

CHANDIGARH STARTUP POLICY 2025

Department of Industries

Chandigarh Administration

Gulab Chand Kataria
Governor of Punjab
and
Administrator
Union Territory, Chandigarh

सत्यमेव जयते

Raj Bhavan, Punjab
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संदेश

चंडीगढ़ हमेशा से प्रगति, नियोजन और आधुनिकता का प्रतीक रहा है। चंडीगढ़ स्टार्टअप पॉलिसी 2025 एक दूरदर्शी पहल है, जिसका उद्देश्य हमारे युवाओं और नवप्रवर्तकों की अपार क्षमताओं को एक सशक्त, आत्मनिर्भर स्टार्टअप पारिस्थितिकी तंत्र के निर्माण की दिशा में अग्रसर करना है।

यह नीति न केवल नवोदित उद्यमियों को वित्तीय सहायता, मार्गदर्शन और आवश्यक बुनियादी ढांचा प्रदान करेगी, बल्कि रचनात्मकता, धैर्य और तकनीकी नवाचार की संस्कृति को भी प्रोत्साहित करेगी। नवाचार–आधारित उद्यमों को बढ़ावा देकर, हमारा लक्ष्य चंडीगढ़ को ऐसे अग्रणी स्टार्टअप हब के रूप में स्थापित करना है, जो राष्ट्रीय विकास और वैश्विक प्रतिस्पर्धा में सार्थक योगदान दे सके।

मैं सभी हितधारकों से आग्रह करता हूँ कि वे इस दूरदर्शी लक्ष्य को साकार करने के लिए एकजुट हों और इस क्षेत्र में कार्य करने वाले प्रत्येक उद्यमी की सफलता की कामना करता हूँ।

(गुलाब चंद कटारिया)
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Message from the Chief Secretary, Chandigarh Administration



The Chandigarh Startup Policy 2025 is a transformative step towards positioning the city as a hub for entrepreneurship and economic development. A thriving startup ecosystem is essential for generating employment, driving innovation, and boosting industrial growth. This policy is designed to facilitate ease of doing business and to provide startups with access to essential resources, mentorship, and financial incentives. Our long-term vision is to make Chandigarh a preferred destination for high-growth industries such as technology, healthcare, and sustainable solutions. I urge the startup community, industry leaders, and academic institutions to collaborate in realizing this ambitious goal.

Rajeev Verma, IAS, Chief Secretary
Chandigarh Administration

Message from the Secretary, Industries, Chandigarh Administration



Entrepreneurship is the cornerstone of economic resilience, and the Chandigarh Startup Policy 2025 provides a strategic framework to nurture new ventures from ideation to expansion. The policy emphasizes the importance of fostering linkages between startups, established industries, and research institutions to create an environment conducive to sustainable business growth. With targeted initiatives such as incubation centres, venture funding, and skill development programs, we are committed to equipping entrepreneurs with the tools they need to succeed. Our goal is to create a startup-friendly ecosystem where Chandigarh-based ventures can scale rapidly and contribute to the local and national economy.

Nishant Kumar Yadav, IAS, Secretary
Department of Industries, Chandigarh Administration

Message from the Director, Industries, Chandigarh Administration



The Chandigarh Startup Policy 2025 is an initiative aimed at making the city a fertile ground for entrepreneurial success. By providing structured support in the form of funding, mentorship, co-working spaces, and incubation, we are laying the foundation for a robust and innovative business environment. A key focus of this policy is to encourage startups in emerging sectors. We are confident that with the right support, Chandigarh-based startups will not only thrive locally but also establish themselves on the global stage. I invite all aspiring entrepreneurs to make the most of this policy and turn their ideas into impactful enterprises.

Paviter Singh, PCS, Director
Department of Industries, Chandigarh Administration

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Preamble

Chandigarh, a Union Territory and a symbol of modern urban planning, offers a unique platform for fostering entrepreneurship and innovation. With its well-established Higher Education Institutions, robust infrastructure, well-connected geographic position offering regional connectivity and access to major markets and a culture that encourages creativity and collaboration, Chandigarh is well-positioned to become a dynamic hub for startups.

The Chandigarh Startup Policy 2025, hereinafter referred to as "the Policy" seeks to build on the city's inherent strengths by creating an enabling environment that promotes ease of doing business and supports innovation-led growth. It outlines a comprehensive framework to nurture startups across various stages of their journey — from ideation to commercialisation — through targeted incentives, infrastructural support, and institutional collaboration.

Aligned with the objectives of the **Startup India** initiative launched by the **Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India**, this Policy aims to strengthen the local startup ecosystem, catalyse economic development, and position Chandigarh as a prominent player in India's innovation landscape.

Definitions

i. Accelerator

An accelerator is a structured program, typically spanning 3 to 4 months, designed to support startups in their early traction and scaling phases. It provides an intensive, rapid, and immersive learning experience aimed at expediting the growth and market readiness of startups through mentorship, networking, and capacity-building initiatives

ii. Business Service Provider (BSP)

Business Service Providers (also referred to as Resource Partners) are specialized firms or organizations that offer consultancy and support services to startups in key domains such as legal compliance, financial management, technology solutions, intellectual property (IP), marketing, human resources (HR), laboratory services, testing, certification, and other essential business functions. These providers play a crucial role in facilitating the growth and operational efficiency of startups.

iii. Co-working Space

A co-working space is a shared, professionally designed workplace that accommodates individuals and teams from different organizations within a common office environment. These spaces typically offer plug-and-play workstations, shared office infrastructure, high-speed internet connectivity, meeting rooms, and other essential business amenities, fostering collaboration, flexibility, and operational efficiency.

iv. DPIIT

The Department for Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce & Industry, Government of India is responsible for the 'Startup India' initiative, and for formulating promotional measures for the growth of the industrial sector in line with national priorities and socio-economic objectives.

v. Graduated Startup

A startup that has successfully completed at least one year of incubation, either before or after the policy notification.

vi. Higher Education Institutions (HEI)

Higher Education is defined as the education, which is obtained after completing 12 years of schooling or equivalent and is of the duration of at least nine months (full time) or after completing 10 years of schooling and is of the duration of at least 3 years. The education may be of the nature of General, Vocational, Professional or Technical Education.

An institution offering Higher Education is known as a Higher Education Institution (HEI)

- University/ University Level Institutions: A university established or incorporated by or under a Central Act, a Provincial Act or State Act and includes any such institution as may, in consultation with the University concerned, be recognized by the University Grants Commission (UGC).
- Colleges/ Institutions affiliated or recognized with a University: These are institutions that can run degree programs but are not

empowered to provide degrees on their own and necessarily have to be attached to some University/ University/ equivalent institution to award degrees.

- Stand-alone Institutions not affiliated/ recognized with the University Institutions outside the purview of the University and college. Such institutions generally run Diploma/ PG Diploma level programmes for which they require recognition from one or other Statutory Bodies like All India Council for Technical Education (AICTE)

A Government HEI refers to any HEI established or incorporated under a Central Act or a State Act.

vii. Incubator

A registered entity under relevant legal frameworks (Societies Registration Act, 1860; Companies Act, 1956/2013; Limited Liability Partnership Act, 2008) operating in U.T. Chandigarh or within a 100 km radius. Typically associated with Higher Education Institutions (HEIs), an incubator provides startups with infrastructure, mentorship, funding, business services, and networking opportunities. It must have a full-time CEO or equivalent, with expertise in business development and entrepreneurship, supported by a team handling finance, legal, and human resource functions.

viii. Incubated Startup

A startup formally registered under an incubator.

ix. Investor Network

A collective of investors pooling financial and strategic resources to provide capital to startups.

x. Market Access Expert

A professional with over 12 years of experience in market entry strategies, pricing, reimbursement models, and stakeholder engagement, providing startups with critical insights to navigate policies and successfully enter new markets. The expert must possess strong analytical, research, and communication skills.

xi. Parent Incubator

A recognized incubator that has undertaken to support startups through the application process, mentorship, and other necessary assistance.

xii. Policy

Policy means the Chandigarh Startup Policy 2025.

xiii. Policy Period

Policy Period means the period of five (05) years from date of notification of the Policy.

xiv. Recognised Incubator

The incubator officially recognized by the Chandigarh Administration under the policy.

xv. Startup Domain Expert

A seasoned professional with over 15 years of experience in the startup ecosystem, possessing specialized expertise essential for market analysis, solution development, and business strategy. The expert must have prior experience in Investment Advisory Firms, Asset Management Firms,

Angel Investment Firms, Venture Capital Firms, Incubators, or similar domains.

xvi. Startup Ecosystem

A dynamic network of stakeholders, including startups, investors, mentors, incubators, accelerators, HEIs, government bodies, and other relevant organizations, facilitating innovation and entrepreneurship.

xvii. Startup Finance Expert

A qualified professional with over 12 years of expertise in startup financing, including fundraising, financial planning, and investment strategies. The expert must have experience in Investment Advisory Firms, Asset Management Firms, Angel Investment Firms, Venture Capital Firms, Non-Banking Financial Corporations (NBFCs), or similar fields.

xviii. Start-In Chandigarh Portal:

The portal as determined by the Nodal Department from time to time

xix. Stages of Startup:

a. Formation Stage

i. **Ideation Stage:** This is a foundational phase in the startup lifecycle where an individual or a group conceptualizes a business idea and a feasibility analysis of the business idea is performed to evaluate the viability, potential challenges and chances of success/failure of the concept

b. Validation Stage

i. **Prototyping Stage:** This stage, also referred to as the Seed Stage, marks the transition of a startup concept into a tangible product, process, or service. At this stage, the initial version is

developed with limited production and delivery capacity, allowing for market validation and subsequent scaling based on demand and success.

ii. **Commercialization Stage:** The Early Growth Stage, also known as the Commercialization Stage, is a critical phase in the startup lifecycle wherein the developed prototype undergoes testing to align with the identified Product-Market Fit. During this stage, startups focus on refining their Go-to-Market strategy to establish a sustainable market presence and scale operations.

xx. Startup

Any Private Limited Company (as per the Companies Act, 2013) or a Registered Partnership Firm (under the Partnership Act, 1932) or a Limited Liability Partnership (under the Limited Liability Partnership Act, 2008) registered or incorporated in the U.T. Chandigarh or having it registration in the GST Commissionerate, Chandigarh Administration and recognised under the Startup India initiative by the DPIIT shall be eligible to be recognised as a 'Startup' under the Policy.

Any changes/ modifications made by the GoI regarding the definition of 'Startup' shall be applicable under the Policy also apply to the Chandigarh Administration.

The Startup shall, along with meeting the above-mentioned criteria, adhere to the conditions as mentioned in the Annexure II of the Policy to be eligible to apply for the benefits under the Policy.

xxi. Startup Cell:

The Startup Cell shall be established at the Department of Industries, U.T. Chandigarh for end-to-end execution of the Policy. The Startup Cell shall perform all the functions as mentioned in the Policy.

xxii. Technology Expert

A qualified professional with over 12 years of experience with extensive knowledge and expertise in diverse technological domains, with the capability to evaluate technical feasibility, innovation potential, and scalability of startup business cases. The expert must possess a broad understanding of multiple technological disciplines to assess startups across various sectors objectively.

xxiii. Transgender-led Startup

A startup founded or co-founded by a transgender individual (minimum age: 18) who serves as Chairperson, Managing Director, or CEO, maintaining this role until the release of all three grant tranches.

xxiv. Women-led Startup

A startup founded or co-founded by a woman (minimum age: 18) who serves as Chairperson, Managing Director, or CEO, maintaining this role until the release of all three grant tranches.

ABBREVIATIONS

Abbreviations	Full Form
ASSOCHAM	The Associated Chambers of Commerce & Industry of India
CII	Confederation of Indian Industry
CRIKC	Chandigarh Region Innovation and Knowledge Cluster
GoI	Government of India
HPC	High Powered Committee
IIM	Indian Institutes of Management
IIT	Indian Institutes of Technology
IITF	Indian International Trade Fair
ISB	Indian School of Business
KPI	Key Performance Indicators
NASSCOM	National Association of Software and Service Companies
NLU	National Law Universities
PHDCCI	PHD Chamber of Commerce and Industry
PMIC	Policy Monitoring and Implementation Committee
TiE	The IndUS Entrepreneurs

1. Vision

To establish the Union Territory of Chandigarh as a leading innovation-driven startup ecosystem that nurtures entrepreneurship, promotes research and development, and drives inclusive and sustainable economic growth.

2. Goals

- **Creating an enabling regulatory environment** that reduces compliance burdens and enhances ease of doing business for startups.
- **Facilitating access to funding and infrastructure** to accelerate startup growth across different stages of their journey.
- **Strengthening incubators and support systems** to foster innovation, mentor startups, and promote synergies between industry and academia.
- **Promoting self-employment and job creation** by encouraging entrepreneurship across diverse sectors and demographics.
- **Encouraging inclusive participation** through special support for women-led, youth-led, and socially impactful startups.
- Building a culture of innovation and entrepreneurship through targeted awareness and capacity-building initiatives.
- Positioning Chandigarh as a **vibrant hub for research, development, and innovation** through strong industry-academia collaboration.

3. Objectives

The Policy aims to promote new ideas/ products and processes suitable for commercialization through scalable business models with the following objectives:

- Enable the establishment and growth of at least **200 new startups** during the Policy Period

- Extend **comprehensive Financial and Non-Financial incentives** to startups across all stages of their lifecycle — from **ideation** and **prototyping** to **commercialisation**.
- Provide an **impetus to incubators** for building infrastructure and capacity through financial incentives, thereby ensuring **high quality mentoring support** to startups in Chandigarh.
- Foster a **culture of research and innovation** through **exposure opportunities for startups, hackathons, startup festivals**, etc.
- Drive **economic growth** through **employment generation, use of technology and attracting market investment** in locally developed products.

4. Policy Period and Applicability

The period of the Policy shall be five (5) years from the date of its notification.

All the Startups/ Incubators registered in the U.T. Chandigarh, either prior to notification of the Policy or post notification of the Policy, are eligible to apply for the incentives (financial and/ or non-financial) under the Policy.

The Policy shall be reviewed annually and may be revised as necessary by the HPC.

5. Administrative Framework

A two-tier governance structure shall be established for the effective implementation and monitoring of the Policy. The composition of the governance structure is as follows:

5.1. High Powered Committee (HPC)

HPC shall be the apex body formed under the chairmanship of Chief Secretary, Chandigarh Administration.

The HPC reserves the powers for review, revision, amendment, monitoring, addressing operational challenges, or any other matters as received from time-to-time, on the Policy.

The HPC shall, under the scope of the Policy, be the guiding body for driving research, innovation and entrepreneurship in the U.T. Chandigarh. The charter of HPC will also include collaboration with research and innovation organisations like CRIKC, Centre of Excellence Siemens, etc.

Structure of HPC

S. No.	Members of the HPC	Position
1.	Chief Secretary, Chandigarh Administration	Chairperson
2.	Secretary Industries, Chandigarh Administration	Convener
3.	Two (02) Representatives/ Nominees from Industry Body (NASSCOM/ TiE/ ASSOCHAM/ CII/ PHDCCI and other such associations)	Member
4.	Startup Domain Expert	Member
5.	Startup Finance Expert	Member
6.	Representative from Academia/ Empanelled Incubator	Member

The Startup Cell shall request the bodies/ institutions/ organisations like CII, PHDCCI, TiE, STPI, ISB, PGIMER ,etc. to recommend the candidates for Startup Domain Experts and Startup Finance Expert. The recommendations shall be evaluated by the Startup Cell and shall be put forward to the Chairperson of the HPC for final approval.

Additionally, the Chairperson of the HPC reserves the right to share special invite to any other individuals or organisations, as found suitable for the agenda of the meeting, to the HPC. The Chairperson with the concurrence of the HPC may propose to co-opt additional individuals/organisations as members of the HPC.

5.2. Policy Monitoring & Implementation Committee (PMIC)

The PMIC constituted under chairpersonship of Secretary Industries, Chandigarh Administration shall be the approving committee for all financial incentives mentioned within the scope of the Policy. PMIC shall be responsible for the following activities:

- Effective implementation of the Policy by monitoring the activities undertaken by the Startup Cell as proposed in the Policy.
- Accord approvals to the selected Startups and/ or Incubators, duly recommended by the Startup Cell for financial disbursements.
- Approve the quarterly financial budget for promotional activities.

Structure of PMIC

S. No.	Members of the PMIC	Position
1.	Secretary Industries, Chandigarh Administration	Chairperson
2.	Director Industries, U.T. Chandigarh	Convener
3.	Special Secretary Finance, Chandigarh Administration	Member
4.	Representative, Startup Cell	Member
5.	Startup Finance Expert	Member

S. No.	Members of the PMIC	Position
6.	01 Technology Expert	Member
7.	01 Market Access Expert	Member
8.	Representatives of the Recognised Incubators	Special Invitee

The Startup Cell shall request the bodies/ institutions/ organisations like CII, PHDCCI, TiE, STPI, CRIKC, ISB, PGIMER ,etc. to recommend the candidates for Startup Finance Expert, Technology Expert and Market Access Expert. The recommendations shall be evaluated by the Startup Cell and shall be put forward to the Chairperson of the PMIC for final approval.

5.3. Nodal Department

The Department of Industries, U.T. Chandigarh shall be the Nodal Department to facilitate implementation of various interventions and any new initiatives under the Policy. It shall also ensure timely disbursement of funds to the beneficiaries and vendors. The Nodal Department shall monitor the broad/tasks and activities of Startup Cell and submit regular reports of the functioning of the Startup Cell to the PMIC

6. Execution of the Policy in the U.T. Chandigarh

The Startup Cell shall be established within the Nodal Department and shall be responsible for execution of interventions or any new initiatives under the Policy:

The Startup Cell shall be responsible for the following:

- Act as a Single Point of Contact (SPOC) for all the information pertaining to incentives and offerings, government sponsored events, empanelled Incubators, preferred places of work, etc relating to the Policy

- Facilitate Industry - Mentor Connect, development of Investor Network, etc
- Receiving/accepting applications under various incentives and initial vetting/ scrutiny of the applications submitted by the Startup for eligibility as defined in the Policy for respective incentives
- Evaluation of the applications submitted by the Startup as per Standard Evaluation Criteria, to avail any of the benefits/ incentives as per the Policy for recommendation to PMIC
- Enable networking such as participation in national/ international level engagements etc through outreach and awareness activities for developing a more holistic inclusive Startup ecosystem in the U.T. Chandigarh
- Drive the academia-industry engagement for the promotion of research and innovation through HEIs
- Day-to-day functioning towards the implementation of the Policy
- Execution of Annual Startup Action Plan (ASAP) published by DPIIT, GoI, New Delhi
- Ensure timely disbursement of incentives to recognized incubators and startup entities as approved by PMIC
- Conduct Mentorship Programmes/ Workshops/ Training or any such activity in collaboration with recognized Incubators for Startups
- Identification of co-working spaces as preferred place of work
- Identification, collaboration and liaisoning with domain experts for the creation of a pool of mentors
- Ensure query resolution and facilitation of Startups
- Plan, organize and co-ordinate all Promotional Events
- Development of a Monitoring and Evaluation framework to track implementation and progress outcomes in line with the goals and objectives of the Policy and defined KPIs of various stakeholders.

Other responsibilities of the Startup Cell include but are not limited to, engagement with startup ecosystem stakeholders such as Incubators/ co-working space providers, Angel Investors/ Venture Capital Funds, Startup India, GoI, Corporates, etc.

The Startup Cell shall be further strengthened by adding suitable resources, as found necessary, during the Policy Period.

7. Strengthening the Startup Ecosystem

The key enablers of the Startup Ecosystem that are crucial for the sustainable growth of a conducive environment are:

- Facilitating Infrastructure Development for Startup Ecosystem
- Mentorship and Incentives for Startups
- Promoting Innovation, Research and Entrepreneurship

7.1. Facilitating Infrastructure Development for Startup Ecosystem

7.1.1. Setting up New Incubators/ Supporting Existing Incubators

U.T. Chandigarh-based HEIs or any such entity as per the definition of the Incubator may apply for recognition by U.T. Chandigarh under the Policy.

The Recognised Incubators shall be part of the Incubator Ecosystem/Network of the Chandigarh Administration and shall be eligible to apply for the below-mentioned financial incentives.

The following financial incentives have been provisioned for Recognised Incubators in the Policy in addition to existing incentives offered under various schemes of GoI:

- Financial support for technology upgradation: The government-owned/ run/ aided (supported)/ public university affiliated (supported) HEIs and similar entities recognised as the Incubators may annually apply for grant of up to 25% of the total project cost with a ceiling of up to ₹30 lakhs per Incubator for technology upgrades.

  Privately owned/ run/ aided/ private university - affiliated HEIs and similar entities_recognised as the Incubators may annually apply for grant of up to 25% of the total project cost with a ceiling of up to ₹20 lakhs per Incubator for technology upgrades.

  The grant may be utilised exclusively for procurement of Plant and Machinery (P&M) or any such technology infrastructure that shall be deployed for testing/ validation/ development of products/ services/ processes of Startups.

- Sustenance allowance: The entities recognised as Incubators under the Policy may annually apply for sustenance allowance of up to ₹7.5 lakhs per Incubator.

  The sustenance allowance shall be for the purpose of operational expenses of all activities related to capacity building of incubation faculty and officials of the Nodal Department and other administrative departments, internship stipend (for employment of college – level students), etc. as approved by PMIC.

- Mentorship programme: An annual financial support of ₹5 lakhs per Incubator has been provisioned for organising multiple mentorship programs/ workshops/ trainings or any such activity in collaboration with the Startup Cell for U.T. Chandigarh recognised Startups.

The Incubators in consultation with Startup Cell shall submit a proposal to PMIC for organising the above-mentioned activities.

Note:

- Incubators may apply for recognition through the Start-In-Chandigarh Portal.
- The Recognised Incubators may annually apply for each of the above-mentioned financial incentives separately . Under each of the aforementioned incentives, a maximum of 03 government-owned/ run/ aided (supported)/ public university affiliated (supported) HEIs and similar entities and 01 Privately owned/ run/ aided/ private university - affiliated HEIs and similar entities shall be approved by PMIC to receive the incentive each year.
- The Incubators shall be subject to a number of Key Performance Indicators (KPIs) as determined by the PMIC at the time of approving the incentive. Following is a list of indicative KPIs to be considered by PMIC, included but not limited to:
    - Number of incubated Startups graduated
    - Survival rate of incubated and graduated Startups
    - Funds raised by incubated and graduated Startups
    - Time to Market taken by the incubated Startups
    - Mentorship programs organised for Startups
    - Current Asset Utilization by Startups

7.1.2. Partnership with Existing Government co-working Spaces/ Office Spaces

The government-owned/ run/ aided (supported) co-working spaces/ office spaces meeting the requisite conditions such as availability of

workstations, high-speed internet, power-backup, etc. and office spaces with built-up structure and basic amenities like electricity, water and internet facilities shall be identified by the Startup Cell. The spaces shall be curated as the 'preferred place of work' for Startups supported under the Policy. Startups recognized by Chandigarh Administration, under the Policy, shall be encouraged to utilise onboarded co-working spaces.

7.2. Mentorship and Incentives for Startups

7.2.1. Mentorship for Startups*

The Startup Cell may independently or via Recognised Incubators or any such partner entity may engage mentors and firms with subject expertise to support Startups, aspiring entrepreneurs and students by providing handholding support through mentorship programmes and workshops. The mentorship programmes and workshops shall be conducted by Recognised Incubators or partner entities from time to time. A pool of mentors and Business Service Providers shall be created and published on the Start-In Chandigarh Portal to support startups. The Startups may also seek one-to-one support from the empanelled mentors and Business Service Providers.

**Kindly refer to 7.1.1. for reference to the financial provisions for this activity.*

7.2.2. Virtual Incubation and Mentor Connect

Chandigarh Administration shall develop a virtual incubation platform to provide incubation support to the Startups from renowned national and international mentors. The virtual incubation platform shall provide entrepreneurs services such as incubation, mentoring, access to labs, production facilities, outreach and investor connect etc. The platform shall

connect variety of existing ecosystem enablers such as investors, incubators, accelerators, policy makers, etc. to boost entrepreneurship.

7.2.3. Incentives for Startups

7.2.3.1. Grant based financial Benefits

- **Idea Grant for the Startups**
  - To provide impetus to entrepreneurship and innovation, a corpus of ₹ 90 lakhs per year has been provisioned. A grand competition shall be conducted annually with the support of the Startup Cell and Recognised Incubators. The aspiring entrepreneurs/ Startups may participate in the competition.
  - The top 20 startups in the competition each year shall be awarded a grant of ₹2 lakhs each and incubation support for one year at any Recognised Incubator of their choice on first come first serve basis. The 1st tranche of ₹0.25 lakhs shall be released upon registration at the Recognised Incubator and recognition by DPIIT. The 2nd tranche of ₹1.75 lakhs shall be released upon initiation of the incubation support by the Parent Incubator and review of utilisation milestones of 1st tranche
  - The next 50 runners-up in the competition each year shall be awarded a grant of ₹ 1 lakh each and incubation support for one year at any Recognised Incubator of their choice on first come first serve basis. The 1st tranche of ₹0.25 lakhs shall be released upon registration at the Recognised Incubator and recognition by DPIIT. The 2nd tranche of ₹ 0.75 lakhs shall be released upon initiation of the incubation support by the Parent Incubator and review of utilisation milestones of 1st tranche.

Note:

Aspiring entrepreneurs and Startups incubated through the annual grand competition shall also receive handholding/mentoring support for company formation (if applicable) and to secure recognition from DPIIT. The beneficiaries shall not incur any costs or fees associated with this handholding/mentoring support.

- **Seed and Early Growth Stage Grant for the Startup:** To bridge and facilitate the funding gap for Seed and Early Growth Stage startup, a corpus of ₹4.6 crores per year has been provisioned as support in these stages.

  - **Seed Stage or Minimum Viable Product Development Stage**

    During each year of the Policy Period, grant of up to ₹7 lakhs each has been provisioned for 20 Startups according to the eligibility criteria as defined in Operational Guidelines, with an additional grant of ₹2 lakhs each for Women Led Startups/Transgender Led Startups.

    Startups may apply for the grant at any time during a given Financial Year throughout the Policy Period by filling the online application through the respective Parent Incubator on the Start-In Chandigarh Portal. Applications are to be approved by the PMIC and the grant shall be disbursed in three (03) tranches through Parent Incubators as per utilisation milestones of previously received tranches.

  - **Early Growth or Commercialisation stage**

During each year of the Policy Period, grant of up to ₹12 lakhs each has been provisioned for 20 Startups according to the eligibility criteria as defined in Operational Guidelines, with an additional grant of ₹2 lakhs each for Women Led Startups/Transgender Led Startups.

Startups may apply for the grant at any time during a given Financial Year throughout the Policy Period by filling the online application through the respective Parent Incubator on the Start-In Chandigarh Portal. Applications are to be approved by the PMIC and the grant shall be disbursed in three (03) tranches through Parent Incubators as per utilisation milestones of previously received tranches.

7.2.3.2. Reimbursement-based financial incentives

- **Subsidised Rental Rates for office spaces:** Startups operating from 'preferred places of work' shall be eligible to avail reimbursement of ₹5000 per month for a maximum of 12 consecutive months on rental expenses, subject to approval by the PMIC.
- **Support for IT Certification and/or Quality Certification**: Startups empanelled with Recognised Incubators shall be eligible for reimbursement of 80% of the cost incurred on IT Certification and/or Quality Certification or ₹1 lakh whichever is lower, subject to approval by the PMIC.
- **Support for Patent Filing Fees**: Startups empanelled with Recognised Incubators shall be eligible for a reimbursement of 80% of the cost incurred or ₹10,000 whichever is lower on patent filing fees, subject to approval by the PMIC.

- **Support for participation in conferences/workshops:** Startups empanelled with Recognised Incubators shall be eligible for reimbursement of up to ₹50,000 for each national engagement and up to ₹2.5 lakhs for each international engagement for enhanced peer learning, subject to approval by the PMIC.
- **Support for participation in Acceleration Programs:** Startups empanelled with Recognised Incubators shall be eligible for reimbursement of up to ₹2 lakhs for each national-level acceleration program and up to ₹3 lakhs for each international-level acceleration program as a one-time experimental fund, subject to approval by the PMIC.

Note:

Startups should apply for reimbursement-based financial incentives via. the Start-In Chandigarh Portal within 3 months from the date of expenditure, according to the eligibility criteria as defined in Operational Guidelines. The funds shall be disbursed to Startups through their respective Parent Incubators subject to approval by the PMIC.

7.2.4. Non-Financial Benefits

- Startups approved by the PMIC for financial incentives as provided under Clause 7.2.3.1 and 7.2.3.2 shall receive access to facilities typically offered by any Recognised Incubator for a period of one (1) year at no additional cost, subject to availability.
- Access for all Startups to the **Start-in Chandigarh Portal** for easy registration, tracking application status and requesting approvals. The Start-in Chandigarh Portal shall also provide an interface with Business

Service Providers, Mentors, Investors, Incubators, etc., and also function as a repository of various policies and schemes.

- Under this Policy, Startups may self-certify compliance with the following 6 labour laws:
  - The Building and Other Constructions Workers' (Regulation of Employment and Conditions of Service) Act, 1996
  - The Inter-State Migrant Workmen (Regulation of 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
- Under this Policy, Startups may benefit from relaxed norms of public procurement as notified by the Ministry of Micro, Small and Medium Enterprises (M/o MSME, GoI) via Policy No. 1(2)(1)/2016-MA, dated 10th March 2018).
- Under this Policy, Startups may avail subsidized stall space in the Chandigarh Pavilion of India International Trade Fair (IITF) or similar exhibition/ event organized/supported by the Chandigarh Administration, subject to availability.

7.3. Promoting Innovation, Research and Entrepreneurship

7.3.1. Academic Interventions to build a culture of innovation

- **Establishing Entrepreneurship Cells**

Recognised Incubators shall support colleges and ITIs to establish student-driven Entrepreneurship Cells (E-Cells) in their respective premises in Chandigarh. The E-cells shall act as an interface between the

Recognised Incubators and students. The activity of E-cells shall be monitored and coordinated by the corresponding Recognised Incubators on quarterly basis and reported to the Startup Cell.

- **Faculty Development Programs**

Recognised Incubators shall conduct at least 02 faculty development programs annually to sensitize the relevant faculty at HEIs to develop a nuanced understanding of startup culture and various government initiatives on startups.

7.3.2. Start-In Chandigarh Portal

The Start-in-Chandigarh Portal shall serve as a one-stop solution for information related to Startup activities in Chandigarh as well as for availing services available to various stakeholders in the Startup ecosystem. It shall contain the following key provisions, among others:

- Online registration for Startups and Recognition for Incubators
- Online applications for availing financial/ non-financial incentives and/or other benefits (such as registration for Annual Grand Competition) under this Policy
- Access to various capacity-building programs/courses, mentorships, etc. on the Virtual Incubation Platform – an interface between Startups and other stakeholders to enhance knowledge and awareness on various issues
- Online download of approval certificates for incentives and real-time tracking of applications and/or funds disbursement at various stages
- Knowledge bank of policies, schemes, incentives, partner institutions, upcoming events, Business Service Providers, etc.

released and updated from time to time by GoI and Chandigarh Administration for interested stakeholders in Chandigarh

- The Portal will be developed and maintained by the Nodal Department.

7.3.3. Startup Fests

Startup Fests shall be organised from time to time by the Startup Cell in co-ordination with the Nodal Department, HEIs, Recognised Incubators, E-Cells and/or any similar organisation. Startup related events such as Challenges, Hackathons, etc. shall be conducted as part of these fests to showcase innovation and provide a collaborative platform for launching innovation-focused programs. A corpus of ₹30 lakhs per year has been provisioned for the same.

7.3.4. Other Enabling Programs

A corpus of ₹20 lakhs per year has been provisioned to support activities conducted with a primary focus on spreading awareness, sensitization and fostering entrepreneurship and innovation by the Startup Cell in co-ordination with the Nodal Department, HEIs, Recognised Incubators, E-Cells and/or any similar organisation.

8. Exit Conditions for Startups

If any complaint of fraud or misrepresentation (as defined under The Indian Contract Act, 1872) is received by the HPC/ PMIC/ Nodal Department against any Startup regarding any benefits availed under the Policy, the matter shall be presented before the HPC which shall consider the matter and if found appropriate, may initiate the legal process to recover the benefits/ grants/ financial assistance provided to the questioned Startup.

The HPC reserves the right to initiate complaint of fraud or misrepresentation (as defined under The Indian Contract Act, 1872) against any of the Startup suo motu.

An entity shall cease to be a Startup on completion of ten years from the date of its incorporation/ registration or if its turnover for any previous financial year exceeds ₹100 crores, whichever is later.

9. Operational Guidelines

The Operational Guidelines of the Policy containing detailed information regarding Submission of Application, Eligibility Criteria (wherever applicable), Flow of Application, Evaluation Criteria, Application Forms (wherever applicable), etc. for Startups and Incubators shall be notified separately.



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