Gujarat – Gujarat Industrial Policy 2020: Scheme for Assistance for Startups / Innovation

Introduction & Context

This scheme is part of the Gujarat Industrial Policy 2020, effective from 7 August 2020 for five years (till 6 August 2025).

Objective: Encourage R&D, innovation, and entrepreneurship by providing financial and institutional support to startups and innovators at all stages of the startup cycle.

Definitions & Eligibility

Startup:

Any individual/group with an innovative idea/concept, legally registered as LLP, Partnership, or Private Limited Company.

The entity ceases to be considered a startup after 10 years from incorporation or if turnover exceeds ₹100 crore in any previous year.

Must be working on innovative products, process, or service development or improvement, or have a scalable model for potential employment/wealth creation.

Startups availing incentives under other Gujarat government startup schemes are not eligible, except under the Student Startup and Innovation Policy (SSIP).

Innovative Project:

Introducing or improving technology for new/novel products, processes, services (sector-agnostic).

Nodal Institution:

Universities, government-approved institutes, incubators, PSUs, R&D institutions, or registered Section 8 (non-profit) companies operating in Gujarat.

Must have dedicated space and full-time staff for nurturing startups.

Mentor: Resource person/expert associated with a nodal institution, registered under this scheme.

Assistance & Incentives for Startups

Sustenance Allowance:

₹20,000/month for approved startups (for one year).

₹25,000/month if the startup has at least one woman co-founder.

Seed Support: Up to ₹30 lakh for prototype/product/process development, market research, testing, trials, and marketing/publicity at national/international events (excludes travel/accommodation).

Additional Support for Social Impact Startups: Extra support up to ₹10 lakh for projects with significant societal impact.

Pre-Series A Funding: Venture capital support for "valley of death" phase (post-seed, pre-market traction) via Gujarat Venture Finance Limited (GVFL) for startups that already received government seed support.

Interest Subsidy: Additional 1% interest subsidy (up to 9%) on term loans under MSME assistance schemes.

Acceleration Program Participation: Up to ₹3 lakh per startup for enrolling in national/international acceleration programs.

Skill Development Assistance: Financial support up to ₹1 lakh per startup for managerial, technical, or entrepreneurial training.

Assistance to Nodal Institutions

Mentoring Assistance: ₹1 lakh per approved startup (max ₹15 lakh/year per institute) for support services.

Event Organization:

75% reimbursement (max ₹5 lakh) of expenses for promotional events.

90% reimbursement for "Women Entrepreneurship" events (max ₹5 lakh).

Access to Facilities: Startups get free access to government/university libraries, labs, centers of excellence, etc.

Additional Support Measures

Support for Acceleration Programs: Financial assistance (matching contribution) for organizing acceleration programs in Gujarat.

Linkage with MSME Benefits: Eligible projects may receive additional benefits under Gujarat MSME schemes.

Public Procurement: Startups can benefit from existing Gujarat Purchase Policy 2016 regarding government procurement.

Dedicated Team & Mechanism: The Industries Commissionerate is the nodal agency, with a dedicated team for ecosystem support and grievance redressal.

Approval & Implementation

Application Process:

Startups/innovators register and apply online, then apply through nodal institutions.

Nodal institutions evaluate and recommend projects to the Industries Commissioner for final approval by the State Level Empowered Committee (SLEC).

SLEC Composition: Chaired by Additional Chief Secretary/Principal Secretary, includes representatives from Industries & Mines, Technical Education, Finance, and domain experts.

Budget Provision: Funds allocated under the state budget head for industry, research, and technology development.

General Provisions

Guidelines for monitoring, implementation, and disbursement will be issued by the Industries Commissioner.

The commissioner is the final authority for dispute resolution and policy interpretation.

Source: Gujarat Startup & Innovation Scheme 2020

Issued by: Government of Gujarat – Industries & Mines Department

Policy Period: 2020–2025

Nodal Authority: Industries Commissionerate, Gujarat

Updated as on: August 2020