

Recently-Concluded Srujan Seed Support Sees 20% Of Startups From Tier-II, Tier-III Towns

SMALL TOWNS' BIG STARTUP LEAP: FOUNDERS LOOK FOR SWEET SPOT

DISTRICT-WISE STARTUPS

District	PoC	IPR
Ahmedabad	316	374
Anand	166	11
Rajkot	150	147
Gandhinagar	136	16
Surat	129	30
Vadodra	87	34
Mehsana	75	2
Kheda	48	0
Bharuch	47	1
Kutch	41	0
Junagadh	24	1
Bhavnagar	18	0
Valsad	17	13
Banaskantha	16	0
Patan	13	0
Surendranagar	11	0
Dahod	9	7
Morbi	9	0
Aravalli	6	2
Banaskantha	6	0
Kheda	4	0
Jamnagar	3	1
Gir Somnath	1	0
Narmada	1	0
Sabarkantha	0	1
Total	1,343	640

Parth.Shastri
@timesgroup.com

When Dhaval Nai, a native of Palanpur in Banaskantha, recently appeared in the reality show, Shark Tank with his elder brother, it exemplified the rise of small-town entrepreneurs. Nai not only secured Rs 30 lakh in funding, but also got recognition across the country. Nai's product? A washer for tea glasses and cups!

"I hold a diploma in mechanical engineering and my brother is studying commerce. For me, the journey started in 2018 with the idea of doing something for the country. Nai's product? A washer for tea glasses and cups! "I hold a diploma in mechanical engineering and my brother is studying commerce. For me, the journey started in 2018 with the idea of doing something for the grassroots. But it was post-pandemic that the idea took shape — my washer can wash nine tea cups or glasses in a matter of just 30 seconds.

"Tea is the lifeline of India but one of the major issues for many is poor hygiene at roadside tea stalls," says Nai. "I thus devised a solution that can clean cups and glasses from inside and outside while reducing the gap between serving cycles. Through social media alone, I have been able to sell more than 50 machines in Gujarat, Maharashtra, Karnataka, Tamil Nadu and Rajasthan."

Nai was among the 20 recipients of grants under the Srujan Seed Support Scheme (SS) of state gov't Student Startup Innovation Policy (SSIP) where he recently received Rs 15 lakh for production in the city. Out of 96 supported under the scheme, 19 startups or 20% of the total number, were from tier-2 and tier-3 cities and towns such as Ankleshwar, Botad, Desa, Kapadvanj, Palanpur and Veraval to name a few.

Mukesh Kumar, principal secretary, higher and technical education, said that sector-specific grants and initiatives are bringing these ideas to the fore. "It is true that concentration is higher in places such as Ahmedabad and Gandhinagar, but the idea for Srujan is to provide entrepreneurs based in tier-2 and tier-3 cities and towns with both funding and mentorship," he said.

"The numbers are increasing with sustained efforts, and we are also getting startups in diverse areas from fisheries to agriculture and deep tech to pharmaceuticals."

Piruz Khambatta, chairman, Rasna Group, who is also a

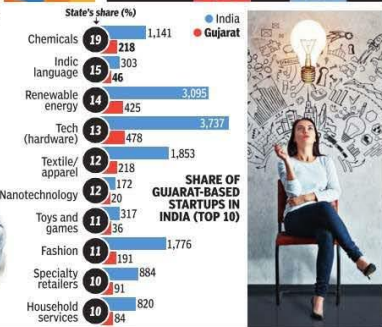
INDUSTRY SHARE



LIFE STAGE OF STARTUPS

GUJARAT'S COMPARISON WITH INDIA DATA

Stage	GUJARAT Number	GUJARAT %	INDIA Number	INDIA %
Prototype	1,982	21%	33,698	28%
Validation	4,410	46%	42,309	35%
Early traction	1,978	21%	32,011	27%
Scaling	1,127	12%	11,739	10%
Total	9,497	100%	1,19,757	100%



Stories from hinterlands

From Veterinary Doctor To PHD Holder, Entrepreneurship Is Top Choice For Them



MAYUR CHAUDHARY
TREATSOUL PHARMACEUTICALS

This veterinary doctor based in Palanpur with over a decade of experience in the belt of Banas Dairy found an opportunity in providing nutritional supplements to milk animals. "It was first-hand experience for me that the health of the animals was a major concern. With the region providing about 80 lakh litre milk, diseases can affect the farmers' income. It was more of an issue among small and marginal farmers. Thus, I decided to address reproductive issues stemming from malnutrition and micro-mineral deficiencies," he said. He has raised Rs 7 lakh from Srujan, and has also got inculcated with NABARD due to applications of his startup. "It has been two months of production and supply in Banaskantha, and the initial response has been good. If we capture this market, we will venture into other districts that have presence of the dairy sector," he added.

HARDIK HIHORIYA

KHEDUTPAY

A farmer himself in Botad with a generation of knowledge, Hardik with his education in technology decided to use IT-based solutions for farming problems. "We started in 2018 and now are working with 190 villages in Botad district at the ground level where we work as a one-stop solution for farming needs. From fertilizer to pesticides, our firm delivers the supplies within three hours. Be it a 5ml bottle or a 50-kg bag, we ensure that it reaches the farmer in his village," he said.



VANDANA THAKUR
MILLIBOLT HEALTHTECH

During her PhD journey in pharmacology, Thakur, a native of Godhra, Panchmahal, got an opportunity to share her findings with national platforms which motivated her to commercialize them. "I worked with natural ingredients and realized that their medicinal properties can be used for reducing the smell in some popular pain relief ointments or even for devising a remedy for excessive blood loss. One of our early products 'AnV-Stat' is a homeostatic formulation that can find place in first-aid kits for rapid reduction in blood loss," she said.

Registered in 2021, her startup has got recognition with institutions such as AICTE and the MSME department. "Today, there are special funds for women entrepreneurs and those from outside the conventional startup hubs. It surely gives a boost to first-generation entrepreneurs like me," said Thakur. Her startup has received Rs 25 lakh in fundings so far.



HARDIK VAGHANI AGROBITS GREEN VENTURE

The startup based at Mandvi in Surat converts agricultural waste into eco-friendly, biodegradable and organic products. Among the products are banana fibre sanitary pads that decompose in 12-160 days. The startup has received Rs 5 lakh under the Srujan scheme.

SSIP and Srujan: State shines in healthcare, manufacturing, textile

The grants given under Srujan to mid-level startups showed that the majority of startups came from sectors such as healthcare, manufacturing and textile which are forte for Gujarat-based industries. SSIP projects also indicated that the projects with better industrial linkages did well in both attracting investment and gaining market traction.

"Today startups are getting funded at almost all stages. Those with good early promise stand to gain with early investments through angel investors and institutions. But as we can see from the numbers of Startup India, majority of the startups in Gujarat are stuck at validation stage. Scaling and prototyping are satisfactory," said a senior education department official.

Recently, 130 students got grants of Rs 40,000 each to take their ideas to prototype stage. The initiative under Student Entrepreneurship Policy of Commissionerate of Higher Education saw 37 projects selected from Ahmedabad, followed by 19 from Rajkot, 16 from Junagadh, 14 from Amreli, and 9 from Surendranagar among others.

Senior officials at Entrepreneurship Development Institute of India (EDII) said that the event also had participation from Bharuch, Bhavnagar, Mehsana, Navsari, Patan, Tapi and Valsad among others. "School and college level tech fests and innovation fairs should be seen as the first initiation for a student to understand how startups work," said a senior EDII official.

EXPERTS' VIEWS

- Agritech has remained a strong focus of startups coming from tier-2 and tier-3 cities and has found a lot of traction in the past couple of years. Need of the hour is to identify good ideas and nurture them with mentoring, industry connect and funding.
- District- and rural-level startups are playing an important role. These startups will strengthen our agriculture sector and rural economy. Also, fund rotation will be within the rural economy and it will boost growth.
- Nearly 46% of the DPIIT-registered startups in Gujarat are in validation stage. Hence, a robust ecosystem for affordable and early testing, certifications and benchmarking is needed.

With inputs from **Parag Dave** | **Sabya Ranjan Acharya** | **Piruz Khambatta** | **Hiranmay Mahanta**



INNOVATIONS TAKE THE LEAD:

Several sunrise sectors have caught the eye of startup founders and innovators to start their own firms. A majority of startups from Gujarat come from healthcare and IT services. A sizeable 16% of startups are into emerging sectors like technology hardware, which includes semiconductors, green and renewable energy and agriculture. Several new sectors such as deep tech, space tech, artificial intelligence and EVs have significantly broadened the startup landscape in Gujarat. "Renewable energy is one of the fast-growing sectors here. Several other new and emerging sectors are also catching the attention of investors," said Umesh Uttamchandani, co-founder, DevX.

TIMES DHANDHO

Shyam Raichura, an angel investor based in Rajkot, said that while there is talent, the need of the hour is hand-holding at the right time and mentoring at all stages of growth. "Entrepreneurship is a long journey. Thus, the growth in tier-2 and tier-3 cities/towns will take place with an evolved ecosystem," he said.



Dipanj Patel from Valsad was provided Rs 5 lakh for prototype/MVP to develop electric vehicles (EV).

Shyam Raichura, an angel investor based in Rajkot, said that while there is talent, the need of the hour is hand-holding at the right time and mentoring at all stages of growth. "Entrepreneurship is a long journey. Thus, the growth in tier-2 and tier-3 cities/towns will take place with an evolved ecosystem," he said.

Dipanj Patel from Valsad was provided Rs 5 lakh for prototype/MVP to develop electric vehicles (EV).

Shyam Raichura, an angel investor based in Rajkot, said that while there is talent, the need of the hour is hand-holding at the right time and mentoring at all stages of growth. "Entrepreneurship is a long journey. Thus, the growth in tier-2 and tier-3 cities/towns will take place with an evolved ecosystem," he said.