



INNOVATE
KARNATAKA

Stakeholder Consultation on Roadmap for Innovation Economy of Karnataka

16th May, 2018

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Introduction

Karnataka's success in technology innovation and constantly delivering disruptive technologies has positioned it as one of the only Indian States to appear on the directories for Innovation Hubs. Several Initiatives launched by the State such as seed funding for new / disruptive ideas/startups, Centre of Excellences in emerging areas like IoT & AI, white papers, consultative workshops etc. have been giving entrepreneurs and companies the right platform to build and grow the emerging areas.

While disruptive technologies, new business models, and accelerating pace of change is shifting the business landscape, we as a State recognize the importance of an Innovation Economy and government's role to support this change.

Some of our recent Initiatives to promote Innovation Economy include:

- Reinvigorating the Startup ecosystem by an Innovation Society - K-tech (Karnataka Innovation & Technology Society)
- Establishing a 'Legal Framework for Innovation' to bring new and emerging technologies under a legal framework and administer Regulatory Sandboxes
- Formalizing the mechanism to draft policies / regulations regarding adoption of disruptive technologies / business models
- Transformation of Nasscom 10k Warehouse to K-Tech Innovation Hub

To continue excelling in this journey, we realize the importance of building a roadmap in conjunction with all our ecosystem partners and hence this Stakeholder workshop was conducted on **16th of May 2018** at **NASSCOM WAREHOUSE**, Lower Ground Floor, Diamond District ISRO Colony, Domlur with:

1. Startups
2. Corporate Partners
3. Academia
4. Mentors
5. Investors
6. Key Government Stakeholders

Highlights of the Workshop

The Consultative Workshop was organized with an aim to gather perspectives & feedback on the current Startup ecosystem in the State, key focus areas of the Innovation Economy and its roadmap. The workshop was presided over by **Shri Gaurav Gupta, Principal Secretary, Department of ITBT & ST**, **Shri R K Shrivastava, Advisor, Department of ITBT & ST**, and **Ms. Salma K. Fahim, Director, Department of IT, BT and S&T, GoK**.

150 ecosystem partners including Startups, Partners, Academia and Mentors joined us for a successful Stakeholder Consultation. The workshop was split into multiple sessions for various category of partners and witnessed interactive sessions across all of those.

Apart from ideation and discussions on a multitude of topics, the participants were also requested and left their feedbacks on Innovation Economy, Startup Ecosystem and Innovation Hub which the State plans to consolidate for building a roadmap for Innovation economy.

Following gives an overview of the key topics of discussion in the workshop:

Karnataka Startup Ecosystem – key State Enablers

Karnataka is the youngest State to promote & build a nurturing ecosystem for Startups and now one of the best in the world. Following are the key State enablers supporting this vision details of which are available on <http://startup.karnataka.gov.in/>

- **Karnataka Startup Policy:** To create a world-class startup ecosystem in the state through strategic investment and policy interventions leveraging the robust innovation climate in the State
- **Nodal Department & Cell for Startup Ecosystem**
 - ITBT Department is the Nodal Department for development of Startup Ecosystem in Karnataka and has a plethora of Initiatives promoting Startups in the State
 - KBITS, now K-Tech (Karnataka Innovation & Technology Society) as the Innovation Society has the mandate to promote Innovation in the state by way of various Government Schemes, Policies & Initiatives
 - Startup Cell, Karnataka for enablement of Startup Policy Initiatives and onboarding/ connecting all ecosystem partners
 - Startup Support Desk to resolve queries of all ecosystem partners
- **Startup Registration:** Startups can register with the State to avail a host of benefits & incentives
- **Seed Funding:** State has funded close to 180 Startups, earmarked funds close to 50 Cr
- **VC Funds:** State has Venture Funds for Startups across Semiconductors, BT and Animation and have funded 34 Startups

- **Grand Challenges:** Mechanism to fund new/disruptive ideas with a social impact
- **CoEs:** Centre of Excellences in IoT, Data Science, Robotics & Aerospace to promote disruptive
- **Subsidised Incubation:** State has 4 State sponsored Incubation Centres with 1,24,32 sqft of Incubation space
- **Corporate Partners:** to provision Startups availing services from best of Industry & Academia partners
- **Mentorship Network:** to enable Startups to reach out to mentors and enable expert mentoring by sectors
- **IP Support Centres:** to facilitate & support patent filing
- **Benefits to Women Entrepreneurship:** State is promoting women entrepreneurship by way of seed funds and preferential treatment for women for subsidized incubation
- **Outreach Events, Bootcamps, Hackathons:** Karnataka leads in India with the kind of outreach events, hackathons and boot camps it organizes across the sectors and startup communities
- **Entrepreneurship Development in Colleges**
 - NAIN Entrepreneurship Cells
 - NAIN Entrepreneurship Development Programmes
- **Online Information Wizard** to help you with all regulations and guidance to set up, operate & exit business
- **Online Self Certification** to facilitate self- certification/third party certification under all applicable Labour laws
- **Preferential market access to Startups:** preference to Startups in public procurement of goods and/or services
- **Other Benefits and Incentives:** Registered Startups can avail benefits right from funding, to tax incentives to patent filing support and **government aid / sponsorship for national & international Events**

Karnataka Innovation Economy – new Government Initiatives

K-Tech (Karnataka Innovation & Technology Society)

GO in line with State's efforts on nurturing new technological innovations, renaming of KBITS to KITS with a mandate to enhance and drive Innovations in the State and to actively engage with current and emerging technologies

Karnataka Innovation Authority Law

A 'Legal Framework for Innovation' will be established in order to bring new and emerging technologies under a legal framework until appropriate law is enacted. It is also proposed to establish a mechanism for the creation of Regulatory Sandboxes in Karnataka. 'Regulatory Sandboxes' broadly describes a set of conditions under which innovative technologies can be tested through by relaxing regulatory requirements, in a controlled testing environment

Transformation of Nasscom 10K to K-Tech Innovation Hub

State envisages to transform Nasscom into K-Tech Innovation Hub and make it the central point for all Innovations in the State. Transformation will involve not only bringing in a whole lot of Innovation Initiatives from the Hub but also changing the face and design of the Hub itself

Incentives to Angels

GO to provide Incentives to Angel Investors for promoting Innovation and Startups across Sectors by various means like organizing networking events, provisioning a platform for all ecosystem partners to connect & collaborate, involve Angels in selection of Startups for fund or various benefits from State, match funds with Angels.

Process of Drafting Regulations for New/Disruptive Technologies

GO for a mechanism to draft policies / regulations regarding adoption of disruptive technologies / business models involving consultations with ecosystem partners and rolling out Technology specific frameworks like Policy, white-paper, CoE, Curated Tech Events etc.

Preferential Market Access to Startups

Provide adequate preference to Startups in public procurement of goods and/or services by reserving 10% of procurement from Startups and doing away with Pre-qualification criteria's like prior experience, turn over and HR.

Way Forward

The workshop led to some visionary thinking, brilliant suggestions and feedbacks from all ecosystem partners and all this will help the State with:

1. Designing a roadmap for an Innovation Economy of the State
2. Identifying a set of new Initiatives to further promote & nurture Innovation in the State
3. Launch the Innovation Authority Bill and Regulatory Sandbox
4. Revamp Nasscom 10 Warehouse into K-Tech Innovation Hub



Ms. Salma Fahim, Director, ITBT addressing the gathering



Shri Gaurav Gupta, Principal Secretary, ITBT & ST talking about the new government Initiatives Shri RK Shrivastava, Advisor, ITBT & ST throwing light on Innovation Economy and Innovation Authority Law



Startups Session



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