
UTTAR PRADESH STATUP POLICY'S CONTRIBUTION TO FOSTERING ENTREPRENEURIAL CULTURE IN UTTAR PRADESH

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ABSTRACT

This research paper analyzes the contribution of the Uttar Pradesh Startup Policy in fostering entrepreneurial culture in Uttar Pradesh. This study is focusing on the contribution of Start-ups policy in development of different facilities in Uttar Pradesh for the growth of new business entrepreneur. We examined various aspects of the policy, including Funding assistance, mentorship, and infrastructure facilities. Our findings indicate that the Uttar Pradesh Startup Policy has played a significant role in promoting entrepreneurial culture in the state. This study is based on secondary data collected from various sources, including: Government Reports, Research Papers and Articles, News Articles, Industry Reports, Online Databases.

Keywords: *Startups Policy, Uttar Pradesh, Entrepreneurship, Contribution, Development,*

1. INTRODUCTION

A startup is about embarking on a new business venture with an innovative idea, transitioning from being a job seeker to a job provider. As aptly put by Honourable Prime Minister Narendra Modi, this concept can be better understood through his words "Startups are the engines of exponential growth, manifesting the power of innovation. Several big companies today are startups of yesterday. They were born with a spirit of enterprise and adventure kept alive due to hard work and perseverance and today have become shining beacons of innovation." [1] As explained by Honourable Prime Minister Narendra Modi, startups are the engines of exponential growth, and many of the big companies we see today were once start-ups such as Apple Inc., Tesla, Facebook (Meta) were established as a Startup company in the beginning. Startups not only provide jobs, but they also contribute to a nation's economic growth by promoting innovation and technological advancement.

With the third-largest ecosystem behind the United States and China, India has become a significant player in the global startup scene. According to recent data and information provided by the Honourable Prime Minister at the Startup Mahakumbh event, the Indian startup sector has generated over 12 lakh jobs, with over 1.25 lakh firms and 111 unicorns. Following the Government of India's introduction of the Startup India initiative, a number of states are vying to become India's startup hotspot. (PIB, Jan 2025)[9].

The Uttar Pradesh government adopted its startup policy in 2020 and made amendments to it in 2022. Since then, Uttar Pradesh has become the 4th largest startup ecosystem, providing opportunities for the state's youth to turn their ideas and innovations into businesses. Historically, Uttar Pradesh has been an agrarian state, contributing significantly to the country's GDP. However, the state had limited opportunities for industries and jobs. But with the introduction of startups, significant changes have been observed. Under this policy, the government has provided various benefits to startups, including sustenance allowance, prototype grants, seed capital/marketing assistance, and reimbursement for patent filing. Additionally, the government has also supported incubators with capital grants, financial support for operational expenditure, and matching grants for acceleration programs [8-9]. Two of Uttar Pradesh's biggest issues for many years have been unemployment and professional redundancy. Each year, thousands of young people with various degrees and diplomas are forced into the workforce, and even those who are successful find themselves working at jobs they may not have wanted to do in the first place. (Pandey, M., & Mishra, A. (2015)) [2]. India celebrates the ninth anniversary of Startup India, a revolutionary initiative that got underway in 2016, on January 16, 2025. This event, which has been designated as National Startup Day, honours the country's efforts to develop a strong and welcoming entrepreneurship ecosystem. Startup India was established as a flagship program of the Indian government with the goal of fostering innovation and accelerating the expansion of businesses nationwide.(PIB,2025)[3]. Over 9% of the total registered startups across India are based in Uttar Pradesh, suggests an official data of the Union Ministry of Commerce and Industries.

The following research questions (RQs) has been postulated:

RQ.1 What facilities are provided to new startups and entrepreneurs under the Uttar Pradesh Startup Policy?

RQ.2 How has the startup policy in Uttar Pradesh addressed the issue of infrastructure, which is the biggest problem affecting entrepreneurship in the state?

RQ.3 What is the relationship between the Uttar Pradesh Startup Policy and the growth of startup ecosystems in specific cities or regions within the state, such as Lucknow, Noida, or Kanpur?

2. NEED OF THE STUDY

The need for this study arises from the importance of understanding the impact of the Uttar Pradesh Startup Policy on entrepreneurial culture. The policy aims to foster a vibrant Startup ecosystem, but its effectiveness needs to be assessed. This study will focus on the areas where the Government policy developed the entrepreneurial environment for new business and start-ups.

3. SCOPE LIMITATIONS OF THE STUDY

The scope of this study is focused on the Uttar Pradesh Startup Policy and its impact on entrepreneurial culture in the state. This study has certain limitations, as it only explores a subset of the Uttar Pradesh Startup Policy's contributions, such as infrastructure development, funding opportunities, and online platform benefits. However, there are numerous other areas that require examination, particularly those that fall outside the policy's current scope. Future research should prioritize investigating these overlooked areas to provide a more comprehensive understanding of the policy's impact and identify potential avenues for improvement.

4. METHODOLOGY

For this study, I initiated the data collection process by conducting a literature search on Google Scholar. Relevant studies and publications were gathered and examined. Additionally, I reviewed startup-related websites and thoroughly studied the Uttar Pradesh Startup Policy 2020 for reference purposes. Further, I analyzed the Press Information Bureau (PIB) information from various dates to gather more insights. After synthesizing the collected data, I drew conclusions to fulfill the objectives of this study.

5. RESULT AND DISCUSSION

A. What facilities are provided to new startups and entrepreneurs under the Uttar Pradesh Startup Policy?

New startups and entrepreneurs in Uttar Pradesh are offered various facilities under the Uttar Pradesh Startup Policy 2020. Some of these facilities include:

I. Key online facilities for new entrepreneurs: Online resources for new business owners include tools for business registration, government program access, funding, learning through online courses, establishing an online presence through websites and social media, using e-commerce platforms to sell goods, and connecting with potential customers through freelance marketplaces. These tools are frequently available with little initial outlay of funds and are available from any location with an internet connection.

II. Udyami Mitra: In 2023, the Uttar Pradesh government introduced the flagship Mukhya Mantri Udyami Mitra project with the specific goal of assisting investors in resolving their problems. In every district and Industrial Development Authority located around the state, Udyami Mitras have been appointed. These Udyami Mitras serve as a liaison between the state government and investors. They are professionally trained people with a variety of backgrounds. They help speed up investment procedures within a designated region in addition to being essential to the implementation of policies. [21]

III. Fiscal and Non-Fiscal Incentive: The UP government has outlined an array of incentives designed to lower the financial burden on startups.

- **Seed Capital Support:** Prototype grant of up to INR 5 Lakhs is provided to startups to get their MVP ready.[6]
- **Incubation Support:** Financial aid for setting up incubators ranges from INR 2 lakh to INR 5 lakh.[6]
- **Patent and Trademark Subsidy:** Reimbursement of up to INR 2 Lakhs for Indian patents and INR 10 Lakhs for International Patents for filing the successful patent.[6]
- **Marketing Assistance:** Seed Capital/Marketing Assistance up to INR 7.5 Lakhs to launch MVP in the market.[6]
- **Interest-Free Loans:** Startups having women/ Transgender/ Divyangjan cofounders with more than 26% equity shall be eligible to get additional 50% incentives on Sustenance Allowance and Seed Capital.[6]

Funding and Markets

Small businesses and startup companies can raise money through venture capital (VC), a kind of equity financing, before they have started operations or started to generate income or profits. A few of the specifics are shown below:

The Government of India established the ₹10,000 Cr. Fund of Funds for Startups plan in 2016. Through Alternative Investment Funds (AIFs), it has invested ₹16,636 Cr. in 888 businesses to date.

Uttar Pradesh: The state of Uttar Pradesh has set up a UP Startup fund worth ₹1000 Cr.

It is ranked seventh out of 25 states with over ₹371 crore in venture capital investments raised by companies through the FFS plan. AIFs have invested in more than 24 businesses.

Startup Sangam 2024: The term Startup Sangam 2024 describes a number of conferences and events centred around entrepreneurship, innovation, and startups. Here are a few instances:

The goal of the IIT Madras Alumni Association's Sangam 2024-Sankalp for Viksit Bharat event was to convene startups, investors, and industry professionals to talk about innovation and entrepreneurship in fields including artificial intelligence, deep technology, and sustainability [18].

ICAR-NRRI, Cuttack hosted SANGAM 2024, a conference centred on agriculture, innovation, and cooperation that included talks about crop varieties, sustainable technology, and water management [19].

Hence we can say these gatherings give experts, innovators, and startups a place to network, exchange ideas, and spur growth across a range of industries.

B. RQ 2. How has the startup policy in Uttar Pradesh addressed the issue of infrastructure, which is the biggest problem affecting entrepreneurship in the state?

Uttar Pradesh Government addressing infrastructure-related challenges, the Uttar Pradesh Startup Policy aims to create a supportive ecosystem for entrepreneurs and startups to grow and thrive. Here we can see some of the action taken by Government for development of Infrastructure problem in Uttar Pradesh.

I. Infrastructure Development: The policy strongly focuses constructing a comprehensive support structure for companies, including establishing 100 incubators across the state. By March 2023, over 60 incubators were already functioning, with an aim to reach full capacity by 2025. Leading incubators promoting innovation include Shiv Nadar University Incubation Centre, IIT-Kanpur Incubation Centre, and iCreate. The state also wants to establish Centers of Excellence (CoEs) in cutting-edge industries including biotechnology, blockchain, and artificial intelligence (AI). Startups will have access to state-of-the-art research facilities and technological support thanks to these CoEs.

II. The Uttar Pradesh International Trade Show (UPITS) is a prestigious occasion that gives business owners a chance to connect, look into joint ventures, and enter new markets. UPITS 2024, which took place at the India Expo Centre & Mart in Greater Noida from September 25 to 29, 2024, featured goods made all throughout Uttar Pradesh that have enormous potential for the worldwide market [12]. Over 500 international customers, 70,000 domestic buyers, and over 300,000 visitors made the first edition of UPITS 2024 a huge success. Uttar Pradesh's dedication to the 'Atmanirbhar Bharat' effort was emphasised at the ceremony, with the One District, One Product (ODOP) scheme being a major factor in increasing exports and creating jobs.

III. Semiconductor fabrication plant India and the US signed a deal in September to establish a semiconductor fabrication plant in Jewar, Uttar Pradesh. This cutting-edge facility, named "Shakti", will be the first of its kind in India, marking a significant milestone [16]. The plant will help meet India's semiconductor requirements, boosting the country's electronics manufacturing capabilities. Additionally, the plant will create new job opportunities in Jewar and surrounding areas. [17]

Key features of the "Shakti" plant:

- India's first semiconductor fabrication plant
- Estimated cost: approximately \$3.5 billion
- Employment opportunities for over 20,000 people
- Will help meet India's semiconductor requirements

In Uttar Pradesh There is some prominent Unicorns and Soonicorns are there which showing the development of Uttar Pradesh entrepreneur culture:-

1. IndiaMart (Unicorn): India's largest B2B marketplace, connecting businesses and enabling trade.
2. Moglix (Unicorn): It is changing the way the companies procure products in B2B commerce industry.
3. Pine Labs: It has refined the payment and merchant commerce experience by giving innovative solutions. 4. Physics Wallah: Online Education platform that is making quality education accessible to students across the country.
5. Class Plus (Soonicorn) : Revolutionizing the way coaching institutes operate and interact with students, it is soaring to new heights.
6. Inshorts (Soonicorn): It provides crisp, bite-sized news to a large audience, innovating a new way to consume information.

C. RQ.3 What is the relationship between the Uttar Pradesh Startup Policy and the growth of startup ecosystems in specific cities or regions within the state, such as Lucknow, Noida, or Kanpur?

The Uttar Pradesh Startup Policy plays a significant role in fostering the growth of startup ecosystems in cities like Lucknow, Noida, and Kanpur. The policy aims to establish Uttar Pradesh as a leading startup hub, with a focus on creating a supportive infrastructure, providing financial incentives, and fostering innovation

Here's additional information. A closer study of the relationship may be found here:

1. Policy Objectives and Execution: Increasing Entrepreneurship: By fostering innovation and entrepreneurship, the policy seeks to establish a welcoming environment for new businesses.

Financial Support: To help companies get off the ground, the policy offers financial support in the form of grants, seed money, and access to the Uttar Pradesh Angel Network.

Infrastructure Development: The policy encourages the construction of top-notch facilities, including as technology parks and incubation centres, especially at strategic sites like IIT Kanpur, IIT-BHU, and IIM-Lucknow (Noida).

Regulatory Environment: By simplifying procedures and lowering administrative barriers, the strategy seeks to establish a regulatory environment that supports entrepreneurship and innovation.

2. Effect on Particular Cities or Areas:

Lucknow: The strategy encourages innovation in the healthcare industry by supporting the establishment of the MedTech Centre of Excellence at SGPGI Lucknow.

Noida: IIM-Lucknow's location in Noida offers a robust environment for entrepreneurship and incubation.

Kanpur: Incubators are set up to foster innovation, and IIT Kanpur is essential to the creation of AI/ML and Drone Centres of Excellence.

3. Important Projects and Activities:

The Uttar Pradesh Startup Fund was created to give startups in the state financial help. It has a total value of INR 1000 crore. The policy encourages the creation of incubator networks at prestigious universities such as IIT-Kanpur, IIT-BHU, and IIM-Lucknow (Noida). IT Parks: To increase IT exports and generate jobs, IT parks are being built in a number of towns, including Agra, Meerut, Gorakhpur, Kanpur, Lucknow, Varanasi, and Bareilly.

CoEs, or centres of excellence: The policy encourages innovation in MedTech, AI/ML, and drones by requiring the creation of CoEs in these fields and offering financial support.

6. UTTAR PRADESH STARTUP ENVIRONMENT: STATISTICS AND HIGHLIGHTS

With plans to soon become the TOP PERFORMER and then BEST PERFORMER, Uttar Pradesh has continuously been acknowledged as a leader in the state startup rankings by DPIIT.

- ✓ At least one startup from every Uttar Pradesh district.
- ✓ Tier II and tier III cities are home to about half of Uttar Pradesh's startups.
- ✓ More than one lakh employment have been created by startups in Uttar Pradesh.
- ✓ 206 startups have received incentives granted by the state government, totalling ₹5.50 crore.

- ✓ 206 startups received approval for the policy's incentives, and ₹5.50 Cr. have been paid out.
- ✓ The state government of Uttar Pradesh has approved 63 incubators in 23 districts, and ₹5.53 crore has been distributed to them.
- ✓ Eighteen entrepreneurs from the Purvanchal region have received ₹26.67 lakhs.
- ✓ A total of ₹26.67 lakhs has been distributed to 18 Purvanchal-based companies.
- ✓ Women-led startups have received a total of ₹18 lakhs.
- ✓ Three Centres of Excellence (CoEs) in AI & ML, drones, and MedTech have already been established in Uttar Pradesh, and four more are on the horizon.
- ✓ Three Centres of Excellence (CoEs) have been established in the state in areas such as AI & ML, drones, and MedTech, and four more are set to be developed shortly in the areas of additive manufacturing, telecom (5G & 6G), and other subjects.

7. CONCLUSION

The launch of the startup policy by the Uttar Pradesh government and its meticulous implementation is a significant step towards promoting startup innovation and development. The various incentives and allowances provided under the policy are being effectively utilized by entrepreneurs. The government has made efforts to strengthen the state's infrastructure and has ensured that the policy caters to both male and female entrepreneurs, which is a positive step. However, it is also essential to raise awareness among the younger generation about these developments and to involve the rural population in the process. Only then can Uttar Pradesh achieve comprehensive development. If Uttar Pradesh succeeds in addressing its infrastructure challenges and involves the rural population in its development journey, it will make significant contributions to achieving the vision of a 'Developed India by 2047'.

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