

MADHYA PRADESH STARTUP INCENTIVES

For Startups

Eligibility:

- DPIIT registration
- MP based GST registration

1) Sustenance Allowance

10,000 per month till the period of 1 year or till startup reaches post traction period (whichever is less)- will be released after 3 months of joining a partner incubator.

2) Margin Money/ Interest Subsidy

For the capital expenditure of the project:

- Margin money assistance: max 15% upto 12 Lacs.
- Interest Subsidy: max 5% (for SC/ST/OBC/women owned startups, 6%) upto 5 Lacs per year for a period of 7 years.

3) Financial Assistance:

- A) Assistance on investment received: Startup who has received funds/ investment from a FI recognized by SEBI/ RBI, assistance at the rate of 15% of the first investment received maximum upto 15 Lacs. This assistance will be payable at the rate of 15% separately for each of the investments received over a maximum of four stages during the life of the start-up. In this context, assistance of Rs. 5 lakh will be given to the concerned incubators located in Madhya Pradesh. Additional 20 percent assistance to Startups set up by Women.
- B) Lease Rental Assistance: 50% up to a maximum of Rs. 5000/- per month lease rental assistance for three years (for both product based and service based).
- C) Patent Assistance: Maximum assistance of Rs.5 lakh for obtaining a patent subject to the condition that the patent is obtained for a startup established in the state.

4) Marketing and Liquidity Support

- Exemptions from conditions and parameters related to experience and turnover in the government tenders upto INR 1 crore.
- Proof of Concept for Start-ups will be accepted in the context of Tenders (NITs) / Request for Proposal (RFP) for service acquisition above Rs.1 Crore.
- All the Tenders (NIT) / Request for Proposal (RFP) of the State Government will be exempted from Security/ Earnest Money Deposit (EMD)
- Linkage to TReDS portal (Trade Receivable Discounting System)

5) Participation in National/ International Events

- Reimbursement up to 50% or INR 1 lakhs (whichever is less) for participation fee & accommodation for maximum 2 members of a startup once in policy period.
- For SC/ST/OBC/women owned startups, reimbursement up to 50% or INR 1.5 lakhs (whichever is less) for maximum 3 members of a startup once in policy period.

6) Special financial Assistance for Product-based startups:

- Concurrent License/Consent facility for one year.
- Facility to use the required machine in MSME Technology Centre, Bhopal and Indore.
- Training Expenditure Reimbursement: Reimbursement of expenditure for skill development and training will be given to a maximum of 25 employees per new employee Rs 13000 per year for 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 employment generation assistance for the next two years from the date of his appointment. The said assistance will be subject to minimum average number of native Madhya Pradesh employees:-

- Within year 1 - 50%
- Within year 2 - 75%
- Within year 3- 90%

If the above conditions not met: assistance will be proportionately reduced.

- 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.

7) 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.