

# PSUs, CSIR labs now actively backing start-ups, says IIT-Madras report

## OUR BUREAU

Chennai, November 12

A number of PSUs and CSIR (Council of Scientific and Industrial Research) labs are now actively supporting start-ups, according to 'Indian Venture Capital and Private Equity Report 2017', prepared by IIT-Madras.

Released at TIECON Chennai 2017, the report, 9<sup>th</sup> in its series, analysed the policy framework and support provided to start-ups by the Central and State governments and various governmental agencies.

Since 2016, at least 10 PSUs have launched start-up sup-

port programmes with a total initial outlay in the region of ₹400 crore. CSIR expects to incubate 100 ventures in five labs, by this year-end.

"Five years ago, it was unthinkable that a PSU would create infrastructure or allocate funds for start-up ventures. But today, several PSUs and CSIR labs are aligning themselves with government's policies on start-ups," Thillai Rajan, Professor, Department of Management Studies, IIT-M, and Associate Professor at Harvard Kennedy School, Harvard University, told a select group of reporters after the release of

the report. At least 30 PSFIs (public sector financial institutions) have contributed in excess of ₹7,000 crore to the corpus of VC (venture capital) funds

The average round size of venture funds in which PSFIs have invested was \$12 million and the average stake acquired was 22 per cent, implying a post-money valuation of about \$50 million.

Rajan, who has edited and co-authored the report since its inception, explained that cash-rich PSUs such as ONGC, GAIL and BPCL are partnering with incubators such as IIT-M

and other top institutions.

The 2017 report analysed policy robustness for start-ups among States. Seven States — Kerala, Karnataka, Telangana, Andhra Pradesh, Maharashtra, Punjab and Haryana — were found to have comprehensive policy frameworks for start-ups.

Out of the 29 States, 22 have come out with start-up policies in the last three years. Cumulatively, State governments envisage the creation of incubation space of 5.1 million square feet, 48,000 start-ups and ₹34,000 crore of venture funding by 2022, the report said.