



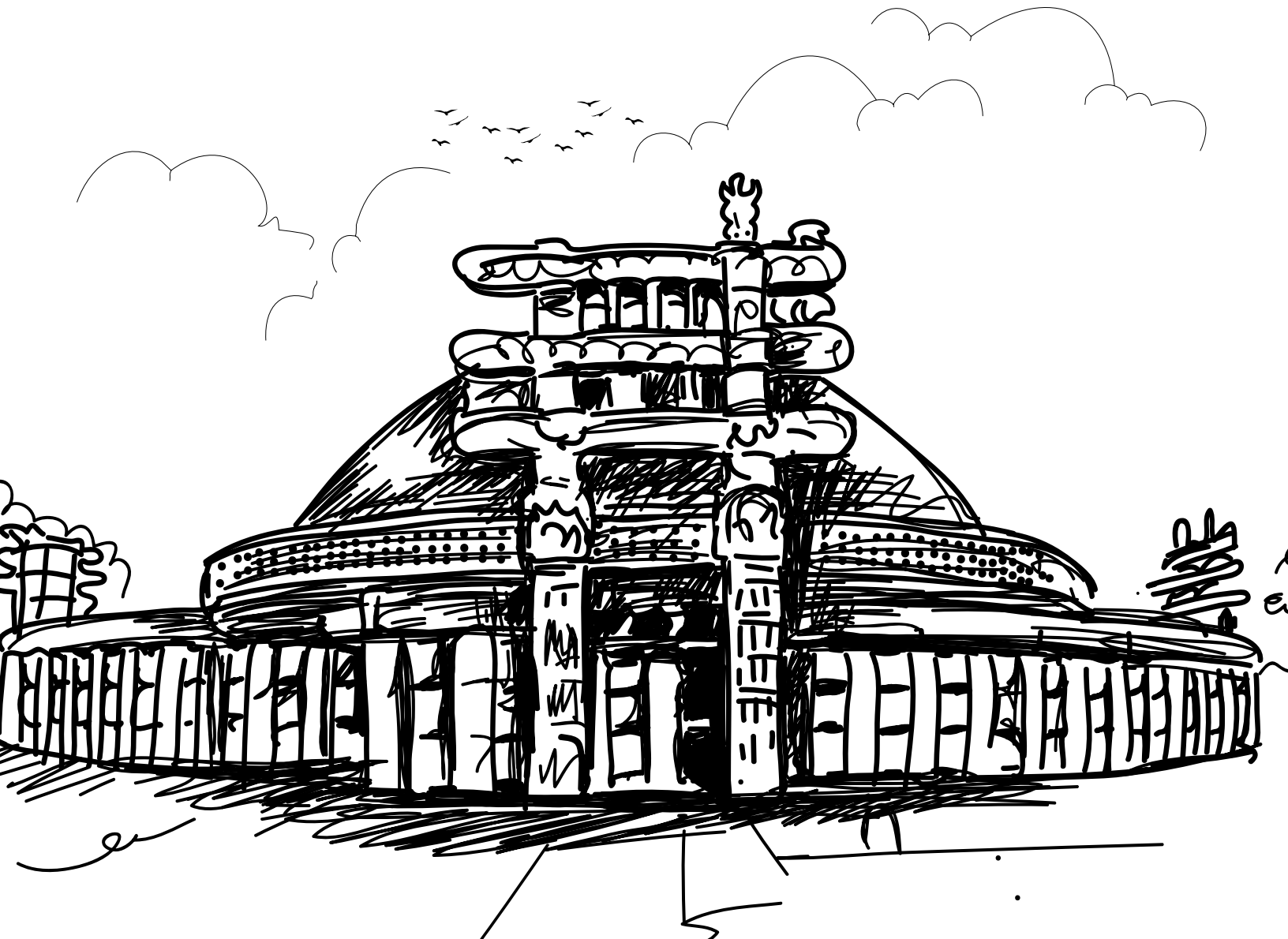
सत्यमेव जयते

Government of India  
Ministry of Commerce and Industry  
Department for Promotion of Industry and Internal Trade

## STATES' STARTUP RANKING 2019

# MADHYA PRADESH

EMERGING STARTUP ECOSYSTEM







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# 01

## OVERVIEW OF STATE STARTUP ECOSYSTEM

The state of Madhya Pradesh, often referred to as the heart of India, has, attracted investments in a diverse mix of sectors ranging from heavy engineering, information technology, electronics system design and manufacturing (ESDM), Telecommunications and automobiles. As a result, one of the interesting aspects about the state is the abundance of skilled technical workforce, thereby providing a tailor-made platform to promote startups in the state. In order to ignite the spirit of entrepreneurship and innovation for people in the state and converting ideas into potential businesses, the state government, in 2016, outlined a startup policy to provide an enabling environment to achieve this objective.

This policy has been formulated with the clear mission to align itself with the 'Startup India' flagship initiative of the Government of India (GoI). The policy, termed as 'MP Incubation & Startup Policy' under the Department of Micro, Small and Medium Enterprises (MSME) with some updation in 2019, has a special focus on areas such as textile manufacturing, automobiles, food processing, soya processing, engineering and agriculture equipment manufacturing.

It is pertinent to highlight that the state is also home to some of the most renowned educational institutes of India such as the Indian Institute of Management (IIM), Indore, the Indian Institute of Technology (IIT) Indore, All India Institute of Medical Science (AIIMS), National Institute of Fashion Technology (NIFT), Bhopal, Polytechnics and several Industrial Training Institutes (ITIs). Availability of skilled manpower along with proportional number of training institutes makes the state an ideal destination for startups.

The state has evolved its policies to offer a startup friendly ecosystem with a clear focus on incubation, funding and individual startups. The policy offers benefits and incentives across various areas of intervention to startups.

### KEY OBJECTIVES OF THE POLICY ARE TO:



Strengthen the startup culture by nurturing entrepreneurial skills



Encourage setting up of new technological business incubation centers along with strengthen existing ones



Encourage and inspire youth to develop innovative ideas



Promote entrepreneurship activities among the youth of the state, thereby enabling sustainable and inclusive socio-economic development across the state



Promote and develop employment opportunities for the youth within the state

## SOME OF THE KEY HIGHLIGHTS OF THE STARTUP ECOSYSTEM IN MADHYA PRADESH ARE AS FOLLOWS:



The smart cities in the state are serving as platforms to launch incubators and co-working spaces in India such as Jabalpur Incubation Center



MP Venture Finance Limited (MPVFL) has been established to provide access to venture capital funds to startups and has received an in-principle approval from Securities and Exchange Board of India (SEBI)



the Startup Incubator Cell is managed by the nodal officer of the state for startups

The state's startup portal is <https://mpmsme.gov.in/website/startup>

It includes features such as:



Startup registration



Nodal institution registration



Mentor registration



Relevant guidelines and notifications



Events



Angel Network



**MUKHYA MANTRI YUVA UDYAMI YOJNA** supports youths who have adequate skills and want to opt for self-employment, however due to lack of finances are unable to do so. Major objectives of this scheme are:

- Encourage the youth to opt for self-employment
- Increase the number of enterprises
- Create maximum job opportunities

# 02

## SNAPSHOT OF STATE PERFORMANCE

The following representation details the status of Madhya Pradesh 's implementation on each of the 7 pillars of assessment. Data presented below is the percentile score.



Madhya Pradesh has been evaluated on 7 distinct pillars which largely contribute to the growth of the startup ecosystem. The representation as expressed above depicts the relative performance of Madhya Pradesh in each of the seven pillars in comparison to the performance of the best state in that pillar.

Although efforts have been made to enhance the startup ecosystem, the initiatives undertaken towards uplifting the same in Madhya Pradesh require improvements since results have been negligible across pillars. Greater efforts need to be employed by Madhya Pradesh for noticeable outcomes.

Detailed analyses of this snapshot can be viewed in the subsequent section, with extensive insight into the initiatives taken by Madhya Pradesh to uplift its startup ecosystem.

# 03

# PILLAR-WISE ASSESSMENT



## 1. INSTITUTIONAL SUPPORT

Institutional support envisages provisions and execution of the state's startup policy including information on the nodal team within the state, online implementation system, registration of mentors and their listing on the state startup portal. The states are evaluated based on the laid provisions along with parameters of availing benefits through state intellectual property rights portal, establishing partnerships with institutions, providing special incentives for women led startups and entrepreneurship.



### KEY FACTS

The state has a strong policy framework with identified focus areas. The ecosystem is backed by a user-friendly online implementation system for registration and for availing incentives offered by the state government. All the policies are available on the state's startup portal and have clearly defined benefits and incentives (both fiscal and non-fiscal) to be given to startups, incubators, nodal institutions, educational institutes. One of the key aspects of the state's support system for startups is support for incubators and accelerators which have risen through partnerships between the state government and various educational institutions.



### KEY STRENGTHS

#### STRUCTURED STARTUP POLICY

- The policy is sector agnostic i.e. the incentives and other benefits offered to startups are not restricted to any sector.
- In the policy, the state has accommodated a thorough and clear definition of 'startup' in the startup policy by the Department of MSME. According to the policy-
  - An entity shall be considered a startup up to a period of five years from the date of incorporation/registration; if it is incorporated as a private limited company or registered as a partnership firm or a limited liability partnership in India.
  - Turnover of the entity for any of the financial years, since incorporation, should not exceed INR 25 crore.
  - The entity should be working towards innovation, development or improvement of products or processes or services.
- All the details of the policy are available online through a dedicated portal for startups. The portal also provides startups with all the necessary details regarding the process for registration and the procedure for availing incentives.



#### FOCUS ON WOMEN ENTREPRENEURSHIP

- Women participation is essential for sustainable growth of the startup ecosystem. Women startups have actively participated in international events such as 64th Fancy Food Show in New York, USA and 83rd Thessaloniki International Fair (TIF) in Thessaloniki, Greece.
- The state offers special incentives for women-led startups in the form of interest subsidy of 8% on loans up to three years, not exceeding INR 5 lakh
- The state offers incentives for lease subsidy up to INR 5 lakh for women-led startups

### KEY STRENGTHS





## DEDICATED NODAL DEPARTMENT, OFFICER AND TEAM

- As per the policy, the Directorate of Industries, Madhya Pradesh has been assigned as the nodal agency wherein a dedicated team supports startups to promote incubators, startups, accelerators and to encourage host institutions to build entrepreneurial ecosystem in the state
- Contact details of nodal officer (with designation) are available on the state startup portal.

## COMPREHENSIVE ONLINE IMPLEMENTATION SYSTEM

- The state's startup portal has been formed for startups to initiate registration with the Government of Madhya Pradesh

Area	Parameter	Details	Reference
Startup Policy	1. Notifying a startup policy	MP Incubation and Startup Policy 2016' has been notified on 01/10/2016	Govt. Order
Simplification and Handholding	2. Ease of registration as a Startup 3. Ease of recognition as a Startup 4. Ease of compliances under various laws.	• MP Incubation & Startup Policy 2016' has been formulated with the clear mission to align itself with the 'Startup India' flagship initiative of the Government of India. • Therefore in order to simplify and unified the process of registration (recognition as Startup, a Startup can get it registered and recognized as 'Startup' which shall also be considered under the purview of 'MP Incubation & Startup Policy 2016'	Startup Registration/recognition
	5. Facilitation for setting up of incubators 6. Dedicated Startup Cell/Helpline 7. Dedicated Portal/Mobile Application	• MP Incubation & Startup Policy 2016 has provisioned to offer incentives in addition to the incentives provided by Govt. of India. Therefore Startups shall be allowed to self-certify compliance with labour and environment laws as provisioned in 'Startup India Action Plan' • For facilitation to setup Incubators & Startups, a dedicated 'Startup-Incubator' cell has been established in 'Directorate of Industries', Bhopal. Nodal Officer: Shri V. C. Dubey Address: Room no-410, 4th Floor, Directorate of Industries, Vinayachalabhanjan, Bhopal Email: sicell.msme@mp.gov.in, ic-mp@nic.in Dedicated Helpline no: 0755-2677961 • As one stop information portal for Startups/Incubators to understand all initiatives/programs is available on Department of MSME, Govt. of MP website.	Startup Action Plan (Refer Page 6) DO Letter MSME Website

- The startups can submit their application for registration by submitting all documents online. The status of the application is also reflected online on a real-time basis and can be tracked accordingly. Once the startup is registered successfully, a registration certificate is issued with a registration number
- A startup help center has also been set up under the Madhya Pradesh Startup Cell to receive and resolve queries via phone, e-mail or online portal.
- The details of incubators and mentors registered with the portal are available in the public domain.
- The details of the policy implementation dashboard are displayed on Madhya Pradesh's startup portal.

## INTELLECTUAL PROPERTY (IP) SUPPORT

- The Government of Madhya Pradesh through its MSME Department has issued the MP Incubation and Startup Policy 2016 which provides various provisions to extend intellectual property right support to startups. Following benefits related to IP support are provided in the policy:
  - Cost reimbursement for patent/ Quality certification per unit up to a limit of INR 2 lakh for domestic and INR 5 lakh for international patent/ quality certification upon successfully receiving them.
  - Within policy period of 5 years, two patent/ quality certification in each domestic and international category shall be considered

## STRONG PARTNERSHIPS

The state has established partnerships with educational institutions and business enterprises for supporting startups. The business enterprises include both private and public sector organisations.

### PARTNERSHIP WITH UNITED NATIONS DEVELOPMENT PROGRAMMES (UNDP):



Government of MP & United Nations Development programmes (UNDP) have signed a memorandum of understanding to cooperate in implementation of a programmes, which aims at building an institutional structure. This initiative would provide marketing support and capacity building for entrepreneurs under the Mukhyamantri Yuva Udyami Yojna in the state. The support would be provided in the form of specific training and hand-holding support to 5000 entrepreneurs to build their capabilities in relevant areas of entrepreneurship development. Further, this programmes has been collaborated upon with IIM Indore to design and conduct focused training modules for entrepreneurs.

### PARTNERSHIP WITH LEATHER INCUBATION CENTRE, DEWAS

A dedicated incubator center is being established in Dewas, MP which would be equipped with a plug and play facility to conduct training and skill development programmes. A sum of INR 90.20 lakh from Government of India and a sum of INR 44.80 lakh from the state has been sanctioned towards the project

### PARTNERSHIP WITH MP AKVN INCUBATION CENTRE, INDORE



- 35+ seats on plug & play basis have been reserved for the startups in Crystal IT Park, Indore in order to provide incubation facility to Micro, small and medium scale entrepreneurs
- Details of partnerships along with contact details are available on the startup portal of the state.

KEY STRENGTHS



## WAY FORWARD

The state needs to give importance to this pillar in order to further strengthen the startup ecosystem. The state could prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:-

### **MEDIUM TERM ACTIVITIES (4-6 MONTHS)**

The activities suggested in this category are important and will take relatively more time for implementation. Through dedicated efforts, results can be achieved within four to six months. Activities suggested under this category are as follows:

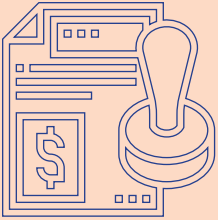
#### **Improve mentor networking platform**

- The state could deploy an extensive mechanism through the portal to directly connect the startups with mentors. The contact details and profile of the mentors could be updated on the portal for improved collaboration. Alternately, a communication platform could be offered by the state such as a virtual chat window on the portal with a domain specific email for mentors to provide personalised support to startups in the state.

#### **Increase in support from various departments**

- The other departments in the state could design policies, orders and schemes to additionally support and elevate the startup culture in the state. The other departments could enlist sector specific incentives and create possible synergies for startups.
- The other departments of the state could also notify important and recurring events from their respective departments which could foster participation from state's startups and create additional awareness on the startups' business set-ups.





## 2. SIMPLIFYING REGULATIONS

Simplification of regulations considers mandatory requisites for state level approvals and clearances for registering and operating a business or startup online. In order to make compliance for startups friendly and flexible, simplifications are required in the regulatory regime. It encapsulates regulatory issues faced by registered startups which have been identified through an interactive online mechanism subject to approving action by regulatory agencies. The states are evaluated based on the support provided to startups by introducing a list of rules, regulations or Acts in the state, including amendments in the Acts and regulations with requisite details to create a conducive environment for the state's startups.



### KEY FACTS

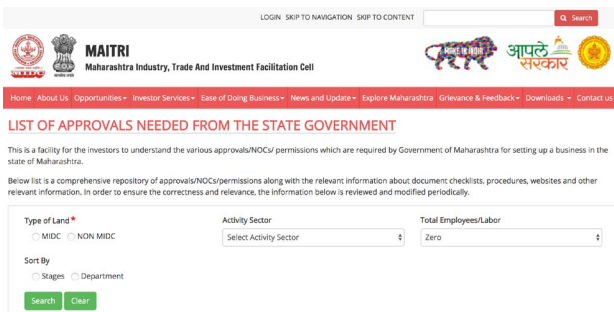
The state has a strong mechanism in place for identifying regulatory challenges faced by startups across various sectors, they have subsequently worked towards simplifying policies and regulations to promote the growth of startups. The state has also institutionalised an online mechanism to connect with disruptive startups and to understand their specific regulatory issues. The startup portal of the state is comprehensive in its mechanism to invite and identify regulatory issues of various types.



### KEY STRENGTHS

#### SIMPLIFIED BUSINESS COMPLIANCE AND MECHANISM FOR REGULATORY ISSUES

- The state has an online portal with interactive mechanism to find information on all the state approvals and clearances required for registering and operating startups across various sectors. The state's Single Window System portal showcases an online interactive mechanism for all state approvals and clearances required for registering and operating startups across various sectors.
- This ([msme.gov.in](http://msme.gov.in)) portal also acts as a one-stop shop for startups to comprehend the approvals and clearances required for starting a business, obtaining seed funding or venture funding, guidelines for public procurement, partnerships, self-certifications, relevant rules and regulations by the state government.



#### IDENTIFICATION OF REGULATORY ISSUES

- The portal has a dedicated section showcasing the online mechanism implemented by the state to invite & identify grievances raised by startups. Under "Concerned Department" tab, startups have the option to file complaints/ grievances related to various departments such as law & legislative affairs, public grievances redressal etc. A two-way communication between startups and relevant government departments is aimed at direct consultation and grievance redressal.

#### AMENDMENTS IN RULES, REGULATION OR ACTS FOR SUPPORTING STARTUPS

- The MSME Department of the state has notified all the other state departments to focus on startup services related to disruptive technologies and offer benefits under the MP Incubation and Startup Policy 2016. The department has also notified that preference in procurement and free of cost services be provided to Startups under Madhya Pradesh Bhandar Kraya Tatha Sewa Uparjan Niyam, 2015.
- The Labour Department of the state has notified all field officers to ensure that incentives and exemptions are extended to Startups upto a duration of 5 years
- Mukhyamantri Yuva Udhmi Yojana (MMYUY)- Provisions have been made for financial support for the registered startups. Rules/regulations under the scheme have assisted startups to avail loans. The scheme also provides for additional benefits for women startups in the form of low interest rates.



### KEY STRENGTHS



## WAY FORWARD

The state needs to give importance to this pillar in order to further strengthen the startup ecosystem. The state could prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:-

### **MEDIUM TERM ACTIVITIES (4-6 MONTHS)**

The activities suggested in this category are important and will take relatively more time for implementation. Through dedicated efforts, results can be achieved within four to six months. Activities suggested under this category are as follows:

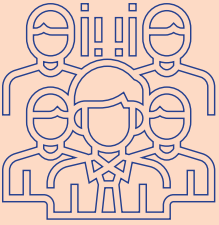
#### **Improvement in Business Compliance Information System (BCIS)**

- The state could increase the frequency of notifications for startups in order to create awareness about the existing mechanism and enhance the strength of the overall startup ecosystem.
- The state could make the portal more interactive by adding a chatbot to the main site. This may help in real time problem-solving for the startups and would lead to receive customised responses.

#### **Improvement in the platform for resolving regulatory issues**

As startups are the harbingers of change in any business ecosystem, they could be supported by policy amendments, introduction of startup-friendly rules, regulation or Acts in disruptive technology areas. In consonance to the number of regulations, rules and appropriate amendments, the state could list such amendments on a timely basis.





### 3. EASING PUBLIC PROCUREMENT

Ease in public procurement simplifies criteria to ensure participation of startups in government tenders. The states are evaluated based on the support provided to startups in resolving issues related to state public procurement as norms of Earnest Money Deposit (EMD), prior experience, and prior turnover which prove to be barriers for participating startups. Easing of such norms enable startups and entrepreneurs to avail exemptions and share an equal platform with established organisations.



#### KEY FACTS

The state actively supports startups with adequate performance in public procurement of goods and/or services. As per the Bhandar Kraya Tatha Seva Uparjan Niyam, 2015, the state is providing preference in Public procurement and offering free services to startups such as free of cost tender form and 100% exemption in submission of Earnest Money Deposit (EMD).



#### KEY STRENGTHS

##### ROBUST GRIEVANCE REDRESSAL MECHANISM

- The state government has developed an online mechanism for receiving grievances and communicating resolutions on matters related to public procurement
- Startups can raise grievances on the state's startup portal and communication of resolution of the grievances is undertaken through the same portal
- For each grievance submitted, a timeline is specified for resolution
- The Directorate of Industries has assigned a dedicated nodal officer for resolving grievances.





## WAY FORWARD

The state needs to give importance to this pillar in order to strengthen the startup ecosystem. The state could prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

### **MEDIUM TERM ACTIVITIES (4-6 MONTHS)**

The activities suggested in this category are important and will take relatively less time for implementation. Through dedicated efforts, results can be achieved within one to three months. Activities suggested under this category are:

#### **Relaxation in criteria of public procurement**

- As startups cannot compete with established players for public procurement during of the business cycle, the state could offer relaxation for startups to promote participation and ensure healthy competition.
- The state could relax the need for prior turnover and experience for startup. The amendments may be brought to State General Financial Rules or Procurement rules which apply to all the state departments, Public Sector Undertakings (PSUs) and agencies.

#### **Number of startups awarded work orders**

- The state could consider increasing the number of work orders awarded to startups in order to encourage entrepreneurship
- The state could consider organising annual events whereby where startups could demonstrate their capabilities directly to the government and subsequently take part in public procurement activities





## 4. INCUBATION SUPPORT

Incubation support is an integral element of the startup ecosystem that supports entrepreneurs to grow their businesses and assists new startups to succeed. In order to promote startups, the state governments collaborate with organisations, corporates or industry associates to establish incubators, to support startups in the form of capital expenditure or operational expenditure. The evaluation is based on setting up of incubators supported by the state governments to release funds to the startups, thereby creating a unique mechanism to provide subsidised incubation and operate acceleration programmes in partnership with the industry.



### KEY FACTS

The state has devised a high-quality incubation support system to nurture the growth of startups. Through such systems, entrepreneurs are able to obtain funding and any other form of support such as market research and understanding required to grow their businesses. The state encourages setting up of new incubators and upgradation of existing ones.



### KEY STRENGTHS

#### POLICY SUPPORT FOR SETTING UP OF NEW AND UPGRADING EXISTING INCUBATORS

- The state has assisted in setting up of new incubators and upgrading existing incubators under the policy of the Department of MSME by offering the following benefits:

#### CAPITAL ASSISTANCE

- One-time capital grant of maximum 50% for fixed cost investment (excluding land & building) is provided for setting up of an incubator, subject to maximum of INR 50 lakh
- The same limit is extended to incubators for capacity expansion subject to the capacity utilisation of the existing incubator for 2 years

#### OPERATIONAL ASSISTANCE

Eligible incubators receive support for recurring expenses as operational assistance up to 50% of actual expenses subject to maximum INR 5 Lakh on a yearly basis

#### STAMP DUTY & REGISTRATION

Eligible incubators are provided with 100% reimbursement of stamp duty & registration fee on purchase/ lease of land/ office space/ IT building on commencement of their operations.

#### STARTUP COMPETITION ASSISTANCE

The policy encourages host institutions/ incubators to organise Annual Startup competition and challenges. This is one of the most effective initiatives aimed at compelling the young talent in the state to consider entrepreneurship as a career option. The state shall offer assistance upto INR 1 Lakh per event.



### KEY STRENGTHS

#### MENTORING ASSISTANCE

The policy aims at providing mentorship assistance support from industry leaders, academicians and professors of reputed national and international universities and institutes. Mentorship support would be offered to the eligible incubators on reimbursement basis upto INR 2 Lakh per year for three years.

#### INCREASED NUMBER OF SEATS ACROSS INCUBATORS

- Currently the state supports 33 incubators in the form of capital and operational expenditure during the period of consideration. Out of these, 8 incubators have allocated more than 370 seats specifically for startups.
- The state has supported various incubators through financial grants and these operational incubators have allocated 73 seats to startups
- Under the incubation offerings, startups are provided with various facilities to expand their businesses at the selected incubator

Government of Madhya Pradesh  
Department of Micro, Small & Medium Enterprises  
(Directorate of Industries, M.P.)

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Home | Startup | Incubation Network

List of Incubation Center

S.NO	Name	Representative Name	e-Mail	Contact Number	MoU
1.	AIC - Aartech Solonica Private Limited	Ameya Waingankar	ameya.waingankar@aic-aartech.in	9111105831	MoU
2.	AIC - Prestige Inspire Foundation	Dr. Ranjana Patel	Ranjana_patel@plmindore.ac.in	9329885198	MoU
3.	Anticipatory Resource Organisation - Technology Incubation Centre	Prof. Amaan	ajcproject@gmail.com	8989568778	MoU
4.	Anupam Incubation and Innovation Centre	Mr. Virat Tiwari	viratjaiswal088@gmail.com	9799991904	MoU
5.	Atal Centre for Innovation, Incubation and Entrepreneurship (ACIEE), DAVV	Prof. Shalendra K. Pathak	spathak@icetdsew.edu.in	9993576367	MoU
6.	AIC - ATAL Incubation Centre, RNTU	Mr. Anurag S. D. Rai	raianurag71@gmail.com	9407547380	MoU
7.	B-Nest: Foundation	CS Yogesh Khakre	csyogeshh@gmail.com	8399056878	MoU
8.	Institute of Agri business Management, JNUVV	Dr. Sunil Nahatkar	sbnahatkar@gmail.com	0761-2688039	
9.	Centre for Innovation, Design and Incubation, SGSITS	Dr. Neeraj Jain	ssus243@gmail.co	9827225340	MoU
10.	Dream Hatcher Incubation Centre	Mahip Tejwani	dreamhatcher@gmailsmartcity.org	9993555559	MoU
11.	IDeAPAD, ITM University	Pavani Tiwari	idapad@itmuniversity, md@itmuniversity.ac.in	9425400737	MoU

## SUBSIDISED INCUBATION

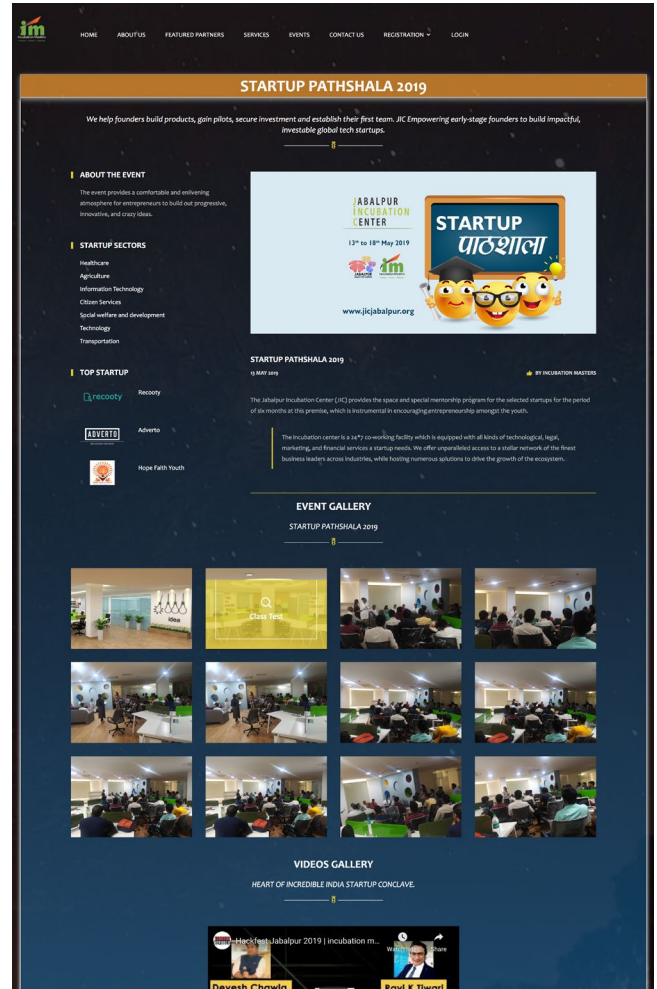
- Under the policy, subsidy provided to eligible startups is in the form of capital assistance for fixed cost.
- The state's incubators have been supported by Smart Cities such as Bhopal and Gwalior, Laghu Udyog Nigam, State Bamboo Mission, Audhyodik Kendra Vikas Nigam, and Industrial Infrastructure Development Corporation (IIDC, Gwalior).

## ORGANISING ACCELERATION PROGRAMMES

- Jabalpur incubation centre is built, designed and operated by Jabalpur Smart City. The center offers co-working facility, high speed internet, mentorship, networking opportunities, fund raising support and workshops as a part of the six months entrepreneurship programmes. The programmes aims at building impactful and globally investable startups.



## KEY STRENGTHS



## WAY FORWARD

The state needs to give importance to this pillar in order to strengthen the startup ecosystem. The state could prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

### MEDIUM TERM ACTIVITIES (4-6 MONTHS)

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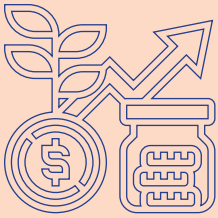
#### Encourage acceleration programmes

- The state could consider developing additional acceleration programmes all over the state in association with industry in the future
- The state could consider developing more institutions to organise acceleration programmes in association with the industry.
- In addition the state could consider enrolment of startups in acceleration programmes to provide startups with the opportunity to connect with investors, engage in skill development and knowledge support

#### Complement subsidised incubation with matching grants

- The state is encouraged to support more startups through provision of subsidised incubation.
- The state is also encouraged to provide matching grants that complement incubator grants by corporates, academic institutions or Central Government.





## 5. SEED FUNDING SUPPORT

Seed funding can be in the form of a direct grant, subsidised loan, product development and marketing financial assistance, monthly sustenance allowance or even equity seed funding. With seed funding, the evaluation is based on the states' endeavor to help a business grow and generate its own capital by establishing a guiding document. The states need to ensure that startups scale with the right velocity in order to achieve leading positions, through state investment and startup's entrepreneurial knowledge.



### KEY FACTS

The state aims at establishing the startup incubators as centres for developing entrepreneurial skills among the talented youth. As part of the 2017 Mukhya Mantri Yuva Udyami Yojna, the state government has envisaged a policy for supporting entrepreneurs who lack the skills and finance to build their business. Major objectives of this scheme include:



Encourage the youth to opt for self - employment



Increase the number of enterprises



Create maximum job opportunities

#### THE BENEFITS OF THE SCHEME CAN BE AVAILED UNDER THE FOLLOWING CATEGORIES:

##### Chief Minister Youth Entrepreneur

- **Eligibility:** Applicants should have passed minimum 5th class and the age should be between 18 to 45 years.
- **Project Cost:** Minimum INR 50,000 to maximum INR 10 lakh.

##### Chief Minister Economic Welfare

- **Eligibility:** Age should be between 18 to 55 years.
- **Project Cost:** Maximum INR 50,000.

##### Chief Minister Farmer Entrepreneur

- **Eligibility:** Applicants should have passed minimum 10th standard and should be between 18 and 45 years of age. This scheme is only for farmer's son / daughter.
- **Project Cost:** Minimum INR 50,000 to maximum INR 2 crore



### KEY STRENGTHS

#### COMPREHENSIVE SEED FUNDING GUIDELINES

- The portal details out the eligibility criteria, quantum of seed funding, application procedure for availing seed funding.
- There exists an online mechanism for startups to track their application status and communication of approvals.
- There is a mechanism to follow up on the progress made by the enterprise (except for the startups that will be commercialised).
- This mechanism will be in the form of timely feedback mechanisms and follow up reports. This would enable the government in outlining the success stories.





## WAY FORWARD

The state needs to give importance to this pillar in order to strengthen the startup ecosystem. The state could prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

### SHORT TERM ACTIVITIES

Activities in this category can be achieved with minimum efforts. Through dedicated efforts, results can be achieved within 1 to 3 months. Activities suggested under this category are as follows:

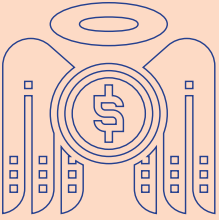
#### Improvement in online system for seed funding

- The online portal could have a user-friendly application tracking system, with a defined timeline and name of the department with which the application is pending. Similar improvements can be made for approval communication

#### Building beneficiary centric solutions

- The state has provided seed funding under the startup policy to 24+ startups. There is major scope for increasing the numbers with concurrent improvements in the startup ecosystem. The state may consider increasing the size of capital in order to encourage more technological innovations.
- Also, the state may consider conducting dedicated annual events to create additional awareness in the state about seed funding disbursements. The state could build upon increased provision of seed funding to early stage startups across the incubators in the state.





## 6. VENTURE FUNDING SUPPORT

Venture capital funding support is provided to the startups from state supported funds. The states are evaluated based on the establishment of the Funds of Funds (FoF) with approved operating guidelines and signing a memorandum of understanding (MoU) with the fund manager along with a concrete budget allocation. Venture funding provides strong growth potential to startups wherein the fund is used for the all-round development of startups and to levitate the startup ecosystem of the states.



### KEY FACTS

The Government of Madhya Pradesh has established Madhya Pradesh MSME Fund Trust with a mandate to set up Venture Capital Fund in the state. Madhya Pradesh SME Innovation Fund is registered with the Securities Exchange Board of India as an Alternate Investment Fund. The target corpus of the Fund is INR 100 Crore with green shoe option of INR 50 Crore.

The state has established MP Venture Finance Limited as an asset management company to manage the funds of Madhya Pradesh MSME Fund Trust. The company has been actively seeking contributions from various investors in the state for startup projects. The state should offer additional incentives for investors to push the venture funding bandwagon.



## WAY FORWARD

The state needs to give importance to this pillar in order to strengthen the startup ecosystem. The state could prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:-

### MEDIUM TERM ACTIVITIES (4-6 MONTHS)

The activities suggested in this category are important and will take relatively more time for implementation. Through dedicated efforts, results can be achieved within four to six months. Activities suggested under this category are as follows:

#### Establish a robust mechanism to extend venture fund support

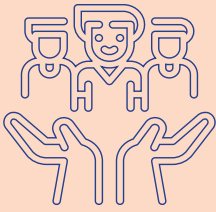
The government could setup a venture fund or fund of funds with a specified corpus

- Existing venture funds could also be approached to participate in the Madhya Pradesh government fund
- It is also recommended that an online system be established where details of venture support is available to startups
- Further, the Madhya Pradesh government could also look at allocating a certain amount from the budget earmarked towards supporting existing venture funds in the state which specifically fund early stage startups

#### Startups funded from venture Funds

- The state could consider measures such as offering a success fee at a fixed rate to startups for availing investments through state supported seed funds
- The government is encouraged to maintain proper record with fund wise details of startups funded by venture funds or fund of funds supported by the government





## 7. AWARENESS AND OUTREACH

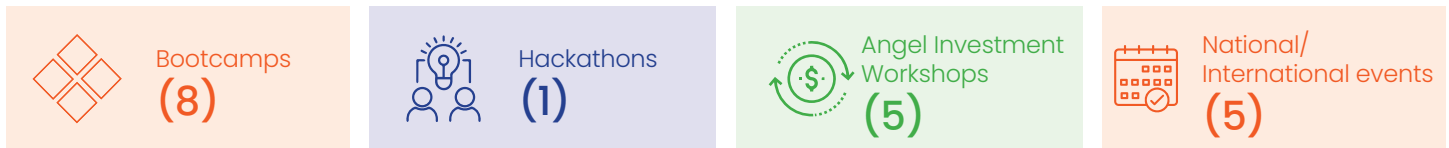
It is the endeavor of state governments to raise awareness about the Indian startup ecosystem and increase its outreach throughout the state. The states are evaluated based on awareness of startups created through workshops, national and international events including bootcamps and hackathons/ grand challenges. In order to promote startups, the state encourages participatory and inclusive processes for linking startups with angel investors and high net worth individuals. Maximum participation is encouraged for exchange of valuable knowledge amongst startups, and pitching sessions for angel investments with widespread propagation.



### KEY FACTS

The state has been proactive in its initiatives and measures to help startups grow and scale-up. Cities such as Indore, Bhopal, Jabalpur, and Gwalior have many universities providing opportunities to student innovators to participate in awareness programmes which develop a sense of starting-up.

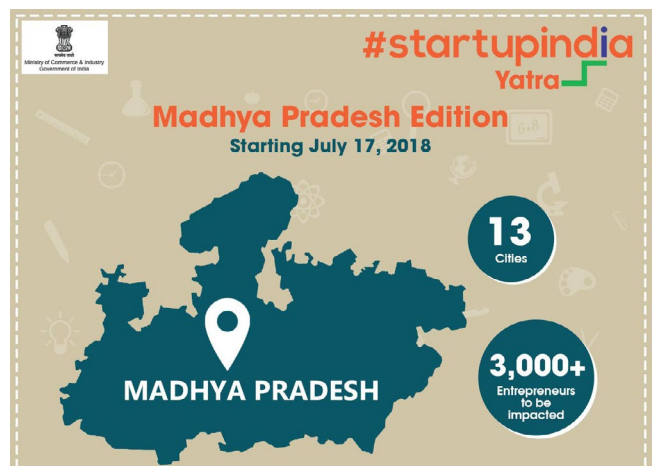
The number of bootcamps, hackathons, angel investment workshops and national/international events are as follows:



### KEY STRENGTHS

#### ORGANISING BOOTCAMPS

- As a part of the Startup India Yatra in Madhya Pradesh, the state facilitated 8 bootcamps for college students across the state to foster the sense of entrepreneurship amongst students. Entrepreneurship-focused programmes enable students to learn crucial life skills such as problem-solving, teamwork, and empathy.
- The event drew more than 2,500 participants with 427 ideas pitched to the yatra team. Out of the selected ideas, 130 finalists were selected for an accelerator programmes. The bootcamps primarily focused on ideation sessions, mentor workshops, pitching sessions and benefits under startup India. As a result of the training programmes, 110 incubation offers were received at the grand finale.
- Women focused bootcamps were also conducted to inculcate entrepreneurial skills with an aim of strengthening women entrepreneurs both in rural and urban India.
- The total prize money was INR 10 Lakh. The prize money was distributed under categories such as technology, social, women and agriculture.
- The bootcamps were organised at Bhopal, Hoshangabad, Jabalpur, Rewa, Sagar, Gwalior, Ujjain and Indore.



## ORGANISING CHALLENGES

## HACKATHON

OR

## GRAND

The state has organised only one hackathon in Jabalpur. The event witnessed participation of 594 participants. The eminent members from organisations such as Flipkart and Atharv Venture Fund were amongst judges for the event.



## ORGANISING ANGEL INVESTMENT WORKSHOPS

The investor community in the state has taken active participation in helping innovative ideas from the state in the growth journey. The state is equipped not only with many investing organisations but also angel investors. The state promotes angel investors and investment workshops by helping organise events such as:

- Startup Entrepreneurship Conclave 2019
- Vyapar Mitra
- Startup – Investor Meet, 2019
- Madhya Pradesh Buyer-Seller & Startup Meet Connect 2019
- Angel Investor events by MSME

prominent investors who from these workshops:



# KEY STRENGTHS

## NATIONAL AND INTERNATIONAL EVENTS

The state has supported startups in Madhya Pradesh for participation in 5 national/ international knowledge exchange seminars/ workshops. Some of these events are mentioned below:

- International Trade Fare – 2018, New Delhi- India
- Africa Big Seven, South Africa
- 64th Fancy Food Show, New York,
- USA and 83rd Thessaloniki International Fair (TIF), Thessaloniki, Greece
- Startup Expo 2018, New Delhi- India





## WAY FORWARD

The state needs to give importance to this pillar in order to strengthen the startup ecosystem. The state could prioritise actions required in three categories: short, medium and long term. Action required in each of these categories are summarised below:

### **MEDIUM TERM ACTIVITIES (4-6 MONTHS)**

The activities suggested in this category are important and will take relatively more time for implementation. Through dedicated efforts, results can be achieved within four to six months. Activities suggested under this category are as follows:

#### **Increase in organisation of hackathons and grand challenges'**

- The state could prioritise organising a greater number of bootcamps and hackathons. These events are a medium to foster innovation among students and a tool to adopt low-cost, high impact technologies into governance.
- The state could also focus its attention on conducting activities like ideation workshop for idea validation and pitch deck creation, mentor workshops, and pitching sessions for students and aspiring entrepreneurs.
- Such initiatives will help in the dissemination of valuable knowledge and resources across the state creating a more enabling environment for startups.

#### **Business case studies**

- Students or aspiring entrepreneurs require basic understanding of ideation, business planning, finance, legal and pitching before they venture out to operate a startup. Going forward, the state may conduct such events using powerful teaching techniques such as case studies for the benefit of educational institutes across other districts.






# #startupindia

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