

Start-Up Schemes

Introduction

There are two Start-up schemes that can be availed by artisans/workers/ business entities based in Uttar Pradesh. One is Start-up scheme of Government of India (GoI) which is open for all industry types and other one is Start-up scheme of Government of Uttar Pradesh (GoUP) which is open to IT/ITes and Electronics industry. Primary aim of both the schemes is to build a strong ecosystem that is conducive for growth of start-up businesses.

Benefits/ Nature of Assistance

Start-ups based in Uttar Pradesh can claim the benefits under GoI as well as GoUP Start-up schemes (IT/ITeS and Electronics companies only), simultaneously.

1. Under GoI Scheme

For availing various benefits under the Start-up India scheme, an entity would be required to be recognized by Department of Industrial Policy and Promotion (DIPP) as a start-up by applying at <https://www.startupindia.gov.in/content/sih/en/startupgov/startup-recognition-page.html>.

- a. Tax holiday for 3 Years: Start-ups are eligible for getting 100% tax rebate on profit for a period of three years in a block of seven years provided that annual turnover does not exceed Rs 25 crores in any financial year. In such case, they should be registered DIPP and also get a certification from Inter-Ministerial Board (IMB validates Start-ups for granting tax related benefits and is setup by DIPP. For more info, visit: <https://www.startupindia.gov.in/content/sih/en/startupgov/imb.html>)
- b. Easy Exit: In case of exit, a Start-up can close its business within 90 days from the date of application of winding-up
- c. Self-certification for labour and environment compliances: Start-ups are permitted to self-certify with nine labour and environmental laws. Additionally, in case of labour laws, no inspection will be conducted for a period of three years.
 - o Labour compliances wherein self-certification is permitted: The Building and Other Constructions Workers' (Regulation of Employment & Conditions of Service) Act, 1996; The Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979; The Payment of Gratuity Act, 1972; The Contract Labour (Regulation and Abolition) Act, 1970; The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and The Employees' State Insurance Act, 1948;
 - o Environment compliances wherein self-certification is permitted: The Water (Prevention & Control of Pollution) Act, 1974; The Water (Prevention & Control of Pollution) Cess (Amendment) Act, 2003 and The Air (Prevention & Control of Pollution) Act, 1981
- d. Patents and Trademark Facilitation: GoI has empanelled facilitators of patents and trademarks who shall provide high quality Intellectual Property Right Services including fast examination of patents at lower fees. Kindly visit the link for details –

<https://www.startupindia.gov.in/content/sih/en/search.html?roles=Accelerator&page=0>

- e. Startup Patent Application & IPR Protection: Fast track patent application with up to 80% rebate in filing patents
- f. Easier Public Procurement Norms: Exemption from requirement of earnest money deposit, prior turnover and experience requirements in government tenders
- g. Single window clearances for registrations, approvals, and filing compliances
- h. SIDBI Fund of Funds: Funds for investment into startups through Alternate Investment Funds. Further, the Startup India portal – www.startupindia.gov.in – is a one-stop platform for all stakeholders in the startup ecosystem to interact amongst each other, exchange knowledge and form successful partnerships in a highly dynamic environment. To know more about the benefits under Startup India, visit https://www.startupindia.gov.in/content/dam/invest-india/startup_kit.pdf.

2. Under GoUP Scheme

- a. Interest Subsidy: An interest subsidy of 5% per annum on the rate of interest paid on the loans obtained from Scheduled Banks/ Financial Institutions, for a period of 7 years; subsidy shall be in the form of reimbursed and subject to a maximum of INR 1 crore per annum, per unit
- b. Stamp Duty: 100% exemption of stamp duty on purchase/lease of land/office space/ buildings for IT/ITeS use with condition of commencing operations within 3 years
- c. Exemption of Electricity Duty: 100% exemption on Electricity duty for new IT/ITeS units for a period of 10 years post commencement of commercial operations
- d. Incentives for Certifications: Reimbursement of the cost incurred by an IT/ITeS companies operating in the State on successfully securing quality & IT related certifications such as Capability Maturity Model (CMM) level 2 upwards, ISO 27001 for security, ISO 20000 for service management terminology, COPC, eSCM certification; subject to maximum reimbursement of 3 certifications with total limit of INR 25 lakhs per unit. The similar certifications related to this sector shall be included in the list, from time to time
- e. Promotional Incentives:
 - o GoUP shall promote organization of start-up challenges, Hackathons, boot camps, workshops, business plan competitions, conclave, conferences etc. to boost the start-up environment
 - o GoUP shall provide sponsorship assistance, subject to a maximum of Rs 50,000 per start-up for participation in such forums

Eligibility/ Who can apply?

- a. Definition of Start-up:
 - o Start-up is a business entity working towards innovation, development or improvement of products or processes or services. Additionally, business entity having a scalable business model with a high potential of employment generation or wealth creation, shall be treated as a Start-up

- Start-up should be registered as Private limited company/ Partnership firm/ limited liability partnership, in India
 - The definition will be valid up to seven years from the date of its incorporation/registration; however, in the case of startups in the biotechnology sector, the period shall be up to ten years from the date of its incorporation/registration;
 - Start-up status of a business entity shall cease to exist post the financial year wherein it attains turnover of over Rs 25 Crores; Start-up status once lost, can't be awarded to the same business entity again
 - An entity formed by splitting up or reconstruction of a business already in existence shall not be considered a 'Start-up'
- b. Start-up scheme of Government of India (GoI) which is open for all industry types
- c. Start-up scheme of Government of Uttar Pradesh (GoUP) which is open to IT/ITes and Electronics industry

Note:

A Startup which has a profile on the "Startup India" website is considered a registered Startup on the portal. These Startups can apply for various acceleration, incubator/mentorship programmes and other challenges on the website along with getting an access to resources like Learning and Development Program, Government Schemes, State Policies for Startups, and pro-bono services.

For DIPP-recognition, the Startups will have to apply at <https://www.startupindia.gov.in/content/sih/en/startupgov/startup-recognition-page.html> to avail benefits like access to high quality Intellectual Property services and resources, relaxation in public procurement norms, self-certification under labour and environment laws, easy winding of company, access to SIDBI Fund of Funds, tax exemption for 3 consecutive years, and tax exemption on investment above fair market value.

How and Where to Apply?

To register on Start Up India website:

- Simply click on 'Register' and fill in the details as required in the registration form. An OTP will be sent to your registered email address, post submitting which your profile will get created.
- Option to select profile type will appear. For 'Individuals', the profile goes live immediately, whereas for 'Start-ups', the profile goes under moderation for 24-48 Hrs, post which you will be able to avail all benefits on www.startupindia.gov.in

The screenshot shows the 'APPLICATION FOR STARTUP RECOGNITION' form on the Startup India portal. The form is titled 'APPLICATION FOR STARTUP RECOGNITION' and is divided into several sections. The 'Entity Details' section is currently expanded, showing the following fields:

- Nature of the Entity * (Dropdown menu)
- Industry* (Dropdown menu)
- Sector* (Dropdown menu)
- Categories* (Dropdown menu)
- Incorporation / Registration No. * (Text input field)
- Name of the Entity * (Text input field)
- Incorporation / Registration Date * (Text input field)
- PAN (Text input field)

On the left side of the form, there is a sidebar menu with the following options:

- Startup Recognition
- Startup Tax Exemption
- Startup Benefits
- Advertisement
- Request For Startup India Logo

The top of the page features the Startup India logo, the Government of India logo, and the Ministry of Commerce and Industry. The page also includes a 'Tail Free Number 1800115565' and a 'Logout' button.

What is the application procedure?

Step 1: Log on Startup India Portal <https://startupindia.gov.in/registration.php>. Please follow the page below

- Step 2: Enter your Legal Entity Representative.
- Step 3: Enter your Incorporation / Registration No. / Step 8: Enter the Details of Directors and Partners.
- Step 4: Enter your Incorporation / Registration Date. / Step 9: Upload the essential documents and Self – Certification in the prescribed manner.
- Step 5: Enter the PAN Number (optional). / Step 10: File the Incorporation / Registration certificate of the company.
- Step 6: Enter your address, Pin Code & State.
- Step 7: Enter details of the Authorized

To register as a Start Up with DIPP:

Step 1: Incorporate your business in Limited Liability Partnership or a Private Limited company or a Firm

Step 2: Register your business with the start-up India scheme (as illustrated previously)

Step 3: Documents required to be upload online (upload only .pdf format)

- Any patent filed and published in patent journals available online or offline.
- Registration wit incubators which are established in prominent post-graduation colleges in India.
- Support letter from one of the startups who is funded through central or state Government authorities or any incubator which is duly recognized by the government of India.
- Letter of funding which should not be less than 20% in equity by angel or incubation fund
- Certificate of the incorporation of your business

Step 4: Self-certify all your documents (as discussed above in page 1, point 1.c) before filing for the recognition

Step 5: Await approval from Inter Ministerial Board

To register as a Start Up in Uttar Pradesh:

Step 1: Log in to <http://itpolicyup.gov.in/login/> ; create new username ID and password

Step 2: Log in to <http://lucknowinfo.com/itpolicyform/Public/frmStartupEnrollmentForm.aspx>

Step 3: Fill in the required details

IT & Startup Policy 2016
Government of Uttar Pradesh

DASHBOARD STARTUP ENROLLMENT FORM LOGOUT

Startup Enrollment Form

Entity Details

Name *	Address *	Telephone No. *
Enter Name	Enter Address	Enter Telephone No.
Fax	Registered (Yes/No) *	Entity email ID *
Enter Fax	<input type="radio"/> Yes <input type="radio"/> No	ex. abc@gmail.com
Incorporation / Registration No. *	Incorporation / Registration Date *	Pin code *
Enter Registration Number	Enter Registration Date	ex. 123455
PAN NO. *	TAN NO. *	Website *
Enter Pan Number	Enter Tan Number	ex. www.abc.com

(In case of non-registration, the start-up cannot avail the grant or incentives provided under the policy. The start-ups have to mandatorily register within 6 months of establishment)

Nature of Entity

Private LTD Limited Liability Partnership Registered Partnership

Entity Focus Area

Mobile and Information Technology Internet of things, e-Commerce Electronics design/VLSI design Any Innovative ideas/technologies in IT & Electronics sector

Other

Stage of Entity *

Enter Stage of Entity

Download Scheme Guidelines:

<https://www.startupindia.gov.in/content/sih/en/startupgov/startup-recognition-page.html> (GoI)

http://www.upcl.in/docs/Final%20UP%20IT%20Start-up%20Policy%202017_13%20Dec%20English.pdf (GoUP)

Whom to Contact

1. Start-up

Nodal Officer's Name: Shri Praveen Kumar
Address: 10, Ashok Marg, Sadullah Nagar, Narhi, Hazratganj, Lucknow, Uttar Pradesh 226001
Email: info@itpolicyup.gov.in
Phone No: +91-522-2286808/09

2. ODOP PMU

Ram Kumar GK

Address: Niryat Bhawan, Second Floor, 8 Cantt Road, Qaiserbagh, Lucknow -
226001, Uttar Pradesh, India
Email: odoputtarpradesh2019@gmail.com