

GOVERNMENT OF RAJASTHAN
Department of Information Technology & Communication

No. F 5(1090)/DoIT/Tech/17/ML-2101 Jaipur, Dated: 26.02.2018

BHAMASHAH TECHNO FUND FRAMEWORK

Bhamashah Techno Fund of Rs. 500 Crores for Start-ups is hereby established. The fund would be used for providing loan or equity to the Start-ups of the State for their growth and all-round development and to levitate the start-up community of Rajasthan to the highest pinnacle in the Country.

The funds are to be used as per the framework defined hereunder:


1. The size of the Government owned fund will be Rs. 500 crores with components for Women and Green Start-ups.
2. Rs. 100 Crore from the total fund will be earmarked for Women Start-ups.
3. Rs. 50 crore from the total fund will be earmarked for Green start-ups and shall be payable from the funds available with Rajasthan state Pollution Control Board.
4. The "Loan" / "Equity" from the said Fund shall be provided to the eligible Start-ups, registered in Rajasthan, solely by the Department of Information Technology & Communication, Government of Rajasthan based on the recommendations of the Committee established for the said purpose. Principal Secretary IT&C will be the sanctioning authority for grant of loan or equity as the case may be, based on the recommendation of the committee established for the purpose.
5. The funding will be provided to eligible start-ups in the form of "Loan" or "Equity".
6. Upto 100% of funding sanctioned to a start-up by any empanelled or recognized Fund/s will be provided by Government of Rajasthan with a cap of Rs. 25 Lakhs.
 - a. The funds will be provided without discretion to start-ups registered on the official portal, "istart.rajasthan.gov.in" based on their Qrate ranking as per the following classification:

Qrate ranking	Upper Limit for funds from GoR
Bronze	Rs. 15 Lakhs per start-up
Silver	Rs. 15 Lakhs per start-up
Gold	Rs. 20 Lakhs per start-up
Platinum	Rs. 20 Lakhs per start-up
Signature	Rs. 25 Lakhs per start-up

7. In case of "Loan":

- a. The Government loan will be provided as per the above mentioned criterion for a maximum period of three years, with no Lock-in period thus providing a chance to the start-ups to return the partial / complete loan amount at any time, without any additional charges.
- b. The interest rate on such loans shall be 5%, on reducing balance.
- c. The loan will be provided without securitization, based on Qrate ranking and funding from an empanelled or recognized Fund/s (as per 4 above).
- d. The repayment of loan along with interest will be effected after six months of the date of disbursement. The same would continue to be repaid in six monthly instalments.
- e. Instalment paid before the due to date will be taken entirely to principal unless of course, any interest for a preceding period is overdue.
- f. The loan will be given on properly executed bonds, in the prescribed format.
- g. The amount of loan would be utilised for which it is granted and certificate of utilisation will be obtained from the loan in the prescribed form.
- h. The applicant shall furnish the following undertakings and information.
 - i. Copies of P&L accounts and balance sheets.
 - ii. The main source of income and how the loan is proposed to be repaid within the stipulated period.
 - iii. The purpose for which the loan is proposed to be utilised and economics of the Scheme.
 - iv. The amount recovered from the debtor will be adjusted towards the principal and interest in the ratio of 40:60 in case where interest is due along with the principal. A loan bears interest for the day of advance but not for the day of repayment.

8. In case of "Equity":

- a. "Equity" shall be provided for a maximum period of 7 years.
 - b. Minimum Lock-in period will be 3 years from the Government
 - c. Buy-back option shall be available to the start-ups from Day 1.
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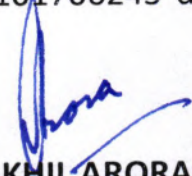
- d. Start-ups will have to ensure One Director, with Golden Share from Department of Information Technology & Communication, Government of Rajasthan, on the Board of Directors of the Company registered as start-up in Rajasthan and opting for Government Equity.
- e. While sanctioning amount as equity the provision contained in clause 5 such as requirement of documents submitted by the applicant will remain same.

9. In case of "Seed Funding":

- a. Upto 2 Lakhs as Loan as per (5) above.

The funds returned / bought back by Start-ups, either loan or equity, will be returned into the Revenue Head of the State.

This issues with the approval of Finance Department vide ID-no. 101706245 dated 10.01.2018 and CMO vide ID-no. F18000346 dated 21.02.2018.



(AKHIL ARORA)
Principal Secretary, IT&C