Madhya Pradesh – Madhya Pradesh Startup Policy and Implementation Plan 2022

Introduction

Madhya Pradesh is one of the largest states in India both by area and economic size.

The government focuses on economic and social reforms to accelerate local employment generation, especially among youth, through entrepreneurship and startups.

The policy builds on earlier versions (2016, 2019) and aligns with national startup initiatives and state self-reliant schemes.

The new 2022 policy aims at holistic and effective promotion of startup ecosystem, going beyond financial assistance to include institutional support, ease of doing business, marketing support, and infrastructural facilitation.

Policy Objectives

Develop a robust startup ecosystem through positive interventions and catalytic programs.

Achieve 100% growth in registered and recognized startups in the state.

Ensure 200% growth in agriculture and food-related startups with government recognition.

Encourage increase in product-based startups.

Set up and strengthen incubation centers.

Promote startup awareness from school and college levels.

Solve socio-economic issues through innovation and startups.

Elevate Madhya Pradesh's ranking in the Startup India index.

Policy Focus Areas

Institutional support and facilitation for ease of doing business.

Promotion and encouragement of product-based startups.

Strengthening innovation and entrepreneurship.

Marketing assistance.

Financial and non-financial support schemes.

Definitions and Eligibility

Startup: As per Government of India’s recognized startups registered with DPIIT and incorporated/registered in Madhya Pradesh.

Minimum 51% participation of women required for women-led startups.

Product Startup: Those with a scalable product offering.

Incubator: Organization or institution facilitating startups with resources and mentoring.

Technology Business Incubator (TBI): A higher education or R&D institution-based incubator supporting technology startups.

Host Institute: Registered educational/research/industry institutions supporting entrepreneurship.

TREDS Platform: Trade-related receivables discounting system recognized by Indian banks for liquidity support.

Startup and Incubator Support

5.1 Institutional Support

Establishment of Madhya Pradesh Startup Center under MSME Corporation.

The center will facilitate policy implementation, provide mentorship, facilitate funding and markets, and coordinate government departments.

The center will also help startups with legal, regulatory, tax, and compliance guidance.

Organize state-level startup events, competitions, and challenges.

5.2 Robust Online Portal

Development of a unified portal linked with the Government of India startup portal.

The portal will enable access to various government schemes, registrations, incentives, and facilitate communication between startups, investors, and incubators.

5.3 Academic Support

Collaboration with universities, colleges, and research institutions for technical and mentoring support.

Encouragement of entrepreneurship curriculum and awareness programs from school through higher education.

Testing and validation facilities available through academic and research centers in Bhopal, Indore, Jabalpur, and others.

5.4 Ease of Doing Business

Facilitation for simplification of regulatory and approval processes through post-facto approvals.

Adoption of deemed approvals per the Madhya Pradesh Public Services Guarantee Act, 2010.

Linking startups to liquidity platforms like TREDS to address cash flow issues.

Marketing and Financial Support

Support to startups participating in government tenders, exemption from security deposits for government projects.

Marketing support including trade fairs and exhibitions.

Financial assistance to startups registered under the policy, primarily product-based startups.

Government-provided seed funding and support covering up to 15% of the received external funding, capped at ₹15 lakh.

Special assistance (₹5 lakh) for incubators organizing startup support programs.

Rental support for leased office spaces (up to 50% or ₹5000 per month).

Patent support up to ₹5 lakh for patents filed with state recognition.

Subsidies for technical skill development and employment generation incentives.

Exemption on electricity connection fees and reduced tariffs for startups.

State Innovation Challenge

Organized at the state level to identify and fund solutions for high-impact socio-economic issues.

Funding support up to ₹1 crore disbursed in tranches based on project progress.

Exemption from certain licensing and regulatory fees for participating startups.

Support for project validation, monitoring, and evaluation by a dedicated committee.

Implementation Procedure

Applications must be submitted online through the Madhya Pradesh Startup Center portal.

Required documents include government recognition certificates, startup registration, employment records, financial statements, and project reports.

The State Innovation Challenge Committee oversees selection, evaluation, and funding disbursal for startups.

Support is extended only to DPIIT-recognized startups registered and operating in Madhya Pradesh.

The policy and its provisions are subject to periodic review and amendment by the state government.

Review and Amendment Authorities

The state government, through the MSME Department, retains the right to modify, amend, or repeal any provisions relating to the startup policy.

Any disputes arising under the policy fall under the jurisdiction of Madhya Pradesh courts.

Source: Madhya Pradesh Startup Policy 2022

Issued by: Government of Madhya Pradesh – MSME Department

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