Uttar Pradesh – Uttar Pradesh Startup Policy 2020 (First Amendment 2022)

Overview and Preamble

Uttar Pradesh is committed to building a robust startup ecosystem and integrating state-level schemes like Yuva Hub, Innovation Hub, and the largest incubator in Lucknow.

Emphasis on inculcating entrepreneurial culture from school level.

Policy aims at fostering innovation, job creation, and economic empowerment.

Vision

Establish a world-class startup ecosystem with robust infrastructure and supportive policy environment.

Mission

Promote innovation and entrepreneurship leading to employment and introduction of emerging technologies.

Support startup growth through simplified regulatory, financial, and infrastructural mechanisms.

Goals

Rank among top 3 states in Startup Ranking.

Establish 100 incubators (one in each district).

Develop 1 million sq. ft. of incubation space.

Develop 10,000 startups and eight Centers of Excellence (CoEs).

Create the largest incubator in Lucknow.

Governance Structure

Four-tier governance includes:

Nodal Agency for single-window services.

Policy Implementation Unit (PIU) for daily operations and finance.

Policy Monitoring & Implementation Committee (PMIC) for inter-departmental coordination.

Steering Committee chaired by the Chief Minister for oversight and review.

Startup Ecosystem Strengthening

Digital Platform: Integrated online portal “Start-In-UP” for applications, incentives, and ecosystem engagement.

Public Procurement: Enable startups to compete in government procurement with relaxations in prior experience, turnover, and exemption from earnest money deposit.

Annual Ranking: “UPRate” to rank startups and incubators for performance evaluation.

Academic and Youth Engagement

Curriculum development for entrepreneurship in universities and schools.

Allow students to take a gap year for startup development, with provisions to include startup projects in academic evaluations.

Establish Entrepreneurial Cells (E-Cells) in educational institutes.

Organize hackathons, innovation competitions, and international exchange programs.

Funding Initiatives

UP Startup Fund: ₹1000 crore corpus as a fund-of-funds supporting daughter funds investing in startups.

Bank Facilitation: Dedicated banking desks and simplified lending for startups.

Angel Network: State-initiated platform for angel investors and high net-worth individuals.

Yuva Hub: District-level hubs fostering startup awareness at grassroots.

Infrastructure Development

Establish innovation hubs including AKTU Innovation Hub and multiple incubation centers.

Develop specialized Centers of Excellence (CoEs) to foster innovation in cutting-edge sectors.

Support incubators with capital grants, operational expense reimbursements, and acceleration programs.

Incentives for Startups and Incubators

Incubators:

Capital grant up to INR 1-1.25 crore for technology infrastructure.

Operational expense support up to INR 30 lakh annually for five years.

Matching grant for acceleration programs.

Annual ranking with monetary awards.

Startups:

Seed funding with sustenance allowance of INR 17,500 monthly (additional support for women, disadvantaged groups, and specific regions).

Prototype development grants up to INR 5 lakh.

Marketing support up to INR 7.5 lakh.

Patent filing cost reimbursement of INR 2 lakh (domestic), INR 10 lakh (international).

Free incubation up to 12 months at government facilities.

Support for attending national and international events.

Additional Incentives:

VAT/CST and GST reimbursement.

Relaxed labor and environmental law inspections via self-certification.

Night shift and safety support for women entrepreneurs.

Program Implementation

Applications and claims processed through dedicated portal and evaluated by the nodal agency.

Recognition certificate issued to eligible startups.

Establishment of a Section 8 company and Project Management Unit for policy management.

Continuous policy review and grievance redressal mechanisms in place.

Eligibility

Startups must be incorporated entities less than 10 years old.

Annual turnover below ₹100 crore.

Engaged in innovation or scalable business models.

Should not be formed by splitting an existing business.

Source: Uttar Pradesh Startup Policy 2020

Issued by: Government of Uttar Pradesh

Portal: Start-In-UP

Policy Period: 2020–2025