A Snapshot of India’s Start-up Ecosystem

A Report based on Start-up Conclave 2015, New Delhi
A Snapshot of India’s Start-up Ecosystem
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Acknowledgements:
The author thanks Anar Bhatt, Okapi for assistance with this report and Dr. Jessica Seddon, Okapi, Jibak Dasgupta, CII and Gaurav Gupta, CII for comments.
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Background: Growth of Start-up Ecosystem in India

India is today undertaking a fundamental shift towards startup friendly policies and a business friendly environment. To do so, India also needs to nurture its entrepreneurial ecosystem to create more start-ups as well as opportunities for its vast young population to find employment.

To address this challenge, Confederation of Indian Industry (CII) has focused on building a robust start-up ecosystem in the country with the patronage of the National and State Governments, and assistance of industry and other relevant stakeholders.

The theme for this year’s Startup Conclave was Growth of Start-up Ecosystem in India, inspired by the Prime Minister’s speech on India’s 69th Independence Day and the Startup India, Stand up India campaign.

India: a Lab for Entrepreneurship in Developing Countries

Opportunities for entrepreneurship in developing countries are quickly emerging and some of the issues that these countries face may be different from those of the West. A country like India can serve as a laboratory of sorts for new business models that work in terms of affordability with the potential to leapfrog social impact. However, challenges abound. For example, technology is not mature, and there are not enough role models and mentors in developing countries in general. Furthermore, funding exists but it is not well allocated across the startup economy. Instead many entrepreneurs use informal sources of funding, such as help from friends and family. We need to look at mechanisms to improve access to finance for entrepreneurs, so that startup funding can provide greater value. Therefore strengthening the startup ecosystem is required.

(Source: Mr. S. Gopalakrishna, Past President & Chairman, Innovation & Entrepreneurship Council 2015-16, CII, at CII Startup Conclave)

This report draws on the conference and offers a snapshot of India’s startup ecosystem. As a “rapid snapshot,” it is based on secondary research as well as presentations made during the CII Startup Conclave. As such, its aim is to provide an overview of the startup ecosystem, not an exhaustive study. To that end, organisations and issues listed in boxes and tables have been added as examples of what exists, and are not to be taken as an exhaustive list. For those looking for additional information, we have included the list of reports we relied on at the end of this snapshot.

The snapshot starts by introducing the concept of an ‘ecosystem’, before discussing startups, and then moving on to providing an overview of financial support, non-financial support (primarily incubation and acceleration), the role of education and skilling, and lastly the policy environment. The concluding section provides some brief thoughts on strengthening the ecosystem further and connecting the dots.

*The report is based completely on secondary data in the form of existing and publicly available reports, as well presentations that were made during the CII Startup Conclave.
A Startup Ecosystem comprises entrepreneurs, different kinds of financial and non-financial support such as debt finance, equity investments and grants, and non-financial support including incubation, acceleration support, mentoring and technical experts. It also includes the government policies and programmes relevant to startups, academia and other organisations and firms that in different ways interact with or support startups.

Looking Back: Emergence of the Indian Startup Ecosystem

The startup ecosystem has emerged relatively recently in India. In 1982 when the National Science and Technology Entrepreneurship Development Board (NSTEDB) started, there was no culture of promoting entrepreneurship and no ecosystem to speak of. This started to change in 1995-1996 after the liberalisation of the economy, and with more and more young people moving to the US and Europe as IT professionals, India gained a lot of experience and expertise. India’s confidence in its capacity to deliver high quality technology products and services grew and since the millennium there has been a conscious attempt to start new ventures, especially in the technology sector.

(Source: HK Mittal, Adviser & Head, NSTEDB at CII Startup Conclave.)

The importance of context: Ease of Doing Business

While direct support of startups, and the right kinds of skills to start and run a business are important, the context in which startups operates in matters a great deal. India’s startups have suffered from challenges in starting, running and closing businesses.

| Ease of Doing Business Index & Corruption Perception Index: India Ranking |
|-------------------------------------------------------------|---------------------------------------------------------------|
| Ease of Doing Business global ranking (1-189) | Transparency International Corruption Perception global ranking (1-175) |
| 130 | 85 |


The Doing Business index considers the ease of starting and running a private business in a country. India improved in the following parameters: starting a business, dealing with construction permits, getting electricity, but dropped in parameters such as accessing credit and paying taxes. The Transparency International index, meanwhile, considers the level of perceived corruption in the public sector, one that startups encounter while applying for licences or making use of concessions, for example.

The complicated tax regime of India, with each state levying their own sales tax and having separate procedures for licenses and taxation, makes expanding across India a cumbersome process. The proposed Goods and Services Tax (GST) common across the country, therefore, holds substantial promise to ease taxation issues for business. 2

2Niti Aayog, 2015, Report of the Expert Committee on Innovation and Entrepreneurship
Startups and Entrepreneurs

Startups are new businesses. The kinds of new startups that offer opportunity for growth and employment generation are generally considered to be those that are innovating, driven and looking to scale. For startups, cash flow and creating capacity to scale and finding the right people are major challenges.

India has witnessed unparalleled growth in startups in the last five years, following the success stories of technology based companies like MakeMyTrip.com and Naukri.com a decade ago.

During the last financial year, 98,473 new companies were incorporated in India. India has a very large number of micro and small enterprise across various sectors. However, existing surveys and studies on startups focus on those that use technology. The focus on startups in India have, therefore, come to primarily centre on innovative, small companies leveraging technology to solve consumer problems.

According to a recent study by Nasscom, India has around 4400 startups that employ close to 85,000 employees. Total funding till 2015 in startups is estimated to be $6.5 billion. This excludes funding in startups incorporated before 2010, such as Flipkart, Quickr, Practo, Zomato, and Inmobi, which, if taken in account, will further inflate the investment figure. The ecosystem for both technology and traditional startups has been expanding at a quick pace.

"For entrepreneurs, knowledge is important but action is more important: you have to act. Most of us want to try our hands at entrepreneurship, but it is the courageous few that succeed. So the first lesson is: Act."

(Source: HK Mittal, Adviser & Head, NSTEDB, at CII Startup Conclave.)

These startups have put India on the world map by making it the third-ranked Global Start-up Ecosystem 2015. However, most of the startups as well as their backers and financiers are located in Delhi, Bangalore, and Mumbai. Furthermore, their focus tends to be on information technology-enabled products and services including e-commerce, aggregators, analytics, Internet of Things, health-tech, and online payments.
The Technology Startup Bias

The ecosystem has grown tremendously in terms of angel investors and corporates getting interested. However, the ecosystem today is constrained to a small segment of startups with its focus on technology and ICT startups. About 80% of investment focuses on technology and of that, 80% is especially focused on mobile solutions, and most of that goes to enterprises based in cities like Bangalore and Mumbai. Likewise, for incubation and mentoring, the majority of support and advice goes to the enterprises within the technology sector. However, technology companies are not great employment generators and this is a major issue. Mobile and technology startups are not going to create those livelihoods because their business models are often directly or indirectly looking to reduce the number of employees to increase efficiency and revenue. The ecosystem needs to become more inclusive of non-technology sectors.

(Source: CII Startup Conclave Panel.)

Women & Startups

Although the number of female tech-entrepreneurs has doubled in the last five years, the percentage of female founders is only 9%. A study that surveyed 200 female entrepreneurs in Bangalore revealed that half of the companies were knowledge intensive and located in office spaces while only 14% focused on manufacturing and 18% were located in industrial areas. 
Financing Startups

One of the most commonly highlighted constraints for startups is finance. Startups use a range of different kinds of finance, from grants, through to debt and equity, as well as informal sources such as savings and investment and loans from family and friends.\(^8\)

Total funding in technology startups were USD 2.2 billion in 2014 and it is expected to reach USD 4.9 billion in 2015 according to a NASSCOM study on tech and digital startups.\(^9\)

At the same time, the number of funds investing in India grew 40% between 2013-2014 (from 338 to 436 funds), and half of those funds were investing in India for the first time.\(^10\)

However, while there is clearly a great deal of capital flowing into the startup ecosystem, only a very small amount reaches startups. Two key issues are the lack of early stage funding – angel and seed funding - and the current concentration of funding towards technology and e-commerce.\(^11\)

Venture Capital funds in India generally invest in firms that are already generating revenues, therefore investing relatively late in the startup cycle.

The total value of VC and PE deals in 2014 was USD 15.2 billion, with the largest investments in consumer technology, real estate and banking/ financial services/insurance.\(^12\) Likewise, India-based investors prefer to make a few relatively large investments of around Rs. 3 crores to Rs. 5 crores\(^13\) rather than spreading smaller investments across a large number of firms.

Startups looking for funding of less than Rs. 50 lakh therefore often struggle to access investors. In fact, startups in India spend five times the amount of effort to raise funds as compared to US startups.\(^14\)

Nevertheless, seed stage venture capital funding has grown more than six times from 2013 to 2014, up to USD 99 million in 2014 according to Nasscom.\(^15\) Furthermore, the majority of investments are made in NCR, Mumbai and Bangalore, with the three cities accounting for 93% of total tech startup investments, and 69% of angel investments (including Chennai angel investment comes to 80% across the four cities).\(^16\)
<table>
<thead>
<tr>
<th>Name</th>
<th>Type</th>
<th>What it does</th>
<th>Startup focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sequoia Capital</td>
<td>Venture capital</td>
<td>Seed as well as early stage venture investments and later stage investments. It is one of the top investors in Indian startups</td>
<td>Energy, Enterprise Solutions, Financial, Health Care, Internet, Mobile</td>
</tr>
<tr>
<td>Softbank</td>
<td>Private equity investments</td>
<td>Invests in early stage leaders in large, disrupted markets</td>
<td>Consumer and B2B technology, consumer oriented technology and retail</td>
</tr>
<tr>
<td>Seedfund</td>
<td>Venture capital fund</td>
<td>Invests in early stage companies, particularly provides seed capital as well as advisory to diverse start-ups.</td>
<td>Invested in healthcare, education, rural marketing, e-commerce, technology</td>
</tr>
<tr>
<td>Aavishkaar</td>
<td>Social Venture capital fund</td>
<td>Supports early stage companies in underserved regions and is one of the prominent impact investors in the country</td>
<td>Social Impact sectors, including healthcare, education, livelihoods, clean energy, agriculture, water and sanitation, technology for development</td>
</tr>
<tr>
<td>Unilazer Ventures</td>
<td>Early stage venture and private equity investments</td>
<td>Invests in early and growth stage companies in both social and non-social sector</td>
<td>Fashion, social sectors, finance</td>
</tr>
<tr>
<td>Catamaran Ventures</td>
<td>Private investment firm</td>
<td>Invests in early and growth stage companies</td>
<td>Sector agnostic</td>
</tr>
<tr>
<td>Accel Partners</td>
<td>Private equity firm</td>
<td>Invests in venture and growth stage firms</td>
<td>Sector agnostic but most investments are in technology based companies</td>
</tr>
<tr>
<td>Helion Venture Partners</td>
<td>India focused venture fund of over $600mn</td>
<td>Invests in early to mid-stage companies and advises them on business plans and execution strategy. It has invested in about 60 countries since 2006</td>
<td>Technology-based ventures: eCommerce, online services, mobility, enterprise software and outsourcing</td>
</tr>
<tr>
<td>Nadathur</td>
<td>Private investment firm</td>
<td>Angel, venture fund, private equity, public equity and debt. It has created the Ojas Ventures Capital Fund with $35 million to invest in proof of concept stage companies in technology</td>
<td>Focuses on life sciences (including biotechnology and health care), also invests in information technology, hospitality, aerospace, education, real estate, arts, and conservation</td>
</tr>
<tr>
<td>SIDBI Venture Capital</td>
<td>Venture capital funds</td>
<td>Investment involves equity and equity type instruments through its five funds</td>
<td>Startups/MSMEs in variety of growth sectors with high growth potential that can scale up within 3 - 5 years of investment</td>
</tr>
</tbody>
</table>
The majority of funds in India raised foreign investment and foreign capital is expected to remain the primary source of capital in 2016. The lack of Indian fundraising for funds is a challenge in both conventional investing and impact investing.

Angel investments is emerging but still very limited in India, making up only 7% of early-stage investment compared to 75% in the US. Innoven’s India Angel Report suggests that median angel round has grown from Rs. 52 lakh to Rs. 138 lakh from 2014 to 2015, based on 47 angel investments of a total value of Rs. 702.5 million in 2015 across the private equity and venture capital spectrum. While many angels invest considerably less per deal than that, the lack of early stage funding is evident given that startups state the major gaps are funding below Rs. 50 lakh.

Examples of Angel Networks

<table>
<thead>
<tr>
<th>Name</th>
<th>Type</th>
<th>What it does</th>
<th>Startup focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>India Angel Network <a href="http://indianangelnetwork.com/">http://indianangelnetwork.com/</a></td>
<td>Investments in early stage businesses</td>
<td>Invests up to USD 1 million (average of about USD 400-600K) for 3 to 5 year period</td>
<td>Multiple sectors</td>
</tr>
<tr>
<td>Mumbai Angels <a href="http://www.mumbaiangels.com/">http://www.mumbaiangels.com/</a></td>
<td>Business incubator and holding company</td>
<td>Provides a platform to startups to present their business proposals and to seek funds and advice from experts</td>
<td>Agriculture, e-commerce, education, finance, mobile apps, healthcare, media and entertainment</td>
</tr>
<tr>
<td>India Impact Investment Network <a href="http://i3n.co.in/">http://i3n.co.in/</a></td>
<td>Investments in early stage enterprises</td>
<td></td>
<td>Social impact sectors</td>
</tr>
</tbody>
</table>

Angel Investor Perspective: What investors look for in an Angel Ready Startup

1. Domain understanding and the ability to execute
2. An innovate proposition – technical and commercial innovation. Investors are looking at high growth models and they need 1) innovation and 2) growth potential. Entrepreneurs therefore need to be able to explain the ecosystem, explain the value chain and explain where their product or service fits within that ecosystem. Likewise, entrepreneurs need to be able to identify their customer. Who is going to pay? Does the customer really need this? Will he really pay for this product or service?
3. How is the entrepreneur going to develop the actual work – the manufacturing process and the marketing process, the pricing and so forth? This execution piece needs to be demonstrated as it is vital. Having said that, angels do invest in pre-revenue companies. However, investors do want to see how entrepreneurs will get the money and revenue and how to do that sustainably.
4. The promoter team is extremely important. Do they understand the sector and ecosystem in which they operate? Do they have the ability to execute? Do they have the passion to take this forward? Do they have the right leadership skills? Are they open to mentoring? It is the passion and excitement that is going to sell.
5. The financial projections are seen as a mirror of the thinking that has gone into the startup. In other words, what assumptions are used and to what extent have the numbers and the assumptions been thought through.

(Source: Padmaja Ruparel, President Indian Angel Network, CII Startup Conclave presentation)
While banks are the primary providers of debt finance, startups often find it difficult to access bank loans. Banks are generally unwilling or unable to finance startups, for example because of lack of adequate collateral, limited cash-flow, or because there is a lack of understanding of risks. In 2012, the International Finance Corporation estimated that there is a Rs. 352 crore gap in debt finance for MSMEs in India.\(^{20}\)

**Alternative debt financing** instruments have emerged in recent years, to fill this gap.

### Closing the Financing Gaps

While many startups do not need a lot of finance, the problem is that it can be difficult to access unless you are working in a technology-based field. This is especially the case with equity finance. One suggestion is therefore that public and state funding going into entrepreneurship and enabling startups should focus on sectors and areas that are currently ignored by commercial VC. This could for example be areas of national importance. Secondly, debt financing need to be improved for startups. Rules such as only lending to startups that have been operational for three years exclude a large number of startups, and often when they are particularly in need of debt finance. We need a riskier pool of debt that can price itself in the market. For this the regulatory system needs to be adjusted.

(Source: Mr Alok Mittal Co-founder and CEO of Indifi at CII Startup Conclave)

### Examples of Other Funding

<table>
<thead>
<tr>
<th>Name</th>
<th>Type</th>
<th>What it does</th>
<th>Startup focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intelleegrow</td>
<td>Non-Banking Finance Company</td>
<td>Debt finance to small and growing businesses</td>
<td>Agricultural supply chain, clean energy, education, financial inclusion, affordable healthcare, water and sanitation</td>
</tr>
<tr>
<td>Indifi Technologies</td>
<td>Debt financing</td>
<td>Provides loans to small businesses. It tries to be efficient in its operations to reduce processing time with an online application system</td>
<td>Varied, including e-commerce, travel, hospitality, retail, trading</td>
</tr>
<tr>
<td>Kinara Capital</td>
<td>Non Banking Finance Company</td>
<td>Provides debt capital loans (INR 1 to 10 lakhs). It works on supply chain financing model.</td>
<td>Micro and small enterprises in manufacturing, artisan products and agri-retail</td>
</tr>
<tr>
<td>Innoven Capital</td>
<td>Venture debt and specialty lending business</td>
<td>Medium term loan ranging from Rs.3 Cr to Rs.25 Cr to VC-backed companies</td>
<td>Sector agnostic but preference for startups in technology, internet, media, healthcare and consumer</td>
</tr>
<tr>
<td>MUDRA – Micro Units Development &amp; Refinance Agency Ltd</td>
<td>Refinancing agency</td>
<td>Refinance for micro-units with loan requirement of INR 50,000 to INR 10,00,000</td>
<td>Variety of sectors with special focus on women entrepreneurs</td>
</tr>
</tbody>
</table>

\(^{20}\)Niti Aayog, 2015, Report of the Expert Committee on Innovation and Entrepreneurship
The Importance of Supply-chain Entrepreneurs

One area that has been largely ignored by the startup ecosystem is the supply-chain impact of startups. For example, a startup such as Flipkart has thousands of small entrepreneurs supplying products that have also benefitted from the growth of Flipkart and its platform. Those sellers also need financing, often at very small levels. Now companies are emerging that are providing financing solutions to these kinds of startups along value-chains.

Indifi provides debt financing for supply-chain entrepreneurs. The company works with banks to lend to small businesses in operation for three years.

(Source Mr Alok Mittal Co-founder and CEO of Indifi at CII Startup Conclave)
Startups often require non-financial support, including capacity building, management advice, improved business plans and networking, and specialist technical services such as accounting or legal advice. Non-financial support is a way of reducing the risk (of default) of the financial support. According to a Nasscom report on digital startups, India now has approximately 110 incubators and accelerators in India.

**Incubators** work with startups to develop entrepreneurial skills such as building a business around an idea, creating and testing a prototype and understanding the market. Incubator programmes can be relatively long-term – over a year. **Accelerators** offer usually shorter and more intense programmes to hone in on the business model, the market opportunity and the product\(^1\).

**Mumbai Incubator**
A new incubator in Mumbai provides advisory and advanced technology to spur growth in startups. Incubators and investors in India to date focus on building the business. Mumbai Incubator is piloting a new model, which focuses on bringing the most appropriate technology to the startup, so that the entrepreneur can concentrate on building the startup.

(Source: [http://mumbaiincubator.com/](http://mumbaiincubator.com/))

**Co-working** spaces are shared offices that typically have open space and offer desk space as well as other facilities such as administrative help or services such as couriers. In addition, there may be formal or informal networks of mentors or entrepreneurs based at the co-working space. India’s largest cities have a number of co-working spaces.

**Technology Incubator Platform: Cloud Platform for Start-ups at Google India**
Google offers startups USD 100,000 in credit to use its Cloud Platform from which startups can run their applications. The programme helps startups build and scale. The services include: Computer platform as a service, Storage that startups can use, Big Data analysis through the cloud platform and Google’s applications, Connectivity, and Firebase – a platform programme that enables developers to build mobile and web apps that store and sync data.

Additionally, Google is setting up a forum so that startups can call Google for assistance by connecting the entrepreneur to an MSME that helps solve the problem. Google for Entrepreneurs Programme Resources include mentoring and other support such as with organizing pitches.

(Source: Presentation by Anuja Shukla, India Sales Lead, Google Cloud Platform for Startups, at CII Startup Conclave.)

\(^1\)Drawing on Unitus Seed Fund. 2015, Global Best Practices in Incubation and Acceleration
Examples of Incubators and Accelerators

<table>
<thead>
<tr>
<th>Name</th>
<th>Type</th>
<th>What it does</th>
<th>Startup focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centre for Innovation Incubator and</td>
<td>Early stage incubator</td>
<td>Incubates early stage enterprises particularly in the technology, energy</td>
<td>ICT, Cleantech, Social entrepreneurship</td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td>hosted at IIM Ahmedabad</td>
<td>and social sector. It is open for all and also offers co-working spaces in</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ahmedabad, Jaipur and Pune. It organizes accelerator programmes and</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Bootcamps as well as investor pitches</td>
<td></td>
</tr>
<tr>
<td>Rural Technology Business Incubator</td>
<td>Early stage incubator</td>
<td>Support entrepreneurs in developing their business models as well as</td>
<td>Start-ups that impact rural/underserved societal segments, leveraging ICT in</td>
</tr>
<tr>
<td></td>
<td>hosted at IIT Madras</td>
<td>grassroots trials/pilots for technology creation, business model development</td>
<td>sectors like agriculture, education, financial inclusion, healthcare, and</td>
</tr>
<tr>
<td></td>
<td>supported by DST</td>
<td>and designing services</td>
<td>livelihood</td>
</tr>
<tr>
<td>Khosla Labs</td>
<td>Incubation support</td>
<td>Provides startups assistance with prototyping and piloting their products.</td>
<td>Mobile payments, banking, retail, healthcare and big data analytics</td>
</tr>
<tr>
<td></td>
<td></td>
<td>It also helps them develop business plans and pitch to its associated entity,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Khosla Ventures</td>
<td></td>
</tr>
<tr>
<td>Startup Village</td>
<td>Technology based incubator</td>
<td>Provides incubation support to technology-based startups. It also assists</td>
<td>Technology product startups, particularly student startups</td>
</tr>
<tr>
<td></td>
<td>set up as a public private</td>
<td>startups to pitch to Startup Village Angel Fund. It is located in Kochi</td>
<td></td>
</tr>
<tr>
<td></td>
<td>partnership in Kerala</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UnLtd India</td>
<td>Incubator for social</td>
<td>Supports early stage social entrepreneurs</td>
<td>Supports both for-profit and non-profit social enterprises across various</td>
</tr>
<tr>
<td></td>
<td>enterprises</td>
<td></td>
<td>sectors</td>
</tr>
<tr>
<td>Villgro</td>
<td>Incubator for social</td>
<td>Mentoring, fellowship, funding (equity/quasi-equity investments up to INR 50</td>
<td>Social enterprises</td>
</tr>
<tr>
<td></td>
<td>enterprises</td>
<td>lakhs) and networking</td>
<td></td>
</tr>
<tr>
<td>Catalyzer</td>
<td>Accelerator programme</td>
<td>a 101 days mentorship driven entrepreneurship cohort accelerator program for</td>
<td>Technology and social enterprises</td>
</tr>
<tr>
<td></td>
<td></td>
<td>startups</td>
<td></td>
</tr>
<tr>
<td>GSF Accelerator</td>
<td>Accelerator programme</td>
<td>A 13 week programme with access to funding, networking and mentorship</td>
<td>Internet and mobile based product startups</td>
</tr>
</tbody>
</table>

Professional and technical services such as accounting, legal and financial expertise are important for new startups that cannot afford to provide these services in-house. A number of service providers have emerged in recent years.
Innovative Incubators and Industry-Incubator Collaborations

There are 90 incubators supported by the Department for Science and Technology (DST), and some of these incubators are doing very well (such as Startup Village in Kochi). Many of the incubators have seed funds, tie-ups with technical services, and mentors. There are also very specialised incubators – such as the partnership with DST, Boeing, HAL and others at IIT-B – the National Centre for Aerospace Innovation (http://www.ncair.in/). Here the industry has come forward and contributed equipment, capital and raw material and by doing so raising the value a great deal. Another interesting recent incubator initiative is the incubator Zone Startups (http://india.zonestartups.com/) hosted at the Bombay Stock Exchange. There are currently 42 enterprises at the Dalal Street office. The advantage of the Bombay Stock Exchange location is that incubatees can easily access good quality mentors because of the network at the Stock Exchange. Startups are, additionally, able to get first orders relatively easily from nearby firms. Other initiatives that NSTEDS is involved in and which help strengthen the ecosystem include the Power of Ideas Programme which is run with Times of India group and IIMA- CIIE. In 2015 there were 15000 applications and the quality of applications was much higher than previous years, suggesting that the startups that are coming up are increasingly strong and sophisticated.

(Source: H K Mittal, Adviser & Head, National Science Technology Entrepreneurship Development Board)

Examples of Professional Services

<table>
<thead>
<tr>
<th>Name</th>
<th>Type</th>
<th>What it does</th>
<th>Startup focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>MeetUrPro</td>
<td>Online marketplace for professional service providers</td>
<td>Connects startups to professional service providers like CAs, lawyers, etc.</td>
<td>Variety of startups</td>
</tr>
<tr>
<td>Ennovent</td>
<td>Support services around launch and scale</td>
<td>Feasibility study, pilot management, cooperation models, design and execution support support, improve investment readiness</td>
<td>Low income markets</td>
</tr>
<tr>
<td>TrustLaw</td>
<td>Pro bono legal programme</td>
<td>Connect law firms and corporate legal teams to startups</td>
<td>NGOs and social enterprises</td>
</tr>
<tr>
<td>Viral Curry</td>
<td>Brand management</td>
<td>Online brand management, social media marketing, and digital services</td>
<td>Variety of startups</td>
</tr>
<tr>
<td>S3 Solutions</td>
<td>Service provider in accounting, tax, payroll and compliances</td>
<td>Incorporation services, compliance audit, internal audit, VAT and other tax litigation support</td>
<td>Startups and small and medium enterprises</td>
</tr>
</tbody>
</table>

Impact Law Ventures is a Delhi-based law practice that provides assistance to start-ups, small and growing businesses and social business enterprises among others in navigating the regulatory and legal environment.

(Source: https://www.linkedin.com/company/impact-law-ventures)
While a great number of universities and colleges today offer entrepreneurship courses, several have incubation services and many more student clubs encouraging startups. An entrepreneur, a common complaint is that research at universities is often not applicable or accessible to startups or the startup ecosystem. There are relatively few successful spin-offs emerging from Indian universities to date.

### A Successful University Spin-off:

Texas Instruments funded Reapan Tikoo’s student project at IIT-Bombay as a research project. What he set out to do was to make a cost efficient chip. While doing that he and the team realised there was a commercial opportunity for innovation in the electronics design automation space. That is when Powai Labs was founded and the academic guide, Professor Madhav Desai became the co-founder. Powai Labs remains at IITB, where they were also incubated. The government (DST) and academic support at the early stage was very important for the company.

**How has IIT Bombay changed over the last decade for entrepreneurs?**

There is more research funding available today. Likewise, PhD students have a more practical orientation rather than an overwhelmingly theoretical focus.

*(Source: Mr Reapan Tikoo, Founder and Chief Executive, Powai Labs Technology Pvt Ltd)*

### Examples of Universities with Incubation & Other Startup Support Programmes

<table>
<thead>
<tr>
<th>Name</th>
<th>Type</th>
<th>What it does</th>
<th>Startup focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurship Development Institute of India</td>
<td>Degree and certificate education programmes, academic research, and events</td>
<td>It has various courses on entrepreneurship, ranging from one-week workshops and summer camps to full-time post graduate diploma degree and doctoral programmes.</td>
<td>MSMEs, microfinance, livelihoods, social entrepreneurship, women led businesses, family businesses</td>
</tr>
<tr>
<td>Indian Institute of Management, Ahmedabad</td>
<td>Incubation, ecosystem development and academic initiatives</td>
<td><strong>Incubator:</strong> Hosts the incubator, Centre for Innovation Incubation and Entrepreneurship <strong>Students’ Club:</strong> The Entre Club, a students’ entrepreneurship club to support student led startups and ideas. <strong>Events/Networks:</strong> It has initiatives like a social immersion program</td>
<td>ICT, Cleantech, Social entrepreneurship</td>
</tr>
<tr>
<td>Indian Institute of Management, Bangalore</td>
<td>Incubation, research, events, education programmes</td>
<td>NS Raghavan Centre for Entrepreneurial Learning  <a href="http://www.nsrcel.org/">http://www.nsrcel.org/</a> The centre conducts academic research on theory and practice of entrepreneurship in India, it also has a mentor and entrepreneurs matchmaking initiative It conducts over 20 events a year, including the 4Startups <a href="http://www.4startups.in/">http://www.4startups.in/</a> and the business plan competition for students during their annual fest, Eximius. The centre also has an incubation programme open to entrepreneurs within and outside of IIM-B. It offers two Management Programmes tailored for family businesses and women entrepreneurs</td>
<td>Family businesses, women entrepreneurs, social entrepreneurs</td>
</tr>
</tbody>
</table>
Technical and vocational training institutes and courses are not currently geared towards a startup economy. The private sector notes that the current training of offer is generally outdated and out of touch with the needs of startups as well as modern industry.

Likewise, schooling in India today does not foster skills for startup and entrepreneurship based economies given the emphasis on route learning and old-fashioned curricula that does not equip students with skills for a modern knowledge economy.

One outcome of the lack of adequate and appropriate skills is that entrepreneurs find it difficult to access the right kind of employees. The private sector invests considerable effort in retraining employees, something that can be very costly in terms of time and money for new firms. The 2014 Global Innovation Index rates India at the bottom of the BRICS countries and notes that the biggest issue facing the country is its education system.

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**Indian School of Business, Hyderabad**
- **Organizes business plan competions and events; Incubates and educates young entrepreneurs**
- **Centres:** Wadhwani Centre for Entrepreneurship Development
- **Tech startups, social ventures**
  - [http://www.isb.edu/](http://www.isb.edu/)

**Indian Institute of Technology, Bombay**
- **Hosts an incubator, student clubs, events**
- **Incubator:** Society for Innovation and Entrepreneurship [http://www.sineiitb.org/](http://www.sineiitb.org/)
- **Early stage incubator hosted at IIT Bombay supported by DST, Incubates 15 startups**
- **Events:** The Entrepreneurship Cell organizes the annual business plan competition for students called Eureka!
- **Supports technology based entrepreneurship**
  - [http://www.iitb.ac.in/](http://www.iitb.ac.in/)

**Indian Institute of Technology, Madras**
- **Hosts a rural business incubator, centre for social enterprises, and an incubation cell**
- **Rural Technology Business Incubator is an Early stage incubator hosted at IIT Madras supported by DST. It also hosts the Centre for Social Innovation and Entrepreneurship to support teaching and research related to entrepreneurship as well as incubate social enterprises. The IITM Incubation Cell offers incubation, mentorship, and office infrastructure**
- **Start-ups which impact rural/underserved societal segments, leveraging ICT, industrial solutions**
  - [https://www.iitm.ac.in/](https://www.iitm.ac.in/)

**Tata Institute for Social Sciences**
- **Offers two-years MA Social Entrepreneurship; Centre for Social Entrepreneurship, TISS Promotes social entrepreneurial research and education. It also conducts workshops and seminars to bring together various actors working on social entrepreneurship**
- **Social enterprises**
  - [http://www.tiss.edu/](http://www.tiss.edu/)

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**Source:** noted at Startup Conclave


Industry Bodies, Facilitators and Networks

Industry associations, formal and informal networks & events such as business plan competitions have cropped up across India and often provide an entry route for startups to the ecosystem.

Networks such as TiE and Startup Weekend now have local chapters operating across the country. These chapters are creating platforms for local startups to meet, share experience, and connect to the support ecosystem. These networks and platforms are especially important outside of the main metros, where peer-to-peer learning and support can be the only easily accessible local form of support.

Examples of Networks and Industry Facilitators

<table>
<thead>
<tr>
<th>Name</th>
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<th>What it does</th>
<th>Startup focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confederation of Indian Industries (CII) <a href="http://www.cii.in/">http://www.cii.in/</a></td>
<td>Business association</td>
<td>Policy advocacy, research, networking and other industry events</td>
<td>Organizes events such as the competitive expo, CII Startupepreneurs</td>
</tr>
<tr>
<td>The Indus Entrepreneurs (TiE) <a href="http://tie.org/">http://tie.org/</a></td>
<td>Network</td>
<td>Access to mentors, networks, funding opportunities</td>
<td>Conducts regular events for startups. Partners with global startup events such as Startup Cup and Startup Weekend</td>
</tr>
<tr>
<td>NASSCOM <a href="http://www.nasscom.in/">http://www.nasscom.in/</a></td>
<td>Association for Indian software companies</td>
<td>Policy advocacy, research, networking platforms through industry events</td>
<td>Launched the 10000 Startups initiative to support new and upcoming technology startups in the country</td>
</tr>
<tr>
<td>Federation of Indian Chamber of Commerce and Industries (FICCI) <a href="http://www.ficci.com/">http://www.ficci.com/</a></td>
<td>Industry Platform and Association</td>
<td>Policy advocacy, research, and networking</td>
<td>Supports workshops and conclaves for startups. It also conducted research on startups in the sports sector</td>
</tr>
<tr>
<td>Associated Chamber of Commerce and Industry of India (ASSOCHAM) <a href="http://www.assoccham.org/">http://www.assoccham.org/</a></td>
<td>Association of 400 chambers and trade associations</td>
<td>Provides quick access to information and networks to members</td>
<td>Advocated for tax friendly policies for startups</td>
</tr>
<tr>
<td>Indian Chamber of Commerce (ICC) <a href="http://www.indianchamber.org/">http://www.indianchamber.org/</a></td>
<td>Operates from Kolkata and led by the Birla Group</td>
<td>Policy advocacy, trade facilitation, investment matchmaking, arbitration, create networking channels</td>
<td>Focuses on businesses in the eastern and north eastern parts of the country</td>
</tr>
</tbody>
</table>

CII Initiatives to Strengthen the Startup Ecosystem

CII is in the process of setting up a national centre for startups. CII additionally works with the government to create and strengthen startup ecosystems with enabling policies. It works with academia on research and curriculum development. It looks to leverage the membership of 7000 across the country to develop startup ecosystems in tier-II and tier-III towns and rural areas. CII want to take what happens in places like Mumbai and Bangalore to tier-III cities and rural districts and towns across India and see whether it can enable local entrepreneurs to build a vibrant rural ecosystem locally. This includes identifying and training local entrepreneurs and support them in developing businesses over 18-24 months of handholding while providing funding and mentorship. CII is working with Deshpande Foundations’ Sandbox incubator initiative in Hubli and CIIE at IIM-Ahmedabad and many others, to explore what can be done to promote grassroots innovation and entrepreneurship as a priority.

(Source: CII)
Enabling the Ecosystem: Government Policy and Regulations

Key Take Aways:

- Ministries are currently developing new startup focused policies
- Policies go beyond financial support to create financial and non-financial support as well as platforms for collaborations and network creation
- Policies seeks collaboration with partners across the public, private, non-profit and academic spheres
- Government recognises the need to improve business environment, including speeding up approvals and other government-related services

The government is currently taking steps to enable startups, and the policy environment is evolving rapidly with new policies being implemented or drafted. A number of new initiatives have been announced by the government. These include efforts to 1) improve the business environment, 2) provide direct support for startups and 3) provide skilling for entrepreneurship. New policies have been announced by the Ministry of MSME and the Ministry of Skills Development and Entrepreneurship, while reports suggest a new Startup Policy is under way and will launch January, 2016.

Additionally, several state governments are implementing or drafting new policies and programmes supporting startups and entrepreneurship. For example, Karnataka, Kerala, Rajasthan, Gujarat have announced tax incentives for startups while Telangana is in the process of drafting new policies, while Karnataka is the first state to provide a startup policy. Likewise, Kerala has successfully supported incubation initiatives for startups including Kochi’s Startup Village and Thiruvananthapuram’s Technopark. Rajasthan financed incubator Startup Oasis as well as the Rajasthan Venture Capital Fund, and Odisha has launched the Odisha Youth Innovation Fund to encourage entrepreneurship among young people.

Improving the Business Environment

A key focus area of the government is the need to improve the ability to start, run and exit from a business. Likewise, providing incentives for banks and investors to support startups is important.

Examples of areas where the government is implementing new regulations include:

- **Bankruptcy**: An Interim Report of the Bankruptcy Law Reform Committee looks at ways to make exit easier. For example by protecting shareholders and employees in case of insolvency by ensuring wage payments that are due, while, not making it mandatory for companies to stay in business only to avoid unemployment, and amend sections of Companies Act 2013 to make liquidation process faster.

- **Income Tax**: Many startups incorporate companies abroad to benefit from their more liberal taxation policies. The 2015 finance bill now does not treat such companies as foreign and makes it mandatory for such companies to pay income taxes like Indian companies (new section 285A)

- **Listing**: The Securities Exchange and Exchange Board of India (SEBI) has relaxed rules for startups to list in India, and for investors in such start-ups to sell their holdings.

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25 Source: Livemint Article: http://www.livemint.com/Home-Page/95CAo2FyOTQYV3HPYsQmXG1/Govt-readies-new-policy-on-startups.html
27 http://www.livemint.com/Politics/D0y6WtNNQBr3sSxq8KUoQI/Sebi-may-ease-IPO-rules-for-startups-after-its-board-meets.html
Key Focus Areas for Government to Improve Business Environment

Access to Capital
- Ensure credit delivery norms are met by financial institutions
- Strengthen venture capital companies in quasi public sector by providing access to equity
- Incentivise Angel financing by providing appropriate rebates on capital gains by investors.
- Promote a 'rescue' culture by revisiting bankruptcy rules and facilitate counselling and advisory service.
- Encourage State-level bodies to take a provide credit to micro enterprise startups in their respective states, especially for identified target populations
- Given the need for new financial tools at the micro level, encourage and support financial institutions to develop innovative micro-level financial tools to promote investment in micro ventures.

Ease of Doing Business
- Unique Enterprise Number (UEN) – for registrations including taxes, labour laws and social security.
- Online Composite Application Form to obtain approvals and clearances from government authorities.
- Encourage States to strengthen existing 'Single Window System' for applications for approvals, applications and clearances.
- Provide more flexibility for startups in hiring and retaining staff during first three years
- Promote easy exit to enterprises that have been in operation for less than three years
- Offer tax incentives to new and existing entrepreneurs.

(Source: Presentation by Jyotsna Sitling, Joint Secretary, Ministry of Skill Development and Entrepreneurship at CII Startup Conclave)

New Startup Support

Startup India, Standup India

The Prime Minister announced the launch of “Start-up India” and “Stand-up India” during his Independence Day Speech on August 15, 2015. The government will promote bank financing for start-ups and offer incentives to enhance entrepreneurship and job creation. This initiative is expected to provide renewed support for entrepreneurship and help in setting up of a network of start-ups in the country. Further the Finance Ministry announced the need to integrate schemes for innovation and entrepreneurship across Ministries, ensure inclusion of remote areas of the country; and promote innovation in terms of new products and processes.

The Budget Speech 2014-15 promised:
- To create a technology centre network
- A programme to facilitate forward and Backward linkages within multiple value chain
- Setting up of district level incubation and acceleration centers
Examples of Existing Programmes Supporting Startups

The Department for Science and Technology set up Technology Business Incubators at academic institutions to support technology startups; Innovation and Entrepreneurship Development Cell at academic institutions to encourage entrepreneurship and innovation among students and faculty. The department set up the India Innovation Growth Program and The Power of Ideas for searching for, and supporting innovation across sectors. The Department of Bio-Technology established incubators for biotech startups, while the Department of Scientific & Industrial Research provides support related to patents for startups. Department of Electronics & IT has technology incubation centres in academic institutions. Under the previous government, the National Innovation Council set up Sectoral and State Innovation Councils to enable innovation policy and programmes.

(Source: Niti Aayog, 2015, Report of the Expert Committee on Innovation and Entrepreneurship)

The Finance Ministry has launched the India Aspiration Fund (IAF), which will invest in VC funds with the aim to catalyze investments in startups and MSMEs. SIDBI, LIC India are co-investors. RBI had already earmarked Rs. 2000 crores for FY 2014-15.

SIDBI Make in India Loan for Small Enterprises (SMILE) is a loan program with a budget of Rs. 10,000 crore launched by the government along with SIDBI. It will offer quasi-equity and term based short term loans to SMEs in the 25 sectors of the Prime Minister’s Make in India initiative.

Micro Units Development and Refinance Agency (MUDRA Bank), is a government entity that will provide loans to startups by working with existing banks. It has a budget of Rs. 20,000 crores.

Collaboration is Key

To reach scale efficiently, the Ministry of Skill Development and Entrepreneurship and the Ministry of MSME emphasise the need for public private partnerships, and collaboration with the private sector and a range of stakeholders beyond the public and civil society sectors in implementing the programmes and initiatives of the policy.

(Source: Panel at CII Startup Conclave)

Linking Skills to Entrepreneurship & a Startup Economy

Finding adequately skilled labour is an often mentioned challenge for startups today. The lack of appropriate skills is a result of mismatched education at three levels:

• At school where education methods focuses on rote learning, rather than creative thinking and analytical ability
• In vocational training, where curricula and technology used is often out of date and not adapted to modern industry or startups.
• At universities, which produces many graduates not fit for employment.

This results in a young workforce unequipped with the right skills to join modern industry, and a large cost for the private sector on training or retraining new employees.
Two new policies by the Ministry of Skills Development and Entrepreneurship, and the Ministry of MSME, are jointly focusing on both direct support for entrepreneurs and startups, as well as providing the skills education necessary for the entrepreneurial economy.

The Ministry of Skill Development and Entrepreneurship, started one year ago, has formulated a new policy framework, The National Policy for Skills Development and Entrepreneurship 2015, which builds on the Skills Development Policy, 2009, to create an integrated policy that together strengthen the ecosystems for both entrepreneurship and skilling. The vision of the policy is “To create an ecosystem of empowerment by Skilling on a large Scale at Speed with high Standards and to promote a culture of innovation based entrepreneurship which can generate wealth and employment to ensure Sustainable livelihoods for all citizens in the country”\(^\text{34}\). The policy will do so through:

- Education: providing improved entrepreneurship education
- Coordination: set up country-wide E-hubs for entrepreneurship support programmes
- Networks: set up networks of incubators and mentors
- Platform: create a platform for stakeholders in the ecosystem to interact.

**Key Features of The National Policy for Skills Development and Entrepreneurship 2015:**

- **Educate and Equip Potential and Early Stage Entrepreneurs**
  - Developing entrepreneurship curriculum by collecting information and experience from on teaching entrepreneurship from across the world
  - Will create an integrated online and offline learning system and deliver entrepreneurship training free of cost through online Massive Open Online Courses (MOOCS).
  - Will be starting entrepreneurship education in 3000 colleges across India for period of five years, rolled out in phases.
  - Entrepreneurship education courses will be provided around 325 industrial clusters across the nation through 50 nodal Entrepreneurship Hubs.

- **Support Entrepreneurship through Entrepreneurship Hubs (E-Hubs)**
  - 30 state and 50 nodal entrepreneurship hubs to deliver support in addition to the 3000 colleges providing entrepreneurship education.
  - This network of E-Hubs will coordinate the delivery of national and state government entrepreneurship support programs and provide access to resources. The E-Hubs will coordinate with industry and other stakeholders as well as lead inter-Ministerial coordination efforts. For example, with programmes such as Atal Innovation Mission (AIM) and Self Employment Talent Utilisation (SETU), or efforts of Niiti Ayog.
  - The National Entrepreneurship Hub will be advised by a National Advisory Committee (NAC).

- **Networks of Accelerators, Incubators and Mentors**
  - A national network of incubators & accelerators will be set up to support young entrepreneurs. This will be done by 1) supporting existing incubators and 2) support the creation of new incubators.
  - A national network of mentors to support entrepreneurs, drawing for example on existing networks and successful local entrepreneurs where possible.
  - A web and mobile based platform connecting students, young entrepreneurs, mentors, incubators, funding agencies and basic service providers will be established.

(Source: presentation by Jyotsna Sitling, Joint Secretary, Ministry of Skill Development and Entrepreneurship, at CII Startup Conclave.)
The Ministry of Micro, Small and Medium Enterprises drafted a new policy- ASPIRE: A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship. The ASPIRE scheme was introduced in March 2015, based on the Budget Speech 2014. The aim of the scheme is to create new jobs, promote entrepreneurship, facilitate new business solutions to unmet needs, and promote and strengthen the MSME sector. The scheme will provide:

- Direct support for entrepreneurs through incubation, acceleration and a Startup Fund
- Skilling of mentors and incubator managers and better sharing of knowledge by creating networks of universities and research institutes and
- Platform through which entrepreneurs can access existing technologies that have emerged from the academic institutions and research labs.

The Ministry is supporting the establishment of two sets of incubation centres: the Livelihood Incubation Centres in rural areas, and the Technology Business Centres. The first will promote the Incubation and commercialisation of business ideas, which supports livelihood as the basic criteria or motive. The Ministry of MSME has already approved 19 Livelihood Business Incubators across the country, which have so far incubated about 117.

**Key Features of ASPIRE:**

### Livelihood Incubation Centres

- Incubate ideas and small businesses providing livelihoods
- Provide skills development and entrepreneurship training, especially to young people
- Provide mentoring and handholding as well as a facility to apply for finance to develop a business out of an idea
- There are two options for setting up centres: either creating a stand-alone centre or a centre through a PPP.
- Funding will be provided for setting up centres:
  - For stand-alone centres: a grant of 100% of the cost of plant and machinery or an amount up to Rs. 100 lakhs whichever is less.
  - For PPP incubators one-time grant of 100% of the cost of plant & machinery or an amount up to Rs. 50 Lakhs whichever is less

### Technology Business Incubation Model

- Incubation centres will be set up across India. These incubators can be set up by private sector incubators, by technical/ academic and research institutes, recognised universities by industry and MSME associations, by public institutions at the national and regional levels, and state governments.
- The centres will support the entire startup process of product selection, proof of concept to setting up the enterprise
- The incubation centres can either be new centres or a part of an expansion of existing incubation centres.
- A range of support will be available to set up the incubation centres including:
  - Infrastructure: Partner institution to provide covered space with utilities, forward / backward linkages and manpower resources.
  - Funding for Incubators set up: Existing incubators - Rs. 30 lakhs and New incubators - Rs. 100 lakhs for Plant and Machinery only.
  - Funding Pattern for partner institutions: Partner institutions would be provided Rs. 3.00 lakh per innovative idea/incubate for nurturing.
**Startup Promotion Fund**

- The fund, created with SIDBI, will use innovative means of finance to enable startups, including Equity, Quasi-Equity, Angel fund, Venture capital fund, Impact funds, Challenge funds. This fund will be created to assist entrepreneurs, such as MSMEs to go to the next level. Incubation centres (stand-alone and PPPs) can be funded under this scheme.

**Knowledge and Technology Sharing**

- A database of technologies and research across Ministries and other public sector bodies and institutes will be created, that can serve as a platform for technologies that entrepreneurs can access and make use of.
- In order to develop more technologies across the academic and university sectors a network of technology centers for sharing knowledge and best practices is being set up.
- There is an acute shortage of people with the skills to mentor as well as skills to manage incubators. The programme will be developing skilled human resources necessary for mentoring and handholding incubatees.

(Source: Presentation by BH Anil Kumar, Joint Secretary, Ministry of MSME at CII Startup Conclave)
Taking Stock: The State of the Startup Ecosystem

This report has provided a snapshot of India’s startup ecosystem—its entrepreneurs, the support available, and the evolving policy environment.

Startups are heterogeneous, ranging from the highly visible high-tech ICT startups in Mumbai and Bangalore, to non-tech startups and social startups across both urban and rural areas.

Today there is a range of support, both financial and non-financial for startups, though primarily focussed on high-tech startups.

Likewise, while there are many courses on entrepreneurship at universities and colleges across the country, the vocational training courses are not geared towards advanced technology or startups.

The policy environment is currently evolving rapidly with new support programmes and policies being implemented and a startup act under consideration.

However, if we want to move towards more advanced manufacturing to realise the vision of Make in India, what does that mean for the startup ecosystem?

1) We need support that is inclusive of non-tech and non-ICT startups, providing assistance to the broad range of startups that exists. The support for manufacturing startups may differ from the ICT startups that hold much of the attention of today’s investors and incubators. Here the government can play a role in plugging early stage gaps in funding and incubation.

2) We need a policy environment that makes it easier for entrepreneurs to start, run, scale and shut businesses. Currently it takes a substantial amount of time and effort to register a startup and acquire all the necessary documentations and permits. Efforts underway to streamline these processes by the central government are welcome. However, with each state having their own set of rules, the administrative side may remain a considerable challenge for startups.

3) We require education and skilling provided at universities, vocational training institutes and other training programmes and initiatives to catch up with the needs of the startup economy. Today, many graduates are unemployable without additional on-the-job training, and many vocational training institutes provide technical training that is out of date. By reviewing skills training curricula offered today, and including industry and other stakeholders from the startup ecosystem, the skills that are taught may become more suitable for startups.

Nevertheless, the ecosystem is not only the sum of its parts. There may be many different startups, a range of support on offer, and enabling government policies and programmes, but even when there are many pieces of the startup ecosystem in place, the ecosystem may not function efficiently. This may be because of particular gaps, lack of information about other stakeholders in the ecosystem, lack of collaboration, or a lack of coordination. The dots need to be connected – policies to be complementary, Ministries and government departments to talk to one another, and central and state government policies and regulations to be streamlined. Likewise, financial and non-financial support ought to be complementary, covering a range of sectors, types of startups and stages of growth.
Further Reading:

• Bains (2015) India Private Equity Report 2015
• Nasscom and Zinnov (2015) Start-up India - Momentous Rise of the Indian Start-up Ecosystem
• Thillai Annamalai (2014) IITM India Venture Capital and Private Equity Report 2014 - A study of limited partners
Okapi Research & Advisory is an India-based research and consulting group focused on building ecosystems for collaboration and innovation in delivering development. We work with policymakers to shape the interface between public and private initiatives, financiers to design channels for financing impact, and system influencers to develop evidence-based strategies for achieving collective purpose. Okapi is incubated by IIT Madras and has offices in Bangalore, Mumbai, and Chennai. Okapi’s practice currently includes three portfolios:

- **Innovation Ecosystems**, in which we collaboratively develop networks and enabling environments for innovation and creative solutions to social challenges such as sustainable agriculture, energy access, and low-cost healthcare;

- **Impact Futures**, in which we work with clients to anticipate emerging opportunities for achieving social impact and integrate them into philanthropic, policy, and market-based initiatives;

- **Infrastructure Governance**, in which we work with policymakers, impact investors, social entrepreneurs, and others on strategies to integrate public and private contributions to infrastructure and services.

More about Okapi here: www.okapia.co
The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in India's development process. Founded in 1895, India's premier business association has around 8000 members, from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 200,000 enterprises from around 240 national and regional sectoral industry bodies.

CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, healthcare, education, livelihood, diversity management, skill development, empowerment of women, and water, to name a few.

In its 120th year of service to the nation, the CII theme of Build India - Invest in Development: A Shared Responsibility, reiterates Industry's role and responsibility as a partner in national development. The focus is on four key enablers: Facilitating Growth and Competitiveness, Promoting Infrastructure Investments, Developing Human Capital, and Encouraging Social Development.

With 66 offices, including 9 Centres of Excellence, in India, and 8 overseas offices in Australia, Bahrain, China, Egypt, France, Singapore, UK, and USA, as well as institutional partnerships with 312 counterpart organizations in 106 countries, CII serves as a reference point for Indian industry and the international business community.

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