सत्यमेव जयते
Government of Rajasthan

RAJASTHAN STARTUP POLICY 2022

RISING RAJASTHAN

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1. INTRODUCTION

Advent of the digital era has democratised entrepreneurship. Ease of launching and growth of digital ecosystem has led to the mushrooming of successful startups across the country. This phenomenon presents a unique opportunity for Rajasthan to spread the spirit of entrepreneurship to grassroot level. Startups, thus, become a natural focus area to advance the State's agenda of empowering the youth to build leaders of tomorrow.

Rajasthan with its history in entrepreneurship, intellectual and human capital, is on the path to emerge as a center of innovation and business activity. The State is striving to build a conducive ecosystem for startups to promote innovation, create new products and services, generate employment, and thus strengthen the regional and national economy.

To further ignite the spirit of entrepreneurship in the State and convert ideas into businesses, the State Government had launched iStart, the flagship startup program which has enabled growth for over 2000 associated startups. It is one of the most recognised state-run startup ecosystems in the country.

In recent years, the State has fostered sector agnostic innovations and has witnessed tech-driven startups creating their mark in India and internationally. With the vision of becoming the entrepreneurial and innovation hub of India, the State has framed 'Rajasthan Startup Policy 2022' to provide greater impetus to nurturing and growth of startups across the State.

2. VISION

To establish Rajasthan as **India's leading entrepreneurship and innovation centre** by providing a conducive environment to foster a thriving and diverse startup ecosystem delivering sustainable economic and societal outcomes for the State and people of Rajasthan.

3. OBJECTIVES

To establish and implement a progressive policy designed to enable the following:

- Make Rajasthan the destination with the most vibrant startup ecosystem in India
- Foster rapid job creation and skill enhancement across the State
- Position Rajasthan as the #1 state in innovation in thrust areas such as agriculture, education, healthcare and fintech.
- Encourage inclusive entrepreneurship amongst women, transgenders, specially-abled, SC/ST and in rural areas
- Invoke Startups in issues of governance and government reforms
- Provide an enabling environment for growth of product-based startups
- Encourage startups to develop innovative solutions for solving problems in social focus areas such as healthcare, environment and rural development.

4. DESIGN PRINCIPLES

Ease of Navigation

A well-defined policy architecture by linking incentives to life cycle stages to enable a startup to seamlessly find relevant incentives. Similar approach is followed for other ecosystem participants – incubators, investors, and academic institutions.

Incentive Simplification
Minimised complexity and provide a clear understanding of policy benefits for all startups

Efficient Disbursals
'One Stop Shop' mechanism to ensure timely and efficient benefit transfer through Auto Disbursals

Seamless Transition
Define processes clearly to ensure a smooth transition for any changes in existing incentives and addition of new incentives.

5. SCOPE OF THE POLICY

Operative Period
The Policy shall come into effect from the date of issuance of this order and shall remain in force for five years and extended until the subsequent Startup Policy is notified.

Eligibility for the Policy
The Policy shall apply to Startups registered under the iStart program and Startup investment funds, incubators, academic institutes, and others as defined in the Policy.

6. USE OF RAJASTHAN STARTUP FUND

The Government's Startup Fund will be utilised to expand and promote the startup ecosystem in the state. It will directly provide funding support to new and existing business ideas and will also collaborate with startup investment funds as an investor to further extend the support. The Government intends to use the fund in following key areas:

- Providing funding support in the form of grants, loans, awards and equity funds to eligible startups
- Operating and maintaining digital and physical infrastructure such as co-working spaces in the innovation centres
- Organising events and workshops to provide networking opportunities
- Operating training and up-skilling centers dedicated to startups
- Organising mentorship and counselling programs for startups across life stages
- Supporting academic institutes to provide growth opportunities to startups

6.1 Providing funding support to startups

Rajasthan Government through the new Policy will provide financial support to startups tailored according to the needs of the startup's lifecycle stage. The support will be provided in the form of grants, loans or equity to unique business ideas. The details of funding support are provided in Section 7.

6.2 Operating and maintaining digital and physical infrastructure

The Government will use the fund to provide free or subsided access for a limited time to the Rajasthan Stack which includes facilities such as cloud storage, APIs, payment platforms, SMS and email services. The eligible startups are also provided space in government owned incubation centers, plug and play facilities, co-working spaces, laboratories and testing labs. The government will use the fund to expand and maintain such infrastructure across the state. The details of all facilities are provided in Section 8

6.3 Organising events and workshops to provide networking opportunities

The Government will regularly organise events and networking opportunities

throughout the year through exposure visits, academic/university events, industry events, festivals and startup meets, sector specific events, workshops and campaigns, and job fairs. The details of some key events are provided in Section 7.4

6.4 Operating training and up-skilling centres dedicated to startups

The Government will continue to operate – and plans to expand the scope of support through – various programs and institutes such as Rajiv Gandhi Centre of Advanced Technology (R-CAT), Rajasthan Institute of Advanced Learning (RIAL), and Rajiv Gandhi Fintech Digital Institute to provide training and up-skilling opportunities for startups by providing access to courses and knowledge banks at nominal fees or free of cost for special cases. The funds will also be directed towards Faculty Development Program in institutions managing incubation centers.

6.5 Organising mentorship and counselling programs for startups across life stages

The Government will also utilise the fund to either directly invite or provide financial support to institutes inviting counselors and senior guest mentors to provide mentorship to the startups. Additionally, the Government will hire mentors for its incubation centers who would be responsible for mentoring the startups on day-to-day basis. The details of mentoring and criteria for mentors are provided in Section 7.4

6.6 Supporting Incubation Centers and Academic Institutes

The Funds will be used to partner with premier global and Indian institutes to develop startup incubation and facilitation centers. The details are provided in Section 7.4

7. INCENTIVES FOR STARTUPS

The Government will provide youth and entrepreneurs of the State with attractive Funding and Enabling support. This will enable them to access low-cost capital, scale up faster through incubation across life stages and strengthen the overall startup ecosystem in the State.

Additional boosters will be provided on top of funding incentives to give further impetus to employment generation, performance enhancement, product-based startups, startups in thrust sectors as well as for startups founded by women, transgenders, specially-abled and founders belonging to SC-STs & rural areas.

The Policy declares a set of Funding incentives, Additional Financial Incentives, and Enabling support to the startup ecosystem in the State.

All startups registered under the iStart program are eligible for following set of incentives & support:

- Funding Incentives
- Additional Financial Incentives
- Enabling Support

7.1 Funding Incentives

Funding incentives have been defined based on the life cycle stages of startups – (1) Pre-Seed & Seed Stage and (2) Growth Stage.

The Government had introduced an assessment program for Startups, QRate Startup rating, that provides detailed assessment report on Startup's potential and investment worthiness. The rating is based on assessment score and varies from Bronze, Silver, Gold, Platinum to Signature. The rating shall be used to grade eligible startups in order to provide differential incentives to each category as part of the Policy.

7.1.1 Pre-Seed & Seed stage

Financial support will be provided to encourage startups to generate novel ideas and boost innovation in the State across Pre-seed and Seed stages.

A. Ideation grant for Pre-Seed stage Startups

This incentive only applies to Pre-Seed stage startups.

All Pre-Seed stage startups registered under the iStart program shall be eligible to a grant of INR 2,40,000, provided the idea meets the criteria set by the Evaluation Committee, as notified by the Government from time to time. Startups which have more than 50% equity with women founders (detailed in Section 14) will be provided an additional INR 60,000.

B. Viability Grant for Seed stage Startups

This incentive applies only to Seed stage startups.

Startups registered under the iStart program of the Government shall be eligible for Viability grant as defined in Table 1. The eligibility and provision for the incentive will be notified by the government from time to time.

Startups that are able to upgrade their QRate score (in%) within the maximum defined period in Table 1 shall be eligible for additional Viability Grant as per the respective slab. The time period mentioned will be calculated from date of upgrade of last attained QRate score to new QRate score. E.g. A startup with QRate score of 10 receives INR 10 lakh Viability Grant and it upgrades the QRate score to 30 within 3 months, then the Startup shall be eligible to receive additional 10 lakh basis the new slab.

7.1.2 Growth Stage

The State shall provide additional support to enable Startups to scale up their venture once they have qualified the criteria set by the Committee, as notified by the Government from time to time.

A. Scale-up Fund

The State shall provide financial support to Growth Stage startups through Scale-up Fund, up to a maximum of 50% of the total amount raised, subject to ceilings highlighted in Table 2. The Fund will be provided as Convertible Debt/Equity. The eligibility and provisions for the Fund will be notified by the Government from time to time.

TABLE 1: VIABILITY GRANT

QRate Categories	Incentives	Maximum Time Period for additional Grant
Startups registered under iStart (Non QRate), subject to evaluation by the committee	Grant of up to INR 10 lakh	Not applicable
Bronze (QRate score 1-20)	Grant of up to INR 20 lakh	3 months
Bronze (QRate score 20-40)	Grant of up to INR 30 lakh	3 months
Bronze (QRate score 40-50)	Grant of up to INR 40 lakh	3 months
Silver & above	Grant of up to INR 60 lakh	18 months

TABLE 2: SCALE-UP FUND

QRate Categories	Incentives	Maximum Time Period for additional Grant
Bronze	Upto INR 1 Crore per Startup	Not applicable
Silver	Upto INR 1.5 Crore per Startup	18 months
Gold and above	Upto INR 2 Crore per Startup	30 months

N.B. This incentive corresponds to "Seed Support" Incentive in RIPS 2022 and a Startup can avail both incentives provided the total percentage and ceilings of matching fund (through RIPS 2022 and Rajasthan Startup Policy 2022) is equal to maximum applicable percentage and ceilings as per the QRate category . E.g., if a Silver category Startup in Sunrise Sector raises INR 3 crore and avails 10% Seed Support through RIPS 2022, the Startup can only avail maximum remaining 40% (50%- 10%) of Scale-up Funding on the same amount raised (INR 3 crore) under Rajasthan Startup Policy 2022

Startups that are able to upgrade their QRate score within the maximum defined period in Table 2 shall be eligible for additional Scale Up Fund as per the respective slab. The time period mentioned will be calculated from date of upgrade of last attained QRate score to new QRate score. E.g. A startup with Bronze QRate receives INR 1 crore as Scale-Up Fund and it upgrades to Silver within 18 months, then the Startup shall be eligible to receive additional INR 50 lakh basis the new slab provided the total Fund does not exceed 50% of the funds raised.

OR

B. Startup Equity Fund

The State has setup an Alternative Investment Fund (AIF) to provide funding support to Startups in the form of equity. The Government will match the amount of fund raised by the eligible Startup upto INR 5 Crore per Startup.

A Growth Stage Startup will have an option to choose between Scale-up Fund and Startup Equity Fund.

7.2 Additional Boosters

In line with the State's agenda for balanced and inclusive development, and to promote innovation and employment in select areas, the Policy proposes the following additional boosters:

- Performance Booster OR Employment Booster

AND

- Product Based Startup Booster OR Thrust Booster

AND

- Booster for Women, Transgenders, specially-abled Founders and Founders belonging to SC/ST and rural Areas

All boosters will be applicable to the Validation grant and Scale-up Fund provided the upper limit is not reached. In case the Validation grant and Scale-up Fund equals the upper limit, the booster will be applied on the applicable Grant and Fund along with the upper limit.

7.2.1 Performance Booster

Eligible startups can receive an additional top-up on the Viability grant (as part of the Seed

Stage) and Scale-up Fund (as part of Growth Stage) based on their performance – i.e., progression across category levels within QRate evaluation system of the Government as laid out in Table 3. Performance shall be evaluated from the date of registration under iStart program in case of Ideation stage and date of update in QRate category for other stages. The booster will be applicable on any one of the incentives, either Viability grant or Scale-up Fund. The booster can be applied multiple times on retrospective based on the QRate category movement E.g. if a Startup upgrades from Bronze to Silver in less than 12 months and it received a Viability grant earlier then it can avail a Performance Booster of 12% on the grant received. Also, if the same Startup moves from Silver to Gold as well in less than 12 months that it can avail additional 3% (15% - 12%) on the incentive.

TABLE 3: PERFORMANCE BOOSTER

QRate Category Movement	Timelines	Booster
Ideation to min. Bronze	<12 months	10%
Bronze to min. Silver	<12 months	12%
Silver to min. Gold	<12 months	15%
Gold to min. Platinum/Signature	<24 months	20%

OR

7.2.2 Employment Booster

Eligible startups can receive an additional top up on the Viability grant (as part of the Seed Stage) or Scale-up Fund (as part of Growth Stage) basis additional employment generation on top of the minimum employment thresholds specified for Seed stage and Growth stage as laid out in Table 4.

Minimum Employment threshold by stage:

- Seed Stage: 10 employees
- Growth Stage: 15 employees

Criteria for 'Employment' is defined in Section 14 of the Policy.

7.2.3 Product Based Startup Booster

Product based startups as defined in Section 14 shall be eligible to receive a 10% booster on the Viability grant (as part of the Seed Stage) and Scale-up Fund (as part of Growth Stage), as provided in Section 7.1

OR

7.2.4 Thrust Sector Booster

Startups established in Thrust Sectors as outlined in Annexure IV shall be eligible to receive a 10% booster on the Viability grant (as part of the Seed Stage) and Scale-up Fund (as part of Growth Stage) as provided in Section 7.1.

AND

7.2.5 Booster for Women, Transgenders, Specially-Abled Founders and Founders belonging to SC/ST and rural Areas

Startups having more than 50% equity with women, transgenders, specially-abled founders and founders belonging to SC/ST and rural areas shall be eligible to receive a 10%

Table No. 4: Employment Booster

	Slab 1	Slab 2	Slab 3
Employment Slabs *(Additional employment creation above minimum threshold)*	>=1.5x And <2x	>=2x And <2.5x	>=2.5x
Employment Booster	10% top up on applicable Grant / Scale-up Fund	15% top up on applicable Grant / Scale-up Fund	20% top up on applicable Grant / Scale-up Fund

Illustration: If a Silver category Startup receives Scale-up Fund of 20% on the Funds raised. The Startup has also employed 2 times of the minimum employees in Growth Stage, i.e. 30 employees then the Startup will be eligible for additional 3% (15% of 20%) of the Funds raised.

booster on the Viability grant (as part of the Seed Stage) and Scale-up Fund (as part of Growth Stage), as provided in Section 7.1.

For Startups having more than 50% equity with women founders, additional INR 60,000 Ideation grant will be provided as detailed in Section 7.1.1.A and 10% of seats in iStart Nest incubators will be prioritized for such Startups.

7.3 Additional Financial Incentives

Startups will also be eligible to avail other financial support through the following incentives irrespective of their life stage as defined in Table 5.

TABLE 5: ADDITIONAL FINANCIAL INCENTIVES

Incentive	Description
Investment Subsidy	75% of state taxes due & deposited for 7 years as per RIPS 2022, amended from time to time
Intellectual Property Incentives	Reimbursement up to 75% of the costs of acquiring patents up to INR 5 lacs per Startup to be provided as per RIPS 2022, amended from time to time.
Quality Certification Incentive	One-time reimbursement of 50% of the cost incurred in obtaining quality certification up to INR 25 lakh per Startup as per RIPS 2022, amended from time to time
Hosting Infrastructure	Eligible Startups will have free access to the Rajasthan Stack for Pre-Seed & Seed stage startups and at 50% of the cost for Growth stage startups for a period of 3 years. The eligibility and provisions for the incentive will be notified by the Government from time to time.

TABLE 5: ADDITIONAL FINANCIAL INCENTIVES

Incentive	Description
Networking Support	Government will reimburse the cost of attending national conferences up to INR 50,000 per Startup member up to 10 employees, subject to a maximum of INR 5 lakh per Startup and up to INR 5 lakh per Startup for attending international conferences. The eligibility and provisions for the program will be notified by the government from time to time.
Competition and Awards	The government conducts Rajiv Gandhi Innovation Challenge awards to promote new and innovative ideas. Details of the awards are provided in Annexure I
Exemptions	a) 100% exemption of electricity duty, mandi fee & land taxes for 7 years as per RIPS 2022, amended from time to tim b) 100% stamp duty benefit will be given in stages as notified by the State as per RIPS 2022, amended from time to time

7.4 Enabling Support

The Government has launched various programs and facilities in order to provide a safe and fast-paced environment for Startups in Rajasthan. The details of the measures are mentioned below:

1. Outreach and Awareness

To increase awareness and support marketing of Rajasthan based startups, the Government will provide the following assistance:

- **Exposure Visits**
  The Government will organise at least one national and one international exposure visit per year for startup members and students aspiring to start their own ventures. The eligibility and provisions for the program will be notified by the government from time to time.
- **Networking Events**
  To utilise and grow the startup ecosystem of the state, the Government will facilitate networking through events such as hackathons, ideathons, startup exhibitions, investor pitches, demo days, expert talks, and startup meets.
- **Corporate Partnerships and funding support**
  Periodic corporate meetups will be organised wherein select startups will get an opportunity to network with partnered corporates through:
  a) On-boarding corporate experts from various fields on iStart program
  b) Facilitating corporate tie-ups
  c) Channelising the funding available with corporates towards developing and promoting the startup ecosystem in the State
- **Sector Specific Events**
  To facilitate startups focused on specific sectors the government will sponsor or host sector focused events according to the

Event Sponsorship Framework, detailed in Annexure III.

2. Capacity and Skill development

- **iStart Spotlight**
  As part of iStart Spotlight, capacity-building activities will be undertaken across districts of the State wherein training will be provided on domains such as operations, human resources, marketing and promotion

- **Training and Upskilling Centers**
  Startups can undergo skill and talent upgradation via institutes such as the Rajiv Gandhi Centre of Advanced Technology (R-CAT), Rajiv Gandhi Fintech Digital Institute and Rajasthan Institute of Advanced Learning.

- **Technology Sharing Platform**
  To provide startups with access to latest technologies, a technology sharing platform will be launched. This platform will enable research and development-oriented startups, such as drones and artificial intelligence based, to list their technologies and allow other startups to access and/ or acquire such technology.

- **Centralised Incubator Model**
  To execute the program across the state a centralized Incubator model has been operationalised. The model will have Incubation Cells at each district with 9 divisional headquarters and a central Techno Hub. Every divisional headquarters of the State will have iStart Nest incubators with incubation space for at least 30 startups.

- **Rajiv Gandhi Knowledge Service and Innovation Hub**
  3 innovation hubs will be established in Jaipur, Jodhpur and Kota. These facilities will also house plug and play facilities, We-Hubs, MSME Facilitation Centers, Innovation Labs and other amenities to enable innovation in the state.

- **iStart Internship Program**
  The Government will provide internship opportunities to Startups registered under iStart by collaborating with companies in various sectors. Under the program, the startup members will be able to experience real-time problems in the sector. The Government will also provide stipend up to INR 20,000 per Startup member subject to INR 1 lakh per Startup during the internship. The eligibility and provisions for the program will be notified by the Government from time to time.

- **Ambassador Program**
  The Government will identify Startups/ agency(s) across all districts in Rajasthan to support the development of the Local Startup and Innovation ecosystem. This will enable connectivity for Startups in other areas to the hub in Jaipur. The Government will provide annual support of up to INR 10 lakh per district per year to execute this program. The eligibility and provisions for the program will be notified by the Government from time to time.

- **Mentoring Support**
  The Government will provide mentoring support to startups as mentioned below:
  - Counselling to budding Startups who are starting on their entrepreneurial journey
  - Mentors based out of all the State-owned incubation centers will provide mentoring to incubated Startups on a day-to-day basis.
  - Mentoring program for faculties of iStart registered academic institutes on new

Startup trends and business models to promote and enable the institute's incubation center

- Mentors such as industry experts/ motivational speakers and leading industry stalwarts from different streams, successful startup founders will conduct promotional events and training visits for Startups. The costs pertaining to mentoring/ training visits have been detailed out in Annexure II.

- **Talent Marketplace**
  The State will develop a talent marketplace under iStart to onboard job-seekers and recruiters to facilitate scouting of talent and recruitment for Startups.

3. Ease of Doing Business

To facilitate smooth operations for Startups, the Government has announced following Ease of Doing Business measures:

- **Self-Certification**
  Startups have been exempted from approvals and inspections for establishment and operation under Raj Udyog Mitra program to promote inclusive growth. The application process has also been expedited, with immediate acknowledgment and certificate issuance.

- **Plug and Play Incubation Facilities**
  Plug and Play incubation facilities will be provided across the State through a three-pronged approach:

  a) Investments by the State Government to establish and expand its own network of incubators
  b) Invite private players to partner with Government to operationalise incubators
  c) Enable various institutes and state infrastructure to be available for utilisation as incubation facilities or testing labs by the Startups

- **Patent Information Centre ('PIC')**
  The Government has setup a Patent Information Centre to provide regional level services regarding various Intellectual Property (IP) Rights such as IP protection assistance, IP awareness and training, IP counseling and advisory services.

4. Public Procurement

- **Additional Procurement Orders**
  The Government will continue to promote procurement from Startups by giving additional work orders through eBazaar (detailed in Section 14). Government departments can procure from Startups with upto order value of INR 15 lakh (including taxes). Startups evaluated under the QRate program shall be eligible for higher orders per year as defined in Table 6. Further, 1 additional work order per year can be awarded to Startups led by women, specially-abled or transgenders or founders belonging to SC/ST.

TABLE 6: PROCUREMENT ORDERS BY QRATE CATEGORY

QRate Categories	Description
Bronze	Up to 3 work orders
Silver	Up to 4 work orders
Gold	Up to 5 work orders
Platinum & Signature	Up to 6 work orders

The eligibility and provisions for selecting the Startups for work orders and order value will be notified by the Government from to time.

- **Special Procurement Related Provisions**

Special category for Startups will be created under the 'RTPP' (Rajasthan Transparency in Public Procurement Act 2012) Act for open source procurement of all goods and services upto INR 2 crore (exclusive of all applicable taxes) wherein only Startups would be allowed to participate

The Government has also relaxed procurement norms in the 'RTPP' Act (concerning prior turnover, prior experience, and submission of earnest money deposit) for startups participating in tenders for procurement of goods and services up to INR 1 crore

7.5 Exit Stage

7.5.1 Graduation Work Orders

The Government will provide opportunity for Startups that graduate under the iStart program to provide services to the departments relevant to their industry under special contract which will only be applicable for Startups.

7.5.2 Access to Innovation and Incubation Centers

The Government will provide support to startups in the exit stage or in dormancy by providing free or subsidized access to working space in Innovation Centres and Incubation Centers. Additionally, the startups shall be eligible to enroll under Rajiv Gandhi Centre of Advanced Technology (R-CAT) and Rajasthan Institute of Advanced Learning for skill development and refinement of business ideas. The provisions for qualifying criteria for exit or dormancy stage will be notified by the Government from time to time.

7.5.3 Future Employment Opportunities

The State will also facilitate future employment opportunities for Startups in Exit Stage or in dormancy through organising job fairs, partnering with private companies, providing technical/non-technical certifications, skills marketplace for exiting entrepreneurs to find suitable post-exit freelance or full-time employment opportunities within the ecosystem.

7.5.4 Ease of Process

The Government, via its nodal agency, will facilitate the exit process for Startups both in case of shutting down and in case of formal graduation from the incubation program.

8. INCENTIVES FOR INCUBATORS AND ACADEMIC INSTITUTES

The State will encourage companies and

TABLE 7: INCENTIVES FOR INCUBATORS AND ACADEMIC INSTITUTES

Incentive	Description
Acceleration Program Support	Grant of up to INR 35 lakh will be provided to Incubators, Angel Investors, etc. to run Accelerator Programs in Rajasthan provided at least 30% of the participants in the program are Startups founded in Rajasthan. The eligibility and provisions for the program will be notified by the Government from time to time.
Institutional Support	Grant of up to INR 15 lakh to create Entrepreneurship Cells at Government schools, college campuses in collaboration with incubators. The eligibility and provisions for the program will be notified by the Government from time to time.
Global Partnerships with premier Institutes	The government has allocated up to INR 5 crore per year to partner with premier global institutes. The use of allocated amount will be notified by the Government from time to time.

academic institutes to setup, manage and operate incubators across the State. The criteria for Incubators and academic institutes in order to avail the benefits of the Policy will be notified by the Government from to time.

9. INCENTIVES FOR INVESTMENT FUNDS

A thriving aggregation of Startup investment funds like angel investors, seed funds, venture capital funds, etc. is the driving force behind successful Startup ecosystems globally. Investors assist Startups in their value creation journey by funding promising ideas at critical junctures. They also enable success for startups by providing valuable mentorship on clearly defining priorities and identifying value pools. To develop a strong funding ecosystem in the State, the Policy will provide the following support to funding institutions:

10. PROMOTING STUDENT AND RURAL ENTREPRENEURS

The Government aims to foster entrepreneurship from rural areas and students by providing the following support:

- **Rural Startup of the Year Competition**
  The Government will organise "Rural Startup of the Year" competition at district level yearly only for people belonging to rural areas to promote new ideas and increase awareness. The winner will receive a cash reward to develop the idea into business model and will be given free access to training centers (detailed in Section 7.4). Additionally, for the winning startup the Government will also fund the cost of employing the team in ideation stage with a limit of up to 5 employees.
- **School Startup Program**
  A student entrepreneurship promotion program, School Startup Program, will be implemented across public schools in the state to promote budding ideas from students and promising business ideas will be allowed to become part of the iStart nest(s) where the founders will be facilitated with resources and mentorship to transform the idea into real business.
- **Student Projects**
  Student entrepreneurs working on a Startup idea shall be permitted to convert the Startup project to their final year project towards

TABLE 8: INCENTIVES FOR STARTUP INVESTMENT FUNDS

Incentive	Description
Office Space	Free office space at state-of-the-art locations will be provided to Startup investment funds commencing operations in Rajasthan. The eligibility and provisions for the incentive will be notified by the Government from time to time.
Acceleration Program and Workshops Support	Grant of up to INR 35 lakh will be provided to Startup investment funds which run acceleration programs and organise workshops in the state provided at least 30% of the participants are Startups founded in Rajasthan. The eligibility and provisions for the program will be notified by the Government from time to time.

degree completion. The decision for approval remains with the University's administration.

- **Gap Year for Students**
  Students aspiring to pursue entrepreneurship will be allowed to take a break of one year (Gap Year), after the first year of the graduation/post-graduation course. This one-year break would not be counted in the maximum duration required to complete the course. The decision for approval remains with the University's administration.

11. POLICY ADMINISTRATION

11.1 Nodal Department Level Committee (DC)

The Committee will evaluate and approve the proposals received under this Policy at the departmental level. The constitution of the Committee is mentioned in Table 10.

TABLE 10: NODAL DEPARTMENT LEVEL COMMITTEE

Name	Description
Commissioner, IT&C/ Managing Director, RISL	Chairperson
Financial Advisor/ Director (Finance)	Member
Group Head - Startups	Member
Office-in-Charge – Startups, Department of Information Technology & Communication	Member Secretary

TABLE 11: EVALUATION COMMITTEE

Name	Designation
Nominee from the Nodal Government Department	Chairperson
Nominee from the Government Department	Member
Managing Director, Rajasthan Knowledge Corporation Limited	Member
1 Nominee from Academia	Member
1 Nominee from Venture Fund/ Angle Investor/ HNI	Member
Office-in-Charge – Startups, Department of Information Technology & Communication	Member Secretary

11.2 Evaluation Committee (EC)

The Committee will evaluate the proposals received under this Policy. The constitution of the committee is mentioned in Table 11.

11.3 State Level Implementation Committee (SLIC)

The Committee will recommend budgetary, financial assistance and other ancillary activities for the program. The constitution of the Committee is mentioned below.

TABLE 12: STATE LEVEL IMPLEMENTATION COMMITTEE

Name	Designation
Principal Secretary, Department of Information Technology & Communication	Chairperson
Commissioner, Department of Information Technology & Communication	Member
Managing Director, Rajasthan Knowledge Corporation Limited	Member
Group Head – Startups, Department of Information Technology & Communication	Member
Office-in-Charge – Startups, Department of Information Technology & Communication	Member Secretary
1 Nominee from Academia	Member
1 Nominee from Venture Fund/ Angle Investor/ HNI	Member
1 Nominee Founder from a Startup	Member

12. PROVISIONS

12.1 Benefits Clause

All Startups registered under the iStart program can avail benefits either under the Rajasthan Startup Policy 2022 OR Rajasthan Investment Promotion Scheme (RIPS) 2022 unless the entity has crossed the Startup phase to become eligible for Rajasthan Investment Promotion Scheme (2022) as an enterprise or stated otherwise in the Policy.

12.2 Transition Clause

Eligible Startups will have the following options to continue under the existing policies or transition to the Rajasthan Startup Policy 2022 or RIPS 2022.

- Eligible Startups can continue to avail benefits under Startup Policy 2015 or RIPS 2019 or both basis the applicable tenure period of the Policy.
- Startups which availed benefits under the Startups Policy 2015 will have the option to transition to the Rajasthan Startup Policy 2022 based on the current life cycle stage of the Startup for the remaining applicable tenure approved under Startup Policy 2015.
- Startups which applied for benefits under Startup Policy 2015 can migrate to Startups Policy 2022 based on the current life cycle stage of the Startup for the remaining applicable tenure approved.
- Startups which applied but did not avail benefits under Startup Policy 2015 or RIPS 2019 or both can migrate to either the Startup Policy 2022 or RIPS 2022 based on the current life cycle stage of the Startup for

the remaining applicable tenure approved under Startup Policy 2015 or RIPS 2019.

- Startups which did not apply for benefits either under Startup 2015 or RIPS 2022 can issue fresh applications based on the current life cycle of the Startups either under Startup Policy 2022 or RIPS 2022.

13. DEFINITIONS

a) Accelerator / Acceleration

A fixed tenure program to support early-stage and growth driven startups by way of mentoring, financing, and education.

b) Committee or Council

A committee or a council which the competent authority has duly approved for this Policy

c) DoIT&C

Department of Information Technology & Communication, Government of Rajasthan

d) eBazaar

eBazaar is a one-stop marketplace facilitating online procurement of services & goods from Startups across Government department. eBazaar aims to enhance transparency, efficiency, and speed in public procurement. It provides the tools for e-bidding, reverse e-auction, and demand aggregation to provide Government departments the best value for their money.

e) Eligible Startup

A Startup that satisfies the criteria set by the Government of India (mentioned below) and registered under the Rajasthan iStart program.

"Startup" means an enterprise which meets the following criteria

- **Enterprise Age:** Period of existence and operations should not be exceeding 10 years from the date of incorporation or as defined by DPIIT from time-to-time
- **Annual Turnover:** Should have an annual turnover not exceeding Rs.100 crore for any of the financial years since its Incorporation or as defined by DPIIT from time-to-time.
- **Original Entity:** Entity should not have been formed by splitting up or reconstructing an already existing business.
- **Innovative & Scalable:** Should work towards development or improvement of a product, process or service and/or have scalable business model with high potential for creation of wealth & employment.
- **Registration:** Registered in Rajasthan or has branch/ sales office in Rajasthan.

f) Employment

Employees who are on the payroll of the respective enterprises, i.e., receive wages or salary directly from the enterprise and which will include contract labor engaged in production line for atleast 6 months of the year. The percentage of contract labor engaged should not exceed 40% of total labour force.

g) Financial Support

All financial support mentioned in the Policy will be including all applicable taxes unless mentioned otherwise.

h) GoR or Government

Government of Rajasthan

i) iStart Helpdesk

All issues pertaining to the iStart program will be handled by the iStart Helpdesk.

j) Growth Stage Startup

A startup that has a refined MVP, i.e. a ready to commercialise product with pilot testing

already undertaken and is looking to scale up operations. Under this framework, the discretion to define a Growth Stage Startup shall lie with the State Level Implementation Committee.

k) Ideation
A pre-production/ pre-launch stage where the startup has ideated a new product or a service

l) Incubator
The incubator is a physical or virtual infrastructure that provides a platform to eligible startups for business support through mentoring, providing networking opportunities with investors, training, and other common facilities. Eligible Incubators should be registered with the nodal program.

m) Institute(s)
Organisations that have been duly registered and approved as institute by the nodal department/program.

n) iStart or iStart Rajasthan
The nodal program as well as online platform for the implementation of the Policy. Both the eligible Startups as well as incubators or any other beneficiary of this policy must be enrolled/registered with iStart.

o) iStart Portal
A one-stop, single window system for startups and MSMEs for conducting their conducive entrepreneurial venture in the State.

p) iStart Spotlight
A program under which capacity-building activities will be undertaken for eligible Startups across various districts of the State. As part of the program, Startups will be provided with training on domains including operations, human resources, marketing, promotion, etc.

q) Nodal Department
Administrative department governing this Policy i.e., Department of Information Technology and Communication, Government of Rajasthan

r) Pre Seed Stage Startup
A startup that is in the idea generation, refinement and validation stage

s) Product Based Startups
A Startup engaged in designing, manufacturing (directly or outsourced) and marketing of physical products

t) Rajasthan Stack
A suite of technology offerings including a payment platform, cloud services, e-mail and SMS services, IVRS services, e-Sign APIs, etc.

u) Revenue
The operating income of an entity i.e., revenue earned from the normal course of business for which the entity has been formed

v) SEBI
Securities and Exchange Board of India

w) Seed Stage Startup
A Startup that has developed a Minimum Viable Product (MVP) or prototype ready to be pilot tested in the market

x) Startups having majority equity with women, transgenders or specially-abled, or founders belonging to SC/ST, or rural areas

For Startups to qualify under this category the startups should have:
a) Women, transgenders or specially-

abled, or founders belonging to SC/ST, or rural areas as proprietor, in case of proprietorship enterprise; or

(b) Majority of partners are women, transgenders or specially-abled, or founders belonging to SC/ST, or rural areas and such partners are working partner(s) having more than 50% investment in the capital of the enterprise, in case of partnership including limited liability partnerships.

y) Venture Capital/ Venture Capital Fund/ VC(s)

SEBI registered Venture Capital Fund

14. ANNEXURES

I. Rajiv Gandhi Innovation Challenge

To leverage the capacity of Startups in Rajasthan to develop out of the box solutions for addressing issues prevailing in the society/state the Government conducts Rajiv Gandhi Innovation Challenge. The departments will share the challenges to participant Startups or the Startup can come up with their own problem statement relevant to the theme. The jury will decide the winners based on criteria, as notified by the Government from time to time and will be awarded as below:

Rajiv Gandhi Innovation Challenge Competition

- The competition will be organised at least twice a year
- First place winner would be eligible to receive a grant of up to INR 2 crore
- Second place winner would be eligible to receive a grant of up to INR 1 crore
- Three third-place winners would be eligible to receive a grant of up to INR 50 lakh each

Note: The second and third award amounts may vary depending on the number of applications and relevance of the idea.

- The grants would be milestone based.

Rajiv Gandhi Innovation Active Challenge

Rajiv Gandhi Innovation Challenge will also run actively throughout the year, where Startups can apply. The jury will select Startups based on certain criteria as notified by the government from time to time and will be award a grant of INR 1 crore.

II. External Mentor Reimbursement Policy

- The costs pertaining to the mentoring sessions will be borne by the nodal department/ RISL/ or any assigned agency by the nodal department. The eligible costs will be notified by the Government from time to time
- All the costs of up to INR 5 lakh per visit per speaker will be borne by the nodal department/RISL/or any assigned agency by the nodal department. This cost will include boarding and lodging (4*/5* category), travel (Road/Air/Local travel) and stipend, if any.

III. Event Partnership Framework

- **Type of Events:** The program will support three broad categories of events in order to support Startup ecosystem:
  - Industry Entrepreneur led events: Non-government, not-for-profit, industry-led and industry-managed organisations such as CII, FICCI, ASSOCHAM, PHD, NASSCOM, ICC, TIE, Startup Grind, AIESEC, Foundations, techno-media, and similar industry associations
  - Academic Institutions: All IITs, IIMs, NIT's (including respective alumni associations), premier educational

institutes, central or State government-affiliated institutions and institutions that have been awarded institute of eminence
- Government Departments: Engagements that involve Central, State partnerships and State government departments
- Festivals: International, National, and State festivals such as Jaipur Literature Festival and similar festivals

- **Country/ Diplomatic Partnership:** Engagements that involve country and diplomatic participation
  - International donor agencies such as the World Bank, organisations/ program/ agencies of the United Nations (like UNICEF, UNESCO, UNDP, etc.), Asian Development Bank and similar institutions.
  - At its competent level, the nodal Department may engage with the above institutions/ events/ associations/ agencies, etc. on a not-for-profit, non-financial and non-exclusive basis for its various programs/ events under the iStart initiative.

- **Financial Support:**
  - The financial support shall be borne from budget allocated to the nodal departments or under the 'Startup' budget head
  - The financial support shall be evaluated on a case-to-case basis depending on the deliverables being extended by the organiser
  - The financial support shall be up to a maximum of INR 35 lakh (exclusive of applicable taxes), as decided at the level of nodal department

IV. Thrust Sector Solution Areas

TABLE 13: THRUST SECTOR AREAS

Sector	Incentive Solution Areas
Agriculture	• Farmer engagement and education • Irrigation and water conservation • Yield enhancements • Farm to Home • Precision agriculture
Education	• Digitally enabled institutional education, open education or test-prep support • Student-teacher-parent collaboration platforms
Fin-Tech	• Payments and Credit services • Access to financial products (banking, insurance, mutual funds, etc.) • Financial inclusion and literacy in rural areas
Healthcare	• Expanding healthcare services in rural areas • Digitally enabled healthcare services, mental wellness and diagnostic services

Sector	Incentive Solution Areas
SaaS	• Software as a Service supporting business functions
Industry 4.0	• Robotics • AR / VR • IoT • AI • Deep Tech • Blockchain • Cloud computing • Additive manufacturing / 3D printing
Green Areas	• Renewable Energy • Energy efficiency • Energy storage • Circular economy solutions
Sunrise Sectors	• Green Hydrogen • Ethanol • New Age Battery Technology • Biotech • Medical devices & equipment

ILLUSTRATION #1

This case study highlights incentives for a seed stage, women-led Startup operating in the health-tech space with a Bronze QRate score (20). It wins 3 work orders worth INR 15 lakh each.

Table No. 14: Under Startup Policy 2022, value of benefits is ~130% higher

Details	
Startup Stage	Seed
Type	Women-led
Startup Category	Health-tech
QRate Category	Bronze

Incentives	Amount (Startup Policy 2015)	%	Amount (Startup Policy 2022)	Incremental Benefit
Viability Grant	10 lakh	-	30 lakh	30%
Thrust Booster	-	10%	3 lakh	-
Women-led Startup Booster	-	10%	3 lakh	-
Procurement Benefit	15 lakh	-	45 lakh	200%

Incentive Type	Amount (Startup Policy 2015)	Amount (Startup Policy 2022)	Incremental Benefit
Government Grant	10 lakh	36 lakh	2.6x
Revenue Support	15 lakh	45 lakh	2x
Total	**25 lakh**	**81 lakh**	**2.2x**

ILLUSTRATION #2

This case study highlights incentives for a growth stage Startup operating in the Ed-tech space which has raised INR 50 crore with a Silver QRate score at the time of fund raise. It upgraded its QRate score from Bronze to Silver category within 3 months. The Startup supplies tablets with built in learning modules for professionals. It is eligible for the product-based Startup booster. It employs 60 people.

TABLE 15: POLICY INTRODUCES SIGNIFICANT BENEFITS FOR GROWTH STAGE STARTUPS

Details	
Startup Stage	Growth
Startup Category	Education
QRate Category	Bronze to Silver (Within 3 months)
Employment Generated	35

Incentives	Amount (Startup Policy 2015)	%	Amount (Startup Policy 2022)	Incremental Benefit
Scale-up Fund	-		1.5 crore	-
Thrust Booster	-	10%	15 lakh	-
		OR		
Product-based Startup Booster	-	10%	15 lakh	-
Performance Booster	-	12%	18 lakh	-
		OR		
Employment Booster	-	20%	30 lakh	-

Incentive Type	Amount (Startup Policy 2015)	Amount (Startup Policy 2022)	Incremental Benefit
Scale-up Fund	-	1.5 Crore	-
Boosters	-	0.45 Crore	-
Total	-	**1.95 crore**	-

ILLUSTRATION #3

Illustrative highlights incentives provided over 3 years to a prominent angel fund which has established operations in Rajasthan. It receives capital contribution from Rajasthan Startup Fund. It also runs an acceleration program. 50% of the participants are Startups founded in Rajasthan.

TABLE 16: POLICY INTRODUCES SIGNIFICANT BENEFITS FOR STARTUP INVESTMENT FUNDS

Incentives	Amount (Startup Policy 2015)	Amount (Startup Policy 2022)
Capital Contribution	-	20 crore
Acceleration Program Support	-	1.05 crore (35 lakh for acceleration programs ran per year)
Total	-	**~21.05 crore**

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