STATE INITIATIVES FOR START-UPS IN RAJASTHAN

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Abstract

Rajasthan has been the cradle of entrepreneurship and is the birth place of some of the most successful businessmen and large industrial houses of India and the world. Despite this, a large population of educated youth of the State leave the State after completing their education in search of better employment opportunities in other destinations, within India and abroad. Rajasthan also faces some serious challenges in areas like water availability, arid land, agriculture, rural healthcare, food processing and efficient food supply chains – answer to lot of these problems would need the development of low cost, indigenous and technology - enabled solutions. Towards this, the Rajasthan Start-up Policy has been formulated

Introduction

Start-up is an entity that develops a business model based on some innovation and makes it scalable for achieving commercial success. According to Department of Industrial Policy and Promotion (DIPP), under the Union Ministry for Commerce and Industry, an entity shall be considered as a start-up up to a period of seven years from the date of incorporation/registration, if it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under Section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India. The entity should be working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation. However, an entity formed by splitting up or reconstruction of an existing business shall not be considered a 'start-up'. For the iStart initiative, the start-up selection is sector agnostic and are focused on providing innovative solutions in social and clean-tech, mobile and information technology, Internet of Things, 'IT for X' in areas of garment and crafts, mining and SME manufacturing and services, and disruptive ideas/technologies in any sector.

Start-up India is a flagship initiative of the Government of India, intended to build a strong ecosystem that is conducive for the growth of start-up businesses, to drive sustainable economic growth and generate large scale employment opportunities. The Government through this initiative aims to empower start-ups to grow through innovation and design.

Several programs have been undertaken since the launch of the initiative on 16th of January, 2016 by Hon'ble Prime Minister, to contribute to his vision of transforming India into a country of job creators instead of job

seekers. These programs have catalyzed the start-up culture, with start-ups getting recognized through the Startup India initiative and many entrepreneurs availing the benefits of starting their own business in India.

The 19-Point Startup India Action Plan envisages several incubation centres, easier patent filing, tax exemptions, ease of setting-up of business, a INR 10,000 Crore corpus fund, and a faster exit mechanism, among others.

Rajasthan Stack

As we know, Rajasthan is one of the leading state for growing startup culture extensively and generating employment opportunities and entrepreneurship in the state, Stack has become a one-stop-solution for start-ups. Rajasthan Stack is an exemplary initiative which is bridging the gap between a startup and the government. It has become an umbrella where startups can nurture and get various services at a single window. With introduction of multiple services, Rajasthan is walking ahead with the entrepreneurial pace.

Rajasthan Stack is a digital infrastructure of Application Programming Interface (APIs) that provides governments, developers and businesses with a secure access to proprietary software applications. Rajasthan Stack enables development of products and services that could open up many opportunities in the financial services, healthcare and education sectors of state's economy. The set of APIs and Products provided by Rajasthan Stack is driving the state towards four unique technological layers: Paperless layer, Cashless layer, Presence-less layer and Consent layer.

How Does It Make A Difference

- Citizens - Secure Access to All Government Platforms and Infrastructure

- Software Ecosystem - Motivate individuals to work for a cause

- Government - To bring change in delivery of Government services by assuring transparency, efficiency and ease of access

The Evolution of Rajasthan E-Governance

E-Mitra

An Integrated, Unified and Centralised Service Delivery platform of Rajasthan which is offering wide range of services to the residents close to their doorstep. It is one of the successful programme of e-Governance.

Bhamashah Resident Data Hub (BDH)

Data Hub (BDH) Is Created Under the Bhamashah Scheme. An authentic single source of truth or all resident data in the State. Created Under the Bhamashah Scheme in the year 2014, it is a centralized and comprehensive dataset comprising authentic data for residents of Rajasthan.

Rajasthan Single Sign On

Rajasthan Single Sign On allows Citizens to log on to various portals through single sign-on options. Single sign-on (SSO) is an authentication process that allows a user to access multiple applications with one set of login credentials.

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E-Sanchar

Application through network for automated communication integrates mobile telephony with information technology for generating voice calls for the timely transfer of information to rural citizens, including the elderly, physically challenged and widowed persons.

I-Fact

I-Fact is a direct communication with residents through S.M.S/Voice Message/ Structure queries. I-Fact is an IT enabled fully automated citizen based transparent status. The key objective of I-FACT is to involve citizen/civil society in governance by obtaining their views regarding various programs/ policies/ functionaries.

RajNET

RajNET is an integrated network solution for connectivity upto Gram Panchayats. RajNET is an umbrella network connected with existing networks like RajSWAN, SecLAN, etc. It has multi modal connectivity like VSAT, Captive OFC, RF and terrestrial connectivity, monitored through a Centralised Integrated Network Operating Centre.

Rajdhara

Rajdhara e-Governance a unified GIS (Geographical Information System) platform and decision support system of geospatial data for the state. Rajdhara works on LiDAR scanning and 3D modelling of selected heritage monuments/structures like Hawa Mahal, Jantar Mantar, Albert Hall, City Palace- Jaipur/Udaipur, 7 Gates of Walled City, etc.

Raj E-Vault

Raj E-Vault is a secure and authorized eSpace with electronic self-attestation and eVerification. Raj eVault is a Digital Document Manager. It is a portal dedicated to providing digital verification platform for official documents and certificates, hence, overall reducing the need of tedious paperwork.

Raj Sewa Dwar (RSD)

RSD is part of implementation of Rajasthan E-Governance Framework. A centralized middleware Enterprise Service Bus for all inter application connectivity. Raj Sewa Dwar ensures that there are no P2P connectivity systems, and that services can be utilized by multiple systems on the fly with centralized monitoring.

Raj Payment Platform

Raj Payment Platform is an important initiative, a secure and convenient manner to pay your bills and other payments online. RPP will electronically present your bills to you, including your telephone bills, electricity bills, cell-phone bills, credit card bills, ISP charges and others.

Raj Kaj

Raj Kaj is an Integrated Office Automation Platform. It provides an enhanced office productivity and streamlined internal process. Raj Kaj is an integrated office automation platform which works as one-stop-place for all employees, for their functions as well as roles.

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Raj Bioscope

Raj Bioscope a Newly Launched Video Portal. An online video portal of Government of Rajasthan which includes useful videos of various government schemes & programmes. Users can make and upload engaging videos from their mobiles on new ideas.

Rajasthan Startup Policy 2015

Rajasthan government unveiled Rajasthan Start-up Policy 2015 which envisions to make this pink state into a start-up hub. The policy will focus on entrepreneurs and students – those ideas which can be converted into large scale employment opportunities. Rajasthan which has long been referred to as 'BIMARU states' along with BIHAR, UP, Odisha, and MP, the start-up policy can be seen as a much needed step given the increasing relevance of entrepreneurship and start-ups in the development of any state. The investors are also optimistic about this policy and particularly about the state's capital Jaipur given the low cost of living, large number of technical colleges and close proximity with NCR (National Capital Region).

Main highlights of policy:

- 50 incubators or accelerators like will be established in next five years to create a start-up ecosystem.

- The government will support and incubate 500 start-ups from state and create a 10,000 sq feet incubation centre.

- Mobilising angel and venture funding towards start-ups, INR 500 Cr over next five years. The government has made it clear that they are open to modify the policy to accommodate demands of private investors.

- Start-ups at launch stage will be provided with a sum of INR 1000000 as a marketing assistance.

- Development of problem solving skill culture across the state.

Focus areas:

- Mobile and Information Technology

- Rural Infrastructure

- Renewal Energy

- Social and Cleantech – Crafts, Water, Sanitation and Healthcare

- Internet of Things, Hardware and Electronics.

- Disruptive Ideas and Technological Ideas

Startup Benefits

The Rajasthan Startup policy is an outcome of demand of "ease of doing business" for new startup ventures. The objective of this Startup policy is to lead a change by shifting working youth from service industry and help them to build their own ventures.

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Sustenance Allowance –

Under the provisions of Rajasthan Startup Policy 2015, the Government of Rajasthan extends a grant of INR 10,000/- per month for one year as Sustenance Allowance to the eligible startups at Idea/Prototype Stage (post approval by the Committee and Nodal Institution). Sustenance allowance is extended for eligible startups at Idea/Prototype stages only. Incubator will provide support to the startups by providing mentoring services, access to their labs, facilities, etc. on free-of-cost (FOC) basis. The state government will also recommend selected startups to get free access to University / Libraries / Govt. Laboratories / Centre of Excellence / PSUs, etc.

Marketing Assistance –

Marketing Assistance/ Pilot Stage Funding: Under the provisions of Rajasthan Startup Policy 2015, the iStart Rajasthan program assists the eligible startups at Minimum Viable Product ('MVP') stage with a marketing assistance / pilot stage funding of up to INR 10 lakhs, post approval by the Committee and Nodal Institution. The funding is provided after case to case review by the evaluation committee in the form of loan / convertible equity. The assistance can either be given to a startup where he/she has secured funding of minimum 25% from a known and registered angel / venture funds / reputed incubator. The amount could be disbursed as purely / partly grants or soft loan / equity on a case-to-case basis as has been given by registered angel / venture funds / reputed incubator. Or, it can be given as matching assistance to reputed incubators established by institutions like IIMs / IITs / NITs to fund startups as a part of accelerator programme as purely / partly grants or soft loan / equity on a case-to-case basis.

Techno Fund –

Techno Fund of Rs. 500 Crores has been introduced to give an open sky to the potential startups of the state. The fund would be utilized for the growth and over-all development of the startups and will thus levitate the startup community of Rajasthan to the highest pinnacle in the country. To ensure the robust growth in the investment infrastructure/substructure and encouraging the startup ecosystem, the Techno Fund has been introduced. The proposed allocation of funds Rs. 500 Crore for potential & emerging Start-ups, Rs. 100 Crore for Women Start-ups (from the total fund), Rs. 50 crore for Green Start-ups (from the total fund).

State Clearances

Reform 1:

Develop and make publicly available a comprehensive checklist of all required pre-establishment No Objection Certificates (NOCs), licenses, registrations and other mandatory State approvals required for setting up of a business.

Reform 2:

Establish a centralized help line number to facilitate queries regarding the application and approval process.

iStart Nest Incubator

iStart Nest, Government of Rajasthan's incubation centre is the only centralised incubator in the country providing free incubation to emerging startups. The incubation program is designed to help startups gain traction through deep mentor engagement, rapid iteration cycles, and fundraising preparation. iStart Nest offers state-of-the art facilities at its incubation centre with wide range of resources and mentoring from industry tycoons. iStart Nest works with an extensive network of investors, accelerators and mentors to help entrepreneurs launch and grow the innovative companies that are building Rajasthan's future.

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Benefits to Incubator

- Matching Grant Assistance Of Rs. 10.00 Lacs To Reputed Incubators And Angel Investors For Operating Accelerator Programs.

- Matching Assistance Of Up To Rs 10 Lacs For Startups Part Of Accelerator Programs

Benefits to Investors

- Assistance Of Rs. 50 Lacs To Corporates/Venture Capital Funds And Angel Investors For Setting-Up Incubation Centres.

- Matching Grant Assistance Of Rs. 10.00 Lacs To Reputed Incubators And Angel Investors For Operating Accelerator Programs.

Conclusion

The government of Rajasthan has taken various initiatives for start-ups, building a strong ecosystem that is conducive for the growth of start-ups so as to drive sustainable economic growth and generate large scale employment opportunities for the state. The Government through these initiatives aims to empower start-ups to grow through innovation and design.

Various initiatives by the Rajasthan government include Rajasthan Stack that is an exemplary initiative, bridging the gap between start-ups and the government and start-ups can get various services at a single window. Some other exemplary initiatives taken by the state government include E-Mitra, Bhamashah Resident Data Hub (BDH), Rajasthan Single Sign On, E-Sanchar, I-Fact, RajNET, Rajdhara, Raj E-Vault, Raj Sewa Dwar (RSD), Raj Payment Platform, Raj Kaj and Raj Bioscope.

Rajasthan government also unveiled the Rajasthan Start-up Policy 2015 which envisions to make this pink state into a start-up hub. The policy will focus on entrepreneurs and students – those ideas which can be converted into large scale employment opportunities. The Rajasthan Startup policy and all the initiatives will surely build an ecosystem of "ease of doing business" for new start-up ventures and lead a change by shifting working youth from service industry and help them to build their own ventures.

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