Uttar Pradesh's Startup Revolution
A Story of Growth, Innovation and Job Creation

Do you know?

Many of the world's most valuable corporations and conglomerates had humble beginnings as Startups. Apple Inc., Tesla, Facebook (Meta) were established as a Startup company in the beginning.

Startups are not only essential for the prosperity of both developed and developing economies but also serve as laboratories for ground breaking innovation and technology. They play a pivotal role in fostering economic growth by creating jobs and offering inventive solutions to emerging challenges.

India has emerged as a major player in the global startup sector, boasting the third-largest ecosystem after the USA and China. With over 1.25 lakh startups and [3]111 unicorns, the Indian startup industry has created more than 12 lakh jobs as per recent data and as per data told by Honourable Prime Minister in the **Startup Mahakumbh** event held recently. After the launch of **Startup India** campaign by Government of India, several states are competing to become the Startup hub of India.

In the dynamic state of the Uttar Pradesh, which is full of diverse culture and traditions, a world-class Startup ecosystem and cutting-edge technology based innovation centres are flourishing. It is a state, which is achieving new milestones in economic progress in every sector. It is an **'Achiever State'** in the **Ease of Doing Business Report** and **LEADS Survey Report 2023**. It has also emerged as one of the top startup hubs and ranked as the 4th largest startup ecosystem in India with 11,000+ DPIIT recognised Startups (as per Data from EY Team). It shows the remarkable increase in the number of startups established, which in turn is an indicator the states growing economic, technological, and innovation prowess.

Key Statistics About Startup Environment in Uttar Pradesh

Uttar Pradesh is making significant efforts in its vision to establish a world-class startup ecosystem. The following facts and figures are a testament to this fact.

- Uttar Pradesh has consistently been recognized as a leader in state startup rankings by DPIIT, with aspirations to become the **TOP PERFORMER** and eventually **BEST PERFORMER** in the near future.
- At least, 1 startup from each district of Uttar Pradesh.
- Nearly half of Uttar Pradesh's startups are based in tier II and tier III cities.
- Startups in Uttar Pradesh have created over 1 lakh jobs.
- The state government has approved incentives for 206 startups, with ₹5.50 crore disbursed.
- 206 startups were approved for incentives under the policy, ₹5.50 Cr. has been disbursed.
- **63 incubators** across **23 districts** of Uttar Pradesh have been recognized by the state government, with **₹5.53** crore disbursed.
- ₹26.67 lakhs have been disbursed to 18 startups from the Purvanchal region.
- ₹18 lakhs have been disbursed to women-led startups.
- Uttar Pradesh has established 3 Centers of Excellence (CoEs) in AI & ML, Drones, and MedTech, with 4 more CoEs to be established soon.
- 3 Centres of Excellence (CoEs) established in the state in the sectors like AI & ML, Drones and MedTech and 4 more CoEs are to be established soon in the fields of Telecom (5G & 6G), and Additive Manufacturing.

Unicorns & Soonicorns in Uttar Pradesh

Uttar Pradesh is making giant leaps in terms of development of the startup ecosystem and providing handheld assistance to the startups. Uttar Pradesh is home to 8 unicorns (market valuation of $1 billion or more) and 2 soonicorns (soon becoming unicorns), solidifying its position as one of India's fastest-growing startup hubs.

Some Prominent Unicorns & Soonicorns Are:

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.

Venture Capital Funding for Startups:
Venture Capital (VC) is a type of equity financing that provides business firms and small companies the ability to raise funding before they have begun operations or stated earning revenues or profits. Some of the details are mentioned below:

- **Government of India**: Fund of Funds for startups scheme of ₹**10,000 Cr.** launched in the year 2016. Till date, it has channelized ₹**16,636 Cr.** into **888 startups** through **Alternative Investment Funds (AIFs)**.
- **Uttar Pradesh**: Uttar Pradesh has established ₹**1000 Cr. UP Startup fund**. . It ranks 7th among 25 states for VC investments raised by startups through the FFS scheme, with over ₹371 crore invested in 24+ startups by AIFs.

Details of the Established CoEs in the State:
- **Medtech CoE Lucknow**: Established by the consortia of Software Technology Parks of India and Sanjay Gandhi Post Graduate Institute for Medical Sciences (STPISGPGI), Association of Indian Manufactures of Medical Devices (AIMED), Andhra Pradesh MedTech Zone (AMTZ) and Kalam Institute of Health Technology (KIHT).
- **Startup Incubation and Innovation Centre IIT KANPUR**. It fosters innovation, research, and entrepreneurial works in technology-based areas. It provides a platform for startups by budding entrepreneurs & intrapreneurs to convert their innovative ideas into commercially – viable products.
- **Artificial Intelligence and Innovation Driven Entrepreneurship (AIIDE)**, Centre of Excellence, Noida
- **Drone CoE, Kanpur**: Centre of Excellence for Capacity Building, Training and Design of Unmanned Aerial Vehicles: An initiative by Govt. of UP.

Uttar Pradesh Government is currently in the process of establishing the largest Incubator in the country in Lucknow. It will be a joint project between the government and reputed medical and academic institutions based in UP like the Indian Institute of Management (IIM) Lucknow, Indian Institute of Technology (IIT) Kanpur, and the Banaras Hindu University.

More than **60 Government Recognised Startup Incubators** are already running in the state, out of which the **Foundation for Innovation and Research in Science & Technology in IIT Kanpur** is the largest, which has been developed on **1,00,000 Sq Ft** of land.

Key Highlights of the Startup Policy 2022:
- Uttar Pradesh has implemented a dedicated Startup Policy to provide a conducive environment for startups to thrive. The policy offers various incentives, subsidies, and support measures, including capital grants, sustenance allowances, prototype grants, and reimbursement for patent filing.
- Despite being India's most populous state, Uttar Pradesh has witnessed a remarkable transformation in recent years by providing the most suitable environment for Startups to flourish.
- With continuous financial support and a dedicated Startup Policy, Uttar Pradesh is all set to become a $1 trillion economy and the Startup ecosystem of the state will further catalyse in transforming this vision into a reality.
- With a conducive environment for business and the presence of various incubation Centres, CoEs and government support, Uttar Pradesh has evolved into an economic powerhouse and a Startup Heaven.