



# Highlights of AP Innovation and startup Policy







## Andhra Pradesh – Innovation & Startup Policy 4.0 (2024–2029)







Financial Incentives	
1	<p><b>Startup Grants</b></p> <ul style="list-style-type: none"> <li>■ Upfront initial grant of up to <b>Rs.2 Lakhs</b></li> <li>■ Grant capped at <b>₹15 Lakhs</b>, per startup based on startup stage</li> <li>■ Separate <b>Grand challenges/hackathons</b> by Govt. departments or Spoke Centers</li> </ul>
2	<p><b>Grants for Woman/BC/ SC/ ST/ Minority/ Differently Aabled &amp; Others led startup</b></p> <ul style="list-style-type: none"> <li>■ Grant capped at <b>₹20 Lakhs</b>, per startup based on startup stage</li> <li>■ Separate <b>Grand challenges/hackathons</b> by Govt. departments or Spoke Centers</li> </ul>
3	<p><b>Interest subsidy</b></p> <ul style="list-style-type: none"> <li>■ 8% on term loan for a period of 3 years</li> </ul>
4	<p><b>Seed funding with Equity</b></p> <ul style="list-style-type: none"> <li>■ Up to <b>50 Lakhs</b>, based on equity sharing model</li> </ul>
5	<p><b>Go to market support</b></p> <ul style="list-style-type: none"> <li>■ Up to <b>50 Lakhs</b>, based on equity sharing model</li> </ul>
6	<p><b>Support for attending events/ Fairs etc</b></p> <ul style="list-style-type: none"> <li>■ <b>75%</b> of costs (<b>up to ₹3 Lakhs</b>) for registration, travel, and stay; max 1 event per year per startup</li> </ul>


NOTE : Applicable for both startups incubated in the hubs and individual startups




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




## Andhra Pradesh – Innovation & Startup Policy 4.0 (2024–2029)






Financial Incentives	
7	<p><b>Accelerator program support</b></p> <ul style="list-style-type: none"> <li>■ <b>50%</b> fee reimbursement for acceleration programs, up to <b>₹2 Lakhs</b> per program (max 2 per startup)</li> </ul>
8	<p><b>Patent filing cost</b></p> <p><b>50%</b> reimbursement of patent expenses</p> <ul style="list-style-type: none"> <li>■ up to <b>₹2 Lakhs</b> for Indian patents</li> <li>■ up to <b>₹10 Lakhs</b> for foreign patents</li> </ul>
9	<p><b>SGST reimbursement</b></p> <ul style="list-style-type: none"> <li>■ <b>100%</b> reimbursement for 5 years</li> </ul>
10	<p><b>Need Based Seed funding for Deeptech &amp; Advanced tech Startups</b></p> <ul style="list-style-type: none"> <li>■ Up to <b>INR 1 Cr</b></li> </ul>
11	<p><b>Rental Subsidy for Workstations</b></p> <ul style="list-style-type: none"> <li>■ <b>100%</b> rental subsidy for workstations in designated spaces for up to 30 employees for one year</li> </ul>
12	<p><b>For select incubators, CoEs, or accelerators in govt. universities or institutes in the state</b></p> <ul style="list-style-type: none"> <li>■ Up to <b>100%</b> matching grant under Govt schemes, capped at <b>₹50 Lakhs</b></li> </ul>



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**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

ITE&C Department – Promotion Wing - Andhra Pradesh Innovation & Startup Policy (4.0) 2024 -2029 –Orders – issued.

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**INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS**  
**[ITE&C] (PROMOTION WING) DEPARTMENT**

**G.O.Ms.No.3**

**Date:24.03.2025**

**Read the following:**

1. G.O. Ms.No. 6, IT, E&C (Promotions) Department, dated: 16.07.2021
2. G.O. Ms.No. 2, IT, E&C (Promotions) Department, dated: 15.03.2024
3. e.file.No. ITC01-ELECOELEC(RMAT)/14/2024-SPL-SECY-IT, Innovation and Startup Policy of ITE&C Dept., Government of Andhra Pradesh

\*\*\*\*\*

**ORDER**

Andhra Pradesh is consistently at the forefront of innovation, drawing inspiration from both national and global best practices to create a thriving startup ecosystem. The state's forward-thinking approach has positioned it as a Leader in fostering innovation and entrepreneurship. In 2014, Andhra Pradesh made a landmark move by introducing India's first Startup and Innovation Policy, setting a precedent for the rest of the country.

2. For the purposes of the "Andhra Pradesh Innovation and Startup Policy (4.0) 2024-2029", "Innovation", as understood in common parlance, is defined as the creation and implementation of new ideas to beget a product, service, process, or a complete business model. On the other hand, "Startup", in general, refers to a newly established business that aims to address a societal problem by offering an unique product or service. Thus startups are vehicles for innovation, but innovation is much broader in scope, and can occur in any form of organization, including startups and individuals. For the purpose of this policy, the Startup is defined as prescribed by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

3. The earlier policy, i.e., AP Information Technology Policy for 2021-24 comprising of the various support and incentives extended to the startups in the same policy lapsed on 30th September 2024. To address new challenges and seize opportunities presented by advancements in technology, market dynamics, and the evolving needs of startup entrepreneurs there exists a need to formulate dedicated Andhra Pradesh Innovation & Startup Policy (4.0) (2024-2029) with a long-term objective to create 20,000 new startups in the next 5 years, creating at least 1 Lakh employment in the startup eco system within the state of Andhra Pradesh.

**(P.T.O)**

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4. The Government, after careful examination of the proposal, hereby accords the approval for the *Andhra Pradesh Innovation & Startup Policy (4.0) (2024-2029)* which is enclosed to this order as Annexure.

5. The Andhra Pradesh Innovation & Startup Policy (4.0) (2024-2029) shall be valid for a period of five (5) years from the date of the policy notification, or till a new Policy is announced. New startup founders, incubators and existing startup founders, who wish to apply for the various fiscal and non-fiscal support listed under this policy may apply accordingly. The policy may be amended and modified during implementation. However, all such amendments and modifications shall be applied prospectively and shall not curtail any benefit or concession already granted under the policy. The Government of Andhra Pradesh may extend the period of this policy as and when required. The Policy shall be applicable to the entire State and shall give direction to boost Startup and Innovation Ecosystem in the State.

6. The various Incentives mentioned in the policy will be extended to the eligible startups and incubators as per the operational guidelines to be notified separately. The IT, E&C Department shall take necessary action for implementing operating guidelines for this Policy.

7. This order is issued with the remarks and concurrence of the Finance (FMU-GAD.I-U.O.No. FIN01-FMU0PC(GAD1)/6/2024-FMU-GAD-I (C.No. 2666731)) Department.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**BHASKAR KATAMNENI  
SECRETARY TO GOVERNMENT**

**To:**

All the Departments of Secretariat

The Secretary to Govt., Industries & Commerce Department, Government of Andhra Pradesh

The Commissioner and I.G., Stamps and Registration

The Director, Industries and Commerce, Andhra Pradesh

The Vice Chairman and Managing Director, APIIC,

The Commissioner, Information and Public Relations, Andhra Pradesh

The Member Secretary, A.P. Pollution Control Board, Andhra Pradesh

The Chairman and MD, AP TRANSCO

The Managing Director, APCPDCL/EPCPDCL /SPCPDCL

**(Contd..3)**

**::3::**

The Commissioner, Labour, Andhra Pradesh  
The Vice Chairman, VUDA/TUDA/VGTMUDA  
All the District Collectors and Magistrates, Andhra Pradesh  
All the Municipal Commissioners, Andhra Pradesh  
The Managing Director, APTS, Vijayawada  
The Development Commissioner, VSEZ, Visakhapatnam  
The Director, STPI, Andhra Pradesh

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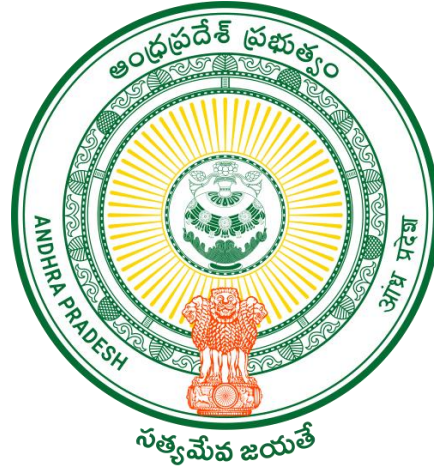
The Secretary, Ministry of Electronics and Information Technology (MeitY), Govt. of India  
The Chief Minister's Office, Government of Andhra Pradesh  
PS to Chief Secretary to Government of Andhra Pradesh  
PS to Prl. Finance Secretary, Government of Andhra Pradesh  
OSD to Minister for HRD, ITE&C, RTGs, Government of Andhra Pradesh  
PS to Minister for Finance, Government of Andhra Pradesh  
PS to Minister for Revenue, Government of Andhra Pradesh  
PS to Minister for MA and UD, Government of Andhra Pradesh  
PS to Minister for Energy, Government of Andhra Pradesh  
PS to Minister for Labour, Government of Andhra Pradesh  
PS to Secretary Planning Department, Government of Andhra Pradesh

**//FORWARDED::BY ORDER//**

**SECTION OFFICER**

## ANNEXURE

(Annexure to G.O.Ms.No.3, IT, E&C (Prom Wing) Dept., dated: 24.03.2025)



# ANDHRA PRADESH INNOVATION AND STARTUP POLICY (4.0) 2024 – 2029

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# 1. PREAMBLE

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- 1.1. Andhra Pradesh has consistently been at the forefront of innovation, drawing inspiration from both national and global best practices to create a thriving startup ecosystem. The state's forward-thinking approach has positioned it as a leader in fostering innovation and entrepreneurship. In 2014, Andhra Pradesh made a landmark move by introducing India's first Startup and Innovation Policy, demonstrating the state's commitment to catalyzing economic growth through a vibrant startup culture.
- 1.2. This pioneering policy laid the groundwork for a conducive environment that nurtures startups, providing them with the necessary resources, infrastructure, and support systems to thrive. It catalyzed a wave of entrepreneurial activity, leading to the establishment of numerous startups across diverse sectors.
- 1.3. As the global startup ecosystem continues to expand rapidly, Andhra Pradesh remains committed to staying ahead of the curve. The state is poised to integrate cutting-edge international practices with its local strengths, ensuring it remains competitive on a global scale. The Andhra Pradesh Startup & Innovation Policy 2024-29 is a testament to this vision. It is designed to be the cornerstone of socio-economic and industrial transformation, leveraging innovation and entrepreneurship to drive employment generation and wealth creation across the state.
- 1.4. This policy is not just a framework but a strategic roadmap that aligns with global standards while addressing local nuances. It focuses on fostering an environment where innovation thrives, startups can scale, and the economic landscape is transformed. By embracing emerging technologies, promoting inclusivity, and creating a robust support system for startups, Andhra Pradesh aims to build a sustainable and dynamic ecosystem that contributes significantly to both the state's and the nation's economic growth.

## 2. THE STARTUP SECTOR – KEY HIGHLIGHTS

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### 2.1. Industry Overview

- a. As of December 2024, DPIIT recognized 1.5 lakh startups in India, growing at 120% CAGR since 2015. Startups are prevalent across the country, with entities existing in

- over 80% of all districts. Following the United States of America and China, India is the 3<sup>rd</sup> largest startup ecosystem in the world and is expected to grow annually at 12-15%.
- b. Almost 50% of the recognized startups are based out of Tier 2 and Tier 3 cities. In the last 5 years, Andhra Pradesh is home to 6,600 startups, of which 2,400 are registered with Department for Promotion of Industry and Internal Trade (DPIIT), Government of India.
  - c. According to the 2022 State Startup Ranking, as adjudged by DPIIT, Andhra Pradesh has been categorized as a “Leader”, indicating its commitment to working towards building an effective startup ecosystem. Andhra Pradesh is the easiest State to do business, as per the World Bank and Government of India’s Ease of Doing Business ranking for the past 3 consecutive years.

## **2.2. Funding Spread**

- a. Over 650 incubators are currently active across the country, coming close to one incubator for every 150 startups. While slowly expanding in geographic spread, many incubators are currently concentrated in the southern and western regions of the country. Between 2014 and 2024, India saw approximately USD 150 billion in investments, with a focus on e-commerce, fintech and enterprise tech sectors (over 52%). However, 89% of these total investments were secured in Bengaluru, Delhi, and Mumbai. Foreign investors have a bullish outlook on the Indian startup ecosystem due to the open business climate, growing consumer base and favorable government policies.
- b. Therefore, there is an express need to increase the number of viable locations across the country for startups to flourish. Moreover, given the rising living costs and reducing quality of life in the existing startup hubs in India, cities like Vishakhapatnam, Kakinada, Vijayawada, Tirupati, Anantapur, Kurnool pose as an ideal alternate hub for future startups to setup and expand their operations.

## **3. INNOVATION & STARTUP SECTOR IN ANDHRA PRADESH**

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### **3.1. Driving collaborative Mindset**

- a. Andhra Pradesh has been consistently dedicated to driving the startup ecosystem from the ground-up by having innovation focus right at level of schools and higher education institute. The state conducts programs in schools and HEIs, including trainings, angel



investment sessions, startup pitches, idea conversion workshops, hackathons, and entrepreneurship programs, attended by students across the state.

- b. Andhra Pradesh is home to 6,658 startups, including 2,400 recognized by DPIIT, out of which 1,159 are women-led startups—a testament to the diversity and strength of the state’s entrepreneurial landscape.
- c. The government has established AP Innovation Society (APIS), functioning under the Information Technology, Electronics and Communications Department (IT, E&C Department), to serve as the nodal agency for spearheading innovation, entrepreneurship, and the startup ecosystem in our state. The mission of APIS is to empower entrepreneurs, researchers, students, and citizens to build a robust, knowledge-driven economy across Andhra Pradesh.
- d. The state is home to 46 incubators, spread across 9 government institutes, 1 private sector, and the rest run by private universities and colleges.
- e. The state is also home to 6 Centers of Excellence (CoEs), namely:

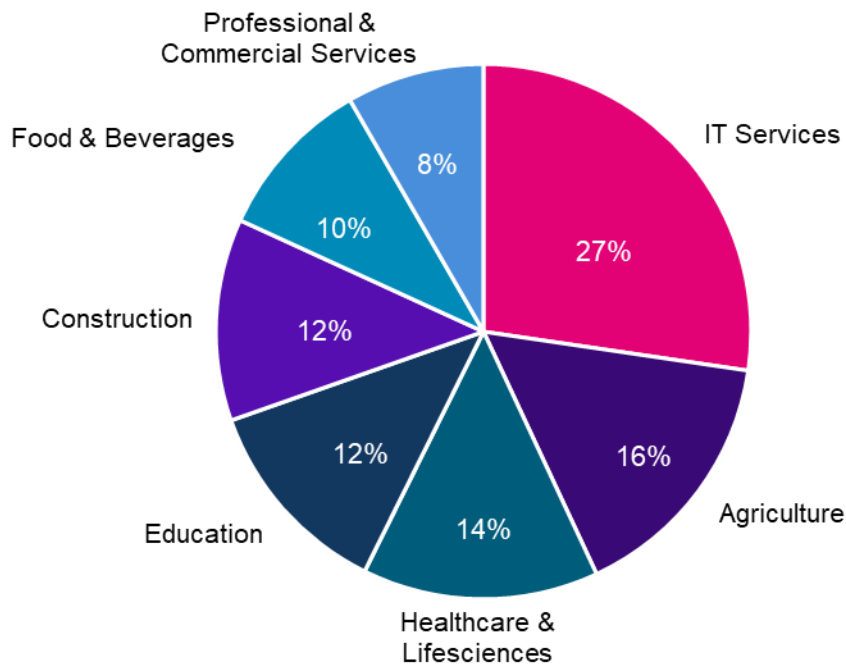
#	Focus Area	Proponent	Location
1	IoT & AI	Andhra University	Visakhapatnam
2	Rural innovation center	Sri Krishna Devaraya University	Anantapur
3	Maritime & Shipping	Ministry of Ports, Gol	Kakinada.
4	Industry 4.0	Kalpataru, STPI	Visakhapatnam
5	Biotech	AMTZ	Visakhapatnam
6	Medical Devices	AMTZ	Visakhapatnam

- f. To support this vibrant ecosystem, APIS has been offering affordable, subsidized incubation spaces in Visakhapatnam, Kakinada, Tirupati, and Vijayawada/Guntur. With almost 1 Lakh sq. ft. of state-of-the-art facilities. These spaces are critical for startups to develop and scale their ventures. Beyond physical space, APIS provides comprehensive services, including mentorship from industry experts, prototyping support, market access and funding guidance, and IP protection and legal counsel. Each of these services is designed to help startups overcome challenges and achieve sustainable growth.
- g. To build a culture of innovation, APIS works with state government departments to host Innovation Challenges and Hackathons. These events encourage students and

startups to create impactful, sustainable solutions and have become pivotal in promoting a mindset of innovation across Andhra Pradesh.

- h. Majority of the startups in the state are present in IT & ITes, Agri & Agritech, Healthcare, Pharma & Life Sciences, Edutech, and Food & Beverages sector.

### AP - Startup concentration by sectors



### 3.2. Co Working Spaces and Neighborhood Workspaces

- a. Building a strong startup ecosystem would also necessitate the availability of flexible working options for startups and its employees. Co—working spaces are integral to facilitate startup growth, as they offer ample working space, networking opportunities, mentorship events, and other basic requirements. Until recently, these spaces have been focused on existing hubs such as Delhi, Bengaluru, Pune and Mumbai, but many organizations are increasing their offerings into Tier-2 and Tier-3 cities, given the rise in startups in those regions.
- b. The Government of Andhra Pradesh has recently notified “Andhra Pradesh IT policy 4.0: with significant support offered for creation of Co-working spaces and Neighborhood workspaces across the state. The startups can leverage these spaces to access talent from across the state and quickly scale their operations.

### **3.3. Need for a new policy.**

- a. A thriving innovation-driven ecosystem is an integral component to ensure sustainable employment. The last 5 years has seen emergence of multiple nascent technologies and innovative business products and services. The market has also been quite open to implement various emerging technologies in their course of business to gain competitive advantages in the market.
- b. The state government wishes to continuously innovate its own institutional arrangements to adapt to this dynamically changing global marketplace. Post studying institutional arrangements both within and outside India, the Government of Andhra Pradesh proposes to rehaul the ecosystem and bring in new ideas to turbocharge startup formation and advancement.
- c. Over the next few years, the goal of this policy is to position Andhra Pradesh as a highly viable destination for startups and innovation, by providing support to students, funding, mentorship and business support to startups, and enabling citizens to transform ideas into successful businesses.
- d. The Andhra Pradesh Innovation & Startup Policy 4.0 wishes to not only elaborate the ecosystem setup and but also various support arrangements and funding structures to ensure rapid transformation of the sector in the state.

## **4. VISION, TARGETS AND OBJECTIVES**

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### **4.1. Vision**

To position Andhra Pradesh as Global Startup Hub for Innovation, Incubation & Entrepreneurship, fostering a robust ecosystem that supports the growth of startups, drives economic development, and promotes inclusivity and sustainability.

### **4.2. Targets**

- a. To drive Startup Ecosystem through a Hub and spoke model:
- b. To create 20,000 new startups in next 5 years, creating at least 1 Lakh employment in the sector.
- c. To support formation of 20 Soonicorns and 10 Unicorns
- d. To facilitate creation or expansion of 10 Centers of Excellence (CoEs) in
  1. Deeptech, leveraging Artificial Intelligence (AI) and Machine Learning (ML)

2. Blockchain and Decentralized Systems
  3. Extended Reality (XR), including Virtual Reality (VR) and Augmented Reality (AR)
  4. Internet of Things (IoT)
  5. Quantum Computing
  6. Climate Tech
  7. Healthtech, Biotech, Lifesciences and MedTech
  8. Advanced Manufacturing, including 3D printing, robotics, and nanotechnology.
  9. Automotive, EV
  10. Cybersecurity & Cloud Computing
- e. 15 Key departments of Government of Andhra Pradesh, to allocate between **INR 10 Crores – 20 Crores budget** per year to work with startups and create and implement at least 25 Proof of Concepts (POCs) each year through innovation challenges and hackathons every year. The key departments of focus are:
1. IT, Electronics & Communications
  2. Industries & Commerce
  3. Agriculture & Cooperation
  4. Civil Supplies & Consumer Affairs
  5. Panchayati Raj & Rural Development
  6. Transport, Roads and Buildings
  7. Energy (Generation and Distribution)
  8. Infrastructure & Investment
  9. Health, Medical & Family Welfare
  10. Municipal Administration & Urban Development
  11. Real Time Governance
  12. Home
  13. School Education
  14. Higher Education
  15. Environment & Forests

### 4.3. Objectives

The policy levers and institutional arrangement will focus on:

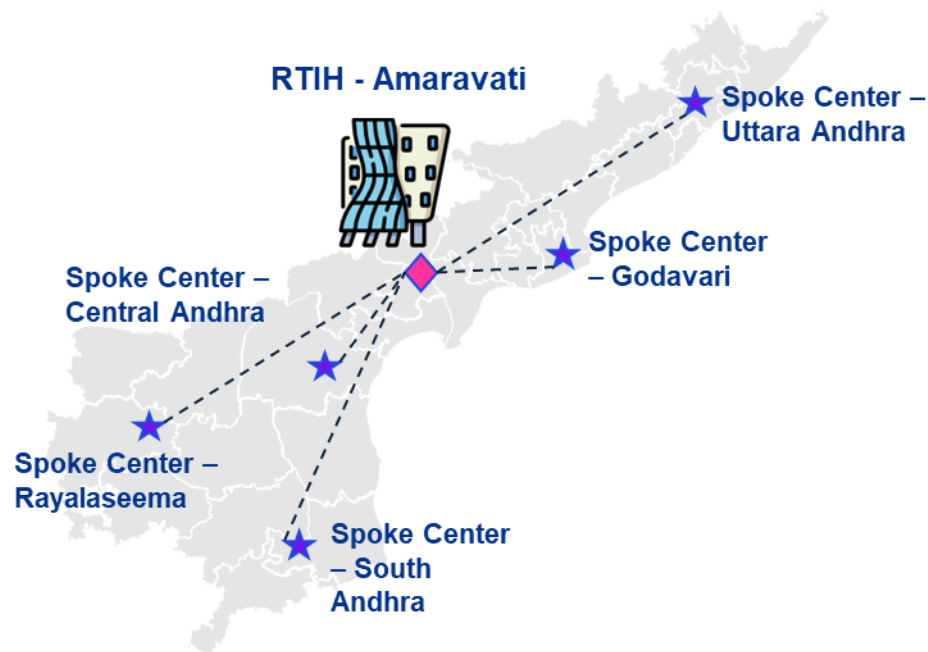
- a. Supporting adoption of innovative technologies across sectors

- b. Driving Innovation economy
- c. Leveraging the diverse economic base, industrial strength, and raw material availability of the state
- d. Connecting entrepreneurs to domestic and global marketplace
- e. Supporting Grassroot Entrepreneurship
- f. Promoting Inclusivity and Diversity
- g. Take advantage of Government of India programs to support startups in emerging sectors.

## 5. HUB AND SPOKE STARTUP ECOSYSTEM DEVELOPMENT

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### 5.1. Setting up hub and spoke



**Hub & Spoke Illustration**

- a. The Government of Andhra Pradesh shall setup the “Ratan Tata Innovation Hub” (RTIH) to lead the efforts of driving a culture of innovation and supporting startups throughout the lifecycle of their evolution. The RTIH will be setup at Amaravati and will act a Hub and serve as a beacon of innovation to all the startups and other institutes in the state.

- b. RTIH will work with 5 regional centers, located in 5 zones of the state, which will act as Spokes.
- c. This hub and spoke model of institutional startup support will encourage translation of best practices and ideas from all over the state into viable businesses at the grass root level.
- d. The Hub & Spoke model will be operated on twin funding from corporate and Government for seed money as well as for Opex.

## 5.2. Governance Structure of RTIH and Spoke Centers

### a. Structure of center:

- i. **Location:** RTIH will be physically located in Amaravati and 5 Spoke Centers will be physically located in 5 zones across the state in Rajahmundry, Vijayawada, Visakhapatnam, Tirupati and Anantapur.
- ii. **Objective:** The company's objective will be to promote innovation and startup culture

### b. Board of Governors for RTIH: The board will consist of:

- i. One promoter who will also act as president of RTIH.
- ii. Presidents of 5 spokes
- iii. 2 Independent experts
- iv. 2 Persons from Government, Academia, and Industry associations

### c. Board of Governors for Spokes: The board will consist of:

- i. One promoter who will also act as president of RTIH.
- ii. 3 to 4 Co-Promoters
- iii. 2 Independent experts
- iv. 2 Persons from Government, Academia, and Industry associations

### d. Role of Board of Governors:

The board will serve as the supreme governing body, responsible for overseeing the overall strategy, direction, and governance of the organization. The Board of Governors shall be appointed by the President, with subsequent appointments made by existing Board members, subject to the President's approval. The term for Board members can range from 2 to 3 years.

### e. Executive Committee:

The Executive Committee will consist of one CEO, one CFO, and one COO, with the possibility of combining roles based on board resolutions. This committee will be

responsible for the day-to-day management of the organization, implementing the decisions of the Board of Governors, and ensuring that the organization's objectives are met. Members of the Executive Committee are appointed by the Board of Governors, and their term can range from 2 to 3 years, with the possibility of extension upon the board's decision.

- f. Investment team:** This team will be responsible for identifying, evaluating, and investing in startups and MSMEs.
- g. Incubation & Acceleration team:** This team will be responsible for providing support services to startups and MSMEs, including mentorship, networking, and access to resources.
- h. Ecosystem Development team:** This team will be responsible for developing and maintaining relationships with stakeholders, including government agencies, industry associations, and academia.
- i. Finance & Accounting Team:** This team will be responsible for managing the organization's finances, including accounting, budgeting, and financial reporting.
- j. Marketing & Communications Team:** This team will be responsible for promoting the organization's brand, services, and initiatives.

### **5.3. Funding arrangements and Grant from GoAP:**

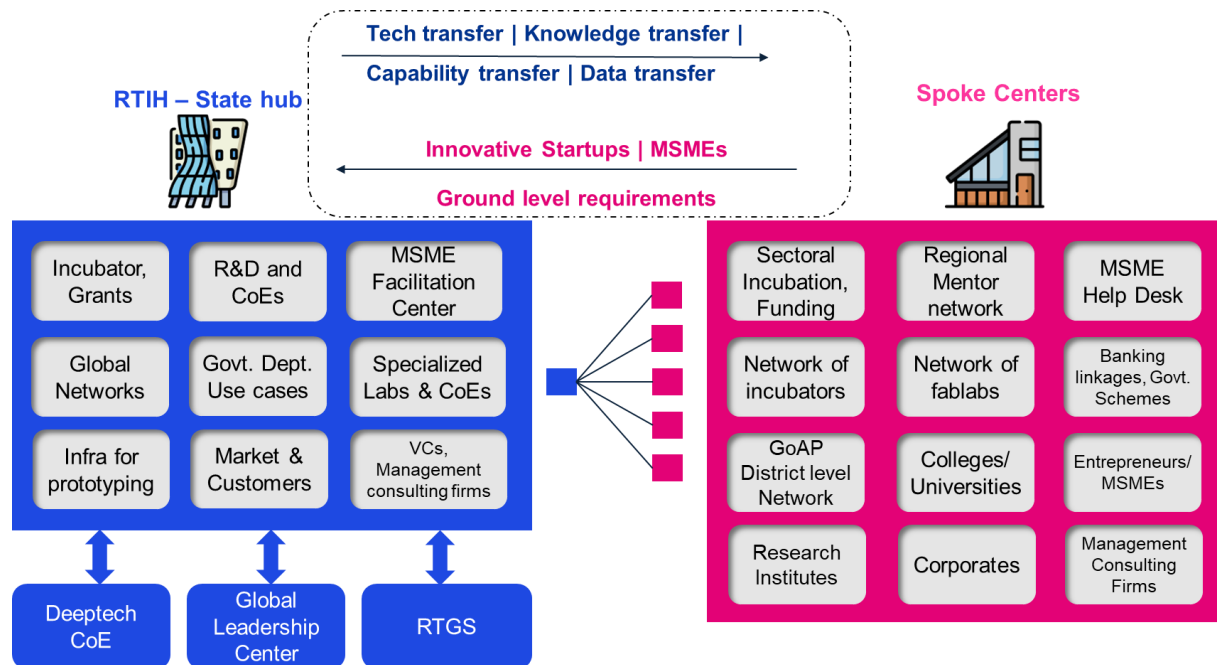
- a.** To kickstart the formation and setup of the RTIH/Spoke Center, the Government of Andhra Pradesh will facilitate a seed capital grant of INR 50 Cr to RTIH and INR 30 Cr to each Spoke Centers.
- b.** The lead promoter and Co-promoters shall contribute to the seed Capital.
- c.** The company can also further raise contributions, donations, CSR funds etc.
- d.** Over 5-year period, the government will facilitate capital grant of up to INR 250 Cr for RTIH and INR 100 Cr for each Spoke Center, based on the performance of the center.
- e.** To support initial setup costs, the grant money facilitated by GoAP can be used in the following manner:
  - i.** Setting up of Temporary Facilities.
  - ii.** Construction of Permanent Campuses.
  - iii.** Staffing and administrative expenses.
  - iv.** **Funding Support to startups:** The remaining grant along with the contributions from members or donations from external agencies, can be used towards funding of startups. The center is expected to become self-sustainable utilizing

this grant and donations raised and is expected to drive the startup ecosystem along with the equity earned through startups investments can also be some of funds in future.

**f. Programs and fees**

- i. **Program Fees:** The RTIH/Spoke Center may charge fees for various services that it offers to participants in various programs.
- ii. **Outreach Programs:** Government of Andhra Pradesh will coordinate with RTIH/Spoke Centers in the state to conduct:
  - Entrepreneurship Awareness Programs
  - Short term programs: Boot camps, Immersion Programs
  - Medium term Training Programs: Acceleration programs, Upskilling etc.
  - Flagship events: Sub-sector wise events, theme-based events etc.
- iii. Government of Andhra Pradesh will provide budgetary support along with support from local institutions for smooth implementation of outreach and training programs along with incentives.

**5.4. Institutional mechanism of Hub & Spoke**



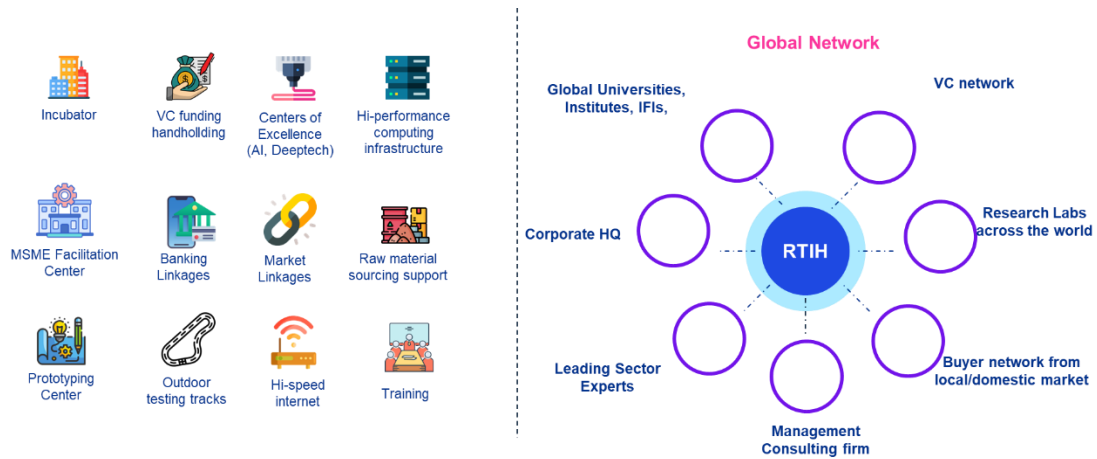
**Institutional mechanism of hub & spoke**

- a. The hub and spoke will work synchronously, to ensure smooth flow of technology transfer, knowledge transfer, data transfer, ground level requirements that lead to large scale development of innovative startups and MSMEs.



- b. The hub and spoke will have dedicated yet distinct incubators, prototyping centers etc. The hub will be supported by Deeptech CoE, Global leadership Center and Real Time Governance Society (RTGS) that will be in Amaravati. The spokes will focus on delivering services to fulfill local needs for startups and MSMEs in the region.

## 5.5. Roles & Responsibilities for RTIH



### What will RTIH have

- a. RTIH will provide a comprehensive range of support services. These include incubators to nurture startups and handholding for venture capital funding. Additionally, RTIH will establish Centers of Excellence for AI and other emerging technologies. High-performance computing infrastructure will be available, along with an MSME facilitation center and banking linkage support. RTIH will also offer market linkages, raw material sourcing support, and a prototyping center. For practical testing, outdoor testing tracks will be provided. Furthermore, high-speed broadband connections and facilities for training and conferences will ensure seamless operations and continuous learning.
- b. RTIH will also have access to a global network consisting of various partners. These partners include global universities, institutes, international financial institutions (IFIs), venture capital networks, corporate headquarters, and research labs across the world. Additionally, RTIH will collaborate with leading sector experts, management consulting firms, and buyer networks from both local and international markets.
- c. RTIH to develop infrastructure, Network and knowledge bank for sectors/technologies which are exclusive or hard to build. RTIH will guide spokes to avoid redundant efforts at Spokes. Spokes can focus on implementation at ground level.
- d. **Focus Areas**

RTIH will serve as a knowledge partner for the entire state in the development of several key areas. These focus areas include the development of a knowledge economy, the establishment of a product innovation ecosystem, and the application of technology in government operations.

**e. Knowledge Economy**

To build a knowledge economy, RTIH will offer incubation, marketing, and support to startups working on cutting-edge technologies. This includes facilities for software prototyping, digital twins, access to AI models, a cybersecurity sandbox, simulation tools, and 5G testbeds. Additionally, RTIH will provide access to worldwide SMEs, integration with co-working and neighborhood workspaces, solution implementation in governance applications, a corporate solution center, and venture capital tie-ups.

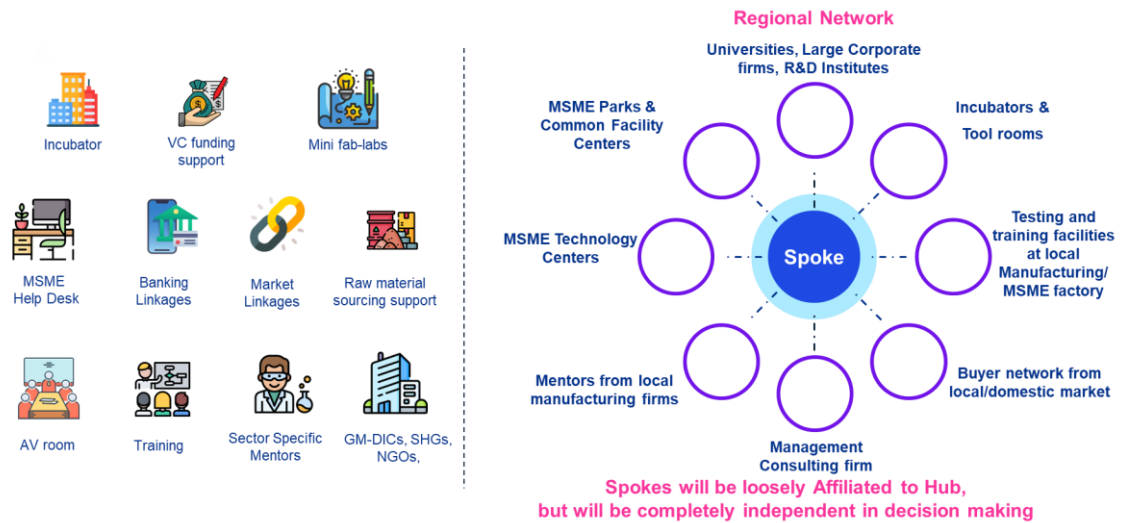
**f. Product Innovation**

To foster a product innovation culture, RTIH will provide services such as idea validation, design thinking, hardware prototyping, and packaging and marketing support. Facilities will include infrastructure such as 3D printing, a semiconductor cleanroom, robotics labs, tracks for electric and autonomous vehicles, IoT-ready infrastructure for implementing and testing use cases, advanced energy storage testing labs, an innovation showcase center, and market linkages.

**g. Government Application**

RTIH will collaborate with the government to act as a knowledge partner for Data Lake and RTGS. It will build use cases in association with startups and corporates, help build datasets to address specific problem statements, assist the government in understanding and developing new infrastructure for emerging technologies, provide access to the latest research, and facilitate participation in research affiliate programs at premier institutions.

## 5.6. Roles & Responsibilities of Spoke Centers



### What will Spokes have

- a. Spokes will work with RTIH and a regional network of infrastructure, corporates, incubators, and Fablabs. They will focus on sectors with a significant presence in the local region, emphasizing the implementation of startups and innovation at the ground level.
- b. **Focus Areas**  
Spokes will serve as an implementation partner for the zone they are located within the state and will focus on knowledge economy development, product innovation ecosystem development, and government applications.
- c. **Knowledge Economy**

To build a knowledge economy in their respective zones, Spokes will implement initiatives such as ideation huddles, providing incubation space, and conducting AI and deep tech workshops. They will also offer marketing and branding support, create a network of mentors in local firms, and run acceleration and immersion programs with corporates and RTIH. Additionally, Spokes will identify and facilitate startups for hackathons and training programs within and outside India, facilitate tech partnerships through trade agencies and IFIs (such as USTDA and KOTRA), and promote the "One Family – One AI Use Case" initiative to encourage AI usage at the family level.

#### d. Product Innovation

To foster a product innovation culture, Spokes will provide support in their respective zones through services such as an innovation concierge and an entrepreneur outreach cell. They will establish Fab labs and tinkering labs, offer mentoring from local corporates on building products, and support MSMEs with feasibility studies, prototyping/tool rooms, business setup/scale-up funding, market linkage/exports, funding, government scheme enablement, space in MSME parks, and technology tie-ups.

#### e. Government Application

Spokes will support the government in implementing initiatives in their respective zones by coordinating startups at the grassroots level, implementing training and incentive programs, advising the government on building new incubators or upgrading existing ones, and providing guidance on building MSME parks, sheds in current parks, and common facilities. They will also facilitate government grants to students and help students transition to startups.

## 6. FINANCIAL INCENTIVES

(Applicable for both startups incubated in the hubs and individual startups)

#	Category	Incentive
For Students and Startups		
1	Startup Grants	<p>To convert innovative ideas into test solution or proof of concept</p> <ol style="list-style-type: none"><li>1. Upfront initial grant of up to Rs.2 Lakhs</li><li>2. Grant up to 15 Lakhs for startups, in a phase wise manner, based on existing phase of that startup and performance at previous stage, until product viability is reached.</li><li>3. This grant will be capped to total of 15 Lakhs in total to one startup.</li><li>4. Separate grand challenges/hackathons may be launched by Spoke Centers or departments of Government of Andhra Pradesh. The Spoke Centers will facilitate participation of startups in the same. The</li></ol>

#	Category	Incentive
		prize money/incentive may be announced at the time of announcement of the challenge/hackathon.
2	<b>Grants for Woman/ BC/ SC/ ST/ Minority/ Differently Abled &amp; Others led startup</b>	<ol style="list-style-type: none"> <li>1. Grant up to 20 Lakhs for startup with a founder from Women/ BC /SC /ST /Minority /Differently Abled &amp; Others.</li> <li>2. The grant will be given in a phase wise manner, based on existing phase of that startup and performance at previous stage, until product viability is reached.</li> <li>3. This grant will be capped to total of 20 Lakhs in total to one startup.</li> <li>4. Separate grand challenges/hackathons may be launched by Spoke Centers or departments of Government of Andhra Pradesh. The Spoke Centers will facilitate participation of startups in the same. The prize money/incentive may be announced at the time of announcement of the challenge/hackathon.</li> </ol>
3	<b>Interest subsidy</b>	8% on term loan for a period of 3 years.
4	<b>Seed funding with Equity</b>	Up to 50 Lakhs, based on equity sharing model.
5	<b>Go to market support</b>	Up to 50 Lakhs, based on equity sharing model.
6	<b>Support for attending events/ Fairs etc.</b>	75% of cost, up to 3 Lakhs, incurred towards registration, travel, lodging and boarding expenses. Maximum of 1 event per year per startup.
7	<b>Accelerator program support</b>	50% of cost fee re-imburement, for acceleration programs, up to 2 Lakhs per program. Maximum 2 programs per startup.
8	<b>Patent filing cost</b>	50% of patent expenses incurred, up to 2 Lakh India patent, 10 Lakh for foreign patent
9	<b>SGST reimbursement</b>	100% reimbursement for startups for 5 years.

#	Category	Incentive
10	<b>Need Based Seed funding for Deeptech &amp; Advanced tech Startups</b>	Up to INR 1 Cr
11	<b>Rental Subsidy for Workstations</b>	100% rental Subsidy for workstations in notified co-working/ neighborhood work/ MSME Parks for 30 employees for one year
<b>For Incubators</b>		
12	<b>For select new or existing Incubators/ CoEs/ Accelerators in Government universities or educational institutes in the state</b>	Up to 100% matching grant under any Government of India schemes, limited to INR 50 Lakhs

## 7. NON-FINANCIAL ASSISTANCE

### 7.1. AP Innovation Passport (APIP)

- a. Any organization that receives financial support, to setting up or expanding their facilities, from the government of Andhra Pradesh, should provide unrestricted access to all the startups registered with Government of Andhra Pradesh on the AP Startup one portal.

### 7.2. AP Startup One portal

- a. The Government of Andhra Pradesh recognizes the critical role of digital infrastructure in the startup ecosystem. In the digital era, where entrepreneurship is increasingly democratized, the integration of digital platforms has become essential for enabling smoother and faster startup operations. The ease of launching and scaling digital platforms has spurred the growth of successful startups nationwide, facilitating rapid innovation and accelerated time-to-market.

- b.** The "AP Startup One Portal" is a one-stop-shop platform for startups, incubators, investors, and mentors, offering information on sectoral policies, opportunities, and a single-window interface to apply for benefits under this and other state policies. It will provide access to events, initiatives, enablers, and procurement opportunities, with a dynamic and responsive grievance redressal system for all ecosystem stakeholders.
- c.** The portal includes support for supporting startups, mentors, investors, and incubators in Andhra Pradesh. The API, integrated with the Startup India portal for live data capture, will soon be integrated with other central and state government portals to become the central repository of startup ecosystem data.
- d.** The AP Startup One Portal will unify data on startup activities through incubators and serve as a knowledge repository for industry-academia events, capacity-building workshops, accelerators, and more. It will feature dynamic workflows for grievance resolution, escalating issues up to the CEO of APIS for timely redressal.
- e.** The portal is designed with ease of use in mind, featuring a user-friendly interface that allows startups to easily navigate its intuitive design. Startups can search for relevant information and resources with ease, follow step-by-step instructions on how to apply for various types of support, and access a comprehensive help section to address common questions and issues.
- f.** Real-time updates are provided to startups, allowing them to monitor the status of their applications in real-time. They can receive notifications about new funding opportunities, programs, and schemes, stay informed about any changes in government policies that may affect them, and get information on upcoming events, workshops, and networking opportunities.
- g.** For contact information of various stakeholders, startups can find details of relevant authorities, mentors, and support staff who can assist them. They can call helpline numbers for immediate assistance and queries, email detailed queries and receive responses, and provide feedback on the portal and services received.

## **8. PROCEDURE FOR STARTUPS TO SEEK STATE ASSISTANCE**

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### **8.1. Support through RTIH**

- a.** This innovation and startup policy document has detailed out various financial and non-financial support available to startups for various growth stages.

- b. The Ratan Tata Innovation Hub and the 5 regional spokes will handhold startups at every stage to ensure they receive mentoring, financing, marketing, skilling, incubation and other support.
- c. Startups can reach out to these hub and spokes to seek help and grow.

## **8.2. Support through “AP Startup One” portal.**

- a. Startups can also directly reach out to the state government through the “AP Startup One” portal to seek assistance.
- b. Startups can seek the following assistance from the portal:
  - i. Assistance Requests:
    - Funding Applications: Startups can apply for various funding options, including loans, and equity investments.
    - Mentorship Requests: Startups can seek guidance from experienced mentors to help them navigate challenges and grow their businesses.
    - Incubation Services: Startups can apply for incubation programs that provide office space, resources, and support. They will be facilitated either in state owned incubators or private incubators.
    - Other Support: This includes requests for legal assistance, marketing support, and access to technological resources.
  - ii. Government Schemes:
    - Financial Aid Applications: Startups can apply for grants, subsidies, and low-interest loans provided by the government.
    - Infrastructural Support Requests: Startups can seek assistance for facilities and resources to help them establish and grow.
    - Regulatory Assistance Applications: Startups can request guidance on navigating regulatory requirements and compliance.
    - Additional Scheme Requests: Startups can apply for other government initiatives aimed at supporting innovation and entrepreneurship.



## 9. POLICY PERIOD & APPLICABILITY

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- a. This Policy shall be valid for a period of 5 years from the date of the policy notification, or till a new Policy is announced. New startups and existing startups who wish to expand may apply for incentives under this policy.
- b. The policy may be amended. and modified during implementation; however, all such amendments and modifications shall be applied prospectively and shall not curtail any benefit or concession already granted under the policy.
- c. The Government of Andhra Pradesh may extend the period of this policy as and when required. The Policy shall be applicable to the entire State and shall give direction to boost economic development in the State.

## 10. POLICY IMPLEMENTATION

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### 10.1. Andhra Pradesh Innovation Society (APIS)

- a. APIS was incorporated in 2015 vide through G.O.Ms No. 24 dated 08.12.2014 under ITE&C Department, GoAP as the **State Nodal Agency** for promoting growth of Innovation, Entrepreneurship & Startups in AP by providing an appropriate platform to Entrepreneurs, Researchers, Students, Citizens, & Government.
- b. APIS shall be further strengthened with regional units and specific centers in big cities.
- c. APIS will assist Government Departments and regional startup centers to plan and implement various POCs, Hackathons, startup challenges etc.
- d. APIS will continue to focus on supporting RTIH and Spoke Centers in coordinating various government initiatives, claiming of incentives and other activities as assigned by the government from time to time.
- e. APIS shall submit all the relevant information on behalf of Andhra Pradesh as part of States Startup Ranking by DPIIT and Ease of Doing Business (EoDB)
- f. APIS will also identify private sector operators to run state-owned incubators in PPP mode.

### 10.2. Operating Guidelines

- a. The operating guidelines for this policy will be issued separately detailing the definitions of various terminologies and procedures for availing incentives under this policy.