Himachal Pradesh – Himachal Pradesh Startup/Innovation Projects/New Industries Scheme

Introduction

The scheme aims to transform educated youth from job seekers to job creators by supporting startups and innovation projects in Himachal Pradesh.

Focus on self-employment and employment generation, upgrading entrepreneurial skills and providing comprehensive support from project selection to business management.

Encourages incubation centers, networking, infrastructure development, mentoring, and investment facilitation.

Definitions & Eligibility

Startup/New Industries: Includes proprietors, companies, partnership firms, LLPs in micro or small-scale manufacturing or service sectors, operating in Himachal Pradesh post-March 31, 2016.

Innovation Project: Projects introducing new/updated technology or product/process/service innovations.

Incubator: Entities that accelerate startup growth through infrastructure, mentoring, networking, and capital support.

Venture Capital Fund & Angel Investors: Includes SEBI or approved investors providing early seed funding, linked to incubators and institutions.

Host Institutes: Reputed technology, management, R&D institutions in HP that foster entrepreneurship and incubation.

Scheme Objectives & Focus Areas

Promote self-employment, entrepreneurship, and industrial development.

Facilitate startup ecosystem via incubation centers and venture capital funding.

Promote human capital skill development.

Key focus sectors include technology-driven innovation, rural infrastructure, clean tech, agriculture, food processing, retail, tourism & hospitality, IT, and biotech.

Ecosystem and Infrastructure Support

Incubators: Support for setting up incubators in existing academic, technical, R&D institutions, private entities, and PPP models.

Government to facilitate plug-and-play infrastructure, labs, design studios, and shared services like legal and accounting for startups.

State data center to host cloud server linking all incubators.

Creation of venture funds to support startups.

Human Capital and Academic Linkages

Students involved in incubation to get 5% grace marks and 20% attendance waiver.

Innovative final-year projects encouraged, with online portals to prevent duplication.

Entrepreneurship clubs to be established at school and university levels.

MOOCs and internship/apprenticeship programs to be integrated into curricula.

Handholding and Mentoring

Financial support to Host Institutes for providing mentorship and startup support.

HPCED to provide guidance, training, feasibility studies, finance assistance, marketing, and mentorship.

HPCED to collaborate with industry bodies like CII, PHDCCI, FICCI for startup support.

Exposure programs for startups, faculty, and students with 1/3 representation to women entrepreneurs and students.

Incentives

Sustenance Allowance: ₹25,000/month for innovation projects for one year.

Incubation Support: Free mentoring, lab access, and facilities.

Marketing Assistance: Up to ₹10 lakh via grants or soft loans linked to secured funding or incubator accelerator programs.

Patent Filing Support: Reimbursement up to ₹2 lakh for Indian patents, ₹10 lakh for foreign patents, disbursed in two stages.

Incubator Grants: Up to ₹30 lakh/year for up to 3 years for incubator establishment and activities plus recurring expenditure grant (up to ₹10 lakh).

Lease Rental Support: No rent/O&M charge for government-owned buildings (max 5 years), rental reimbursement for private incubators.

Capital Subsidy for Private Incubators: 20% on capital expenditure, max ₹50 lakh.

Stamp duty and registration fee reimbursement for incubators.

Land allotment to incubators per policy.

Support for utilizing NRIs/foreign tourists as mentors.

Support for New Industries / Startups

Feasibility study/project report cost grant: 75%, max ₹1 lakh.

Land allotment at concessional rates in Industrial Areas.

Stamp duty concession: flat 3% on conveyance and lease deeds.

VAT exemptions for selected sectors and areas.

Interest subvention on loans for micro startups.

Purchase preference policy applying to startups.

Incentives subject to policy and amendment rules.

Mandatory Outsourcing Clause

E-Governance projects must outsource 5-10% of contract value work to eligible startups and students from technical colleges.

Tender documents will include provisions for this outsourcing mandate to support startups' early business.

Incubation Fund

Initial corpus of ₹5 crore for incubation fund to support startups and administer state share under Startup India scheme.

Performance-based review and dis-empaneling of low-performing incubators possible.

Incubator Responsibilities

Nurture startups throughout lifecycle from idea to commercial enterprise.

Link with academic institutions to foster innovation and internships.

Manage capital assets and incubation resources.

Develop sustainable business models for incubators.

Liaise with investors for startup funding.

CSR Fund Utilization

State PSU CSR funds to create corpus funds at incubators to strengthen ecosystem.

Administration of Benefits

Directorate of Industries to implement scheme and disburse incentives through incubators to ensure speedy and diligent processing.

Common Application Center

Development of online single-window portal for registrations, licensing, clearances, and incentive applications.

Annual Entrepreneurship Awards

Awarding top entrepreneurs annually with cash prizes and publishing success stories.

Monitoring & Review

Empowered Committee including senior state officials to monitor and approve incentives.

Annual reviews to evaluate scheme performance and impact.

Source: Himachal Pradesh Startup / Innovation Scheme 2016

Issued by: Government of Himachal Pradesh – Directorate of Industries

Policy Period: 2016 onwards (with amendments)