



7th June 2021

Kalyana Karnataka Chapter

Devote In Startups (DIS) Workshop 3

KARNATAKA INNOVATION & TECHNOLOGY SOCIETY
DEPARTMENT OF ELECTRONICS, IT & BT, GOVERNMENT OF KARNATAKA

Contents

Workshop Brief:	2
Workshop Agenda:	2
Workshop Overview:	2
Workshop Outcome:.....	7
Role of Startup Karnataka:.....	7
Snapshots from the Workshop:	8
List of Participants:.....	8

Workshop 3

Workshop Brief:

Workshop Name:	Devote In Startups (DIS) – Workshop 3
Speaker(s) Details:	<ol style="list-style-type: none"> 1. Dr. E.V Ramana Reddy, ACS to the Hon. Chief Minister, and ACS, Department of Electronics, IT, Bt and S&T, Government of Karnataka 2. Smt. Meena Nagaraj, Director, Department of Electronics, IT, Bt and S&T and Managing Director, KITS, Government of Karnataka 3. Dr. Nitin Kulkarni, Director, Founder member of KLE Centre for Technical Innovation and Entrepreneurship
Date:	7 th June 2021
Venue:	Virtual Platform
Duration of Event:	10.30 AM – 11.30 AM (1 Hr.)
No. of Participants:	27

Workshop Agenda:

The Devote In Startups (DIS) Workshop was intended to sensitize potential investors like small entrepreneurs, family business & corporate house to invest in Startups. The detailed agenda is shown below:-

TIME	TOPIC	SPEAKERS
10:30 AM – 10:40 AM	Welcome Address	Dr. E.V. Ramana Reddy, IAS, Additional Chief Secretary, Department of Electronics, IT, Bt and S&T, Government of Karnataka
10:40 AM – 11:25 AM	<ul style="list-style-type: none"> • Knowledge Based Sessions • Basics of Angel Investment • Case Studies 	Dr. Nitin Kulkarni, Director, Founder member of KLE Centre for Technical Innovation and Entrepreneurship
11:25 AM – 11:30 AM	Vote of Thanks	Smt. Meena Nagaraj C.N., IAS, Director, Department of Electronics, IT, Bt and Managing Director, KITS

Workshop Overview:

Objective:

The Department of Electronics, IT & Bt, Government of Karnataka, being the nodal Department for Startups in the State, conducted a sensitization workshop for potential investors from the State. The objective of this workshop was to sensitize the potential investors such as small entrepreneurs, family businesses, and corporates understand the role of Startups played in the Indian economy and accordingly invest in these Startups. This is an important step towards

Workshop 3

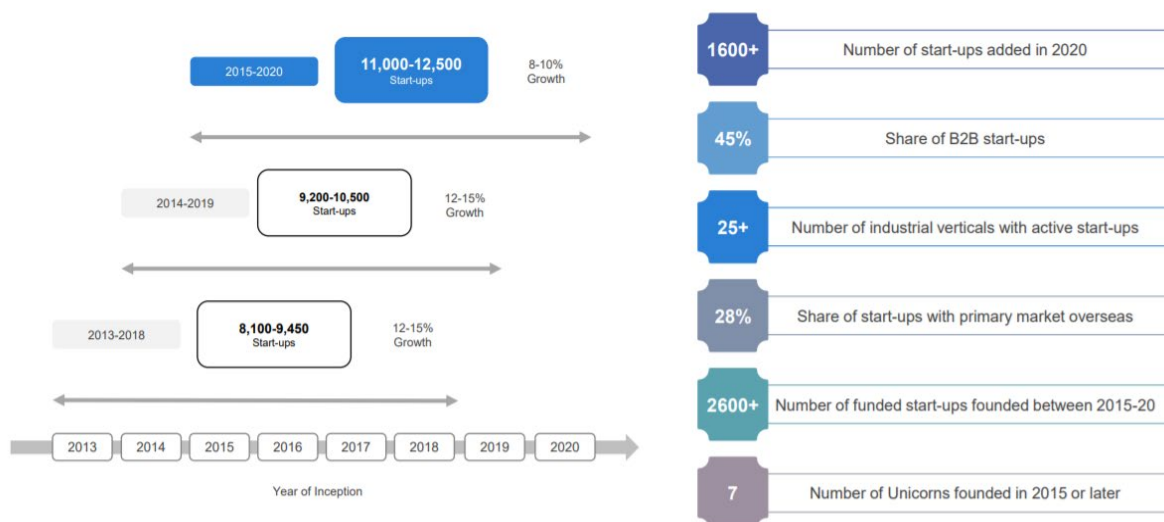
accelerating the growth of Startups through valuable investments and promoting Atmanirbhar Bharat.

Welcome Address:

The workshop began with the welcome address by Dr. E.V. Ramana Reddy, IAS, Additional Chief Secretary, Department of IT, BT & ST, Government of Karnataka, who is also the Nodal officer for Startups in the State. Dr. E.V. Ramana Reddy apprised the audience on how the state of Karnataka has always cherished its leadership position on both the domestic as well as in the global maps of Entrepreneurship and Innovation. India's landlocked southern city of Bengaluru has emerged as the country's technology capital. Dr. E.V. Ramana Reddy also provided a brief synopsis of the support provided by Karnataka for strengthening the Startup ecosystem. Dr. E.V. Ramana Reddy encouraged the participants to make the most of the workshop by understanding the role of Startups and their contribution in building a self-reliant India.

Knowledge Based Session & Basics of angel Investment with Case studies:

The session presented an overview of the Indian Startups ecosystem and its steady growth over the years. Dr. Nitin enlightened the audience on how the Startup ecosystem continued to grow even during the pandemic.



The key trends reflecting India's ever strengthening knowledge-based Startup ecosystem is as shown below:-

Workshop 3

India's Accelerating Digital Economy 01

- 2020 provided tailwinds to digital adoption. Digital maturity of Indian enterprise has jumped almost 2X while the internet penetration has expanded to 750Mn+ subscribers

Shift in Founder Playbook 02

- Uncertainty and rapid experimentations have shifted founder mindset and a new playbook is emerging for post-COVID world. Collaboration, employee experience, frugality, and global expansion are key to founders today.

Deep-Tech is Growing Deep-roots 03

- 19% of all start-ups¹ are leveraging deep-tech⁴ to build more complex and smart solutions across industries
- At 41% 5-Year CAGR, deep-tech start-up pool is growing faster than the ecosystem pace

India – Home of Unicorns 04

- India added the highest number of Unicorns² in a calendar year ever, with 58% B2B additions
- Simultaneously, potential pipeline expanded by 1.5X
- ~ 8% of Global Unicorns have their technology center in India³

Strong Investor Commitment 05

- Investments⁵ are steadily recovering, with 2X increase in H2 2020 vs H1 2020
- 44% of all deals were in start-ups who were raising their maiden funding round
- 90% of angel investors, from 2019, were active in 2020. While 56% of VC, from 2019, are already

Consistent Corporate Participation 06

- 135+ corporates are actively investing, acquiring or partnering with start-ups.
- Open innovation programs⁶ have increased significantly
- Investments and M&A recovery is in-line with global trends.

Growth of New Start-up Hubs 07

- Marked increase in start-ups beyond established start-up hubs⁷.
- At 40-45% CAGR, growth rate is higher than the national average
- Steady rise in the total number of start-ups and total funding received – with slight growth in 2020 vs 2019

Knowledge based industries are those industries which are based on their intensive use of technology and/or human capital. Some industries that are included in this category include:-

- Education
- Consulting
- Science
- Finance
- Insurance
- Information technology
- Health service, and
- Communications.

Knowledge-based businesses enable customers to act in real time and information becomes more valuable when it can be acted on instantly.

Angel investors are high net worth individuals who invest money, and often time, in startup businesses to help them grow. In return for their investment, they take a small equity position in the startup; meaning they own a certain percentage of the startup. They do so with the hope that the company will be successful in future, and their share of the business will significantly grow in value.

High-profile companies like Uber, WhatsApp, and Facebook made angel investors a lot more popular with success stories of early investors making fortunes. And with their steady increase in value, even today, angel investors can earn money from these companies.

Dr. Nitin explained the audience on who potentially can become Angel Investors:-

Who Can Be Angel Investors

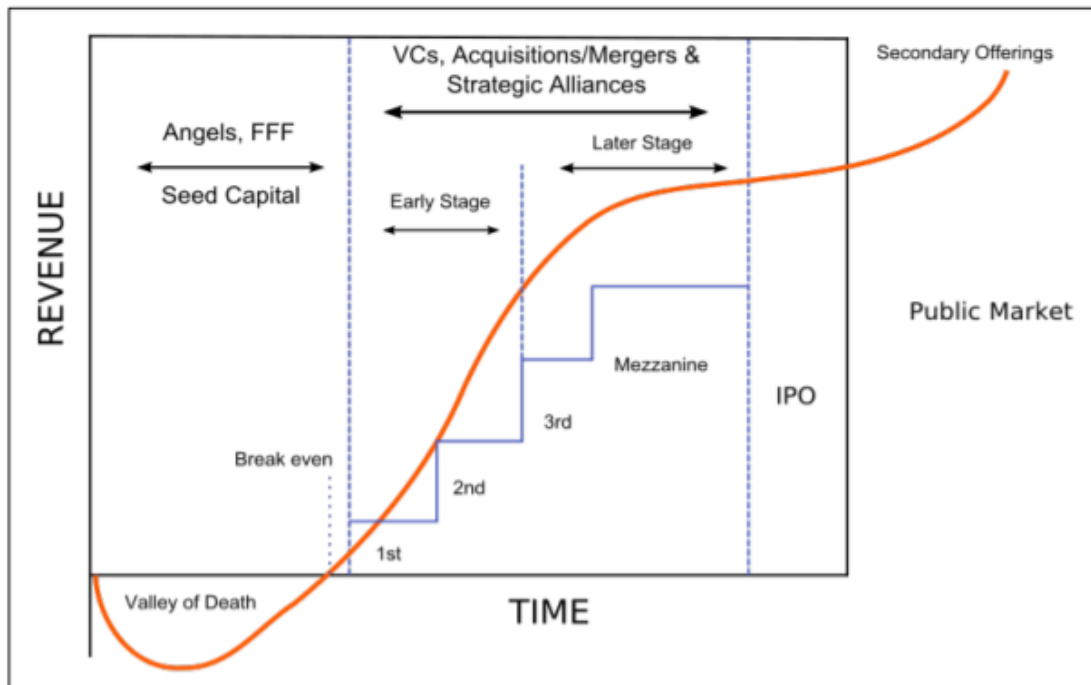
A	Family and friends: who want to support the startup	E	Professional angels: who make their living from angel investing
B	Professionals: such as doctors, lawyers, and bankers	F	Angel syndicates: this being a group of investors, who work together on deals
C	Business executives: who are experienced in running large companies	G	Industry/Business owners-looking to spread their risk by investing in startups
D	Entrepreneurs: who have run their own startups		

The investment scenarios made by Angel Investors were demonstrated to the audience. The Angel Investors typically invest as mentioned below:-

- Angel investors invest at the early stages of a company and provide small-scale finance to cover costs during the period where startups might struggle, as they're unattractive to venture capital firms at that stage.
- This is because, typically, it's only after utilizing the angel's investment, and some growth by the startup, that venture capital firms become interested in investing in them.
- The amount that angels invest varies hugely depending on the attractiveness of the startup and their growth needs. But most individual investments range between Rs. 5,00,000 to Rs. 1 CR or more.
- A typical angel investment round might be Rs. 70 lakhs to Rs. 1.5 CR if from 3-5 people.
- On rare occasions, angel investments could also be as high as up to Rs. 10 CR. Larger amounts are typically raised through angels investing in groups and syndicates, who pool their finance and their business skills.

The audience were briefed on the four stages of the Startups lifecycle and basis that were briefed on their financing cycle as shown below:-

Workshop 3



The audience were apprised of the various roles played by Angel Investors post investing in Startups:-

TYPES OF ANGEL INVESTOR ROLES

Source of Capital	Mentor/Advisor	Networker	Recruiter	PR and Marketing	Technical Expert	Board Member
Invests money and nothing else.	Working ad hoc with the funding team, providing advice, support and an external point of view.	Opens doors and makes strategic introductions.	Helps finding and referring talent.	Generates buzz and exposure by leveraging their personal social platform.	Technical expertise to help develop the proposition.	Responsible for making the critical company decisions.
						

Vote of Thanks:

The workshop concluded with the Vote of Thanks presented by Smt. Meena Nagaraj C.N., IAS, Director, Department of Electronics, IT, Bt and Managing Director, KITS and with a commitment from all participants towards strengthening and nurturing the Startup ecosystem in the State by investing in Startups.

Workshop 3**Workshop Outcome:**

The Devote In Startups workshops helped the small entrepreneurs, family business and corporates understand the Startup ecosystem in the state and in the country and the role of Startups in development of the country. The workshop in some way has helped in encouraging them in investing in Startups. Some of the key takeaways from the workshop are listed below:-

- The audience got a detailed view of the Startup ecosystem in India and in Karnataka. They were enlightened steady growth of Startups even during the pandemic.
- The session also helped the audience understand key trends reflecting India's ever strengthening knowledge-based Startup ecosystem.
- The session also provided a glance on the various stages of the Startups life and the challenges associated with each stage along with financial requirements.
- The session finally provided a view of the role played by Angel Investors post investing in Startups.

Role of Startup Karnataka:

Department of Electronics, IT, Bt being the Nodal Department for Startups in the State have played a key role in designing, coordinating, implementing, and hosting the sensitization workshop.

Snapshots from the Workshop:

TOPICS

- Knowledge-based sessions
- Basics of Angel Investment
- Successful case studies of angel funded companies

Kalyana Karnataka Chapter

(Ballari, Kalaburagi, Yadgir, Raichur, Koppala, Bidar, Vijayapura)

Date: 7th June 2021 | Time: 10:30 AM to 11:30 AM

The Department of Electronics, IT, Bt and S&T in association with Department of Industries and Commerce and Directorate of MSME is organizing virtual sensitization workshops "Devote In Startups" for potential investors (including family businesses, corporate houses & small entrepreneurs) across 31 districts of the State with an objective to increase the number of early-stage investors in the startup ecosystem of the country.

Who should attend?

Potential Investors including:

- Family Businesses
- Corporate Houses
- Entrepreneurs
- Individuals interested in investing in startups

To register click: <https://bit.ly/3u9ri9i>

Startup_Kar | StartupKarnataka | LinkedIn - startupkarnataka

<https://startup.karnataka.gov.in/>

List of Participants:

Sl. No.	Name of the Founder/ Co-founder/Director	Name of the Organization (as per Incorporation)
1	Mohd Sadroddin	Eccentric online solutions Private Limited
2	Raghavendra walmiki, Devraj hodal	Azurite Edutech Pvt Ltd
3	Mr Rahul Tosniwal	SHRI SALASAR INDUSTRIES
4	Prakash Patil	Anorn formulations
5	Ganeshprasad AToshniwal	JK Roofings
6	Anand Toshniwal	Bharat Honda
7	Ankit RJ	Aditri Wood Crafts
8	Pritesh Tapadia	YASH PROTEINS PVT LTD
9	Shivasharanappa Madgunki	Shivkrupa Pulses

Workshop 3

10	Rakeah Chillshetty	Aarco Hangers
11	Manik s mugale	Namo organics
12	Madhushree Nagnath Deshpande	Silver Spoon Enterprises
13	Basavesh Mathapati	Keoch IT Solutions Pvt Ltd
14	Lingaraj Appa	SRINIDHI BIOTECH PRIVATE LIMITED
15	Shivappa Devargudi	HRS INDUSTRIES
16	Mukta RJ	Aditri Modular Industries
17	Harsh Baradia	ATHEEVA ENG
18	Satish	Pragya.ai LLP
19	Gopal M Rathod	SHREE DURGA VENEERS
20	Anil baburao kanak	Godavari
21	Praveen	Kanak
22	Ganesh Siddardha Akella	Aanviksha Laboratories Private Limited
23	Ambarish Sajjanshetty	Sajjan Technology and Services Private Limited
24	Lakshmi S Mathapati	Eedgetrek Academy India Private Limited
25	Prashant Mannallikar	GoVise Technologies Pvt Ltd
26	H M Kheni	HKCCI KALABURAGI
27	Avinash Desai	Desai business

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