

# UTTAR PRADESH STARTUP POLICY 2020

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- To establish a world class startup ecosystem in the state by developing a robust infrastructure and providing conducive policy environment.
- Promote the culture of innovation and entrepreneurship at the grassroots level leading to employment generation and introduction of emerging technologies in the niche sectors.

# Vision & Mission



# THE GOALS

To be among the top 3 states in the “States’ Startup Ranking” conducted by GOI.

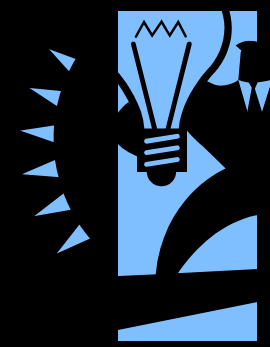
Establish/support 100 incubators, minimum one in each district of the state.

Develop minimum one million square feet of incubation/acceleration space for startups.

Create the ecosystem for at least 10,000 startups in the state.

Establish 3 state of art Center of Excellence ( COE’s)

Establish India’s Largest Incubator in Lucknow.



**Governance**

**Nodal Agency**

**Policy  
Implementation  
Unit**

**Policy Monitoring  
& Implementation  
Committee**

**Steering  
Committee**

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# NODAL AGENCY

**A Nodal agency under the department of IT & Electronics, Govt. of Uttar Pradesh shall be nominated for effective implementation of the Startup Policy 2020. The agency shall be responsible for creating a conducive policy environment for sustained growth of start up ecosystem in the state. It will act as Single Window for engagement with all ecosystem stakeholders. To manage the Single Window operations, Nodal Agency will set up a dedicated Project Management Unit (PMU) adequately staffed with outsourced professionals and consultants to support the Government.**

# POLICY IMPLEMENTATION UNIT

**A PIU under the chairmanship of Principal Secretary, Department of IT & Electronics shall be set up to oversee the work of Nodal Agency with regard to startup policy implementation including the decision making wherever required such as recognition of incubators, launch of startup funds, approval of startup events etc. The PIU shall also be responsible for providing recommendations and approvals of incentives applicable to startup stakeholders through startup nodal agency. It shall provide timely redressal of their grievances and facilitate necessary guidance and support. PIU may refer cases to Policy Monitoring & Implementation Committee (PMIC) for further deliberation and decision making, as and when required.**

## **POLICY MONITORING & IMPLEMENTATION COMMITTEE**

**State level PMIC under the chairmanship of the Infrastructure and Industries Development Commissioner (IIDC), Government of UP shall take necessary decisions on the matters related to effective policy implementation or any other issues referred by PIU for decision making. The charter of the committee shall be pertaining to effective implementation of the policy by various departments with respect to setting up incubators/Innovation Hub, setting up sectoral funds, promotion of startup culture through various events, and contributing to Startup Ranking Framework for achieving the status amongst Top 3**

# STEERING COMMITTEE

**Steering Committee (SC) will be formed under the chairmanship of Hon. Chief Minister, Government of UP. The charter of the Steering Committee shall be pertaining to monitoring and review of achievement of policy outcomes on annual basis against defined Vision, Mission and Goals including but not limited to promotion of startup culture by various departments, approval and disbursement of incentives to incubators and startups, recognition and establishment of incubators in the state, performance of state in State Startup Ranking Framework etc.**



# INFRASTRUCTURE DEVELOPMENT

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Funding the  
Startups



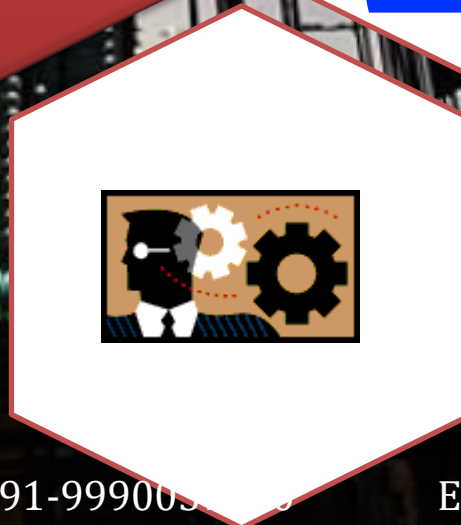
Incubators as  
anchors of  
startup eco-  
system



Innovation  
through  
academic  
intervention



Integration  
with ODOP



Center of  
Excellence as  
Knowledge  
Centers

UP Startup  
Online  
Platform



Integration  
with Yuva  
Hub



Innovation  
Hub at AKTU



Leveraging  
the NRI  
Connect



Brand  
Promotion  
and  
Recognition  
of Talent

# **FOSTERING INNOVATION THROUGH ACADEMIC INTERVENSIION**



- Universities shall introduce courses in innovation & entrepreneurship to foster the startup culture.

### University Syllabus



- Basic education on innovation & entrepreneurship shall be introduced in the school syllabus to develop an attitude at an early stage.

### School Syllabus



- Universities/Colleges shall organize faculty development program to promote innovation and entrepreneurship at the college level.

### Faculty Development Program



- Students shall be allowed to take a break of one year after the first year of graduation/post graduation course.

### Gap Year for students



- Student entrepreneurs working on a startup idea shall be permitted to convert their startup project as their final year project towards degree completion.

### Student Projects & Establishment of E-Cells





# FUNDING THE STARTUPS

# FUND OF FUNDS

The Government of Uttar Pradesh has established INR 1000 Crore UP Startup Fund for providing access to finance to startups in Uttar Pradesh. This fund shall be in the form of fund of funds wherein it shall not invest directly into the startups, but rather it shall make investment in “Daughter Funds,” which would ultimately invest in startups promoting innovative ideas across all sectors in Uttar Pradesh.

# FUNDING BY BANKS

The state government shall encourage Banks and other Financial Institutions to extend their lending facilities to startups on the similar lines of MSME lending. GoUP shall sign MOUs with Lead Banks to create funding avenues for startups.



# FUNDING BY UP ANGEL NETWORK

The state government shall facilitate setting up a dedicated UP Angel Fund Network for the state of Uttar Pradesh for promotion of UP based startups. Government of UP shall only facilitate the formation of this fund and shall refrain from making any contribution. This fund shall be entirely established and run by angel investors or High Net Worth Individuals (HNIs).



# UP STARTUP ONLINE PLATFORM



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Online Start-In-UP Platform shall be an integrated web and mobile platform which is one-of-its-kind single window system for startups, investors, incubators, mentors and other relevant startup stakeholders to engage with each other. This platform shall be the digital identity of the startup program of GoUP and will substantially enhance transparency and execution of policy implementation.

As per Gol, the startups have been provided functionality to list their products and services on GeM portal. The GeM portal provides exemption to Startups from criteria of 'prior experience', 'turnover' and 'submission of EMD' to provide equal opportunity to young entrepreneurs. For products and services not listed on GeM portal, PMIC may provide recommendations to state level procurement agencies (Department of MSME/Finance etc.) to earmark a specific value or percentage of total public procurements allocated for startups. PMIC in consultation with PIU may further allocate a share of procurement target for startups owned by Women, Divyangjan or Transgenders on preferential basis.

An aerial photograph of an industrial facility, possibly a steel mill, with several large buildings and a body of water in the foreground. The background shows rolling hills under a clear sky. A large, semi-transparent white stamp with the word 'INCENTIVES' in bold, black, sans-serif capital letters is overlaid diagonally across the center of the image. The stamp is framed by a thick white circular border.

**INCENTIVES**

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# INCENTIVES FOR INCUBATORS

## (I) CAPITAL GRANT

Capital grant on setting up/scaling up technology infrastructure for the private host institutes shall be reimbursed upto 50 percent of the eligible amount subject to maximum limit of INR One (1) Crore,

first installment to be capped at 25 percent of the maximum limit. The demand for the same shall be raised on quarterly basis by incubators. The limit of INR 1 crore shall be increased to INR 1.25 crore for incubators established in Purvanchal/Bundelkhand regions.

Capital grant to government host institutes shall be given in exceptional cases only post approval by PMIC. However, despite not getting the capital support, government incubators will continue to act as first point of contact for startups on behalf of Startup Nodal Agency.

## **INCENTIVES FOR INCUBATORS**

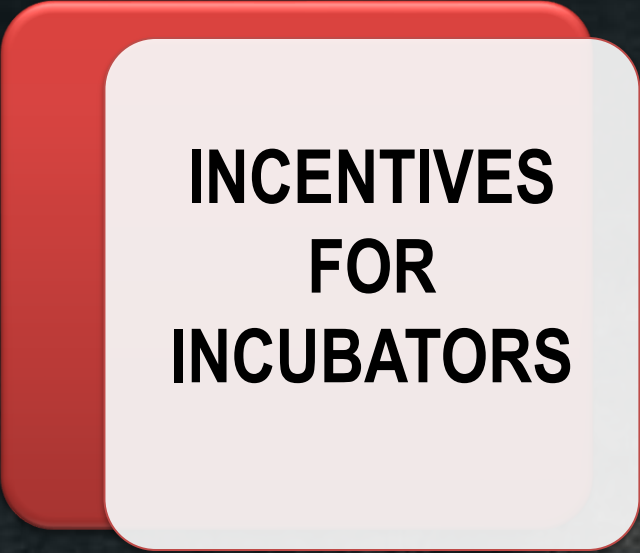
### **(II) OPERATIONAL EXPENDITURE**

Financial support to incubators upto INR 30 Lakhs per year to cover operational expenditure for 5 years or until self-sustainable whichever is earlier. This incentive shall be granted to those incubators which

have 10 or more startups incubated. The year-on-year continuation of operational expenditure support shall be solely dependent on incubator's performance assessed through Incubator Performance Evaluation Framework released by Nodal Agency and approved by PMIC.

### **(III) ACCELERATION PROGRAMS**

Acceleration programs are short to medium term mentoring programs to support startups with business expansion once they have scaled up from an idea to formal product launch in the market. A matching grant of INR 5 Lakhs per year (Maximum INR 2 Lakhs per program) shall be given to competent institutions (upto 25 institutions per year) to run acceleration programs for supporting the startups.



## **INCENTIVES FOR INCUBATORS**

### **(IV) ANNUAL INCUBATOR RANKINGS**

State level annual incubator rankings shall be introduced as per the KPI framework approved by the PMIC. An external agency will be engaged to perform the evaluation and assign rankings. Top3 performers in the ranking will be awarded amount of INR 3 Lakhs, 2 Lakhs and 1 Lakh per year to the winner, first runner up and the second runner up respectively.

### **(V) NAVRATNA INCUBATORS**

All Navratna incubators shall get incentive of INR 10 Lakhs per annum for the expenses incurred to support host institutes/incubators for developing/scaling up the incubation capabilities. Navratna incubators shall be identified only after achieving the count of minimum 50 incubators recognised under Start-In-UP program of GoUP

The Government of Uttar Pradesh shall provide financial support in the form of Grant-in-aid (covering capital and operational expenditure) upto INR 10 crores to CoE during span of 5 years from the date of establishment. It is expected that the CoE would become self-sustainable by the end of 5 years. The disbursal of financial support to CoE shall be contingent upon PMIC's decision. Moreover, the release of funds/ incentives by the Government shall depend upon their performance.

## **INCENTIVES FOR CENTER OF EXCELLENCE**



# **INCENTIVES FOR STARTUPS**

## **(I) SUSTENANCE ALLOWANCE**

Sustenance allowance at the rate of INR 15,000 per month per startup for a period of one-year upto 10 startups per incubator per year shall be given to startups at the idea stage. This incentive shall be given to only those startups founders which are financially needy. The criteria to identify needy startups shall be approved by PMIC.

## **(II) SEED CAPITAL/MARKETING ASSISTANCE**

It is important to support startups through early stage funding for maturing their ideas/ concepts. The objective is to encourage innovators to stimulate commercialization of their inventions and to help in validating Proof of Concept. The seed capital will be given in the form of Marketing Assistance upto INR 5 Lakhs per startup upto 10 startups per incubator per year to launch the Minimum Viable Product (MVP) in the market. The seed capital will be disbursed in milestone-based installments (e.g. 40% + 30% + 30%) in three tranches, the first being advance and remaining two on completing the milestones.

# **INCENTIVES FOR STARTUPS**

## **(III)SUPPORT TO STARTUPS**

Free incubation shall be provided for 6 months at government owned/managed Largest Incubator, AKTU Innovation Hub and the proposed 3 Center of Excellences. Performance of the startups shall be evaluated at the end of six months and the incubation can be extended for six more months on satisfactory report.

## **(IV)PATENT FILING COST**

The cost of filing of successful patent shall be reimbursed to the incubated startups for Indian as well as foreign awarded patents: INR 2 Lakhs for Indian patents and INR 10 Lakhs for International Patents.

## **(V)EVENT PARTICIPATION**

Reimbursement to startups for participation in events – upto INR 50,000 for national events and INR 1 Lakh for international events. This is applicable to all GOI registered startups which are incorporated in Uttar Pradesh. The condition of mandatory incubation through GoUP recognised incubators shall not be applicable in this case.

## **NON-FISCAL INCENTIVES**

(As per the notification issued by Government of India, startups shall be allowed to self-certify with 9 labour and environment laws (currently approved by Gol and will be revised time to time based on Gol notification) or as per any amendments afterwards. In case of the labour laws, no inspections will be conducted for a period of 3 to 5 years from the date of incorporation. Startups may be inspected on receipt of credible and verifiable complaint of violation, filed in writing and approved by at least one level senior to the inspecting officer.

Permission shall be available for 3-shift operations with women working in the night for startups, subject to such units taking the prescribed precautions in respect of safety and security of employees in addition to providing the required welfare and health amenities as prescribed under applicable labour laws and obtaining the necessary approvals from the competent authority

# APPLICATION PROCESS



Any startup incorporated in Uttar Pradesh having innovative idea/concept will be eligible to receive support under this policy and such Startup must be registered with GOI under Startup India program.

# FOR INCUBATORS

Incubators shall submit their application for recognition under this policy to the Startup Nodal Agency through Start-In-UP online platform.

Government host institutions shall not be eligible to get Capital Grant. However, all other provisions related to incubators mentioned in this policy will be applicable to them.

Detailed guidelines for incubator recognition application and their ongoing performance evaluation shall be made available on Start-In-UP website

# FOR STARTUPS

The startup will submit its application along with detailed business plan to the GoUP recognised incubators for incubation.

The incubator will submit the proposal on behalf of the Startups to Startup Nodal Agency attaching application assessment report, incubation certificate and a recommendation letter requesting for financial assistance. The Application assessment criteria will be circulated by Nodal Agency in consultation with PMIC to all recognised incubators to be used for startup evaluation process

Nodal Agency, in turn, shall assess and submit the proposal along with its recommendation to the Policy Implementation Unit (PIU) for approval. Disbursement of the financial incentive shall be made directly into the Startup Bank Account.

Thanking You

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For detailed information visit [www.startinup.in](http://www.startinup.in)