

Himachal Pradesh

OVERVIEW

Policy Name	Chief Minister's Startup/Innovation/Projects/New Industries Scheme
Website	Startup Himachal
Policy Document	Download here
Nodal Agency	Department of Industries
Office Address	Department of Industries, Govt. of H.P, Udyog Bhawan, Bemloe, Shimla, 171001, Himachal Pradesh
Contact Details	Phone Number: 0177-2813414 Email: dirindus-hp@nic.in

INCENTIVES

FOR STARTUPS/NEW INDUSTRIES/INNOVATORS

Eligibility Criteria

Startups/New Industries mean any entity, Proprietor, Limited Company, registered partnership firm under Indian Partnership Act 1932, or Limited Liability Partnership, proposing to set up an enterprise in micro or small-scale category in services sector relating to the focus areas defined in para 5 of the scheme and in the manufacturing sector in the state after 31.3.2016.

Innovation Project: Innovation is the process of introducing new or making changes with updated technology, large and small radical and incremental, to products, processes, and services that result in the introduction of some new and innovative products.

Application Procedure: Fill out the form in the application link and submit to the Nodal Agency.

1. Concessional Land Rates

Type of Benefit	Fiscal
Benefit Details	Department of Industries/Sectors will provide land to start-ups/new industries/Innovation Projects in micro and small-scale Industries/Sectors in Industrial Areas of Category B and C Areas at concessional rate @ 50% of the rates fixed by Department of Industries from time to time.
Application Procedure	Please get in touch with the Nodal Agency

2. Concession in Stamp Duty

Type of Benefit	Fiscal
Benefit Details	All new Start-up/new industries/Innovation. Project Units to be setup in Himachal Pradesh will be charged stamp duty @ 3% only on conveyance deed and lease deed from the date of notification by Revenue Department.

3. Feasibility Study Cost Subsidy

Type of Benefit	Non-Fiscal
Benefit Details	Start-ups/new industries/Innovation Projects will be eligible for grant on the cost of preparation of feasibility study/project report @ 75% of the cost subject to maximum of Rs. 1,00,000/- in each case. Subsidy will be routed through the Support Centre.

4. Concession in Consent Fee from H.P. Pollution Control Board

Type of Benefit	Fiscal
Benefit Details	Fees for obtaining consent to establish and consent to renew would be reduced by 25% for green industry and by 10% for orange Industry after issue of notification by the concerned Department.

5. Interest Subvention

Type of Benefit	Fiscal
Benefit Details	The new startups in Micro sector with an investment upto Rs 25 Lakh employing at least 5 persons and proposing to take loan from Scheduled Nationalized Banks or State cooperative banks will be provided interest subvention @5% up to a loan of Rs 25lakh for three years.

6. Purchase Preference by Govt. of H.P. & PSUs

Type of Benefit	Non-Fiscal
Benefit Details	The products of Small Scale Industry including 'Village Industry' as defined under the Incentives Rules, 2004 as amended from time to time and located within Himachal Pradesh is being given purchase preference in respect of purchases affected by the Government Departments, Boards and State owned or controlled corporations. Purchase orders to such firms may be placed at the lowest approved rates at least to the extent of 30% of the total procurement provided the quoted price of such local units are within the range of 15% of the L-1 rates. Provided further Start Ups in micro and small-scale categories in the manufacturing sector will also be entitled for such purchase preference by Govt. of HP/PSUs. Such Start Ups may also be exempted from the prior experience/turnover requirements provided they meet the requisite quality standards as laid down in the tender.

FOR INCUBATORS

Eligibility Criteria

Host Institutes (HIs) are reputed technology, management and R & D institutes of the state and other institutions and organizations focused on entrepreneurial development and promotion to set up Incubators to galvanize the startup ecosystems in the State.

Application Procedure

1. The interested institution will submit its proposal to the Director of Industries in a prescribed format who will further put it before the Executive Committee of the Scheme for consideration and approval.
2. Please get in touch with the Nodal Agency.

1. Setup Grant

Type of Benefit	Fiscal
Benefit Details	Financial assistance will be provided upto a maximum of Rs. 30 lakhs per incubator per year upto a period of three years. Financial assistance will be provided to selected institutions for setting up the incubator and other activities.

2. Recurring Expense Grant

Type of Benefit	Fiscal
Benefit Details	<ul style="list-style-type: none">• Incubators will be entitled for a grant of maximum Rs. 10 lakhs for meeting the recurring expenditure actually incurred as per the details mentioned below. This grant would be based on the performance of the incubator.• Grants for supporting operational expenses in the incubator e.g. Salaries of Regional Coordinators, mentoring programs, networking meetings, conducting Hackathons, etc. - Upto Rs. 2 Lakhs.• Annual Financial support for projects for Training and Capacity Building for Faculty and students. - Upto Rs. 2 Lakhs.• Exposure to Support and Network Programs conducted by the departments concerned. - Upto Rs. 1 Lakh.• Opportunity to visit National/ International startup destinations. – Upto Rs.2 Lakhs Internship Stipends - Upto Rs. 2 Lakhs Miscellaneous other expenses & Administrative +charges - Upto Rs. 1 Lakh.

3. Rental Reimbursement

Type of Benefit	Fiscal
Benefit Details	<p>In case of Govt. owned building is leased to an incubator, no lease rent or O & M charges will be levied for a period of five years or until the incubator is self-sustainable, whichever is earlier. In case where private premises are taken on lease/rent basis, a rental reimbursement @ Rs. 5 per sq.ft. per month or 25% of the actual rent paid, whichever is less, shall be reimbursed for a period of 3 years. This shall be limited to the incubation space only.</p>

4. Investment Subsidy

Type of Benefit	Fiscal
Benefit Details	<p>In case of incubator set up in private sector, an investment subsidy of 20% of the value of capital expenditure, other than land building, shall be provided to incubation projects that enter into an MoU with the state within 2 years of the notification of this scheme/policy. This subsidy shall be limited to a maximum of Rs. 50 lakhs.</p>

5. Stamp Duty / Registration Fee Reimbursement

Type of Benefit	Fiscal
Benefit Details	Incubators and Host Institutes shall be eligible for 50% reimbursement of the Stamp Duty and Registration Fee paid on sale/lease.

6. Land Allotment

Type of Benefit	Non-Fiscal
Benefit Details	The private party interested to set up incubator in the state shall be eligible for allotment of plot in industrial area for setting up the incubation facility as per the prevailing policy.

FOR INNOVATORS

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Application Procedure:

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2. Get in touch with the Nodal Agency.

3. Monthly Sustenance Allowance

Type of Benefit	Fiscal
Benefit Details	Rs. 25,000/- per month will be provided to innovative projects as sustenance allowance for a period of one year. Those projects recommended by the Host Institution and approved by the Empowered Committee will be considered.

4. Incubation Support

Type of Benefit	Non-Fiscal
Benefit Details	Incubation centers will provide support to the startups and innovation projects by providing mentoring services, access to their labs, facilities, etc. on a free-of-cost (FOC) basis.

5. Marketing / Commercialization Assistance

Type of Benefit	Fiscal
Benefit Details	Marketing/commercialization assistance of maximum of Rs. 10 lakhs will be provided to innovative projects to launch its products/services in the market.
Eligibility Criteria	<p>It can be given to an innovative project that has secured funding of maximum 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.</p> <p style="text-align: center;">Or</p> <p>It can be given as matching assistance to reputed incubators established by the HIs to the fund innovative project as part of accelerator programme as purely/partly grant or soft loan/equity on a case-to-case basis.</p>
Application Procedure	Fill out the form in the application link and submit to the Nodal Agency.

6. Reimbursement on Patent Filing Cost

Type of Benefit	Fiscal
Benefit Details	The cost of filing and processing of patent application will be reimbursed to the incubated startup companies subject to a limit of Rs. 2 lakhs (0.2 million) per Indian patent awarded or actual cost incurred, whichever is less. For awarded foreign patents on a single subject matter, up to Rs. 10 lakhs (1 Million) or actual cost incurred, whichever is less would be reimbursed.

7. Mandatory Outsourcing in IT/ITes related projects

Type of Benefit	Non-Fiscal
Benefit Details	<p>To support startups in the IT / ITes and electronics domain in getting early business opportunities, a provision for mandatory outsourcing or giving part job work to the startups by the solution provider or the system integrator will be made. Accordingly, the startups will be entitled to early business support as per the following mechanism:</p> <p>In e-Governance project undertaken by Government Departments or its Boards, Corporations or other bodies getting grants from the Government, the chosen solution provider or system integrator will pass on job work or will outsource part of the work of a value ranging between 5 to 10 per cent of the contract value to eligible startups and to students of shortlisted Technical Colleges in Himachal Pradesh. In such arrangements, the responsibility of meeting SLAs (Service Level Agreements) will continue to belong to the solution provider or the system integrator. The Government departments or its Boards, Corporations, other bodies getting funding support from Government of Himachal Pradesh, shall, while drafting tenders/RFPs/RFQs/EOI incorporate a clause to meet above obligations.</p>

8. Annual Entrepreneurship Awards

Type of Benefit	Fiscal
Benefit Details	<ul style="list-style-type: none">• All start-up/New Industry/Innovation Projects set up in State will be mapped by the Support Centre every year and success stories highlighted.• Three successful entrepreneurs will be awarded each year with a citation case award of Rs. 1,00,000/-, Rs. 75,000/- and Rs. 50,000/- respectively and a publication on the success stories will be released every year.

9. Self – Certification

Type of Benefit	Fiscal
Benefit Details	<p>Startups shall be allowed to self-certify compliance with labour laws and environment laws and any other statutory/mandatory laws. No inspections by the officers of the Labour Dept., H.P. Pollution Control Board, Drug Dept., Food & Civil Supply Dept. will be done for 3 years without permission of Head of the Department. Startups may be inspected only on receipt of complaint of violation, filed in writing and approved by at least one Senior Level Officer to the inspecting Officer. The format developed by the Ministry of Labour & Employment, GOI for self-declaration are to be used by the start-ups during the first year under the following labour laws: -</p> <ul style="list-style-type: none"> • Industrial Disputes Act, 1947 • The Trade Unions Act, 1926 • The Building and other Constructions Worker (Regulation and Employment and Conditions of Service) Act 1996 • The Industrial Employment (Standing Orders) Act, 1946 • The Inter-State Migrant Workmen (Regulation and employment and conditions of service) Act, 1979 • The Payment of Gratuity Act, 1972 • The Contract Labour (Regulation and Abolition) Act, 1970 • The Employees Provident Funds and Miscellaneous Provisions Act, 1952 • The Employees State Insurance Act, 1948 <p>Start-ups falling in Green & Orange Category Industries to be established in notified Industrial Areas which do not require environment clearance shall be granted consent to establish on self-certification without any prior inspection.</p>
Application Procedure	Self-Declaration shall be submitted by Startups as per the format prescribed by State Government.