Rajasthan – Rajasthan Startup Policy 2022

Introduction

Rajasthan aims to leverage the digital era and build a thriving startup ecosystem to empower youth and foster innovation.

The state has launched the flagship program iStart, supporting over 2000 startups so far.

Vision is to position Rajasthan as an innovation and entrepreneurship hub nationally.

Vision

To establish Rajasthan as India’s leading entrepreneurial and innovation center, fostering sustainable economic and societal growth.

Objectives

Develop the most vibrant startup ecosystem in India.

Promote rapid job creation and skill enhancement.

Lead innovation in agriculture, education, healthcare, fintech, etc.

Encourage inclusive entrepreneurship for women, SC/ST, marginalized groups, and rural areas.

Promote startups addressing governance and social challenges.

Design Principles

Easy navigation of policies grouped by startup lifecycle.

Simplified incentives for transparency and clarity.

Efficient and automated disbursal of benefits.

Smooth transition mechanisms for evolving incentives.

Scope and Policy Period

Effective for five years from issuance, extended until a new policy is notified.

Applies to startups registered under the iStart program, incubators, investment funds, academic institutions.

Rajasthan Startup Fund Utilization

Provides grants, loans, awards, equity funds to startups.

Maintains and expands digital and physical infrastructure like co-working spaces, incubation centers.

Organizes events, training, mentorship, and supports academic startups.

Incentives for Startups

7.1 Funding Incentives

Funding linked to startup life stages: Pre-seed/Seed and Growth stages.

Pre-seed/Seed Stage:

Ideation grant: ₹2.4 lakh for idea validation for eligible startups.

Additional ₹60,000 for women majority equity startups.

Viability Grant: Up to ₹60 lakh dependent on QRate (startup rating) and timeline.

Growth Stage:

Scale-up Fund: Convertible Debt/Equity up to ₹2 crore depending on QRate (Bronze to Gold).

Startup Equity Fund with matching of funds raised by startups up to ₹5 crore.

QRate ratings (Bronze, Silver, Gold, Platinum) determine grants and eligibility.

7.2 Additional Boosters

Performance, employment, product-based startup, thrust sector, and social equity boosters.

Boosters range from 10%-20% on grants, incentivizing employment generation, product innovation, participation from underrepresented groups.

7.3 Additional Financial Incentives

Investment Subsidy: 75% reimbursement of taxes paid for 7 years.

Intellectual Property Incentives: Up to ₹5 lakh reimbursement for patent costs.

Quality Certifications: 50% reimbursement up to ₹25 lakh.

Free or subsidized access to Rajasthan Stack technology platform.

Networking support reimbursement for national/international events.

Energy, environmental, and infrastructure incentives aligned with industrial development.

7.4 Enabling Support

Awareness programs, exposure visits, networking events including hackathons and sector-specific workshops.

Capacity-building initiatives via training centers like Rajiv Gandhi Centre of Advanced Technology.

Centralized incubator model with incubation cells in districts and divisional Techno Hubs.

Internship programs with stipends provided to startup members.

Mentorship programs involving industry experts and entrepreneurs.

Talent marketplace to facilitate recruitment in startups.

Ease of doing business through self-certification and plug-and-play incubation facilities.

Patent Information Centre services for IP awareness and support.

Public Procurement

Startups can receive multiple work orders based on QRate category (up to 6 orders for Platinum rated).

Relaxed procurement norms, including waivers for prior experience, turnover, and earnest money deposits.

Special procurement provisions under Rajasthan Transparency in Public Procurement Act for startups.

Incentives for Incubators and Academic Institutes

Grants for acceleration programs (up to ₹35 lakh).

Support for establishing entrepreneurship cells in education institutions.

Funding to form global partnerships with premier institutes (up to ₹5 crore/year).

Incentives for Investment Funds

Office space and grants for acceleration program support (up to ₹35 lakh) for funds operating in Rajasthan.

Promoting Student and Rural Entrepreneurship

"Rural Startup of the Year" district-level competitions with cash rewards and free training.

School Startup Program promoting student ideas with incubation support.

Allowing gap year for students to pursue entrepreneurship.

Encouraging student projects as part of university degree requirements.

Policy Administration and Governance

Nodal Department Committee and Evaluation Committee oversee approvals and policy implementation.

State Level Implementation Committee recommends budgetary and financial assistance.

Online portals and mobile apps for startup registration, tracking, and incentive management.

Startups may transition benefits from previous policies or schemes seamlessly.

Key Definitions

Startups defined as entities operational for less than 10 years with turnover under ₹100 crore, engaged in scalable innovation.

QRate system evaluates startups for incentive eligibility.

Inclusion-focused definitions for startups led by women, transgenders, SC/ST, rural founders.

Thrust Sector Areas

Target industries include agriculture, education, fintech, healthcare, SaaS, Industry 4.0, robotics, AI, green tech, biotech, renewable energy, and more.

Illustrative Cases

The policy provides examples showing how incentives significantly increase support for startups across stages and categories, emphasizing women-led and tech startups.

Source: Rajasthan Startup Policy 2022

Issued by: Government of Rajasthan

Flagship Program: iStart Rajasthan

Policy Validity: 5 years from notification