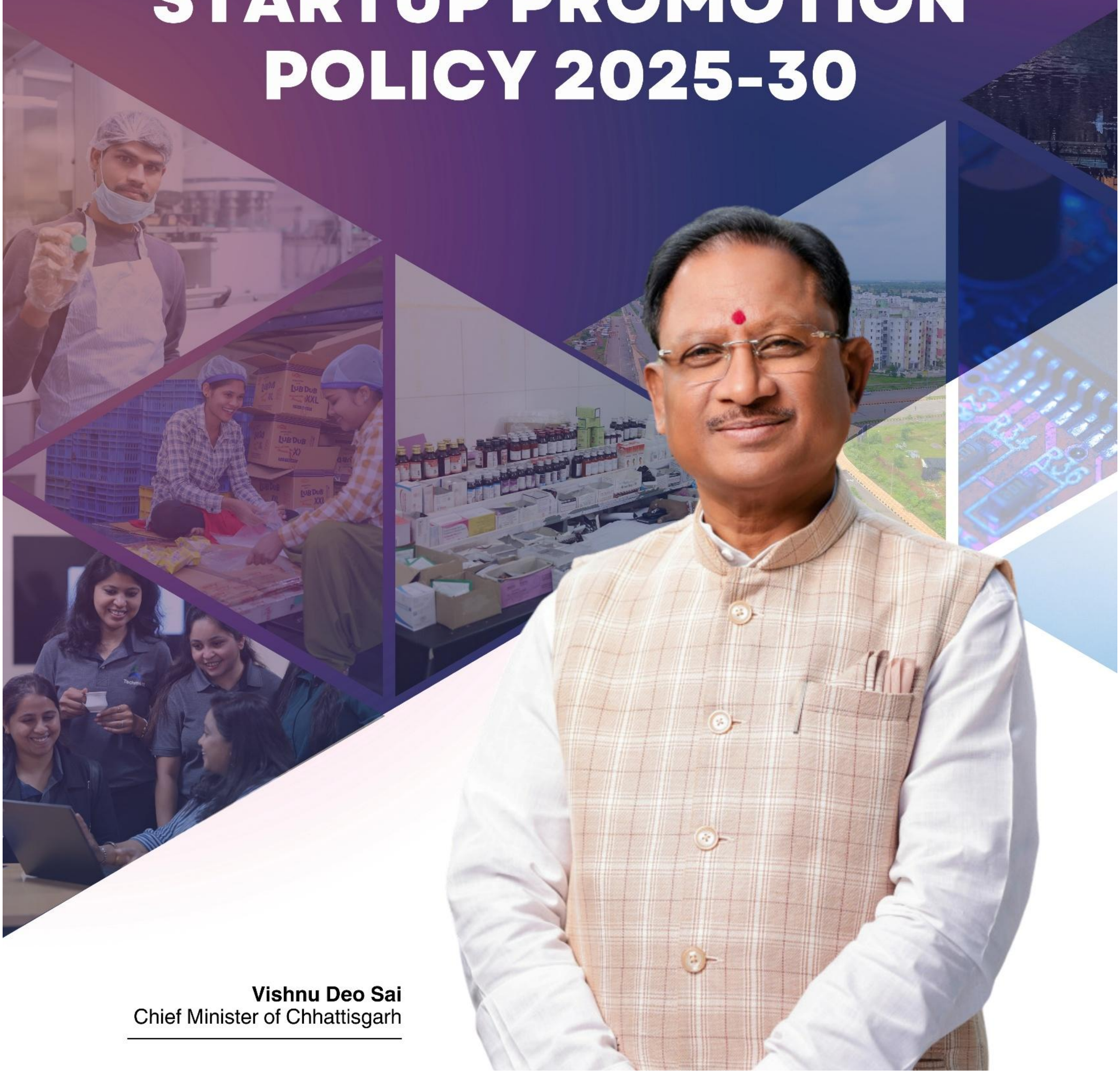
CHHATTISGARH INNOVATION AND STARTUP PROMOTION POLICY 2025-30



Vishnu Deo Sai
Chief Minister of Chhattisgarh

Chhattisgarh Innovation and Startup Promotion Policy 2025-2030

1. Introduction

(1) India's Thriving Startup Ecosystem

India has emerged as a global powerhouse in innovation and entrepreneurship, boasting as one of the most vibrant startup ecosystems in the world. With over 1.57 lakh DPIIT-recognized startups and an average of 80 new startups registered daily, the country ranks as the third-largest startup hub globally. This dynamic landscape has generated over 1.73 million direct jobs, significantly contributing to national economic growth. The rise of over 118 unicorns and the increasing participation of women entrepreneurs with more than 73,000 startups led by women entrepreneurs/ directors reflects the inclusive and expansive nature of the startup journey.

The ecosystem comprises over 70,000 tech startups, spanning a wide array of sectors including fintech, enterprise tech, e-commerce, travel tech, consumer services, edtech, cleantech, health tech, real estate tech and deep tech, driven by robust government initiatives such as Startup India, Digital India, and Make in India. India has been able to foster a deep-rooted startup ecosystem supported by dedicated state-level policies and missions. This competitive spirit among states has catalyzed a nationwide movement toward entrepreneurship and innovation.

(2) Chhattisgarh – the emerging hub for Startups

Chhattisgarh, one of India's fastest growing states, is steadily transforming into a hub of innovation, entrepreneurship, and sustainable development. With its rich mineral resources, diverse cultural heritage, and strategic location in central India, the state offers immense opportunities for building businesses across sectors. Recognizing the transformative power of startups in driving inclusive growth, job creation, and technological progress, the Government of Chhattisgarh has formulated a dedicated Startup Policy to nurture a vibrant entrepreneurial ecosystem.

Presently, Chhattisgarh is home to more than 2000 DPIIT recognized startups and around 20 incubators, with strong startup presence in multiple sectors with a Health & Wellness, Food Processing, Manufacturing, foundation to accelerate growth for the State.

The policy is designed to create an enabling environment for innovators, aspiring entrepreneurs, and young enterprises by addressing challenges such as access to finance, mentorship, incubation, market linkages, and capacity building. Through this policy, the state envisions empowering its youth, harnessing local talent, and encouraging risk-taking and innovation at every level.

By fostering collaboration between academia, industry, investors, and government agencies, Chhattisgarh is committed to leverage its strength in areas such as agriculture, health, education, information technology, renewable energy and tribal crafts to cultivate a self-sustaining, sustainable and globally competitive startup ecosystem and contributes to the vision of “Atmanirbhar Bharat”.

2. Objective

To achieve the goals of **Amritkal: 'Chhattisgarh Vision @2047'** and to build a world-class startup ecosystem by the year 2030, the following objectives have been aligned under this policy:

(1) To promote entrepreneurship in both urban and rural areas and encourage youth and specific groups in society towards entrepreneurship.

(2) To empower over 5,000 new DPIIT-registered startups by providing consulting, technology, and cutting-edge infrastructure.

(3) To facilitate access to incubation, mentoring, funding, and market contacts for the development of startups at various stages.

(4) To expand innovation and entrepreneurship in various sectors while promoting social impact and sustainable employment opportunities.

(5) To strengthen cooperation between industries, academic institutions, investors, and government entities, and to establish Chhattisgarh as a leading innovation-driven hub.

(6) Establish an incubation center in each district.

3. Policy Period

The Chhattisgarh Innovation and Startup Promotion Policy 2025-2030 shall remain in effect from the date of its notification and shall remain valid until the tenure of the Industrial Development Policy 2024-30.

4. Priority Sectors for Startup Growth

The government of Chhattisgarh, under its Industrial Development Policy 2024–30, has strategically outlined key thrust sectors to promote private sector investments and accelerate economic growth. In alignment, the state's Startup policy prioritizes sectors where the state holds natural strengths and untapped potential. The state aims to harness local resources, empower regional talent, and foster a resilient ecosystem of innovation and entrepreneurship.

Priority Sectors:

(1) **Thrust Sectors:** Thrust sectors as identified in *Annexure (02)* of Industrial Development Policy (2024-30).

(2) **Emerging Sectors:** Fintech, Enterprise Technologies, E-Commerce, Travel-Tech, Consumer Services, Edtech, Health-tech, Assistive-Tech, Agri-Tech, Public Welfare Startups, Circular Economy Startup, Artificial Intelligence/Machine Learning, Internet of Things, Augmented Reality/Virtual Reality, Big Data, Blockchain and Greentech.

5. Key Definitions & Responsibilities

(1) Definition of Startup

For the purposes of this Policy, the term Startup shall carry the meaning ascribed to it under the Gazette Notification No. G.S.R. 34(A), dated 16th January 2019, issued by Ministry of Commerce and Industry, Government of India and the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India, and as may be amended/ changed from time to time, as defined below:

An entity shall be considered as a Startup:

(i) Up to a period of ten years from the date of incorporation/ registration, if it is incorporated as a Private Limited Company (as defined in the Companies Act, 2013) or registered as a Partnership Firm (registered under section 59 of the Partnership Act, 1932) or a Limited Liability Partnership (under the Limited Liability Partnership Act, 2008) in India.

(ii) Turnover of the entity for any of the financial year since incorporation/ registration has not exceeded one hundred crore rupees.

(iii) Entity is 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.

Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a ‘Startup’.

Eligibility for State Government Startup Recognition

To obtain State Startup recognition, an entity must fulfill the following conditions.

(i) An entity shall satisfy the definition of a 'Startup' as outlined in Clause 5 (1) of this Policy, or as per the latest applicable definition issued by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India, including any subsequent revisions or amendments there to.

(ii) The entity shall hold a valid startup recognition certificate issued by the Department for Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce and Industry, Government of India.

(iii) The entity must be registered in Chhattisgarh and to avail any benefit under the policy, the startup unit must be established/ operated in Chhattisgarh.

(iv) The activities of entity should not fall under the list of ineligible industries as per Annexure-3 and list of defined core sector industries as per Annexure-5 of the Industrial Development Policy 2024-2030 issued by the Commerce and Industries Department, Government of Chhattisgarh.

(v) Startups operating in sectors or activities that are limited to replication of already established conventional business units shall not be eligible for benefits under this policy.

(2) Incubators

Incubators are institutions that help innovators and entrepreneurs in the early stages of their business and support their continued growth. By leveraging business expertise and experience, they provide services such as access to technology facilities, mentoring and advisory support, early-stage financial assistance, networks and connections, co-working spaces, laboratory facilities, and guidance. Their objective is to make startups more competitive, build their capabilities, and facilitate easier access to markets.

(i) The incubator must be a legally registered entity and must fall under one of the following categories:

(a) Company registered under section 8 of Companies Act, 2013.

(b) Society registered under the Societies Registration Act 1860, or Chhattisgarh Societies Registration Act, 1973.

(c) Trust registered under the Indian Trusts Act, 1882.

(d) Private Limited Company registered under the Companies Act, 1956 or the Companies Act, 2013.

(e) Any other statutory body created through an Act of the legislature.

(ii) Key Roles and Responsibilities of an Incubator

(a) Support startups in developing sustainable, scalable, and profitable business models.

(b) Provide dedicated physical infrastructure and essential support services.

(c) Establish a sector-specific mentor network for expert guidance.

(d) Organize innovation-focused events and motivational programs.

(e) Deliver sponsored training and mentorship to entrepreneurs.

(f) Facilitate strategic partnerships with academic institutes, industry, investors, and other incubators.

(g) Enable access to prototype labs, testing and validation services, market linkages, and pilot deployment.

(h) Forming and maintaining a competent team with expertise in incubation, investment facilitation, and ecosystem building.

(i) Promote collaborative proposals between corporate entities and academic/ research institutions.

(3) Accelerator - An accelerator is an organization, either an independent organization or a corporate program that supports early-stage companies through intense immersive education, mentorship, and financing. Startups enter accelerators for fixed time periods and emerge as established, robust companies which are ready to scale.

(4) Mentor - A mentor is an experienced individual or organization that provides guidance and support to startups in their business, technical, and management decisions. Mentors assist startups with activities such as networking, training, product development, market access, and funding, helping ensure overall growth and success.

(5) Venture Capital Fund - A Venture Capital Fund is a fund that:

(i) Is established either as a trust or as a duly incorporated company;

(ii) Maintains a dedicated pool of capital;

(iii) Raises capital in accordance with applicable regulatory provisions; and invests in startups.

(6) Startup Chhattisgarh - Startup Chhattisgarh is a flagship initiative launched by the Department of Commerce and Industries, Government of Chhattisgarh, aimed at fostering a vibrant startup ecosystem within the state. The initiative seeks to promote entrepreneurial culture through strategic policy formulation, infrastructure development, and comprehensive ecosystem strengthening.

(7) Emerging Technologies - Emerging technologies refer to cutting-edge innovations. These technologies are considered critical for planning, decision-making, development, execution, problem-solving, product creation, and trend detection across government and industry sectors.

(8) **Acceleration program -** It refers to the program where a startup receives focused and fast-tracked support through a structured process commonly known as an Acceleration. These programs help startups grow quickly by providing immediate access to mentorship, training, funding, and business networks.

(9) **Incubates -** Incubate refers to an individual innovator or a startup that has been accepted into a recognized incubation program or business incubator, where it receives support to develop its idea or product. This support may include working space, mentorship, technical support, business advice, and access to funding.

(10) **Cohort -** A group of startups chosen to participate in a Startup incubation/acceleration program for a specific period.

(11) **Proof of Concept (PoC) -** A Proof of Concept (PoC) is a small-scale, preliminary project or experiment designed to test whether a particular idea, technology, or approach is feasible and will work as intended in practice.

(12) **Minimum Viable Product (MVP) -** A Minimum Viable Product (MVP) is the most basic version of a product that includes just enough features to satisfy early adopters and gather validated learning about users and the market.

(13) **Aspiring Entrepreneur -** Aspiring Entrepreneur refers to any individual, group, or organization that has demonstrated intent to establish a startup enterprise and have initiated early-stage activities such as ideation, market research, team formation, or preliminary product development, but has not yet registered as a recognized startup.

(14) **Stages of a Startup**

A startup progresses through five stages:

(i) **Ideation** - where the business idea is formulated, and initial market research is conducted

(ii) **Validation** - where a proof-of-concept or minimum viable product is developed and tested.

(iii) **Early Traction** - where the startup secures its first customers and generates initial revenue.

(iv) **Growth** - where operations are scaled, the team expanded, and further funding raised.

(v) **Maturity** - where the enterprise consolidates its market position and explores new markets or exit strategies.

(15) Women Entrepreneur –

Under this policy, the following conditions shall apply for the eligibility of women entrepreneurs for availing benefits under the designated category-

(i) A woman who is a domicile of the state and has proposed or established an enterprise,

(ii) In the case of a partnership firm, at least 51 percent of the partnership must belong to women of the state,

(iii) In the case of a company formed under the Companies Act, at least 51 percent of the shareholding must belong to women of the state,

(iv) In the case of a cooperative institution, at least 51 percent of the members must be women of the state,

(v) In the case of a society formed under the Societies Act, at least 51 percent of the members must be women of Chhattisgarh,

(vi) In all the above categories, it is also necessary that at least 50 percent (separately for each category) of the workforce in managerial, skilled, and unskilled positions must be women. Furthermore, if the enterprise owner is a woman, she will not be included in any of the workforce categories of managerial, skilled, or unskilled labour.

(16) Persons with Disabilities (Divyang) – A Divyang refers to an individual who falls under the purview of the Rights of Persons with Disabilities Act, 2016

(Act No. 49 of 2016) enacted by the Government of India, and possesses a valid certificate issued by a competent authority authorized for this purpose.

(17) Ex-Servicemen - An Ex-Serviceman refers to a native resident of Chhattisgarh who has retired from the Armed Forces or Paramilitary Forces of the Government of India and holds a certificate to this effect issued by the concerned administrative department/office.

(18) Naxal-Affected Persons – The term "Naxal-Affected Person" shall carry the same meaning as defined under the Chhattisgarh Naxalite Surrender/Victim Relief and Rehabilitation Policy–2025.

(19) Project Report - a report prepared for the establishment, expansion, or modernization of a new enterprise by any State department / Entrepreneurship Development Centre / EDII / CITCON / MSME institute, or by a business consultant approved by national-level financial institutions, or by a private-sector consultant, Chartered Accountant, or Chartered Engineer. The report should include details such as the project's financial cost, marketing potential, availability of raw materials, technical aspects, profitability and loss analysis, etc.

(20) Scheduled Caste / Scheduled Tribe Entrepreneurs - An entrepreneur belonging to the Scheduled Caste or Scheduled Tribe category refers to an individual who is a native resident of Chhattisgarh and has been notified as a member of the Scheduled Castes or Scheduled Tribes for the State of Chhattisgarh under the definition prescribed by the Government of India. The individual must possess a permanent certificate issued by a competent authority confirming their inclusion in the said category.

(21) Public Welfare Startup - A public welfare startup refers to a startup whose primary objective is to create significant social or environmental impact in areas such as health and sanitation, education and skill development, rural livelihoods and agriculture, environment and climate resilience, women and child welfare, accessibility and inclusion for persons with disabilities, and public safety, good governance, and civic engagement.

(22) **Circular Economy Startups -** These are startups that develop and implement solutions based on principles such as efficient use of resources, waste reduction, reuse, restoration, refurbishment, and recycling. They aim to promote a sustainable, regenerative, and environmentally friendly system by replacing the traditional linear process of production and consumption, thereby reducing pressure on natural resources and minimizing environmental impact.

(23) All other definitions shall be as per those specified in Annexure-1 of the Chhattisgarh Industrial Development Policy 2024–30.

6. Support for Startups

To help startups overcome financial constraints and expansion-related challenges, and to promote entrepreneurial potential, the State Government will provide financial assistance and incentives to startup units as per the provisions below, based on their stage of development and sector. This support will be provided only to startup units recognized by the State Government:

(1) Chhattisgarh Seed Fund Assistance (CGSF)

Startups recognized by the State Government that possess a valid Proof of Concept shall be provided seed funding of up to ₹10 lakh for the development of a Minimum Viable Product (MVP), based on the recommendation of an incubation center. To be eligible for this support, the startup must have been incubated in a recognized incubator for a minimum period of three months.

The seed fund shall not be utilized by the startup for the purchase of land or expenditure related to building infrastructure. This financial assistance shall be provided only to those eligible startups which are not eligible under the Student Startup Innovation Policy (SSIP) 2025 of the Department of Technical Education, Government of Chhattisgarh.

The startup should not have received seed funding for the development of a Minimum Viable Product (MVP) under any other scheme of the State or Central Government.

(2) Chhattisgarh Startup (Capital) Fund

The state government will create a Chhattisgarh Startup (Capital) Fund of Rs 100 crore to increase access to capital for startups in the state. Under this, the state government will provide matching capital of up to Rs 50 crore to SEBI-registered Alternative Investment Funds (AIFs) selected and listed by it. The state's share in the total investment will be a maximum of 50%, while the remaining 50% will be invested by the participating AIFs. Through these AIFs, investment will be made only in recognized startups that are established/operating in the State. 10% of the Chhattisgarh Startup (Capital) Fund will be reserved for startup units operating in priority areas.

(3) Chhattisgarh State Credit Risk Fund (CCRF)

To promote State Government–recognized startup units that are to be established in the State, a separate Credit Risk Fund of ₹50 crore will be created. Under this fund, credit guarantee will be provided to enable startup units to obtain collateral-free loans of up to ₹1 crore from banks.

(4) Interest Subsidy

Recognized startup units in the State will be eligible for 75% interest subsidy on the interest paid for a period of five years on term loans/working capital loans up to a maximum of ₹50 lakh obtained from financial institutions recognized by the Reserve Bank of India.

(5) Event Participation Subsidy in National / International Events

Recognized Startups registered in Chhattisgarh participating in national or international events shall be eligible for following subsidy:

National/International Events – Recognized startup units shall be eligible for reimbursement of 50% of the total expenses (which include travel, booth charges, and registration/participation fees) incurred for participation in up to three startup-focused programs/events per year. The maximum reimbursement shall be limited to ₹2,00,000 per annum for national program/ events and ₹3,00,000 per annum for international events.

(6) Online Advertising Assistance

State recognized startups shall be reimbursed for expenses incurred on digital advertisements on platforms such as Meta (Facebook/Instagram), YouTube Ads, LinkedIn, Microsoft Ads, Google Ads, or other platforms notified by the Department. This facility will be provided to each unit up to a maximum of two times during the period it continues to operate as a startup, subject to maximum limit of ₹3 lakhs.

(7) Financial Incentives for Successful Fundraising

Recognized Startups that successfully raise funds from SEBI registered Alternative Investment Funds (AIFs) or Venture Capitalists (VCs) will be eligible for a performance-based incentive of 20% of the amount raised, up to a maximum of ₹10 lakhs. This incentive will not be applicable to investments received from a seed fund or an angel investor

Clarification *- Amounts invested by empaneled AIFs utilizing the State's Startup (Capital) Fund shall not qualify for the performance incentive.*

(8) Public Procurement Relaxation

Startup units shall be granted exemptions in government procurement based on the provisions mentioned in the Chhattisgarh Store Purchase Rules, 2002 (as amended in 2025), as notified by the State Government.

(9) Stamp Duty Exemption

Recognized startup units established/operating in the state shall be eligible for stamp duty exemption as per the provisions of the Industrial Development Policy 2024–30, as detailed below

(i) On executed deeds related to the purchase or lease of land, sheds, and buildings, as well as deeds related to land leases (excluding land under mining leases).

(ii) On execution of deeds related to loan advances, for a period of up to **03 years** from the date of loan sanction by the bank/financial institution.

(10) Rental Subsidy

Recognized startup units established or operating in Chhattisgarh will be eligible for reimbursement of 50% of the monthly rent, up to a maximum of ₹15,000 per month, for a period of three years, if operating from rented commercial premises or incubation centers. The subsidy shall be disbursed on a quarterly basis.

Startup units working in the field of public welfare and startup units in the circular economy will be eligible for an additional 5% subsidy.

(11) Fixed Capital Investment Subsidy

Recognized startup units established or operating in Chhattisgarh will be provided a capital investment subsidy of 35%, up to a maximum of ₹35 lakh.

The fund received by the startup under seed fund assistance/fund raising assistance shall be adjusted against the eligible FCI subsidy. Startups availing rental subsidy, the shed & building cost will not be considered under eligible FCI.

(12) Reimbursement of Quality Certification Fee

State Government recognized startup will be reimbursed up to 75% of the expenses incurred for obtaining quality certifications, subject to a maximum limit of ₹10 lakhs.

(13) Project Report Subsidy

State Government recognized startup units will be granted a subsidy of 1% of the eligible fixed capital investment, up to a maximum of ₹5 lakh.

(14) Technical Patent Subsidy

State Government recognized startup will be reimbursed 75% of the expenses incurred for obtaining a patent, up to a maximum of ₹10 Lakhs in case of national patent and maximum of 20 Lakhs for international patents.

(15) Technology Purchase Subsidy

State Government recognized startup will be reimbursed 50% of the expenses incurred for technology purchase from National Research Development Corporation (NRDC) or any government research institution, up to a maximum of ₹10 lakhs.

(16) Employment Generation Subsidy

Recognized startup units established and operating in Chhattisgarh creating over 10 permanent jobs are eligible for a monthly subsidy for each permanently employed resident of Chhattisgarh earning a monthly salary of up to ₹50,000. The subsidy will be provided for a period of five years from the date of commencement of production/ operations, at the rate of ₹6,000 per female employee and ₹5,000 per male employee, subject to a maximum limit of ₹5 lakh.

(17) Subsidy for Employment to differently abled individuals, retired Agniveer personnel, and Naxal affected persons

Eligible startups that offer permanent employment to differently abled individuals, retired Agniveer personnel, and Naxal affected persons from Chhattisgarh shall be supported through a reimbursement of 40% of their net salary or wages, up to ₹5 lakhs per annum, for a duration of 05 years.

(18) Training Stipend Reimbursement

For eligible startup units, in the case of employees who are permanent residents of Chhattisgarh and receive a salary of less than ₹50,000 per month, the employer will be reimbursed an amount equivalent to one month’s salary or the maximum amount of 15,000 per person, whichever is lower for one-time training. This benefit will be provided for a period of five years from the date of commencement of commercial production/operations.

(19) Eligibility Conditions

(i) Option Provision: All applications received from startup units from the specified date of the Industrial Development Policy 2024–2030 until the date of its publication in the Gazette, through which stamp duty exemption was availed under the Industrial Development Policy 2024–2030, will have the option to choose either the Startup Package under the Industrial Development Policy 2024–2030 or this policy. This option must be submitted by the startup units to the respective District Trade and Industry Center within 90 days from the date of notification of this policy. Option proposals received after the expiry of this period will not be accepted. Additionally, all applications received after the date of publication of this policy in the Gazette will be eligible only for the investment incentives provided under this policy.

(ii) Startup units receiving selection under the option will not be eligible for partial investment incentives (some grants/exemptions/concessions under the Industrial Development Policy 2024–2030 and some grants, exemptions, concessions under this policy). However, the startup units that have received only seed funds under this policy will have the option to avail benefits under the Industrial Development Policy 2024-30. This option, however, will be final and irrevocable, and the amount of the seed fund will be adjusted with the amount of approved permanent capital investment grant for the startup unit.

(iii) Only startup units that start production/service activities during the period of the Industrial Development Policy 2024–2030 will be eligible for the benefits provided under this policy. However, such startup units that have initiated production/service activities certificate under the Industrial Policy 2019–24 will be eligible for grants to participate in national/international events mentioned in this policy.

7. Incubation Ecosystem

Acknowledging the importance of incubation in transforming ideas into enterprises, Chhattisgarh supports the establishment and upgradation of incubators. This will ensure that startups receive guidance, infrastructure, and resources needed to scale sustainably.

(1) Chhattisgarh's Hub and Spoke Incubators Network

To catalyze the growth of a vibrant incubation ecosystem, the state shall strive to develop a Hub and Spoke Incubators Network as a structured framework aimed at strengthening and streamlining incubator operations across Chhattisgarh.

(i) Mega Incubator/Hub Incubator

In Chhattisgarh, the establishment of Mega Incubators will be encouraged to function as dynamic hubs fostering innovation and entrepreneurship. These incubators will nurture startups, promote innovation, and empower women founders and youth by providing guidance, infrastructure, financial opportunities, and strategic direction. Mega Incubators will act as hub incubators, offering strategic guidance, handholding, and mentorship to incubators across the state. They will also play a central role in state-level startup promotion and development initiatives.

(ii) Spoke Incubators

To strengthen the incubation infrastructure in the state, the establishment and upgradation of incubators will be promoted in collaboration with public and private organizations. Spoke incubators will function as regional catalysts, promoting innovation and entrepreneurship in their respective focus areas.

(2) Financial Support for Incubators

The state government has provisioned capital and operational assistance to establish an active incubation ecosystem. This assistance will strengthen incubator infrastructure and promote inclusive development within the state.

The financial assistance for incubators are as follows:-

Category	Eligibility Criteria	Financial Assistance
Tier -1 **Government**	(i) The proposed incubator must be registered as a legal entity in accordance with Clause 5(2)(i) of this policy (ii) The proposed incubator must have a minimum of 3 years of operational experience and should have conducted at least 3 incubation cohorts. (iii) It must have functioned as an incubator/accelerator for a minimum of 30 incubates and should have facilitated funding support to at least 4 startup units	The Proposed incubators shall be provided a grant of 75% of their project cost, out of which the maximum limit for capital expenditure (Capex) shall be 40%. The eligible operational expenditure shall be distributed over a period of five years and given on an annual basis.

	or The proposed incubator shall be required to establish a formal collaboration or partnership with another incubator that meets the above-mentioned eligibility criteria. (iv) The proposed incubator must have identified a minimum built-up area of 10,000 square feet within the state, with adequate facilities to accommodate at least 25 incubates.	
Tier -2 Government	(i) The proposed incubator must be registered as a legal entity in accordance with Clause 5(2)(i) of this policy (ii) The incubator must have a minimum of 3 years of operational experience and should have conducted at least 3 incubation cohorts. (iii) The incubator must have functioned as an incubator/accelerator for a minimum of 30 incubates and should have facilitated funding support to at least 2 startup units **or**	Proposed incubators shall be provided a grant equivalent to 75% of their project cost, with the maximum limit for capital expenditure (Capex) capped at 40%. The eligible operational expenditure shall be spread over a period of five years and given on an annual basis.

	The proposed incubator shall be required to establish a formal collaboration or partnership with another incubator that meets the above-mentioned eligibility criteria. (iv) The proposed incubator must have identified a minimum built-up area of 5,000 square feet within the state, with adequate facilities to accommodate at least 15 incubates.	

Assistance for Private Sector Incubation Centres :

Category	Eligibility Criteria	Financial Assistance
Tier 1 - Private	(i) The proposed incubator must be registered as a legal entity in accordance with Clause 5(2)(i) of this policy (ii) The proposed incubator must have a minimum of 3 years of operational experience as an incubator. (iii) The proposed incubator must have conducted at least 5 incubation cohorts and must have worked as an incubator for a minimum of 50 incubates and as an accelerator for at least 10 startups. (iv) The incubator must have facilitated funding support for at	The proposed incubators will be provided a grant of 50% of their project cost, subject to a maximum limit of ₹3 crore. Within this, the maximum limit for capital expenditure (Capex) will be 40%. The eligible operational expenditure (Opex) will be distributed over a period of 5 years and given on an annual basis.

	least 5 startups in last 3 years through government schemes, angel funds, or venture capital **or** The proposed incubator shall be required to establish a formal collaboration or partnership with another incubator that meets the above-mentioned eligibility criteria. (v) The proposed incubator must have identified a minimum built-up area of 10,000 square feet within the state, with adequate facilities to accommodate at least 25 incubates.	
Tier 2 – Private	(i) The proposed incubator must be registered as a legal entity in accordance with Clause 5. (2) (i) of this policy (ii) The incubator must have a minimum of 3 years of operational experience as an incubator. (iii) The incubator must have conducted at least 3 incubation cohorts and must have worked with 30 incubates as an incubator. (iv) The Incubator must have supported at least 2 startups in securing investments through	The proposed incubators will be provided a grant of 50% of their project cost, subject to a maximum limit of ₹2 crore. Within this, the maximum limit for capital expenditure (Capex) will be 40%. The eligible operational expenditure (Opex) will be distributed over a period of 5 years and given on an annual basis.

	government schemes, angel funds, or venture capital in the past three years **or** The proposed incubator shall be required to establish a formal collaboration or partnership with another incubator that meets the above-mentioned eligibility criteria. (v) The proposed incubator must have identified a minimum built-up area of 5,000 square feet within the state, with adequate facilities to accommodate at least 15 incubates.	

Specific regions:

All Group 3 blocks and Group 2 blocks of Bastar and Surguja division (as defined under Industrial Development Policy 2024-30) will get additional financial support of 10% over and above financial incentives mentioned in the above table.

(3) Incubator Upgradation & Operational Assistance

Incubators established in the state will be eligible for the grant mentioned in Clause 7(2) of this policy if they increase their approved fixed capital investment by a minimum of 25% and increase their incubation capacity (number of seats) by 25%.

Eligibility criteria for established incubators:

(i) Must be an incubator as defined under Clause 5(2)(i) of the policy.

(ii) Must have a minimum of 2 years of operational experience at the time of application.

(iii) The incubation center must have a seating capacity for at least 20 incubates and should have provided incubation to a minimum of 5 startup units.

(iv) Audited annual financial statements for previous financial years.

(v) A qualified team must be available for mentorship, technical, and business support.

(vi) The incubation center must be a recognized incubator under any scheme of the Central/State.

Any additional criteria may be decided by the Nodal Department

(4) Event Organizing Assistance

Recognized incubators shall be eligible for financial assistance of ₹1 lakh per event for organizing state-level programs related to startups, innovation, and entrepreneurship, which support is subject to a maximum annual limit of ₹4 lakhs per incubator. The assistance provided shall not exceed the actual contribution made by the incubator towards the event.

(5) Acceleration Program

To provide support to startups in the development phase through incubation centers, for organizing an acceleration program (cohort) for a minimum duration of 8 weeks, incubation centers will be given reimbursement of expenses up to a maximum of ₹15 lakh for the event. For this purpose, incubation centers must obtain prior approval from the nodal department, and the funds will be distributed only based on actual expenditure and achievement of approved targets.

Eligibility:

(i) Only incubators recognized by the state government will be eligible for this grant.

(ii) The proposed program must be at least 8 weeks long, including a minimum of 10 development-stage startups, a fixed curriculum, and have defined outcomes.

(6) College Innovation and Startup Cell

To promote student-led innovation and entrepreneurship across higher education institutions in Chhattisgarh, the State Government shall support the establishment of College Innovation and Startup Cells (CISCs) under this policy.

Each eligible CISC shall be provided with operational support of up to ₹5 lakhs per year only to a recognized and specifically designated college, aimed at facilitating activities such as ideation, prototyping, mentoring, startup outreach, and innovation challenges.

Eligibility Criteria:

(i) The CISC must be established within a state/central Government affiliate or recognized educational institutes (Higher/Technical) located in Chhattisgarh.

(ii) The institution must have a functional innovation or entrepreneurship development cell or demonstrate commitment to startup promotion through prior activities.

(iii) The CISC must submit a yearly action plan outlining proposed activities, budget utilization, and expected outcomes.

(iv) The institution must commit to matching the operational support through its own resources or partnerships.

(v) The CISC must maintain records of student participation, startup outcomes, and submit biannual progress reports to the Implementing Agency.

8. Special Provisions

(1) Priority and Provisions for Women and Special Category Entrepreneurs

(i) All incubation centres supported by the State Government shall mandatorily reserve 10% of the total incubation seats for women and special category entrepreneurs, including those belonging to Scheduled Castes (SC), Scheduled Tribes (ST), retired personnel of the Indian Armed Forces, individuals/families affected by Naxalism, Agniveers, and persons with disabilities.

(ii) Under this policy, women and special category entrepreneurs shall be eligible for an additional 10% grant over and above the investment incentives specified.

(iii) All incubation centres supported by the State Government shall mandatorily reserve 10% of the total incubation seats for startup units operating in priority sectors.

(2) Digital Enabling Platforms

To promote Ease of Doing Business (EoDB) in State and drive inclusive growth across the entrepreneurial ecosystem, the State will develop a unified Startup Digital Platform. This single-window interface will provide startups with the investment incentives provisioned in the policy.

Beyond administrative convenience, the platform will foster meaningful connections with mentors, investors, incubators, accelerators, and other key ecosystem stakeholders. By integrating resources, streamlining processes, and promoting transparency, the platform aims to empower startups at every stage of their journey fueling innovation and accelerating development across the State.

(3) IP & Technology Facilitation Cell

The State will endeavor to establish/strengthen a dedicated Intellectual Property & Technology Facilitation Cell to strengthen the innovation ecosystem. This Cell will play a pivotal role in raising Intellectual Property (IP) awareness, curating technologies ready for commercialization, facilitating technology transfers, and building entrepreneurial capabilities. It will also provide strategic guidance to startups navigating IP-related processes, thereby fostering a culture of innovation and protecting intellectual assets effectively. For this purpose, the State Government will seek cooperation from suitable institutions working in this sector.

(4) Startup Nagar

State shall strive to develop the “Startup Nagar” for housing the startup stakeholders such as startups, incubators, co-working spaces, investors, bankers, makerspaces, laboratories and Centre of Excellence, along with common facilities such as auditorium, conference halls, parking lots, play zones and other amenities.

9. Programs for Entrepreneurship

(1) Chhattisgarh Innovation Challenge

Based on the problem statements submitted by various State departments on the Startup Portal, innovative concepts shall be invited from institutions, startups, and eligible entities across the State to address high-impact economic and social challenges. Selected concepts will receive special financial assistance.

Form of Assistance:

(i) A grant amount of maximum ₹25 lakhs, provided in four phases or as decided by the nodal department.

(ii) All the selected solutions will be mapped to the government incubators for R&D support, Lab usage, utilization of facilities, office space and meeting arrangements and regular mentoring.

(iii) The Chhattisgarh Store Purchase and Service Procurement Rules, 2002 (As amended in 2025) may be relaxed for eligible startups, provided they meet the prescribed criteria.

(2) Startup Hackathon Program

The State shall strive to create provisions for actively publishing problem statements focused on state-specific or theme-based challenges on the Startup Portal, inviting startups to participate in a Hackathon Program. This time-bound competition will challenge participants to develop working prototypes or minimum viable products (MVPs) that address real-world issues faced by industry and government.

Innovations emerging from the Hackathon will be evaluated by the nodal department, and selected solutions shall be encouraged to receive amount of ₹5 lakhs support through incubation, financial assistance, and guidance for testing and deployment ensuring promising ideas are nurtured into impactful solutions.

Eligibility

Startups must comply with the eligibility criteria under this Policy and must not have received similar financial support from other government schemes.

Application & Selection Process

(i) Call for Applications: The State Government will publicly announce the hackathon through an online platform and invite applications from eligible startups.

(ii) Screening: The screening committee constituted for the event will conduct a preliminary review of the received applications based on eligibility and relevance.

(iii) Hackathon Participation: Selected startups will work on the defined problem statements during the hackathon.

(iv) Final Evaluation: The expert committee formed for this event will evaluate the pitches and select the winners.

(v) Assistance: Selected startups will be provided financial assistance for further development and implementation.

(3) Startup Annual Day

State shall endeavor to celebrate the annual Startup Day to encourage collaborative events across the state, and increase participation by universities, colleges, schools, Non-Governmental Organizations, Farmer Producer Organizations, Self Help Groups and Companies.

(4) Startup Event

Implementing Agency/ Hub Incubator shall strive to organize state level multi stakeholder events such as conferences, meetups, boot camps, mentoring sessions, startup mela, demo days, investor meets, startup yatra, startup exchange program. This State level startup conclave to foster collaboration among startups, investors, industry, mentors and government.

10. Governance for Effective Enablement

The State shall strive to establish a robust governance and implementation framework to ensure the effective design, execution, and continuous improvement of startup-related policies and initiatives. This structure will focus on building institutional capacity, fostering inter-departmental coordination, and enabling data-driven decision-making.

(1) The Nodal Department

The Department of Commerce & Industries shall be the Nodal Department and Director of Industries shall be the nodal officer for startup promotion in the state, and responsible for setting up the strategic vision, mobilizing required resources and approvals for effective implementation of the policy.

(2) Implementation Agency

The Directorate of Industries, along with the District Trade and Industry Centers under its jurisdiction, shall serve as the Implementation Agencies (IA) for this policy. Through the Startup Chhattisgarh initiative, the Implementation Agencies shall undertake various activities including the establishment of dedicated cells, promotion of stakeholder engagement, and facilitation of collaborative efforts.

(3) The State Level Startup Promotion Committee (SSPC)

The State-Level Startup Promotion Committee shall be responsible for the evaluation and approval of proposals, review of progress, and reconsideration of initiatives. It shall also ensure appropriate mechanisms for the effective implementation of incubators, startup funds, and other policy provisions.

The composition of the Committee shall be as follows:

(i) Director of Industries or person nominated by him – Chairperson
(ii) Representative from MSME-DFO, not below the rank of Assistant Director (as required)
(iii) Joint Director (Finance), Directorate of Industries
(iv) Joint Director, Directorate of Industries - Member Secretary
(v) Representative from CHiPS (as required)

In addition to the above members, the Department may invite subject matter experts, representatives from research and academic institutions, investment professionals, and industry experts as needed. A minimum quorum of 4 members shall be required for conducting meetings.

Roles & responsibilities SSPC:

i. The committee will hold monthly meetings and evaluate the received applications to grant approvals to startup units and incubators.

ii. The committee will review the progress reports of incubation centers and issue directions for improvements.

iii. The committee will be responsible for approving grants, incentives, subsidies, and exemptions.

iv. The committee will also be authorized to take other decisions related to startup promotion. Startups and incubators will be eligible for exemptions/grants only after receiving in-principle approval from the committee.

11. General Terms and Conditions

(1) The Nodal Department shall issue detailed guidelines/notifications for the implementation of grants, incentives, concessions, and other provisions under this policy.

(2) Interpretation, feedback, or resolution of disputes regarding the policy or its operational guidelines shall rest with the Nodal Department, whose decision shall be final and binding.

(3) For effective implementation of this policy, 5% of the total allocated budget shall be earmarked for the operation of a Project Management Unit (PMU). The PMU shall function under the Nodal Department for policy implementation, stakeholder engagement, digital infrastructure, and capacity building, and shall conduct technical evaluations of received proposals before submission to the department.

(4) Application formats for various subsidy schemes may be issued by the Director of Industries.

12. Administrative Provisions

(1) Startups and Incubators will be provided with the support and assistance under the policy in accordance with the procedure and guidelines issues by Chhattisgarh Government’s Department of Commerce & Industries. Any amendments to the procedure and guidelines will be made with administrative approval from the department. In the event of any printing error, factual inaccuracies, or

discrepancies between the Hindi and English versions, the Hindi version will be deemed authoritative.

(2) Subject to provisions under this policy, the Government of Chhattisgarh, Department of Commerce & Industries at any time –

(i) May amend this policy.

(ii) May relax the provisions of this policy.

(iii) May issue directions/clarifications/guidance to clarify the provisions of this policy.

StartUp Chhattisgarh

Chhattisgarh
Business Made Easy

CHHATTISGARH
INNOVATION AND STARTUP PROMOTION POLICY 2025-30

DEPARTMENT OF COMMERCE AND INDUSTRIES
GOVERNMENT OF CHHATTISGARH

invest.cg.gov.in

Lakhan Lal Dewangan
Minister, Department of Commerce & Industries, Chhattisgarh