

## 'State to announce new start-up fund in budget'

Ahmedabad: On a day when Prime Minister Narendra Modi unveiled a new start-up policy, Gujarat government said it will soon launch brand new "fund" for supporting start-ups in the state. "We have studied the funding issues connected with start-ups very minutely and so we are proposing to come up a fund for start-ups with innovative ideas that are struggling for funding. We are still working on it. We are at advanced stages of discussion and probably it might come out in this (state) budget," said Mamta Verma, Industries Commissioner, Government of Gujarat, while speaking at session organised here by FICCI on "Start-up India, Stand-up India".

Addressing a number of entrepreneurs, funding agencies connected with start-ups in the state, the official said the state government's new fund will function "more like a grant" without seeking any "equity" in the start-up venture. "This will very different from the venture funds and it is definitely in our pipeline," Verma said, adding that the new fund set up in association with GVFL (Gujarat Venture Finance Ltd) seeks to fill the existing gap in funding

structure for start-ups.

Talking about the state government's new Industrial Policy 2015 where a "scheme for assistance for start-ups and innovation" came into force from January 1, 2015, the official said Gujarat has provided Rs 10,000 as "sustenance allowance" per month for a period of one year for any innovator recommended by 11-odd nodal accelerators or incubators that are functional in the state. "This is one of the unique features of our new policy," she added.

"This policy (surrounding start-ups) is new and so we are still very open for suggestions. Wherever we need to improvise and improve our policy we are ready to do it," Verma said.

Commenting on provisions of Gujarat's start-up policy, Piyush Shah, executive vice-chairman and MD, Hitachi Hi-Rel Power Electronics Pvt Ltd described the sustenance allowance of Rs 10,000 provided to start-up firms as "peanuts". "We hope that much more is provided," said Shah who was one of the speakers at the event.

Another speaker, Munir Thakor, who is the founder director of Silicon Computech Pvt Ltd said, start-ups in Gujarat require "more than the Rs 10 lakh" provided in the new policy as cost of raw material. components required for new product development.