



Madhya Pradesh Start-up Policy & Implementation Scheme 2025







Government of Madhya Pradesh

Madhya Pradesh Startup Policy and Implementation Scheme 2025



Department of Micro, Small and Medium Enterprises



डॉ. मोहन यादव
मुख्यमंत्री
मध्यप्रदेश



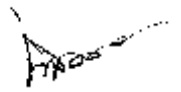
संदेश

प्रसन्नता का विषय है कि सूक्ष्म, लघु और मध्यम, उद्यम विभाग द्वारा मध्यप्रदेश की नई स्टार्टअप नीति तैयार की गई है। मध्यप्रदेश की गौरवशाली ऐतिहासिक विरासत भारतीय सभ्यता की शुरुआत तक फैली हुई है। मध्यप्रदेश सदियों से नवाचार और उद्यमशीलता की भूमि रही है। हमारी समृद्ध विरासत आज मध्यप्रदेश के स्टार्टअप क्षेत्र को भी प्रेरित कर रही है, जो अब राज्य की उद्यमशील यात्रा में एक नया अध्याय जोड़ने के लिए तैयार है। ऐतिहासिक ज्ञान और आधुनिक नवाचार के इस संगम ने एक अनोखे और उन्नत स्टार्टअप पारिस्थितिकी तंत्र की नींव रखी है, जो विशिष्ट रूप से मध्यप्रदेश की पहचान बन चुका है।

मध्यप्रदेश का स्टार्टअप इकोसिस्टम एक सशक्त संरचना है, जिसमें शिक्षण संस्थान, अत्याधुनिक इनक्यूबेशन सेंटर, समृद्ध जनसंख्या और निवेशकों की बढ़ती भागीदारी शामिल है। राज्य के शैक्षणिक संस्थान युवा उद्यमियों को ज्ञान और कौशल प्रदान कर रहे हैं, जिससे वे प्रतिस्पर्धी व्यावसायिक दुनिया में सफल हो सकें। प्रदेश भर में स्थापित इनक्यूबेशन सेंटर स्टार्टअप्स को आवश्यक संसाधन, मार्गदर्शन और नेटवर्किंग के अवसर प्रदान कर रहे हैं। जनसंख्या में बढ़ती क्रय शक्ति ने नवाचारपूर्ण उत्पादों और सेवाओं की मांग को भी बढ़ाया है, जिससे स्टार्टअप्स के लिए एक उपयुक्त बाजार निर्मित हुआ है। प्रदेश में वेंचर कैपिटल का प्रवाह इस बात का प्रमाण है कि निवेशकों को राज्य में उच्च-विकास क्षमता वाले उद्यमों पर पूरा विश्वास है।

मुझे पूर्ण विश्वास है कि यह नीति प्रदेश के आर्थिक विकास को नई ऊंचाईयों पर ले जाने में एक महत्वपूर्ण मील का पत्थर साबित होगी, जो न सिर्फ स्टार्टअप इकोसिस्टम के विकास को गति देगी बल्कि राज्य को नवाचार और उद्यमशीलता के केंद्र के रूप में और अधिक सुदृढ़ करेगी।

स्टार्टअप नीति एवं कार्यान्वयन योजना, 2025 के निर्माण के लिए हार्दिक बधाई।


(डॉ. मोहन यादव)

चेतन्य कुमार काश्यप
मंत्री
मध्यप्रदेश शासन
सूक्ष्म, लघु और मध्यम उद्यम विभाग



पत्र क्र. : 614 /मंत्री/सू.ल.म.उ./2025

भोपाल, दिनांक : 22 फरवरी 2025

संदेश

भारत के हृदय स्थल मध्यप्रदेश में स्टार्टअप क्षेत्र ने नवाचार और उद्यमशीलता से राज्य के आर्थिक और सामाजिक परिदृश्य को नई दिशा दी है। प्रदेश का स्टार्टअप इकोसिस्टम शैक्षणिक संस्थानों, इनक्यूबेशन सेंटर, समृद्ध जनसंख्या और तेजी से बढ़ती निवेशकों की भागीदारी का अद्वितीय संगम है। राज्य में इनक्यूबेशन सेंटरों की उपलब्धता से स्टार्टअप्स को पोषित करने के साथ ही नवाचार को सहयोग और विकास का वातावरण मिला है।

प्रदेश के स्टार्टअप्स वैश्विक स्तर पर अपनी उपस्थिति दर्ज करा रहे हैं। राज्य में नवाचार और आर्थिक विकास का सकारात्मक चक्र प्रारंभ होने से निवेशकों का विश्वास लगातार बढ़ रहा है। यह भविष्यगामी दृष्टिकोण प्रदेश को भारत के नवाचार परिदृश्य में अग्रणी स्थान दिला रहा है।

हमने सभी पक्षों से चर्चा कर इस नीति में स्टार्टअप्स को उनकी आवश्यकता के अनुरूप "स्टार्टअप आईडीएशन, वेलीडेशन, अर्ली स्टेज एवं ग्रोथ"— प्रत्येक चरण में सहायता की समुचित व्यवस्था की है। यह रणनीतिक पहल उनको सशक्त बनाने और राज्य को अग्रणी नवाचार केंद्र के रूप में स्थापित करने की दिशा में सराहनीय कदम है।

मैं स्टार्टअप पारिस्थितिकी तंत्र से जुड़े सभी पक्षों को स्टार्टअप नीति 2025 के शुभारंभ पर उज्ज्वल भविष्य और उत्कृष्ट उपलब्धियों के लिए बधाई एवं हार्दिक शुभकामनाएँ देता हूँ।

मुझे पूर्ण विश्वास है कि हमारे स्टार्टअप्स इन नीतियों का लाभ लेकर प्रदेश एवं राष्ट्र के विकास में अपना महत्वपूर्ण योगदान करेंगे।

(चेतन्य कुमार काश्यप)

अनुराग जैन
मुख्य सचिव
Anurag Jain
Chief Secretary



India, the fastest growing large economy in the world, has embarked upon a journey to become Atmanirbhar and Viksit Bharat. Madhya Pradesh, one of the fastest growing States, has become the preferred destination for investment. The State offers “infinite possibilities” powered by abundant resources, state of the art infrastructure, an integrated holistic approach and forward-thinking leadership. These coupled with central location, excellent industrial labour relations, all assimilating culture position Madhya Pradesh as a key driver of comprehensive economic growth.

The State has formulated 18 new policies after thorough collaborative consultation with the stakeholders. While these policies provide financial incentives at par with the best provided by any other State, yet the focus is to provide seamless investment climate, exemplary Ease of Doing Business and reduction of compliance burden. State has already put in place mechanisms to streamline approvals, with faceless interface and time-bound clearances. Madhya Pradesh initiated the concept of the Public Service Delivery Guarantee Act and is committed to ensure that all approvals are notified under this Act. Providing plug and play infrastructure for industries is another important corner stone of the policies.

Madhya Pradesh Startup Policy, 2025 aims to build upon the strong foundations laid by the earlier policy. Startup ecosystem in the State boasts over 5000 startups with an impressive 47% led by women entrepreneurs. The policy is a harmonious extension of the Startup India Initiative. The establishment of a Startup Advisory Council under the policy will further strengthen the ecosystem by providing expert guidance, fostering collaboration, and ensuring sustainable growth for entrepreneurs across the State. The policy's cornerstone is the establishment of a mega incubator and the provisioning of a growth fund, seed fund, collateral-free loan through banks, interest subvention on loan and technical mentoring partnership with institutes of national importance such as IIT, NIFT, IIM, IISER, ensuring that the State's entrepreneurial flame burn bright to help build Viksit Madhya Pradesh and Viksit Bharat.

Hallmark of the Madhya Pradesh has been consistent, stable yet nimble policy framework coupled with pro-active and transparent governance for sustained growth. Opportunity like never before beckons all prospective investors to come and create lasting partnership for their own prosperity and growth of Madhya Pradesh. We welcome you to come and join the growth story of Viksit Madhya Pradesh.

(Anurag Jain)
Chief Secretary
Madhya Pradesh



The Madhya Pradesh Startup Policy and Implementation Scheme 2025 has been formulated through extensive analysis, benchmarking against leading states, and adopting global best practices. The policy takes a startup-centric approach aligning with ecosystem needs. Initiated in 2024, the Department of Micro Small and Medium Enterprises hosted Regional Industrial Conclaves across Madhya Pradesh and conducted investor, startup founders and other relevant startup ecosystem players interactions at national and international levels. Startup Ecosystem stakeholders were consulted to identify key challenges, which the policy aims to address.

Madhya Pradesh Startup Policy and Implementation Scheme 2025 is a visionary initiative that provides comprehensive assistance to startups from the ideation to the implementation stage. One of the policy's standout features is the 'Entrepreneurs in Residence' support, which offers a safety net to entrepreneurs, cushioning them against capital risk during the critical ideation phase. It incentivizes startups with seed fund grant, startup capital fund of Rs.100 Crore, collateral-free loans through banks, interest subvention under and operational assistance such as product development grant, patent assistance, lease rental support and marketing support. The policy also has special package for manufacturing-based startups.

Furthermore, the policy's emphasis on holistic development of startup ecosystem through establishment of Mega Incubator in PPP mode, new incubators in government and private host institutes and upgrading existing incubators. The policy will also facilitate mentorship support through focused startup acceleration program and startup events. The State is taking a significant leap forward under this policy by forming a Startup Advisory Council with a diverse panel comprising global leaders, entrepreneurs, and investors among others. This council will steer the State towards cultivating a dynamic and flourishing startup ecosystem.

The policy aims to enhance the entire startup ecosystem of the state and seeks to raise the number of DPIIT-recognized startups in the state to 10,000.

The Madhya Pradesh Startup Centre and the Department of Micro, Small and Medium Enterprises (DoMSME) remain committed to fostering a vibrant and growing startup ecosystem in the State through institutional, infrastructure, financial assistance, partnership and policy support. With a progressive and transparent governance approach, startups are encouraged to establish, expand, and scale their operations in Madhya Pradesh, reinforcing the state's position as a leading startup destination across the nation and globally.



(Raghvendra Kumar Singh)

Principal Secretary

Department of Industrial Policy & Investment Promotion
and Micro, Small and Medium Enterprises

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1. Introduction

Madhya Pradesh has seen a significant improvement in its investment climate due to the state government's policies that facilitate business operations and contribute to the development of economic and social infrastructure. The government's focus has been on creating jobs for the local youth through innovative and entrepreneurial initiatives. Acknowledging the vital role of startups in advancing innovation, employment, and economic progress, the state is working to enable startups to access international markets and modern technologies, empower young entrepreneurs, and establish Madhya Pradesh as a model startup hub.

In light of the evolving global economic conditions, regulatory reforms, India's new education policy, and updates to the state startup ranking framework, a revision of the existing startup policy is essential. Consequently, the state government has decided to implement the "Madhya Pradesh Startup Policy and Implementation Plan, 2025" to enhance the policy's inclusivity, integration, and impact.

The new policy includes special measures to encourage a mindset of innovation and startups among school and college students. A unified approach has been adopted to ensure the effective application of the policy across government sectors. The policy provides various levels of support to startups, including seed and capital funds, hackathons, incubation support, digital marketing, collateral-free loans, interest subsidies, and acceleration programs.

The policy's objective is not just to offer financial support but also to provide startups with institutional backing, Ease of Doing Business, essential infrastructure, state procurement support, marketing, and additional assistance.

2. Vision

To establish Madhya Pradesh as a leading startup hub at the global level, which encourages innovation, wealth creation and supporting ecosystem. This ecosystem will promote job creation, sustainability, investor confidence, ethical revenue models and equal opportunities.

3. Mission

- 3.1 To build a strong and holistic startup ecosystem in the state, enabling the state to be among the leading startup destinations in the country.
- 3.2 To promote the startup ecosystem through positive interventions and catalytic programmes.
- 3.3 To achieve higher position in State startup ranking through innovation, skill development and investment opportunities.

4. Objectives

Main objectives of Madhya Pradesh Startup Policy and Implementation Scheme, 2025:

- Build a holistic startup ecosystem in Madhya Pradesh and enable the State to become one of the leading startup destinations across the nation.

- Aim to nurture the State's startup ecosystem through positive and transformative interventions.
- To increase the number of DPIIT recognised startups in the State to 10,000.
- To propel 100 promising startups from agriculture and food sector towards significant growth.
- Increase the number of product-based startups in the State.
- Establishing new incubation centers in priority areas and upgradation of existing incubation centers.
- To conduct special programmes at the school/college level to inculcate the spirit of innovation and startup among students.
- Develop a culture of solving socio-economic problem through innovation and startups.
- Aspire to excel in State Startup Ranking Framework by the Government of India and other competitive benchmarks.
- To provide extensive support to startups in the pre-startup stage and ideation stage.
- To encourage all the leading companies operating in Madhya Pradesh to support the state's startup ecosystem by providing access to corporate innovation, infrastructure development, skill development, and investments as an integral part of their CSR activities.

5. Policy Focus Areas

The policy focuses on six pillars to achieve the objectives –

- 5.1 Promote innovation and entrepreneurship
- 5.2 Financial and Non-financial assistance
- 5.3 Promotion of product-based startups
- 5.4 Institutional support
- 5.5 Marketing support
- 5.6 Infrastructure Support

6. Term and Applicability of the Policy

This policy shall remain in force in Madhya Pradesh for a period of 5 years from the date of its notification, or until it is replaced by any other policy.

7. Definitions

- 7.1 **"Alternative Investment Fund (AIF)"** means a funding institution as defined under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
- 7.2 **"Host Institute"** means any university, higher education institution, industrial establishment/smart city mission companies and State Government and Central Government Institutions located in Madhya Pradesh.
- 7.3 **"Incubator"** means an organization that supports startup at an early stage and help them develop a scalable business model by providing professional support, resources and services.

- 7.4 **"Madhya Pradesh Startup Advisory Council"** means the Advisory Council that will provide advice on necessary measures to build a strong startup ecosystem, and to promote innovation in the State, which will help the State's economy to thrive and create more jobs.
- 7.5 **"Priority Sector"** refers to the sectors identified by the Department in Appendix-I as amended from time to time by the department that is innovative and future-oriented and has a substantial potential to contribute to economic development.
- 7.6 **"Product Based Startup"** means a startup which manufactures a product in an organized manner, having a physical size and the unit is registered for manufacturing activity under the Udyam Registration of the Government of India, and the manufacturing unit is established in Madhya Pradesh.
- 7.7 **"Prominent Advertising Platforms"** means the platforms listed under Appendix - II of the Policy.
- 7.8 **"Startup"** means an entity which is recognized by Startup India under the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and is registered/Incorporated in the State of Madhya Pradesh. In a startup promoted by SC, ST, Women, Divyangjan or Transgender category promoter, their ownership should not be less than 51%.
- 7.9 **"State Government"** – Department of Micro, Small and Medium Enterprises, Government of Madhya Pradesh.
- 7.10 **"State Level Startup Empowered Committee"** means the Committee constituted under the Chairmanship of the Chief Secretary for smooth implementation and supervision of the policy and for Startup Screening and Selection under the State Innovation Challenge.
- 7.11 **"Successful startup"** means that will fulfil any of the following conditions:
- The startup should have received a total equity funding of at least ₹ 25 lakh from Category 1 or 2 SEBI registered Alternative Investment Funds or angel networks; or
 - Funding/Investment of at least ₹ 5 lakh from the Government of India or Government of Madhya Pradesh; apart from the grant or
 - The startup should have received a monthly revenue run rate of ₹ 10 lakh or more for the previous six months.
- 7.12 **"Technology Business Incubator (TBI)"** means an undertaking of universities, public research institutions, local administrations and private institutions working to promote and support technology-oriented startups.
- 7.13 **"Trade Receivable Discounting System (TREDS)"** Platform means the Trade Receivable Discounting System as defined by the Reserve Bank of India and the approved institution for this purpose.

8. Startup Ecosystem Enablers

Institutional, marketing, financial and business facilitation are the pillars to develop the startup and incubator ecosystem and provide them with necessary support.

8.1 Institutional Support

8.1.1 Madhya Pradesh Startup Advisory Council

An Advisory Council will be constituted under the chairmanship of Chief Secretary, Government of Madhya Pradesh, to offer guidance on developing a strong foundation for

startup and fostering innovation across the state. This initiative will help the State's economy to thrive and create more jobs. The council will include distinguished startup founders, investors, academician, promoters/senior executives of prominent large industries established in the state, leaders of IT sector, and other relevant stakeholders.

8.1.2 Specification and Expansion of Madhya Pradesh Startup Center

Madhya Pradesh Startup Center (MPSC) with executive head, subject experts will be strengthened, expanded and institutionalized under the aegis of Madhya Pradesh Laghu Udyog Nigam (MPLUN), so that the startups of the state can be provided with the necessary support and various programs can be conducted in collaboration with all the stakeholders. The center will continue to function as a dedicated agency to promote, strengthen and facilitate the startup ecosystem in the state.

Keeping in view the scope of Madhya Pradesh Startup Center, regional offices will be set up in Indore, Jabalpur, Ujjain and Gwalior or other cities as per the requirement. Madhya Pradesh Startup Center will be set up as a separate independent not-for-profit legal entity under Section 8 of the Companies Act, 2013 or a society registered under the Madhya Pradesh Societies Registration Act, 1973. In addition to this, the department will establish co-working spaces for startups in major cities of the state through its subordinate institutions. If needed, arrangements will be made with other departments of the State Government and their corporations to make the space available.

8.1.3 Objective of Madhya Pradesh Startup Center

- i. To provide guidance and support to startups of the state.
- ii. It will act as a single-window agency for startups and incubators and coordinate with all ministries of the central government and state departments.
- iii. The center shall examine the application received through dedicated portal for assistance under the policy submitted by eligible startup, incubators and host institute. After proper examination of the eligible applications, the center shall present its report before the Managing Director, Madhya Pradesh Laghu Udyog Nigam for consideration, after due consideration the Managing Director, Madhya Pradesh Laghu Udyog Nigam will submit the eligible and completed cases along with the recommendation to the Principal Secretary, MSME, Govt. of MP. After final approval the assistance will be disbursed to the approved applicants through DBT (Direct Benefit Transfer) through Managing Director, Madhya Pradesh Laghu Udyog Nigam.
- iv. Coordinating/continuous liaison with various departments of the State Government for necessary approvals for smooth functioning of the ecosystem.
- v. It will review the status of startup ecosystem in the state and make necessary recommendations to the state government.
- vi. The center aims to create and support entrepreneurship, innovation and startup culture in the state by promoting an innovation-driven start-up ecosystem, thus making Madhya Pradesh a self-reliant start-up and innovation hub.
- vii. The center will facilitate startups to pitch/showcase their services/products across various investment, market and other related platforms.

- viii. It will also support the startups by providing mentorship support and facilitate them to raise capital/other financing from the investors.
- ix. Preparation of Master Database.
- x. To provide various compliance related support to startups.
- xi. Organizing boot camps, challenge competitions, road shows and investor meets/workshops in and outside the state.
- xii. Conduct pre-market studies and evaluations.
- xiii. Redressal of complaints relating to any sanction/incentive and other issues as per the laid down procedure.

8.1.4 Strengthening the capacity of Madhya Pradesh Startup Center

To strengthen the capability of Madhya Pradesh Startup Center to support the growing startup ecosystem of the state, it is essential to further expand the team structure and onboard subject experts across key domains such as innovation, finance, incubation, business development, marketing, legal, compliance etc. For the effective implementation of the startup policy and programmes a dedicated Project Management Unit (PMU) will be set up under Madhya Pradesh Startup Center.

8.1.5 Establishment of Mega Incubation Center

The State Government is committed to fostering a structured environment for creativity and business growth, as well as promoting the spirit of startup and entrepreneurship within the state. To achieve this, a Mega incubation center will be established to provide startups with state-of-the-art facilities, expert guidance, funding avenues, design support, research capabilities, and networking opportunities. This initiative will be designed to empower startups to excel on both national and international stages. To develop and manage this Mega Incubation Center, leading institutions of national and international level will be invited through a public-private partnership model. Additionally, satellite centers connected to the main incubation center will be set up in other strategic locations across the state. The center will leverage the support & network of mentors onboarded by Govt. of India under its MAARG initiative.

8.1.6 Support for revival

The Madhya Pradesh Startup Center will provide support to such startups facing operational difficulties due to financial constraints or other significant challenges. The center will provide mentorship and guidance to such startups to restructure their business models in collaboration with incubators and private sector partners.

8.2 Enhancing Startup Portal

The state's dedicated startup portal will be further strengthened for information dissemination and simplification, capacity expansion, mapping ecosystem activity and simplifying the application process for assistance under the policy. In addition to this, to make the information more accessible efforts will be made to develop a mobile app, a robust startup helpline on the lines of CM helpline, AI-based chatbot and establish dedicated IT cell.

8.3 Partnerships for Academic, Technical and Mentorship Support

To foster growth and provide technical support and guidance to startups, especially product-based startups in the state, they will receive necessary support from national and state level technical and management institutes/universities and other educational institutions. Madhya Pradesh Startup Center will collaborate with key technical Testing, Research and Development Support facilities including MSME Technology Center in Indore and Bhopal, National Institute of Design Bhopal, IISER Bhopal, IIITDM Jabalpur, NIFT Bhopal, IIT Indore, NIT Bhopal, IIM Indore, AIIMS Bhopal, ICMR, RRCAT Indore and other Central/State Universities, Colleges and Research Organization of repute.

All the relevant departments overseeing educational institutions shall make an effort to engage students in innovation and entrepreneurship, offering encouragement and support to interested and eligible students via the Student Innovation Fund under the Madhya Pradesh Yuva Niti. Atal Tinkering Labs will be established in as many schools as possible across the state with the support of the Government of India, which will awaken a spirit of innovation and entrepreneurship among students in secondary and higher secondary schools. Under the Government of India's Ministry of Micro, Small and Medium Enterprises RAMP scheme (Raising and Accelerating MSME Performance Scheme), incubation centers will be set up in industrial training institutes, polytechnic colleges, engineering colleges, and other higher education institutions in every district of the state to promote innovation and entrepreneurship.

9. Financial Assistance to Startups

Eligible Startups and incubators seeking financial assistance under the policy will submit their applications through the designated portal. Madhya Pradesh Startup Center after a thorough examination of these applications, will present the applications along with a report, to the Managing Director of the Madhya Pradesh Laghu Udyog Nigam for consideration. After due consideration, the Managing Director will then submit eligible and complete cases, with recommendations, to the Principal Secretary, MSME Department, Govt. of Madhya Pradesh, for final approval. Once the final approval is granted, the assistance amount will be distributed to the applicants through Direct Benefit Transfer (DBT) by the Managing Director of the Madhya Pradesh Laghu Udyog Nigam. The assistance/support provided under the policy will be included under the "Madhya Pradesh Public Services Guarantee Act, 2010" to ensure delivery within the specified time frame.

9.1 General Financial Assistance to Startups:

9.1.1 Madhya Pradesh Startup Seed Fund Assistance

The selected startups will be provided with grant assistance up to a maximum of ₹ 30 lakh. This seed fund will be given to startups through empanelled incubators. Seed funds will be provided for manpower, professional services, consumables, hardware/ software/ raw material costs, manufacturing outsourcing, product testing, market research, market entry, commercialization or scaleup. The grant will not be used by the startup for any construction work, facility creation, land, property, or fixed capital investment. The disbursement of funding instalments will be contingent upon the progress of the startup as reported by the associated incubator.

9.1.2 Startup Investment (Capital) Fund

A Startup Capital Fund amounting to ₹100 crores will be set up by the State Government. The government plans to allocate a maximum of ₹50 crores to selected and empanelled AIFs (Alternative Investment Funds). These empanelled AIFs will, in turn, invest ₹100 crores in DPIIT recognised startups of Madhya Pradesh.

9.1.3 Assistance on Investment / Loan received.

Startups that have received funding, investments, or loans from financial institutions, banks, or alternative investment funds recognized by SEBI (Securities and Exchange Board of India) or RBI (Reserve Bank of India) will be provided with assistance at the rate of 15% of the received amount, up to a maximum of ₹15 lakhs. This assistance will be provided up to four times during the startup's lifetime as determined by Startup India, subject to a maximum limit of ₹ 60 lakh. The loan repayment period should not be less than one year. This support will also be payable upon receiving loans/CCD (Compulsorily Convertible Debentures) or equity under the schemes of the state and central government. However, it will not be payable for any kind of grant.

Startups established by SC, ST, women, persons with disabilities, or transgender entrepreneurs will receive an additional 3% assistance, i.e., a total of 18% assistance subject to a maximum of ₹ 18 lakh. This will be available four times, within the maximum limit of ₹ 72 lakh, as per the conditions mentioned.

9.1.4 Loan to Startup through bank under Mukhyamantri Udyam Kranti Yojana

Under the Mukhyamantri Udyam Kranti Yojana (MMUKY), startups will be provided with collateral-free loans through banks, by covering under the Government of India's "Credit Guarantee Scheme for Startups". The guarantee fee payable for Credit Guarantee Scheme for Startups at the prevailing rate will be reimbursed up to 5 years. Startup receiving loan under MMUKY will also be eligible for an interest subsidy reimbursement on the disbursed loan at the rate of 5 percent per annum (subject to a maximum of 5 years). Startups that secure loans under this scheme will also be eligible to receive assistance on loan received under section 9.1.3 of the policy document. MMUKY shall extend amended to the extent to enable collateral-free loan and interest subvention up to 5% to startups.

9.2 Operational Assistance to Startups:

9.2.1 Promoting Entrepreneurship - Entrepreneur-in-Residence (EIR) Assistance

Financial assistance of ₹ 10,000 per month per eligible startup up to 12 months within a 2-year period from the date of DPIIT recognition. The assistance aims to encourage students and working professionals to consider entrepreneurship as a viable career option by offering this support.

9.2.2 Product/Prototype Assistance

A Startup will receive reimbursement support covering 100% of the total expenses, up to a maximum of ₹15 lakhs per startup, for technology transfer, technology development,

product development, product designing, branding and marketing consultancy, packaging consultancy etc. through State/Central Government owned/funded institutions/colleges/universities/scientific and industrial research organizations.

9.2.3 Patent Assistance

A reimbursement of 100% subject to a maximum of ₹5 lakh will be provided on obtaining patents in the name of startup. In addition, 100% reimbursement will be given for obtaining international patents, subject to a maximum limit of ₹20 lakh. This will cover all necessary government fees, and the cost of consultancy services required for obtaining a patent.

9.2.4 Lease Rental Assistance

Startups that have taken workspaces on lease or rent will receive 50% assistance on the rent paid each month for a period of three years, with a maximum cap of ₹10,000 per month. This support will be extended to product-based startups located in industrial areas/parks/clusters owned or assisted by the state government, covering the lease rent and maintenance charges incurred on leased land/sheds/premises. Additionally, the same assistance will be available for the workspace/seat rental fees paid by startups at incubation centers.

9.2.5 Online Advertising Assistance

Startups will be provided with 100% assistance for advertising expenses on prominent advertising platforms as per Annexure-II, up to a maximum limit of ₹ 3 lakhs for one year. A startup, recognized by DPIIT, incorporated not more than 2 years ago at the time of application can apply for this assistance. This assistance can be availed only once during the policy period by a startup. The list of other prominent advertising platforms as per Annexure-II may be updated from time to time by the Department.

9.2.6 Event Participation Assistance

Assistance will be provided on the expenditure incurred on travel, lodging, stall and participation fees etc. for startup related events as follows:

- Domestic Events – Reimbursement of 75% of expenditure for participation in startup focused domestic events within the country, subject to a maximum limit of ₹ 50,000.
- International Events - Reimbursement of 75% of expenditure for participation in startup-focused international events abroad, subject to a maximum limit of ₹1,50,000.

Processing of all claims for the startup assistance shall be online and shall be decided in the transparent and time-bound manner.

10. Special Package for Product-based Startups

10.1 Training Expense Reimbursement

In view of the need of technical and skilled workers to start-ups, the assistance of reimbursement of expenditure for skill development and training will be given to a maximum of 25 employees per new employee ₹ 13000 per year for three years. This assistance will be available only to the employees domiciled in Madhya Pradesh. Training and skill development shall be provided through state and central government recognised institutes. The training programs must be of minimum 1-month duration.

10.2 Employment Generation Assistance

Manufacturing-based startups will be given assistance of Rs 5,000 per employee per month for a maximum of 25 employees for three years from the date of commencement of commercial production. This assistance will be limited to a period of 5 years from the date of commencement of commercial production in the unit. This means that the new employee appointed in the third year will be eligible for employment generation assistance for the next two years from the date of his appointment. The said assistance will be subject to the following conditions.

Sr. No.	Time Period	Minimum average percentage of employment available to the natives of Madhya Pradesh out of total employed employees from the date of commencement of unit production
1	Within 1 year	50 %
2	Within 2 years	75 %
3	Within 3 years	90 %

If the above condition is not fulfilled, the employment generation assistance being provided to the unit will be deducted proportionately.

10.3 Exemption on Electricity Duty for Product Based Startups

All eligible new units having new electricity connection shall be exempted from electricity duty for 3 years from the date of connection.

10.4 Reimbursement Support for Electricity Tariff for Product Based Startups

Reimbursement assistance of ₹2 per unit will be provided to product-based startups for new electrical connections in the project. This assistance will be available for three years starting from the date of commercial production.

Processing of all claims for the startup assistance shall be online and shall be decided in the transparent and time-bound manner.

10.5 The benefits of the facilities provided in the prevailing MSME Development Policy, subject to the conditions as per the prevailing policy.

11. Financial Assistance to Incubators

Terms & Condition for the Incubator:

- i. The Incubator shall be a legal entity which is (a) a society registered under the Societies Registration Act, 1860 or the Madhya Pradesh Societies Registration Act, 1973 or (b) a trust registered under the Indian Trust Act, 1882 or (c) A private limited company registered under the Companies Act, 1956 the Companies Act, 2013 (Companies Act, 1956 or Companies Act, 2013) or a company registered under Section 8 of the Companies Act, or (d) A statutory body created through a legislative act.
- ii. The incubator should have a adequate facility to accommodate a minimum of minimum 20 incubatees.
- iii. The incubator should have a full-time head/CEO with experience in business development and entrepreneurship, who will be supported by a competent team that will be responsible for guiding the startups in testing and validating ideas as well as for finance, legal, marketing, human resource or any other relevant functions.
- iv. The incubator must have a furnished and well-equipped space of at least 5000 sq ft (built-up area).
- v. It will be mandatory for the incubator to be registered/incorporated, established and operated in Madhya Pradesh.
- vi. The incubator must be in operation for the last 2 financial years and will be required to submit annual report and audit report for the last 2 years.
- vii. At the time of applying for any assistance under the policy, the incubator must have physically incubated at least 5 MP based DPIIT recognised startups.
- viii. The incubator must reserve a minimum of 50% of its total seating space for DPIIT recognised startups.
- ix. Incubator must be financially assisted by Centra/State government for its establishment. Incubators established with the financial support of state or central government will be relaxed for a 2-year period of existence.

11.1 Assistance for setting up a new Incubator Center

Host institutions will be provided with capital support for establishing new incubators equipped to accommodate a minimum of 20 incubates and a built-up area of at least 5000 square feet. The following capital assistance will be granted:

- The government/semi-government and government-funded host institute will be eligible to receive 100% capital assistance grant of capital investment (excluding land and building cost) subject to a maximum of ₹ 50 lakh for setting up an incubator center.
- The private host institute will be provided 50% capital assistance grant of capital investment (excluding land and building cost) for setting up an incubator center, subject to a maximum of ₹ 50 lakh.

11.2 Event Organising Assistance to Incubation Center

For organizing events related to startups, incubators based in Madhya Pradesh will be provided with a reimbursement of up to ₹5 lakhs per event, subject to an annual limit of ₹20 lakhs in total assistance, which will not exceed the amount contributed by the incubator.

11.3 Incubation Center Upgradation Support

To assist Incubation Centers in upgradation, financial aid will be provided for 50% of the cost incurred in purchasing essential machines/equipment like fab lab instruments, 3D printers, and related operational software, subject to maximum of ₹10 lakhs. Each incubation center can avail this support maximum up to 2 times within the duration of the policy.

11.4 Incubation Center Land Allotment

For the establishment of Manufacturing-based Incubation Centers, provisions will be made to allotted land at the same rates as industries under the prevailing Departmental Industrial Land Allotment Rules in the notified industrial areas of the Department to Manufacturing-specific incubation centers, who are registered under Section 8 and is a non-profit organization established under the Companies Act, 2013.

Processing of all claims for the incubator assistance shall be online and shall be decided in the transparent and time-bound manner.

12. Special Programs for Startups

12.1 State Innovation Challenge

Special Financial Assistance will be provided to the selected concept for redressal of four high-impact economic-social problems of the state. For this, concepts will be invited from all types of institutions (including Start-ups) and they will be circulated to all the concerned departments for their views. The concepts on the recommendation of the departments will be placed before the Screening/Selection and Empowered Committee constituted in this context under the chairmanship of the Chief Secretary. The committee will select four best concepts based on the specificity, merits and demerits of the above concepts and problem-solving ability. The evaluation and monitoring of selected start-ups will be done by MP Startup Center in consultation with subject matter experts. The nature of assistance will be as follows:

- A grant amount of a maximum up to ₹ 1 crore, which will be provided in a maximum of four phases or as per the decision decided by the empowered committee. The selected startups will be evaluated, monitored and evaluated by MP Startup center in consultation with subject matter experts based on the work done by them.
- Exemption or reimbursement and ex-post facto clearance from all necessary license/consent charges.
- Procurement Assistance in state for two years. If found suitable, the provisions of Madhya Pradesh Store Purchase and Service Procurement Rules, 2015 (with amendments from time to time) can be relaxed.
- All the selected solutions will be mapped to state government owned incubators for R&D support, lab usage, utilization of facilities, office space and meeting arrangements and regular monitoring.

- If a product-based start-up is selected, then it will also be able to get the benefits of the facilities provided for product-based start-ups in the policy.

12.2 Madhya Pradesh Startup Center Acceleration Program

Acceleration programs are in-depth mentoring sessions lasting a minimum of 12 weeks, aimed at helping startups evolve from concept to product launch and advance to the growth phase quickly. For each program, the empanelled incubator will receive up to ₹15 lakhs in financial assistance to support up to 15 startups.

12.3 Madhya Pradesh Startup Center Hackathon Program

Departments will publish problem statements related to state-specific or theme-based issues, inviting startups to develop innovative solutions. Selected startups will be eligible for financial assistance of up to ₹5 lakhs per startup.

12.4 Madhya Pradesh Startup Ecosystem Award

The Madhya Pradesh Startup Ecosystem Awards will be presented in various categories to recognize and honour exemplary startups, incubators, and other leading stakeholders.

12.5 Startup Event

The Madhya Pradesh Startup Center will organize and support networking events such as conferences, trade shows, meetups, boot camps, mentoring sessions, startup mela, demo days, investor days, startup yatra, startup exchange programs, and a state-level startup conclave to bring startups, investors, mentors and stakeholders together on one platform.

13. Power of the Government

- Startups and incubators will be provided with support and assistance under the policy in accordance with the procedures and guidelines issued by the Madhya Pradesh Government's Department of Micro, Small and Medium Enterprises. Any amendments to the procedures and guidelines will be made with administrative approval from the department. In the event of any printing errors, factual inaccuracies, or discrepancies between the Hindi and English versions, the Hindi version shall be deemed authoritative.
- Subject to the provisions under the policy, the Government of Madhya Pradesh, Department of Micro, Small and Medium Enterprises at any time –
 - May amend or repeal this policy.
 - May relax the provisions of this policy.
 - May issue directions/clarification/guidance to clarify the provisions of the policy.
- Madhya Pradesh Startup Policy and Implementation scheme 2022, shall become ineffective from the date of coming into force of this policy.

14. Jurisdiction

In case of any dispute, the jurisdiction will be in Madhya Pradesh.

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Appendix-I List of Priority Sector

1. Agriculture & Food Processing & Technology
2. Animation, Visuals, Graphics, Extended Reality, and Gaming
3. Biotech & Life Sciences
4. Bioprinting, Organoids, Genetic Engineering, Human Augmentation, Biodynamics and Brain-Computer Interface (BCI)
5. Circular Economy Based
6. DeepTech
7. Mobility
8. New Energy Technologies
9. Quantum Technology
10. Tourism

Appendix-II Prominent Advertising Platforms

1. Amazon
2. Flipkart
3. Google
4. Meta

Government of Madhya Pradesh
Department of Micro, Small and Medium Enterprises

Madhya Pradesh Startup Implementation Scheme, 2025

1. Preface

To promote innovation and startup ecosystem for young entrepreneurs in the state, the Government of Madhya Pradesh has launched the "Madhya Pradesh Startup Policy and Implementation Plan 2025". To provide various assistance to incubator and startups as per the policy provision effective from the policy notification date, "Madhya Pradesh Startup Implementation Scheme 2025" is being implemented.

2. Period and scope of implementation of the scheme

- This scheme will be effective from the date of notification and will be effective in the whole of Madhya Pradesh till it is amended or superseded by the Government.
- Startups / Incubators / Host Institute will be eligible to get assistance under this scheme. In the case of Manufacturing/Product based startups, the units which start commercial production after the date of notification will be eligible to get the benefit of the facility under this policy.
- Startups, incubators, and host institutions that were established before the date of this notification will be eligible for assistance as per the Madhya Pradesh Startup Policy, 2022, or earlier policies. Resolutions for such cases will be handled according to the previous policies. However, these entities will also be eligible for assistance related to investment/loans, patent support, event participation, online advertising, and the State Innovation Challenge. Additionally, special financial support for the establishment of new incubator centers, event assistance for incubation centers, and incubation center upgrade support; specific financial aid for product-based startups under the Madhya Pradesh MSME Development Policy; and special startup programs including the Madhya Pradesh Startup Acceleration and Hackathon Programs, Startup Capital Fund, Madhya Pradesh Startup Seed Grant Assistance, Madhya Pradesh Startup Ecosystem Awards, and support for startup events will be available to those established/incorporated before the Madhya Pradesh Startup Policy and Implementation Plan 2025 comes into effect.
- Various committees formed to avail the facility/assistance to the startups/incubators under the earlier/prevaling policy(s) shall be dissolved and disposal of cases received/sanctioned under the earlier policy(s) will be done as per the procedure laid down in the "Madhya Pradesh Startup Implementation Scheme, 2025".

3. Procedure for Implementation

a. State Level Empowered Committee

The constituents of the State Level Empowered Committee under the Chairmanship of the Chief Secretary for smooth implementation and supervision of the policy and monitoring the progress of startups for the State Innovation Challenge will be as follows:

S.No.	Details of Office Bearers	Authority
1.	Chief Secretary, Government of Madhya Pradesh	Chairman
2.	Additional Chief Secretary/Principal Secretary, Finance Department	Member
3.	Additional Chief Secretary/Principal Secretary, Commercial Taxes Department	Member
4.	Additional Chief Secretary / Principal Secretary, Urban Development and Housing Department	Member
5.	Additional Chief Secretary/Principal Secretary, Department of Science & Technology	Member
6.	Additional Chief Secretary/Principal Secretary, Hon'ble Chief Minister	Member
7.	CEO, Atal Bihari Vajpayee Institute of Good Governance and Policy Analysis, Bhopal	Member
8.	Additional Chief Secretary/Principal Secretary, Micro, Small and Medium Enterprises Department	Member Secretary
9.	Other invited members as needed	Member

b. The evaluation process for assistance to startups, incubators, host institutions, Grand Innovation Challenge participants, and innovators (all referred to collectively as 'unit') under this policy is as follows:

- Applications for assistance under the scheme should preferably be submitted online by the authorized representative of the unit through the Startup MP portal/Madhya Pradesh Startup Center in the prescribed format.
- The Madhya Pradesh Startup Center will conduct a thorough review of the received applications and, after due diligence, present the matters related to assistance, along with its report, to the Managing Director of the Madhya Pradesh Laghu Udyog Nigam for consideration.
- After consideration, the Managing Director Madhya Pradesh Laghu Udyog Nigam will present the recommended application to the Principal Secretary, MSME. Upon the Principal Secretary's approval, orders for the financial assistance provided under the policy will be issued and disbursed through Direct Benefit Transfer (DBT) by the Managing Director, Madhya Pradesh Laghu Udyog Nigam. The assistance/support provided under the policy will be included under the "Madhya Pradesh Public Services Guarantee Act, 2010" to ensure their delivery within the specified time.

- For the first time all the assistance under the scheme will be approved by the Principal Secretary, MSME. Thereafter, the instalments of the sanctioned assistance will be received automatically as per the eligibility, without the approval of the Principal Secretary, MSME.
- If any such technical point comes to the notice of the Principal Secretary MSME, which requires decision to be revised then the Suo motu cognizance may be taken up and the decision must be communicated to the concerned unit within 30 days.

4. Appeal

An appeal against the decision of the Principal Secretary, MSME shall lie before the Administrative Department within 90 days from the date of receipt of the decision, the department may condone the delay (if any) on merits. The decision of the Administrative Department shall be final.

5. Powers to Prepare Explanation/Guidance/Application Form

The detailed guidelines, standard operating procedure (SOPs) and forms for approval/sanctions of assistance under the policy to startups/incubators/host institute /grand innovation challenge etc. would be issued separately by the Department of MSME, Govt. of MP.

6. Amendments/Exemptions/Repeals

Notwithstanding anything contained in the provisions of the scheme, the Government of Madhya Pradesh, the Department of Micro, Small and Medium Enterprises shall at any time:

- Amend or repeal of this scheme.
- May relax the provision of this scheme.

7. Court Jurisdiction

In case of any dispute, the jurisdiction shall be within the State of Madhya Pradesh.





MSME
GOVERNMENT OF MADHYA PRADESH

Government of Madhya Pradesh
Department of Micro, Small & Medium Enterprises