

### 3. Startup Himachal FAQ's

#### 3.1 ) What is startup ?

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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 and small scale category in Industry or service sector relating to the focus area like Technology driven innovation in any sectors etc. and in the manufacturing sector in the State after 31-03-2016. Startup also cover innovative projects wherein ideas be generated or is 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.

#### 3.2 ) What is innovations Projects/ New Ideas ?

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Innovation/ idea 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.

#### 3.3 ) What are the Key focus area under the Scheme ?

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The Key focus area under the Scheme is as under:-

1. Technology driven Innovation in any sector
2. Rural infrastructure and facilities, crafts, arts, water and sanitation, renewable energy, healthcare, etc.
3. Clean tech
4. Agriculture, Horticulture and the related areas
5. Food Processing
6. Retail
7. Tourism and Hospitality
8. Mobile, IT and ITes including hardware
9. Biotechnology

#### 3.4 ) Who are eligible to apply under this Scheme ?

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All Start-ups/ new industries/Innovation Projects would be eligible for availing applicable incentives for components covered under this scheme.

#### 3.5 ) How many Incubators setup by Department of Industries ?

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Seven

#### 3.6 ) Have you assigned any focus areas to these Incubators ?

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Generally projects are sponsored to these incubation centres on the basis of expertise available with them for example:-

1. Indian Institute of Technology, Mandi for IT & Core Engineering related project.
2. National Institute of Technology, Hamirpur for Core Engineering projects.
3. Chaudhary Sarwan Kumar, H.P. Krishi Vishv Vidyalaya, Palampur, for Agriculture related project.
4. CSIR-Institute of Himalayan Bioresource Technology, Palampur for Food Processing related project.
5. Deptt. of Biotechnology, H.P.U. Shimla for Biotechnology related projects.
6. Dr. Y.S. Parmar University of Horticulture & Forestry Nauni, Solan for Horticulture & Forest related projects.
7. Jay Pee University of Information Technology, Wakanghat, Solan for IT related projects.

3.7 ) Is there any specific budget provided by the State Government under the Scheme for the year 2017-18 ?

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Yes 5.00 Crore.

3.8 ) Give brief detail of incentives being provided under this Scheme ?

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The incentives under this scheme to the Innovation Projects will be as under:-

1. Rs. 25,000/- per month will be provided to the innovation projects as sustenance allowance for one year whose project is recommended by the Host Institution and approved by the Empowered Committee.
2. Incubation center 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.
3. Marketing/commercialization assistance of maximum of Rs. 10 lakh will be provided to the innovation project to launch its products/services in the market. The assistance will be provided in the following manner:-
  1. It can be given to an innovation project where he has secured funding 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.  
Or
  2. It can be given as matching assistance to reputed incubators established by the Host Institution to fund innovation project as part of accelerator programme as purely/partly grants or soft loan/equity on a case-to-case basis.
4. Patent Filing Cost: The cost of filing and processing of patent application will be reimbursed to the incubated startup companies subject to a limit of Rs. 2 lakh (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 lakh (1 Million) or actual cost incurred, whichever is less would be reimbursed. The reimbursement will be done in 2 stages, i.e., 75% after the patent is filed and the balance 25% after the patent is granted. This incentive shall be routed through the incubator concerned.

3.9 ) What Incentive are being provided to new Industries (Micro & small scale)/ Startup Innovation Projects ?

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Incentives to New Industries/Startups/Innovation Projects

1. The scheme of incentives for startups/new industries/Innovation Projects shall be as under and shall be governed by the Incentive Rules, 2004 and as modified from time to time and incentives admissible under the State/Govt. of India sponsored schemes.

2. 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 ( HPCED)
  3. **Availability of Land:** 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
  4. **Concession in Stamp Duty:** All new Start-up/new industries/Innovation Projects 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
- Other Incentive**
5. **Concession in Fee for obtaining consent from H.P. Pollution Control Board:** 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.
  6. **Interest subvention:** The new startups in Micro sector with an investment up to 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 25 lakh for three years.
  7. **Purchase Preference by Govt. of H.P./ Public Sector undertaking:** 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.
  8. Apart from the incentives listed under this Scheme, startups/innovative projects would also be entitled for various other incentives under the Incentive Rules, 2004 (as amended from time to time).

### 3.10 ) Is there any support centre for implementation of Startup Scheme ?

Yes, Himachal Pradesh Centre Entrepreneurship Development (HPCED) at Udyog Bhawan, Directorate of Industries, Shimla-171001 has been declared as support Centre and the Department of Industries collaborate with HPCED which can provides the following:-

1. The other functions of the support center would be as under:-
  1. The center would prepare a directory of budding entrepreneurs and promising enterprises which have been set up under the PMEGP or funded through various Govt. schemes, Banks, etc. and share their success stories with new entrepreneurs.
  2. Providing hand-holding support to potential entrepreneurs and startups to collaborate with the center and State Govt., Bank, Consultants etc. wherever required.
  3. To assist startups through their life cycle with focus on providing training, preparation of feasibility report, obtaining finance, business structuring, purchase of raw material and marketing support.
  4. Organizing Mentorship programs in collaboration with Govt. Organizations, Incubation Centers, Educational Institutions and Private Organizations.
  5. To recommend cases to incubators as per the areas of interest shown by the potential entrepreneur.
2. The HPCED may hire/empanel individual Consultants/ agencies with the prior approval of the Empowered Committee to hold seminars and workshops in the IIT, IIM, Technology Centre, Universities and other technical institutions in the state to publicize the scheme and identify suitable beneficiaries or potential entrepreneurs. The cost norms for such workshops shall be performance based, parameters of which will be got approved by the HPCED from the EC.
3. HPCED would be the friend, Mentor and guide to hold the hands of potential entrepreneurs and walk with them throughout their Journey. The support center can also rope in industrial organizational

- partners/institutions such as CII, PHDCCI, ASSOCHAM, FICCI, MSME institutions, etc. to expose; orient and support the startups and new industries/entrepreneurs to take up commercial production.
4. A programme would be chalked out by HPCED to send selected startups, college and school students, faculty etc., with the approval of EC to leading startup destinations in the country and abroad for getting exposure as well as an opportunity to meet and converse with industry leaders, thinkers and innovators. Provision shall be made to ensure 1/3rd representation of women entrepreneurs, Students and teachers etc.
  5. The HPCED would be provided need based grant starting with Rs. 1.00 crore per annum to perform the role assigned to it under the Scheme, to reimburse the cost of the institutions, and to meet out expenses towards trainings, exposure visits, handholding, etc.

### 3.11 ) Is there any budget allotted under Interest Subvention ?

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Yes 60.00 Lakh for the year 2017-18.

### 3.12 ) Who are the key person to contact for providing more information under this Scheme ?

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General ManagerS Districts Industries Centres of concerned Districts and Dy. Director of Industries (Incentive), Himachal Pradesh at Headquarter Shimla.