Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade

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STATES' STARTUP RANKING 2022
BEST PERFORMER

HIMACHAL PRADESH

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States' Startup Ranking 2022 Results

Himachal Pradesh participated in all 7 Reform Areas and 25 Action Points of the Ranking Framework 2022. Himachal Pradesh's performance in each of the Reform Area has been graphically represented. Data presented below is the percentile score, which is the relative performance of the State in each Reform Area as compared to other participating States/ UTs.

For example, if Himachal Pradesh has a score of 100th percentile in the 'Institutional Support' Reform Area, this implies that the State has scored higher than all the participating States/ UTs in that Reform Area.

Himachal Pradesh has been evaluated on seven Reform Areas that have a significant contribution towards propelling the startup ecosystem in the State. Detailed analysis with insights into the initiatives taken by the State to promote its startup ecosystem are discussed in the subsequent sections.

100th	100th	71st	100th
Institutional Support	Fostering Innovation and Entrepreneurship	Access to Market	Incubation & Mentorship Support

75th	100th	0th
Funding Support	Capacity Building of Enablers	Roadmap to a Sustainable Future

STATE STARTUP ECOSYSTEM

Introduction

Himachal Pradesh, situated in the northern part of India, covers an area of about **55,670** square kilometres and is home to a population exceeding six million people. The State's primary economic driver is agriculture, with a notable focus on fruit production.

Himachal Pradesh's economy has been gradually diversifying beyond agriculture, with a growing focus on tourism, hydropower, and small-scale industries. In recent years, Himachal Pradesh has also been proactive in promoting the State Startup ecosystem. The State Government has introduced policies to support entrepreneurship and innovation, further enhancing economic opportunities in the State.

Himachal Pradesh is working hard to boost its Startup scene through the "Chief Minister's Startup/ Innovation Projects/ New Industries Scheme." This plan aims to encourage young people to become entrepreneurs instead of job seekers. The plan offers various types of support to Startups, including setting up special places for them to grow and learn (incubation centres) in the States' educational institutions. The main goal is to create jobs, help startups and support new ideas.

The State is also focussing on innovation in other areas like technology, agriculture, and tourism. It is taking initiatives for Startups to get going, from simplifying paperwork to providing help and advice. The Himachal Pradesh Centre for Entrepreneurship Development (HPCED) is there to assist new businesses guiding them along the way, making it easier for people to start and run their own companies.

State Startup Policies and Incentives

Himachal Pradesh has a growing Startup ecosystem, supported by the "Chief Minister's Startup/ Innovation Projects/ New Industries Scheme". Key objectives of this Scheme are as follows:

- **Self-employment or employment generation and income generation**

- **Promotion of new ideas, products, and processes suitable for commercialisation through Startups**

- **Establishment of Incubation Centres in the State**

- **Handholding new enterprises and entrepreneurs**

- **Assistance in gaining knowledge, expertise, and support from various schemes implemented by the State, Central Government, and other institutions**

- **Facilitation and promotion of innovation**

- **Support for Startups and Innovation Projects**

- **Creation of incubation space**

- **Facilitation of adequate investment for Startups**

- **Facilitation of venture capital funding**

- **Promotion of Human Capital development**

- **Promotion of Industrial development in the State**

The State offers various Incentives to the Startups to achieve the aim of the scheme, some of which are as follows.

A. Support to Innovation Projects:

- Monthly sustenance allowance for one year for approved innovation projects

- Marketing and commercialisation assistance for product or service launch

- Reimbursement of patent filing and processing costs

- Special reimbursement for awarded foreign patents on a single subject matter

B. Support to Incubators:

- Financial assistance for three years to the selected institutions for setting up the incubator and other activities

- Annual financial support for projects for Training and Capacity Building for Faculty and students

- Opportunity to visit National or International Startup destinations

- No lease rent or reimbursement of rent

- Reimbursement of Stamp Duty and Registration Fee

C. Incentives to New Industries/ Startups/ Innovation Projects:

- Concession in Fee for obtaining consent from Himachal Pradesh Pollution Control Board

- Concession in Stamp Duty

- Land Availability at a concessional rate

- Feasibility Study or Project Report Grant

Highlights of State Startup Ecosystem

Himachal Pradesh is making huge strides in leading the growth of Startup ecosystem and culture. Following is a glimpse of the stats claimed by the State in the SRF 2022:

200+
Startups Recognised

25+
Incubators trained under capacity building initiatives

10+
Incubation Centres across 12 districts of the State

INR 10+ Cr
Seed fund budget

130+
Startups with Rural Impact supported

30+
Startups with Rural Impact supported

35+
Women- led Startups provided with incentives

8+
State polices (including two polices on circular economy)

5+
Capacity building programs for State Government officials

50+
Startups got an opportunity for market access

100+
Startup provided with Funding support of INR 2+ Cr

10+
Sensitisation programs for investors

Key Initiatives Driving Growth

The Himachal Pradesh State Government has implemented a range of key policies measures to nurture its Startup ecosystem, transforming it into a thriving hub for emerging businesses.

Key focus areas of State Government to develop Startup ecosystem are:

- Technology-driven innovation in any sector

- Rural infrastructure and facilities, crafts, arts, water, and sanitation, renewable energy, healthcare and CLEAN TECHNOLOGY

- Clean technology (Clean Tech)

- Agriculture, Horticulture, and related areas

- Food Processing

- Retail

- Tourism and Hospitality

- Mobile, IT, and IT enabled services (ITeS), including Hardware

- Biotechnology

Some of the notable policy initiatives include:

- The State Government has established the Himachal Pradesh Centre for Entrepreneurship Development (HPCED), which serves as a support center for Startups in the State. HPCED assists Startups throughout their life cycle with focus on providing training, preparation of feasibility report, obtaining finance, business structuring, purchase of raw material and marketing support.It also organises Mentorship programs in collaboration with State Government Organisations, Incubation Centres, Educational Institutions and Private Organisations.

- Handholding support to potential entrepreneurs and Startups in collaboration with the Centre and State Government, Bank, Consultants and others wherever required.

- The State Government encourages Host Institutes (HIs), including well-known technology (IIT, NIT, etc.), management (IIM, etc.), and R&D institutes, as well as other institutions (universities) that have existed for at least **5** years, to set up Incubation Centres in the State.

- The Incubators, Innovation Centres, Research Parks, and Biotechnology Centres established by the Government of India under the Startup India program are being integrated into the scheme by the State Government

- The concerned departments issue provisional registration within **15** days of document submission for Ease of Doing Business

- Self-certification approach reduces the regulatory burden on Startups, allowing them to self-certify compliance with labour laws, environmental laws, and other statutory or mandatory regulations.

- No inspections by the officers of the Labour Department, H.P. Pollution Control Board, Drug Department, Food & Civil Supply Department are done for three years without the permission of Head of the Department.

- Startups categorised as Green and Orange Industries and planning to establish themselves in designated Industrial Areas, which do not necessitate environmental clearance, are granted permission to set up their operations through self-certification without the need for prior inspections.

Institutional Support

Introduction

Institutional Support focuses on the facilitation and execution of the State/UT's Startup policy through a comprehensive user-friendly portal and specific incentives provided by various Government stakeholders. This Reform Area focuses on paving way for easy access of information to Startups and ecosystem stakeholders.

It analyses whether a particular State/UT has a functional Startup portal offering single-window solutions for all Startup ecosystem stakeholders. A holistic Startup portal offers services ranging from Startup registration to an efficient grievance redressal mechanism having quick 30 days of query resolution.

The Reform Area also emphasises institutionalised support provided to the Startups from various State/UT Government departments including through Government policies that are currently active for support to Startups.

Himachal Pradesh have also an informative Startup portal and covers the relevant information on State Startup ecosystem to cater State Startups. Query Portal for addressing the issues and grievances of the Startups has been also integrated to State Startup Portal having average resolution period of 14 days. The performance of the State in the Reform Area of Institutional support has been highlighted in the section below.

State Performance

Himachal Pradesh Government has a dedicated Startup portal 'Startup Himachal' **(https://Startuphimachal.hp.gov.in/)**. It has all details relevant to startup ecosystem, ranging from Startup registration to the directives, incentives, and connecting with mentors facilitating easy information access to the State Startups.
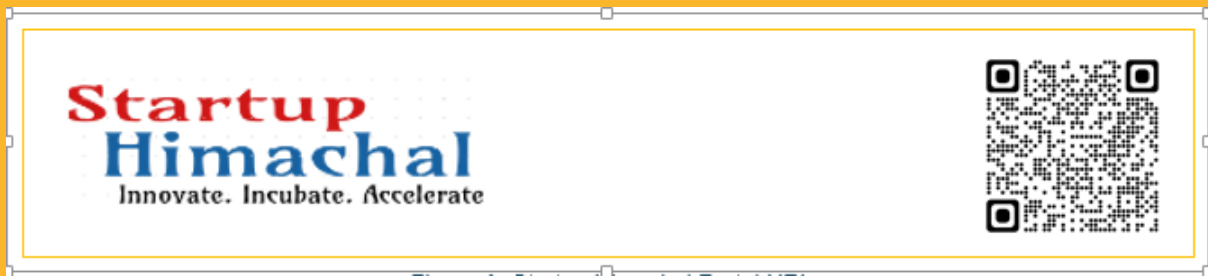
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[3]https://apis.ap.gov.in/#/
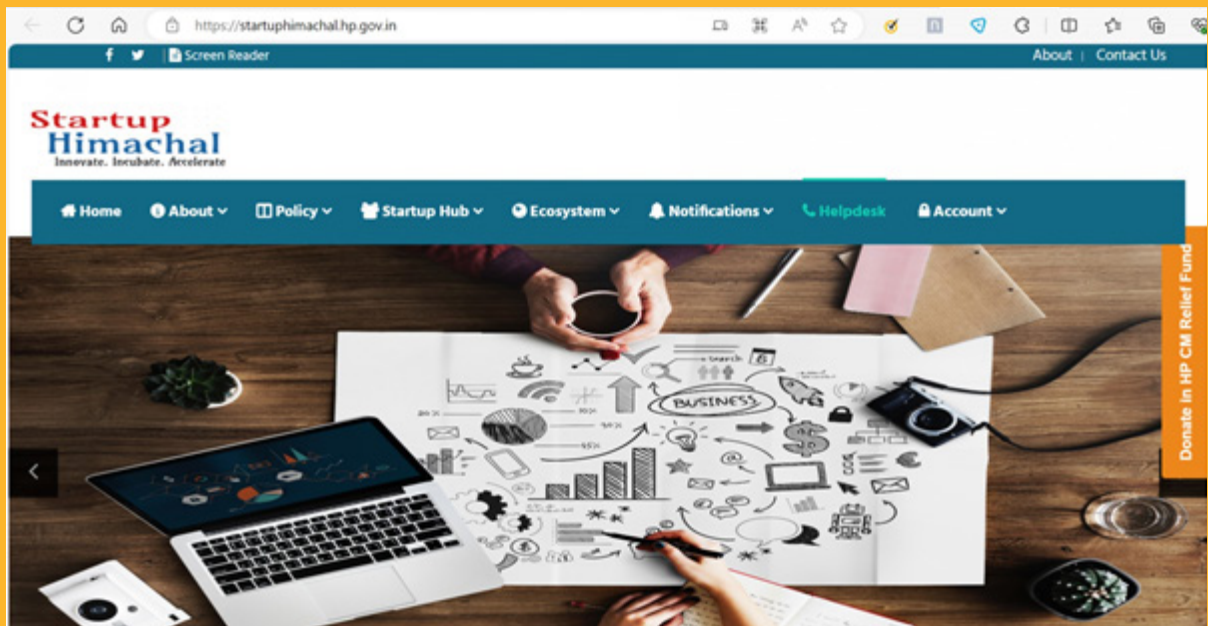
Figure A: Startup Himachal Portal URL

Figure B: Startup Himachal portal webpage

A separate webpage for submission of queries or grievances on various topics such as incentives, plot allotment and others are also made available by the State. The queries or grievances are being resolved with an average resolution time of **14** days by the State.
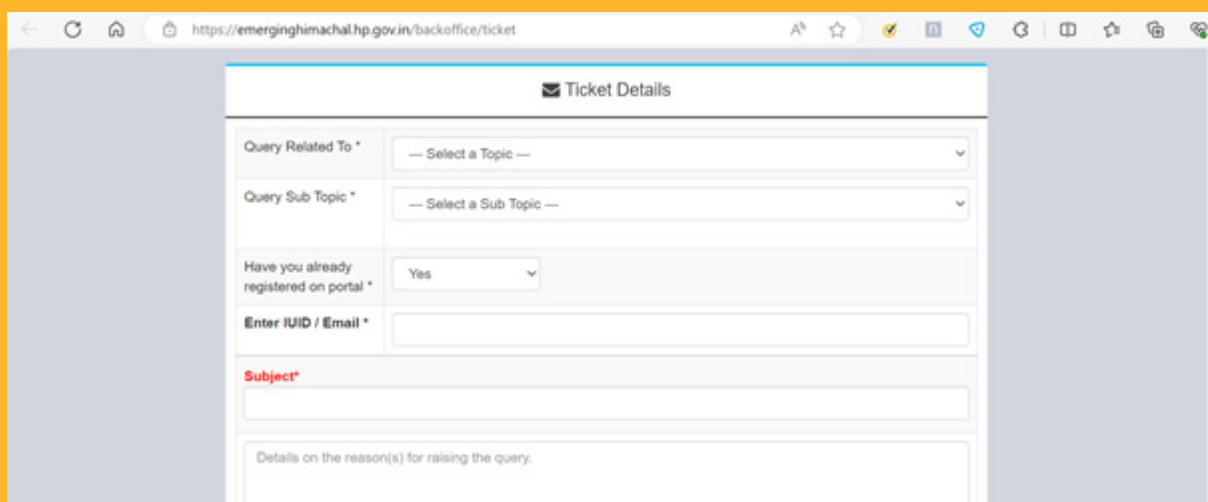

Figure C: Query or Grievance redressal form on Startup Himachal

State Startup policy covers initiatives in providing financial assistance, mentorship programs, infrastructure development, and efforts to streamline regulatory processes. Apart from these initiatives, there are close to five other State Government departments that are providing institutional support to the State Startups.

Startup Himachal provides easy access to information such as –

1. **Details of State level approvals & clearances for Startup registration**

2. **Details of Nodal Department, State Nodal Officer, and Dedicated team for Startups**

3. **Details of Dedicated Helpline or call centre number on Startup Portal**

4. **List of Incubators and Accelerators with contact details**

5. **List of Mentors**

6. **Details of Public Procurement relaxation for Startup on Portal**

7. **Details of availing Funding Support**

8. **Details of departments providing institutional support to Startups**

9. **Details of marketing, outreach, events, webinars on State**

10. **Virtual Tour or Demo of portal**

11. **The portal is also accessible to Persons with Disabilities (PwD)**

12. **Website language translation and accessibility in local or official language**

Way Forward

1. **State may provide clear definition of Startups which qualify as working in the field of sustainability, renewable energy, climate change and circular economy may be established as an amendment to the Startup policy.**

2. **State may provide informative virtual tour, walk through or video manuals on home page specific to Startup portal for proper information dissemination.**

3. **State may provide maximum functionality for accessibility to PwD on portal and multiple language support for easy understanding of local people.**

4. **The functionality of Chatbot for Query/ Grievance resolution could be included on Grievance portal for quick resolution on basic queries or Grievances further reducing TAT of resolution.**

5. **More number of State Government departments (excluding nodal department) may be added for providing institutional support to Startups. Other avenues such as periodically capacity building support, mentorship or public procurement support may be provided to further strengthening the Startup ecosystem.**

6. **Specific departments of the State may come up with Startup or incubator related incentives and relaxations to support the Startup ecosystem.**

Fostering Innovation & Entrepreneurship

Introduction

Fostering Innovation and Entrepreneurship, as the name of the Reform Area suggests, seeks to encourage the spirit of innovation among aspiring entrepreneurs with a focus on student entrepreneurs, entrepreneurs from Higher Education Institutions (HEIs) and women entrepreneurs. It focuses not only on the assessment of the total number of registered Startups in each State, which is a direct result of the State support but also on the regulatory reforms undertaken to support Startups in diverse sectors.

This Reform Area assesses the extent to which HEIs have been engaged in providing support to student entrepreneurs. It also highlights the value of innovation and entrepreneurship be it students or women. Furthermore, special focus has been drawn towards women-led Startups with specially tailored incentives and schemes to ensure equitable implementation.

Himachal Pradesh has **200+** registered Startups. With **30+** events, State has actively engaged students from schools and HEIs during the period of consideration. These programs include workshops & bootcamps focused on innovation and entrepreneurship development.

State Performance

Himachal Pradesh through its policies and programmes initiatives, has been encouraging entrepreneurship awareness among Students. State has conducted more than **20** programs in Higher Educational Institutions and 10+ programs to promote entrepreneurial spirit and support student.

Figure D: Workshops undertaken for School students by Himachal Pradesh Government

Figure E: Workshops undertaken for HEI students by Himachal Pradesh Government

With special emphasis on women-led Startups, State has a notified document that covers incentives for women Startup with clear definition of women entrepreneur. State Government has provided funding support to ~40 women-led Startups that comes from 12 districts of the State.

Way Forward

1. UT may focus on designing knowledge support and outreach programs to disseminate the benefits of registering Startups, thereby encouraging entrepreneurs to do the same

2. The Startups and the students from HEIs could be included in workshops with case studies on the latest rules, regulations, and acts to support the Startups in disruptive sectors and the effect of these rules on the ecosystem. Government departments could also be part of these workshops for effective knowledge dissemination.

3. The State may further reserve a specific quota for women-led Startups in terms of funding grants and incubation support.

Access to Market

Introduction

This Reform Area seeks to encourage State Governments to ease participation in the public procurement process for Startups and become an enabler in connecting Startups with private stakeholders. The States are evaluated based on the support provided by them to Startups through the organisation of showcase opportunities such as Demo-Days, Buyer-Seller Meets, National and International Events, and relaxation in rules for Government work orders.

The aim is to steadily increase the number of work orders awarded to Startups by helping them be at par with the established players in their respective sectors.

The Government of Himachal Pradesh to encourage Startups to participate in the public procurement has also provisioned exemptions in procurement process. Himachal Pradesh Government also has been actively organising events that showcase opportunities for Startups in the State.

State Performance

The Government of Himachal has notified guidelines for Public Procurement where relaxation is given to the State Startups in prior experience, prior turnover and Earnest Money Deposit (EMD) encouraging Startups to participate in the public procurement process.

The State has provided market access and showcase opportunities to 50+ Startups and have been taking initiatives such as pitching sessions, webinars, grand challenges, and hackathons providing platform to the State Startups for accessing the market. Along with this, State has awarded work order of INR 30+ Lakhs to the State Startups.

Figure F: Startup Wars event Snapshot

Way Forward

1. **The State may provide the relaxations in a separate circular enlisting the relaxations for the category of Startups who can receive it.**

2. **The State may also specifically specify the percentage of each relaxation they are providing in the State.**

3. **The State Administration may undertake programs to connect Startups to Government departments as well to present case-wise solutions to the departments and promote procurement activities by them. These programs could be GeM workshops, Demo Days, Grand Challenges, Hackathons, Innovation Zones, Buyer-Seller meets, and corporate innovation programs. The informational programs conducted could be streamed on the Startup portal and online streaming platforms for wider reach.**

Incubation and Mentorship Support

Introduction

Incubation and Mentorship support is provided to States in the form of financial and infrastructural support to Startups and State-supported incubators. The State Governments are initiating the setting up of new incubators or upgrading existing incubator facilities through various fiscal and non-fiscal incentives along with conduction of acceleration programs across the State/ UT. This Reform Area also aims at ensuring proportionate utilisation of the incubation capacity of the State-supported incubators.

The support provided by the State to the incubators through programs and incentives will in turn help Startups in scaling up and thereby, contribute to the growth of the State Startup ecosystem. The Reform Area measures efforts by the State Government in facilitating mentorship to Startups. This has been assessed by the number of Startups benefitting from the States' network of mentors.

For easy access and support, the "Ecosystem" tab on the Startup Himachal portal provides Startups a platform to connect with incubators, innovators and mentors.

State Performance

Himachal State have been continuously supporting State Incubators and encouraging them with funding support to augment the infrastructure. **10+** Incubators with registered Startups are available in the State and have provided incubation support to **65+** Startups. State has **~60** mentors from varied sectors for providing mentorship support. The details of these incubators and mentors with contact details have been provided by the State for easy access to State Startups
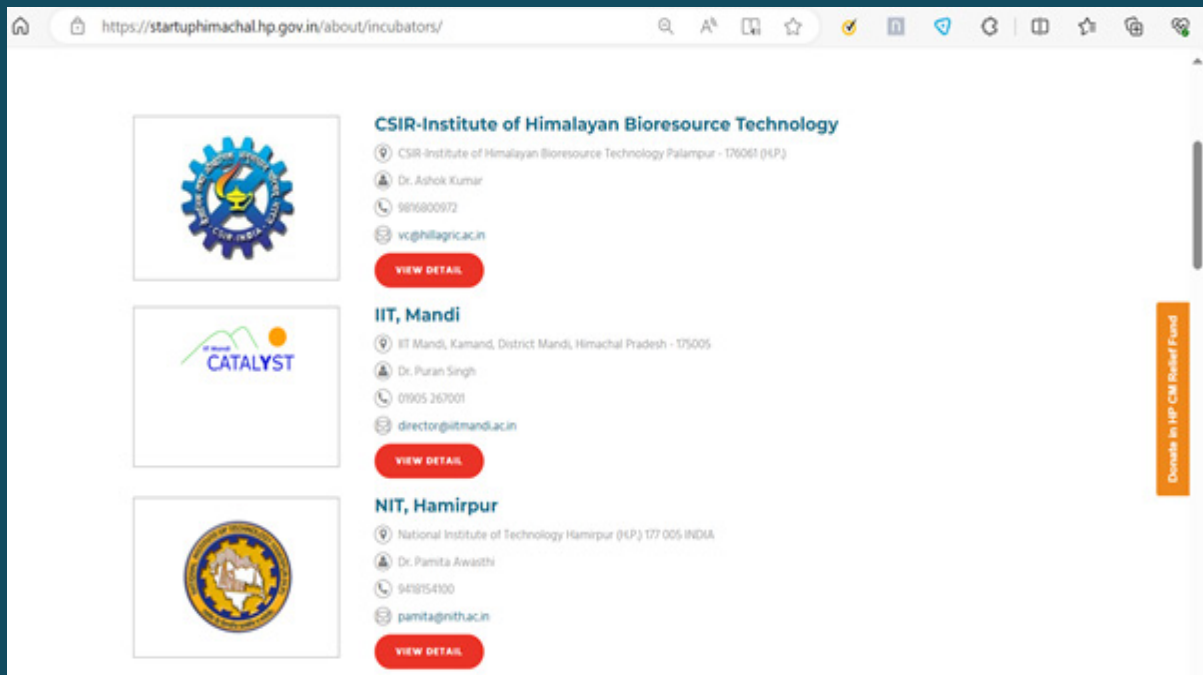
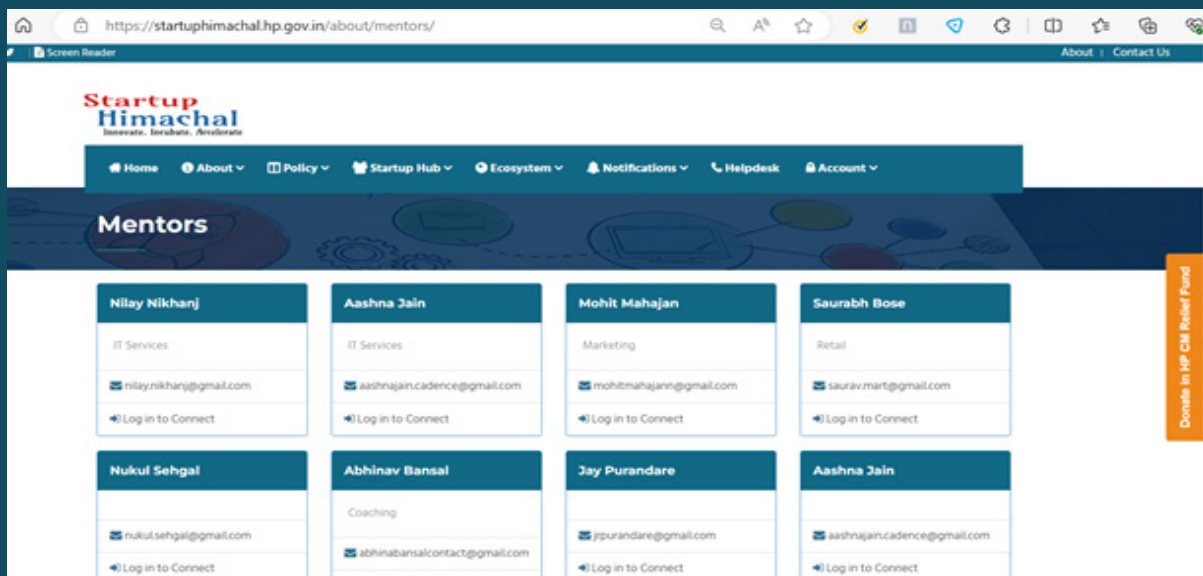Figure G: Webpage of List of State supported Incubators

Figure H: Webpage of List of Mentors

Way Forward

1. State may continue in this direction by increasing the reach of the existing programs, as per its Startup Policy which highlights regional diversity.

2. The State may further expand the mentorship network to include experts from the relevant sectors, including industry experts, corporates with experience in the required field, people from the financial sector with funding experience, and successful entrepreneurs.

3. **The State may further look to engage and connect with mentors at the national and international levels. The option for virtual mentorship through video calls could be explored.**

4. **The State may categorise registered mentors for Startups to gain sector-specific guidance as the number of mentors grows.**

Funding Support

Introduction

All Startups require timely availability of funding for their growth. This Reform Area encourages various State Governments to establish either new Seed or Venture funds or Fund of Funds for Startups or continue supporting the existing ones. It also focuses on the access to these funds established by the State Government.

A special emphasis has been given to State-supported initiatives and programs to mobilise the private investments into the Startup ecosystem by connecting Startups with investors such as workshops, networking events and pitching sessions.

Government of Himachal Pradesh support State Startups with multiple Funding options. State has funding provisions through seed funds, venture funds as well as through policies, schemes and grants.

State Performance

Himachal Pradesh Government has created a Venture fund or Seed fund of INR 10 Crore under "HIM Startup Yojana (HIMSUP)". Under this scheme seed funding of up to INR 50 Lakhs for Startups has been provisioned. The funding is meant to enable the youth, existing and potential entrepreneurs of Himachal Pradesh to start their own enterprises.

The State has provided funding support to **100+** Startups with total fund of more than Two crore rupees during the period of consideration.

State has also been conducting programs to sensitise potential investors, facilitating approximately **15+** institutional investors to connect with **20+** State Startups.

Way Forward

1. **The State may develop an online mechanism for the disbursement of funds which captures the details of all transactions of the Fund.**

2. **The State may present the Details of the Funds on the Startup portal with the eligibility conditions along the option of Startups applying for the Fund.**

3. **State may organise events, conferences dedicated to Funding with discussions on Funding Opportunities, Processes.**

Capacity Building of Enablers

Introduction

Capacity building of key stakeholders and enablers is essential for driving the growth of the entire Startup ecosystem. It is vital to provide necessary information to the key ecosystem facilitators to enable Startups with the opportunity to contribute to Government initiatives.

This Reform Area assesses sensitisation workshops, programs conducted for Government officials, and workshops conducted to train State-supported incubators. It also focuses on the capacity development of potential private investors to encourage local private investments.

The Himachal Pradesh Government has conducted capacity building training to make the State Government officials and incubator managers well equipped through trainings relevant to support State Startup ecosystem. Some of the topics covered are Intellectual Property Rights (IPR), Novelty, Inventive Aspects, Industrial Applications and others.

State Performance

Himachal Pradesh has conducted **5+** workshops during the evaluation period to sensitise officials of State Government departments on Startup ecosystem. More than **60** State Government officials representing **15+** State Government departments participated across the **5+** workshops on Startup ecosystem of India.

5+
Sensitisation workshops for Government officials

60+
Government officials sensitised on Startup ecosystem

State Government has trained **10+** State supported incubators and **10+** potential investors through various programs.

Figure I: Snapshot of Incubator training program

Way Forward

1. The State Government may hold quarterly sensitization workshops for various Government departments and officials to encourage them to interact with Startups to understand their concerns.

2. The State may conduct monthly virtual programs spread across various districts to sensitise potential investors on investment in Startups.

3. The State may document the details of the workshops and programs conducted in terms of the record of discussion and detailed participation records of the stakeholders

Roadmap to a Sustainable Future

Introduction

Roadmap to a Sustainable Future seeks to encourage the spirit of innovation in rural Startups, and at the same time focus on sectors like renewable energy, sustainability, and climate change with an emphasis given to Startups working on Circular Economy.

The aim is to steadily increase the number of Startups working in the space of renewable energy and sustainability and follow India's direction of attaining a more inclusive and greener world.

Government of Himachal Pradesh the role of Startups focused on sectors like renewable energy, sustainability, and climate change in shaping the future of the State. For this, State has introduced State policies and is providing support to these Startups.

State Performance

State has supported more than **30** rural Startups having innovation in their products or services. **10+** Startups focused on renewable energy and climate change and sustainability were also supported by the State Government.

The State also has two active policies working in Circular Economy:

- **Himachal Pradesh State Construction and Demolition Waste Policy and Strategy**
- **Science Technology & Innovation Policy 2021**

Way Forward

1. **State may develop specific incentives for the Startups working in the field of sustainability, renewable energy, climate change and circular economy and consider amending any existing policy or incentive for Startups in the State to support these Startups.**

2. **State may provide clear definition of Startups which qualify as working in the field of sustainability, renewable energy, climate change and circular economy may be established as an amendment to the Startup policy.**

Annexure

List of figures

Abbreviations

HPCED: Himachal Pradesh Centre for Entrepreneurship Development

IIT: Indian Institute of Technology

NIT: National Institute of Technology

IIM: Indian Institute of Management

PwD: Persons with Disabilities

TAT: Turn Around Time

GeM: Government e-Marketplace

EMD: Earnest Money Deposit

HEI: Higher Education Institutions

HIMSUP: Himachal Pradesh Startup Yojana

ITeS: Information Technology enabled Services

IPR: Intellectual Property Rights

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