



सत्यमेव जयते

Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade

STATES' STARTUP RANKING 2019

RAJASTHAN

LEADER

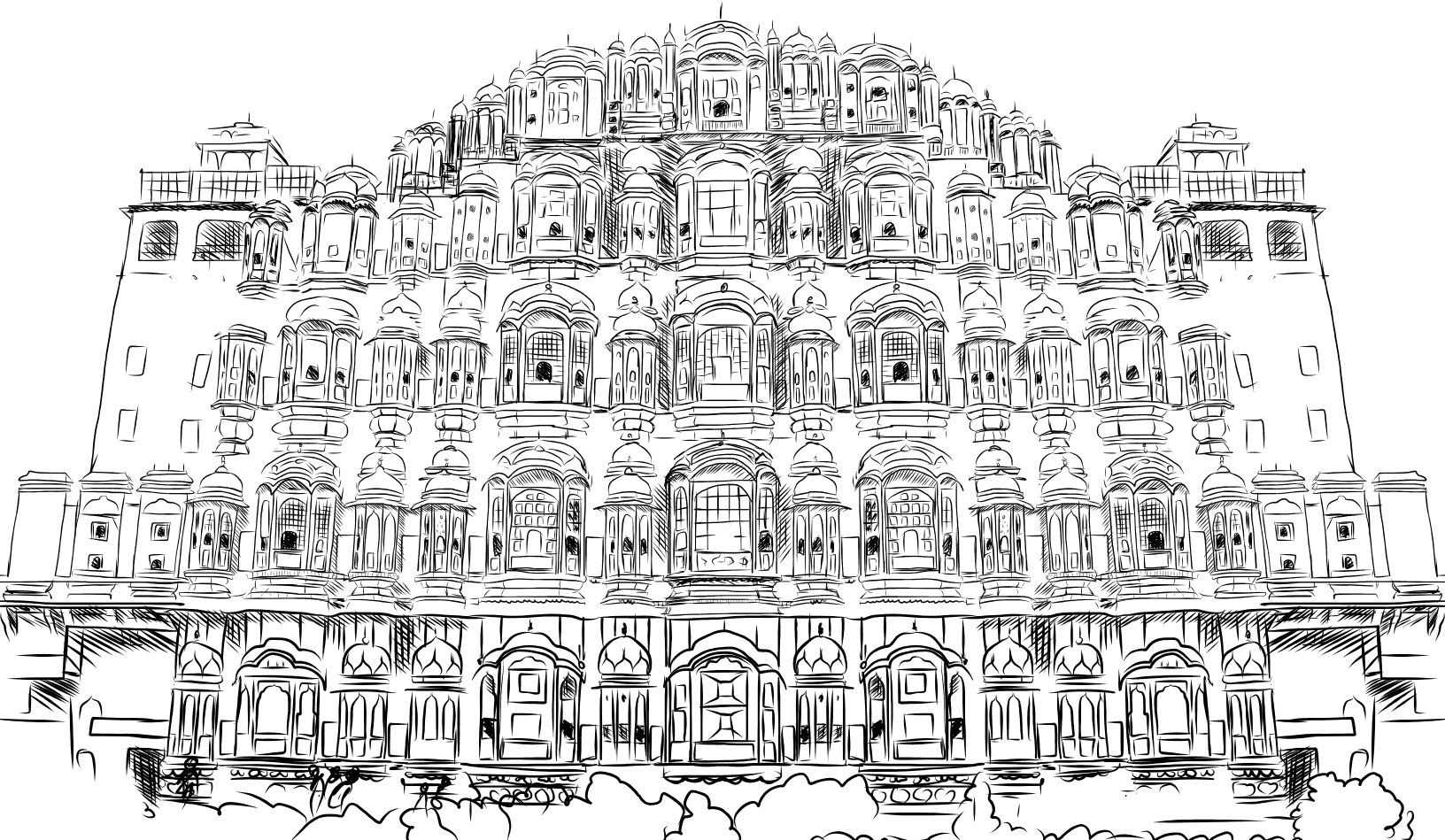




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01

OVERVIEW OF STATE STARTUP ECOSYSTEM

The state of Rajasthan has attracted investments in a diverse mix of sectors such as Auto & Engineering, Renewable Energy, Tourism, Electronics System Design and Manufacturing (ESDM), Mines & Minerals. Sectors such as Information Technology (IT) and Information Technology Enabled Services (ITeS) are gaining momentum in the state because of abundance of skilled workforce, policy incentives and dedicated IT parks. With the evolving startup ecosystem, the state has been persistent in its efforts to offer tailor-made platforms to promote the startup ecosystem. In order to ignite the spirit of entrepreneurship and innovation for people in the state and converting ideas into potential businesses, the State Government, in 2015, outlined the 'Rajasthan Startup Policy 2015' (hereinafter called as the 'policy'). The policy sets the tone for building and developing solutions for various unique challenges faced by the state in areas of water availability, arid land, agriculture, rural healthcare, food processing and efficient food supply chains.

Startup Policy addresses the state level challenges by helping startups build low cost, indigenous, and technology enabled solutions. The policy aims to make the change by tapping the potential of its people to create a culture of entrepreneurship and for this purpose, the state provides all relevant support to potential young entrepreneurs in the form of incubator facilities, student entrepreneur support and funding to potential entrepreneurs.

THE KEY OBJECTIVES OF THE STATE STARTUP POLICY ARE:



Establish 50 incubators/ incubator-like organisations



Support and incubate 500 innovative startups



Develop/ facilitate 100,000 square feet of incubation space



Mobilise angel and venture capital of INR 500 crore for startups



Develop an innovation and problem-solving culture across the state

KEY HIGHLIGHTS OF THE STARTUP ECOSYSTEM IN RAJASTHAN:



ISTART RAJASTHAN

This portal is a single window resource for startups, investors, incubators, accelerators and mentors. The focus of this initiative is to help startups at the ideation stage, early stage or at a stage at which they have a Minimal Viable Product (MVP). The initiative helps the startups in minimising the bureaucracy associated with the initiation of startup's operations



QRATE

This is an assessment programmes which provides a detailed report of the startup's potential and investment worthiness. The mechanism helps to identify problem areas and offers corrective actions to improve the health of business. The scorecard and assessment report provides startup founders with actionable insights to strengthen their business plan and improve chances of receiving funding. The QRate rating is divided into five categories:

- **Signature:** Score >85% (In addition the startup needs to have 100+ employees and needs to be funded)
- **Platinum:** Score >85% (In addition the startup needs to have 50+ employees and duly completed one round of funding)
- **Gold:** Score Range 71%-85%
- **Silver:** Score Range 51%-70%
- **Bronze:** Score Range 1%-50%



WOMEN ENTREPRENEURSHIP

The Incubation center at Banasthali Vidyapith has been established with the vision of empowering women entrepreneurs. The center provides women led startups access to world-class labs, modern equipment, world class mentors & industry networks, funding opportunities and state-of-the-art incubation facilities.

COHESIVE PARTNERSHIPS

The state has established cohesive partnerships with educational institutions and business entities to foster growth of the startup ecosystem. Key corporate partners include Amazon Web Services, OYO rooms, Inc42, Yourstory and Google cloud and investors include Axis Bank, Ankur Capital Fund, HDFC Bank, Applyifi, Gilda and Let's Venture.

TECHNO FUND

The state has introduced a fund of INR 500 crore with an aim to augment investment infrastructure/ sub-structure in the state. The fund is completely operated by the state.

RAJASTHAN VENTURE CAPITAL FUND (RVCF)

The fund was established as the state's first venture capital fund under Rajasthan State Industrial Development and Investment Corporation (RIICO), a Government of Rajasthan undertaking. RIICO is both a fund subscriber and an investor in the fund.

RAJASTHAN SAMPARK

An online grievance redressal platform developed by the state to address grievances faced by startups pertaining to public procurement in a time bound manner. It follows an escalation matrix in which the grievance is assigned to the concerned officer and is reflected in the inbox of the concerned Head of Departments (HoDs)/ nodal officers.

The state has appointed a nodal team with five members from the Department of Information Technology & Communication to support and promote startups in the state. The team comprises of:

- Principal Secretary
- Special Secretary
- Technical Director
- System Analyst
- Managing Director

The state's startup portal (istart.rajasthan.gov.in) provides the following services:

- Startup registration
- Scorecard, skill building and assistance programmes
- Incubator registration
- Market assistance
- Mentor connect
- Investor connect
- Information on various policy incentives

02

SNAPSHOT OF STATE PERFORMANCE

The following representation details status of Rajasthan's implementation on each of the 7 pillars of assessment. Data presented below is the percentile score.



The State has been evaluated on 7 distinct pillars which largely contribute to the growth of the startup ecosystem in Rajasthan. The representation as expressed above depicts the relative performance of Rajasthan in each of the seven pillars in comparison to the performance of the best state in that pillar.

As shown above, the range of impact generated through 'Awareness and Outreach' 'Venture Funding Support' as well as 'Institutional Support' are also noticeable through the representation as shown above. Although significant efforts have been made to enhance the startup ecosystem, the initiatives undertaken towards 'Incubation Support' require improvements since the results have been negligible in this pillar.

Detailed analyses of this snapshot can be viewed in the subsequent section, with extensive insight into the initiatives taken by Rajasthan to uplift its startup ecosystem.



1. INSTITUTIONAL SUPPORT

Institutional support envisages provisions and execution of the state's startup policy including information on the nodal team within the state, online implementation system, registration of mentors and their listing on the state startup portal. The states are evaluated based on the laid provisions along with parameters of availing benefits through state intellectual property rights portal, establishing partnerships with institutions, providing special incentives for women led startups and entrepreneurship.



KEY FACTS

- The state has a well-defined startup policy with specific focus areas and a reliable online implementation system for startups to register and avail incentives offered by the state. Further, the state has a startup cell with a dedicated team to aid startups. It also has a system in place to provide intellectual property assistance to startups in terms of provision of subsidies for filing patents/ trademarks. The policy is for a period of five years from 2015 to 2020.
- The state has established cohesive partnerships with educational institutions and business enterprises for supporting startups. The benefits are offered in the form of professional services, mentorship, access to incubators and networking.



KEY STRENGTHS

ROBUST STARTUP POLICY

- The policy is publicly available on the state's startup portal and has clear guidelines on the registration process for startups and the benefits and incentives (both fiscal and non-fiscal) available for startups, incubators, nodal institutions and educational institutes.
- The policy is sector agnostic as the incentives/ benefits offered to startups are not restricted to specific sectors
- The policy clearly states the definition of a startup as an entity that develops business models based on innovation and enables startups to achieve scalable commercial success.

STRONG INTELLECTUAL PROPERTY (IP) SUPPORT

- The state has a strong system in place to provide intellectual property assistance to startups by providing subsidies for filing patents/ trademarks. IP protection is offered to all entrepreneurs developing software and animation through legal mechanism.
- The state has established an IP team to support startups which also conducts IP awareness workshops and provides reimbursement up to INR 3 lakhs per patent awarded to an entity/company



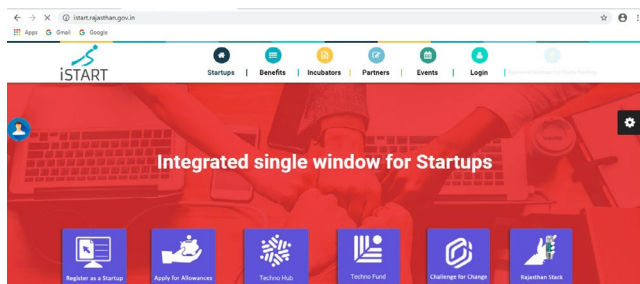
ROBUST ONLINE MECHANISM TO ESTABLISH MENTOR NETWORKS

- In order to provide access to business experts and successful entrepreneurs, the state has built a strong mechanism to connect startups to mentors on the state portal for business and technical mentorship.
- The startups can access a list of mentors along with their profiles from the state's startup portal.

KEY STRENGTHS

COMPREHENSIVE ONLINE IMPLEMENTATION SYSTEM

- The state has a dedicated online portal (sso.rajasthan.gov.in/signin) for startups to register and use credentials to avail various policy benefits and incentives on a separate portal (istart.rajasthan.gov.in)
- Startups are able to register, obtain registration certificates, track application status and generate online receipts on the portal
- The registration process is straightforward in the state as startups gain required access from a single portal called iStart
- Receipt and resolution of queries online:
 - The portal has a robust query resolution mechanism which can be accessed via e-mail and phone
 - The helpline numbers are listed on the website. All queries received on the dedicated email (helpdesk.istart@rajasthan.gov.in) are responded within 48 hours
 - The details of incubators and any mentor registered with the portal are displayed in public domain



DEDICATED NODAL DEPARTMENT FOR GUIDING STARTUPS

- The state has set up a startup cell which comprises of a dedicated team that provides all necessary assistance to the startups.
- Department of Information Technology & Communication is the nodal department
- In November 2019, the Deputy Director and Programmer from Department of information Technology & Communication, was appointed as the nodal officer for startups programmes iStartup
- Contact details of nodal department/ agency and officers (with designation) along with profiles of the dedicated team are available on the state's startup portal



KEY STRENGTHS

COHESIVE PARTNERSHIPS FOR DEVELOPMENT OF STARTUP ECOSYSTEM

- The state has established tie-ups with various corporate partners, such as, Amazon web services, OYO rooms, The Indus enterprise, Inc42, Yourstory, Google cloud, SV.CO, 100 Open Startups Udaipur Times



- The state has formed partnerships with various academic institutes, such as, Birla Institute of Technology and Science (BITS Pilani), Amity University Rajasthan, Jaipur Engineering College & Research Center, Malaviya National Institute of Technology Jaipur, MLSU Udaipur, and Mody University, Lakshmangarh-Sikar
- Axis Bank, Ankur Capital Fund, HDFC Bank, Applyifi, Gilda and Let's



Venture are some of the investors in partnership with the state



STRONG SUPPORT FOR WOMEN ENTREPRENEURS

- Women entrepreneurs are provided specific incentives by the state to establish women led startups. The state has taken initiatives to foster women entrepreneurship through various funding support programmes. The key initiatives are encapsulated below:
 - **Bhamashah Techno Fund** – The state launched the 'Bhamashah Techno Fund' of INR 500 crore, out of which INR 100 crore have been specifically earmarked for women entrepreneurs
 - **Micro, Small and Medium Enterprises (MSME) Policy 2015** – The state policy has made a provision for reimbursement of service processing charges for credit facilities up to INR 50,000
 - **State Government's National Knowledge Tours** – The state had selected 30 student entrepreneurs for a tour of entrepreneurial ecosystems of Delhi, Mumbai, Bengaluru and Hyderabad. 40% of the participants were women and have worked on building their idea into prototype products and gained opportunities to pitch their ideas to prospective customers and investors in the national eco-system.



KEY STRENGTHS

- **Mentoring at Incubators** - iStart Rajasthan provides mentoring support to women entrepreneurs across its Techno Hub and iStart Nest incubators
- **Hers&Now** - Startup Oasis, a state funded programmes, in collaboration with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) has established a unique programmes which aims to facilitate women entrepreneurship through dedicated incubation and acceleration programmes.
- **Banasthali Vidyapith Incubation Centre** - has been established with the vision of empowering women. The incubation center provides women led startups access to world-class labs, modern equipment, world class mentor & industry networks, funding opportunities and state of the art incubation facilities.
- **WOMENPreneur** - This is an eleven-month incubation programmes that seeks to nurture aspiring women entrepreneurs at all stages of the startup cycle.
- **WE Sprint** - Women Entrepreneur Sprint is an accelerator programmes for promoting women startups who are looking for capital, mentoring and structural resources to scale up. Startups are provided support for developing minimum viable product (MVP), designing marketing strategies, prospective scale-up plans and avail funding support from the best mentors in the industry.

SUPPORT FROM VARIOUS DEPARTMENTS

- The state has been supported by many government departments to foster the startup ecosystem. The departments providing strengthened support to the state are:

DEPARTMENT OF TOURISM

The State Tourism Policy offers tax subsidies, investment subsidies and other incentives for startups. iStart Rajasthan was allotted a separate booth at Great India Travel Bazaar event to connect with the stakeholders in the Tourism sector

RAJASTHAN STATE AGRICULTURE MARKETING BOARD

The department held a round table conference to understand issues faced by startups in agriculture and discuss various mechanisms through which the government could support agri-tech startups

DEPARTMENT OF INDUSTRIES

The department has organised the Rajasthan Digitech Summit 2019. In the event, industry leaders, government officials and investors met with innovative startups to extend their support and discuss about possible business partnerships. The department also passed an ordinance to allow all MSME including startups to start business without any prior approval or inspection for the period of 3 years.

CENTRE FOR ELECTRONIC GOVERNANCE

The department has entered into a MoU with Elation Edutech, an iStart Rajasthan startup, working on enabling "Learning by Doing" and fostering creativity, learning and imagination amongst students

URBAN DEVELOPMENT AND HOUSING DEPARTMENT

The Municipal Council, Sikar is providing institutional support to WeVOIS Labs Private Limited, a Jaipur based startup, for collection of household waste from the region under the municipal limits of the council

COLLABORATIVE EVENT WITH MULTIPLE DEPARTMENTS

Department of information Technology & Communication along with seven other departments organised an innovation festival Rajasthan Innovation Vision 2019 (Rajiv 2019) from 19th August - 21st August 2019 in Jaipur. The objective of the event was to offer the startups and young entrepreneurs' access to initiatives of other state government departments in the state and to provide them with an opportunity to collaborate with the respective departments.

DEPARTMENT OF ENVIRONMENT

- The department of environment has organised Green-a-Thon, a green technology themed Hackathon. It was a 24-hour event and aimed at offering young entrepreneurs a platform to showcase their ingenious ideas related to sustainable energy as well as environmental issues.
 - Krimanshi Technologies Private Limited developed a sustainable, unconventional and cost-effective solution to feed the enormous cattle population of the country.
 - The startup was awarded a work order of INR 10 lakhs by the Rajasthan State Pollution Control Board.



WAY FORWARD

From the list of initiatives carried out or proposed by the state as detailed above; the state has performed well in this pillar. There are additional steps that the state could take in order to build upon the initiatives further.

Towards this end, the state can prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

SHORT TERM ACTIVITIES (1-3 MONTHS)

The activities suggested in this category are important and will take relatively less time for implementation. Through dedicated efforts, results can be achieved within one to three months. Activities suggested under this category are:

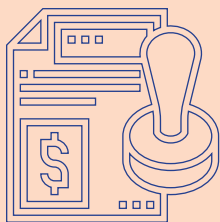
Create a grievance redressal section on iStart Rajasthan portal

The state may consider creating a dedicated online grievance redressal section on the 'iStart' portal for timely resolution of queries raised by startups. The status of the grievance may be updated online on the dashboard of the registered startups. Further, the portal may have a dedicated window linked to 'Rajasthan Sampark' website for startup specific grievances for real-time updates.

Expansion in definition of startups

The state's startup policy defines 'Startup' as an entity that develops a business model based on innovation and scalable for achieving commercial success. However, considering the preamble of the policy and the challenges in the state, the definition may be broadened for creating a positive impact towards the society.





2. SIMPLIFYING REGULATIONS

Simplification of regulations considers mandatory requisites for state level approvals and clearances for registering and operating a business or startup online. In order to make compliance for startups friendly and flexible, simplifications are required in the regulatory regime. It encapsulates regulatory issues faced by registered startups which have been identified through an interactive online mechanism subject to approving action by regulatory agencies. The states are evaluated based on the support provided to startups by introducing a list of rules, regulations or Acts in the state, including amendments in the Acts and regulations with requisite details to create a conducive environment for the state's startups.



KEY FACTS

The state has established a single window clearance system portal for all state level approvals and clearances required for registering and operating startups across various sectors in Rajasthan. The single window clearance system can be accessed through the state's startup portal.



KEY STRENGTHS

FAVORABLE REGULATORY ENVIRONMENT FOR STARTUPS

- The state has carried out various amendments in rules and regulations to promote the growth of startups and create a favourable regulatory environment. The major amendments and bills are:

MSME ACT 2019

A bill was passed to exempt entrepreneurs/ MSME enterprises from certain prevailing regulatory approvals and inspections for specified 3 years. The objective of the bill was to support startups in establishing their business and operations in the state during the initial period.

RAJASTHAN TRANSPARENCY PUBLIC PROCUREMENT ACT (RTPP) AMENDMENT, 2018

The amendment enabled government departments to procure services from startups up to the value of INR 1 crore. The procurement services may include use of disruptive technologies for Websites, Mobile Applications, Web enabled applications, setting up of delivery kiosks, Content management and Social Media Management. Relaxation has been provided in terms of technical qualifications related to experience and financial turnover.



KEY STRENGTHS

BHARTIYA SKILL DEVELOPMENT UNIVERSITY (BSDU) ACT, 2017

BSDU has been incorporated as a State Private University. It is the first university in the country offering only skills programmes. It offers Skill Certificate, Diploma, Advance Diploma, Bachelor of Vocation (B. Voc), Master of Vocation (M. Voc) and Ph.D. in various skill areas like Artificial Intelligence (AI) & Machine Learning, Renewable Energy, Automobile, Healthcare etc. The Act promotes acquiring of skills with the use of disruptive technologies, hence creating a platform for entrepreneurs to create jobs and students to become job ready.

RAJASTHAN SPECIAL INVESTMENT REGION BILL, 2016

Introduction of this bill has created abundant opportunities for the startups to introduce favourable changes using disruptive technologies especially in sectors such as Aviation, Automobile, Pharma, Renewable Energy and Healthcare. Rajasthan being one of the biggest parts of the Delhi Mumbai Industrial Corridor (DMIC) - covers almost 600 KM of the DMIC area under the bill.



WAY FORWARD

From the list of initiatives carried out or proposed by the state as detailed above; the state has performed well in this pillar. There are additional steps that the state could take in order to build upon the initiatives further.

Towards this end, the state can prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

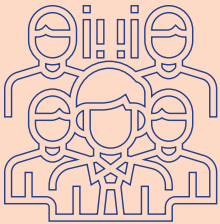
SHORT TERM ACTIVITIES (1-3 MONTHS)

The activities suggested in this category are important and will take relatively less time for implementation. Through dedicated efforts, results can be achieved within one to three months. Activities suggested under this category are:

Develop a Business Compliance Information System

- The state could create a mechanism for obtaining approvals and clearances on the portal. It could also make the portal more interactive by offering real time query resolution with customised responses in addition to the standardised questionnaire available on the website.
- The state could ensure that the list of approvals and clearances is exhaustive in nature, simplifying the regulatory regime and making it more user friendly for the startups.





3. EASING PUBLIC PROCUREMENT

Ease in public procurement simplifies criteria to ensure participation of startups in government tenders. The states are evaluated based on the support provided to startups in resolving issues related to state public procurement as norms of Earnest Money Deposit (EMD), prior experience, and prior turnover which prove to be barriers for participating startups. Easing of such norms enable startups and entrepreneurs to avail exemptions and share an equal platform with established organisations.



KEY FACTS

The state has built a strong mechanism to support the startups towards grievance redressal, EMD criteria, public procurement and work order distribution; however, it has not made 100% relaxation explicit in criteria with respect to 'prior experience' and 'prior turnover'. As per a notification released in August 2018, the Government of Rajasthan would exempt startups registered in the state for technical qualifications such as the number of years of experience and past financial turnover.

FINANCE (SPFC) DEPARTMENT

NOTIFICATION

JAIPUR, AUGUST 28, 2018

S.0.134.- The State Government issued an order to encourage entrepreneurship among the youth of the State and increase their participation in the public procurement, providing purchase preference by granting relaxation in the required technical qualifications related to past experience and financial turnover for Startups situated in Rajasthan and operated by youth for the promotion of domestic industry. In addition, the order entailed according preference to the Startups in Rajasthan for the procurement of Goods and Services





KEY STRENGTHS

ROBUST GRIEVANCE REDRESSAL MECHANISM

- The state has developed an online mechanism, called as Rajasthan Sampark, for resolving the grievances pertaining to public procurement in a time bound manner. It follows an escalation matrix in which the grievance assigned to the concerned officer, in a timely manner.
- The grievance redressal mechanism can be easily accessed through the state's startup portal.

COMPLETE RELAXATION IN EARNEST MONEY DEPOSIT (EMD) CRITERIA

- The state has completely relaxed the EMD criteria for the startups in the state which would boost participation of startups in the overall state business ecosystem



KEY STRENGTHS

PREFERENCE IN PUBLIC PROCUREMENT

- The startups in the state are offered relaxation for technical qualifications such as the number of years of experience and past financial turnover of the startup.
- The relaxation is offered in case the subject matter of procurement is listed in the schedule of the notification issued by the department of finance in 2018, and in case the estimated value of procurement is not more than INR 1 crore at one occasion.

NUMBER OF STARTUPS AWARDED WORK ORDERS

- The state has awarded 30+ work orders to unique startups from areas such as information technology, healthcare, agriculture, crop insurance, artificial intelligence, fintech and edtech.



WAY FORWARD

From the list of initiatives carried out or proposed by the state as detailed above; the state has performed well in this pillar. There are additional steps that the state could take in order to build upon the initiatives further.

Towards this end, the state can prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

SHORT TERM ACTIVITIES (1-3 MONTHS)

The activities suggested in this category are important and will take relatively less time for implementation. Through dedicated efforts, results can be achieved within one to three months. Activities suggested under this category are as follows:

Relaxation in 'prior experience' and 'prior turnover'

- The state could add a clause in tenders for public procurement to provide complete exemption of prior experience and prior turnover for startups.
- The state could exempt the startups to have a definite year of experience or present an amount of turnover to become eligible to be eligible for participation. A rule of free entry could be adopted by the state for establishment of startups enabling entrepreneurs and even students to progressively create foundation of startup businesses in the state.

Increase number of work orders awarded to startups

- The state may consider increasing the number of work orders awarded to startups located across the state districts in the coming years, thereby encouraging entrepreneurship even at the grass-root level.

PUBLIC EPROCUREMENT



4. INCUBATION SUPPORT

Incubation support is an integral element of the startup ecosystem that supports entrepreneurs to grow their businesses and assists new startups to succeed. In order to promote startups, the state governments collaborate with organisations, corporates or industry associates to establish incubators and to support startups in the form of capital expenditure or operational expenditure. The evaluation is based on setting up of incubators supported by the state governments to release funds to the startups, thereby creating a unique mechanism to provide subsidised incubation and operate acceleration programmes in partnership with the industry.



KEY FACTS

- The state has devised an efficient incubation system to nurture the growth of startups. The entrepreneurs obtain assistance with funding, building MVP (Minimum Viable Product) and comprehending business requirements for growth. The state ensures to the provision essential benefits to set up new and upgrade existing incubators.
- Various steps have been undertaken by the state that have helped the startups to elevate the incubation support system wherein funds are sanctioned and initiatives to promote the startup ecosystem are taken for a required boost to startups. These include iStart Nest, Startup Oasis, Techno Fund and funding provisions under Rajasthan Startup Policy 2015.
- The state supported incubators are provided mentoring services, access to labs, and other incubator facilities free of cost.
- The state, in association with leading industry players, has conducted 39 acceleration programmes in order to improve chances of success for startups. The programmes were on the topics such as venture capital fund, customer centric designs, digital marketing, financial management, business strategy and integration.



KEY STRENGTHS

INCREASED NUMBER OF SEATS TO INCUBATORS

- **iStart Rajasthan's incubators:** Number of startup beneficiaries provided incubation in the iStart Incubation Centers at Techno Hub, Jaipur and iStart Nests at three locations namely Jaipur, Udaipur and Kota are 115 in the state. The startups were provided a total number of 572 seats across these incubators.

Summary of Seats Allocated In iStart Rajasthan's Incubators by Government of Rajasthan:

- **Startup Oasis HQ Incubation Space:** The incubator hosted more than 50 startups and provided 269 seats.
- **Banasthali Incubator:** The incubator hosted 15 startups and provided 269 seats.



Sr. No.	Name of the Incubator	No. of Incubated Startups	No. of Seats Available
1	Techno Hub, Jaipur	69	400
2	iStart Nest, Jaipur	14	70
3	iStart Nest, Udaipur	19	65
4	iStart Nest, Kota	13	20
Total		115	572



WAY FORWARD

From the list of initiatives carried out or proposed by the state as detailed above; the state has performed well in this pillar. There are additional steps that the state could take in order to build upon the initiatives further.

Towards this end, the state can prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

MEDIUM TERM ACTIVITIES (4-6 MONTHS)

The activities suggested in this category are important and will take relatively more time for implementation. Through dedicated efforts, results can be achieved within four to six months. Activities suggested under this category are as follows:

Increase the number of seats in incubators

- The state may consider expanding the incubator programmes in the state, allocate additional seats and disseminate details of such incubators to startups operating across districts
- The state may disseminate beneficial initiatives adopted to foster participation from incubators and support the startups in establishment of businesses.

Build strong mechanism to provide subsidised incubation support

- The state may consider building new mechanisms to assist startups with subsidised incubation from specified domains by setting up Incubation centers to foster the startup ecosystem.
- The iStart platform may encourage inter-incubator dependence for co-financing, sharing of human capital, developing operational synergies and pooling in knowledge resources. The activity can be extended to startup members of other private incubators in the state as well

Measures to formulate acceleration programmes

- The state could consider creating special measures on its iStart platform to encourage increasing participation from the industry.
- The state has submitted a list of 39 acceleration programmes, wherein they may consider new ways to encourage enrollment of startups in acceleration programmes and offer them opportunities to connect with investors.





5. SEED FUNDING SUPPORT

Seed funding can be in the form of a direct grant, subsidised loan, product development and marketing financial assistance, monthly sustenance allowance or even equity seed funding. With seed funding, the evaluation is based on the states' endeavor to help a business grow and generate its own capital by establishing a guiding document. The states need to ensure that startups scale with the right velocity in order to achieve leading positions, through state investment and startup's entrepreneurial knowledge.



KEY FACTS

- The state has prioritised provision of seed funding to startups in the region. The startup online portal provides startups with a mechanism to avail seed funding benefits, additional funding guidelines and resources for application procedure on the portal. The portal also includes tracking of applications and communication of approvals for startups to get real-time updates.



KEY STRENGTHS

ROBUST MECHANISM FOR PROVISION OF SEED FUNDING

- The state has established a robust mechanism for providing seed funding to startups in the state
- The state has formed clear seed funding guidelines and established reliable infrastructure to promote startups.
- As per the provisions of the Rajasthan Startup Policy 2015, the state provides funding assistance to startups registered under Rajasthan's iStart Programmes. The funding assistance provided to the startups are categorised as follows:
 - Sustenance Allowance
 - Seed Funding
 - Marketing Assistance
- Funds have been provided by the Department of Information Technology & Communication, Government of Rajasthan which entails seed funding benefits for the startups through:

SUSTENANCE ALLOWANCE:

The extent of support funding provided is a grant of INR 10,000/- per month for one year to eligible startups

SEED FUNDING ASSISTANCE:

The assistance provided under this funding support is up to INR 2 lakhs in the form of loan to eligible startups

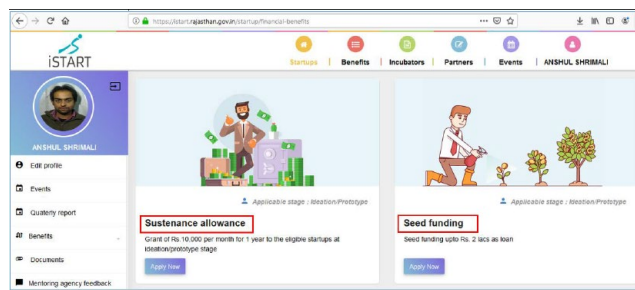
MARKETING ASSISTANCE:

The assistance provided under this funding support is up to INR 10 lakhs in the form of loan/convertible equity.



COMPREHENSIVE ONLINE SYSTEM FOR SEED FUNDING

- All benefits including sustenance allowance, seed funding, pilot assistance, venture fund, incubation support, partnership connects are available on the online portal. The portal is accessible and user friendly. iStart Rajasthan was conferred with Silver Award for "Excellence in Adopting Emerging Technologies" at National e-Governance Awards 2019.



SEED FUNDING BENEFICIARIES

- The state has published a detailed list of startups availing seed funding in the state. Disclosure of such information improves transparency and instills confidence in the state's startup ecosystem
- Benefits have been disbursed to 55+ beneficiary startups with direct funding under the provisions of Rajasthan Startup policy 2015.

KEY STRENGTHS



WAY FORWARD

From the list of initiatives carried out or proposed by the state as detailed above; the state has performed well in this pillar. There are additional steps that the state could take in order to build upon the initiatives further.

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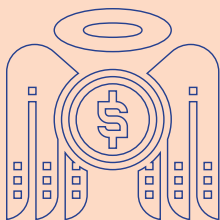
MEDIUM TERM ACTIVITIES (4-6 MONTHS)

The activities suggested in this category are important and will take relatively more time for implementation. Through dedicated efforts, results can be achieved within four to six months. Activities suggested under this category are as follows:

Offer beneficiary centric solutions

- The state may consider collaborating with investors from other states for decoding funding needs of startups belonging to disruptive technology sectors.
- The state may consider increasing the size of funding capital in order to encourage technological innovations.





6. VENTURE FUNDING SUPPORT

Venture capital funding support is provided to the startups from state supported funds. The states are evaluated based on the establishment of the Fund of Funds (FoF) with approved operating guidelines and signing a memorandum of understanding (MoU) with the fund manager along with concrete budget allocation. Venture funding provides strong growth potential to startups wherein the fund is used for the all-round development of startups and to levitate the startup ecosystem of the states.



KEY FACTS

The state encourages angel investor network agencies to forge strategic partnerships with industry/startup associations in the region. The state has established a number of indigenous venture funds and is well connected with renowned angel networks in the state.



KEY STRENGTHS

STRONG SUPPORT TO VENTURE FUNDS

- **Techno Fund** - The state has introduced an INR 500 crore fund to ensure robust growth in the investment infrastructure/substructure. The fund is completely operated by the state.
- **Rajasthan Venture Capital Fund (RVCF)** - The fund was established as the state's first venture capital fund under Rajasthan State Industrial Development and Investment Corporation (RIICO), a Government of Rajasthan undertaking. RIICO is both a fund subscriber and an investor in the fund.
- **Angel Network** - Government of Rajasthan is well connected to majority of the startup enabler networks including renowned angel networks such as Rajasthan Angel Investor Network.



KEY STRENGTHS

- **INVENT** is a flagship multi-faceted funding programmes of Startup Oasis. INVENT is managed by a group of experts for the purpose of fund management. The group comprises of an Internal Investment Committee.

STARTUPS FUNDED THROUGH VENTURE FUNDS

- The state has strongly backed the venture funds in order to encourage startups to avail various benefits from the funds. The state has deployed startup friendly measures across its funds, such as, offering the first level of evaluation of proposal through an online mode and providing easy funding options in the form of either loans or equity.
- The state has been successful in attracting, engaging and funding 32 startups as a part of its initiatives.



WAY FORWARD

From the list of initiatives carried out or proposed by the state as detailed above; the state has performed well in this pillar. There are additional steps that the state could take in order to build upon the initiatives further.

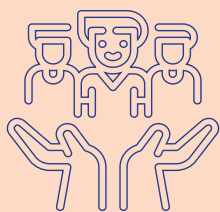
Towards this end, the state can prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

MEDIUM TERM ACTIVITIES (4-6 MONTHS)

The activities suggested in this category are important and will take relatively more time for implementation. Through dedicated efforts, results can be achieved within four to six months. Activities suggested under this category are as follows:

Expand the angel network

The state may consider improving soft infrastructure such as mentoring by connecting with angel networks from other states. The network may grant access to highly qualified mentors who would provide mentoring for new sectors with disruptive technologies.



7. AWARENESS AND OUTREACH

It is the endeavor of state governments to raise awareness about the Indian startup ecosystem and increase its outreach throughout the state. The states are evaluated based on awareness of startups created through workshops, national and international events including bootcamps and hackathons/ grand challenges. In order to promote startups, the state encourages participatory and inclusive processes for linking startups with angel investors and high net worth individuals. Maximum participation is encouraged for exchange of valuable knowledge amongst startups, and pitching sessions for angel investments with widespread propagation.



KEY FACTS

The state has been proactive in its initiatives and measures to help startups grow and scale up. The state has conducted various workshops, networking events and pitching sessions regularly to provide a platform to connect the startups with the angel investors/ HNIs/ angel network across the country. These events also help the startups in raising venture capital from angel investors and venture capital funds. The events were conducted in universities across cities such as Jhalawar, Kota, Udaipur, Jaipur, Jodhpur and Bharatpur with an intent to reach student innovators at the grass-root level.



Bootcamps
(12)



Hackathons
(2)



Angel
Investment
Workshops (17)



National/
International
events (21)



KEY STRENGTHS

FREQUENT BOOTCAMPS

- 12 bootcamps have been organised across colleges by Startup Oasis. It conducts bootcamp sessions at regular intervals in academic institutions spread across the state to provide hands-on experience of entrepreneurship with understanding of business models, thereby refining ideas.



HACKATHON OR GRAND CHALLENGES

The state supported two hackathons during the period of consideration



KEY STRENGTHS

- ONLINE HACKATHON** - The first-ever "Code-From-Home" online hackathon was organised as part of Challenge for Change - a flagship contest by Rajasthan's Department of Information Technology and Communications. The winners of the same were directly enrolled and all expenses were borne by Rajasthan Hackathon 5.0
- HACKATHON 5.0** - The event was a 36-hour duration hackathon with 24-hour of non-stop coding marathon. The event was mentored by subject matter experts offering brilliant coders, developers & designers an excellent platform. The winners were awarded prizes worth INR 32.5 lakh along with an exclusive opportunity to work with Government of Rajasthan. A total of 3,000 people participated in the hackathon.



ANGEL INVESTMENT WORKSHOPS

The state conducted events to stimulate angel investments in the state which included:

THE RAJASTHAN ANGEL INVESTOR PITCH 2019

The event was one of the largest and one of its kind startup pitching event in India witnessing participation of 58 startups across sectors. The event was attended by investors such as IvyCamp Ventures, Rajasthan Angel Innovators Network (RAIN), Metacube, NASSCOM, Rajasthan Venture Capital Fund (RVCF), Startup Oasis, Startup Buddy, Apexa, Axis Bank and HDFC Bank.



INTRODUCTION TO RAJASTHAN VENTURE CAPITAL FUND (RVCF)

The event included a mentor session and pitching workshop focusing on Venture Capital functioning, investor expectations and VC deal structure.



VENTURE GARAGE'S FIND YOUR INVESTOR 2018



The session was a congregation of renowned Venture capitalists and High Networth Individuals (HNIs) of Rajasthan. The event served as a platform to provide a unique opportunities for the participating startups to pitch business ideas. The panelists shared insights on parameters to be considered while finding the right investor for a venture.



KEY STRENGTHS

INVESTOR CLINIC

The event was the culmination of 4-day masterclass including topics such as Business Pitch, Legal Due Diligence, Financial aspects and Business metrics

INNOCITY BOOSTER AND PITCH

It is an initiative by Centre for Innovation Incubation and Entrepreneurship (CIIE) and Startup Oasis through which specific services and support are provided to startups through professionals, mentors, startup founders, angels and other startup service providers. A total of 100+ startups and 37 investors from across the country participated in the various events conducted throughout the year



NATIONAL OR INTERNATIONAL EVENTS

The state has supported startups for participation in 21 national/ international knowledge exchange seminars/ workshops. The events are listed below:

NATIONAL TOURISM CONCLAVE, JAIPUR

The conclave helped participant startups interact with leaders in the tourism industry. The event offered startups to familiarise themselves with the challenges and opportunities in the tourism sector. The event also offered startups to showcase their product offerings to a wide audience from the tourism sector



BNI BUSINESS CONCLAVE, UDAIPUR

The state conducted an insightful session on entrepreneurship and facilitated participation of 96 startups in Business Network International's Business Conclave "UDHYAM - 19"



KEY STRENGTHS

ENTREPRENEUR 2018, NEW DELHI

The event focused on creating new opportunities for investment, building new partnerships and collaborations. The event offered guidance on treating entrepreneurship as means to address some of the most intractable challenges of society.



DIGIFEST BIKANER, BIKANER

The three day event comprised of various competitions such as hackathons, workshops, sessions, job fair, IT/Startup Expo and investor pitches. The event witnessed over 4500 hackathon participants and 44 startups.



RAJASTHAN STUDENT STARTUP EXPOSURE PROGRAMMES, SILICON VALLEY, USA

The state sent a delegation of selected student entrepreneurs on an all-expense-paid residential learning trip to Silicon Valley. Over the course of two weeks, the students got an opportunity to learn various aspects of building a tech product startup from renowned experts in the global startup ecosystem. The participants also got a chance to acquire on-the-job training with some eminent organisations and a chance to interact with successful professionals.



STARTUP CHOUPAL, JAIPUR

The conclave was conducted with the aim of providing a platform to different stakeholders of the startup ecosystem to interact and network. The event was attended by startups, individuals, venture capitalists, accelerators, incubators, angel investors and service providers. Over 5 startups were supported by the Government of Rajasthan to participate in the event.



THE GREAT INDIAN TRAVEL BAZAAR (GITB), JAIPUR

The event witnessed participation from over 280 foreign tour operators and 270 Indian exhibitors and over the period of two days more than 11,000 structured face to face business meetings took place between foreign buyers and Indian sellers. Tourism departments from over 10 different states participated in the event. Eight startups were facilitated to participate and showcase their offerings at the event by the Government of Rajasthan.



INNOVATE TO INSPIRE, JAIPUR

The "Innovate To Inspire" roadshow was conducted to evangelise the green movement and to invite energy sector enthusiasts to submit solutions which could potentially change the world. Over 15 startups were facilitated to participate in the session by the Government of Rajasthan.



RAJASTHAN RURAL ENERGY STARTUP SUMMIT', JAIPUR

The summit was conducted as a culmination of a three month Rural Energy Accelerator Programmes wherein startups were mentored for developing operational and financial plans. The event offered key stakeholders of the energy domain a unique platform to discuss and conduct deliberations on the finest practices. Five startups were supported by the Government of Rajasthan to attend the summit.



RAJASTHAN DIGITECH SUMMIT 2019, JAIPUR

The theme for the event was "Transforming Enterprises into Smart & Intelligent Businesses", with a focus on the use of innovative technologies to bring fundamental transformation in business. 23 startups were facilitated to attend the session.

PRE- BUDGET INTERACTION OF STARTUPS WITH HONORABLE CM, JAIPUR

A two hour long pre-budget interaction was facilitated between the Honorable Chief Minister of Rajasthan, four senior cabinet ministers, senior bureaucrats of the state and 20 select startups under the iStart Rajasthan programmes. The startups were facilitated by the iStart Rajasthan team. In the interaction, startups were given an opportunity to talk about their ventures, challenges faced and suggestions on government support.

MSME POLICY DISCUSSION, JAIPUR

A full day discussion was planned on the draft policy for micro, small and medium enterprises (MSME) at the Techno Hub, Jaipur. The event witnessed participation from different stakeholders - such as government officials, industrialists, entrepreneurs and media.



ASDC ANNUAL CONCLAVE 2019, NEW DELHI

The event brought together various stakeholders of the automotive ecosystem onto a single platform. The stakeholders deliberated and brainstormed upon various mechanisms through which the skilling ecosystem in the country can be further developed. Thirteen startups under the programmes were facilitated to attend this insightful event



Skilling Ecosystem:
Partnering Industry,
Making Skills Aspirational

NASSCOM ANNUAL TECHNOLOGY CONFERENCE 2019, GURGAON

The two-day action-packed event comprised of a plethora of events. Nine startups under the iStart Rajasthan programmes participated in the event, and five of these startups were given the opportunity to showcase their products at the exhibition.



RAJIV INNOVATION VISION 2019, JAIPUR

The event was a four day long multi-faceted festival comprising of panel discussions, startup exhibitions, e-governance awards, and startup sessions. The event witnessed participation from startups, young entrepreneurs, academicians, prominent industry leaders, public representatives and students. RAJIV 2019 also comprised of sessions by the Skill Development Corporation, the Energy Department, Panchayati Raj Department and the Health Departments. Over 27 startups under the iStart Rajasthan programmes and 11 institutions were facilitated for exhibiting their innovative product and service offerings at the Expo.



BOOK CONVERSATION WITH SHRI. SANJAY KUMAR ON 'KATIHAR TO KENNEDY', JAIPUR

The author discussed about the lessons he learned from failures as well as from triumphs. The contrasts he experienced while moving between cities, institutions, and job roles. The session was attended by a diverse audience comprising of government officials, industry leaders, students, startups and media personnel. Startups were facilitated to participate in the event and interact and gain from the experience of the author.

HONORABLE CM'S VISIT TO TECHNO HUB, JAIPUR

The Chief Minister was given an overview of the world class facilities and infrastructure present at the incubator, such as, co-working spaces, auditorium, tinkering lab, sleeping pods, digital museum etc. The Chief Minister also interacted with select incubated startups and school students who had come for a visit to the facility.

INTERACTION OF STARTUPS WITH HONORABLE CM, JAIPUR

The iStart Rajasthan team facilitated an interactive session with the Honorable CM for startups at the launch of the state government's Jan Soochna Portal 2019. In the event, a startup compendium was also launched by the CM. The startup compendium is a unique initiative to showcase selected startups to a larger group of stakeholders

MEETING OF AGRI-SECTOR STARTUPS, JAIPUR

The iStart Rajasthan team facilitated a meeting between select startups working in the agricultural sector with the Rajasthan State Agriculture Marketing Board. The discussions in the interaction revolved around the startups sharing their business challenges and stressing upon the financial, technical and operational support expected from the government.



MEETING OF EDUCATION SECTOR STARTUPS, JAIPUR

The iStart Rajasthan team facilitated a meeting between selected startups and the Education Department, Government of Rajasthan. The startups presented their business ideas, shared their success stories and held discussions on possible areas of collaboration with the government.



WAY FORWARD

The state needs to give importance to this pillar in order to enable a basic startup ecosystem. The state can prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

MEDIUM TERM ACTIVITIES (4-6 MONTHS)

The activities suggested in this category are important and will take relatively more time for implementation. Through dedicated efforts, results can be achieved within four to six months. Activities suggested under this category are as follows:

Bootcamps and hackathons/grand challenges

- The state could prioritise in organising a greater number of bootcamps and hackathons. These events may prove to be a strong medium to foster innovation among students and a tool to adopt low-cost, high impact technologies into governance.
- The state could also focus its attention on conducting activities like ideation workshops for idea validation and pitch deck creation, mentor workshops, and pitching sessions for students and aspiring entrepreneurs.
- Such initiatives would help in the dissemination of valuable knowledge and resources across the state, thereby creating a more enabling environment for startups.

Organise events especially for students and entrepreneurs

- Going forward, the state may conduct trainings and events for students or aspiring entrepreneurs with basic understanding of ideation, business planning, finance, legal and pitching before they venture out to operate a startup.
- The trainings may be conducted with the help of case studies in the educational institutes of the state and may ensure coverage across all districts.



Notes

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