

## Financial Assistance

### A. For Start-ups and incubators established in the state

#### Assistance on investment received -

For a start-up that has received funds/investments from a financial institution recognized by SEBI (Security and Exchange Board of India)/RBI Preferred Financial Institutions/Scheduled Banks/ Alternative Investment Funds /Investment (Equity/Debt), assistance will be given at the rate of 15% maximum upto Rs.15 lakh of the first investment received. This assistance will be extended to a maximum of 15% each for a maximum of four stages over the life of the startup {Department for Promotion of Industry and Internal Trade, Government of India as per the definition prescribed in February 2019 (as amended from time to time)} i.e. the assistance received in this head during the entire lifetime of the startup will not exceed Rs.60 lakhs. The loan repayment period should not be less than one year. In this context, in the 1<sup>st</sup> phase 33% or maximum Rs. 5 lakh shall be given as assistance to the incubators of Madhya Pradesh. The said support will be provided only to such incubator whose name is provided in the application given by the startup. The start-ups helmed by women entrepreneurs shall be given additional 20% of 15% capital assistance on the total amount of investment they receive under the policy. This extra fund shall increase the capital assistance for women entrepreneurs to 18% of total amount of investment subject to maximum of Rs.18 lakhs and a maximum of Rs72 lakhs in four phases. All other terms and conditions shall remain unchanged.

#### Event Organizing Assistance –

Assistance of Rs. 5 lakh per event to incubators located in Madhya Pradesh for organizing events related to start-ups not exceeding Rs. 20 lakh per annum. The State Level Assistance Committee shall approve the fund on the recommendation of MP Start-up Centre.

#### Incubation Upgradation Assistance –

One time assistance of Rs.5 lakhs for the up-gradation of Incubators shall be given, however to avail this facility each Incubator shall have to increase its existing seat capacity by an additional 20% or minimum 2 new start-ups 11 should be given working place. This facility shall be available only once in the entire lifetime of the incubator.

#### Lease Rental Assistance –

50% up to a maximum of Rs. 5000/- per month lease rental assistance for three years, on the rent paid per month for the workspace taken on lease by the startups. The said assistance will also be available to the product-based startups set up in industrial areas/parks/clusters owned or aided by the State Government, on the lease rent and maintenance charges paid by them on the plot/shed/constructed space taken on lease. Provided that the said assistance shall not, under any circumstances, exceed 50% of the amount paid in the above items, subject to a maximum of Rs. 5000/- per month and for a period not exceeding three years.

#### Patent Assistance –

Maximum assistance of Rs.5 lakh on actual expenditure for obtaining a patent subject to the condition that the patent is obtained for a start- up established in the state.

### B. Special financial assistance and support for product- based start-ups

#### Concurrent License/Consent facility –

Provided for one year.

#### Machines –

Facility to use the required machine in MSME Technology Centre, Bhopal and Indore.

#### Training Expenditure 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 of Rs 13000 per year per new employee

for maximum period of three years. This assistance will be available only to the employees domiciled in Madhya Pradesh.

### **Employment Generation Assistance –**

All the new employees appointed by the employer in the product based start-up unit in the first three years from the date of commencement of commercial production will be eligible to get the benefit of assistance of Rs.5000 per employee per month. The assistance period will be maximum 3 years and will be given to maximum 25 employees only. 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 12 employment generation assistance for the next two years from the date of his appointment. The said assistance will be subject to the following conditions:-

<b>Sr. No.</b>	<b>Time Period</b>	<b>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</b>
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.

**Exemption on Electricity Duty** - All eligible new units having new electricity connection shall be exempted from electricity duty for 3 years from the date of connection.

**Concession in Electricity Tariff** - Supply of electricity in the project on new electricity connection at a fixed rate of Rs.5 per unit for 3 years from the date of commercial production in the unit.

The benefits of the facilities provided in the prevailing MSME Development Policy, will be available subject to the conditions.

### **C. Financial assistance / non-financial assistance under the 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 13 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. For evaluation and monitoring of selected start-ups, a State Level Evaluation and Monitoring Committee will be constituted under the chairmanship of the Principal Secretary of the concerned department. The nature of assistance will be as follows –

- Grant up to Rs.1 crore, which will be provided in maximum four phases or as decided by the competent committee for this purpose. The selected start-ups will be assessed, monitored and evaluated by the competent committee on the basis of the work done by them.
- Exemption or reimbursement and ex-post facto clearance from all necessary license/consent charges. The maximum limit of this assistance will be Rs.5 Lakh.
- 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.
- Utilization of facilities, office space and meeting arrangements with office support available in Atal Bihari Bajpai Institute of Good Governance and Policy Analysis, Bhopal.
- 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.