



**TAMIL NADU STARTUP AND INNOVATION MISSION**  
(A Section 8, Company under the MSME Department, Government of Tamil Nadu)

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**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.

   
Mission Director & CEO, StartupTN

To:

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

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