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

#startupindia

STATES' STARTUP RANKING 2022 LEADER

MADHYA PRADESH

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States' Startup Ranking 2022 Results

Madhya Pradesh participated in 25 Action Points of the Ranking Framework 2022. Madhya Pradesh performance in each of the Reform Area has been graphically represented. Data presented below is the percentile score, which is the relative performance of the State in each Reform Area as compared to other participating States/UTs.

For example, if Madhya Pradesh has a score of 100th percentile in the 'Institutional Support' Reform Area, this implies that the State has scored higher than all the participating States/UTs in that Reform Area.

Madhya Pradesh has been evaluated on seven Reform Areas that have a significant contribution towards propelling the startup ecosystem in the State. Detailed analysis with insights into the initiatives taken by the State to promote its startup ecosystem are discussed in the subsequent sections.

67th	64th	45th	69th
Institutional Support	Fostering Innovation and Entrepreneurship	Access to Market	Incubation & Mentorship Support

69th	67th	25th
Funding Support	Capacity Building of Enablers	Roadmap to a Sustainable Future

STATE STARTUP ECOSYSTEM

Madhya Pradesh is situated in the centre of India also called the heartland of India. It is the second-largest State by area in India and the fifth-largest State by population. The capital city of Madhya Pradesh is Bhopal, with Indore being the largest city. Madhya Pradesh is recognized for its abundant reserves of diamond and copper, contributing to its 26th highest per capita income in the country. The predominant sector in the State's economy is agriculture, and it has made significant advancements in the agricultural and allied sectors for over a decade.

In order to propel the startup movement in the country and align with the objectives of the Aatmanirbhar Bharat Abhiyan and Atmanirbhar Madhya Pradesh Roadmap 2023, the State Government has introduced the "MP Startup Policy and Implementation Scheme 2022". The nodal agency responsible for implementing the Startup policy is the Department of Micro Small and Medium Enterprises, Government of Madhya Pradesh (GoMP). This department has identified key areas crucial for fostering a comprehensive Startup ecosystem, with a particular emphasis on product-based startups. GoMP is dedicated to creating a favourable environment to promote entrepreneurship in Madhya Pradesh, aiming to cultivate innovation-driven entrepreneurial culture among the highly talented youth.

GoMP has made efforts to promote innovation led by youth and create maximum employment opportunities. The State Government aims to institutionalise the Startup culture by introducing educational initiatives at the school and college levels. Additionally, it aims to establish a supportive ecosystem by connecting Startups, investors, incubators, and other stakeholders.

A dedicated Madhya Pradesh Startup Centre has been set up under the patronage and supervision of Madhya Pradesh Laghu Udyog Nigam (MPLUN) to provide necessary facilitation and support to Startups in the State. This centre offers a coordinated platform for promoting and strengthening the Startup ecosystem, along with providing ample opportunities in both global and local markets, as well as relevant workshops and events.

State Startup Policies and Incentives[2]

The State Government has made efforts to create more job opportunities for local youth through innovation and entrepreneurship. The initial Startup policy was implemented in 2016, and a new startup policy was introduced in 2019 considering the dynamics of the sector. To align with the changes in the global economic environment and regulatory amendments, a revised startup policy has been formulated. The objective of the new policy is to make it more comprehensive, inclusive, integrated, and effective. As a

result, the State Government has decided to implement the "MP Startup Policy and Implementation Plan-2022".

The policy aims to focus on five pillars:

- Institutional Support including Ease of Doing Business

- Promotion of product-based Startups.

- Promoting innovation and entrepreneurship

- Marketing Support

- Financial and Non-Financial assistance

The main objectives of the Startup Policy and Implementation Scheme, 2022 include the development of the Startup ecosystem through positive interventions and other catalytic programs. The aim is to achieve a hundred percent growth rate in startups registered and recognized in Startup India, Government of India. The policy also focuses on increasing the number of product-based startups, establishing new incubation centres, and expanding the capacity of existing ones. Special programs are designed to foster innovation and the startup spirit among students from school/college levels. The objective is to develop a culture that solves economic and social problems through innovation and startups and to obtain a higher ranking in the State Startup Ranking Framework of the Government of India. A notable aspect of the policy is the inclusion of special fiscal and non-fiscal incentives to encourage product-based startups.

Highlights of State Startup Ecosystem

1100+
Startups Registered

50+
Policies to Support Startups

45+
Events undertaken to support Student Entrepreneurs

~1200
women-led Startups receiving funding

200+
Startups provided access to showcase opportunities

50+
Incubators functioning

450+
Startups receiving incubation support

110+
Startups enrolled in acceleration programs

300+
Startups connected with mentors

65+
Startups receiving funding through State Funds

90+
Startups connected with investors

100+
Sensitisation workshops conducted for officials of State Government

50+
Incubators trained through capacity development workshops

220+
Startups with rural impact supported

50+
Startups focused on renewable energy and climate change

Key Initiatives Driving Growth

- Investor- Startup Meets: The State of Madhya Pradesh organised a series of events to help Startups learn from investors about entrepreneurship and sources of funding through its main program called "PE/VC Connect".

- Smart Seed Incubation Centre: Indore Smart Seed Incubator is a partnership between Smart City Indore and CIIE.CO Setup in 2021 as a joint initiative of Indore Smart City and CIIE.CO (Built at IIM Ahmedabad). They specialize in scouting, incubating, accelerating,

and seed funding startups and social enterprises from the central region of India. They focus especially on the tier 2 and tier 3 cities and support the entrepreneurs in building sustainable and scalable business models. This is achieved through training, mentoring, access to networks, seed funding, and connections with investors.

- Entrepreneurship Awareness Bootcamp: A 3-day event to boost students in Higher Educational Institutions was conducted. The event included a talk with experts from industries, a visit at AIC- Aatrech, and an ideation session. Various other sessions were held to inform students about the principles of entrepreneurship, The bootcamp aimed at creating awareness among students about various facets of entrepreneurship while highlighting the merits of pursuing such a career option. The boot camp was attended by 350 students.

- Startup Conclave: Laghu Udyog Bharti organized a Startup Conclave to promote youth entrepreneurship and give information about industries and MP Startup Policy.

Institutional Support

Introduction

Institutional Support focuses on the facilitation and execution of the State/UT's Startup policy through a comprehensive user-friendly portal and specific incentives provided by various Government stakeholders. This Reform Area focuses on paving way for easy access of information to Startups and ecosystem stakeholders.

It analyses whether a particular State/UT has a functional Startup portal offering single-window solutions for all Startup ecosystem stakeholders. A holistic Startup portal offers services ranging from Startup registration to an efficient grievance redressal mechanism having quick 30 days of query resolution. The Reform Area also emphasizes institutionalised support provided to the startups from various State/UT Government departments including that of Government policies that are currently active for support to startups.

State Performance

~5

Startups were provided institutional support by ~5 departments

5+

active policies supporting Startups

Out of 12-point evaluation on State Startup Portal, all 12 points have been compiled by the State. State has provided screenshot of the portal and the URL for the grievance redressal portal. Resolution timeframe of the State to resolve the queries were less than 30 days.

The State of Madhya Pradesh has launched a comprehensive Startup portal called 'Startup MP' (https://Startup.mp.gov.in/). It acts as a centre of information for all details, ranging from Startup registration to Government directives, incentives, and connecting with mentors. The portal can be accessed in English and Hindi.
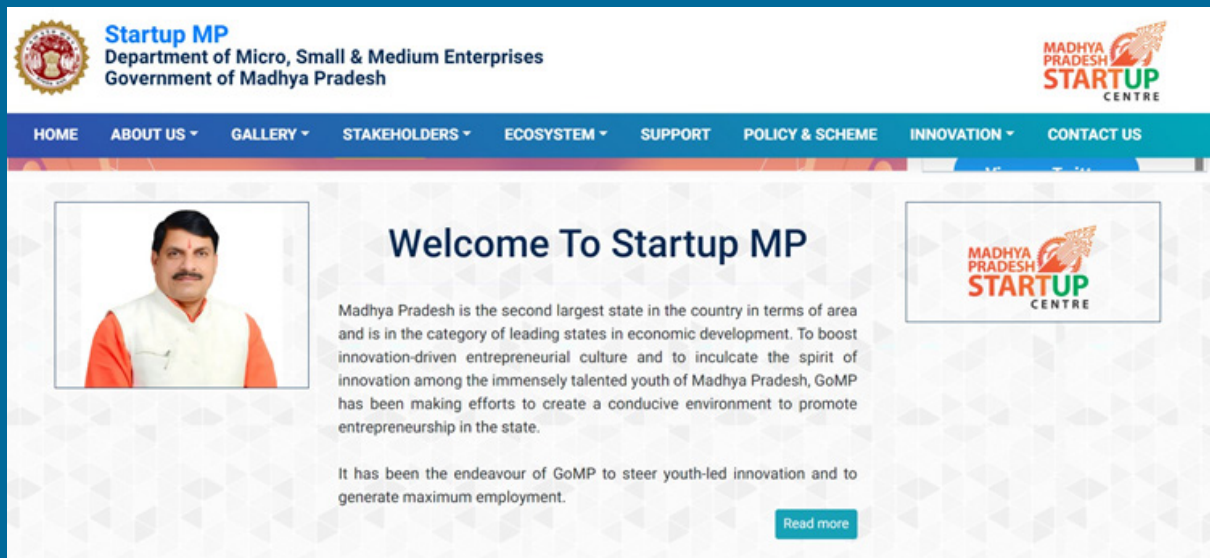

Figure A: Startup Madhya Pradesh Portal

Madhya Pradesh's Startup policy aimed to foster a vibrant entrepreneurial ecosystem within the State. The policy focused on creating a conducive environment for Startups to thrive by offering various incentives and support mechanisms. These initiatives included financial assistance, mentorship programs, infrastructure development, and efforts to streamline regulatory processes.

Startup Madhya Pradesh facilitated a Grievance Redressal Mechanism for Startups to raise and track their queries on several issues.
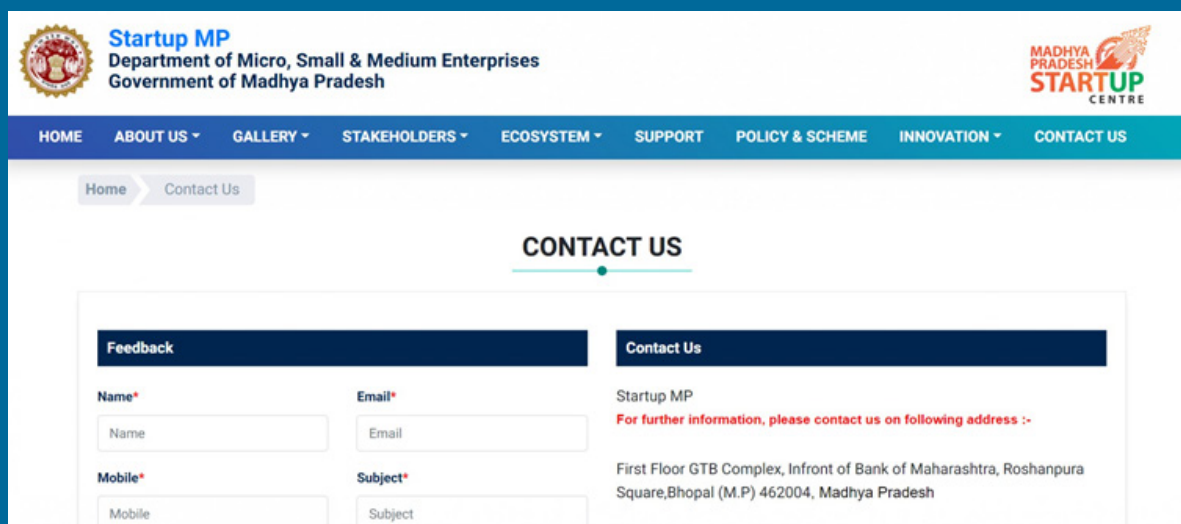

Figure B: Startup Madhya Pradesh Grievance Redressal Portal

Startup MP provides easy access to information such as –

- Details of State level approvals & clearances for Startup registration

- Details of State Nodal Officer, Nodal Department and Dedicated team for Startups

- Details of Dedicated Helpline or call centre number on Startup Portal

- List of Incubators and Accelerators with contact details

- List of Mentors

- Details of Public Procurement relaxation for Startup on Portal

- Details of availing Funding Support

- Details of departments providing institutional support to Startups

- Details of marketing, outreach, events, webinars on State

- Virtual Tour/ Demo of portal

- The portal is also accessible to persons with disabilities (PwD).

Additionally, several other departments of the State like Madhya Pradesh Department of Science and Technology. Tourism Department, Department of Technical Education and Skill Development etc.

Way Forward

- The State in State Startup portal or a separate unified web platform may develop or include a mechanism for Startups to submit requests or grievances with a tracking mechanism.

- Requests or grievances or issues on provision to avail all types of funding, including seed funding, subsidised loans, Government grants, sustenance allowance, debt or equity financing through incubators, venture funding, public procurement amongst others, may be addressed on the platform.

- Query response timeframe may be mentioned in the public domain through a State notification/ Government order/ FAQs.

- The State may have an active tracking mechanism for query resolution. The query or grievance resolution must have a set timeframe in days, it is suggestive to be less than 30 days.

Fostering Innovation & Entrepreneurship

Introduction

Fostering Innovation and Entrepreneurship, as the name of Reform Area suggests, seeks to encourage the spirit of innovation among aspiring entrepreneurs with a focus on student entrepreneurs, entrepreneurs from higher education institutions (HEIs) and women entrepreneurs. It focuses not only on the assessment of the total number of registered startups in each State/UT, which is a direct result of the State/UT support but also on the regulatory reforms undertaken to support startups in diverse sectors.

This Reform Area assesses the extent to which Higher Educational Institutes (HEIs) have been engaged in providing support to student entrepreneurs. It also highlights the value of innovation and entrepreneurship be it students or women. Furthermore, special focus has been drawn towards women-led startups with specially tailored incentives and schemes to ensure equitable implementation.

State Performance

~1200
women led Startups receiving special incentives

50+
events undertaken to support student entrepreneurs in the State

40+
events undertaken in HEIs to support student entrepreneurs

1100
Madhya Pradesh has more than registered Startups

The State has registered more than 1100 Startups during the period of consideration. All registered Startups avail benefits like incubation support, sustenance allowance, seed support, patent cost reimbursement, national and international event participation support, preference in Government procurement, connect with relevant Startup Ecosystem stakeholders etc.

Over 45 events have been conducted by the State to support student entrepreneurs.

Aarambh, A Startup Leaders Summit

The event, chaired by the Executive Head of MP Startup Centre, aimed to an entrepreneurial spirit in students. It featured success stories from seven Startups, followed by a panel discussion on "Why Startups are the primary need of today."

The State organised numerous programs within Higher Education Institutions (HEIs) to foster the development of future entrepreneurs, hosting over 35 events in these institutions.

Oriental College Bhopal "Institution's Innovation Council (IIC), Regional Meet-2k22"

The college students from Truba Institute of Pharmacy, Bhopal (M.P.) visited Innovation and Incubation Centre for Entrepreneurship (IICE), IISER Bhopal. During the visit, the students were provided with an overview of the essential aspects of entrepreneurship and the startup ecosystem, in addition to the tour of Incubation centre's facilities.

Figure C: Snapshot of the IIC Regional Meet 2022

The State as per their Startup policy has offered support in terms of Seed funding, Venture funding, Procurement, Incubation support, Mentorship, Capacity development workshops, provision of Subsidized loans, Marketing assistance or Stipends or grants to over 1200 Startups led by women.

Way Forward

- The State may focus on designing knowledge support and outreach programs to disseminate the benefits of registering Startups, thereby encouraging entrepreneurs to register.

- The State may provide specific incentives to women-led Startups, which could be included in the Startup policy of the State. The incentives might encompass a monthly support stipend for Startups led by women.

- The State may further reserve a specific quota for women-led Startups in terms of funding grants and incubation support.

- The State may focus on having knowledge support and outreach programs to disseminate the benefits of registering Startups, which would encourage entrepreneurs to do the same.

Access to Market

Introduction

This Reform Area seeks to encourage the State/UT Government to increase participation in the public procurement process for startups and become an enabler in providing the opportunities to startups in the domestic and international market. The States/UTs are evaluated based on their support to startups through the organisation of showcase opportunities such as Demo-Day, Buyer-Seller Meet, National and International Events, and relaxation in criteria for Government work orders.

The aim is to steadily increase the number of work orders awarded to startups by helping them be at par with the established players in their respective sectors.

State Performance

200
Startups received access to market and showcase

5+
Startups awarded purchase orders or work orders

In April 2018, the Madhya Pradesh Government adopted a resolution to ease criteria like "Prior Turnover" and "Submission of EMD" with the aim of promoting Startup participation in the public procurement process.

The State provided market access and showcase opportunities to 200+ Startups for which it conducted pitching sessions, webinars, grand challenges, and hackathons. All these events saw an average attendance of a 100+ participants.

Startup Conclave 2023

Laghu Udyog Bharti recently hosted a Startup Conclave with the objective of promoting youth entrepreneurship and disseminating information on diverse industries. The chief guest, Rewa MLA, emphasised the establishment of new industries in the region and pledged support to address industry challenges. The event included presentations on MSME policies by the General Manager of the District Industry Centre and discussions on the State's Startup policy and Government support by a Marketing Expert from MP Startup Centre

Figure D: Startup Conclave 2023

Way Forward

1. The State may provide the relaxations outside the State Startup Policy and as a separate Government Order or Notification outlining the relaxations.

2. The State administration may undertake programs to connect Startups to Government departments as well to present case-wise solutions to the departments and promote procurement activities by them. GeM workshops, Demo Days, Grand Challenges, Hackathons, Innovation Zones, Buyer-Seller meets, and corporate innovation programs could be some of them. The informational programs conducted could be streamed on the Startup portal and online streaming platforms for wider reach.

Incubation and Mentorship Support

Introduction

Incubation and Mentorship support is provided to States/UTs in the form of financial and infrastructural support to startups and State-supported incubators. The State/UT Governments are initiating setting up of new incubators or in upgrading existing incubator facilities through various fiscal and non-fiscal incentives including conduction of acceleration programs across State/UTs. This Reform Area also aims at ensuring proportionate utilisation of the incubation capacity of the State-supported incubators.

The support provided by the State/UT to the incubators through programs and incentives will in turn help startups in scaling up and thereby, contribute to the growth of the State/UT startup ecosystem. The Reform Area measures efforts by the State/UT Government in facilitating mentorship to startups. This has been assessed by the number of startups benefitting from the State's/UT's network of mentors.

State Performance

60+
Incubators functioning in the State

400+
Startups received incubation support

200+

Startups connected with mentors

100+

Startups enrolled in acceleration programs

The State has encouraged and supported entrepreneurial spirit by support programs and services provided through State-supported incubators, 50+ incubators are functioning in the State and 450+ Startups receive incubation support.

The State has held 110+ acceleration programs for States, these programs have supported Startups in terms of mentorship, free research and development facilities, free trainings, and

Startup MP has launched an exclusive portal with the objective of building a database of mentors. The same enables a Startup founder to connect with a right mentor that can be beneficial both professionally and personally. The Startup platform has facilitated over 200 Startups in connecting with mentors.
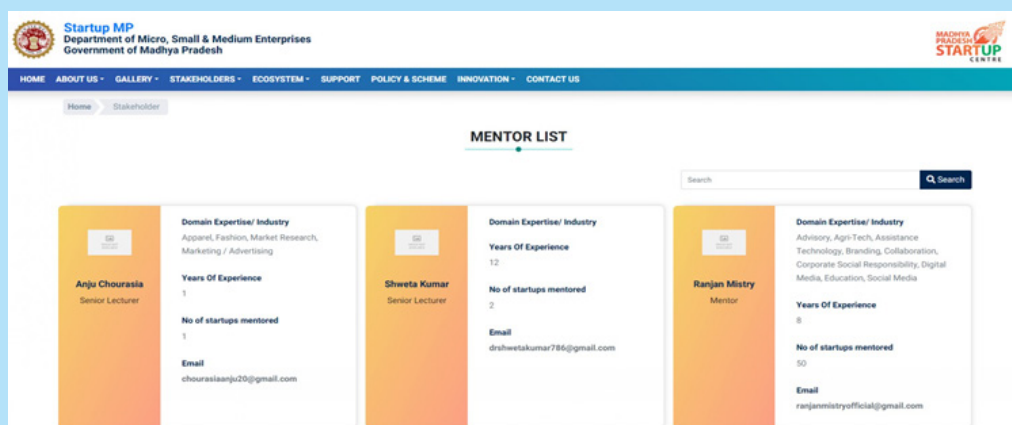

Figure E: Startup Madhya Pradesh Mentor List

Way Forward

1. The State may set up more incubators to guide young entrepreneurs.

2. The State may explore the possibility of virtual incubation as well. Support to new incubators can be provided in the form of (a) one-time capital assistance (b) 100% reimbursement of stamp duty and registration fee paid (c) power tariff subsidy (d) 100 % reimbursement for electricity duty paid for a period of 5 years continuously with power tariff subsidy.

3. The State may increase the reach of the acceleration programs. The State can leverage the virtual format for holding seminars and discussions. In this way, the State could take advantage of this opportunity to connect with stakeholders outside the State as well as outside the country.

4. The State may maintain a list of sector-wise registered mentors. This information could be made available through the State Startup portal.

Funding Support

Introduction

All startups require timely availability of funding for their growth. This Reform Area encourages various State/UT Governments to establish either new Seed or Venture funds or Fund of Funds for startups or continue supporting the existing ones. It also focuses on the access to these funds established by the State/UT Government.

A special emphasis has been given to state-supported initiatives and programs to mobilise the private investments into startup ecosystem by connecting startups with investors such as workshops, networking events and pitching sessions.

State Performance

~5
funds established or supported during the period of consideration

~5
programs undertaken to connect Startups with private funds or investors

60+
Startups received funding through State-supported funds

The State has setup a fund of funds scheme to support the Startup ecosystem, over 70 Startups have received funding through the same. The State has established the access to funding by creating a new fund namely Silver Needle Ventures Fund.

Way Forward

1. The State may develop an online mechanism for the disbursement of funds which captures the details of all transactions of the Fund.

2. The State may present the eligibility conditions and Details of the Funds on the Startup portal along with the option of Startups applying for the Fund.

3. The State may organise events, conferences dedicated to Funding with discussions on Funding Opportunities, Processes.

Capacity Building of Enablers

Introduction

Capacity building of key stakeholders and enablers is essential for driving the growth of the entire startup ecosystem. It is vital to provide necessary information to the key ecosystem facilitators to enable startups with the opportunity to contribute to Government initiatives.

This Reform Area assesses sensitisation workshops, programs conducted for Government officials, and workshops conducted to train State-supported incubators. It also focuses on the capacity development of potential private investors to encourage local private investments.

State Performance

5+
Sensitisation workshops for Government officials

80+
Government officials sensitised on Startup landscape

5+
Programs conducted to sensitize potential investors

The State has assisted incubation managers and Government officials, training in important areas like business, finance, monitoring, marketing, and networking.

The Government organised 5+ workshops to inform potential investors about the benefits of investing in Startups, with the goal of getting more people to invest in early-stage businesses and over 5 workshops have been held for State supported incubators.

Headstart's Central India Startup Summit

Headstart, in collaboration with SGSITS, orchestrated the Central India Startup Summit. The event comprised an extensive program encompassing over 25 sessions and workshops, providing a platform for 70 mentoring sessions and featuring presentations from more than 20 Startups with opportunities to pitch to investors. The summit witnessed active participation from a diverse array of stakeholders, including 250 Startups, 10 speakers, 15 investors, 25 incubators, and 30 High Net Worth Individuals (HNI). Notably, 50 Startups were afforded the opportunity to showcase their products and services, further enhancing the collaborative and innovative atmosphere of the event.Invest Goa 2022

Figure F: HeadStart Central India Startup Summit Portal

Way Forward

1. The State may conduct monthly virtual programs spread across various districts to sensitise potential investors on investment in Startups.

2. The State Government may hold quarterly sensitisation workshops for various Government departments and officials to encourage them to interact with Startups to understand their concerns.

3. The State may train 100% State-supported incubators through capacity development workshops regularly by collaborating with incubators from other States to explore mutual learning opportunities.

Roadmap to a Sustainable Future

Introduction

Roadmap to a Sustainable Future sought to encourage the spirit of innovation in rural startups, and at the same time focus on sectors like renewable energy, sustainability, and climate change with an emphasis given to Startups working on Circular Economy.

The aim is to steadily increase the number of startups working in the space of renewable energy and sustainability and follow India's direction of attaining a more inclusive and greener world.

State Performance

200+

Startups with rural impact supported

70+

Startups working on sectors focussed on renewable energy, sustainability, and climate change

The Startup India initiative highlights the importance of encouraging Startups to follow sustainable practices. By encouraging the development of sustainable technologies, such as clean energy, waste management, and water conservation, the Startup India Scheme fosters the growth of Startups that tackle pressing environmental challenges.

200+ Startups with rural impact have been supported by the States. The State currently has 70+ Startups working towards sustainable goals, such as Startups working on fulfilling the needs of current generations without compromising the needs of future generations, while ensuring a balance between economic growth, environmental care, and social well-being.

Way Forward

1. State may look at developing a separate parameter for "Social Impact", under which a Startup promotes a product or service that is based in a rural area as well as related to sustainable practices, renewable energy, circular economy and climate change. Additionally, to incentivize Startups classified under this criterion, the State can reserve a certain percentage of incubation space for them.

2. State may provide for a clear definition of Startups which qualify as working in the field of sustainability, renewable energy, climate change and circular economy may be established as an amendment to the Startup policy.

3. The State may undertake sensitisation workshops with Startups, Incubators and other stakeholders in the field of sustainability, renewable energy, climate change and circular economy.

Annexure

List of Figures

Abbreviations

GoMP – Government of Madhya Pradesh

MPLUN – Madhya Pradesh Laghu Udyog Nigam

FAQ – Frequently Asked Questions

HEI – Higher Educational Institutes

IIC – Institution's Innovation Council

IICE – Innovation and Incubation Centre for Entrepreneurship

EMD – Earnest Money Deposit

MSME – Medium, Small and Micro Enterprises

SGSITS – Shri G.S. Institute of Technology and Science

HNI – High Net Worth Individuals

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