



Date: 03.01.2023

RoC. No: 0058B/TANSIM/2023 Dated 03.01.2023

AngelsTN

Sub: Guidelines for Angel Investor Engagement through the AngelsTN Platform —
Issued by StartupTN

1. Preamble

The Government of Tamil Nadu, through the Tamil Nadu Startup and Innovation Policy 2023–2028, envisions creating a robust, inclusive, and self-sustaining startup ecosystem. A crucial pillar of this ecosystem is access to capital at the earliest stages of enterprise development.

While Tamil Nadu has seen a steady rise in venture capital (VC) and institutional funding, the **angel investment segment**—which serves as the bridge between ideation and institutional capital—remains underrepresented. There exists significant untapped potential among Tamil entrepreneurs, high net-worth individuals (HNIs), and the global Tamil diaspora who can play a transformative role in this space.

In this context, **StartupTN** hereby issues the following guidelines to operationalise **“AngelsTN”**, a dedicated investment platform designed to catalyse angel investor participation, bridge the funding gap, and mobilise Tamil capital for Tamil Nadu’s innovation-led growth.

2. Vision and Objectives

Vision:

To establish Tamil Nadu as the preferred destination for early-stage startup investment by uniting domestic and diaspora Tamil investors under a common, transparent, and impact-driven framework.

Objectives:

1. To promote active participation of Tamil-origin angel investors, both resident and non-resident, in funding early-stage startups.

2. To facilitate structured engagement between startups, investors, and ecosystem enablers through a unified digital and physical platform.
3. To nurture sector-focused angel networks that channel expertise and capital into emerging industries.
4. To strengthen the flow of **domestic risk capital**, aligning innovation funding with the state's developmental priorities.
5. To build confidence and transparency in the startup investment ecosystem by ensuring compliance, reporting, and mentorship.

3. Significance of Domestic Capital

A sustainable startup ecosystem requires an equilibrium between **foreign inflows** and **local capital mobilisation**. Domestic investors, with their contextual understanding of markets and policy frameworks, are better positioned to make nuanced, patient investments that align with regional needs.

Engaging Tamil-origin investors helps:

- Retain wealth and decision-making within the state's innovation economy.
- Encourage long-term, socially rooted investments that balance profit with public value.
- Foster mentorship and knowledge transfer from successful entrepreneurs to first-generation founders.

By strengthening domestic capital flows, AngelsTN will enable "**local capital for local innovation**", enhancing both economic resilience and social inclusion.

4. Scope of the Initiative

The **AngelsTN Platform** shall function as a **State-facilitated angel investment ecosystem**, comprising:

1. A **web-based digital platform** connecting verified investors and eligible startups.
2. A series of **district-level and sectoral engagement programs** to promote networking and investment readiness.
3. Formation of **sector-specific Angel Investment Networks (AINs)** under the AngelsTN brand, focusing on areas such as DeepTech, AgriTech, Design & Creative Industries, Manufacturing, and Climate/Sustainability Innovations.

4. **Capacity-building and mentorship programs** linking experienced investors with first-time angels and startups.

5. Institutional Framework

1. **Nodal Agency:** StartupTN shall serve as the nodal implementing agency for AngelsTN.
2. **Governance:** A Steering Committee chaired by the Mission Director & CEO, StartupTN, will periodically review progress, approve network creation, and evaluate outcomes.
3. **Operational Support:** StartupTN Regional Hubs will act as facilitation points for angel networks and local investor engagement.

6. Investor Onboarding and Eligibility

Eligibility Criteria:

- Indian citizens or NRIs of Tamil origin meeting SEBI's definition of an Accredited Investor or Angel Investor.
- Family offices, serial entrepreneurs, professionals, or industry experts with demonstrable domain experience or capacity to invest ₹5 lakh or more per startup.
- Institutional investors or networks seeking to co-invest alongside individual angels.

Onboarding Process:

- Interested investors shall register through the **AngelsTN web portal**, providing requisite KYC, declaration of investment intent, and sectoral interests.
- Verification will be conducted by StartupTN, in coordination with authorised financial and legal partners, to ensure compliance with SEBI and FEMA norms.

7. Incentives and Facilitation Measures

To promote participation, the following facilitation measures shall be extended to registered AngelsTN investors:

1. **Recognition:** Listing on StartupTN's Annual Ecosystem Report and recognition in public forums and events.
2. **Access to Deal Flow:** Curated access to verified, investment-ready startups across Tamil Nadu.

3. **Co-Investment Opportunities:** Priority access to co-investment initiatives supported by StartupTN, such as TANSEED, TANFUND, and the forthcoming Co-Creation Fund.
4. **Networking Privileges:** Invitations to exclusive state and international investor summits and policy consultations.
5. **Learning and Knowledge Sharing:** Access to periodic masterclasses on due diligence, valuation, and governance, conducted in collaboration with SEBI-registered funds and industry experts.

8. Startup Scouting, Readiness and Evaluation

StartupTN shall identify and prepare promising startups for angel investment through a multi-stage process:

- **Scouting:** Regional hubs, sector leads, and incubator partners shall nominate startups based on innovation potential, traction, and scalability.
- **Mentorship:** Shortlisted startups will undergo curated readiness sessions focusing on business modelling, financial documentation, and pitching skills.
- **Evaluation:** AngelsTN investors shall be invited to participate in pre-pitch sessions to enhance transparency and mutual understanding.

9. Events and Engagement Activities

The following engagements shall be organised periodically:

1. **District-Level Investor Connects:** To promote grassroots entrepreneurship and local investment participation.
2. **Sectoral Angel Meets:** Themed around design-driven, sustainability-focused, or technology-led innovations.
3. **Startup Showcases and Roadshows:** Jointly hosted with ecosystem partners, chambers of commerce, and diaspora associations.
4. **Annual AngelsTN Summit:** To celebrate achievements, share insights, and publish impact reports highlighting investments mobilised and startups funded.

10. Compliance and Governance Framework

- All investments facilitated through AngelsTN shall adhere to **SEBI (Alternative Investment Funds) Regulations, FEMA**, and other applicable laws.
- StartupTN will not act as a fund manager or financial intermediary but as a **facilitator of connections** between verified investors and eligible startups.

- Necessary due diligence and execution of agreements will be the responsibility of the respective investors and startups.
- Investors shall submit **annual self-declarations** of investments made through the platform for record and reporting purposes.

11. Monitoring and Evaluation

The following key performance indicators (KPIs) shall be tracked quarterly:

- Number of investors onboarded (domestic and diaspora).
- Number and value of investments facilitated.
- Sectoral and regional spread of funded startups.
- Volume of follow-on investments and success stories.

StartupTN shall maintain a **centralised dashboard** and prepare an **annual performance report** to be presented to the Board of StartupTN and the MSME Department.

12. Expected Outcomes

Stakeholder	Expected Outcome
Startups	Access to early-stage funding, mentorship, and strategic networks.
Investors	Opportunity to invest in high-growth Tamil Nadu startups with due diligence support and co-investment options.
Government / StartupTN	Strengthened domestic funding base, improved startup survival rates, and enhanced visibility of Tamil Nadu in the national and global startup ecosystem.

13. Authority and Implementation

The **Mission Director & CEO, StartupTN** shall be the competent authority to issue clarifications, amendments, and further operational instructions for the implementation of this guideline. These guidelines shall come into effect immediately upon issue.


3/1/23
Mission Director & CEO, StartupTN

To:

All Regional Hubs, StartupTN, Investment Vertical, Marcom Vertical, All Empanelled Incubators and Partners & File