Karnataka – Karnataka Startup Policy 2022-27

Introduction and Overview

Position Karnataka as a Global Deep-Tech & Emerging Technology Innovation Capital, fostering a vibrant, tech-enabled, inclusive startup ecosystem across the entire state.

Karnataka maintains a dominant position nationally and globally with strong tech clusters beyond Bengaluru including Mysuru, Hubballi, Mangaluru, Belagavi, Kalaburagi and Shivamogga.

The policy period is aligned to 2025–2030 to further deepen the ecosystem across all regions of the state with strong emphasis on deep tech and global competitiveness.

Karnataka leads India’s software exports, biotechnology, electronics manufacturing, and emerging tech in AI, quantum computing, semiconductor design, space tech, climate tech, blockchain, and advanced manufacturing.

Policy Pillars & Strategic Focus

Pillar 1: New Age Innovation Network (NAIN 2.0 Expanded)

Rollout of 75+ NAIN 2.0 centers (earlier 50) primarily in non-Bengaluru districts.

Enhanced funding for student startups aligned with SDGs, climate resilience, and digital economy goals.

Existing NAIN centers upgraded under a performance-linked funding model (new addition).

2.2 Pillar 2: Academia–Industry–GCC Partnership (Expanded Scope)

Establishment of 10 TBIs (earlier 9) including specialized deep-tech incubation centers.

New integration of Global Capability Centers (GCCs) for co-innovation and commercialization.

TBIs focus on deep tech: AI/ML, quantum, blockchain, semiconductor systems, digital twin, AR/VR, advanced materials, clean energy tech

2.3 Pillar 3: Strengthened Funding Mechanism

Idea2PoC (Elevate) Grant: ₹50 lakh continues.

Venture Capital Fund increased to ₹250 crore (earlier ₹100 crore).

Creation of Dedicated Deep-Tech Fund (New).

Beyond Bengaluru Cluster Seed Fund expanded with additional district innovation allocation (New).

Investor connect platforms institutionalized under Karnataka Startup Portal 2.0 (New Integration).

2.4 Pillar 4: Incubation & Acceleration Infrastructure

Support for new incubators in non-Bengaluru areas via capital grants (up to 50% of costs capped).

Introduction of Mega Acceleration Program for scale-ready startups (New).

Virtual incubation upgraded to AI-enabled digital mentorship ecosystem (New).

Expanded PPP and CSR participation model.

Promotion of PPP model and CSR funding for incubator sustainability.

2.5 Pillar 5: Inclusive & Equitable Ecosystem

25% of VC Fund reserved for women-led startups continues.

Dedicated Women Entrepreneurship Acceleration Program (New).

Enhanced support for SC/ST, differently-abled founders.

Additional interest subvention for women & rural founders (New).

2.6 Pillar 6: Social & Rural Entrepreneurship

Expansion of Rural Innovation Centers.

District-level Startup Hubs in Tier-2 & Tier-3 cities (New).

Internship subsidy enhanced for talent mobility.

Stronger support for agritech, rural tech, and social innovation

2.7 Pillar 7: Innovation for Climate, Circular Economy & ESG (Expanded)

Annual Grand Challenges continue.

Dedicated Climate Tech & Circular Economy Fund (New).

Mandatory ESG reporting encouragement for funded startups (New).

2.8 Pillar 8: Enablement & Regulatory Innovation

Karnataka Open Data Initiative continues.

Expanded collaboration with GCCs.

Regulatory sandbox strengthened under Karnataka Innovation Authority.

Startup Portal 2.0 upgraded with:

• Single-window incentive claim system (New)

• Integrated investor dashboard (New)

• Startup performance tracking system (New)

2.9 Pillar 9: Financial Incentives & Concessions (Enhanced)

State GST reimbursement continues (non-Bengaluru focus).

Marketing cost reimbursement up to ₹5 lakh continues.

Patent filing reimbursement continues:

₹2 lakh (domestic)

₹10 lakh (international)

Quality certification reimbursement up to ₹6 lakh continues.

Additional export promotion incentive for global market entry (New).

Relaxed procurement norms strengthened with dedicated startup procurement quota (New).

Governance & Implementation (Strengthened)
Governed by Karnataka Innovation Authority.
Administered by Karnataka Innovation and Technology Society (KITS).
Startup Cell remains primary interface.
KDEM role expanded for Global Startup Branding & Investment Outreach (New).
Vision Group on Startups reconstituted for 2025–30 with deep-tech advisory board (New).

Eligibility & Definitions

Startup definition aligns with Government of India (DPIIT) norms: incorporated within 10 years, turnover below ₹100 crores, focus on innovation and scalability.

Startups formed by splitting existing companies are excluded.

Various innovation-related terminologies are clarified, including accelerator, incubator, venture funding, and social entrepreneurship.

Achievements & Ecosystem Status

Karnataka boasts over 15,000 startups registered, strong incubation infrastructure, and several successful initiatives under earlier policies (2015 onwards).

The state had multiple designations including the top innovation ranking in India and recognition for sectoral leadership.

Expansion of incubation facilities and innovation hubs beyond Bengaluru is ongoing to create broader regional impact.

Source: Karnataka Startup Policy 2025–2030

Issued by: Government of Karnataka – Department of Electronics, IT & Biotechnology

Administered by: Karnataka Innovation and Technology Society (KITS)

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