



CHHATTISGARH
INNOVATION & ENTREPRENEURSHIP
DEVELOPMENT POLICY 2016
AT A GLANCE



GOVERNMENT OF CHHATTISGARH





“I see startups, technology and innovation
as exciting and effective instruments for
India’s transformation.”

Shri Narendra Modi, Prime Minister of India

CM'S MESSAGE

Progress is dependent upon innovation. Every single innovative idea, whether simple or disruptive, pushes outwards the boundary of human understanding and makes it easier to negotiate the business of life. New technologies are redefining how finite resources are put to better use and production is increased, so that the economic engine roars and enables the creation of much needed livelihoods. Chhattisgarh realizes the potential of innovation and innovative thinkers; it believes that every idea has the potential to become a billion dollar business proposition that generates thousands of jobs, in addition to adding value to the common cause of nation building and improving quality of life.

The State Government has formulated a specific policy to target and attract "ignited" minds to come and give wings to their dreams and shape to their ideas.

To implement this policy, the State will leverage its innate strengths such as young talent pool, abundant natural resources and strong presence of core sector industry. The policy focuses on innovation as a driver of social change leveraging technology and venturing into fields as diverse as agriculture, health, education, skill development, mining and tribal development. The policy also has special provisions to ensure and enhance participation of women in entrepreneurship.

I firmly believe that this policy will transform ideas to reality and hence act as a vehicle of Job creation.

Raman Singh, Chief Minister
Chhattisgarh



C O N T E N T

1 Preamble

2 Strategy

3 Six Elements of Success

3.1 . Incubators and Accelerators

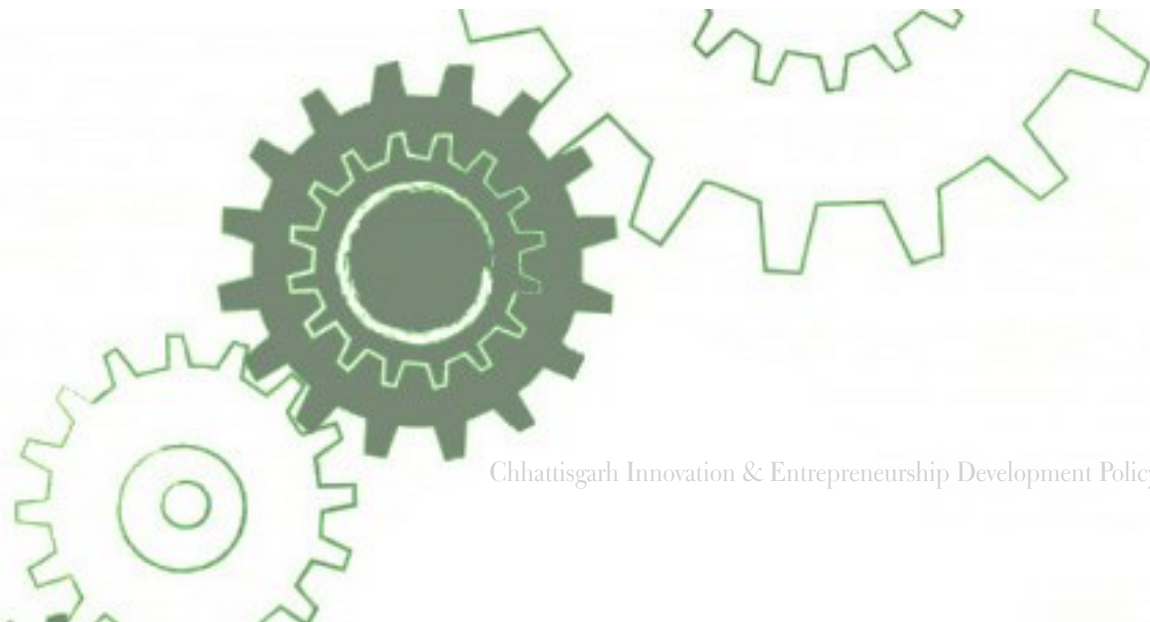
3.2. Prototyping shops and Co-Working spaces

3.3. Funding and State Support

3.4. Entrepreneurship Education & Skill Development

3.5. Market Linkage

3.6. Public Private Partnership (PPP)



P R E A M B L E



- 1.1. India, with a strong GDP growth forecast in coming years and a population of 1.2 billion, is one of the best markets for growth and investments. Further, it is also the fastest growing and 3rd largest Start-Up Ecosystem globally (NASSCOM Start-up Report 2014) with more than 3100 start-ups (2014), and set to increase to 11,500 by 2020.
- 1.2. Chhattisgarh is one of the fastest growing states in India and is amongst the richest states in terms of natural and mineral resources. The State has an excellent educational ecosystem with Indian Institute of Management, International Institute of Information Technology, National Institute of Technology, All India Institute of Medical Sciences, National Law University successfully operational and an IIT and Centre of Excellence in IIT by Siemens are to come up soon.
- 1.3. In a short span of 15 years the State has become a hub of major core sector industries like power, coal, steel and cement. On its way to building next generation future cities, the State has outpaced others by establishing Naya Raipur, with a gross area of 237 Sq. Km is the first Greenfield Smart city of the 21st century.
- 1.4. The Government of Chhattisgarh recognises this new wave where Start-ups will be the dominant job creator of the future and the engine for social innovation. Even the faster growing large companies look for an innovation and entrepreneurial milieu to invest, which encourages them to 'soft land' with Incubator-cum-Accelerators.
- 1.5. This Policy is an endeavour to create a conducive environment in the State for innovation and entrepreneurship, leveraging its strengths which lies in its natural resources (i.e. minerals, forests, agriculture) and human resources particularly the tribal who have got high level of indigenous skill sets but are technology deprived; as well as new developments like Naya Raipur.

STRATEGY

2.1. Vision: To become the global epicentre of “entrepreneurship and innovation”, promoting sustainable and inclusive growth and enhancing global competitiveness by harnessing “research and technology.”

2.2. Objectives for next three years:

- a) Establish Accelerators/ Technology Business Incubators (TBI) in the State
- b) At-least 100 ventures to be set up
- c) Start-ups incubated in the State to have funding raised from Venture Capitalists, Financial Institutes and Angel Investors
- d) Conduct Start-Up Boot camps in Academia covering schools and universities.
- e) Large innovative companies to link with the State and thus establish start-up infrastructure such as Accelerator, Incubators, Research and Development spaces
- f) To be recognised as one of the top hubs of innovation and entrepreneurship in Asia and the World
- g) Promoting Gender Equality by encouraging women in entrepreneurship
- h) Enable the citizens of the State to be associated directly or indirectly with the start-ups to have a higher quality of life





2.3. The Policy will focus on innovative businesses in following areas:

- a) Established core sectors like Iron, Steel, Aluminium, Coal, Power etc.
- b) Internet of Things (IoT) and Wearable Technologies
- c) Internet & Mobile Technology and Social Mobility Analytics & Cloud (SMAC)
- d) Financial Technologies (Fin Tech) with focus on financial inclusion and mobile commerce (m-commerce).
- e) Healthcare Technology
- f) MSME sector to increase efficiency and new solutions for cluster based approach
- g) Social Innovation for empowering citizens
- h) Emerging sectors of the State such as Defence, Automotive, Agro Processing, ESDM and Biotechnology
- i) Renewable Energy
- j) Safe and Smart Cities, and Smart Villages



2.4. State Nodal Agency will set up a dedicated State Core Incubator-cum-Accelerator where start-ups will be incubated.

SIX ELEMENTS OF SUCCESS



This policy is based on six core elements, necessary towards making Chhattisgarh an entrepreneurial engine of economic growth for India and for the world. These six elements are:

- Incubators and Accelerators
- Prototyping Shops and co-working spaces
- Funding, incentives and state support
- Entrepreneurship Education and Skill Development.
- Market linkage
- Public Private Partnerships (PPP) based operations

3.1. Incubators and Accelerators

3.1.1. These are essential focal points of innovation making it into real life businesses; thus transforming 'ideas' into 'products'. This, in addition to generating wealth for the innovators, the State and the country, creates employment for many more.

- a) The establish at least one world class Core Incubator-cum-Accelerator by inviting educational institutes of repute to set up their centre in the State, in a Public Private Partnership model
- b) Bring the start-up community and large organisations together, by inviting corporations to set up corporate innovation centres in the core Incubator-cum-Accelerator
- c) District and sector focused mini incubation centres in potential districts, which will be aligned with Core Incubator-cum-Accelerator

3.1.2. Three major types of Incubator-cum-accelerator planned under the policy are as follows:

- a) Technology Business Incubator cum Accelerator – These would focus on start-ups with technology based products/ideas which may be for any sector.
- b) Business Incubators cum Accelerators – These Incubators and Accelerators would be sector agnostic and would coach, mentor and incubate all types of start-ups irrespective of product, sector and stage of start-up.
- c) Medium, Small and Micro Enterprises (MSME) focus incubators & accelerators

3.2. Prototyping Shops and Co-Working Spaces

3.2.1. The core Incubator-cum-Accelerator will have a slew of common facilities for all incubates to share including but not limited to:

- a) Part fabrication and prototyping studio
- b) Part hacker space and part learning centre for the maker community
- c) Facilities to include laser cutters, plastics and electronics labs, a machine shop, a wood shop, a metal working shop, a textile department, welding stations, water jet cutter amongst other prototyping setup.
- d) Connect with local core industries for developing technology smart solutions for traditional industry
- e) The core Incubator-cum-Accelerator will include co-working spaces, aligned to achieve inclusive and sustainable socio-economic growth. This will be a place for technologists, social entrepreneurs, government, tech companies and impact investors in and around the state of Chhattisgarh to co-create new solutions for many social problems.

3.3. Funding and State Support

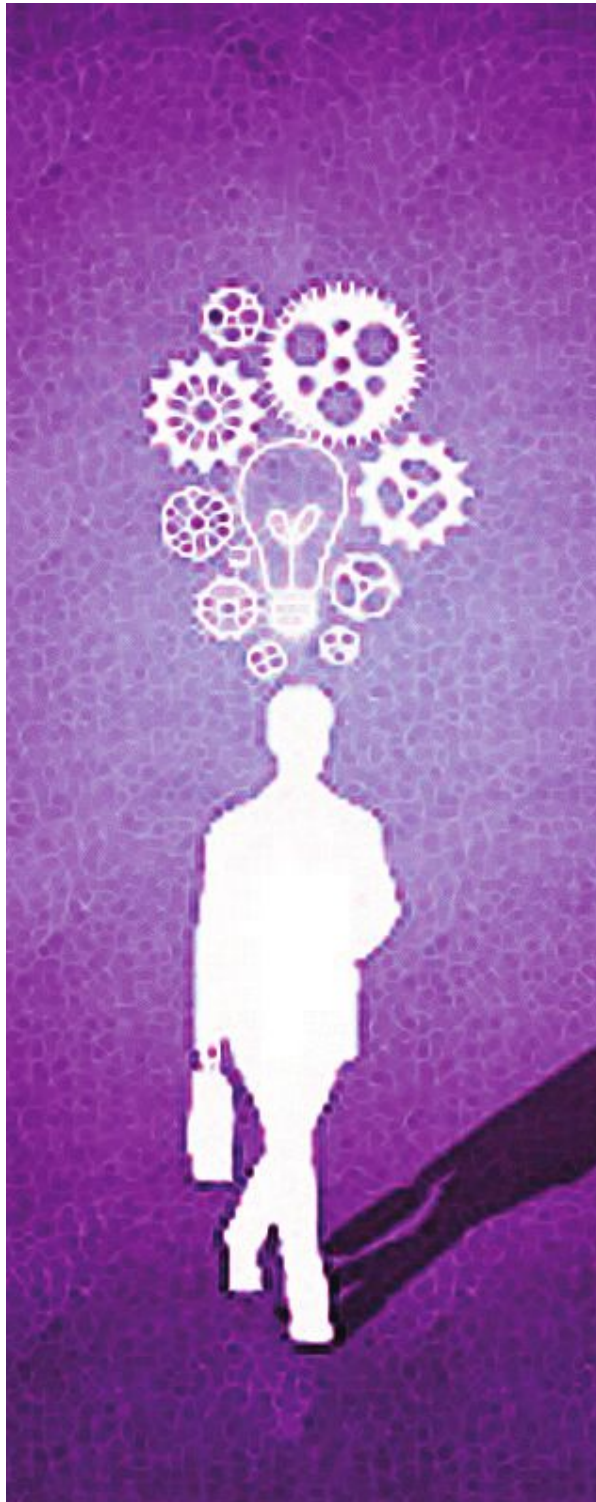
3.3.1. Two categories of fund will be created for the core Incubator-cum-Accelerator:

- a) An Innovation Fund will be created for setting up the core Incubator-cum-Accelerator for at least three years. The fund will be used as follows:
 - i. Setting up of infrastructure and office space
 - ii. Bearing operating expenditure
 - iii. Organizing international, national and local events
 - iv. Boot camps in academic institutions like schools and universities
 - v. Financial Support to Start-ups
 - vi. To attract bright scientists, innovators and entrepreneurs to the state of Chhattisgarh, the fund will be utilised on issues of importance to the State and relevant globally (e.g. Smart City, Financial Inclusion, "Challenge Program" etc.).
- b) A special Leap of Faith Revolving Fund© (LoFR Fund) for the Start-Ups
 - i. Recognising that the requirement of capital is most acute in running a start-up in the initial years, the LoFR Fund will provide up to Rs 50 lakhs of interest free loan to start-ups selected in the State Incubator.

3.3.2. Aside from this a Venture Capital Fund of more than Rs. 100 Crore would be mobilised by the State Nodal Agency leveraging various sources of funding for entrepreneurs and start-ups.

- a) The Venture Capital Fund would invest in Start-ups located in Chhattisgarh
- b) The Fund would be managed as a Private Equity (PE) or Venture Fund. Some of this fund may be allocated as venture philanthropy funds or social impact fund to support high-risk, high-potential early-stage ventures with social or environmental missions
- c) A separate corpus out of these or Venture Capital Fund will be earmarked for women innovators in order to motivate and empower women entrepreneurs in the State. These initiatives will be aligned with the United Nations Sustainable Development Goals (UN SDGs)





All Incubators-cum-Accelerators and start-ups will be entitled to incentives available under “Industrial Policy 2014-19” and “Electronics, IT and ITeS Investment Policy of Chhattisgarh 2014-19”.

3.4. Entrepreneurship Education & Skill Development

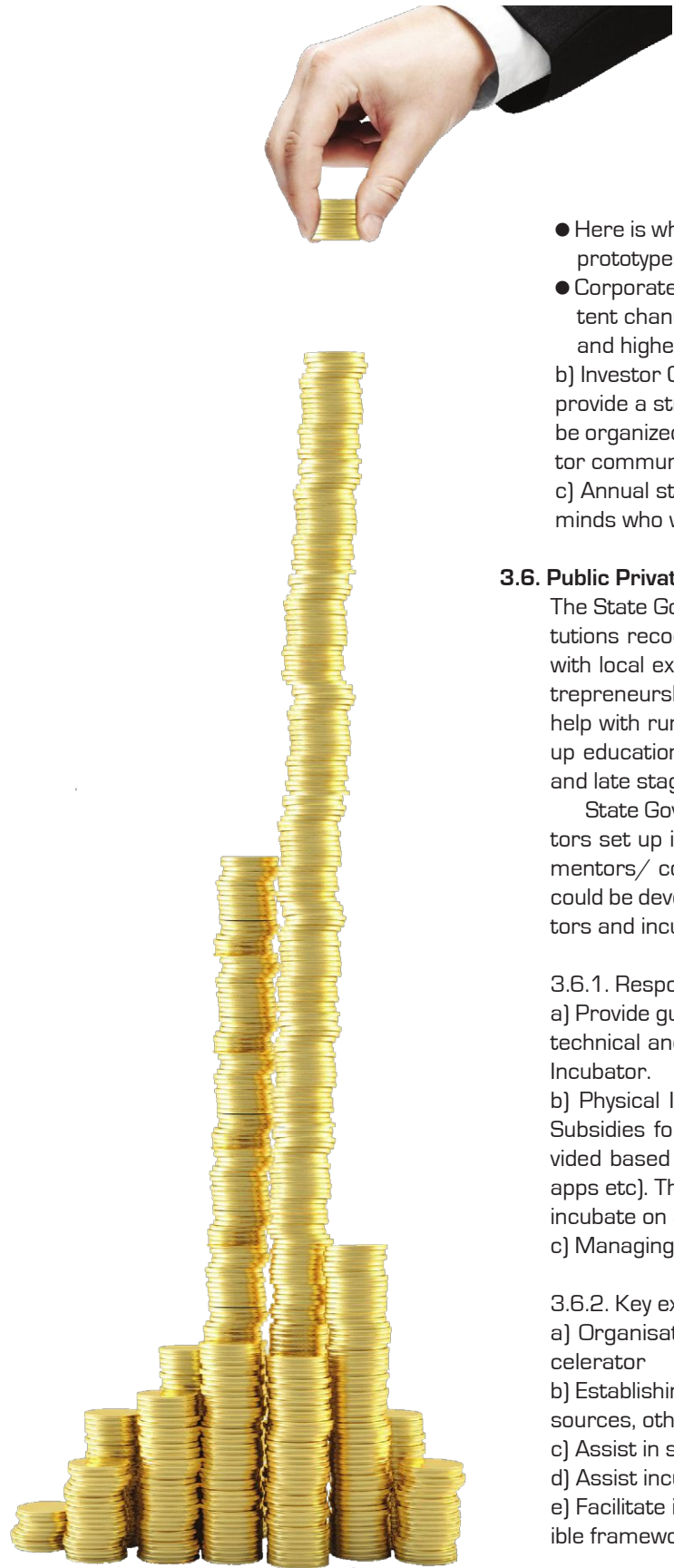
To build the culture of innovation and entrepreneurship, the state would focus on strengthening the foundation which is laid at an early stage.

- a) Innovation kits & Start-up Toolboxes to students and faculties in the Schools and Colleges
- b) boot camps to encourage entrepreneurship in schools and colleges/universities; this will also be encouraged through special initiatives like:
 - i. Participating in and organising innovation events and social entrepreneurship initiatives
 - ii. College Excellence Programs (CEP) and Centre for Entrepreneurship and Innovation in college & university campus, in order to provide immersive learning, experiences, training and exposure to students for building an actual product, with product market fit and getting a real start-up exposure
 - iii. Exchange programs with leading education institutions and universities
- c) An internship and fellowship program would be encouraged for selected student entrepreneurs in order to make them pursue their innovations/start-up ideas.
- d) A mechanism of students earning academic credits and attendance criteria relaxation on time spent in innovation/ testing a new idea.
- e) Universities and institutes to introduce the concept of Student Entrepreneur in Residence.
- f) Entrepreneurship talk shows and start-up festivals would be organised for students
- g) Digital India Initiative, Gol scheme for e-Literacy would be implemented to make one person e-Literate in each household as per the vision of Digital India.
- h) A formal policy for provision of extra attendance and marks to students opting to start their venture or intern in any of the start-ups at state incubators/accelerators; this would pave the path for promoting entrepreneurship amongst youth.

3.5. Market Linkage

One of the critical components for success of the Incubators and Accelerators is creating a global brand and providing right corporate and market linkages to incubatees. To ensure this linkage, the State will ensure facilitation of the following:

- a) Corporate and State Connect
 - Start-ups tend to lose out on the stages of prototyping and market testing; prototyping is often very challenging in terms of requirement of specialised equipment etc.
 - Market testing becomes a problem since start-ups don't have a distribution channel and market connect.



- Here is where corporates come in handy; they can commit certain volumes of prototypes for the products related to their sector.
 - Corporates may also do market testing for selected products using their existent channels. This would give them a chance to leverage R&D at lower cost and higher speed.
- b) Investor Connect – Scalable innovative solutions with customer inputs would provide a strong case for the industry to invest in the start-ups. Demo days will be organized, where such solutions can be showcased to the industry and investor community.
- c) Annual start-up festival would be scheduled to showcase the talent of young minds who would be felicitated.

3.6. Public Private Partnership (PPP)

The State Government will partner with national/international educational institutions recognised globally for building incubators/ accelerators. The institute with local expert partners, consultants with experience of managing global entrepreneurship program, will be the Implementation Agency. This agency will help with running the acceleration process, creating online teaching and start-up education content as well as with mentoring program for both early stage and late stage start-ups.

State Government would strengthen the quality of the Incubators/ accelerators set up in the State by leveraging the services of these technical experts/ mentors/ coaches/ university to train and certify local talent so that a pipeline could be developed in the State for the role of entrepreneurship educators, mentors and incubation manager.

3.6.1. Responsibilities of the State Nodal Agency

- a) Provide guidance and support to arrange Infrastructure and other necessary technical and commercial support from time to time for successful running of Incubator.
- b) Physical Infrastructure necessary for start-up/ incubates and Operational Subsidies for the Core Incubator cum Accelerator will be developed and provided based on different types of start-ups (product, manufacturing, software, apps etc). The Nodal Agency may also consider providing residential facilities to incubate on a case to case basis.
- c) Managing the Innovation Fund and Leap of Faith Revolving Fund©

3.6.2. Key expectations from the Implementation Agency

- a) Organisational responsibility and management of core Incubator-cum-Accelerator
- b) Establishing Support Eco-Systems, Capital Asset Management, Technical Resources, others services like accounting, registration, IP etc.as required
- c) Assist in start-up challenges and selection of incubates
- d) Assist incubatees in industry and corporate connect
- e) Facilitate in funding, nurturing and supporting Incubated start-ups with a flexible framework based on the changing incubatee requirements in the Sector



- f) Partnership with suitable corporate brands, academia and association tie-ups
- g) Ensure pro-active participation of VCs and other Private Sector companies in terms of raising funds for the incubates
- h) Knowledge management and information/marketing kits
- i) Campaigns and marketing strategy including social media, online and digital connect
- j) Put up cases under Leap of Faith Revolving Fund (LoFR)
- k) Facilitate creation of a self-sustaining business model needed for the execution and management of core Incubator-cum-Accelerator such that the Incubator/Accelerator could be successfully managed and run, after 3 years of operations

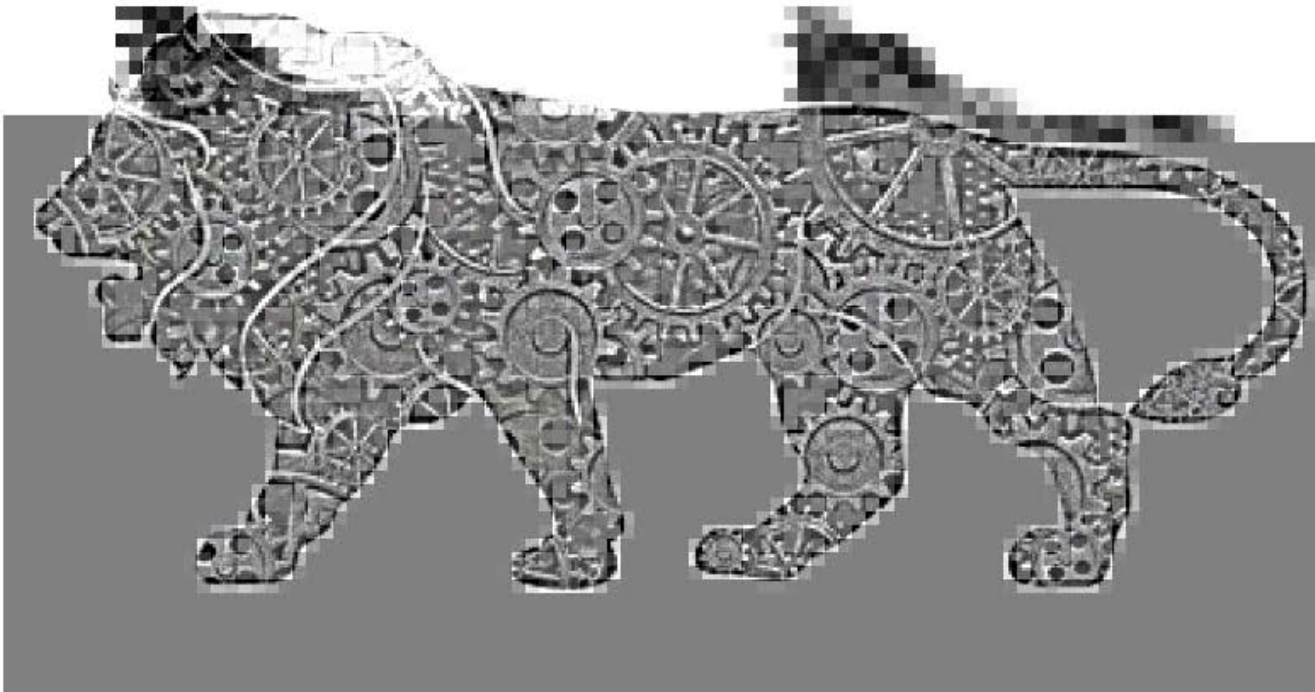




FOLLOWING THE FOOTSTEPS OF STARTUP INDIA ACTION PLAN

Chhattisgarh Innovation and Entrepreneurship Policy is well aligned with the Startup India Action Plan which was launched by Hon'ble Prime Minister, Shri Narendra Modi on 16th January 2016. Following are salient features of the Startup India Action Plan.

1. Compliance Regime based on Self-certification
2. Startup India Hub as a single point of contact for the entire Startup ecosystem
3. A single platform for Startups for interacting with Government and Regulatory Institutions for all business needs and information exchange among various stakeholders
4. Legal Support and Fast-tracking Patent Examination at Lower Costs
5. Relaxed Norms of Public Procurement for Startups
6. Faster Exit for Startups
7. Providing Funding Support through a Fund of Funds
8. Credit Guarantee Fund for Startups
9. Organizing Startup Fests for Showcasing Innovation and Providing a Collaboration Platform
10. Harnessing Private Sector Expertise for Incubator Setup
11. Building Innovation Centres at National Institutes
12. Launching of Innovation Focused Programs for Students
13. Annual Incubator Grand Challenge





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DISCLAIMER: This document contains some highlights of the Chhattisgarh Innovation and Entrepreneurship Development Policy 2016. For the full text of the policy please visit the website of CHIPS (<http://chips.gov.in>)

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