

Sidbi Readies ₹675-cr Fireworks for 10 Lucky Startups

Mugdha.Variyar
@timesgroup.com

Bengaluru: The Small Industries Development Bank of India (Sidbi) is set to review ten proposals from alternative investment funds seeking a commitment of ₹675 crore from the Fund of Funds for Startups (FFS) announced by PM Modi in the Startup India Action Plan.

Sidbi's Venture Capital Investment Committee, which includes former Infosys CFO Mohandas Pai and Indian Angel Network founder Saurabh Srivastava, will place the recommendations for ten proposals before the Sidbi board on Tuesday. Out of the ₹10,000 crore Fund announced by the Prime Minister in the Startup India Action Plan on January 16, 2016, ₹500 crore has been released during FY 2016 and ₹600 crore is scheduled for release in FY 2017. SIDBI has already committed a sum of ₹168 crore so far to six Alternative Investment Funds from the ₹500 crore provided for the FFS in 2015-16.

"We are taking 10 proposals, seeking commitment from Sidbi for ₹675 crore with a total corpus of approximately ₹4,200 crore, for in-principle clearance from the Venture Capital Investment Committee. The process will be held on July 12 in Mumbai," said Sidbi Chairman Kshatrapati Shivaji.

Sidbi's Venture Capital Investment Committee comprises Harkesh Mittal, head of National Science & Technology Entrepreneurship Development Board; former Nascom chief Kiran Karnik; R Vaidyanathan, professor at IIM Bangalore;

and Sanjiv Bikchandani, founder of Naukri.com; besides Srivastava and Pai. Sidbi has supported 95 funds as on May 31, 2016, out of which 47 funds exclusively target the startup sector while the rest look at startups and growth stage companies including MSMEs. The corpus of these 47 funds targeting startups is ₹7,522 crore, of which Sidbi has cumulatively committed ₹895 crore.



IN THE WORKS

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KSHATRAPATI SHIVAJI

Chairman, Sidbi

For receiving funding under the fund of fund operations, the Alternative Investment Fund (AIF) is required to be registered with Sebi under AIF Regulations, 2012, and should have a fund term of up to 10 years as and a commitment of up to five years. The other criteria state that AIFs with a corpus of up to ₹500 crore should invest 50% of the corpus or twice the contribution of Sidbi, whichever is more, in MSMEs, while those with a corpus of more than ₹500 crore should invest ₹250 crore or twice the contribution of Sidbi, whichever is more.