

# MSME Innovative Scheme (Incubation, Design and IPR)

March 12, 2022

**In news**– The Ministry of Micro, Small & Medium Enterprises has launched the MSME Innovative Scheme with the combination of existing sub-schemes around incubation, design, and intellectual property rights (IPR) for MSMEs recently.

## **About MSME Innovative Scheme-**

- **MSME Innovative is a holistic approach to unify, synergize and converge 3 sub-components and interventions with a single purpose.**
- It is a new concept for MSMEs with a **combination of innovation in incubation, design intervention and by protecting IPR in a single mode approach** to create awareness amongst MSMEs about India's innovation and motivate them to become MSME Champions.
- **This will act as a hub for innovation activities facilitating and guiding development of ideas into viable business propositions** that can benefit society directly and can be marketed successfully.
- However, the erstwhile three schemes of incubation, design and IPR will also continue to operate as individual programmes.

## **Sub schemes-**

### **Incubation:**

- The primary objective of the scheme is **to promote and support untapped creativity and to promote adoption of latest technologies in MSMEs** that seek the validation of their ideas at the proof-of-concept level.
- **Financial assistance up to Rs. 15 lakh per idea and up to Rs. 1.00 crore** for relevant plants and machines will

be provided.

- As part of the incubation scheme, the government also announced the launch of an MSME Idea Hackathon to invite ideas from MSMEs, innovators and students through host institutes from March 10 to March 24, 2022.

### Design :

- The **objective of this component is to bring the Indian manufacturing sector and Design expertise/ Design fraternity on to a common platform.**
- It aims to **provide expert advice and cost-effective solutions** on real time design problems for new product development, its continuous improvement and value addition in existing/new products.
- **Financial assistance up to Rs. 40 lakh** for design projects and up to Rs. 2.5 lakh for student projects will be provided.
- The partner institutions under the scheme are IISc Bangalore, IITs, National Institute of Technology, National Institute of Design, and others.

### IPR (Intellectual Property Rights):

- **Its objective is to improve the IP culture in India** with a view to enhance the awareness of Intellectual Property Rights (IPRs) **amongst the MSMEs** and to encourage creative intellectual endeavor in the Indian economy.
- It also **aims to take suitable measures for the protection of ideas, technological innovation and knowledge-driven business strategies developed by the MSMEs** for their commercialization and effective utilization of IPR tools through IP Facilitation Centre.
- **Financial assistance upto Rs. 5 lakh for Foreign Patent, Rs. 1.00 lakh Domestic Patent,** Rs. 2.00 lakh for GI Registration, Rs. 15,000/- for Design Registration, Rs.10,000/- for Trademark in the form of reimbursement.

- MSMEs would be eligible to get their cost incurred on registration of patent, trademark, geographical indications (GI), and design reimbursed.
- The government also announced equity support of up to Rs 1 crore for commercialisation of ideas, designs and patents across all three sub-schemes and also to help MSMEs further scale up to raise subsequent funding.
- For this, a separate corpus will be created and managed by SIDBI as the fund manager.