

# Government of Telangana:

Empowering Start-Ups and Incubators Since its Formation

September 2019

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## Context

- Since its formation, the Government of Telangana (GoTS) has taken a keen interest in the encouraging a culture of innovation within the state and has been working relentlessly to develop a holistic Start-up ecosystem to aid the same.
- GoTS continues to augment both the physical infrastructure required as well as policy support measures needed to support this ecosystem.
- **The purpose of this presentation is to empower Start-ups and Incubators in Telangana with information about:**
  - The various support measures and benefits the government has to offer.
  - The procedures one needs to follow to to avail the same.

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## **Agenda**

- **What has the government done to support the Start-up ecosystem in Telangana?**
- **What are the list of government benefits and support measures that my Start-up/Incubator needs to be aware of?**
- **How does my Start-up go about reaping all the support that the government is providing?**

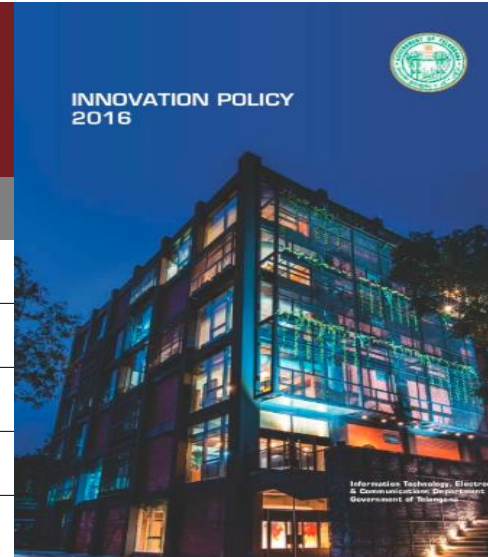
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# Telangana is one of the first states to launch a Start-up policy and create a supportive ecosystem around it.

Within two years of formation of Telangana, IT Minister had launched “The Innovation Policy” of state which defines a holistic approach to bridge the gaps between Start-ups and government and to build the Start-up ecosystem.



## 5 Pillars of the GoTS Innovation Policy

Physical Infrastructure & Program Management

Sustainable Funding Models

Engagement with Industry

Rural and Social Enterprise

Human Capital

This policy has allowed the state, academia, and various corporates to work together to create a Start-up-friendly ecosystem that has achieved many significant milestones.

**4500+**

Start-ups In Telangana

**25+**

Research Labs

**120+**

GCCs in the ecosystem

**10**

Collaborating Premier Education Institutes

**25**

Start-ups sold to the govt.

**7**

Atal Incubation Centers(AICs)

**239**

Atal Tinkering Labs(ATLs)

# GoTS envisions to build a vibrant Start-up ecosystem in addition to solely providing incentives to Start-ups.

*Government of Telangana has established the following institutions to ensure a healthy and vibrant ecosystem for Start-ups in Telangana.*

## Telangana Innovation Partners | Nodal Team - ITE&C, Government of Telangana



- Empowers Start-ups to scale up faster and create business value
- Elevates innovation for corporations
- Builds a culture of innovation that keeps its partners ahead

**Contact –**  
**T Hub**



- Telangana State Innovation Cell (TSIC)**
- Create entrepreneurs
  - Focus on education, validation, and support

**Contact –**  
**TSIC**



- Support women entrepreneurs
- Focus on education, validation, and support
- Works on encouraging women in innovation

**Contact –**  
**WE Hub**



- Decrease the barriers to prototyping
- Provide access to small production

**Contact –**  
**T Works**



- Facilitate taking research to market
- Provide access to IP protection

**Contact –**  
**RICH**



- Enhancing skilling synergy
- Run skilling initiatives and programs

**Contact –**  
**TASK**

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# The GoTS Innovation Policy focuses on developing **Incubators** as a key catalyst for Entrepreneurship Ecosystem and has numerous provisions to aid them.

## Financial Assistance

- Incubator development fund for any PPP model.
  - Prerequisites: Must be recognized by NSTEDB, DST, Government of India (GoI) and must adhere to operational guidelines (scale, sector)
- Financial Assistance **as Matching Grants** are available.
  - Prerequisites: Must have already received funding from GoI.
- A performance-linked assistance model is currently in the works.

## Reimbursements & Incentives

- **Reimbursement of paid Stamp Duty and Registration Fee.**
- Incentives for adoption of renewable energy in relation to set-up cost components.
- 25% reimbursement on Internet charges. (a maximum of Rs. 2,50,000 per year for the first 3 years of operations)
- **Investment subsidy of 20% on total CAPEX**, other than land and building.
  - Prerequisites: Must have signed MoU within 2 years of notification of the policy

## Rental Subsidies

- If located in a Govt. Building:
  - **No lease rent or O&M charges shall be levied for 5 years**, or until the Incubator is self-sustainable
- If located in private premises/ taken on lease rent:
  - **Reimbursement @ Rs. 5 per sq. ft. per month or 25% of the actual rent paid**, whichever is less, shall be reimbursed **for a period of 3 years.**



# This policy has enabled the creation of various institutions that support **Start-ups** at their various business stages.

## Develop Physical Infrastructure

- Creating Space: 1 million sq. ft. of work-space, dedicated to Start-ups.
- Global Programs: Partner with 20 global accelerator/Incubator programs.
- Tier II Regions: Build Incubators in Tier II regions of Telangana.
- **Subsidized Seating: Provide subsidized seating in State-led initiatives. Aid other Incubators in providing subsidized seating to Start-ups.**

## Ease of Registration and Doing Business

- TSiPass – Single-window clearance for all approvals required to set-up industries in 15 days
- **Set up of TSIC (Start-up Cell) to host events, provide access to government, promotion innovation & entrepreneurship.**
- Registration on the TSIC Portal for Start-ups to have access to TSIC
- Any start-up registration should only take up to 12 days

## Steering Committee for Start-ups

- **Telangana Innovation Partners Council has been set-up to aid start-up related discussions.**  
**Link - <https://www.teamtsic.org/contact-us/>**
- Head of institutions such as TSIC, TASK, RICH, WE Hub, and T-Hub are part of the steering committee for start-up related strategic discussions in the State

## Funding for Start-ups

- The government has launched the **T-Angel program** to get early stage Start-ups, investment-ready.
- One of T-Angel's key feature is a **3-month investment acceleration program**. The graduates of this program would be will be listed on LetsVenture's investment platform which has over 6000+ active investors.
- Registrations close on 30<sup>th</sup> September 2019. Please visit - <https://t-hub.co/t-angel/>

## Mentorship

- T-Hub, WE Hub, T-Works, and TSIC provided access to a pool of mentors to beneficiary Start-ups. The list of the same along with mentor-focus areas can be found at – <https://www.teamtsic.org/state-mentors-list/>

# The Policy also contains all the specific fiscal incentives that GoTS provides for **Start-ups** to avail.

## Promotions

- Government shall provide reimbursements of **30% of the actual costs including travel incurred in international marketing through trade shows.**
- This incentive will be subject to a **maximum of Rs. 5 Lakhs per year per company.**

- The cost of filing and prosecution of patent application will be reimbursed to the incubated Start-up companies subject to a **limit of Rs. 2 Lakhs per Indian patent** awarded.
- For awarded **foreign patents, up to Rs. 10 lakh** would be reimbursed.

## Patent Filing Cost

## Performance Linked Incentives

- Start-ups that record a year-on-year growth rate of 15%, as per audited accounts, shall be eligible to get a **grant of 5% on Turnover, subject to a limit of Rs.10 lacs** within a period of three years from the date of incubation.

- To promote idea stage companies, the government shall offer recruitment assistance of **Rs. 10,000 per employee** for the first year.

## Recruitment Assistance

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- What has the government done to support the Start-up ecosystem in Telangana?
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- **How does my Start-up go about reaping all the support that the government is providing?**

# Registration with GoTS is the first step to avail these benefits. Please do so if you have not registered yet.

The image displays two screenshots of the GoTS registration portal. The left screenshot shows the 'Sign Up for a New Account' form with fields for First Name, Last Name, Phone Number, Email, Password, and a Sign Up button. The right screenshot shows the 'Submit your details' form with fields for Name of Company, CIN/Registration Number, Incorp State, Incorp City, Contact Person (Founder/CXO), and Enter your email.

Start-ups and Incubators can register with GoTS in TSIC's website which acts as the nodal organization for all Start-ups in Telangana.

## Start-ups registering with state will:

- **Qualify to avail the benefits in the State Innovation Policy .**
- **Get timely information and updates reg. state incentives and programs.**
- **Be able to access to State's start-up ecosystem infrastructures.**

Link for registering your Start-up with the Government of Telangana

[http://bit.ly/GoTS\\_Start-up\\_Registration\\_Portal\\_Link](http://bit.ly/GoTS_Start-up_Registration_Portal_Link)

Link for registering your Incubator with the Government of Telangana

[http://bit.ly/GoTS\\_Incubator\\_Registration\\_Portal\\_Link](http://bit.ly/GoTS_Incubator_Registration_Portal_Link)

Important links related to regulatory issues, amendments in existing rules/acts or Business approvals:

<https://www.teamtsic.org/important-links/>

# Govt. Public Procurement Norms for Start-ups in Telangana

*To encourage Government Procurement from start-ups, GoTS addresses the key challenges that have earlier prevented start-ups from participating in public procurement.*

## Prerequisites

- Must be a registered entity, and satisfy criteria to qualify as a “Start-up” per Innovation Policy 2016
- Must have a team of 10+ technical staff
- Must have a firm address, contact details and URL address

## Relaxation of Procurement Norms

Start-ups will not be subjected to:

- Prior turnover criteria
- Prior experience in Public Procurement criteria
- Earnest Money Deposit (EMD) submission
- Start-ups shall be given a 15% relaxation on their submitted financial quotations pertaining to procurement, subject to meeting of quality and technical specifications

## Application Process

- Submit a covering letter requesting for relaxation of procurement norms along with the forms attached in Annexure 1 of the State Public Policy Norms for Start-ups.
- Start-up will have to be issued a certificate, per Annexure 2 State Public Policy Norms for Start-ups.
- Must submit these documents for a competitive bid to Telangana State Technology Services(TSTS)

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# Thank You

If you have any queries regarding the contents of this presentation or suggestions to the government, please send a mail to

[Start-up\\_cell@telangana.gov.in](mailto:Start-up_cell@telangana.gov.in)

For concerns regarding regulatory issues, amendments in existing rules/acts or business approvals etc., visit –

<https://www.teamtsic.org/important-links/>