

New start-up scheme to focus on biz ideas, unicorns in Uttar Pradesh

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Uttar Pradesh has recast its start-up policy to support new business ideas and nurture unicorns.

The prominent UP-based unicorns include Paytm and Pine Labs even as Noida, Ghaziabad, and Lucknow account for the maximum number of start-up ventures in the state. To boost the start-up culture, the state government has amended the start-up policy to expand the bouquet of incentives and financial sops to enrich the 'doing business climate' for new businesses.

Under the new framework, the start-up seed capital/marketing support sum has been hiked by 50 per cent from Rs 5 lakh to Rs 7.5 lakh. Besides, the sustenance allowance to start-ups has also been increased from Rs 15,000 to Rs 17,500 per month for a year. Additionally, eligible start-ups will get prototype development funding of Rs 5 lakh.

Meanwhile, the Yogi Adityanath government has increased the targeted number of start-up centres of excellence (CoE) in UP from three to eight.

The number of start-ups and incubators in the state surged after the UP Startup Policy 2020 was notified by the IT and electronics department in July 2020. At present, UP is home to 52 government recognised incubators and about 7,200 start-ups registered with the Department for Promotion of Industry and Internal Trade (DPIIT) of the central government.

So far, two CoE have been set up at the Sanjay Gandhi Post Graduate Institute of Medical Sciences, Lucknow, and the Noida campus of the Indian Institute of Technology (IIT), Kanpur. Another CoE dedicated to drones is being set up on the IIT Kanpur campus.

The UP government had earlier announced to inject Rs 4,000 crore into the start-up corpus. This infusion in the 'UP Innovation Fund' will be utilised to provide seed capital to startups.

"The UP Innovation Fund would promote such startups, which are predominantly focussed on the state," UP Chief Minister Yogi Adityanath had said, noting the government had been taking policy decisions to ensure that the startup ecosystem was adequately funded.

Meanwhile, the UP government is looking to create an angel fund of Rs 1,000 crore with the overarching target of setting up 10,000 start-ups. Together with the Rs 4,000-crore UP Innovation Fund, the aggregate state government support is therefore to the tune of an impressive Rs 5,000 crore.