Andhra Pradesh – Andhra Pradesh Innovation & Startup Policy (4.0) 2024-29

Policy Overview

Policy: Andhra Pradesh Innovation & Startup Policy (4.0) 2024-29

Objective: Strengthen the innovation and startup ecosystem, create employment, and foster wealth generation throughout Andhra Pradesh.

Period: Effective from March 24, 2025, until further amendments.

Issued By: Information Technology, Electronics & Communications Department, Government of Andhra Pradesh.

Operating Mechanism: Guidelines serve as a practical roadmap for all stakeholders—government, academia, private sector, and entrepreneurs.

Eligible Applicants

Startups

Must be a private limited company, LLP, or partnership firm registered in Andhra Pradesh.

Turnover ≤₹100Cr in any financial year since inception.

Not older than 10 years from incorporation date.

Must be working towards innovation, development, improvement of products/services, or scalable business models with potential for significant employment/wealth generation.

Not Eligible: Section 8 companies, public-private partnerships, franchises, subsidiaries of non-startup firms, etc.

Special Categorization:

Women/BC/SC/ST/Minority/Differently Abled/Transgender enterprises: 100% ownership or shareholding by entrepreneurs from these communities.

Students

Any student pursuing a Bachelor’s, Master’s, or PhD degree in Andhra Pradesh.

Must work through an Innovation Cell established in their college/university.

Institutional Structure

Nodal Agency: Andhra Pradesh Innovation Society (APIS), under the state IT, E&C Department.

Evaluation/Monitoring Committee (MEC):

Composition: Government, industry, academia, financial, and technical experts.

Role: Review, approve and monitor incentive applications and implementation.

Hub and Spoke Model:

Central: “Ratan Tata Innovation Hub” (RTIH) in Amaravati.

Peripheral: Five regional spokes to facilitate support and outreach across the state.

Application Process

AP Startup One Portal: Central online platform for registration, application submission, tracking, document uploads, and claiming most incentives.

Process steps:

Submit proposal/project to APIS (either direct, or through RTIH/spoke/incubator).

MEC review and approval.

Fund disbursement within 60 days of approval.

Appeals available for rejected incentives.

Incentives Schemes

For Students & Startups

Category	Incentive/Benefit	
Startup Grant	Upfront: Up to ₹2L; up to ₹15L phase-wise till product viability.	
Special Category Grant	Up to ₹20L, for Women/BC/SC/ST/Minority/Differently Abled/Others.	
Interest Subsidy	8% reimbursement on term loan interest	
Seed Funding (Equity Model)	Up to ₹50L in exchange for equity	
Go-to-Market Support (Equity Model)	Up to ₹50L in exchange for equity	
Event Participation Support	75% of cost up to ₹3L (registration/travel/lodging, 1 event/year)	
Accelerator Program Support	50% fee reimbursement, up to ₹2L/program, max 2 programs/startup	
Patent Filing Reimbursement	50% of cost, up to ₹2L (India), ₹10L (foreign patent)	
SGST Reimbursement	100% of net SGST accrued to state from the startup for 5 years	
Deeptech / Advanced Tech Startups	Need-based seed funding up to ₹1Cr; 100% rental subsidy for 1 year	

For Incubators/CoEs/Accelerators

Category	Incentive/Benefit	
Govt-university/educational institute incubators	Up to 100% matching grant with GoI schemes (₹50L cap)	

Claiming and Disbursement Process

Claims for incentives can be submitted online (direct or via RTIH/spoke/incubator).

Grants generally disbursed in 3 phases: 15%/₹2L (whichever is less) as initial, 30%, 55% after progress evaluations.

All eligible documents must be submitted for verification.

Applications processed and funds disbursed (or rejected/returned for appeal) within 60 days.

Incentive recovery provisions for misuse, non-compliance, business closure, or misrepresentation.

Additional Terms

Statutory Compliance: PAN, regular tax return filings, all clearances/statutory permissions mandatory.

Integration: Incentive portal aims to integrate with government APIs for document validation and process automation.

No double-dipping: One claim cannot be requested under more than one policy period.

Special inclusions/exclusions: Explicit definitions for deeptech, advanced tech, unicorns, soonicorns, etc.

Important Procedures

Students must apply through their college’s Innovation Cell; grants to student Section 8 company, IP jointly owned by student/college.

Reimbursement for event participation/patent/accelerator only after successful completion and submission of required reports and invoices.

Rental subsidy for deeptech: Up to 30 workstations for 1 year in notified co-working spaces.

Penalties and Recoveries

Recovery of incentives (with penalties) if obtained through fraud/misrepresentation/failing to provide required statements or violating policy terms.

Legal action and future debarment possible.

Disputes/ambiguities to be referred to Government of Andhra Pradesh.

Source: Andhra Pradesh Innovation & Startup Policy (2014–2020, continued ecosystem programs under AP Innovation Society)

Issued by: Government of Andhra Pradesh – Industries & Commerce Department

Updated / Reference: Startup India Portal – DPIIT