

Startup incubators on rise but growth of new ones slackens

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Jaipur: With around 1,000 more seats set to be added for startups incubation in the Pink City, the ecosystem seems to be developing firmer roots. Jaipur already has around 800 seats for young entrepreneurs looking to bootstrap operations during early phases of ideation and becoming market ready. While much has changed in the past 3-4 years, a lot seems to be missing at the moment.

“We need more startups not only to fill up the huge space but also breed competition. The number of startups are not growing proportionate to the expansion in facilities. Ideas will be a little more realistic if we have a large number of youths taking up entrepreneurship. Hard infrastructure like incubation facilities is an important part but there is more to it for weaving a narrative,” said Chintan Bakshi, chief executive officer of StartupOasis. A startup policy by the state government and announcement of Rs 500 crore fund for the early stage companies convinced Niti Aayog last year to rank Rajasthan as the top performer in the national startup index. The Bhamashah Techno Hub (BTH), a state government project that opened last year in the city, will offer 700 seats when it is fully operational but industry sources said there are only 35-40 startups currently being incubated.



BTH provides free access to early-stage startups for a limited period unlike private incubation centres and co-working spaces which charge a fees. Three more Atal Innovation Centres (AIC), a Niti Aayog initiative, are also set to come up in JK Lakshmipat University, Manipal University and Gyan Vihar University.

Recently, BizLaunch, a co-working space cum incubation centre at Kamtech Development Center in Sitapura, inked an MoU with Germany-based nuspirit GmbH to leverage technology, explore new synergies and help startups scale globally.

But the number of youths taking up entrepreneurship appears to have slowed down in the past year or so. Bakshi said angel funding support base hasn't grown up and there needs to be more investors like Rajasthan Angel Investors Network (RAIN).

“Lack of seed funding availability is just one of the reasons. There are about 200-250 active startups in the city but

the capacity on offer is more than the double number of ventures. What is more critical is that there are not enough technology partners. The cost of setting up a venture in Jaipur is almost 50% lower which should be leveraged by startups founded by Rajasthan origin people by relocating to the city. We need more home-grown success stories,” added Bakshi of StartupOasis, which has incubated over 200 startups, 15 of which have gone national with their operations and 28 of them have collectively raised over Rs 250 crore.

However, Ajay Kumar Gupta, managing director of Kamtech Development Centre, said there are lot of scope for sectors in clean technology, smart city technology, agro and food processing, logistics, farm gate processing, skills and aggregation. “Entrepreneurs need to look at areas like clean technology, smart city technology, agro and food processing,” added Gupta.