

# Support for Entrepreneurial and Managerial Development of SMEs through Incubators

## Q 1 . What is the objective of Incubation scheme?

**Ans :** The main objective of the scheme is to promote & support untapped creativity of individual and to promote adoption of latest technologies in manufacturing as well as knowledge based innovative MSMEs.

## Q 2 . Who are eligible?

**Ans :** Any person as individual or MSME, having the innovative ideas are eligible to avail the benefits of this scheme. The person should have innovative sort of idea which can be converted into prototype and further in business activity. The person is being called Incubatee.

## Q 3 . Is there any qualification to become Incubatee?

**Ans :** There is no qualification bar to become incubatee. However, MSME should have valid Udyog Aadhar Memorandum (UAM) and individual should have Aadhar card number.

## Q 4 . How to take benefit of scheme?

**Ans :** The person (incubatee) should get attach with any Host Institute (HI) for nurturing of his idea in Business incubator (BI) being set up by HI.

## Q 5 . What are the Host Institute, Business Incubator?

**Ans :** Host Institute(HI) : Institute which set up Business Incubator and provides the infrastructural and technical facilities for nurturing of new innovative ideas is called Host Institutes (HI).  
Business Incubator(BI): A specific place/workshop located in HI having facilities for nurturing of idea of Incubateeis called Business Incubator.

## Q 6 . Who can become Host Institute(HI)?

**Ans :** Institutions such as Technical colleges, universities, other professional colleges/institutes, R&D institutes, NGOs involved in relevant activities, EDCs of O/o DC (MSME), MSME-DIs/Technology Centers (TCs), DICs or any institute/organization of Central/State Govt. may apply for HI and set up a Business Incubator (BI).

## Q 7 . Role of Host Institutes?

**Ans :** Host Institutes will set up Business Incubator (BI) and provides the space, equipment, lab and all the auxiliary support to the incubatee for nurture of his ideas for the business activities.

## Q 8 . How to become HI?

**Ans :** Eligible institutes can apply through online MIS only and submit details alongwith supporting documents. Details of documents and procedure to apply is given in guiding manuals available in MIS itself.

**Q 9 . Which states/UTs can participate in the scheme?**

**Ans :** Incubatees and eligible institutes of all states/UTs can take benefit of the scheme. However, Institutes in the North East Region will be given priority for supporting BIs.

**Q 10 . Which type of financial support are available under the scheme?**

**Ans :**

- Financial support up to Rs. 15.00 lakh to HI for nurturing of an idea. This support will be given in two instalments of 70 % and 30 %.
- Financial support up to Rs. 1.00 cr. to HI for procurement of plant and machinery for BI to strengthen their technology related R & D activities. This support will be given in two installments of 50% each
- Financial support upto Rs. 1.00 cr to HI as Seed fund for converting deserving ideas into start-ups

**Q 11 . How the financial assistance can be taken under the scheme?**

**Ans :** The person (incubatee) should get attached with any Host Institute (HI) for nurturing of his idea in Business incubator (BI) being set up by HI.

**Q 12 . Do HIs of previous scheme need to apply again to become HI in new scheme?**

**Ans :** Yes, HIs of previous Incubation scheme need to apply fresh to become HIs in new scheme as the benefits and MOU terms and conditions of new scheme have been modified.

**Q 13 . Can funds be given to Incubatee directly?**

**Ans :** Financial support for all activities will be given to HI only and no funds can be transferred to incubatee's account.

**Q 14 . Which type of assistance /support incubate can get from BI?**

**Ans :** Incubatee can get support from BI on all issues related to technology, innovation, mentor, plant & machinery required for nurturing of idea.

**Q 15 . Can incubatee take any technical support outside the BI?**

**Ans :** If any facilities of plant & machinery which are essential for nurturing of idea and same are not available in HI/BI, then incubate can utilize the facilities of machines available in other places. Incubatee can utilize these facilities on pay as usage basis through HI/BI only.

**Q 16 . Expenditure on which items is permissible under the scheme for nurturing of idea?**

**Ans :** Expenditure can be incurred on items essential for nurturing of idea like using plant&machinery, raw material, testing charges, marketing support, charges towards mentoring etc. However, all such components should be mentioned in the proposals which needs approval of competent authority.

**Q 17 . Who is approving authority of any proposals seeking financial assistance?**

**Ans :** Project Monitoring and Advisory Committee (PMAC)headed by DC(MSME) is the final authority for approving proposal as per guidelines of scheme.

**Q 18 . Who will examine the proposals initially and what will be flow of proposals?**

**Ans :** HI will submit its proposals for approval as HI idea, seeking assistance for capital grant and Seed etc. through online MIS which will be examined initially by Implementing Agency (IA) in 15 days. After its initial scrutiny, IA will recommend it to National Monitoring and Implementation Unit (NMIU). A committee at NMIU will further examine and recommend eligible proposals to O/o DC (MSME) for final approval of PMAC.

**Q 19 . What is the role of NMIU?**

**Ans :** A National Monitoring and Implementation Unit (NMIU) shall be setup in the O/o DC(MSME) to take care of facilitation, implementation and monitoring of the scheme involving Implementing Agencies as per directions of PMAC.

**Q 20 . Who will be Implementing Agencies (IAs) under the scheme?**

**Ans :** Implementing Agencies (IAs) shall be at MSME DIs / TCs / Govt. of India/ State Government and its organizations.

**Q 21 . Can Incubatee /HI monitor the status of proposal any time?**

**Ans :** Yes, status of application/proposal can be seen on MIS and outcome of proposals will be communicated to applicant through online MIS.

**Q 22 . What is the URL for online submission of proposal?**

**Ans :** Click here.: <https://my.msme.gov.in/inc/>