
ACCENT REGION

UTTAR PRADESH

Incentives to draw investment to eastern UP, Bundelkhand

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Lucknow, 13 July

The Uttar Pradesh government has offered a series of provisions in the startup and data centre policies to attract private investments in the relatively backward Purvanchal (Eastern UP) and Bundelkhand regions of Uttar Pradesh. This move brings the state closer to its goal of becoming a \$1 trillion economy by 2030.

The recently announced Uttar Pradesh Startup Policy 2026 promises capital grants of up to ₹1.50 crore to incubators in Purvanchal and Bundelkhand, while such support in other regions including Western UP and Central UP, is capped at ₹1.25 crore. Similarly, the Uttar Pradesh Data Centre Policy 2026 provides addi-

tional sops to units proposed in Purvanchal and Bundelkhand regions. The upcoming data centres would be eligible for a land subsidy of 50 per cent on prevailing circle rates if private investors purchase or lease land from government authorities in the two relatively backward regions. However, in other parts of the state, the corresponding subsidy is only 25 per cent, according to the fresh policy document.

According to a senior official, the startup and data centre policies, which the Yogi cabinet recently cleared, are cornerstones of UP's aggressive march from an agrarian economy to an industrial and services powerhouse. UP Minister for IT & Electronics Sunil Sharma said the policy provides comprehensive financial

and institutional support to the state's startup ecosystem.

The sustenance allowance for startups has been increased from ₹17,500 per month for one year to ₹20,000 per month for two years. The prototype grant has been doubled from ₹5,00,000 to ₹10,00,000, while seed funding has been hiked from ₹7,50,000 to ₹15,00,000.

Under special circumstances, seed funding could be enhanced up to ₹50,00,000, he said, adding the policy targets to promote innovation, entrepreneurship, employment, and investment. The policy promises reimbursement of up to ₹2 crore for patents and quality certifications, matching grants of up to ₹5 crore, and a 4 per cent interest subsidy on term loans of up to ₹2 crore to help enterprises scale up.