**Guidelines on Recognition of Incubators by Government of India**

1. **Introduction**

In order to avail the benefits announced in the Startup India Action Plan, an entity would be required to be recognized as a Startup. To this effect, it would be required to submit an application along with a relevant recommendation/ support/ endorsement letter. One of the options available to the registering entities is to obtain a recommendation letter from any incubator recognized by Government of India.

1. **Objective**

To recognize and identify incubators that are eligible to provide the said recommendation letter. This would enable Startups to access a wider base of incubator(s) to obtain the same.

1. **Process of Recognition**

In order to be recognized by the Government of India, Incubators shall be required to furnish an application through Startup India mobile app or portal. Each incubator shall be required to authorize a person who on behalf of the Incubator would be eligible to provide the required information for the process of recognition.

Once the form is duly filled by an applicant, the application shall be scrutinized and evaluated against the parameters as given in this document (Refer Section 3.2).

* 1. **Eligibility**

An incubator must be a registered entity falling under one of the following categories:

* Society (under The Societies Registration Act, 1860)
* Section 8 Company (under The Companies Act, 2013)
* Private Limited Company (under The Companies Act, 2013)
* Public Company (under The Companies Act, 2013)
* Limited Liability Partnership (under The Limited Liability Partnership Act, 2008)
  1. **Parameters**

An incubator shall be required to meet the following 4 criteria in order to be awarded a certificate of recognition from Government of India. The key parameters along with the benchmark set for selection are as follows:

| # | Parameter | Benchmark |
| --- | --- | --- |
| 1 | Number of years of establishment | The Incubator should be in existence for at least the last 2 years. This benchmark of existence for at least 2 year shall not be applicable for incubators which have received a sanction letter\*1 by the Central/ State Government |
| 2 A | Number of incubatees currently enrolled | The incubator should have a minimum of 20 incubatees graduated\*2 or on rolls at present i.e. at the time of filling of application. For incubators which have received a sanction letter\*1 by the Central/State Government a minimum of 5 incubatees should have graduated\*2 or on rolls at present i.e. at the time of filling of application |
| 2 B | Number of incubatees graduated |
| 3 | Availability of Infrastructure | The incubator should have a minimum of 5000 sq. feet of carpet area dedicated to the incubatees |
| 4 | Contact period of engagement | The incubator should facilitate at least 3 months of in person or virtual interactions between its incubatees and mentors |

The certificate of recognition shall be valid for a definite period of time which would be two (2) years from the date of grant of recognition. In case, an incubator fails to justify its roles and responsibilities or if found to be misrepresenting any information, the recognition status of the incubator shall be revoked, However, previous recommendations from the incubator to the Startups shall still remain valid.

A recognized incubator shall be evaluated on the following parameters after 6 months of obtaining the certificate of recognition. The certificate of recognition shall be reconsidered in case the recognized incubator is found wanting on fulfillment of the following stated parameters:

|  |  |
| --- | --- |
| # | Parameter |
| 1 | Incubator engagement with Venture Capital Funds/ Alternate Investment Funds  *For the purpose of this parameter, the number of tie-ups between the Incubator and Venture Capital Fund and Alternate Investment Fund shall be considered.* |
| 2 | Incubator engagement with Corporates  *For the purpose of this parameter, the number of tie-ups between the Incubator and Corporate Organizations to provide industry exposure to the Incubatees shall be considered.* |
| 3 | Number of mentors associated with the Incubator  *For the purpose of this parameter, the number of mentors providing in person or virtual mentorship to the Incubatees shall be considered.* |
| 4 | Number of outreach programmes\*3 conducted by the Incubator  *For the purpose of this parameter, the number of outreach programmes conducted in the previous one year shall be considered.* |

*\*1 Sanction letter is issued by a government (Central/State) entity to an incubator mentioning the quantum of amount sanctioned as well as the staging of the release based on the sanction amount. An incubator is expected to be in line with the sanctioned proposal and tailored activities to attain the projected milestones.*

*\*2 Graduated: This implies that the students enrolled have successfully completed their programme and have at least prototyped their product/service and have or are ready for commercialization of their product/service.*

*\*3 Outreach Programmes: This implies the number of sessions conducted in order to promote enrollments by students in the incubation programme.*

1. **Timelines**
2. After receiving the required information, the application from an incubator shall be forwarded to the Inter-Ministerial Board (IMB) for examination and on approval from the IMB, a certificate of recognition shall be given to the incubator. The certificate of recognition shall be a system generated online downloadable and verifiable certificate.
3. For extension of the certificate of recognition post expiry of the period of recognition, a fresh application shall be required to be submitted to IMB for examination. This would be required to be done atleast 3 months prior to the expiry of the period of recognition.