– <b>14+</b> participating departments providing <b>100+</b> regulatory clearances and <b>36</b> fiscal incentives</li> <li>– Facilitate <b>1K+ startups</b> in 5 years</li> <li>– Set up <b>10 incubation centers</b> focusing on digital manufacturing, etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Seed Funding: <b>Seed grant up to INR 3L per startup</b> provided for validation of idea, prototype development</li> <li>• Collaboration of <b>ISB<sup>1</sup>, IITs<sup>2</sup>, IISER<sup>3</sup></b> and other national institutes with venture capital</li> </ul>
	 <ul style="list-style-type: none"> <li>• <b>Chitkara Innovation Incubation Foundation, 2013</b> <ul style="list-style-type: none"> <li>– Promote entrepreneurship through mentoring, networking, funding, and incubation</li> <li>– Support tech and non-tech startups in fields of <b>AgriTech, HealthTech, EdTech</b>, etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>3+</b> incubators in Chandigarh, Mohali, and Punjab</li> <li>• Mentored <b>120+ startups</b></li> <li>• Organized events like startup huddle, mentor-mentee connect, startup weekend, and SURGE 1.0 with <b>700+</b> entrepreneurs</li> <li>• <b>CEED<sup>4</sup> accelerator program (CAP)</b> offering data analytics, design thinking, marketing, idea validation &amp; feasibility studies</li> </ul>
	 <ul style="list-style-type: none"> <li>• <b>Startup Accelerator Chamber of Commerce (SACC), 2014</b> <ul style="list-style-type: none"> <li>– Know-how related to government compliances, regulations, and procedures</li> <li>– Access to funding channels, co-working space and go-to-market strategy</li> <li>– SACC University for aspiring entrepreneurs (startup meets and mentors)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>150+</b> startups mentored with <b>40+</b> boot camps and <b>30+</b> events</li> <li>• Launched <b>Startup in a box</b> initiative for co-working space</li> <li>• <b>~5K+</b> sq. ft incubation space with <b>35+</b> regional university connect</li> </ul>
	 <ul style="list-style-type: none"> <li>• <b>Innovation Mission Punjab (IM Punjab), 2020</b> <ul style="list-style-type: none"> <li>– Three pillars of the mission: Pollinator, Accelerator, and <b>INR 150Cr</b> Innovation fund (VC)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Launched the <b>Punjab Incubators Network for Entrepreneurs (PINE)</b> with networking and training sessions to support and co-incubate startups</li> <li>• Going to launch its first cohort of <b>15 startups</b> under the <b>IM Punjab Accelerator program</b> with <b>INR 3L</b> as experimental capital to validate assumptions and create scalability</li> </ul>

Note(s): 1. Indian School of Business; 2. Indian Institutes of Technology; 3. Indian Institute of Science Education and Research; 4. Centre for Entrepreneurship Education and Development  
 Source(s): Government website, Press release, Secondary research, Praxis analysis

# Cultiv8 supported startups to raise INR 62Cr; In the i5 summit 2021, 420+ startups were supported by 200+ investors (2/5)



City	Policy	Outcome
Coimbatore	 <ul style="list-style-type: none"> <li>• <b>FORGE (Coimbatore Innovation and Business Incubator), 2014</b> <ul style="list-style-type: none"> <li>– Provides startups with <b>industrial innovation labs</b>, innovation grants, startup seed capital, knowledge resources &amp; program management capabilities, and global partner networks</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>100+</b> startups incubated and on-boarded <b>10+ corporate partners</b></li> <li>• Supported startups with <b>INR 10Cr+</b> investments</li> <li>• <b>200+</b> product innovations</li> </ul>
	 <ul style="list-style-type: none"> <li>• <b>Cultiv8 (Incubator), 2016</b> <ul style="list-style-type: none"> <li>– Builds, deploys and validates startup products with <b>10 prospective clients</b> and raise <b>seed money in 120 days</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Assisted startups to raise <b>INR 364L</b> in seed funding and <b>INR 62Cr</b> in venture &amp; angel funding</li> <li>• <b>50+</b> products released</li> </ul>
	 <ul style="list-style-type: none"> <li>• <b>Tamil Nadu Seed Grant Fund Scheme (TANSEED) 2021, under Startup TN</b> <ul style="list-style-type: none"> <li>– Provides a seed fund support up to <b>INR 10L</b> as a grant to budding startup entrepreneurs in their early stages of the company</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Supported <b>10+</b> startups in the 1<sup>st</sup> edition</li> <li>• Supported <b>20+</b> startups in the 2<sup>nd</sup> edition</li> <li>• High success rate as <b>TANSEED 4.0</b> to be launched in 2022</li> </ul>
	 <ul style="list-style-type: none"> <li>• <b>Startup Tamil Nadu (TN), 2018-2023</b> <ul style="list-style-type: none"> <li>– <b>One-stop solution</b> for startups</li> <li>– Support at least <b>5K technology startups</b> in the state</li> <li>– Funding support: Up to <b>INR 10L</b> seed grant, <b>INR 10-50L</b> matching grant support for startups</li> <li>– Revolving fund support to incubators up to <b>INR 50L</b> every year</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>4,121</b> DPIIT<sup>1</sup> certified startups</li> <li>• <b>148</b> enablers and partners</li> <li>• <b>35</b> incubators</li> <li>• Total of <b>1579 institutions</b> have become part of the startup ecosystem</li> </ul>
Indore	 <ul style="list-style-type: none"> <li>• <b>Indore Smart Seed Incubation Centre under CIIE, 2021</b> <ul style="list-style-type: none"> <li>– Physical incubation and co-working, guidance &amp; mentoring, and <b>fundraising</b> support with a major <b>focus on cities beyond Tier 1</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Learning programs like Entrepreneur In Residence with <b>INR 10-30K/monthly fellowship support</b></li> <li>• Initiatives like <b>Innocity learn, startup school</b>, etc.</li> </ul>
	 <ul style="list-style-type: none"> <li>• <b>i5 Summit, 2021</b> <ul style="list-style-type: none"> <li>– Joint annual event by <b>IIT and IIM Indore</b> for incubation support</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Support to <b>420+ startups</b> by <b>200+ investors</b> and <b>INR 140Cr+</b> funding raised</li> </ul>
	 <ul style="list-style-type: none"> <li>• <b>Madhya Pradesh Startup policy, 2022</b> <ul style="list-style-type: none"> <li>– <b>Institutional support</b> including ease of doing business &amp; rental assistance with <b>incubation assistance of INR 5L</b> for the up-gradation of Incubators</li> <li>– Promotion of <b>product-based startups</b></li> <li>– Marketing, financial and non-financial support</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of <b>Madhya Pradesh startup center</b>: Access to local and global markets/events &amp; workshops; promoting the startup ecosystem</li> <li>• <b>81</b> registered startups with <b>17</b> registered mentors</li> </ul>

Note(s): 1. Department for Promotion of Industry and Internal Trade  
 Source(s): Government website, Press release, Secondary research, Praxis analysis

# iStart Rajasthan has supported 1.7K+ startups with a total investment of INR 195Cr; Kochi has the largest electronic hardware incubator in India (3/5)



City	Policy	Outcome
Jaipur	 <ul style="list-style-type: none"> <li><b>Mahindra World City, 2006</b> <ul style="list-style-type: none"> <li>North India's largest <b>multi-product SEZ</b> (Special Economic Zone)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Hub for <b>90+ companies</b>, generating <b>7.2K+ direct employment</b></li> </ul>
	 <ul style="list-style-type: none"> <li><b>Startup Oasis, 2013 under CIIE<sup>1</sup></b> <ul style="list-style-type: none"> <li>Supports innovative and impactful startups in cities beyond Tier 1, and raised <b>INR 819Cr+ funds</b></li> <li>Offers grants, seed investments, incubation, and acceleration</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>~300</b> startups supported</li> <li><b>Trained 5.2K+</b> entrepreneurs and funded <b>~45+</b> startups</li> <li><b>3.7K+</b> employment generated by startups</li> </ul>
	 <ul style="list-style-type: none"> <li><b>iStart Rajasthan, 2017</b> <ul style="list-style-type: none"> <li><b>Integrated single window platform</b> for startups, investors, incubators, etc.</li> </ul> </li> <li><b>Bhamashah Techno Hub (Incubator) under iStart</b> <ul style="list-style-type: none"> <li><b>INR 500Cr</b> fund for potential &amp; emerging startups including <b>INR 100Cr</b> for women startups &amp; <b>INR 50Cr</b> for green startups</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Impacted <b>1.7K+ startups</b>, created <b>20.8K+ jobs</b> with a total <b>investment of INR 195Cr</b></li> <li>Facilitated the startups to connect with <b>100+ investors</b></li> <li><b>1,00,000 sq. ft</b> of incubation space</li> <li>Biggest hub with a seating capacity of <b>700+</b> startups</li> </ul>
	 <ul style="list-style-type: none"> <li><b>Marwari Catalysts, 2019</b> <ul style="list-style-type: none"> <li>Global startup accelerator offering professional training, co-working space, connect with venture capitalists, and <b>accelerator programs like 'Thrive'</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>~INR 1,587Cr</b> net portfolio valuation with <b>20+</b> venture partners</li> <li><b>5K+</b> startups reviewed with <b>40+</b> portfolios and <b>accelerated 50+</b> startups</li> </ul>
	 <ul style="list-style-type: none"> <li><b>Startup Chaupal (integrated platform), 2020</b> <ul style="list-style-type: none"> <li>Virtual incubator and <b>fundraising platform</b> for seed-stage startups</li> <li>Provides startup support services such as team building, MVP<sup>2</sup> creation, IPR<sup>3</sup>, valuation, and other compliances with a focus on <b>Tier II and III cities of India</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Supported <b>150+ startups</b> with <b>50+</b> startups being graduated</li> <li><b>100+</b> mentors and investors including <b>100+ startup events</b></li> <li>Launched <b>Virtual Incubation Program (VIP)</b> and <b>funding support through Startup Chaupal Angel Network (SCAN)</b></li> </ul>
	Kochi	 <ul style="list-style-type: none"> <li><b>Kerala Startup Mission, 2006 (KSUM)</b> <ul style="list-style-type: none"> <li>Promotes entrepreneurship and innovation in technology</li> <li><b>10L+ sq. ft.</b> incubation space, <b>40+ incubators</b>, and <b>300+ innovation centers</b></li> </ul> </li> </ul>
 <ul style="list-style-type: none"> <li><b>Kerala Technology Innovation Zone - KTIZ, Kochi (Under KSUM), 2016</b> <ul style="list-style-type: none"> <li><b>One-stop destination</b> for technology innovation, incubation, acceleration, and mentor support with a wide network of angel investors</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>Launched South Asia's largest <b>digital hub</b> and <b>electronics incubator</b></li> <li><b>Integrated startup complex</b> with support to <b>500+ startups</b></li> <li>Generated employment for <b>5.5K+</b> people</li> </ul>
 <ul style="list-style-type: none"> <li><b>Maker village, Kochi, 2019</b> <ul style="list-style-type: none"> <li>Largest <b>electronic hardware incubator</b> and ESDM<sup>4</sup> facility offering <b>co-working spaces</b>, labs, <b>3D printing</b> facility, etc. with <b>60K sq. ft</b> facility</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>Launched multiple startup programs: <b>SAMRIDH<sup>5</sup>-accelerator</b>, <b>NIDHI<sup>6</sup>-accelerator</b>, <b>TIDE 2.0 grant</b>, <b>NIDHI Prayas</b>, etc.</li> <li><b>~5</b> village startups received <b>TIDE<sup>7</sup> 2.0 grant</b></li> </ul>

Note(s): 1. Centre for Innovation, Incubation and Entrepreneurship, 2. Minimum viable product 3. Intellectual Property Rights 4. Electronics System Development and Maintenance, 5. Startups Accelerator of MeitY for Product Innovation, Development & Growth, 6. National Initiative for Developing and Harnessing Innovations, 7. Technology Incubation and Development of Entrepreneurs  
 Source(s): Government websites, Press releases, Secondary research, Praxis analysis

# Under Startup Incubation and Innovation, IIT Kanpur, 100+ companies incubated and raised ~INR 16Cr funds; SSIP Gujarat sanctioned INR 19.5Cr in grants (4/5)

City	Policy	Outcome
Lucknow	 <ul style="list-style-type: none"> <li>• <b>Startup Incubation and Innovation, IIT Kanpur, 2000</b> <ul style="list-style-type: none"> <li>– Provides the right space and opportunities for converting startup ideas into products and business</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>100+</b> companies incubated</li> <li>• <b>~INR 7,933Cr+</b> combined valuation</li> <li>• <b>~INR 16Cr</b> funds raised</li> </ul>
	 <ul style="list-style-type: none"> <li>• <b>Start In UP (Uttar Pradesh), 2017</b> <ul style="list-style-type: none"> <li>– Establish/support <b>100+ incubators</b>, a minimum of one in each district of the state</li> <li>– Develop <b>1M+ sq. ft</b> of incubation/acceleration space for startups</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>6.3K+</b> UP startups registered under the Startup India program</li> <li>• <b>48+</b> approved Incubators by the Government of Uttar Pradesh</li> <li>• <b>INR 195.1L</b> disbursed in incubators</li> <li>• <b>INR 276.9L</b> disbursed in startups</li> <li>• <b>3 CoEs<sup>3</sup></b> approved with <b>~INR 633.6L</b> disbursed in these CoE's</li> </ul>
Surat	 <ul style="list-style-type: none"> <li>• <b>Association for Harnessing Innovation and Entrepreneurship (ASHINE), 2017</b> <ul style="list-style-type: none"> <li>– <b>Technology business incubator</b> at SVNIT<sup>2</sup>, Surat</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>30</b> innovative projects supported as proof-of-concept (PoC)</li> <li>• <b>26</b> startups incubated under pre-incubation program</li> <li>• <b>25</b> startups incubated under incubation program</li> <li>• Total of <b>194</b> startups have been supported</li> </ul>
	 <ul style="list-style-type: none"> <li>• <b>SSIP (Student Startup &amp; Innovation Policy) 2017-2021</b> <ul style="list-style-type: none"> <li>– Aims to create an integrated, <b>state-wide, university-based innovation ecosystem to support innovations and ideas of young students</b></li> <li>– Up to <b>INR 2L</b> for developing prototype and grant of <b>~INR 25L</b> for IPR filing</li> <li>– Support at least <b>1K+</b> student-led innovations per year through workshops</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Total <b>INR 19.5Cr SSIP grant</b> sanctioned</li> <li>• More than <b>2.5L students</b> have been outreached</li> <li>• <b>900+ prototypes from startups</b> have been supported</li> <li>• <b>186 nodal institutes</b> and <b>1.6K+ mentors</b></li> <li>• <b>i-Hub</b> under SSIP                             <ul style="list-style-type: none"> <li>– <b>Co-working and pre-incubation</b> support</li> <li>– <b>Collaboration with BSE</b> for raising funds</li> </ul> </li> <li>• <b>5</b> affiliated universities in Surat out of 186 universities in Gujarat</li> <li>• <b>8</b> institutions under SSIP</li> </ul>

Note(s): 1. Gujarat State Biotechnology Mission; 2. Sardar Vallabhbhai National Institute of Technology; 3. Centre of Excellence  
 Source(s): Government website, Press release, Secondary research, Praxis analysis

# Gujarat venture funds allocated ~INR 11.3Cr budget for biotechnology startups; CET TBI provides an IP building platform (5/5)

City	Policy	Outcome
Vadodara	 <ul style="list-style-type: none"> <li>• <b>Gujarat venture funds, 1990</b> <ul style="list-style-type: none"> <li>– Gujarat Venture Finance Ltd. (GVFL) and the Gujarat Angel Investors Network (GAIN) are 2 of the active investor community organizations</li> <li>– A budget of INR <b>11.3Cr</b> allocated to GVFL startup fund for biotechnology startups of Gujarat by GSBTM<sup>1</sup></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The GVFL Startup Fund, Gujarat Biotechnology Venture Fund, and Gujarat IT Fund are <b>3 startup-focused funds</b></li> <li>• <b>90+</b> investments, with success stories in Vadodara:                             <ul style="list-style-type: none"> <li>– 20 Microns Ltd. (achieved turnover INR 1B+)</li> <li>– Saraf Foods Limited (indigenous technology in Vacuum Freeze Dried Fruits)</li> <li>– Permionics India Limited</li> </ul> </li> </ul>
	 <ul style="list-style-type: none"> <li>• <b>Gujarat University Startup and Entrepreneurship Council (GUSEC), 2017</b> <ul style="list-style-type: none"> <li>– Zero-day, Zero-cost startups support</li> <li>– <b>1M+</b> sq. ft. of incubation/acceleration space for startups to be developed</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Startups generated <b>INR 40Cr+</b> revenue, <b>4.1K+</b> revenue jobs, startup workshops provided to <b>231K+</b> students</li> <li>• <b>400+</b> supported startups, accelerated <b>90+</b> product startups</li> <li>• Success stories like MySkillShala in Vadodara</li> </ul>
	 <ul style="list-style-type: none"> <li>• <b>SSIP (Student Startup &amp; Innovation Policy) 2017-2021</b> <ul style="list-style-type: none"> <li>– Aims to create an <b>integrated, state-wide, university-based innovation ecosystem</b> to support innovations and ideas of young students</li> <li>– Up to <b>INR 2L</b> for developing prototype and grant of <b>~INR 25L</b> for IPR filing</li> <li>– Conduct workshops for supporting at least <b>1K+</b> student-led innovations per year</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>SSIP grant</b> for a total of <b>INR 19.5Cr</b> was sanctioned</li> <li>• Outreach to more than <b>2.5L students</b></li> <li>• Supported <b>900+ prototypes from startups</b></li> <li>• <b>186 nodal institutes</b> and <b>1.6K+ mentors</b></li> <li>• <b>i-Hub</b> under SSIP offers <b>co-working and pre-incubation</b> support along with <b>collaboration with BSE</b> for raising funds</li> <li>• <b>6</b> affiliated universities in Vadodara out of 186 universities in Gujarat</li> <li>• <b>6</b> institutions under SSIP in Vadodara</li> </ul>
	 <ul style="list-style-type: none"> <li>• <b>Vadodara startup studio (established under Parul University), 2020</b> <ul style="list-style-type: none"> <li>– Creates innovative and scalable startup ventures by offering them <b>pre-seed grant support</b> through government grants/schemes and private funding opportunities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Accelerated 130+</b> startups</li> <li>• Worked with <b>45+</b> domain experts/mentors</li> <li>• <b>1.8K+</b> job &amp; internship opportunities generated</li> <li>• <b>INR 72Cr+</b> revenue generated by the startups collectively</li> </ul>
Thiruvananthapuram	 <ul style="list-style-type: none"> <li>• <b>Kerala Startup Mission, 2006 (KSUM)</b> <ul style="list-style-type: none"> <li>– Promotes entrepreneurship and innovation in technology</li> <li>– <b>10L+ sq. ft</b> incubation space, <b>40+ incubators</b>, and <b>300+ innovation centers</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Supports <b>3.1K+</b> registered startups and disbursed <b>INR 19.6Cr</b> grants</li> </ul>
	 <ul style="list-style-type: none"> <li>• <b>College of Engineering – Technology Business Incubator, Trivandrum (CET TBI)</b> <ul style="list-style-type: none"> <li>– Provides a platform for startups to benefit from the infrastructure of CET with the objective of <b>building IP for scale-up and commercialization</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Incubated 36+</b> startups by providing high-tech facilities</li> </ul>

Note(s): 1. GSBTM: Gujarat State Biotechnology Mission  
 Source(s): Government website, Press release, Secondary research, Praxis analysis

# Google Startup School to enable 10K+ startups in cities beyond Tier 1 by providing education on growth, tech, and product by unicorn founders and venture capitalists

## Altair India Incubator Initiative

- Launched in **collaboration of Altair**, a global leader in computational science and artificial intelligence (AI) and **Foundation for Innovation and Technology Transfer (FITT)** at **Indian Institute of Technology Delhi (IITD)** to equip startups with the latest cutting-edge technologies
- As part of the initiative, Altair will **collaborate with startup incubators** to identify, **support, and mentor** budding startups and provide them with Altair's simulation, optimization, and machine learning technologies

## Google Startup school

- **9-week virtual program** designed to equip **early-stage startup founders** with the tools, products, and required know-how
- Enable **10K+ startups** in cities **beyond Tier 1**
- Opportunities within the **fin-tech, D2C, B2B and B2C, e-commerce, social media and networking**, job search and other sectors

## Digital India GENESIS

- Gen-next Support for Innovative Startups (GENESIS) initiative to **empower national deep-tech startups**
- Total budget allocated for this program, **INR 750Cr**
- Impact **10K+ tech startups** over the course of the next **5 years**, especially from **beyond Tier 1 cities**
- Ensure **conducive infrastructure** for scaling up with a focus on inclusive **techno-socio-economic development**

## Digital Platform For Startups & Investors

- Dedicated digital collaboration platform for startups and investors to help them **sign investment deals faster**
- To be launched by **DPIIT** in collaboration with **SIDBI (Small Industries Development Bank of India)**
- Onboard **only investors and funding firms from India** and global funds after reviewing the performance of the platform

## SBI Startup Hub branch

- Launched in **collaboration with Karnataka Digital Economy Mission (KDEM)** and **State Bank of India**
- The collaboration will enable startups across the state to access banking facilities, funding, and credit facilities – **INR 2Cr** collateral-free financial assistance will be given to startup entrepreneurs



# State Governments in the emerging hubs are playing a major role in helping the startups grow and scale; grants, funds, network opportunities, etc. offered (1/2)

<b>Bhubaneswar</b>	Revamped Startup Odisha policy, 2022	<ul style="list-style-type: none"><li>• Aimed at meeting more requirements for young startup founders</li><li>• Govt. will create a kind of sensitization and a <b>culture of ideation &amp; innovation</b> at the grassroots</li></ul>
<b>Chandigarh</b>	Startups & Entrepreneurs - Open house networking events, 2022	<ul style="list-style-type: none"><li>• Discussions on the latest tech trends, help in raising capital</li><li>• <b>Network opportunities with investors</b> and incubators</li></ul>
<b>Coimbatore</b>	Tamil Nadu startups and incubators meet TANSEED 4.0, 2022	<ul style="list-style-type: none"><li>• Opportunity for startups and incubators to <b>exhibit their products and services</b></li><li>• Financial support of up to <b>INR 10L</b> to each early-stage startup</li></ul>
<b>Indore</b>	Startup park, Indore i5 Summit, Aug '22	<ul style="list-style-type: none"><li>• Development of a <b>startup park and data center</b> at Super Corridor with <b>INR 450Cr</b> funding by Indore Development Authority</li><li>• <b>Entrepreneurship meet</b> involving investors, speakers and incubators</li></ul>
<b>Jaipur</b>	Finance support to youth for startups Rajasthan DigiFest, 2022	<ul style="list-style-type: none"><li>• Up to <b>INR 5L</b> under <b>iStart Rajasthan</b></li><li>• Target to create <b>1L+ new jobs</b> by supporting <b>10K+ startups</b></li><li>• Bring together youth, startups, investors, corporates, partners and academia to <b>facilitate interaction and collaboration</b></li></ul>
<b>Kochi</b>	Kerala Innovation Drive, 2022 under KSUM <sup>1</sup> Set up Technology Startup Hub, Kochi (Under KSUM <sup>1</sup> ) Collaboration between IIMK Live & CSL <sup>2</sup> , 2022	<ul style="list-style-type: none"><li>• <b>Idea grant up to INR 3L</b>, production grant up to <b>INR 7L</b>, market acceleration grant up to <b>INR 10L</b> scale-up grant up to <b>INR 15L</b>, and productization grant for women/transgender up to <b>INR 12L</b></li><li>• Target setting up <b>15K+ startups</b> and have <b>2L+ jobs</b> in emerging technologies in the next 5 years</li><li>• Supporting the startups in the <b>maritime sector</b> from the technical, regulatory, financial, and marketing point of view by bringing the stakeholders together</li><li>• Startups will get up to <b>INR 50L</b> as seed grants and <b>INR 1Cr</b> as prototyping grants and equity funds</li></ul>

Note(s): 1. Kerala Startup Mission; 2. Cochin Shipyard Limited  
Source(s): Government websites, Press releases, Secondary research, Praxis analysis

# State Governments in the emerging hubs are playing a major role in helping the startups grow and scale; grants, funds, network opportunities, etc. offered (2/2)

<p><b>Lucknow</b></p>	<p>Largest incubator, Lucknow - under UP startup policy, 2025</p>		<ul style="list-style-type: none"> <li>• Develop Lucknow into a <b>complex</b> with <b>infrastructural facility</b> that has a <b>technology hub</b>, an IT park, and other infrastructure</li> <li>• Set up <b>at least one incubator in every UP district</b> by 2023</li> <li>• Plan to have <b>25 incubators</b> in the next 6 months and <b>another 50 in the following period of 6 months</b></li> <li>• Target <b>IT parks in all the 18 commissionaires</b> in the next 2 years</li> </ul>
<p><b>Surat</b></p>	<p>Swachhta startups challenge 2022 under AIC Surat iLAB</p>		<ul style="list-style-type: none"> <li>• Support innovation in <b>social inclusion, zero dump, plastic waste management, and transparency</b></li> <li>• Up to 10 selected projects to receive seed funding of <b>~INR 25L</b> per selected project</li> <li>• <b>1 year of dedicated incubation support</b> from French Tech (AFD<sup>1</sup>)</li> </ul>
	<p>Student Startup &amp; Innovation Policy (SSIP 2.0), 2022-27</p>		<ul style="list-style-type: none"> <li>• Create a student-centric innovation and incubation ecosystem across the academia</li> <li>• Support to <b>10K+</b> student-led Proof-of-Concept (PoCs/Prototype)</li> <li>• Incubate <b>500 startups</b> (physical and virtual) and nurture <b>1K+</b> school student-led innovations</li> <li>• Support <b>500 startups</b> under Startup <b>Srujan Seed Support</b> (up to INR 10L)</li> </ul>
	<p>Gujarat Semiconductor Policy, 2022-27</p>		<ul style="list-style-type: none"> <li>• Provide support to the industries/startups to manufacture semiconductors and set up plants in Gujarat</li> <li>• <b>75% subsidy</b> to be provided on the first 200 acres of land purchase &amp; a <b>50% subsidy</b> on additional land</li> </ul>
<p><b>Vadodara</b></p>	<p>Student Startup &amp; Innovation Policy (SSIP 2.0), 2022-27</p>		<ul style="list-style-type: none"> <li>• Create a student-centric innovation and incubation ecosystem across the academia</li> <li>• Support to <b>10K+</b> student-led Proof-of-Concept (PoCs/Prototype)</li> <li>• Incubate <b>500 startups</b> (physical and virtual) and nurture <b>1K+</b> school student-led innovations</li> <li>• Support <b>500 startups</b> under Startup <b>Srujan Seed Support</b> (up to INR 10L)</li> </ul>
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<p><b>Thiruvananthapuram</b></p>	<p>Kerala Innovation Drive, 2022 under KSUM<sup>2</sup></p>		<ul style="list-style-type: none"> <li>• <b>Idea grant up to INR 3L</b>, production grant up to <b>INR 7L</b>, market acceleration grant up to <b>INR 10L</b> scale-up grant up to <b>INR 15L</b>, and productization grant for women/transgender up to <b>INR 12L</b></li> </ul>

Note(s): 1. Agence Française de Développement; 2. Kerala Startup Mission  
 Source(s): Government website, Press release, Secondary research, Praxis analysis

# Agenda

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Indian Startup Ecosystem at a glance

Startup ecosystem beyond Tier 1 cities

Emerging hubs beyond Tier 1 cities

Key success parameters and case studies

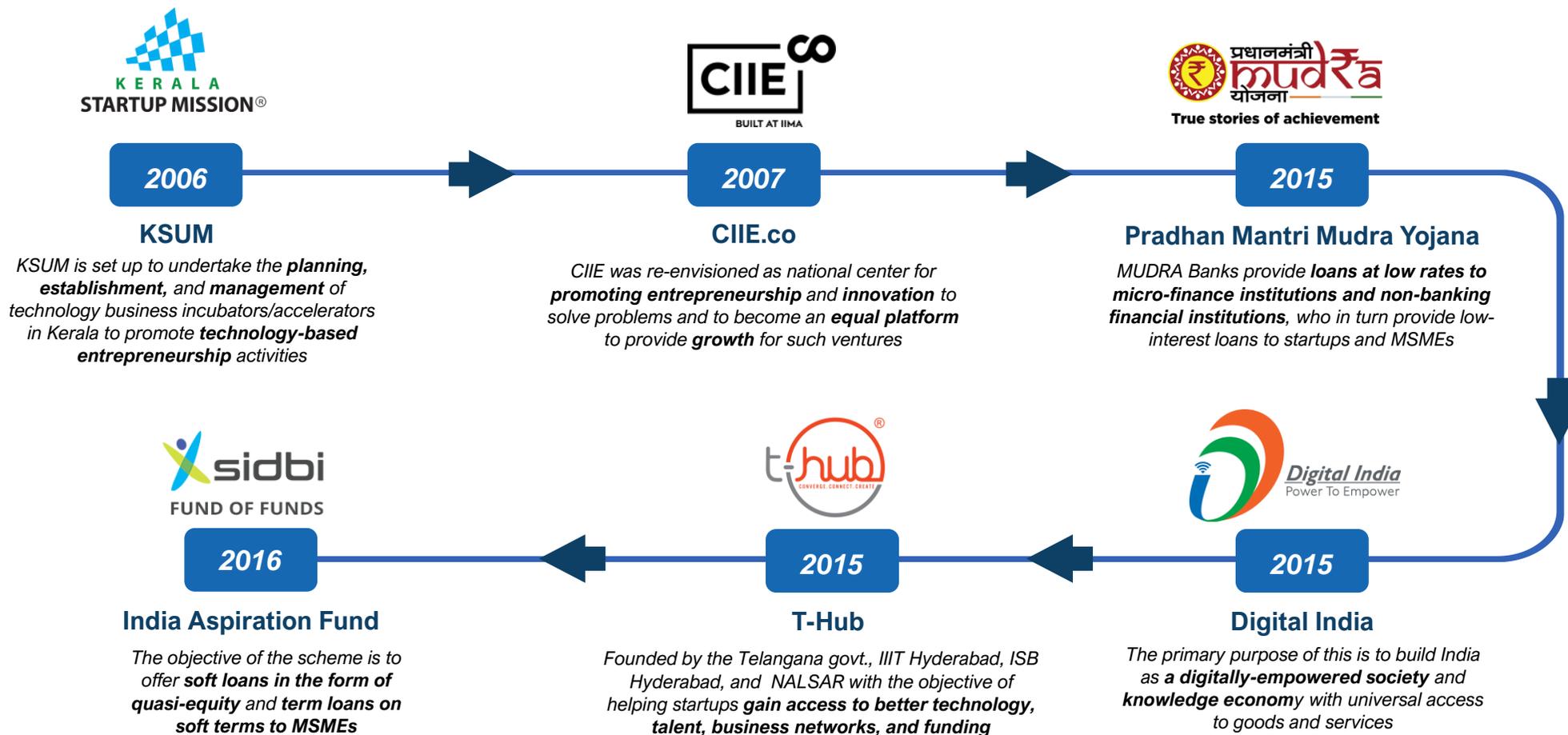
Best practices and learnings

Role of government for promotion of startups

Key challenges and growth drivers

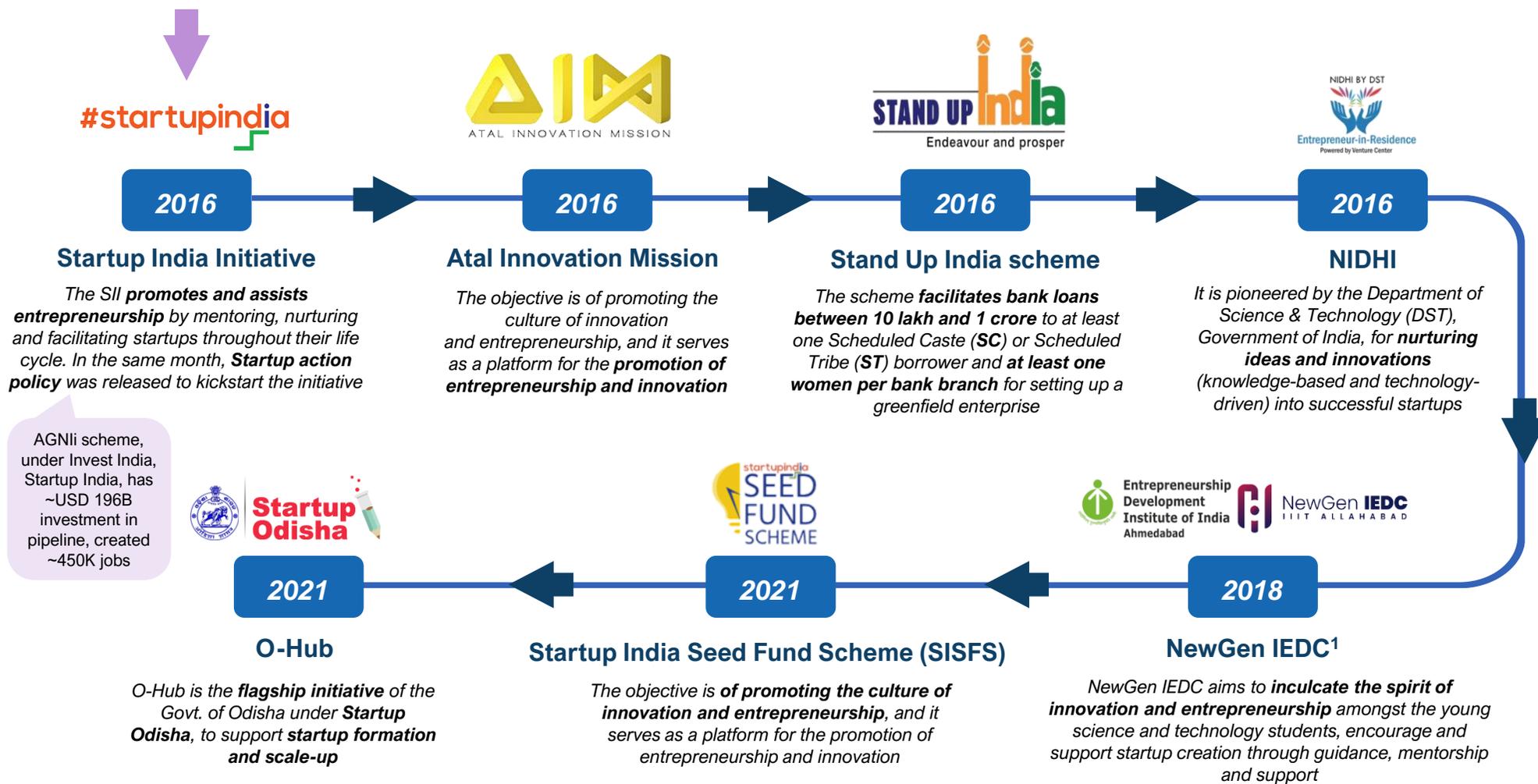


# Current government policies and initiatives to support startup ecosystem range from funding initiatives like India Aspiration Fund to holistic approaches like Startup India (1/2)



Note(s): MSMEs: Micro-Small-Medium Enterprise(s); the slides cover some notable initiatives, however, many significant initiatives have been taken up at large by the Government of India  
 Source(s): Government of India reports and ministry websites, Press release, Secondary research, Praxis analysis

# Current government policies and initiatives to support startup ecosystem range from funding initiatives like India Aspiration Fund to holistic approaches like Startup India (2/2)



Note(s): 1. NewGen IEDC: New Generation Innovation and Entrepreneurship Development Centre; 2. NIDHI: National Initiative for Development and Harnessing Innovations  
 Source(s): Government of India reports and ministry websites, Press release, Secondary research, Praxis analysis

STPI, founded in 1991, offers a number of value-added services for startups, including incubators, infrastructure, mentorship, funding, investment, etc. (1/3)



**Founded  
1991**  
Under  
MeitY<sup>1</sup>

### Software Technology Parks of India (STPI)

- Promote the **development and export of software and software services** including IT Enabled Services/Bio-IT
- Provide statutory and other **promotional services** to the exporters by **implementing Software Technology Park/Electronics and Hardware Technology Park Schemes**
- Provide **data communication services** including value-added services to IT/IT enabled services related industries
- Promote **micro, small and medium entrepreneurs** by creating a conducive environment for entrepreneurship



#### Infrastructure

- **Ready to work** 'Plug and Play' space
- Health Informatics Lab/IoT Lab, Fab Lab, AI/Data Analytics Lab
- **Year-around operational** workspace
- Testing and validation facility

Facilities include fully air-conditioned incubation spaces, uninterrupted power supply, 24x7 security, workstations, cubicles, conference halls, internet bandwidth etc.



#### Monitoring

- **Monitoring and guiding** through dedicated portfolio managers and startup support executives
- **Reviewing and monitoring** the progress and performance periodically
- Taking necessary actions as and when required



#### Marketing

- Support in **end-to-end marketing plans** to attract visibility
- Technical & business knowledge sessions, road shows, networking events, social media outreach
- **Partnerships** with key international promotional agencies for cross-border collaboration



#### Mentorship

- Needs-based **mentoring sessions** on legal, compliance, branding, cybersecurity, tech
- Transformation from idea level to prototype level, prototype level to MVP (Minimum Viable Product) level, MVP level to GTM (Go-To Market) level, and **graduating the startups** into full-fledged company status
- **Networking with other players** in the ecosystem



#### Intellectual Property Rights

- MoU with NRDC for filing Intellectual Property Rights
- **Patenting** (drafting & filing), **Trademark**, **Copyright** and other related legal or statutory support



#### Funding & Investment

- **Support in raising funds** by leveraging connections with potential customers
- **Networking** with HNI (High Net Income) individuals, VCs (Venture Capitalists), corporates as per the size of startups
- Grants, equity, debt

# Centers of Entrepreneurship (CoEs) are technology incubators set up for building India's startups leadership (2/3)



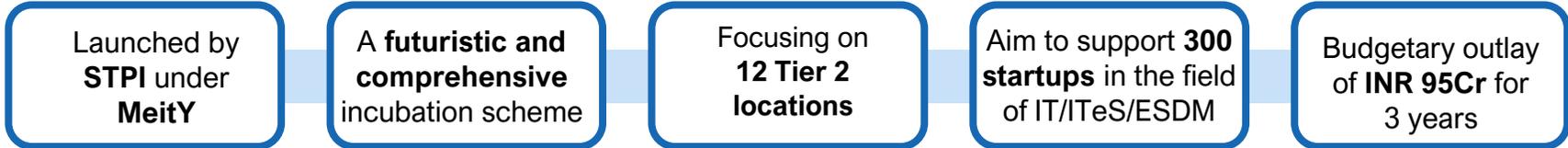
**Centre of Entrepreneurship (CoE)**

- **Centers of Entrepreneurship (CoEs) are technology incubators** which have been established by STPI for building India's startups leadership
- A CoE is a facility where **the highest standards and best practices** are made available for specific focus areas
- **250+ startups** are being incubated in the STPI CoEs

CoE	Location	Technology area	Startups Incubated (#)
Electropreneur <sup>™</sup> PARK	New Delhi	Electronics Systems Design and Manufacturing	56
IoT OPENLAB	Bengaluru	Internet of Things	33
STPI NEXT INITIATIVES IoT STPI Bengaluru		IoT in Health & Pharmaceuticals	17
Electropreneur <sup>™</sup> PARK	Bhubaneswar	Electronics Systems Design and Manufacturing	21
VARE CoE Virtual and Augmented Reality Center of Excellence		Virtual & Augmented Reality	8
FinBlue A Financial Center of Entrepreneurship by STPI	Chennai	Financial Technology	23
NEURON A Startup Punjab Hub @ STPI	Mohali	AI/Data analytics, Internet of Things	36
MOTION	Pune	Autonomous Connected Electric & Shared Mobility	28
IMAGE	Hyderabad	Gaming, Animation, VFX, Computer Vision, AI	20
apiary	Gurugram	Blockchain	26

CoE	Location	Technology area	Startups Incubated (#)
MedTech	Lucknow	Medical Technology	16
	Guwahati	Internet of Things in Agriculture	
	Shillong	Animation	
	Imphal	Emerging technology (Augmented/Virtual Reality)	
CCTANE	Itanagar	Geographic Information System	12
	Aizwal	Gaming Technology	
	Kohima	Graphic Designing	
	Gangtok	Healthcare Technology	
	Agartala	Data Analytics	
asa A Hub for IoT in Agriculture by STPI	Akola	Internet of Things in Agriculture	20
KALPATARU For Industry 4.0	Visakhapatnam	Industry 4.0	Selection underway

# NGIS<sup>1</sup> scheme, launched by STPI, is a comprehensive incubation scheme that has provided seed investment of over INR 14Cr to 60+ startups to date (3/3)



Initiatives	Description
 <b>Physical incentives</b>	<ul style="list-style-type: none"> <li>Ready to work <b>P&amp;P<sup>2</sup> incubation</b> within the constraint of lockdown &amp; thereafter</li> <li>Full-fledged <b>security &amp; vulnerability testing</b> of software products through Software Product Security Testing (SPST) facility</li> <li><b>Additional facilities and services</b> of the pan-India domain-specific CoEs<sup>3</sup> of STPI may be leveraged</li> </ul>
 <b>Soft support</b>	<ul style="list-style-type: none"> <li><b>Mentoring</b> support</li> <li><b>Access to VCs</b> for funding support</li> <li>Networking opportunities/Industry connect and <b>go-to market</b> support for exhibiting/showcasing products/solutions through various National/International events/workshops/exhibitions</li> <li><b>Advisory Services</b> such as HR, Legal, Accounting, IPR/Patenting &amp; others</li> </ul>
 <b>Financial incentives</b>	<ul style="list-style-type: none"> <li><b>Cloud Credits</b> from leading third-party service providers</li> <li><b>Pre-incubation programs</b> and mentoring for up to six months</li> <li><b>Seed funding of up to INR 25L</b> available to beneficiary/supported startups based on innovativeness of idea, novelty of solutions, strength of team &amp; soundness of business proposal</li> </ul>
 <b>CHUNAUTI</b>	<ul style="list-style-type: none"> <li><b>Challenge Hunt Under NGIS for Advanced Uninhibited Technology Intervention</b> is a series of online challenges under NGIS for the selection of startups working towards <b>digital transformation &amp; accessible products/solutions</b></li> <li><b>3 challenge programs</b> have been <b>concluded</b> and currently, the selection process for CHUNAUTI 4.0 is underway</li> </ul>

Locations include Agartala, Bhilai, Bhopal, Bhubaneswar, Dehradun, Guwahati, Jaipur, Lucknow, Prayagraj, Mohali, Patna & Vijayawada

Outcomes
<ol style="list-style-type: none"> <li>Created a startup support ecosystem comprising of <b>128 mentors and 48 knowledge partners</b></li> <li>Beneficiary startups generated <b>2,200+ jobs</b></li> <li>About <b>49%</b> of the beneficiary startups are <b>women-led entrepreneurs</b></li> <li>Beneficiary startups have contributed significantly to <b>IP generation and product creation</b></li> <li><b>63</b> startups have received <b>seed investments of INR 14.85Cr</b></li> </ol>

Note(s): 1. Next Generation Incubation Scheme; 2. Plug and Play; 3. Centre of Entrepreneurship \*Number of beneficiary  
Source(s): STPI, Secondary research, Praxis analysis

# Startup India Initiative, launched in 2016, provides multiple schemes and support programs for the growth of startup ecosystem in India (1/2)

#startupindia

## Objectives



Initiatives	Description
<b>Funding Scheme</b>	<ul style="list-style-type: none"> <li><b>Funding support</b> through a Fund of Funds* with a corpus of <b>INR 10,000Cr</b>. The fund managed by SIDBI (Small Industries Development Bank of India) ensures support to a broad mix of sectors by 2025</li> <li><b>INR 20K</b> monthly allowance for startups with <b>women as founder/co-Founder</b> per month for a period of 1 year</li> </ul>
<b>Credit Guarantee Scheme for startups</b>	<ul style="list-style-type: none"> <li>Corpus of <b>INR 2,000Cr</b> across <b>3 years</b></li> <li>Collateral-free, fund &amp; non-fund-based credit support</li> <li>Loans of up to INR 5Cr per startup covered</li> </ul>
<b>Legal support and tax benefits</b>	<ul style="list-style-type: none"> <li>Fast tracking patent applications with an <b>80% rebate</b> in filing of them</li> <li><b>IT exemptions</b> for 3 years</li> <li>Provides easy winding up of a firm within <b>90 days</b></li> </ul>
<b>Challenges &amp; competitions</b>	<ul style="list-style-type: none"> <li><b>NIDHI (National Initiative for Developing and Harnessing Innovations)</b>: Support by awarding INR 10L to 20 student innovations from IEDCs<sup>1</sup> every year</li> <li><b>Uchhattar Avishkar Yojana</b>: INR <b>250Cr</b> per annum to foster quality research among IIT students.</li> </ul>
<b>Collaborations</b>	<ul style="list-style-type: none"> <li>Startup India and <b>Google for startups</b> joined forces to support <b>10K+</b> startups founders with #GoogleForStartups startups school with guided online training and tools</li> </ul>



Outcomes
<b>1</b> 26 state and UT startup policies developed after the launch of the scheme
<b>2</b> 4100+ startups have benefitted in the last year through various programs of the Central Government
<b>3</b> INR 960Cr of funding has been enabled to startups through various schemes
<b>4</b> INR 56Cr has been disbursed to 72 startups catalyzing investments of INR 245 Cr
<b>5</b> INR 7,225.5Cr committed to 86 VC firms; INR 9,571Cr invested in 599 startups with the inception of the initiative
<b>6</b> Creation of 7.68L+ jobs through startups under this initiative
<b>7</b> Set up 31 Innovation Centers, 15 Startup centers, 15 Technology Business Incubators, 7 Research Parks, 500 Atal Tinkering Labs
<b>8</b> Credit guarantee benefit to 7.5K+ startups in 3 years and ~377 startups benefitted from access to 80% rebate in filing patents
<b>9</b> INR 828Cr sanctioned funds for infrastructure to build a strong eco-system for nurturing innovation and startups in the country

Note(s): \*Fund of funds (FFS) does not invest in startups directly but provides capital to SEBI (Securities and Exchange Board of India) - registered Alternate Investment Funds (AIFs) that in turn invest in high-potential startups; 1. IEDC: Innovation and Entrepreneurship Development Centre  
Source(s): Secondary research, Praxis analysis

# Startup India supports startups and fosters innovation through four broad pillars ranging from institutional support to access to market (2/2)



#startupindia



## Institutional support



### Policy formation and implementation

- Accelerate growth of startups



### Mentorship modules

- Mentorship from experts in various business requirements



### Knowledge repository

- Online courses, idea banks, research reports, etc. hosted on online portal



### Capacity building of stakeholders

- Regular workshops for capacity building for all ecosystem stakeholders



### Innovation showcase

- Biannual innovation showcases



## Infrastructural support

### Set-up new and upgrade existing Incubators

- New startups incubation centers
- Upgrading existing infrastructure to enhance capacity



### Conduct programs with incubation partners

- Open call to applications
- 9-12 months of incubation to enable growth



### Pitching sessions

- Platform to showcase product/service for investors, Venture Capital (VC) Funds, and Angel networks



### Seed grant

- Cash prize or seed grant support to early-stage startups



### Fund of funds

- Infusing capital into the ecosystem for both early and late-stage startups with market traction



## Access to market

### Public procurement

- Buyer-Seller meets organized at regular intervals with all stakeholders, to encourage them to procure from startups



### Pilot opportunities

- Selection of startups through innovation challenges



### B2B facilitation

- Network of corporate stakeholders, leveraged to provide procurement opportunities to startups

# DPIIT recognition, an certification under Startup India initiative offers variety of benefits to startups recognized under it and has its own set of eligibility criteria



## DPIIT Recognition (Part of Startup India initiative)

To access **tax benefits** and **easier compliance**, companies have to be recognized as startups by the Department for Promotion of Industry and Internal Trade (DPIIT) under the Startup India initiative

### Eligibility criteria

- **Period of Existence of Entity** should not exceed **10 years** from the date of formation
- **Type of Entity:** Company should be incorporated as a **Private Limited Company, a Limited Liability Partnership (LLP)** or a Registered Partnership Firm
- **Annual Turnover** should be **INR 100Cr** for any of the fiscal years since its federation
- **Original Entity:** Entity **should not have been incorporated** by splitting up or recreating an already existing entity
- **Innovative & Scalable Entity:** The entity should be working towards **development or improvement of a product, process or service**
- The entity should have a **scalable business model** with high potential for the creation of wealth and employment. The firm should have the potential to generate employment or create wealth

### Benefits of DPIIT recognition

- Self Certification:** Entity will be allowed to self-certify compliance under **3 environmental laws and 6 labor laws**
- Startup Patent Application:** Entity will be required to pay only **80% of the fees** on patents, trademark, copyrights and design, and the fast-tracking of a patent application will be available as well
- Easier Public Procurement Norms:**
  - Entity will get an opportunity to list the product on Government e-Marketplace and be exempted from submitting Earnest Money Deposit
  - Exemption from prior experience/turnover is provided for in all Central Government ministries and departments
- Easy winding up of Company:** According to the Insolvency and Bankruptcy Code, 2016, the company can be **wound up within 90 days** of applying for insolvency
- Funds of Funds:** The startups will be eligible for **INR 10,000Cr** funds of funds from the Alternative Investment Funds
- Credit Guarantee fund:** Entity can avail **INR 2,000Cr** Credit Guarantee fund through the National Credit Guarantee Trust Company or SIDBI (Small Industries Development Bank of India) over 4 years
- Tax Exemptions:**
  - Entity can apply for tax exemption under section 80 IAC of the Income Tax Act and for Angel Tax Exemption
  - After obtaining the clearance for tax exemption, the entity is exempted from income tax for 3 consecutive fiscal years out of its first ten years since formation

# Startup India Seed Fund Scheme aims to provide support to incubators by offering grants and funding support

**Startup India Seed Fund Scheme (SISFS)**

- Launched in **2021** by the **Department for Promotion of Industry and International Trade**
- Primary objective is to **provide financial assistance** to startups for proof of concept, prototype development, product trials, market-entry, and commercialization

### Funding initiative

- INR 945Cr** corpus to be divided over the next **4 years** for providing seed funding to eligible startups through incubators across India
- Support **~3.6K** entrepreneurs through **300** incubators in the next 4 years
- Government has allocated **INR 283.5Cr** for the SISFS in the Budget 2022-23

### Grants offered

- Grant of up to **INR 20L** for prototype creation, proof-of-concept testing, or product trial validation
- Grant of up to **INR 50L** of investment for market entry, commercialization, or scaling up of the business through debt instruments
- INR 232.8Cr** has been approved as a grant as of Dec'21 to **58** incubators, and **146** startups have been funded by such approved incubators

### Committees formed

- Formation of **Expert Advisory Committee (EAC)** responsible for the overall execution, allotment of seed funds, and monitoring of the SISFS
- Formation of **Incubator Seed Management Committee (ISMC)** by each incubator for evaluating and selecting startups for seed support

## Selected incubators' portfolio of SISFS

IIM KOZHIKODE  
**LIVE**  
LABORATORY FOR INNOVATION VENTURING AND ENTREPRENEURSHIP

Foundation For Innovation & Entrepreneurship Development  
**IIM KASHIPUR**

**IIM CALCUTTA**  
INNOVATION PARK

dlabs ISB  
Indian School of Business

STARTUP INCUBATION AND INNOVATION CENTRE  
IIT KANPUR

**IIM Udaipur**  
**INCUBATION**  
Centre

IIT Mandi  
**CATALYST**  
Indian Institute of Technology Mandi

**Science and Technology Park, Pune**  
Supported by NSTEDB, Dept. of Science & Technology, Govt. of India

**IIML-INCUBATOR**  
**IIM LUCKNOW**  
Innovating the future

**icreate**  
International Centre for Entrepreneurship and Technology

**VEL TECH**  
TECHNOLOGY INCUBATOR

**ciba**  
Center for Innovation and Business Acceleration  
IITM

**KIIT**  
KIIT Technology Business Incubator  
KIIT-TBI

Atal Innovation mission, launched in 2016, offers a myriad of initiatives to help the startup ecosystem like incubation centers, challenges for startups, etc.

<p>ATAL INNOVATION MISSION</p>	<p><b>Founded: 2016</b> Under NITI Aayog</p>	<p><b>Objectives</b></p>	<ul style="list-style-type: none"> <li>To <b>develop new programs and policies for fostering innovation</b> in different sectors</li> <li>To provide <b>platform and collaboration opportunities</b> for different stakeholders</li> <li>To create <b>awareness and create an umbrella structure</b> to oversee the innovation ecosystem of the country</li> </ul>
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Initiatives	<h3>Atal Incubation Centers</h3> <ul style="list-style-type: none"> <li>An <b>ecosystem of startups</b> and entrepreneurs</li> <li>Set up with the <b>aim to foster and support world-class innovation, and dynamic entrepreneurs</b> who want to build scalable and sustainable enterprises</li> <li>Support the establishment of <b>new greenfield incubation centers</b></li> </ul>	<h3>ARISE ANIC challenges</h3> <ul style="list-style-type: none"> <li>To promote <b>innovation in a phased manner</b> in the MSME/startups ecosystem</li> <li>To <b>proactively collaborate with esteemed Ministries</b> and the associated industries to catalyze research, innovation and facilitate innovative solutions to sectoral problems</li> </ul>	<h3>Atal New India Challenge</h3> <ul style="list-style-type: none"> <li>To <b>incentivize innovations</b> in areas <b>critical to India's development</b> and growth</li> <li>It <b>solicits innovations</b> in the prototype stage and <b>supports the selected startups</b> through to the <b>commercialization stage</b> over a course of 12 – 18 months</li> </ul>	<h3>AIM - iCREST</h3> <ul style="list-style-type: none"> <li>Designed to <b>enable incubation ecosystem</b> and act as <b>growth hack for Atal incubators</b></li> <li>AIM has <b>joined hands with Bill &amp; Melinda Gates Foundation and Wadhvani Foundation</b> – that can lend credible support and expertise in the entrepreneurship and innovation space</li> </ul>
Outcomes	<ul style="list-style-type: none"> <li><b>68 AICs/EICs</b> have been established to date</li> <li><b>2,200+</b> startups incubated, of which <b>625</b> are led by <b>women entrepreneurs</b></li> <li><b>1000+</b> events conducted</li> <li>Created <b>30,200+</b> jobs</li> </ul>	<ul style="list-style-type: none"> <li><b>15 ARISE-ANIC</b> challenges have been launched</li> <li>Program is driven by <b>ISRO</b> and <b>four ministries</b> (Ministry of Food Processing Industries, Ministry of Housing and Urban Affairs, Ministry of Health and Family Welfare, Ministry of Defense)</li> </ul>	<ul style="list-style-type: none"> <li><b>ANIC 1.0</b> - Held in <b>2018</b> in which winning startups/individual innovators were supported through a tranche-based <b>grant-in-aid</b> of up to <b>INR 1Cr</b> and through AIM's innovation network</li> <li><b>ANIC 2.0</b> is ongoing and <b>open for applications</b></li> </ul>	<ul style="list-style-type: none"> <li>Incubator structured trainings, startups training, incubation success e-handbook, global best practices study <b>have been developed</b></li> <li><b>Super mentors</b> have been assigned for training incubation centers' staff</li> </ul>

Note(s): 1. ARISE stands for Atal Research & Innovation for Small Enterprises; 2. ANIC stands for Atal New India Challenge; 3.ISRO stands for Indian Space Research Organization; 4. iCREST stands for Incubator Capabilities enhancement for a Robust Ecosystem for high performing startups  
Source(s): Government reports, Secondary research, Praxis analysis

**AICs and EICs set up under Atal Innovation Mission (AIM) have incubated 2,200+ startups, created 30,200+ jobs, and conducted 1,000+ events to date**



## Objectives



## Initiatives

### Atal Incubation Centers (AICs)

- Setting up **world class incubation facilities** across the country with state-of-the-art infrastructure
- Aim to **support next gen startups** in terms of labs, coupled with the availability of sectoral experts for mentoring.
- **Business planning support**, access to seed capital, industry partnerships, training and other relevant components will be given

### Established Incubation Centers (EICs)

- **Scale-up support and upgrading well-performing Incubation Centers** to world-class standards
- View is to **augment, enhance and upgrade incubation capacity** manifold and develop a conducive innovation and entrepreneurship ecosystem by strengthening linkages with various national and international stakeholders

## Outcomes

- 1 **68 centers** (59 AICs and 9 EICs) have been established till date
- 2 **2,200+** startups incubated, of which **625** are led by **women**
- 3 **150+ MSME's** supported to build business sustainability
- 4 Created **30,200+** jobs
- 5 **1,000+ events** conducted
- 6 **350+ trainings** conducted
- 7 **395+ collaborations** established for the development of ecosystem
- 8 **500+ mentors** on-boarded to **guide the startups**
- 8 AIM has provided **INR 6Cr+** of seed fund

# List of Atal Incubation Centers (AICs) and Established Incubation Centers (EICs) in cities beyond Tier 1 (1/2)



Name	Location	Sector	City Tier	Startups incubated (#)
AIC @36INC Society	Raipur, Chhattisgarh	Sector Agnostic	2	68
AIC Aartech Solonics Pvt. Ltd.	Raisen, Madhya Pradesh	Electricity, New and Renewable Energy, Environmental Sustainability, Education, Manufacturing and Engineering New Materials	3/4	29
AIC AAU Incubator	Jorhat, Assam	Agriculture & allied-agriculture sectors	3/4	-
AIC AMTZ MediValley Incubation Council	Visakhapatnam, Andhra Pradesh	Medical Technology for Human health	2	14
AIC BAMU Foundation	Aurangabad, Maharashtra	Sector Agnostic but primarily focused on IOT, AR, VR, ML in the areas of Agritech, Healthcare, Auto-industrial applications and allied areas	3/4	24
AIC Banasthali Vidyapith Foundation	Tonk, Rajasthan	Sector Agnostic women centric incubator	3/4	98
AIC BV Foundation	Patna, Bihar	AgriTech, Food Processing, Information & Communication Technology (IT), Robotics, IOT, Packaging Technology, Waste Management, EdTech, Social Sector, Media & Entertainment	2	37
AIC Catalyst	Jaipur, Rajasthan	Sector Agnostic	2	21
AIC CODISSIA Defense Innovation	Coimbatore, Tamil Nadu	Tech based startups - Defense and Commercial Application	2	14
AIC CV Raman College of Engineering Foundation	Bhubaneswar, Odisha	Manufacturing, Clean-tech, Agriculture, Mental Health and Wellness, Healthcare, ICT, Bio-Tech	3/4	-
AIC GIM Foundation	Sanquelim, Goa	Sector Agnostic	3/4	9
AIC IIIT Kottayam Foundation	Kottayam, Kerala	IoT, Cloud, AI, Blockchain, etc.	3/4	31
AIC ISB Association	Mohali, Punjab	Sector Agnostic	2	69
AIC ISE Foundation	Kadi, Gujarat	Healthcare, Life Sciences, Pharmaceuticals, Sensor, Chemical, IT/ITeS	3/4	-
AIC JK Lakshmipat University	Jaipur, Rajasthan	Energy and Eldercare	2	26
AIC Mahamana Foundation For Innovation and Entrepreneurship	Varanasi, Uttar Pradesh	Education Tech, Health Tech, Clean Tech and Agri Tech	2	20
AIC MUJ Incubation Foundation	Jaipur, Rajasthan	Augmented Reality, Virtual Reality, Human and Environmental Health	2	-

Note(s): Fields have been marked – in startups incubated (#) column for which center level information was unavailable  
Source(s): Secondary research, Praxis analysis

# List of Atal Incubation Centers (AICs) and Established Incubation Centers (EICs) in cities beyond Tier 1 (2/2)



Name	Location	Sector	City Tier	Startups incubated (#)
AIC Nalanda Institute of Technology Foundation	Bhubaneswar, Odisha	Agriculture, Health, Education, IT & IOT, Mining, Clean Energy, Waste Management, Social	2	21
AIC NIFT TEA Incubation Centre for Textiles and Apparels	Tirupur, Tamil Nadu	Textiles & apparels	2	7
AIC NITTE Incubation Centre	Karkala, Karnataka	Agriculture, Biotechnology, Information and Communication Technologies	2	33
AIC Pondicherry Engineering College Foundation	Puducherry, Puducherry	Electronics Design Manufacturing, Internet Of Things, Unmanned Aerial Vehicles	2	-
AIC Prestige Inspire Foundation	Indore, Madhya Pradesh	SaaS, Drone, Smart city-tech, Health-tech, visual computing	2	63
AIC Raise Business Incubator	Coimbatore, Tamil Nadu	United Nation's 17 Sustainable Development Goals	2	37
AIC RNTU Foundation	Raisen, Madhya Pradesh	Early Traction startups	2	54
AIC SELCO Foundation	Guwahati, Assam	Renewable Energy Enterprise and Innovator	2	20
AIC SKU Confederation	Anantapuramu, Andhra Pradesh	Agriculture and Food Processing, Electricity and Renewable Energy & ICT and IoT Solutions	3/4	25+
AIC SMU Technology Business Incubation Foundation	Rangpo (Gangtok), Sikkim	Sector Agnostic	3/4	32
AIC Surat iLAB Foundation	Surat, Gujarat	Diamond, Textile, Chemicals, Smart City/eGovernance, IT/IoT, Agriculture	2	-
EIC TREC-STEP	Tiruchirapalli, Tamil Nadu	Clean Tech, Engineering, IT, Manufacturing Bio-tech, HealthCare	2	19
EIC 91SPRINGBOARD	Panjim, Goa	IT, Retail & RetailTech, FoodTech	2	-
EIC Amrita TBI	Kollam, Kerala	Enterprise Tech, BFSI & FinTech, Education & EdTech	2	-
EIC ALEAP We-Hub	Vishakhapatnam & Vijayawada, Andhra Pradesh	IT, Education & EdTech, BFSI & FinTech	2	-

Note(s): Fields have been marked – in startups incubated (#) column for which center level information was unavailable  
 Source(s): Secondary research, Praxis analysis

# NIDHI<sup>1</sup> program helps uplift student-run startups through 8 of its initiatives; ~800 organizations have been supported through NIDHI PRAYAS initiative

## Objectives

	To take forward <b>student innovations</b> in IEDC <sup>2</sup> /NewGen IEDC <sup>3</sup> programme to <b>commercialization stage</b>		To <b>promote student startups</b> , focused on creating a smooth and innovation-led entrepreneurial ecosystem		To <b>accelerate</b> the journey of idea to prototype by <b>providing initial funding assistance</b>		To provide <b>technological solutions</b> and generate new possibilities for <b>job and wealth creation</b>
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Initiatives	Description	Outcomes
<b>NIDHI PRAYAS:</b> PRomoting and Accelerating Young and Aspiring innovators and Startups	<ul style="list-style-type: none"> <li>The program would target to <b>facilitate and enable 100+ innovators annually</b> across the country in translating their ideas into prototype <b>through funding</b></li> </ul>	<ul style="list-style-type: none"> <li><b>~800 organizations</b> supported through the PRAYAS program</li> <li>Multiple rounds of Grantees, with <b>10+ startups supported in each round</b></li> </ul>
<b>NIDHI EIR:</b> Entrepreneur In Residence	<ul style="list-style-type: none"> <li>To <b>encourage graduating students</b> to take to entrepreneurship by providing support as a <b>fellowship</b></li> </ul>	<ul style="list-style-type: none"> <li>410 EIRs supported</li> <li><b>INR 17.4Cr funded</b> by DST under Round 1, 2 and 3</li> <li>217 IPs created 106 Patents, 86 trademarks and 25 copyrights</li> <li><b>880+ new jobs created</b></li> </ul>
<b>NIDHI TBI:</b> Technology Business Incubator	<ul style="list-style-type: none"> <li>To provide <b>cost-effective, value-added services</b> to startups like mentoring, legal, financial, technical, and intellectual property related services</li> </ul>	<ul style="list-style-type: none"> <li><b>~90 incubators</b> set up and functioning currently under this scheme</li> </ul>
<b>NIDHI Accelerator</b>	<ul style="list-style-type: none"> <li>To <b>fast track the growth</b> of potential startups through rigorous <b>mentoring and networking support</b></li> </ul>	<ul style="list-style-type: none"> <li><b>30+ Accelerator program centers</b> awarded in a three-year period alone, well known incubators include CIIE.co, IIM-A</li> </ul>
<b>NIDHI SSS:</b> Seed Support System	<ul style="list-style-type: none"> <li>To ensure <b>timely availability of seed support</b> to the deserving incubated startups within an incubator</li> </ul>	<ul style="list-style-type: none"> <li><b>~30 startups</b> given <b>seed support</b>, hosted within the incubators</li> </ul>
<b>NIDHI CoE:</b> Centers of Excellence	<ul style="list-style-type: none"> <li>To provide a <b>platform for speedy commercialization</b> of technologies developed innovators</li> </ul>	<ul style="list-style-type: none"> <li>Most <b>institute of prominence have one CoE</b>, e.g., IIM-A, IIT-B</li> </ul>
<b>Other notable schemes</b>	<ul style="list-style-type: none"> <li><b>NIDHI GCC</b> – Grand Challenges and Competitions for scouting innovations’ aim is to <b>find &amp; nurture</b> new and innovative solutions <b>for major challenges</b> being faced by the society that are viable and sustainable</li> <li><b>Startup NIDHI</b> – To take forward <b>student innovations</b> in NewGen IEDC programme to <b>commercialization stage</b></li> </ul>	

Note(s): 1. NIDHI: National Initiative for Development and Harnessing Innovations; 2. IEDC: Innovation and Entrepreneurship Development Centre; 3. NewGen IEDC: New Generation Innovation and Entrepreneurship Development Centre, Source(s): NIDHI and Government Websites, Secondary research, Praxis analysis

# CIIE.co<sup>1</sup>, since 2007, has helped launch various initiatives, invested in 110+ startups raising INR 6Cr+ of investments



## Objectives

The Centre for Innovation, Incubation, and Entrepreneurship (CIIE), founded in 2007, was re-envisioned in 2019 as a national center for promoting entrepreneurship and innovation to solve problems and to become an equal platform to provide growth for such ventures.

CIIE believes that **innovation backed up with technology** and a business plan can help to **solve India's problems** and it supports such entrepreneurial initiatives. It provides entrepreneurs with three critical enablers i.e., '**Capital**', '**Capability**', and '**Community**'.

## Initiatives

- 2009-10** **iAccelerator and IoT Innovation**  
The program has helped launch 17 successful startups in the internet/mobile domain
- 2013** **Financial Inclusion Lab and Inclusion Accelerators**  
The program aims to improve the financial health of India's underserved lower and middle-income groups
- 2014** **Startup Oasis**  
It specializes in scouting, incubating, accelerating and seed funding startups from cities beyond Tier 1
- 2015** **Food and Agri-Business Accelerators**  
Aims to accelerate, nurture and invest in innovative early-stage potentially scalable startups
- 2016** **INVENT Program**  
It is a social enterprise incubation program for 3-6 years set up in Jaipur
- 2019** **Bharat Innovation Fund & Bharat Inclusion Initiative**  
Provides a continuum of support across research, incubation, acceleration, and capital

## Outcomes

- 1** Invested in **110+ startups** since its inception, with **4500+** receiving close mentorship
- 2** Raised **~INR 50L in funding** from co-investors (such as Marquee Angels, seed-funds, collaborations with government organizations such as NIDHI-Seed Support System)
- 3** **Invested INR 20L to INR 1Cr per venture** at the seed stage
- 4** Through the Bharat Inclusion Seed Fund, between **INR 2Cr to INR 6Cr** were invested in startups **applying technology to build solutions** in high impact sectors
- 5** **70+ employees** and **250+ startups** financially supported
- 6** **50+ startups** received scholarships under IIMavericks<sup>2</sup> program

Startups Incubated	Year	City
Frontier Markets	2020	Jaipur
Sonant	2019	Jaipur
PayMart	2019	Chandigarh

Top funded startups from cities beyond Tier 1, along with their incubation years

Incubators	Sector	City
Malviya CIIE – IIT BHU	FinTech	Varanasi
CIIE – IIT (ISM)	Sector Agnostic	Dhanbad

CIIE Incubators launched in cities beyond Tier 1

Note(s): 1. CIIE.co: Centre for Innovation, Incubation and Entrepreneurship, officially renamed to CIIE.co as of 2019; 2. IIMavericks: Initiated by CIIE.co, the program provides mentoring & financial support to graduating students  
Source(s): Secondary research, Praxis analysis

# NASSCOM incubated 215+ startups with focus on Enterprise Tech and Health & Health Tech sectors; O-Hub is Odisha's centralized incubator equipped with the required infrastructure

<b>NASSCOM®</b>	<b>Founded in 1988</b>	A not-for-profit association and the <b>apex body</b> for the <b>IT-BPM<sup>1</sup></b> industry in India
<b>Objective</b>	Focused on building the architecture integral to the <b>development of the IT-BPM sector</b>	

	<b>Founded in 2021</b>	O-Hub is the <b>flagship initiative</b> of the Govt. of Odisha under Startup Odisha, to support <b>startup formation and scale-up</b>
<b>Objective</b>	<b>Accelerate</b> at least <b>100 startups</b> per year & <b>incubate ~200 startups</b> (sector agnostic)	

Initiatives
<ul style="list-style-type: none"> <li>• <b>K-Tech Data Science (DS) &amp; Artificial Intelligence (AI) CoE<sup>2</sup></b> <ul style="list-style-type: none"> <li>– Focuses on <b>DS &amp; AI</b> startups in collaboration with the Govt. of Karnataka</li> </ul> </li> <li>• <b>NASSCOM CoE for IoT<sup>3</sup> &amp; AI</b> <ul style="list-style-type: none"> <li>– A MeitY initiative with the Govt. of Karnataka, Haryana, Gujarat &amp; Andhra Pradesh that assists <b>deep-tech startups</b> with funding, mentoring, etc.</li> </ul> </li> <li>• <b>Small and Medium Enterprises (SME) connect</b> <ul style="list-style-type: none"> <li>– Platform for enabling the growth of companies in key industry sectors- <b>IT Services, BPM, Products &amp; Engineering, R&amp;D<sup>4</sup></b></li> </ul> </li> <li>• <b>10,000 Startups Initiative</b> <ul style="list-style-type: none"> <li>– Programs run under this initiative: <b>Warehouse Program, Virtual Incubation, Tech.WE for women in startup hubs like Kochi</b></li> </ul> </li> </ul>

Outcomes
<ul style="list-style-type: none"> <li>• NASSCOM's members (<b>3K+</b>), constitute <b>90%</b> of the IT-BPM industry's revenue</li> <li>• <b>Accelerated 120+</b> startups under Advance Acceleration Program (K-Tech DS &amp; AI CoE)</li> <li>• <b>Incubated 215+</b> startups under NASSCOM CoE for IT &amp; AI with <b>Enterprise Tech &amp; Health Tech</b> emerging as top sectors constituting <b>150+</b> startups</li> <li>• <b>~INR 800Cr</b> raised by startups incubated under NASSCOM CoE for IT &amp; AI in FY21-22</li> <li>• Workshops conducted by SME Council for <b>SMB<sup>5</sup> clusters</b> in <b>50+</b> locations</li> </ul>

Approaches/Initiatives
<ul style="list-style-type: none"> <li>• Annual <b>INR 100Cr</b> fund where venture capitalists (VCs) &amp; angel investors invest in Odisha-based startups while the state invests <b>INR 100Cr</b> from its side</li> <li>• State-of-the-art facilities &amp; <b>plug-n-play infrastructure</b> provided for incubation in the <b>1.5L sqft area</b>. like co-working space, testing labs, etc.</li> <li>• Adopts <b>sector agnostic approach</b> encouraging Innovations (product/process based) across diverse sectors to enable aspiring entrepreneurs to benefit</li> <li>• Onboards knowledge partners to oversee startups in 3 stages: <b>pre-incubation, incubation &amp; acceleration</b>, with a maximum incubation period of <b>1.5 years</b></li> </ul>

Key Highlights
<ul style="list-style-type: none"> <li>• <b>1300+ startups</b> covered in various grants and incubation benefits</li> <li>• <b>420+ startups</b> registered since 2017</li> <li>• Financial support extended to <b>5+ new incubators</b>, including the government-run O-Hub, taking the total to <b>24 incubators</b></li> <li>• <b>70+ startups</b> received financial assistance</li> <li>• <b>20+ startups funded</b> by Venture Capitalist investment rounds</li> <li>• <b>140+</b> startups granted seed funds; along with <b>50+</b> purchase order awards</li> </ul>

Achievements of the umbrella program, Startup Odisha, are highlighted

Note(s): 1. BPM: Business Process Management; 2. CoE: Centre of Excellence; 3. IoT: Internet of Things; 4. R&D: Research and Development; 5. SMB: Small and Medium sized Businesses  
Source(s): Secondary research, Praxis analysis

# Under KSUM, Ernakulam has the highest number of IEDCs; T-hub has been one of the most important startup accelerators in Telangana

	<b>Founded in 2006</b>	The <b>Nodal agency</b> of the Government of Kerala
<b>Objective</b>	The primary objectives of KSUM <sup>1</sup> are to undertake the planning, establishment, and management of technology business incubators/accelerators in Kerala to promote technology-based entrepreneurship activities	

	<b>Founded in 2015</b>	Innovation hub and ecosystem enabler
<b>Objective</b>	Founded by the Government of Telangana, IIIT <sup>3</sup> Hyderabad, ISB <sup>4</sup> Hyderabad, and NALSAR <sup>5</sup> with the objective of helping startups gain access to better technology, talent, business networks, and funding	

Initiatives
<ul style="list-style-type: none"> <li>• <b>Support to rural innovators</b> <ul style="list-style-type: none"> <li>– Innovation grant scheme to help develop prototypes/products for grassroots and rural innovation ideas</li> </ul> </li> <li>• <b>Innovation and Entrepreneurship Development Centers (IEDC)</b> <ul style="list-style-type: none"> <li>– Launch pad for student's entrepreneurial journey providing access to technology, mentoring, etc.</li> </ul> </li> <li>• <b>Government as a marketplace</b> <ul style="list-style-type: none"> <li>– Provides direct procurement options from startups to Govt. departments</li> </ul> </li> <li>• <b>R&amp;D<sup>2</sup> Grant</b> <ul style="list-style-type: none"> <li>– Grant up to INR 30L to each hardware startup with a significant R&amp;D component</li> </ul> </li> </ul>

Outcome
<ul style="list-style-type: none"> <li>10L+ sqft Incubation space</li> <li>3.1K+ Registered startups</li> <li>300+ Innovation Centre</li> <li>INR 19.6Cr+ Grants disbursed</li> <li>40 Incubators</li> <li>INR 750Cr+ Funds of fund</li> <li>434 Startups incubated</li> <li>20 IoT Labs</li> <li>341 IEDCs</li> <li>INR 19.6Cr+ Seed Fund</li> </ul> <p>Thiruvananthapuram has the highest number of incubators (~7)</p> <p>Ernakulam and Thiruvananthapuram have the highest count of IEDCs – 51 and 31 respectively</p>

Initiatives
<ul style="list-style-type: none"> <li>• <b>Masterclass</b> <ul style="list-style-type: none"> <li>– 12-week idea-stage acceleration program, empowering entrepreneurs through idea validation, building business models, etc.</li> </ul> </li> <li>• <b>Samridh<sup>6</sup> MeitY<sup>7</sup> accelerator</b> <ul style="list-style-type: none"> <li>– Collaboration with MeitY to run an accelerator program on IT<sup>8</sup>/Software under the SAMRIDH scheme</li> </ul> </li> <li>• <b>T-Angel<sup>9</sup> program</b> <ul style="list-style-type: none"> <li>– 90-day accelerator program helping startups to raise funding while enabling HNIs<sup>10</sup> to explore angel investment</li> </ul> </li> <li>• <b>Lab32</b> <ul style="list-style-type: none"> <li>– 3-month goal-based seed-accelerator program for MVP<sup>11</sup> and market-ready startups to refine their PMF<sup>12</sup> and GTM<sup>14</sup> strategy</li> </ul> </li> </ul>

Outcome
<ul style="list-style-type: none"> <li>1.1K+ Startups impacted</li> <li>INR 1800Cr+ Funding raised</li> <li>1.5K+ Jobs enabled</li> <li>60+ Mentors intervened</li> <li>120+ Startups incubated</li> <li>100+ Exclusive programs</li> <li>15+ Government partners</li> <li>9+ Investor collaborations</li> <li>1.5K+ Startup connects</li> <li>19+ ICT<sup>13</sup> startups</li> </ul> <p>Such as KOSME, Hiroshima Prefecture, European Commission, etc.</p>

Note(s): 1. Kerala Startup Mission; 2. Research and Development; 3. International Institute of Information Technology; 4. Indian School of Business; 5. National Academy of Legal Studies and Research; 6. Startup Accelerator of MeitY for Product Innovation, Development, and Growth; 7. Startup Accelerator of MeitY for Product Innovation, Development, and Growth; 8. Information Technology; 9. Technology Angel Program; 10. High Net worth Individuals; 11. Minimum Viable Product; 12. Product-Market Fit; 13. Go-To-Market; 14. Information and Communication technology  
 Source(s): Government websites, Secondary research, Praxis analysis

# Agenda

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Indian Startup Ecosystem at a glance

Startup ecosystem beyond Tier 1 cities

Emerging hubs beyond Tier 1 cities

Key success parameters and case studies

Best practices and learnings

Role of government for promotion of startups

Key challenges and growth drivers



# Government support, cost benefits and growing internet connectivity are among the top growth drivers for startups in cities beyond Tier 1

Growth drivers		Description
Government support	Institutional support	<ul style="list-style-type: none"> <li><b>Government collaborations</b> with private incubators, global bodies, and educational institutions such as CIIE<sup>1</sup>, GUSEC<sup>2</sup>, etc., providing <b>subsidies, incentives, incubation and mentoring support</b>, etc.</li> </ul>
	Schemes, incentives, and initiatives	<ul style="list-style-type: none"> <li>Government initiatives such as <b>Startup India, Digital India, STPI<sup>3</sup>, AIM<sup>4</sup>, and NIDHI<sup>5</sup></b> with incentives such as a monthly allowance of <b>INR 10K</b>, sustenance allowance of <b>INR 15K</b>, etc.</li> <li>Grants and funds help in <b>giving a boost to the nascent startups</b></li> </ul>
Cost benefits	Cost advantages	<ul style="list-style-type: none"> <li><b>Initial rental costs and operational costs</b> in cities beyond Tier 1 are generally lower when compared with Tier 1 cities</li> <li><b>Lower cost of living</b> leads to more savings when it comes to running a business in cities beyond Tier 1</li> </ul>
	Labor costs	<ul style="list-style-type: none"> <li>Availability of <b>skilled labor</b> from cities that hosts <b>premium educational institutions</b>, with hiring costs <b>comparatively lower</b> when compared to Tier 1 cities</li> </ul>
Developing infrastructure	Growing internet penetration	<ul style="list-style-type: none"> <li>Growing internet reach at the district level helps startups to <b>reach a larger audience/target group</b>, connect with <b>funding networks</b>, etc.</li> </ul>
	Workspace availability	<ul style="list-style-type: none"> <li>Growing emergence of <b>co-working spaces</b> in cities beyond Tier 1, a few examples include NASSCOMs 10000 Startups Warehouse in Visakhapatnam, 91 Springboard coworking spaces in Panjim, Venture Catalysts, 12 STPI CoEs &amp; 54 STPI centers in beyond Tier 1 locations, etc.</li> </ul>
Funding support	Increasing VC/PE support	<ul style="list-style-type: none"> <li><b>Increased VC<sup>6</sup> interest</b> in cities beyond Tier 1 due to the broadened <b>internet reach and connectivity</b> and increased social media reach has allowed these startups to get online visibility and thus attract funding from investors across the country</li> </ul>
Availability of talent	Presence of premium education institutes	<ul style="list-style-type: none"> <li>Many cities beyond Tier 1 are host to premium education institutes providing access to a ready talent pool such as <b>IIT- Patna, Kanpur, Guwahati, IIM - Lucknow, Kozhikode, Indore, etc.</b></li> </ul>

“We got support under Kerala Startup Mission from their grant program offering INR 12L. We also raised funding with the help of our support network.”

- Founder, tech-enabled home builder company

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“Govt. is supportive, they provide working spaces and rebates; for example, the AKVN organization provides co-working spaces, incubation spaces, a data park is coming up and an IT park is already there, not to mention rebate in electricity prices.”

- Co-Founder, leading cloud service provider

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“It is getting easier to connect with investors through online support networks and platforms like LinkedIn, owing to the increased internet connectivity and reach in Tier 2 cities. This makes getting funds easier even in cities beyond Tier 1.”

- Co-Founder, a pet care products company

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“Operation cost is very low; I can afford real estate in the middle of the city in order to reduce commute and save time and money.”

- Co-Founder, leading cloud service provider

Note(s): 1. Centre for Innovation, Incubation and Entrepreneurship; 2. Gujarat University startup and Entrepreneurship Council; 3. Software Technology Parks of India; 4. Atal Innovation Mission; 5. National Initiative for Development and Harnessing Innovations; 6. Venture Capitalist Source(s): Government website, Press release, Secondary research, Praxis analysis

# Operational, collaboration and financial issues are amongst the top challenges faced by startups in cities beyond Tier 1

Challenges		Description
Collaboration challenges	B2B Facilitation	<ul style="list-style-type: none"> <li>Operations may need to be <b>outsourced to companies and service providers</b> in Tier 1 cities due to a <b>lack of diverse and competent local players</b>, which increases costs</li> <li>Difficulty in <b>procuring deals from Tier 1 cities</b> for operations and services where physical distances and <b>connectivity challenges may be involved</b>, such as procuring raw materials or access to a manufacturing plant</li> </ul>
Operational issues	Higher employee attrition rates	<ul style="list-style-type: none"> <li>Difficulty in sustaining talent due to <b>job status mismatch</b> and salary requirements, which can often be better in Tier 1 cities</li> </ul>
	Low ticket size	<ul style="list-style-type: none"> <li>Selling quality products/services at affordable prices leads to <b>lower overall profits</b> (depending on market penetration) due to the low cost of living/income in cities beyond Tier 1</li> </ul>
Financial deficiencies	Loan accessibility	<ul style="list-style-type: none"> <li>Limited number of <b>credit rating firms</b> for small and medium enterprises which reduces the ease of loan accessibility for startups</li> </ul>
	Limited funding opportunities	<ul style="list-style-type: none"> <li>Limited number of <b>VCs<sup>1</sup></b> and <b>other funding institutions</b> based out of cities beyond Tier 1 resulting in low scalability and mentoring support</li> </ul>
Cultural and awareness barrier	Low adoption rate	<ul style="list-style-type: none"> <li>Low population of 'early adopters' in the market (of new products, such as in the tech domain) due to <b>lack of awareness and financial limitations</b></li> </ul>
	Language barriers	<ul style="list-style-type: none"> <li>Limited familiarity/cultural adoption with the target group in cities beyond Tier 1, especially true for players not well versed with the market, makes it difficult to <b>gain the trust of the customers</b></li> <li>Limited <b>proficiency in English as well as vernacular language(s)</b></li> </ul>
Infrastructural challenges	Nascent startup ecosystem	<ul style="list-style-type: none"> <li><b>Lack of framework</b> to organise, facilitate and usher in startups where Government support is limited, such as lack of subsidized office spaces, availability of incubators, mentors, etc., thus forcing startup founders to shift operations to Tier 1 cities</li> </ul>
	Lack of required infrastructure	<ul style="list-style-type: none"> <li><b>Connectivity and transportation facilities</b> are not as developed when compared to Tier 1 cities for managing operations and logistics</li> </ul>

“In Tier 2 cities, it’s **difficult to find the right set of investors** as compared to a city like Bangalore where you can find investors every other day. **Access to capital and market** are the two major challenges.”

- Founder, tech-enabled home builder company

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“The key problems for Tier 2 city startups faced while scaling up is **funding opportunities** and **competition from metros**.”

- Co-Founder, leading cloud service provider

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“There is the **availability of talent but with limited choices** at hand. However, at the same time, the cost to hire such talent is also less.”

- Founder, tech-enabled home builder company

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“It was **difficult to invest in local content and customer support** and there are still a lot of areas with no high-speed broadband which makes it tough for us to reach them effectively.”

- Founder & CEO, EdTech company

Note(s): 1. Venture Capitalist  
 Source(s): Government website, Press release, Secondary research, Praxis analysis

# Government support can be crucial to help nascent startups in the seed stage, with two key areas for improvement being extensive funding and mentorship support

Improvement areas	Description
<b>Ease compliances and regulations</b>	<ul style="list-style-type: none"> <li>• <b>Tax compliances</b> involving huge time and effort investment</li> <li>• Regulatory <b>frameworks for Intellectual Property registrations, lengthy multi-window application processes, procedures of legal incorporation &amp; registration</b>, and exit barriers/closing the business procedures</li> </ul>
<b>Infrastructural requirements</b>	<ul style="list-style-type: none"> <li>• <b>Access to basic facilities</b> such as internet connectivity, cloud infrastructure services, lab space, etc. can be improved using the <b>hubs-and-spokes model</b><sup>1</sup></li> <li>• Need for software and other hardware like <b>AI/ML<sup>2</sup> capabilities</b>, IoT devices, AR/VR<sup>3</sup> equipment, <b>common labs for prototyping and testing</b>, etc.</li> </ul>
<b>Funding assistance</b>	<ul style="list-style-type: none"> <li>• Provide <b>platforms to showcase and pitch services and products</b> to potential investors in tier 3 cities where such support otherwise would be limited</li> <li>• Identify and improve support in terms of <b>funding in cities beyond Tier 1</b>, where such opportunities are least, to push for startup growth in these cities</li> </ul>
<b>Mentoring support and exposure to business environment</b>	<ul style="list-style-type: none"> <li>• Conduct <b>workshops and seminars</b> to help connect entrepreneurs from beyond Tier 1 cities with much-needed mentorships from industry professionals; train management teams to better support and conduct such programs</li> <li>• Entrepreneurs can <b>benefit from learning from founders from pan India as well as the Globe</b>; large-scale conferences/workshops/seminars to invite such a crowd can be immensely helpful to help the nascent startups find mentors, pitch to investors, as well as learn the best business practices from around the world</li> </ul>
<b>Policies for scalability and growth</b>	<ul style="list-style-type: none"> <li>• Government can push for <b>B2B<sup>4</sup> collaboration, industry connections and access to resources</b> that a business requires to scale and expand; since a lack thereof can lead to the startups shifting operations to a Tier 1 city to fulfil such needs</li> <li>• <b>Introduce new and update existing policies</b> to make them more startup-friendly around the upcoming technology and developments, such as <b>Web 3.0, NFTs, etc.</b></li> </ul>



*“The incubator **management teams can be trained** well to effectively and efficiently organize large-scale events, workshops, seminars and other such programs that can **help the startups grow their networks** and potentially find investors.”*

*- Partner, a leading Incubator in the country*

*“We need **resources to up-scale and expand**, but if those needs are not met in cities beyond Tier 1, most companies would **end up shifting operations to a Tier 1 city** eventually.”*

*- Co-Founder, a pet care products company*

*“Government has **helpful policies**, but those can often feel **limited in supporting beyond a point**, especially once you cross a nascent stage, the help seems to fade away. It would help to have more long-term schemes.”*

*- Founder, tech-enabled home builder company*

*“**Hyperloop regulations** that we needed to get cleared from the Government were **very lengthy and exhaustive**, although they were supportive. Along with this, gathering transportation for Hyperloop was also a challenge.”*

*- Co-Founder, leading cloud service provider*



Note(s): 1. The hubs-and-spokes model is a way to interconnect cities around a major Tier 1 city, called “Hubs” and smaller cities around it connected to it, called “Spokes”, to offer various services; 2. Artificial Intelligence/Machine Learning; 3. Augmented Reality/Virtual Reality; 4. Business-to-business  
Source(s): Secondary research, Praxis analysis

Key word	Definition
Startup	<p>A company that meets the following criteria –</p> <ul style="list-style-type: none"> <li>The startups should be <b>incorporated</b> as a <b>private limited company</b> or registered as a partnership firm or a limited liability partnership</li> <li>An entity shall be considered as a startups up to <b>10 years from the date of its incorporation</b></li> <li>The startups should be working towards innovation/improvement of existing products, services, and processes and should have the <b>potential to generate employment/create wealth</b>. An entity formed by splitting up or reconstruction of an existing business shall not be considered a "startups"</li> <li>Non-profit organizations and big conglomerates/subsidiaries have been excluded owing to their size and nature of business</li> </ul>
Geographical coverage	<ul style="list-style-type: none"> <li>Includes all cities beyond Tier 1 in India</li> <li>Excludes Tier 1 cities which are – Bangalore, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai metropolitan, Ahmedabad, Pune</li> </ul>
Funding stages coverage	<ul style="list-style-type: none"> <li>Includes all funding stages: Pre-seed, Seed, Series A, Series B, Series C, and other venture rounds</li> </ul>
<b>Sector definition</b>	
Advertising & Marketing	<ul style="list-style-type: none"> <li>Provides direct advertising and marketing assistance, E.g.- Content marketing, Influencer marketing, etc.</li> </ul>
Agri and Agri Tech	<ul style="list-style-type: none"> <li>Startups engaged in agricultural services and tech enablement in the Agricultural industry, E.g.- Field surveillance, Soil testing, input E-commerce, etc.</li> </ul>
Automotive	<ul style="list-style-type: none"> <li>Companies involved in production, manufacturing, sales &amp; services of motorised vehicles, E.g.- Applicant tracking system, etc.</li> </ul>
Aviation, Maritime & Defence	<ul style="list-style-type: none"> <li>Companies supporting the Marine, Defence and Aviation industry, E.g.- Military drones, etc.</li> </ul>
Consulting Services	<ul style="list-style-type: none"> <li>Companies that provide advisory services helping clients assess different technology and methodology strategies, E.g.- Management consulting</li> </ul>
Cybersecurity	<ul style="list-style-type: none"> <li>On premise or cloud-based products &amp; solutions which detect, prevent and respond to cyberthreat to organizations or consumers. E.g.- VPNs, etc.</li> </ul>
Education and edtech	<ul style="list-style-type: none"> <li>Provides learning solutions &amp; services through technology and other conventional methods, E.g.- Learning apps, Test preparation tech, etc.</li> </ul>
Energy & Utilities	<ul style="list-style-type: none"> <li>Companies involved in managing and utilizing natural resources, E.g.- Renewable Energy products, Recycling of resources, etc.</li> </ul>
Enterprise Tech	<ul style="list-style-type: none"> <li>B2B Product companies targeting Horizontal solutions for Large Enterprises/SMBs, E.g.- Data Analytics/AI/ML platforms, etc.</li> </ul>
Environment Tech	<ul style="list-style-type: none"> <li>Technology for environment preservation or green technology, E.g.- Tech solutions for air pollution, etc.</li> </ul>
Events Tech	<ul style="list-style-type: none"> <li>Solutions for assisting Events industry, E.g.- Event discovery, Booking Platform, etc.</li> </ul>
BFSI and FinTech	<ul style="list-style-type: none"> <li>Companies that provide financial services, banking, and insurance service, E.g.- Online Banks, Payment Management Platforms, etc.</li> </ul>

## Glossary of terms (2/2)

Key word	Definition
Fitness and Wellness	• Startups associated with physical and mental wellness, E.g.- emotional, mental wellness solutions, fitness apps, etc.
Food and FoodTech	• Companies supporting the Food and Food-tech industry, E.g.- Online Food Ordering, Food discovery platform, etc.
Gaming	• Innovation and other tech facilitation in the Gaming industry, E.g.- AR/VR Gaming, Community platform games, etc.
Health and Health Tech	• Provides technology platform and other resources for solving health and health tech problems, E.g.- Medical Solutions, E-Diagnostics, etc.
HR and HRTech	• Companies supporting Human Resources Activities, E.g.- HR Management system, recruitment marketplaces, etc.
Industrial and Manufacturing	• Engaged in manufacturing of devices or machines using tech and other production methods; construction/mining sector, etc., E.g.- 3D printing, etc.
Legal Tech	• Tech-based companies for Legal help to Individuals/Corporates, E.g.- Contract Management, etc.
Life Sciences	• Innovative solutions in life sciences, E.g.- Genomics- DNA/Protein Sequencing, etc.
Media & Entertainment	• Provides content for entertainment across the web and mobile medium, E.g.- News & Media Apps, Live Streaming Apps, etc.
Mobility	• Companies providing simplified Transportation services to users, E.g.- Car pooling, Self Drive Rentals, etc.
Professional Services	• Companies providing concierge services using tech and non-tech methodologies, E.g.- home repairs, on-demand laundry, etc.
Real Estate & Construction	• Companies supporting Real Estate, Property Management & Construction industry, E.g.- Real Estate Management, Security, etc.
Retail and Retail Tech	• Companies enabling Sales of goods and products online or Integration of tech in offline markets, E.g.- Products/Services cutting across verticals, etc.
SCM & Logistics	• Companies involved in logistics services and supply chain management, E.g.- Logistics and Distribution platform, Fleet management, etc.
Security and Surveillance	• Includes Hardware, software solutions for security and surveillance applications in home, enterprise, and Govt institutions, E.g.- biometric system, etc.
Social Platforms & B2C Applications	• Online platforms that provide a medium for individuals or businesses to connect, network, interact, share multimedia content, or seek collaboration opportunities with other individuals or businesses, E.g.- Social networking sites, blogging platforms, etc.
Sports	• Includes solutions for the sports industry, E.g.- offline sports booking of the sports arena, sports content platforms, etc.
Telecom	• Companies providing products/services to assist telecom sector, E.g.- cloud telephony, etc.
Travel & Hospitality	• Companies engaged in supporting the travel and hospitality industry, E.g.- Hotel booking services, travel planning etc.

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Software Technology Parks of India (STPI) is a premier S&T organization under Ministry of Electronics and Information Technology (MeitY) engaged in promoting IT/ITES Industry, innovation, R&D, start-ups, product/IP creation in the field of emerging technologies like IoT, Blockchain, Artificial Intelligence (AI), Machine Learning (ML), Computer Vision, Robotics, Robotics Process Automation (RPA), Augmented & Virtual Reality, Animation & Visual effect, Data Science & Analytics for various domains like Gaming, FinTech, Agritech, MedTech, Autonomous Connected Electric & Shared(ACES) Mobility, ESDM, Cyber Security, Industry 4.0, Drone, Efficiency Augmentation, etc.

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