

## **MADHYA PRADESH's MSME POLICY**

### **About Madhya Pradesh:**

Madhya Pradesh located in heart of India is the second largest state in the country. The state is rich and natural resources- fuels , minerals , agriculture and biodiversity. Madhya Pradesh represents 8.3% of country's coal reserves. The state also has the largest reserves of diamond and copper in India, apart from significant reserves of limestone, manganese and dolomite.

Madhya Pradesh is home to all types of industries which range from automobile to pharmaceutical and from software to retail and from textile trading to real estate. While the textile manufacturing and trading is oldest business to contribute to economy, the real estate has emerged very fast in past few years. There are several economic zones in state which promote exports and economic development of Madhya Pradesh. On the automobile industry front, Pithampur is also known as Detroit of India due to presence of Indore special economic zone.

There are industries largely based in mineral substances of economic value and the readymade garments industry also plays a significant role in industrial growth of state.

Madhya Pradesh is also a leading state for production of defence sector. The state has 6 ordnance factories 4 of which are located at Jabalpur (vehicle factory, grey iron foundry, gun carriage factory, ordnance factory khamaria) and 1 each at Katni and Itarsi. The factories are run by Ordnance factories Board and manufacture a variety of products for Indian armed forces. By virtue of Madhya Pradesh's centralised location, it has excellent connectivity to several parts of India and it's robust road network of over one Lac kilometre makes it an idol destination for centralise manufacturing and distribution hub.

### **Objectives:**

1. To produce the consumer products at reasonable cost by taking advantage of strategic geographical location of the State.
2. Balanced & integrated growth of the State
3. To attract more Domestic & Foreign investments in the State in comparison to other States.
4. To create ecosystem for value addition in herbal, medicinal and other forest produces available in the State.
5. To generate more job opportunities and self employment for youth of the State.
6. To setup maximum industries of priority /high priority categories.
7. To facilitate economic empowerment of the entrepreneurs belonging to weaker sections, SC/ST communities, Ex-Servicemen and women entrepreneurs.
8. To facilitate for training of the local youths as per the requirement of the local industries.
9. To attract more investments in the sunrise industries such as textile, pharma, robotics, artificial intelligence, IT & ITeS, biotechnology and in the field of non- conventional energy generation.
10. To ensure judicious exploitation of available mineral resources.
11. To promote modern technique of farming, food processing and ware housing of food grain in the far-flung area of the State.
12. Overall Economic Development of the State.
13. Special incentives for investment in Non-Polluting industries.

14. To promote exports from the State.
15. Environmental Conservation.
16. To promote Gems & Jewelry industry.
17. To develop logistics facilities in the State

The steps taken by MP government can be summarized in following points:

- Skill development programs to fill the gap of skilled manpower required for MSMEs;
- Development of Clusters;
- Creation of separate department addressing the needs of MSMEs;
- Promotion of establishment of new vendor units nearby mother units;
- Number of ineligible industries have been reduced from 52 to 19;
- Marketing assistance;
- Promotion of sub-contracting to develop local vendors ; and
- Fiscal assistance to MSMEs.

Apart from special incentives provided to MSMEs, the state government is also keen on promoting entrepreneurship. The Government has launched several schemes and programs to promote entrepreneurship in MP and to support the first generation entrepreneurs. The State Government is all set to strive and partner the investors, innovators, entrepreneurs and technocrats in bringing about the change and realizing the 'Make in MP' concept, in line with 'Make in India' vision to make Madhya Pradesh a manufacturing hub.

### **STRATEGY**

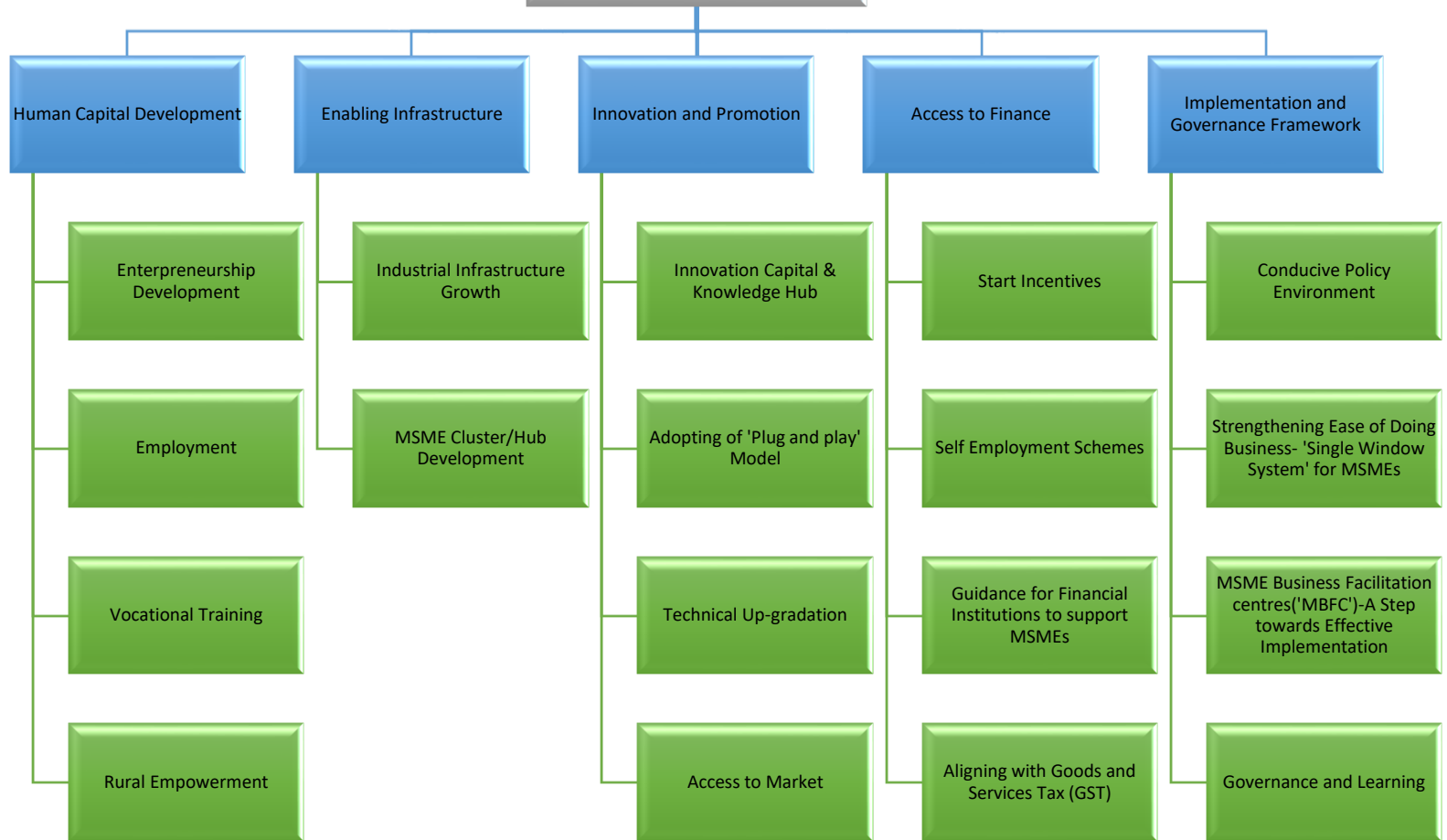
Madhya Pradesh's economy has a large pool of dynamic and versatile set of entrepreneurs, who though are small and medium in terms of scale of operations, make huge contributions of varied kind to the economy. The MSME sector has the ability to make available cost effective, low-volume customized products and also enjoys flexibility in its working to deliver as per the specific requirements.

The importance of MSME for Madhya Pradesh's economic growth is well established. However with the changing focus from economic growth to inclusive growth, MSME sector's role in the socio economic development of the State now needs to be understood, explored and facilitated.

The MSMEs of Madhya Pradesh would be the cradle for the "Make in India" vision. This would be the nursery where small existing businesses have the potential to become world leaders tomorrow. The larger players amongst the MSME space also are in a unique position to become global players attracting partners with technology and funds.

Keeping in view the above, the Department of MSME, Government of Madhya Pradesh is proud to present its MSME vision with key focus areas being - Human Capital Development, Enabling infrastructure, Innovation and Promotion, Access to Finance and Implementation and Governance Framework.

MSME Vision With Key Focus Areas



# **Human Capital Development**

## **Entrepreneurship Development:**

The foundation of creating a successful MSME is an ambitious and visionary entrepreneur. To promote entrepreneurship the Department of MSME, Government of Madhya Pradesh envisages:

- Undertaking entrepreneurship development initiatives
- Organizing science and technology research training program for different government departments
- Creating self-employment opportunities and upgrading the relevant skills of existing and potential entrepreneurs
- Organizing skill and job fairs in all major cities for all categories of unemployed youth and fresh graduates
- Strengthening and expanding the Self Help Groups network for landless and disadvantaged groups to transition them into micro enterprises, and make their activities sustainable.
- Rewarding MSMEs for initiatives towards skill development and employment generation, particularly for women and special classes, by way of direct incentives, weighted deductions and reliefs in indirect taxes combined with low cost funding and credit access for stakeholders
- Partnering with various training institutes to impart basic IT Skills, sales courses, customer service courses, desktop publishing courses, computer networking courses and web designing courses
- Organizing skill development programs with National skill Development Corporation (NSDC) and Entrepreneurship Development Program (EDP) / Entrepreneurship cum Skill Development Program (ESDP)
- Creation of database of the trained persons would be created and linked to job Exchange to give the benefit of training to the trainees and the industry. Industry would be enabled to access the database of trained manpower

## **Employment:**

The Department of MSME, Government of Madhya Pradesh intends to adopt various modes of addressing poverty and problems of unemployment through:

- Cash assistance under the self-employment schemes to the rural youth (entrepreneurs), scheduled castes/tribes and women entrepreneurs.
- Scheme relating to the micro financing by creating self-employment opportunities.
- Creation of an online employment exchange for industries and job-seekers

## **Vocational Training:**

To bridge gap between surplus labour and demand for skilled labour, which in turn would provide ready employable workforce for MSMEs and promote entrepreneurship as well, the Department of MSME, Government of Madhya Pradesh intends to:

- Increase the proportion of students who enroll for vocational and higher education to ensure that sufficiently skilled persons are available.

- Skilling initiative (through vocational training) to be undertaken on a large scale to re-train the existing work-force who will be forced to migrate from agriculture into other sectors or those who are un/under-employed in urban areas
- Initiatives to establish newer and upgrading existing Industrial Training institutes (ITIs)
- Close networking with the industry for immediate placement of the trainees
- Centre for Excellence for standardization of training curriculum, training of trainers etc.

### **Rural Empowerment;**

Rural empowerment is crucial for driving the growth of MSMEs as it is the most important factor of providing abundant manpower to the MSMEs. The Department of MSME, Government of Madhya Pradesh intends to bridge the gap between availability of manpower and required of semi-skilled labour force capitalize upon its diverse rural and tribal population by way of:

- Introduction of Rural Industrial Program to provide a cohesive and integrated package of basic inputs like information, motivation, training and credit, backed by appropriate technology and market linkages
- Partnering with implementing agencies such as Non-government Organizations (NGOs), development professionals, and technical consultancy organizations to skill the rural and tribal population
- Bridging the urban-rural digital divide by providing high speed broadband connectivity to every village
- Providing grass—root and affordable technologies and ensure, at least primary processing at the village/cluster level to add value and reduce the costs of logistics
- Diverting unproductive labour forces from agriculture sector to productive enterprises would add to rural economy and simultaneously reduce the disguised unemployment in agricultural sector.

## **Enabling Infrastructure**

### **Industrial Infrastructure Growth;**

The Department of MSME, Government of Madhya Pradesh envisages enhancing and developing advanced infrastructure in the State for MSMEs by way of:

- Providing quality infrastructure development through public-private partnership (PPP) approach
- Development of Information and Communications Technology (ICT) Infrastructure to incorporate the rise of Information Technology in the country into the MSME ecosystem of Madhya Pradesh by way of creation of online portals for incorporation formalities, regulatory filings, portal for collaboration amongst various governmental departments, knowledge dissemination, market promotion for MSMEs, enabling interaction with global investors and network of experts assisting the Department in implementing its policies
- Improvement of soft skills in quality control/Total Quality Management (TQM) technologies and handholding of firms to achieve certificate, benchmarking vis-a-vis international standards
- Improvement in Research and Development (R&D) infrastructure
- Providing affordable access to Enterprise Resource Planning (ERP), Supply Chain Management and Customer Relation Management tools to MSMEs
- Financial incentives to industries making significant capital investment

- Thrusting the Micro and Small Enterprises Cluster Development Programme (MSE-CDP)
- Reimbursement of fees for using of barcodes by MSMEs
- Generating awareness about the Intellectual Property Rights (IPRs)
- Under Madhya Pradesh Land Management Rules, 90% concession will be given in prescribed rates for allotment of up to 5,000 square feet plots to MSMEs.
- In all industrial areas in the state, 20% land to be reserved for MSMEs
- One click approach for land bank availability by way of digital mapping of the land in the State
- Creation of an online portal to help the prospective investors know about land-related information
- Time bound allotment/diversion of land for MSMEs
- Encouragement of private industrial parks
- Enabling electricity connections at reduced rates

### **MSME Cluster/Hub Development:**

The Department of MSME, Government of Madhya Pradesh strongly supports formation of clusters/hubs which spur three important activities for an economy viz., increased productivity (through specialized inputs, access to information, synergies. and access to public goods), more rapid innovation (through cooperative research and competitive striving), and new business formation (filling in niches and expanding the boundaries of the cluster map). In view of the same, the Department of MSME, Government of Madhya Pradesh envisages to:

- Create 10 integrated sector specific micro-clusters of MSMEs basis similarity or complementarity in the methods of production, quality control and testing, energy consumption, pollution control, level of technology and standards, challenges and opportunities etc.
- Support the sustainability and growth of MSMEs by addressing common issues such as improvement of technology, skills and quality, common facility centres, effluent treatment plants, market access, access to capital, etc.
- 15 industrial areas specifically for MSMEs to be developed
- Enabling 24x7 electricity to all the clusters
- Building capacity of MSMEs for common supportive action through formation of self-help groups, consortia, upgradation of associations. etc.
- Set up common facility centres (for testing, training centre, raw material depot, effluent treatment, complementing production processes. etc.)
- Facilitate economies of scale in terms of deployment of resources.

## **Innovation and Promotion**

### **Innovation Capital & Knowledge Hub:**

Innovation is important at all stages of development; specifically, the creation and diffusion of technologies are important for economic growth and welfare across all economies. Madhya Pradesh visions to be the heart of innovation in India and it intends to:

- Setting up of a framework to promote start—up culture in the State by launching and enacting MP Incubation BI Start-up Policy 2016
- Promoting incubation centers in the State

- Organizing workshops and discussions with successful leading entrepreneurs. business leaders and anchor units operation across state and India
- Annual monetary awards with State wide recognition to best small scale ideas in various sectors/fields of business
- Creation of coworking spaces across the State enabling meetings between thinkers and investors
- Facilitate linkages between large industrial units and 500 MSME units for vendor development.
- Sponsoring and promoting various collaborative events such as innovation jams, hackathons pitches. innovation challenges, idea competitions and brainstorm

### **Adopting of 'Plug and play' Model;**

The 'Plug and Play' model allows the MSMEs and entrepreneurs to immerse into the practical world of innovation and industrialization before they are actually into the practical world. Through this, the Department of MSME, Government of Madhya Pradesh shall promote:

- Combination of structured workshops, speaker series. mentorship sessions as well as active coaching to support founders of MSMEs to crystallize their ideas and business plans. build out their MSME's business model and prototypes as well as present their refined pitches to the venture capital community
- Qualified MSME's would be eligible to receive financial incentives to further strengthen themselves
- Develop two integrated plug and play facilities In selected industrial areas.

### **Technical Up-gradation**

The competitiveness of any economy depends on how efficiently all the resources in the process of production are utilized and how efficiently these are marketed, hence the entire chain of production has to be efficient. This can be achieved through the use of latest technology. The Department of MSME, Government of Madhya Pradesh may provide the following assistance to MSMEs for technology up-gradation:

- Setting up of tool rooms and training centers to provide facilities for design and manufacture of tools, and also for training to improve the skill of tool makers, for the benefit of industries in MSME sector
- Creation of a Center of Excellence for providing consultancy, information service. Documentation etc.. for solving the problems related to tools of industries in the State
- Technology and quality upgradation support to MSM Es such as assistance in obtaining/reimbursement towards international certifications (such as ISO 9000/ ISO 14001) in pursuit of excellence towards quality
- Attracting investments and outputs by large players and their MSME vendors to indigenize and/or enable import substitution particularly adapting to research and development. innovation and global technologies

## **Access to Market**

To withstand the onslaught of competition from large enterprises within and outside, MSMEs need to respond promptly to the evolving marketing needs. To provide better market access facilities to the MSMEs in order to assist them sustain and further enhance its contribution towards output, employment generation and exports, the Department of MSME, Government of Madhya Pradesh shall undertake measures such as:

- Organizing virtual and physical exhibition centers at state and district levels creating platforms for Business to Business and Business to Consumer interaction
- Assisting MSMEs in selling products to ministries] public sector undertakings
- Branding and promotion support through MSME associations
- Coordination with National Small Industries Corporation (NSIC) for undertaking marketing support programmes for MSMEs of MP.
- Participating in international trade fairs to provide a global market access to the MSMEs of MP

## **Access to Finance**

### **Start Incentives**

To improve the flow of credit and to ensure enough of liquidity for the MSMEs to concentrate on output, the Department of MSME, Government of Madhya Pradesh shall assist the MSME sector by way of providing:

- Commercial tax concessions combined with low cost funding and credit access for stakeholders in MSMEs
- Providing 15% capital subsidy and 5% interest subsidy to eligible MSMEs
- Financial assistance to sick industrial units in the State for their revival
- Attractive schemes for promotion of ancillary units by large and medium scale units
- Development of financial centers to small entrepreneurs for activities related to marketing, bills discounting, raw materials, purchases and exports
- Facilitating technology upgradation by providing capital subsidy on institutional finance availed by them for induction of well-established and improved technology in approved sub-sectors/products
- Promotion of information technology to eliminate intermediate transactions
- Creation of Madhya Pradesh Venture Capital Fund (MPVCF) to nurture and promote start-ups

### **Self Employment Schemes**

Understanding the limitations of budding MSMEs to raise funds through debt or equity, the Department of MSME, Government of Madhya Pradesh shall actively promote financial assistance schemes working in consonance with Government of India's schemes such as Stand-up India scheme. MUDRA scheme and Prime Minister's Employment Generation Programme to enable easier access to finance and promote self-employment in the State.

- Promotion of scheme to provide loan without bank guarantee to setup and grow micro and small enterprises



- Margin money assistance, interest subsidy, loan guarantee and training to the beneficiaries to promote entrepreneurship in the Madhya Pradesh
- Minimal or no requirement of collateral security

### **Guidance for Financial Institutions to support MSMEs**

Furthermore, the Department of MSME, Government of Madhya Pradesh shall also work with the public and private institutions to assist the MSMEs in accessing credit which shall include:

- Capitalizing and partnering with various financial institutions on to provide a cohesive and integrated package of basic inputs like information, motivation, training and credit, backed by appropriate technology and market linkages to the MSMEs
- Measures to arrange equity type assistance, venture capital scheme etc. to accelerate the pace of investment in MSME sector
- Boosting bank credit facilities to tackle structural inadequacies in the MSME sector
- Attracting Private Equity funding and promoting clusterfinancing
- Capacity building for lending institutions, particularly, state level financial institutions and co-operative banks that are the major source of funds for funding window for MSME sector through banking channels by bringing a new scheme

### **Aligning with Goods and Services Tax (GST)**

The Goods and Services Tax, touted to be India's biggest tax reform, will simplify the current system of taxation. The Department of MSME, Government of Madhya Pradesh shall ensure that the implementation of GST will not have any impact on the growth of MSMEs in the State. Instead, the State shall ensure a seamless transition towards GST regime, assisting the MSMEs by way of:

- Creation of a roadmap to assist the MSMEs to move to GST regime of indirect taxation
- Special trainings and workshops to explain more about GST
- Management Development Sessions with senior experts (from the large scale industry and professional bodies) to help MSMEs understand the intricacies of implementing GST
- Engaging private and public institutions for helping MSMEs have an impact analysis of GST
- Promoting Madhya Pradesh as the State which supports GST and is ready for its implementation

## **Implementation and Governance Framework**

### **Conducive Policy Environment;**

To carefully map laws and regulations and to provide a hindrance free and encouraging regulatory environment to the MSMEs, the Department of MSME, Government of Madhya Pradesh envisions to:

- Strengthening of District Trade Industries Centers (DTIC) by institutionalizing the model of MSME Business Facilitation Centres within DICs / MPAKVN
- Empowering the MSME associations
- Ending 'license raj' and clamping of unannounced visits to MSMEs by license issuing authorized personnel
- Assistance in engaging agencies to rate the MSMEs

- Minimal bureaucratic intervention for formation of a MSME
- Performance based incentives to MSMEs to promote successful MSMEs and to encourage other MSMEs to perform better

### **Strengthening Ease of Doing Business- 'Single Window System' for MSMEs;**

In line with long-term industry demand and to investments into MSME sector, the Department of MSME, Government of Madhya Pradesh intends significantly cut down project implementation time and cost and time overruns by implementing 'Plug and Play' Model which compliments Government of India's ease of doing business strategy.

- Ensuring that all regulatory clearances are put in one place and MSMEs just concentrate on kick starting the business and delivering outputs
- Streamlining procedures, rules and regulations for ease of doing business
- Access to multiple official formalities through one point of contact for the MSMEs
- Reducing the cost of documentation
- Reducing delays in turnaround time for documentation
- Increasing authorities' processing efficiencies with streamlined process flow
- Attract foreign direct investment as a result of operational efficiency and transparency

### **MSME Business Facilitation centres('MBFC')-A Step towards Effective Implementation;**

In order to give a meaningful and impactful effect to the policy initiatives and schemes of the State, the Department of MSME, Government of Madhya Pradesh shall be establishing a facilitation agency which shall ensure that the initiatives of the government are being implemented and to act as a direct channel between the government and MSMEs to invite feedback from MSMEs and spread awareness about government's initiatives. MBFC shall:

- Provide investor hand-holding, knowledge and assistance related to investment and expansions, etc. to MSMEs in the State
- Formation of MBFC initially on pilot basis based on hub and spoke model
- Holistic development of the MSME sector including skill development, technical incubation, access to credit, awareness about schemes and incentives of the government
- MBFC would aim to serve as the growth engine for investors across the MSME segment through providing investment promotion, ease of doing business, sector development, policy support and enhancing the business prospects for small enterprises
- Training and sessions for General Managers of District Industry Centers to implement the MSME Policy of the State

### **Governance and Learning;**

The Department of MSME, Government of Madhya Pradesh values that it is acting on behalf of the MSME community of Madhya Pradesh and it is motivated to have open and ethical processes which adhere to the law and stand up to scrutiny at all times. Therefore, the Department of MSME, Government of Madhya Pradesh shall be:

- Utilizing e—Governance as the mode for delivering government services, exchange of information communication transactions, integration of various stand-alone systems and services between the Government of Madhya Pradesh and MSMEs
- Publication of annual governance report and survey on the performance of MSME sector in Madhya Pradesh
- Promoting peer group learning amongst the MSMEs and inviting successful domestic and international MSMEs for understanding their best practices
- Single annual return compliance requirement for MSMEs for labour laws
- Promoting and sponsoring institutional initiatives organizing competitive events for the MSMEs and awarding best performing MSMEs

## **Introduction**

Micro, Small and Medium Enterprises (MSME) sector is considered engine for socio economic growth in the country and is fast emerging as the most vibrant and dynamic sector of the Indian economy. MSMEs provide the largest share of employment after primary sector. We are aware that, employment generation is one of the main challenges faced in the country today. This makes development of MSME sector most crucial. The Government of Madhya Pradesh (GoMP) recognizes this aspect and accordingly, is giving priority to the development of the MSME sector in the state.

Considering the significant role of MSME in employment generation and economic and social development, and knowing the fact that MSME sector is one of the key drivers for transition from an agrarian economy to an industrialized economy, the state has decided to give special attention to this sector. To fulfil this objective, a dedicated department has already been created for MSMEs.

Department of MSME, GoMP is playing a pivotal role in enhancing the state's MSMEs competitiveness. MSME Department is proactive in providing conducive ecosystem for MSME development through various schemes and initiatives. MSME Department intends to take multi-pronged initiative to create a supportive and enabling ecosystem for establishment and growth of MSMEs in state.

Department of MSME, GoMP has taken several steps to derive maximum benefits for MSME sector out of the policy initiatives at the central and state level. The state government has also taken progressive steps towards improving Ease of Doing Business. The state also has its own Start Up policy for promotion of startups and incubators.

Madhya Pradesh Government has been supporting entrepreneurs/ SelfEmployment beneficiaries by providing an enabling environment for job creation and entrepreneurship. Department of MSME, Government of Madhya Pradesh run various flagship scheme for employment generation and promotion under which there is provision of interest subsidy and margin money support on capital investment.

The department stands committed to the Initiatives of GOI and assure that it is in the process of developing a vibrant MSME in the state. With this commitment, Department has decided to constitute a dedicated MP MSME Development Policy 2019. It touches upon all those aspects which leads to the focused growth of the MSME sector in the state. The policy has been drafted through a consultative process after taking opinions and suggestions of all stakeholders including Industry Associations, Financial Institutions, Experts and related Government Departments.

## **Objectives of MSME Development Policy**

**The key objectives of the MSME Development Policy 2019 are :-**

- Achieving the state's goal of overall industrial development and MSME competitiveness
- Creating enabling infrastructure
- Providing a conducive ecosystem and promoting inclusive growth for MSMEs.
- Providing an opportunity to young entrepreneurs through instilling employment generation

## **Policy Focus Area**

To achieve the objectives, this policy is focused on following six pillars

- Enabling framework: Ease of doing business
- Procedural reforms for release of concessions to eligible MSME units<sup>3</sup>
- Creation and maintenance of improved infrastructure facilities through private developers
- Infrastructure development on PPP Model
- Procedural assistance through online services
- Time bound delivery of services & assistance.

### **Operative period of the Policy and work areas**

- This Policy shall come into effect from 01.10.2019.
- This policy will continue till the time replaced by the new policy.
- The MSME units commencing commercial production after 30.09.2019 shall be eligible to avail benefits only under this policy. After the enforcement of this policy, the option of availing facilities/benefits for MSME promotion scheme 2017 will be closed for new manufacturing units which commence production on or after 01.10.2019. Units, which commence production before 01.10.2019 would be eligible to avail concessions under the MSME Development Policy 2017 or any earlier relevant policies

### **Enabling framework: Ease of doing business**

#### **Improving business climate by enhancing ease of doing business;**

The Government of MP has taken various initiatives to improve the business environment in state by continuing to bring in regulatory reforms and simplify procedures for the promotion and development of MSME in the State. GoMP shall continue to take new initiatives to improve the services provided by the government to MSMEs for doing business in the State. The DoMSME has taken up following steps to improve the business climate for MSMEs in the State:

- Departmental concessions are now being extended through online process. Procedure has been simplified.
- The land allotment process for MSMEs has been made online.
- New Store Purchase Rules are being formed to increase the MSME supplier base of the government departments and expedite the procurement process from the MSME suppliers.
- The renewal process of various licenses of different departments shall be simplified for MSMEs.

#### **MSME Business Facilitation Cell;**

In order to facilitate /support MSMEs, office of Industries Commissioner has constituted a cell. Through this cell support consultants have been deputed across the state at DTIC offices to extend handholding support to the MSMEs.

#### **Institutional Measures for Grievance Resolution;**

In order to address the grievances of state's MSMEs regarding their payment issues, GoMP has constituted a Madhya Pradesh MSE Facilitation Council (MSEFC) as per the MSMED Act 2006, which is functional in its full spirit.

### **District Level Assistance Committee;**

Following committee at District level under the chairmanship of District

Collector will be responsible to extend the concessions to the eligible MSMEs under the provisions of this policy :-

1. District Collector - Chairman
  2. Lead District Manager - Member
  3. General Manager - Member Secretary
- District Trade & Industries Centre

### **General provisions for availing concessions**

- I. The concessions are not applicable for units which comes under the category of ineligible industries as mentioned in the **Annexure – I**
- II. Under this policy, it will be mandatory for beneficiary units to provide 70% of its total employment to the permanent residents of Madhya Pradesh and in that 70% employment, representation of SC, ST & Other Backward Classes, as per reservation declared by the State Government, will be mandatory also.
- III. If any sick unit is revived during the policy period, it can avail the concession (as per eligibility) provided in the policy as per the package approved by the empowered committee.
- IV. The procedures for availing concessions will be detailed out in MSME Promotion Scheme 2019 in which detailed information of procedures, eligibility criteria, required documents for availing subsidy/incentive, limit of total assistance and terms & conditions for beneficiary units etc. will be included. Above scheme will be part of this policy.

### **Concessions**

#### **Industrial Development Subsidy**

- a) Industrial development assistance to the new industrial units @40% on the eligible investment made by them in Plant & Machinery and building. This assistance shall be disbursed in 4 equal annual installments.
- b) The cost of building shall not be more than 100% of the cost of Plant and machinery for the purpose of calculating the assistance.
- c) Additional Industrial Development Subsidy of 2% per year (for four years) for unit set up by women/SC/ST entrepreneur(s) or 2.5% per year (for four years) for unit set up by women entrepreneur(s) of SC/ST category; and
- d) Additional Industrial Development Subsidy of 2% per year (for four years) to the industrial units for exporting more than 25% and upto 50% of their total sales; or

Additional Industrial Development Subsidy of 3% per year (for four years) to the industrial units for exporting more than 50% of their total sales.

### **Support in Quality Certification**

- a) Assistance upto 100% of the cost incurred on obtaining ISO/BIS/BEE certification subject to maximum limit of Rs. 5 Lakhs to micro category unit.
- b) For ZED Certification for improving brand recognition of MSME and reducing effect on environment : GoI provides assistance @ 80%, 60% and 50% to micro, small and medium units respectively. GoMP will provide assistance upto 50% of the balance amount (10%,20%,25% of total cost respectively to micro, small and medium units)
- c) For obtaining quality certification exclusively for export, during policy period, which made MSMEs of manufacturing sector of the state, eligible to export in USA/European Union/Other OECD countries: Assistance upto 50% of the cost incurred on obtaining these certifications subject to maximum limit of Rs. 25 Lakhs.
- d) MSMEs, who have commenced production before this policy but obtain quality certification within this policy period, shall also be eligible to avail reimbursement under this policy.

### **Reimbursements for Patents**

- a) 100% reimbursement to a maximum of Rs. 5 Lakhs to MSME units for domestic patents/IPR registration during the policy period.
- b) 100% reimbursement to a maximum of Rs. 10 Lakhs to MSME units for International patents/IPR registration during the policy period.

### **Financial Assistance for Infrastructure Development**

- a) 50% assistance max Rs. 25 Lakhs to the small and medium new industrial units, established in private or undeveloped Govt. land, for developing infrastructure upto their premises.
- b) 50% reimbursement max of Rs. 25 Lakhs for the establishment of an effluent treatment plant (ETP) by the industrial unit.
- c) 50% reimbursement up to a maximum of Rs. 100 Lakhs for the establishment of a Common effluent treatment plant by a group (minimum 5) of industrial units.
- d) 50% financial assistance max of Rs. 250 Lakhs to the Developers for industrial area/flatted industrial complex in private sector.
- e) 50% financial assistance max Rs. 50 Lakhs as reimbursement towards the agency doing infrastructure development for strengthening the MSME cluster working in private land.

### **Financial Assistance for Energy audit**

To promote energy efficiencies in MSME units, GoMP will reimburse 50% of the cost of conducting energy audit with maximum limit of Rs.50,000 and 25% of the cost maximum Rs. 5 Lakhs for adoption of equipment and machinery

### **Special Packages**

- a) The State Government would give special package to Power looms sector as described in **Annexure - II.**
- b) The State Government would give special package to Pharmaceutical sector as described in **Annexure - III.**
- c) The State Government would give special package to Apparel sector as described in **Annexure - IV.**

#### **Expansion/Diversification/Technical up-gradation**

- a) Established micro, small and medium industrial units which undertakes expansion will be eligible for assistance/facilities at par with new industrial units on their additional eligible investment.
- b) Established micro scale industrial units, which invest additional Rs. 10 Lakhs or more in plant & machinery, shall be eligible for assistance/facilities at par with new industrial units.
- c) Established small scale industrial units, which invest additional Rs. 25 Lakhs or more in plant & machinery, shall be eligible for assistance/facilities at par with new industrial units.
- d) Established medium scale industrial units, which invest additional Rs.100 Lakhs or more in plant & machinery, shall be eligible for assistance/facilities at par with new industrial units.
- e) If total investment in plant and machinery became more than Rs. 15 crores after expansion/diversification/technical upgradation, then the unit will not be eligible for assistance/facilities under this policy.

#### **Creation and maintenance of improved infrastructure facilities**

Development of industrial infrastructure with best facilities will surely boost the MSME growth. The MSME department shall come up with new industrial land and shed allotment rules in alignment with this policy. Under this :-

- a) The Department will increase the “Land Bank” of Government Land for future development of Industrial Areas/Parks/Estate exclusively for MSME units.
- b) GoMP shall establish dedicated MSME parks in the districts where there are ample opportunities of MSME development.
- c) Department will encourage the industrial areas in private sector.
- d) Special focus and thrust shall be given to creation of flatted structure in industrial area on PPP mode.
- e) Online Land Application and Allocation System shall be made easier and user friendly.
- f) State Govt. shall come up with new 'Industrial Land Allotment Rules'. 10 percent plots will be reserved in the Departmental industrial area for the units owned by Scheduled Castes, Scheduled Tribes and OBC category.

#### **Capacity strengthening**



## **Cluster development**

- a) The State Government has adopted the cluster development approach as a key strategy for industrial & economic development of MSEs as well as factors which will promote in establishment of new industrial area in the State.
- b) GoMP will formulate State's own Cluster Development Scheme for creating the Infrastructure (ID) and Common Facility Centre (CFC) facilities for the MSME clusters spread over across the state with support from GoI.
- c) A dedicated cluster development cell shall be created to properly implement the Cluster Development Scheme of State & GoI. This cell shall be responsible to cater to the needs of MSME clusters of the State.
- d) Madhya Pradesh Laghu Udyog Nigam will be the nodal agency for cluster activities in state.

## **Self-Employment**

- a) In order to provide the self-employment opportunities for the youth, the MSME department is presently running various self-employment schemes, which provide concessions and hand-holding support to young entrepreneurs.
- b) A new Self-employment scheme with more effective hand holding support and better incentives shall be initiated.
- c) Beneficiaries of Self-employment schemes shall be given opportunity to participate in international trade fair/exhibitions.
- d) Business skills of youth shall be improved through online EDP module.
- e) In order to support the applicants of self-employment schemes, a panel of Chartered Accountants (CAs) will be made at district level.
- f) Additional grant will be provided in self-employment schemes to SC/ST beneficiaries

## **Start-up and Incubation Support**

To nurture innovation and start-up ecosystem for young entrepreneurs in the state, Government of Madhya Pradesh shall come up with new "MP Start-up Policy".

## **Revival of sick units**

- a) To revive potentially viable sick/closed unit, a package will be made with the help of Bankers/ Financial Institutions.
- b) The key responsibilities of preparing the revival package will be Bankers/ Financial Institutions
- c) The Sick Industrial Unit in consultation with Bankers/ Financial Institutions will prepare its proposal for seeking package of concessions and submit it to the Empowered Committee.
- d) The empowered committee will be set up to decide on revival package in favor of sick industrial units, under the chairmanship of Principal Secretary, Department of MSME. The constitution of the Committee will be as follows:
  - i. Principal Secretary, MSME Department (Chairman)
  - ii. Principal Secretary/ Secretary of the departments from which concessions/ relief are sought by the sick units.
  - iii. Industries Commissioner, MSME Department (Member)

- iv. Zonal Manager of the concerned bank branch (Member)
  - v. Branch Manager/ In charge officer of the Bank/ Financial Institute through which revival package is proposed.
  - vi. Joint / Deputy Director, MSME Department (Member Secretary)
- e) Banks/ Financial Institutions will prepare revival package in favour of viable sick industrial units, in which concession can be sought from State Govt.
- f) The concession/relief sought under revival package will be placed before empowered committee. The empowered committee will be fully authorized to take decision on the demands/concession sought under revival package with the consent of the concerning department, on merits.

### **Amendment/Relaxation/Cancellation**

Regardless of the provisions under the policy, the Madhya Pradesh government, the Micro, Small and Medium Enterprises Department at any time -

- a) May amend or cancel this policy
- b) May relax the provisions of this policy
- c) May issue instructions/ clarifications/guidelines to clarify the provisions of the policy.

### **Jurisdiction**

In case of any dispute, the court area will be Madhya Pradesh.

### **Glossary**

- i. Policy means "MP MSME Development Policy 2019".
- ii. MSME means, micro, small and medium enterprises define under Micro, Small and Medium Enterprises Development Act, 2006 (amendment from time to time Inclusive).
- iii. Unit/industrial unit means, manufacturing unit of MSME category in Madhya Pradesh<sup>12</sup>
- iv. Investment in plant and machinery means as per Micro, Small and Medium Enterprises Development Act, 2006 (amendment from time to time Inclusive).
- v. Investment in building means investment in factory buildings & sheds, which is used for production but shall not include dwelling units.
- vi. New industrial unit means such manufacturing unit of MSME category, which are established during the policy period.
- vii. Existing industrial unit means, an industrial unit which commenced commercial production before 01.10.2019 or new industrial units which made expansion/ diversification/technical upgradation during the policy period.
- viii. Women/SC/ST entrepreneur unit means operational unit in which Women/SC/ST entrepreneur(s) have hundred percent stake.
- ix. The date of commercial production means after commencing production date of the first-time sale of the goods produce, which means the date of the bill date of the first sale.
- x. Quality certification means, ISO certification issued by third party authorized agencies for quality certification or BIS/BEE certification or ZED certification or certification exclusively for export.

- xi. Patent Means, the patent defined under Patent Act, 1970 (including amendments made from time to time) and or underlying patent.
- xii. MSME Directorate means The Directorate under the Micro, Small and Medium Enterprises Department of Government of Madhya Pradesh.
- xiii. The State Government means the Micro, Small and Medium Enterprises Department of Government of Madhya Pradesh.
- xiv. District Trade & Industries Centre means the district level office of MSME Directorate under the Micro, Small and Medium Enterprises Department of Government of Madhya Pradesh.

### **List Of Ineligible Industries**

1. Activities pertaining to trading and services
2. Beer and liquor which contains alcohol
3. Manufacturing of all kinds of pan masala and gutkha
4. Manufacturing of Tobacco and tobacco-based products
5. Manufacturing of plastic bags of thickness 40 micron or lesser and all type of polythene bags.
6. Industrial units set up by central or state government or their undertaking
7. Stone crusher
8. Grinding of minerals, Calcination (Excluding manufacturing of artificial sand from crushed stone)
9. Defaulter of state government/state government undertaking
10. All types of mining activity (where there is no value addition)
11. Manufacturing of Charcoal
12. All type of Solvent extraction plant (Excluding edible oil expeller units, which invested Rs. 1 crore or less in plant & machinery)
13. All type of oil refineries
14. Cement /Clinker manufacturing
15. Publishing and Printing processes of all types
16. Saw milling & planing of wood
17. Pressing of iron/steel scrap into blocks or any other shapes
18. Electricity generation units
19. Package drinking water
20. Sortex plant and Sorting/Grading/Cleaning of crops/grain
21. All types of aerated/ carbonated drinks
22. Slaughter house and industries based on meat
23. Any industry declared by state government from time to time with reference to MP MSME Development Policy 2019

## **Special Package to Power looms Sector**

### **Special Package**

- i. GoMP shall provide 25% of upgradation cost or 100% remaining of GoI's financial support after adjustment (if any) whichever is less as financial assistance for upgradation of plain/semi-automatic shuttle power loom into modern shuttleless power loom subject to a maximum of 10 looms in a unit.
- ii. Concession @ Rs. 1.50 per unit to the power loom, upto 20HP capacity and @ Rs. 1.25 per unit to the power loom for above 20HP but upto 150HP capacity in electricity supply. Also, 100% reimbursement of fixed charges and difference in minimum charges & actual consumption in electricity supply for the power loom of upto 150HP capacity.
- iii. 60% financial assistance up to maximum of Rs. 500 Lakhs to the Developers for industrial area/flatted industrial complex for power loom in private sector.

### **Other Assistance**

- i. Industrial Development Subsidy
- ii. Support in quality certification
- iii. Reimbursements for Patents
- iv. Financial Assistance for infrastructure development.
- v. Support in energy audit

## **Special Package to Pharmaceutical Sector**

### **Special Package**

#### **1. Industrial Development Subsidy**

- 1.1 Industrial development assistance to the new industrial units @ 40% on the eligible investment made by them in Plant & Machinery and building. This assistance shall be disbursed in 4 equal annual installments.
  - 1.2 The cost of building shall not be more than 200% of the cost of Plant and machinery for the purpose of calculating the assistance.
  - 1.3 Additional Industrial Development Subsidy of 2% per year (for four years) for unit set up by women/SC/ST entrepreneur(s) or 2.5% per year (for four years) for unit set up by women entrepreneur(s) of SC/ST category; and
  - 1.4 Additional Industrial Development Subsidy of 2% per year (for four years) to the industrial units for exporting more than 25% and upto 50% of their total sales;  
or  
Additional Industrial Development Subsidy of 3% per year (for four years) to the industrial units for exporting more than 50% of their total sales.
2. 50% of the expenditure incurred on creating facilities for obtaining certificate of WHO-GMP or US-FDA certificate for export readiness, would be reimbursed up to a maximum limit of Rs. 50 lakhs.
  3. Assistance @ 50%, maximum Rs. 25 Lakhs to extend support for establishment of lab equipment & machinery
  4. 60% financial assistance up to maximum of Rs. 500 Lakh to the Developers for industrial area/flatted industrial complex for pharmaceutical units in private sector

#### **Other Assistance**

1. Support in quality certification
2. Reimbursements for Patents
3. Financial Assistance for infrastructure development
4. Support in energy audit

## **Special Package to Apparel Sector**

### **Special Package**

1. New industrial Readymade garments and made-ups (wearable or non-wearable fabric, stitched fabric, in which at least two ends of the cloth is stitched by using machinery) manufacturing units having at least Rs. 1.00 crores invested in plant & machinery & minimum 25 regular employee, will be provided 25 percent of salary of each regular employee, which is a permanent resident of the state, maximum Rs. 2500 per month, up to an annual limit of Rs 5 lakh, for 5 years as a 'Salary grant'.
2. 60% financial assistance up to maximum of Rs. 500 Lakh to the Developers for industrial area/flatted industrial complex for Apparel units in private sector.

### **Other Assistance**

1. Industrial Development Subsidy
2. Support in quality certification
3. Reimbursements for Patents
4. Financial Assistance for infrastructure development
5. Support in energy audit

## **I. Vision**

To establish Madhya Pradesh as a preferred destination for Startups & Incubators by enabling ecosystem to support entrepreneurial culture in the State

## **II. Goals**

- a) Key Targets:
  - i) To achieve 100% growth rate for DPIIT registered startups
  - ii) To create incubators by exploiting infrastructure available in Host Institutions across Madhya Pradesh and increase current seat availability in Incubators by 100%
- b) Seek international/Corporate Partnerships for setting up incubators
- c) Easy access to funding

## **III. Applicability**

The policy will be applicable from 1st April 2020. This policy will continue till the time replaced by new policy.

## **IV. Strategies**

### **(1) Startup Promotion**

To empower local entrepreneurs & boost local startups, the State Government shall;

- A) Consider Startups/entrepreneurs for state assistance under Self-Employment Schemes such as Mukhya Mantri Yuva Udhyami Yojana etc.
- B) Provide easy access to pre-seed /seed funding/support, grants or loans.
- C) Promote Public Procurement from Startups through suitable amendments in Store Purchase Rules such as relaxation in prior turnover, prior experience amongst others.
- D) Host Annual MP Hackathon: The Department of MSME shall organize annual hackathon to identify innovative technological solutions to real-life social challenges.
- E) Develop an Angel Network: The Department of MSME shall organize Angel Investor meets for all MP based startups through partner incubators. Angel Networks and their members shall be listed on the Department of MSME portal for the benefit of the Startups.

### **(2) Incubator Promotion**

The State Government shall-

- A) Encourage establishment of Technology Business Incubators by Host Institutions in following priority areas:
  - (i) Artificial Intelligence (AI)/Internet of Things (IoT)/ E-commerce /Mobile Technology/ Information Technology (IT)/IT enabled services(ITeS)/Business process management (BPM)/Software development
  - (ii) Manufacturing including Electronics System Development and Maintenance (ESDM)/Robotics/ 3-D Printing/ Plastic/ Technical Textiles
  - (iii) Biotechnology, Biochemical, Healthcare, Pharmaceutical & Medical Devices
  - (iv) Agri-Processing, Agriculture, Food technology & Food processing
  - (iv) Renewable energy/Green energy/Clean technology/Water & Waste recycling
  - (v) Education, Social, Rural & Tribal Entrepreneurship
- B) Establish two world class incubators in the state in Institutes of National Importance situated in Madhya Pradesh. The institutes are to be selected through challenge mode.



C) Form a network of partner incubators.

**(3) Ecosystem Enablement**

- A) The Department of Micro, Small & Medium Enterprise, and Government of Madhya Pradesh has nominated Directorate of Industries, Madhya Pradesh as Nodal Agency for implementation of this policy and will take necessary steps for ecosystem enablement in the State.
- B) Online Portal: The Nodal Agency shall design, develop and implement a robust online system for end-to-end management.
- C) Mentor Network: The Nodal Agency shall encourage experienced mentors to register on the online portal for developing mentor network in Madhya Pradesh.
- D) Partnership with Corporate(s) and Academia for Entrepreneurship Development:
  - 1. The State Government shall advise all universities and colleges in the State to establish an Entrepreneurship Development Cell (EDC)& register the same on the startup portal.
  - 2. The Department of MSME will approach international organizations and other countries for sector specific partnerships.
  - 3. Other departments like Department of Science and Technology, Department of Technical Education, Department of Higher Education may also create their own sector specific support policies/schemes to enable startups in the state.
- E) Independent Agency: The Nodal Agency may create a separate, dedicated & independent implementation agency/body or may nominate existing agency/body for supporting startup ecosystem in the state.
- F) Government of Madhya Pradesh will promote and lay extra focus on women & tribal entrepreneurship. It will also ensure inclusiveness for start-ups led by SC/ST/OBC entrepreneurs.

**V. Incentives**

- A) The incentives will be provided according to the guidelines of the 'MP Startup Scheme 2020' which will be issued separately by the Department of MSME, Government of Madhya Pradesh.
- B) Startups & Incubators are entitled for other incentives (if eligible) under different policies/schemes of Government of Madhya Pradesh and Government of India, however, the same incentives cannot be claimed from any other policies/schemes of Govt. of Madhya Pradesh.

## 1) Incentives to Incubator

### A) Eligibility:

- Host Institutions with intention of setting up new incubator(s).
- Existing partner Incubator(s).
- Incubators are required to develop minimum capacity of ten seats to avail the incentives.

### B) Capital Assistance

- One-time capital grant of max. 50% or INR 1 Crore (whichever is less) for Fixed Cost Investment (excluding land& building) for setting up incubator.
- State Government shall provide top-up grant for establishment of Technology Business Incubators (TBI) funded by Government of India with ceiling of maximum INR 50 lakhs upfront, given that total assistance subsidy is not more than 50% of total project cost.
- State Government shall provide grant for establishment of Livelihood Business Incubators (LBI) established in tribal districts of Madhya Pradesh with ceiling of maximum INR 100 lakhs upfront, given that total subsidy is limited to 100% of total project cost.
- The same limit shall be extended to incubators for capacity expansion of existing facility subject to the capacity utilization of the existing facility for 1 year.

### C) Operational Assistance

Operational expenses as per actual expenses up to maximum INR 10 Lakhs (whichever is less) per year for 3 years from the date of sanction. This includes expenses on mentoring, running cost, events & competitions. This will be given on the following basis:

S.No.	Utilized Seat Capacity	Max. allowance
1.	30% - 50%	Max. 5 lakhs
2.	50%-75%	Max. 7.5 Lakhs
3.	75%-100%	Max. 10 Lakhs

### D) Stamp Duty & Registration

Incubators shall be provided with one-time reimbursement of 100% Stamp duty & registration fee on purchase/lease of land/office space on commencement of their operation.

## 2) Incentives to Startups/Entrepreneurs

### A) Eligibility:

To avail benefits under this policy, the startups need to comply with all following conditions:

- (i) Have DPIIT recognition,
- (ii) Have MP based GST registration

B) Sustenance Allowance: INR 10,000 per month for period of 1 year or till start-up reaches post-traction period (whichever is less), will be released as sustenance allowance after 3 months of joining a partner incubator.

C) Lease Rental Subsidy: Reimbursement of 50% or maximum INR 3 lakhs (whichever is less) per year for a period of 3 years from the date of recommendation.

For women owned startups, reimbursement of 50% or maximum INR 3.5 Lakhs (whichever is less) per year for a period of 3 years from the date of recommendation. Same benefit will be extended to SC/ST/OBC owned start-ups.

Start-up must have recommendation by the District Task Force Committee for availing this subsidy.

D) Margin Money/Interest Subsidy: the following shall be provided on the capital expenditure of the project-

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

E) Patent Registration/Quality Certification: Cost reimbursement for successfully obtained patents/certifications in policy period-

Domestic Patent: maximum INR 2 lakhs per startup up to 2 patents International Patent: maximum INR 5 lakhs per startup for 1 patent

Quality Certification: maximum INR 3 lakhs per startup up to 2 certifications

Only those startups which have been established in Madhya Pradesh will be eligible to avail this incentive.

F) Startup Marketing Assistance: One-time assistance of maximum INR 10 lakhs for introducing an innovative product to the market upon meeting any of the below conditions:

- Startup has got total equity financing by SEBI registered AIF category I & II Fund or Angel Networks of atleast INR 25 Lakhs; or
- Sanction letter of funding/ grant to the entity by Government of India based on:

S.No	Funding/Grant received by Gol	Max. allowance
1.	Up to INR 2 Lakhs	Max. INR 5 lakhs
2.	From INR 2 Lakhs – 4 Lakhs	Max. INR 7.5 Lakhs
3.	More than INR 4 Lakhs	Max. INR 10 Lakhs

- The startup has got a revenue run rate of INR 5 lakh per month over last six months at least.

G) Participation in National/International Events of repute: 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.

### 3) Provisions for Funding of Start-ups

- A) Award pre-seed support in form of prize money to innovative startups via hosting MP Startup of the year Challenge, wherein, 20 ideas will be awarded.
- B) State Government will provide INR 10 crore, during policy period, for creating a revolving fund for seed support to startups. This fund will be utilized for seed funding to startup for initial stage funding such as company formation, prototype development, proof of concept etc.
- C) Venture Funding:
- i. The state shall invest INR 50 crore in an Alternate Investment Fund
  - ii. Utilize the venture fund setup earlier for providing venture capital

## VI. Policy Implementation

### 1. State Level Implementation Committee

Under this policy, A State Level Implementation Committee (SLIC) committee comprising following members shall be constituted for sanction of assistance:

S. No.	Member Details	Authority
1.	Principal Secretary, Department of MSME	Chairperson
2.	Nominee of Department of Science and Technology	Member
3.	Nominee of Managing Director, MPLUN	Member
4.	Nominee(s) from Industry/Industry Association	Member
5.	Other Nominee(s) from Incubator Network to be nominated by GoMP	Member
6.	Industries Commissioner	Member
7.	Nodal officer SI Cell/nominee of Industries Commissioner	Member Secretary

Member Secretary shall be responsible to organize the SLIC meeting, every 3 months to consider the cases received. Quorum for the meeting would have 4 members including Chairperson.

## 2. State Level Monitoring Committee

A State Level Monitoring Committee comprising following members shall be constituted under this policy:

S. No.	Member Details	Authority
1.	Chief Secretary, GoMP	Chairperson
2.	Principal Secretary, Finance Department	Member
3.	Principal Secretary, Department of Commercial Tax	Member
4.	Principal Secretary, Department of Technical Education & Skill development	Member
5.	Principal Secretary, Department of Science & Technology	Member
6.	Principal Secretary, Department of Commerce, Industry & Employment	Member

7.	Principal Secretary, Department of MSME	Member
8.	Industries Commissioner	Member Secretary

The State Level Monitoring Committee shall also be 'Appeals Committee' for SLIC whose decision in any matter shall be final.

### 3. The charter of the State Level Monitoring Committee

- A) Monitor and ensure timely release of relevant orders/ notifications and amendment required
- B) Any issue of interpretation of this policy, Inter departmental co-ordination with respect to policy matters
- C) Approve the projects, framework and modalities of implementation for projects proposed by the MSME Department.
- D) Time to time evaluation of 'MP Startup Policy 2019' on key indicators and resolve implementation issues at all levels.

### 4. District Task Force Committee

S. No.	Member Details	Authority
1.	District Collector	Chairperson
2.	Manager of Lead Bank	Member
3.	Representative of Local Industrial Organization	Member
4.	Representative of any other nationalized bank	Member
5.	General Manager DTIC, Department of MSME	Member

## VII. Definitions

### 1. Startup

An entity shall be considered as 'Startup'-

- A) Up to a period of ten years from the date of incorporation/registration

- B) Incorporated as either a Private Limited Company or a Registered Partnership Firm or a Limited Liability Partnership
- C) With an annual turnover not exceeding INR 25 crore for any of the financial years since incorporation/registration
- D) Entity should not have been formed by splitting up or reconstruction a business already in existence
- E) Working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation

Further, the definition of Startup shall be considered as decided by Department Promotion of Industrial & Internal Trade (DPIIT), Govt. of India based on decision of SLMC.

## **2. Incubator**

An organization designed to support startup companies during the early stages to help develop a scalable business model through business support resources & services such as

- (i) Leased workspace
- (ii) A pool of shared support services (business, legal, financial, mentoring, etc.) to reduce overhead costs
- (iii) Professional and managerial assistance
- (iv) Access to or assistance in acquiring funding.

## **3. Partner Incubator**

A Madhya Pradesh based incubator who has signed MoU with the Department of MSME.

## **4. Technology Business Incubators (TBI)**

The TBI is a venture of universities, public research institutes, local government and private institutions to promote and bolster a new technology intensive enterprise. TBI refers to the type of incubation where the focus group consists of innovative, mostly technology-oriented, or knowledge-intensive service sector enterprises and interactions with the academic sphere giving a substantive element of the incubation process.

## **5. Host Institution**

Any Madhya Pradesh based Engineering Colleges, Institutions of Higher Education, Industrial Establishment/ Smart City Companies & other Societies/ Special Purpose Vehicle(s)