Scheme for
PROMOTION OF INNOVATION,
ENTREPRENEURSHIP
and AGRO-INDUSTRY

Government of India
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

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Government of India
Ministry of Micro, Small and Medium Enterprises
MESSAGE

It has been the Endeavour of the Ministry of Micro, Small and Medium Enterprises to constantly improve upon the spheres of activities and take up new challenges of creating more employment opportunities and also providing the last mile assistance to the potential entrepreneurs of the future.

Various Ministries/Departments of Government of India are running a number of schemes to support first generation entrepreneurs. However, most of these schemes/departments are working in silos. There are a large number of technologies developed by our research institutes which have not yet been commercialized and which could give a boost to rural economy. Therefore, there is a need for establishing a network, building a database of these efforts in order that these are easily accessible to the entrepreneurs to select and convert these into commercial venture. This would also provide a platform for sharing best practices, technological advancements and could ultimately bring up the ground realities before the policy makers for making policy changes.

Keeping this in mind, our Ministry is launching the “Scheme for Promotion of Innovation, Entrepreneurship and Agro-Industry” which will open the vistas of incubation landscape to the micro segment of the vast rural economy. The “Make in India” call also seeks to identify and create a favorable eco-system for encouraging the start-ups and drive the manufacturing domain with sustained employment opportunity creation and to raise the level of skill for successful and sustainable enterprise creation. The proposed scheme is designed to provide the necessary skill set for setting up business enterprises and also to facilitate the market linkages available to the entrepreneurs and last but not the least to provide hand holding for a critical period to ensure self-sustainability.

I sincerely, wish success of the new scheme of the Ministry and hope that the scheme becomes the lifeline for the budding entrepreneurs who have not yet joined the race for bringing glory and joy to the ever expanding sphere of MSMEs in India.

(KALRAJ MISHRA)
MESSAGE

Development of the rural economy has been one of the prime concerns for Government of India. Accordingly, efforts have been made on a continuous basis for improving the economic and social well-being of people in rural areas on a sustainable basis. Despite the sincere efforts, the problems of poverty, unemployment, drudgery and migration still exist in rural economy. There is a need to address these problems by creating employment opportunities in the rural areas and this could be done by setting up of small enterprises in the Agro-based industry sector more so as nearly 56% of the population is still dependent on agriculture. There is ample scope for innovation, value addition and entrepreneurship development in this sector. This is possible only by skill up-gradation, handholding, mentoring, incubation and credit support aimed especially at rural youth and women providing them employment opportunities at their doorstep.

Access to credit is one of the major hurdles a first time entrepreneur faces for setting up of an enterprise. In spite of the network of banks and the programmes for self-employment the supply of credit is far less than the demand and therefore there is a need for using innovation means of finance for leveraging the available funds to cater to a larger number of entrepreneurs.

Keeping this in mind, our Ministry is launching the “Scheme for Promotion of Innovation, Entrepreneurship and Agro-Industry” which will bring joy and happiness to the you of the country who are waiting for avenues to grow, prosper and bring glory and competitive edge to the MSME sector as a whole.

I sincerely wish success to the new scheme of the Ministry and hope that potential entrepreneurs come forward and grace the opportunity to fulfill the dream of our Hon’ble Prime Minister to make India the manufacturing hub through ‘Make In India’.

(GIRIRAJ SINGH)
Message

The Hon’ble Finance Minister in his Budget Speech 2014-15 on 10.07.2014, proposed setting up of a fund with corpus of Rs.200 crore for establishing Technology Centre Network to promote Innovation, Entrepreneurship and Agro-Industry. He emphasized upon need to have a programme to facilitate Forward and Backward linkages with multiple value chain of manufacturing and service delivery. He also proposed to take up a nationwide “District level Incubation and Accelerator Programme” for incubation of new ideas and providing necessary support for accelerating entrepreneurship.

To implement this vision of the Government, the Scheme of Fund for promoting Innovation, Entrepreneurship and Agro-Industry has been designed by the Ministry of Micro, Small and Medium Enterprises which has components like (i) Creation of a Technology Centres network; (ii) Capacity Building including Awards, Surveys, Studies, Exposure Visits, Engagement of Consultants including Monitoring and Evaluation etc.; (iii) Support for setting up of Livelihood Business Incubation Centres and Technology Incubation Centres; (iv) Accelerator Workshops; and (v) a Fund of Funds (to be managed by SiDBI) for Start-Up promotion. The idea is to provide a one stop solution to enterprise creation of innovative ideas, alongwith livelihood employment generation. The scheme also has the flexibility to add new components based on the experience during its implementation.

I sincerely wish success to this new scheme of the Ministry and hope that the scheme becomes very popular and effective among the MSMEs and can explore new areas where MSMEs have largely not yet ventured and bringing new terms of engagement with the Government.

Dated: 16th March, 2015
New Delhi.

(Madhav Lal)
MESSAGE

The scope for innovation and value addition in the rural economy is unlimited. The various schemes of Government of India have not been able to fully unleash the potential of the rural economy as schemes are designed and targeted for specific objectives. In order to unleash knowledge innovation and technical innovation to create large scale employment potential in the rural landscape, the Finance Minister has announced a “Scheme for Promoting Innovation, Entrepreneurship and Agro-Industry” with a fund of ₹200 crores.

The Ministry of MSME has after looking at various schemes available has come out with a comprehensive scheme covering the entire gamut of activities from tackling unemployment in rural areas, hand-holding and mentoring of entrepreneurs, incubation of ideas and technologies, startup promotion along with necessary capacity building for the above activities. It has been the endeavor of the Ministry to provide a one-stop solution to cater to the above needs of rural economy.

It is hoped that the above scheme will fulfill the needs and aspirations of the unemployed youth for enterprise creation besides bringing innovation of ideas and technologies to the fore.

I wish the scheme all success.

[ B.H. Anil Kumar ]

Place: New Delhi
Date: 16 March 2015
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<td>11</td>
</tr>
</tbody>
</table>
Scheme for promotion of Innovation, Entrepreneurship and Agro-Industry
1. Background:

1.1 According to the Fourth All India Census of MSME 2006-07, the MSME sector provides employment to approximately 805.23 lakh persons through an estimated 361.76 lakh enterprises. 55.34% of these enterprises were in rural areas while 44.64% are in urban areas. 68.21% of the enterprises were engaged in services with remaining 31.79% engaged in manufacturing. These enterprises are primarily engaged in activities pertaining to wholesale / retail trade; repair of personal and household goods; manufacture of food products and beverages; manufacture of wearing apparel; dressing and dyeing of Fur; manufacture of textiles; hotels and restaurants; sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel; manufacture of furniture; education; and other businesses / services.

1.2 The country is facing challenges of providing employment and livelihood to the growing population. The MSME sector has a great potential to address the same. Acknowledging the vast potential of innovative enterprises and agro based industries in MSME sector, the Hon’ble Finance Minister in his Budget Speech 2014-15, delivered in the Parliament on 10-07-2014, said:

104. “To establish Technology Centre Network to promote Innovation, Entrepreneurship and Agro-Industry, I propose to set up a fund with a corpus of Rs.200 crore.”

105B. “A programme to facilitate Forward and Backward linkages with multiple value chain of manufacturing and service delivery will also be put in place.”

106B. “A nationwide “District level Incubation and Accelerator Programme” would be taken up for incubation of new ideas and providing necessary support for accelerating entrepreneurship.”

1.3 In his Independence Day Speech on 15-08-2014, the Hon’ble Prime Minister had emphasized on making products which have ‘zero defect’ so that they do not come back (get rejected) from the world market and ‘zero effect’ so that the manufacturing does not have an adverse effect on environment. The Union Cabinet, on 20-08-2014, at the meeting chaired by the Hon’ble Prime Minister gave its approval for Digital India having a vision to transform the country into a digitally empowered society and knowledge economy. The Hon’ble Prime Minister also launched ‘Make In India’ programme on 25-09-2014 with a vision to increase manufacturing sector growth to 12-14% p.a. over the medium term; increase the share of manufacturing in the country’s GDP from 16% to 25% by 2022; create 100 million additional jobs by 2022 in manufacturing sector; create appropriate skill sets among rural migrants and the urban poor for inclusive growth; increase domestic value addition and technological depth in manufacturing; enhance global competitiveness of the Indian manufacturing sector; and ensure sustainability of growth, particularly with regard to environment.

1.3.1 The “Make in India” call also seeks to identify and create a favorable eco-system for encouraging the start-ups and drive the manufacturing domain with sustained employment opportunity creation and to raise the level of skilling for successful and sustainable enterprise creation. The proposed scheme is designed to provide the necessary skill set for setting up business enterprises and also to facilitate the market linkages available to the entrepreneurs and last but not the least to provide hand holding for a critical period to ensure self-sustainability.
1.4 **Statement of problems:**

1.4.1 Various Ministries / Departments of Government of India are running a number of schemes to support first generation entrepreneurs. However, most of these schemes/ departments are working in silos. There is a need for establishing a network, building a database of these efforts in order that these are easily accessible to the entrepreneurs to select and convert them into commercial ventures. This would also provide a platform for sharing best practices, technological advancements and could ultimately bring up the ground realities before the policy makers for making policy changes.

1.4.2 Development of the rural economy has been one of the prime concerns for Government of India. Accordingly, efforts have been made on a continuous basis for improving the economic and social well-being of people in rural areas on a sustainable basis. Despite the sincere efforts, the problems of poverty, unemployment, drudgery and migration still exist in rural economy. There is a need to address these problems by creating employment opportunities in the rural areas and this could be done by setting up of small enterprises in the Agro-based industry sector more so as nearly 56% of the population is still dependent on agriculture. There is ample scope for innovation, value addition and entrepreneurship development in this sector. This is possible only by skill up-gradation, handholding, mentoring, incubation and credit support aimed especially at rural youth and women providing them employment opportunities at their doorstep.

1.4.3 Access to credit is one of the major hurdles a first time entrepreneur faces for setting up of an enterprise. In spite of the network of banks and the programmes for self-employment the supply of credit is far less than the demand and therefore there is a need for using Innovative means of finance for leveraging the available funds to cater to a larger number of entrepreneurs.
2. **Objectives:**

2.1 The main objectives of the scheme are to:

(i) Create new jobs and reduce unemployment,
(ii) Promote entrepreneurship culture in India,
(iii) Grassroots economic development at district level,
(iv) Facilitate innovative business solution for un-met social needs, and
(v) Promote innovation to further strengthen the competitiveness of MSME sector.

All the above objectives are interlinked and different tools and methods are there to achieve these objectives. Various ongoing programmes are being implemented by other central ministries and departments which utilize these available tools in isolation to achieve one or more of the objectives. In view of this, it is important to design this programme in a manner that it complements and leverages the ongoing initiatives; avoid duplicity; fills the gap in support system; is focused and has a flexible design and implementation approach. In order to have a one-stop solution to address all the objectives with special focus on job creation, entrepreneurship and innovation for growth in the agro-industry sector besides keeping the flexibility and ease of implementation the following scheme has been designed.

2.2 The corpus will be dedicated to the following uses:

(i) Automation of agricultural practices and activities related thereto,
(ii) Value addition to agriculture and forest produce,
(iii) Recycling of agricultural pre/post-harvest wastages, off farm but farm linked, animal husbandry etc.,
(iv) Business models for aggregation and value addition relevant for rural areas,
(v) Business models for creation of local employment in rural areas, and
(vi) Business models for social impact.

This list is indicative only and any other activity can be taken up with the approval of the Governing Council of the Fund.

2.3 The measurable targets proposed to be achieved are shown below in tabular form.

<table>
<thead>
<tr>
<th>Component</th>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014-15</td>
<td>2015-16</td>
</tr>
<tr>
<td>A. Livelihood Business Incubators by NSIC, KVIC, Coir Board or any other Institution or Agency of Govt. of India/State Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Setting up LBIs (INR 100 lakh for NSIC &amp;Ors. and INR 50lakh for eligible agencies under PPP)</td>
<td>10</td>
<td>10.00</td>
</tr>
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</table>
### Scheme for Promotion of Innovation, Entrepreneurship and Agro-Industry

<table>
<thead>
<tr>
<th>Component</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
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</tr>
</thead>
<tbody>
<tr>
<td>(i) Incubation Centre</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Support for Existing Incubators (INR 30 lakh for incubator-capex*)</td>
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<td>0</td>
<td>10</td>
<td>3.00</td>
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<tr>
<td>II. Setting up of New Incubator (INR 100 lakh for incubator-capex*)</td>
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<td>0</td>
<td>5</td>
<td>5.00</td>
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<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>8.00</td>
</tr>
<tr>
<td>(ii) Incubation of Ideas (INR 3 lakh per idea)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Existing Incubators</td>
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<td>0</td>
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<td>4.50</td>
</tr>
<tr>
<td>II. New Incubators</td>
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<td>1.50</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>200</td>
<td>6.00</td>
</tr>
<tr>
<td>(iii) Creation of Enterprise out of innovative ideas (Seed Capital fund @ INR 1.00 cr per incubator for enterprise creation @ 50% of project cost or INR 20 lakh per successful idea whichever is less as Debt/Equity)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Existing Incubators</td>
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<td>0</td>
<td>50</td>
<td>10.00</td>
</tr>
<tr>
<td>II. New Incubators</td>
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<td>0</td>
<td>15</td>
<td>3.00</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>65</td>
<td>13.00</td>
</tr>
<tr>
<td>(iv). Accelerator Workshop</td>
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<td>0</td>
<td>4</td>
<td>0.80</td>
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<tr>
<td>Gross Total (TBI)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. SIDBI</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund of Funds</td>
<td>0</td>
<td>0</td>
<td>25</td>
<td>25.00</td>
</tr>
</tbody>
</table>

*including 10% towards refurbishment cost

#for 30 incubators @ INR 1.00 crore per incubator

2.4 Based on the response and outcome, the scheme may be continued in the XIII Five Year Plan after due evaluation study.

3. **Programme Components:** To further the objectives the Scheme provides for to set up a Network of Technology Centres for promoting Innovation, Entrepreneurship and Agro-Industry under which it is envisaged to:

   (i) Create a database of technologies available with various Government/private agencies and set up a **Network of Technology Centres** for handholding of
prospective entrepreneurs of MSME sector. Use the database and network of Technology Centers to incubate and convert the technology into products so that prospective entrepreneurs can set up commercial enterprises with specific outcomes and within a specific time period.

(ii) To develop the required skilled Human Resources necessary for mentoring and handholding the incubatees in the Incubation centres.

(iii) Implement the Incubation and Commercialisation of Business Ideas Programme through technical / research institutes including those in the field of agro based industry. These would be designated as Knowledge Partners and would incubate new / existing technologies for their commercialization. To provide funds for the incubator / incubation and create necessary synergy between this scheme and the Livelihood Business Incubators / Technology Business Incubators and Incubation schemes of MSME/NSIC/KVIC/COIR BOARD/ Other Ministries/ Departments as well as Private incubators.

(iv) To identify, support and expand the role of competitive Indian MSMEs in a global economy it is proposed to provide mentoring support to MSME’s through NSIC/ other Agencies of Ministry of MSME.

(v) Create a framework for Start-up Promotion through Small Industries Development Bank of India (SIDBI) by using innovative means of finance like Venture capital, Impact funds, Challenge funds etc. to enable ideas/innovation with creativity and scalability to come to the fore and convert these into commercial enterprises with specific outcomes and within a specific time period. Encourage innovative ideas, technologies, and business strategies by instituting awards, programs for entrepreneurs to drive growth and to provide funds for commercialization of such award winning innovative ideas.

3.1 Livelihood Business Incubation (LBI) Model: The main objective of this component of the Scheme is to set up business incubators to incubate, impart entrepreneurship, skill development training to youth, mentoring and hand holding with facilitation for funding with a view to empower them to set up own business enterprises. The prime focus of these incubators is to create jobs at local level and reduce un-employment by creating a favourable ecosystem for entrepreneurial development in the country. The main focus area under the livelihood incubation is to take up those commercial activities which are already established to create enterprises on a large scale. The following are proposed:

(i) National Small Industries Corporation (NSIC), KVIC or Coir Board or any other Institution/agency of GoI/State Govt. to replicate the NSIC model of successful “Rapid Incubation Model”. Rapid incubation model is a mix of “promotion of entrepreneurship and skill development” and involves setting up of live “demo projects”. Private partner institutions and entities can also set up livelihood incubation centres under PPP mode with the aforesaid institutions, namely: NSIC, KVIC or Coir Board or any other Institution/agency of GoI/State Govt.

(ii) Funding: (a) In respect of centres to be set up by NSIC,KVIC or Coir Board or any other Institution/agency of GoI/State Govt. on its own or by any of the agency/
organization of the M/o MSME, one-time grant of 100% of cost of Plant & Machinery other than the land and infrastructure or an amount up to INR 100 lakh whichever is less to be provided;

(b) In case of incubation centres to be set up under PPP mode with NSIC, KVIC or Coir Board or any other Institution/agency of GoI/State Govt., one-time grant of 50% of cost of Plant & Machinery other than the land and infrastructure or INR 50.00 lakh, whichever is less to be provided.

(c) Assistance towards the training cost of incubates will be met out of the ATI scheme of the Ministry as far as possible for both centres.

Planned Outcome:

80 Livelihood Business incubators

<table>
<thead>
<tr>
<th>Table: No. of Incubates</th>
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</thead>
<tbody>
<tr>
<td>No. of Trainees per centre</td>
</tr>
<tr>
<td>800</td>
</tr>
<tr>
<td>800</td>
</tr>
<tr>
<td>800</td>
</tr>
<tr>
<td>800</td>
</tr>
</tbody>
</table>

A total of 104,000 incubates adequately skilled and trained would be ready for taking the program forward.

(iii) Monitoring and Evaluation:

In order to meet the administrative expenses of NSIC, KVIC or Coir Board or any other Institution/agency of GoI/State Govt., 8% of the total fund allocated will be earmarked. It is envisaged that the fund will be set apart for Administrative and scheme management expenses. It will be utilized for all administrative costs, scheme related communication and stationery expenses, cost of travel/exposure visits of the officials for monitoring the scheme activities, purchase of office automation equipment, maintenance etc., outsourcing of data management services and development of scheme management software, both at the level of Ministry and NSIC and others. It is envisaged that NSIC and others will undertake training activities for developing the required skilled Human Resources necessary for mentoring and handholding the incubates in the Incubation centres. An additional 2% of the total fund allocated will be used for undertaking monitoring and evaluation of the scheme. This would include periodic reviews using innovative M&E systems such as video-conferencing and ICT tools, and third-party evaluations and impact assessment studies and mapping studies, publicity etc.

Allocated Budget: INR 62.50cr

Scheme for promotion of Innovation, Entrepreneurship and Agro-Industry
3.2 Technology Business Incubation (TBI) Model: Technology business incubators are a powerful economic development tool. They promote growth through innovation and application of technology, support economic development strategies for small business development, and encourage growth from within local economies, while also providing a mechanism for technology transfer. The Technology Business Incubators would primarily focus on those technologies which need support for commercialization and further proliferation. These can act as a growth driver in the low end spectrum of the incubation eco-system. The components under the program will include mentoring support in business and technology plans, networking of business resources, entrepreneurship cum skill development, identification of appropriate technology, hands on experience on Projects, Projects/Products selection, project report preparation, credit facilitation, seed capital assistance, marketing assistance, professional assistance to make the enterprise successful and achieve higher growth. The components of the program under the TBI are as follows:

(i) Support & Setting up of Incubation Centres: The Incubation centres will be set up at twin levels, i.e. supporting existing incubation centres operated currently under different Ministries and Departments of the Government of India or Institutions including National / Regional level institutions of GoI / State Governments to set up such centre dedicated to incubation and enterprise creation in the area of Agro based Industries and also new incubation centres to be set up by eligible private institutions including Industry Associations, along with the Academic Institutions, R&D laboratories, Universities, Government entities and Technology Parks. Region wise, Crop wise, Product wise, Process wise and Industry Vertical wise Incubation Centres will be promoted. The existing
incubators under different Ministries would be required to provide built up covered space with electric power & water connections, any other forward / backward linkages and required manpower resources for both the centres to be created within the existing incubators and also for the new incubators.

**Funding:** (a) One-time grant of 50% of cost of Plant & Machinery excluding the land and infrastructure or an amount up to INR 30 Lakh, whichever is less to be provided for supporting 20 existing incubation centres under various Ministries or Departments or government funded institutions such as Department of Science & Technology, Department of Biotechnology, ICRISAT, ICAR to set up such centres dedicated to incubation and enterprise creation in the area of Agro based Industry [INR 30 lakh x 20 Centres=INR 600 Lakh]. This will include a provision of 10% towards refurbishment cost.

(b) One-time grant of 50% of cost of Plant & Machinery excluding the land and infrastructure or an amount up to INR 100 Lakh, whichever is less to be provided for setting up of new incubation centres by eligible agencies dedicated to incubation and enterprise creation in the area of Agro based Industry [INR 100 lakh x 10 Centres=INR 1000 Lakh]. This will include a provision of 10% towards refurbishment cost.

(ii) **Incubation of Ideas:** Under this head, support would be provided for incubation of ideas at the inception stage, each idea would be provided financial support @INR 3 lakh per idea to be paid up front to the incubator to nurture the idea. Such innovative and successful ideas which are ready for commercialization through developing prototype or proof of concept (PoC) or test marketing/ validation in case where PoC already exists will be supported by the incubator out of the Seed Capital Revolving Fund.

**Funding:** 450 ideas to be supported at the inception stage @INR 3 lakh each [INR 3 lakh x 450 Ideas=INR 1350 lakh];

(iii) **Creation of Business Enterprise out of innovative ideas:** A one time grant of Rs 1.00 crore will be provided to the eligible incubator as Seed Capital. The Incubator will invest as Debt/Equity funding upto 50% of total project cost or INR 20 Lakh per start up whichever is less for setting up of the start-ups to the incubatee for commercialization of the innovative and successful ideas. The returns will be ploughed back to the Seed Capital Revolving Fund.

**Funding:** 150 such innovative and successful ideas to be supported for business enterprise creation after successful incubation [INR 20 lakh x 150 start-ups=INR 30 Crore];

(iv) **Accelerator Programme for incubates:** For creation of successful business enterprises in the domain of agriculture and rural industrialization, the available accelerators would be providing one stop holistic support to the incubates to make them leapfrog to the next level by conducting regular workshops, mentoring support under this sub component.

**Funding:** INR 200 Lakh for Accelerators to hold 10 workshops for incubates [out of the existing centres supported and new centres set up] to assist for creating successful business enterprises [10 workshops x 20 lakh per workshop = INR 200 Lakh ];

**Period of incubation:** Period of incubation to be 12 months to 24 months.

The Planned Outcome of this will be:

*Scheme for promotion of Innovation, Entrepreneurship and Agro-Industry*
### Scheme for promotion of Innovation, Entrepreneurship and Agro-Industry

<table>
<thead>
<tr>
<th>Activity</th>
<th>Existing Incubator (to be supported)</th>
<th>New Incubator (to be set up)</th>
<th>Total Physical targets with expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) No. of Incubators to be supported &amp; set up</td>
<td>20 centres @ INR 30 lakh = INR 600 lakh</td>
<td>10 centres @ INR 100 lakh = INR 1000 lakh</td>
<td>30 centres/ INR 16.00 Crore</td>
</tr>
<tr>
<td>(ii) Incubation of Ideas</td>
<td>300 ideas@ INR 3 lakh = INR 900 lakh</td>
<td>150 ideas@ INR 3 lakh = INR 450 lakh</td>
<td>450 ideas/ INR 13.50 Crore</td>
</tr>
<tr>
<td>(iii) Creation of business enterprise out of the innovative ideas</td>
<td>100 start-ups @ INR 20 lakh = INR2000 lakh</td>
<td>50 start-ups @ INR 20 lakh = INR1000 lakh</td>
<td>150 start-ups / INR 30 Crore</td>
</tr>
<tr>
<td>(iv) Accelerator Workshop</td>
<td>INR 20 lakh per workshop to be conducted by the accelerator for 10 such workshops in two years</td>
<td></td>
<td>10 workshop/ INR 2 Crore</td>
</tr>
</tbody>
</table>

### Allocated Budget: INR 61.50crore

#### 3.3 Start-Up Promotion:
Small Industries Development Bank Of India (SIDBI) by using innovative means of finance like Equity, Quasi-Equity, Angel fund, Venture capital fund, Impact funds, Challenge funds etc. to enable ideas/innovation with creativity and scalability to come to the fore and convert these into commercial enterprises with specific outcomes and within a specific time period. A fund of Funds will be created under SIDBI for the purpose and INR 60 Cr earmarked for the same. This start-up promotion targets those knowledge initiatives which need support and nurturing to succeed in developing technology and business enterprise in near future in the areas of Innovation, Entrepreneurship, Forward Backward Linkage with multiple value chain of manufacturing and service delivery, Accelerator support in the Agro based Industry verticals.
4. Action Plan and Implementation Mechanism

4.1 Scheme Steering Committee:

Scheme Steering Committee will be responsible for overall policy, coordination, and management support. The Council will be chaired by Secretary, Ministry of MSME and will consist of following members:

<table>
<thead>
<tr>
<th>Secretary, MSME</th>
<th>Chairman</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary, Agriculture</td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, Food Processing Industry</td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, Rural Development</td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, Information Technology</td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, Biotechnology</td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, DIPP</td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, Labour &amp; Employment</td>
<td>Member</td>
</tr>
<tr>
<td>DG, CSIR</td>
<td>Member</td>
</tr>
<tr>
<td>Additional Secretary &amp; Development Commissioner, MSME</td>
<td>Member</td>
</tr>
<tr>
<td>Additional Secretary &amp; Financial Advisor, MSME</td>
<td>Member</td>
</tr>
<tr>
<td>Joint Secretary (SME), M/o MSME</td>
<td>Member</td>
</tr>
<tr>
<td>Economic Adviser, MSME</td>
<td>Member</td>
</tr>
<tr>
<td>CMD, NSIC</td>
<td>Member</td>
</tr>
<tr>
<td>CMD, SIDBI</td>
<td>Member</td>
</tr>
<tr>
<td>Any invitee concerned with the sector on prior approval of the Chairman</td>
<td></td>
</tr>
<tr>
<td>Joint Secretary (ARI), M/o MSME</td>
<td>Member Convener</td>
</tr>
</tbody>
</table>

The Scheme Steering Committee will have the power to allocate funds from one component to another depending on the basis of performance of the component. Any other person may be co-opted with the approval of the Chairman. The Scheme Steering Committee shall reserve the right to review and modify the fund allocation proposed under this scheme if required at any point of time.
5. **Funding pattern:**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Item</th>
<th>Amount (Rs. in crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Creation, up-dation and maintenance of database of the Technology Centres network.</td>
<td>2.00</td>
</tr>
<tr>
<td>2.</td>
<td>Capacity Building including Awards, Surveys, Studies, Exposure Visits, Engagement of Consultants including Monitoring and Evaluation etc</td>
<td>17.75</td>
</tr>
<tr>
<td>3.</td>
<td>A. Fund for setting up of Incubation Centres by NSIC/KVIC/Coir Board/Any other Institution/Agency of GoI/State Govt.</td>
<td>62.50</td>
</tr>
<tr>
<td></td>
<td>B. Fund for setting up of Technology Incubation Centres</td>
<td>61.50</td>
</tr>
<tr>
<td>4.</td>
<td>Administrative cost [@ 10% of the item under (3A) above]</td>
<td>6.25</td>
</tr>
<tr>
<td>5.</td>
<td>Fund of Funds for Start-Ups to be managed by SIDBI</td>
<td>60.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>210.00</td>
</tr>
</tbody>
</table>

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No.5(9)/2014-KVI-I
Government of India
Ministry of Micro, Small and Medium Enterprises
Udyog Bhawan,
New Delhi – 110 011
Dated 16th March 2015

OFFICE MEMORANDUM

Subject: Approval for scheme titled – “Scheme for Promotion of Innovation, Entrepreneurship and Agro-Industry”.

The undersigned is directed to convey the approval of the competent authority for the aforesaid scheme. Kind attention is drawn to Hon’ble Finance Minister’s Budget Speech 2014-15 delivered in the Parliament on 10.7.2014 wherein it was proposed to set up a fund with a corpus of about Rs.200 crore to establish Technology Centre Network to promote Innovation, Entrepreneurship and Agro-Industry. It was also proposed to launch a programme to facilitate forward and backward linkage with multiple value chain of manufacturing and service industry and a nationwide “District level Incubation and Accelerator Programme” for incubation of new ideas and providing necessary support for accelerating entrepreneurship.

2. Accordingly, this Ministry after wide spread consultation with major stakeholders and other related Ministries/Departments formulated a ‘Scheme for Promotion of Innovation, Entrepreneurship and Agro-Industry’ and placed it before Standing Finance Committee (SFC) chaired by Secretary, MSME.

3. The Scheme was considered by SFC on 28.01.2015 with an outlay of INR 210 crore for the remaining period of XIIth Five Year Plan and the Competent Authority has accorded its approval on 11.03.2015.

4. A copy of the scheme is enclosed.

(Sama Nanda)
Deputy Secretary
Tel No. 23062745

To

1. Niti Aayog, (Sh. Devender Kumar, Adviser (PEO), Niti Bhavan, Sansad Marg, New Delhi.
2. Niti Aayog, (Ms. Anjali Goyal, Adviser, PAMD), Niti Bhavan, Sansad Marg, New Delhi.
3. Secretary, Ministry of Finance, Department of Expenditure, North Block, New Delhi.
4. Secretary, Ministry of Finance, Department of Economic Affairs, North Block, New Delhi.
5. Secretary, Ministry of Finance, Department of Financial Services, Jeevan Deep Building, Sansad Marg, New Delhi.
6. Secretary, M/o Agriculture, D/o Animal Husbandry, Dairying & Fisheries, Krishi Bhawan, New Delhi-110001
7. Secretary, Department of Industrial Policy and Promotion, Udyog Bhawan, New Delhi.
8. Secretary, M/o Food Processing Industry, Panchsheel Bhawan, August Kranti Marg, New Delhi-110049
9. Secretary, M/o Rural Development, Krishi Bhawan, New Delhi-110001.
10. Secretary, Ministry of Information and Technology, Electronics Niketan, 6, CGO Complex, Lodhi Road, New Delhi-110003.
11. Secretary, Ministry of Labour & Employment, Shram Shakti Bhavan, Rafi Marg, New Delhi.
12. Secretary, M/o Textiles, Udyog Bhawan, New Delhi-110011
13. Secretary, M/o Science & Technology and Bio-Technology, New Meharauli Road, New Delhi-110016
14. Secretary, Ministry of Agriculture, Department of agriculture and cooperation, Krishi Bhawan, New Delhi.
15. Director General, Council of Scientific and Industrial Research, Rafi Marg, New Delhi-110001.
16. Special Secretary & Development Commissioner (MSME), Nirman Bhawan, New Delhi.
17. Additional Secretary & Financial Adviser (MSME), Udyog Bhawan, New Delhi.
18. Joint Secretary (SNT), M/o MSME, New Delhi.
19. Chairman & Managing Director, NSIC, New Delhi.
20. Economic Adviser (SC), M/o MSME, New Delhi.
22. Shri Amit Kumar, Program Manager, MSME Umbrella Program (GIZ), B-5/1, Safdarjang Enclave, New Delhi-110029
23. Shri N.K. Mani, Deputy Managing Director, SIDBI, S-4, Second Floor, Kailash Plaza, Near Shah Cinema, MG Road, Agra, UP.

Copy to:
1. PS to Minister (MSME)
2. PS to MOS (MSME)
3. PS to Secretary (MSME)
4. PS to JS (ARI)

Scheme for promotion of Innovation, Entrepreneurship and Agro-Industry