

Initiation roadblock hits state start-up policy

■ *As the year ends, Rs50 cr allotted for start-ups may go unused*

■ *List of half a dozen start-ups sent 3 months ago, govt yet to respond*

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Ahmedabad: Lack of implementation procedure in Gujarat government's 'Startup Assistance Scheme' has put stakeholders in the start-up ecosystem in a tizzy. With the financial year coming to an end, players fear that the Rs50 crore earmarked in the budget will go unutilised.

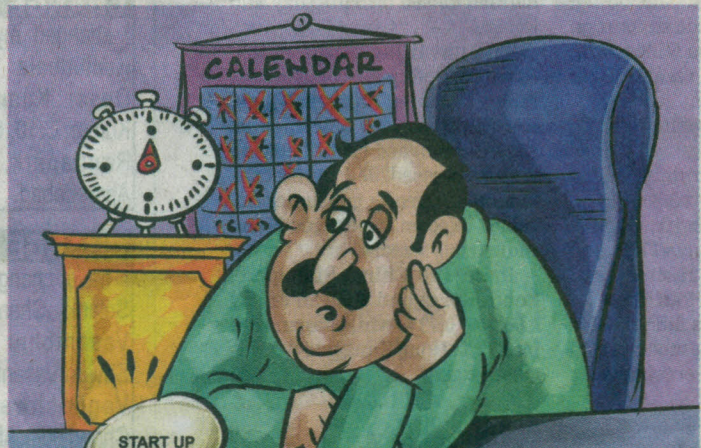
In spite of a political will, earmarking and availability of funds, start-ups complain that they are not getting funds even after the launching of the assistance scheme, formally known as 'Start-up Policy', more than a year ago. Even a forum to handle related grievances is missing.

A leader in local start-up community told dna that there is no clarity on how many start-ups have got funding, which launched way back in January 2015. As per the scheme, government will identify Nodal Institutions (NIs) which will approve start-ups to avail benefit of the scheme.

So far the government has approved 12 such NIs and given them funds of up to Rs15

lakh each. During a recent start-up event in Ahmedabad, Arvind Agarwal, additional chief secretary in state Industries and Mines Department (IMD) replied to dna's query and stated that nodal institutions have full autonomy in selecting the start-ups and disbursement of funds. However, they need permission of the 13-member State Level Implementation Committee before finalising the start-ups and that causes major delay. It comprises eight bureaucrats and five invitees.

An official of a nodal institution said that they sent a list of over half a dozen start-ups for approval of the state government about three months ago, but the government has not replied so far. They have also sought guidelines from government for disbursement of funds, as the public funds are open to scrutiny.



F A screening committee of CIIE has identified about seven startups and these would be soon recommended to state industries department, which will take a final call. Most likely the recommendations will be accepted,"

Neeraj Jain, manager,
CIIE of IIMA



F We don't want anyone to suffer if objections are raised. There will be a discussion on the guidelines for disbursement of fund. NSTEDB has a framework that we should study and adapt accordingly,"

Pareesh Vora, Venture
Studio, Operations



START-UP ASSISTANCE SCHEME

As per the scheme, government will identify Nodal Institutions which will then approve start-ups to avail benefits of the scheme. Under the scheme, start-ups are eligible for assistance of up to Rs10 lakh for converting ideas into a prototype and then another Rs10 lakh for go-to-market strategy. For a year, they will also get a monthly sustenance allowance of Rs10,000.