



Indian Chamber of Commerce



STARTUPRENEUR

Quarterly Newsletter on the Start-up Ecosystem in India
Issue 3 | September, 2018

“Successful Investing is Anticipating the Anticipations of Others”
John Maynard Keynes (1883-1946)



Message from the President's Desk

With over 6,300 startups being recognized by the Department of Industrial Policy and Promotion (DIPP) last year, the startup movement in India has definitely gained momentum. Investment in startups across segments like Artificial Intelligence (AI), Fintech, Logistics and Software as a Service (SaaS), which typically come under the B2B category has touched \$6.1 billion, with fintech topping the list in terms of funding with \$4.4 billion, followed by logistics at \$838 million. 2018 is also slated to see much activity in non IT domains like food start-ups, buoyed by changing urban lifestyles. The Indian unicorn club, which currently has a handful of startups (12), is expected to add at least 34 new tech startups under its wings by 2020. Funds are however mostly flowing in for the established brands. The dictum for the Indian entrepreneurs seems to be clear, “Think Global, Act local”.

Startuppreneurs feel, impact of government initiatives such as “Startup India”, initiated for catalyzing startup entrepreneurship in the country, has been to some extent limited, due to the lack of awareness about processes, amongst startups. At the industry level, challenges include the likes of talent acquisition, scalability and customer connect. However, market is upbeat about the fact that investors in India are likely to increase their investments in startups in the coming months.

The startup movement in India is being pioneered by grassroot level innovation, throughout the country. As students get opportunities to work on advanced tech like robots, 3D printers and internet-of-things (IoT), it is evident that the biggest disruption is in moving away from conventional learning to continual and differential learning.

A large part of demystifying the startup movement lies in understanding the fact that success cannot be automated. It needs vision, leadership, networking, awareness generation, determination and a lot more!

In this backdrop, as part of our endeavor to take forward the agenda of sensitizing the start-up ecosystem in the country, the Indian Chamber of Commerce (ICC) is happy to launch the third quarterly edition of '**STARTUPRENEUR**', our newsletter on startups and entrepreneurship.

As an industry dashboard, it features success stories from budding CEOs, latest policy diktats, Government and Regulatory views and industry updates. The aim is to build up a strong networking platform for the startups.

ICC actively facilitate queries, meetings, B2B and B2G interactions for the startup entrepreneurs, in the country.

I sincerely hope that the stakeholders involved in this sector will benefit from this initiative.

Mr. Rudra Chatterjee

President, Indian Chamber of Commerce



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Mr. Atul P Agarwal
Chair, ERC, NASSCOM &
Director Apt Software
Avenues Pvt. Ltd

Over last few years, a number of stars have aligned to make the Indian startup ecosystem flourish. The millennials, who thrive in the virtual world, are lured by new opportunities created by disruptions in technology. They are willing to take the riskier entrepreneurial plunge rather than walk the beaten path. At the same time, various government agencies, educational institutions and corporates are helping create the necessary ecosystem to nurture startups through incubators, accelerators and the like. As a result India can boast of being the country with the 3rd largest number of startups.

However, one must realize that not every entrepreneur's endeavor will be considered a startup. There are certain specific characteristics that define a startup. For example, the Government of India defines a startup as follows:

- Till up to seven years from the date of incorporation (ten years from date of incorporation for biotechnology startups)
- If its turnover does not exceed 25 crores in the last five financial years.
- **It is working towards innovation, development, deployment, and commercialisation of new products, processes, or services driven by technology or intellectual property.**

Thus innovation is a very part of the definition of a startup. In addition to being driven by some innovative idea, the startup has to be able create a business of exponential scale around this idea and create some serious disruption in the market it is targeting. This is how a startup distinguishes itself from a purely lifestyle business that allows one to earn a living. A me-too kind of a business or a non-scalable business model does not really qualify as a startup.

Since a PhD thesis is innovative work by definition, it is no wonder then that IIT Delhi is now incubating startups based PhD theses of students. Students with an entrepreneurial bent of mind can leverage their research work and commercialize it through technology implementations as a startup.

Big Corporations are now realizing that they cannot be as nimble as startups. The NASSCOM Industry Partnership Program (NIPP) seeks to foster sustained engagement between large corporations and innovative technology ventures in India. Startups can leverage this program which fosters a culture of open innovation through strategically aligned, curated connects.

There are a plethora of schemes (about 50+) from the government waiting to be leveraged by startups.

A startup should try to protect its intellectual property at all costs; else copy-cats can quickly emerge and jeopardize a startup's business. This is achieved through trademarks, copyrights and patents filings in multiple geographies. The government of India as recognized the importance of such protections and provides incentives under the Startups Intellectual Property Protection (SIPP).

NIDHI (National Initiative for Development and Harnessing Innovations), an umbrella program is pioneered by the Department of Science & Technology (DST), Government of India, for nurturing ideas and innovations (knowledge-based and technology-driven) into successful startups.

Startups can list their products and services on the GeM portal promoted by the Government of India. GeM is an Online Market platform to facilitate procurement of goods and services by various Ministries and agencies of the Government. It has been envisaged as the National Procurement Portal of India.

Over the past 5 years, NASSCOM has been working closely with Ministry of Electronics and IT (MeitY) & Dept. of Revenue (Ministry of Finance) to formulate a standardized template for government IT procurement. The "Guidance Notes for Selection of Implementation Agencies 2018" has now relaxed some conditions for qualification of startups:

"The condition of prior turnover and prior experience may be relaxed for Startups (as defined by Department of Industrial Policy and Promotion) subject to meeting of quality & technical specifications and making suitable provisions in the bidding document."

Finally, startups also have to be nimble and innovative in every aspect of their business, whether it be recruitment, business strategy or product development. The best time to be a startup in India is NOW and as we in NASSCOM see it, the sky is the limit.

Indian Chamber of Commerce (ICC) inks Memorandum of Understanding (MoU) with NASSCOM in August 2018



ICC inks MOU with NASSCOM on 24th August, 2018 in the presence of Dr. Amit Mitra, Hon'ble Finance Minister, Government of West Bengal

Taking our initiative one step further towards building meaningful synergies in the start-up ecosystem in India, the Indian Chamber of Commerce has signed a memorandum of understanding (MoU) with NASSCOM 10,000 Startups, an ambitious undertaking by India's premier IT industry body – NASSCOM. This would help to promote the startup enterprises in India towards ensuring greater employment generation and all round socio-economic development of the country. The start-ups would benefit from business consultation and guidance for funding, enterprise connect, promotion of digital awareness and deep technology adoption etc. especially in Eastern India. Enterprise connect will span multiple verticals across sectors like FMCG, Energy, Agro and Food Processing, Heavy engineering, Manufacturing, Transportation and Logistics, to name a few. We hope this initiative would be a game changer for the start-up movement in Eastern India and West Bengal. ICC has also signed MoUs with various other national and international bodies towards emboldening the startup ecosystem in the country. Facilitating business, responding to the challenges and creating dynamic solutions has been the forte of the Chamber since its inception in 1925.

Government to give preference to cyber security products by domestic firms

The government has mandated giving preference to locally produced cyber security products in all public procurement where intellectual property rights are owned by companies or start-ups incorporated in India. According to the order, the preference will be granted to a company which is incorporated and registered in India or startup firms that meet the definition as prescribed by the Department of Industrial Policy and Promotion (DIPP), provided the revenue from the product and intellectual property (IP) licensing accrues to the firm in India.

Assam readying 120,000-square feet Tech City for startups

The Information technology wing of Assam government, Assam State Electronics Development Corporation Limited (AMTRON), is readying a 120,000-square feet Tech City for startups. The facility is being built near Guwahati Airport and will be ready early next year. Assam is going come up with the Tech Village a concept designed to help entrepreneurs and students in training and skilling. Tech Village will help people living in remote areas fulfill their dream of becoming entrepreneurs. Also in the pipeline are a few Centres of Excellence which will benefit the youths of Assam as well as the other North Eastern States

DIPP starts programme for startups in energy sector

The commerce and industry ministry has said that Invest India has joined hands with energy companies to offer its three-month programme for startups in the sector. Initiatives to promote budding entrepreneurs are carried out by the department of industrial policy and promotion (DIPP), which is part of the ministry. Invest India is a national investment facilitation agency, funded by the DIPP. The programme - Integrate to Innovate - provides an opportunity for collaboration and conversation around valuable energy transitions, offering startups an opportunity to bring their ideas to life with the guidance and support from corporates.

Startup India launches Academia Alliance Programme

Startup India has launched the Startup Academia Alliance programme, which is a unique mentorship opportunity between academic scholars and startups working in similar domains, to fulfill the Indian Government's mission to promote the spirit of entrepreneurship in the country. The Startup Academia Alliance aims to reduce the gap between scientific research and its industrial applications in order to increase the efficacy of these technologies and to widen their impact. By creating a bridge between academia and industry, the Alliance strives to create

lasting connections between the stakeholders of the startup ecosystem and implement the third pillar on which the Startup India Action Plan is based - Industry Academia Partnerships and Incubation.

Defence Ministry gives 11 challenges for start ups

The Defence Ministry has thrown 11 challenges for startups to come up with potential solutions for technological needs of the defence establishment and said it would ensure their ideas and prototypes will get a market. These challenges are individual protection system with built-in sensors, see through armour, carbon fibre winding, active protection system, secure hardware based offline encrypt or device for graded security, development of 4G/LTE based tactical local area network. It also includes development of advanced technology based desalination system and bilge oily water separation system, artificial intelligence in logistics and SCM, remotely piloted airborne vehicles, laser weaponry and unmanned surface and underwater vehicles.

Bengaluru, Delhi top in startup funding

New Delhi and Bengaluru had among the highest number of startup investment rounds greater than \$100 million since 2014. Bengaluru had 21 and New Delhi 18, according to a report by US venture capital and startup database CB Insights. The report shows that each of the Indian cities had about the same number as London (19), and significantly higher numbers than Boston (13) and Tel Aviv (2), cities that are often regarded as strong startup hubs. Mega rounds are reflective of the opportunity that the startup holds.

Startups that apply for recognition on the Assam Startup portal and are duly approved by the concerned authority will be issued a My Assam Startup Id (MASI) through an automated system. Fiscal as well as non-fiscal and other incentives will be provided to the Startups with MASI.

Table 1: Assam Startup Policy, 2017: Key Fiscal Incentives

GST Reimbursement	Annual reimbursement of state GST paid in sales of goods for a period of three years up to a maximum of INR 5 lakhs per Startup per year.
Stamp Duty Reimbursement	100% reimbursement of Stamp Duty/ Registration Fee/Conversion Fee paid on sale /lease deeds for first transaction.
Digital Upgradation Subsidy	At 50% of capital expenditure for purchase of computers, related hardware, purchase of relevant software subject to a ceiling of INR 1 lakh per Startup.
Lease Rental Reimbursement	50% lease rental reimbursement for a maximum period of 3 years subject to a ceiling of INR 5 lakhs. It may include any rent being paid to an incubator /co-working.
Power Subsidy	@50% subject to a limit of INR 10 lakh pa for a period of 5 years.
100% Reimbursement of Patent Filing Cost	Reimbursement upto 100% of the actual costs including filing fees, attorney fees, search fees, maintenance fees) for patent filing with a maximum limit of INR 1 lakh for filing a domestic patent and up to INR 5 lakhs for filing an international patent. 75% of the reimbursement shall be payable after the patent is filed and the balance 25% after the patent is granted.
Incentive for Hiring Women, Transgenders and Differently abled	One time incentive of INR 5000 can be availed per woman, transgender, differently-abled employee that is hired subject to an upper limit of INR 1 lakh per Startup for a period of 3 years
Marketing and Promotion Assistance	Reimbursements of 50% of the actual marketing and promotion costs (including travel) incurred by a Startup in listing fees for online and offline advertisement, in store promotion, publishing marketing collaterals, providing discounts, digital marketing, trade show participation, market research, etc. subject to a maximum of INR 5 lakhs per Startup.

Table 2: Assam Startup Policy, 2017: Non-Fiscal Incentives and Other Incentives

Preferential Market Access (PMA)	For products procured by all Government Departments of Assam, Relaxation of condition of prior turnover and prior experience shall be given subject to meeting of quality and technical specifications
Self-Certification and Compliance	<p>Startups with MASI shall be exempt from the inspections under the following acts and the rules framed there under, barring inspections arising out of specific complaints. Startups will be permitted to file self-certification in prescribed format for the following acts :-</p> <ul style="list-style-type: none"> ❖ The Building and Other Constructions Workers' Act, 1996 ❖ The Inter-State Migrant Workmen Act, 1979 ❖ The Payment of Gratuity Act, 1972 ❖ The Contract Labour Act, 1970 ❖ The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ❖ The Employees' State Insurance Act, 1948

Success Stories- Startuppreneurs Speak

Sector: Technology



Infimonk TEAM

Name of Company: Infimonk Consultancy Private Limited

Product/Service Portfolio: Web, Mobile app development, Blockchain services projects and blockchain products. Company offers need based solutions through tech consultancy. The company also carries out productivity enhancing training modules for re-skilling employees and skilling freshers. Training programmes are arranged for corporates in blockchains. The Target market is B2B and B2G. Innovative and value added Blockchain products have been designed by Infimonk including products based on the Asset Tokenization Model that aims at augmenting refinancing capability of farmers. The company also offers blockchain products which provide real time information about corporate elections, without disclosing the identity of individual voters. Blockchain products are available, that enable real time disbursement of employee incentives at the time of their redemption. Tailor-made B2G solutions are also available. **Target market:** Corporates, Government. **Funding:** Bootstrapped. **Seeking funds for upscaling.**

Sector: Healthcare



Dr Dipankar Debnath
Co-Founder & Director, 60 Plus Clinic - Caring For Elders, Kolkata;
Consultant in Geriatric Medicine, Diabetes & Family Medicine

Name of Company: 60 Plus Clinic – Caring for Elders

Product/Service Portfolio: 60 Plus Clinic –Caring for Elders is a partnership organization, which started providing cost effective medical and non-medical services for the Elderly, especially for Seniors at Home since 2016. A team of experienced Specialist Doctors, Nurses and NISD Trained Elderly Care Managers provide cost effective, comprehensive, at home elderly care services and at community level through Geriatric or Elderly Care Clinics. Dedicated, customised and coordinated services are provided with maintenance of medical records for the members, with regular updates for the nearest to kin on a regular basis so that also they can be aware of the daily health status of their parents. **Target market:** Medical and non-medical homecare services for the elderly. **Funding:** Self funded. **Need funds for expansion**

Sector: E commerce



Ms Sujata Chatterjee
MD - Twirl.store

Name of Company: www.twirl.store (Upscale Fashion Private Limited)

Product/Service Portfolio: Twirl.store is an online portal which sells limited-edition designer products, mostly handcrafted by women from across the country. Twirl.store is perhaps the only Indian platform which offers a distinct Buy-Back policy for all clothes bought from the website. Twirl.store also buys old clothes and rewards customers with points which they can redeem to buy new products.

Target market: Domestic and overseas retail market. **Funding:** Self funded.

Focused Group Discussion with Startuppreneurs: Key Takeaways

- Startups eager to test overseas or interstate markets need legal consultancy at affordable rates
- Tech Startups are often not eligible for government tenders and market creation is a challenge for them. To override this, consortiums (a big company along with relevant startups in the value chain, mostly in niche technology domains like AI, Blockchain, IoT) could be allowed to apply for government projects.
- Foreign competition is good for tech startups in the country, as foreign firms mostly need local partners for market penetration, which in turn leads to business creation and value addition for the local partners.
- Ban on crypto currency has adversely impacted firms operating in the domain.
- Awareness about government startup schemes or the process of getting benefits from them is extremely low amongst startups.
- The 60-plus population in India is slated to rise to nearly 32 crore by 2050 and this brings out an unseen opportunity to healthcare startups, who are interested to offer 360 degree holistic solutions for the ageing population and lifestyle diseases.
- VCs in India don't invest for manufacturing startups in Validation stage and young entrepreneurs often don't have any collateral to approach for bank loan. This gap from Validation stage to Early stage for Technology product startups is an arena which calls for handholding.
- The growing upwardly mobile population in India ensures a ready market for e-commerce. However, regulations and related paperwork for taxation should be streamlined for the sector.

Event Digest: ICC Start Up Pad, 2018, Grand Finale, Kolkata



Testimonials...



Mr. Subhrangshu Sanyal, PhD, CEO - IIM Calcutta Innovation Park

"A key objective of the Startup India movement is to encourage youth to take up entrepreneurship as a career option and transform the 'job seeker' mind set to 'job giver' mindset. An Event like this brings the key stakeholders in the entrepreneurship ecosystem together and creates the necessary awareness and inspiration which results in positively influencing the mindset of people towards entrepreneurship."



Mr. Arijit Bhattacharyya, Angel Investor, Mentor, Technologist, Speaker, Adviser. Founder & CEO, VIRTUALINFOCOM

"Entrepreneurship is all about executing the idea that someone have, sleep on it and dream on the same with open eyes. It's like a journey, riding a Tiger, you adopt the tiger, feed it, make it, grow it so that someday you Ride on it, now you need to feed the Tiger properly, the MAD (Modarate Accurate & Determined) entrepreneur, knows how to feed his/ her own Tiger.

ICC did an awesome work by getting all those Tiger riders under one such platform called StartupPad. It's been three years I'm associated with ICC Startup Pad and will be till the time we all are MAD. Keep walking.



Mr. Meghdut Roy Chowdhury, Director of Global Operations, Techno India Group. Founder and Chief Architect, Technopreneurs' Surrogate Ventures

"The ICC Startup Pad 2018 was a showcase of some of the best early stage startups from the city of Kolkata and it was a pleasure to see three of the startups incubated at our incubation center, Technopreneurs' Surrogate Ventures, on the Top 5 list. Looking forward to bigger such startup events in the future with national participation."

Leading Incubators: Northeast India

Name	State	Address	Contact details
IITG-Technology Incubation Centre (IITGTIC)	Assam	IITG-Technology Incubation Centre Technology Complex, IIT Guwahati Guwahati-781039 Assam, India	Prof Konjengbam Darunkumar Singh Email: inchargeitic@iitg.ac.in Phone no: (0361) 2583191 (Office) Phone no: (0361) 2583191/2583194 Fax no: 0361-2583195 Email: tic@iitg.ac.in
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ICC Profile

Founded in 1925, Indian Chamber of Commerce (ICC) is the leading and only National Chamber of Commerce operating from Kolkata, and one of the most pro-active and forward-looking Chambers in the country today. Its membership spans some of the most prominent and major industrial groups in India. ICC's forte is its ability to anticipate the needs of the future, respond to challenges, and prepare the stakeholders in the economy to benefit from these changes and opportunities.

Set up by a group of pioneering industrialists led by Mr G D Birla, the Indian Chamber of Commerce was closely associated with the Indian Freedom Movement, as the first organised voice of indigenous Indian Industry. Several of the distinguished industry leaders in India, such as Mr. B M Birla, Sir Ardeshir Dalal, Sir Badridas Goenka, Mr. S P Jain, Lala Karam Chand Thapar, Mr. Russi Mody, Mr. Ashok Jain, Mr. Sanjiv Goenka, have led the ICC as its President. Currently, Mr. Rudra Chatterjee is leading the Chamber as its President.

ICC is the only Chamber from India to win the first prize in World Chambers Competition in Quebec, Canada.

ICC's North-East Initiative has gained a new momentum and dynamism over the last few years. ICC has a special focus upon India's trade & commerce relations with South & South-East Asian nations, in sync with India's 'Act East' Policy, and has played a key role in building synergies between India and her Asian neighbours through Trade & Business Delegation Exchanges, and large Investment Summits.

ICC also has a very strong focus upon Economic Research & Policy issues - it regularly undertakes Macro-economic Surveys/Studies, prepares State Investment Climate Reports and Sector Reports, provides necessary Policy Inputs & Budget Recommendations to Governments at State & Central levels.

The Indian Chamber of Commerce headquartered in Kolkata, over the last few years has truly emerged as a national Chamber of repute, with full-fledged offices in New Delhi, Mumbai, Guwahati, Ranchi and Bhubaneshwar & Hyderabad functioning efficiently, and building meaningful synergies among Industry and Government by addressing strategic issues of national significance.