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Department of Industries & Commerce
Government of Jammu & Kashmir

JAMMU & KASHMIR

START - UP POLICY _____ **2024 - 2027**

DAWN OF A NEW ERA
FOR **STARTUPS IN J&K**





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1. INTRODUCTION

The Government of Jammu and Kashmir recognizes the importance of start-ups in driving innovation and economic growth. The policy envisages to nurture and inspire the young and entrepreneurial brains of Jammu and Kashmir to pursue innovation & entrepreneurship thereby creating a vibrant and robust Start-up ecosystem in Jammu & Kashmir. This policy outlines the measures and initiatives aimed at fostering a supportive environment and creating conducive start up ecosystem in Jammu & Kashmir. The Jammu and Kashmir Entrepreneurship Development Institute (JKEDI) shall be the Nodal Agency for the implementation of this Policy.

2. OBJECTIVE

- 2.1 Establish Jammu & Kashmir as one of the leading Start-up ecosystems in India by 2027.
- 2.2 Empower incubation centres, tinkering labs and innovation cells of Government/ Private with optimum resources in terms of funds, mentors and partners.
- 2.3 Engage with entrepreneurs, mentors, investors and catalysts through various interventions, tie ups and scheduled events.
- 2.4 Enrich entrepreneurs through the means of institutions and enable them to access to various education programs that would scale Start-up performance (Pre-Incubation, Incubation, Acceleration etc.)
- 2.5 Establish new incubation centres across Jammu and Kashmir with state-of-the-art facilities.
- 2.6 Support the Start-ups in attracting investments and other various initiatives to access market globally & domestically.
- 2.7 Facilitate setup of at least 2000 new Start-ups in Jammu & Kashmir in the next 5 years.
- 2.8 Institutionalise incubations that are specific to nurture grass-root innovation and support prototyping.
- 2.9 Encourage Startups/incubators that are aligned to focus sectors/industries identified by the Government of Jammu & Kashmir.
- 2.10 Jammu & Kashmir would provide additional support to female entrepreneurs, entrepreneurs with disabilities and entrepreneurs belonging to third gender.

3. ACCESS TO FUNDING FOR START-UPS

The Government of Jammu & Kashmir shall provide access to funding for start-ups in the following ways:

3.1 VENTURE CAPITAL FUNDS:

The Government of Jammu & Kashmir will set up a Venture Capital Fund of ₹250 Crores. The Government of Jammu & Kashmir will infuse a maximum of ₹25 Crores as an initial fund to this venture capital fund. The venture capital fund shall be managed in a professional manner and shall attract funding from different market sources such as angel investors, entrepreneurs, accelerators, incubators, and other funding entities, to reach a total fund value of ₹250 Crores. The venture capital fund so created shall invest primarily in recognized startups of Jammu & Kashmir. These funds will be utilized to scale up the start-up businesses established during the policy period in the Jammu & Kashmir.

3.2 LOAN GUARANTEE PROGRAMS:

The eligible startups recognized with JKEDI and Department for Promotion of Industry and Internal Trade (DPIIT) shall be facilitated to avail loans under Credit Guarantee Scheme for Start-ups as per the rules and regulations laid down by DPIIT for Credit Guarantee Scheme for Start-ups.

3.3 SEED FUNDING:

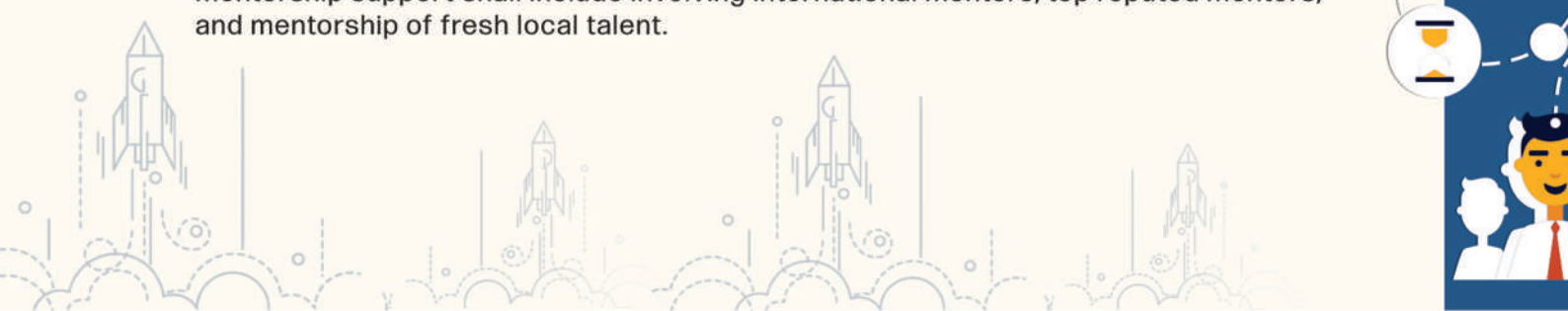
A one-time assistance of up to ₹20 lakhs (in 4 equal installments) shall be provided to startups recognized by JKEDI. This seed funding shall be provided to the startups for developing a prototype, introducing an innovative product or service to the market, marketing the product, or any other activity for scaling up their start-up venture, as allowed by the Start-up Task Force Committee. The seed funding shall be provided based on the evaluation criteria laid down in the Start-up Policy operational guidelines. Funding installments shall be subject to the progress of the startup monitored by the concerned Incubator or nodal agency, JKEDI. The seed funding cases shall be appraised and approved by the Start-up Task Force Committee.

3.4 PATENT-RELATED ASSISTANCE:

The Government of India is currently providing patent-related assistance through the Ministry of Science & Technology, the Ministry of Micro, Small and Medium Enterprises, Start-up India, DPIIT, and others, for which the Government of Jammu & Kashmir, through JKEDI, shall assist and facilitate the startups recognized by JKEDI in getting patent-related benefits. JKEDI shall also facilitate and assist in case of any new scheme, benefit, or incentive introduced by the Government of India or any other government agency related to patent assistance.

3.5 ASSISTANCE FOR MENTORSHIP:

The Government of Jammu & Kashmir, through JKEDI, shall earmark a special fund of ₹10 Lakhs for providing specific/complex/technical mentorship support for the start-ups recognized by JKEDI, which is locally not available in the incubation centers, educational institutes, or any Government institutes of Jammu & Kashmir. This mentorship support shall include involving international mentors, top reputed mentors, and mentorship of fresh local talent.



4. REGULATORY FRAMEWORK:

In order to reduce the compliance burden for startups and make the regulatory regime friendly and robust, a simplified process is required in the regulatory regime. A favorable regulatory framework would greatly support the growth and success of startups, which shall also reduce the compliance cost. The Government of Jammu & Kashmir has accordingly established a supportive regulatory framework in the following ways:

4.1 FACILITATION OF DPIIT REGISTRATION:

The startups recognized by JKEDI shall be facilitated for startup registration with DPIIT, Government of India. This recognition will further extend the benefits and incentives offered by DPIIT to the recognized startups.

4.2 SELF-CERTIFICATION OF COMPLIANCE:

The Government of Jammu & Kashmir would endeavor to initiate the process of self-certification for startups under different labor laws & environmental laws applicable in the Union Territory of Jammu & Kashmir, as per the norms and regulations laid down by Start-Up India.

4.3 HIGH-LEVEL EMPOWERED COMMITTEE (HLEC) FOR STARTUPS:

HLEC, a decision-making body, shall periodically monitor the performance of the Jammu & Kashmir startup ecosystem. The committee shall take necessary decisions for the encouragement of innovations in Jammu & Kashmir and modify the startup policy/guidelines from time to time, as felt necessary. The committee constituted is as follows:

1. Chief Secretary of Jammu & Kashmir - **Chairman.**
2. Administrative Secretary, Industries & Commerce Department - **Member Convener.**
3. Administrative Secretaries of Science and Technology, Finance, Skill Development Department, Higher Education, School Education Departments - **Members.**
4. Director, JKEDI - **Member.**
5. Representative from the Central Universities/UT Universities/IIMs/IITs/NITs of J&K, not below the level of Associate Professor (if needed) - **Invitee Members.**
6. Representative from Lead Banks - **Member.**
7. Presidents of apex chambers of commerce and trade bodies - **Invitee Members.**
8. J&K diaspora in leadership roles/experts in multinational companies - **Invitee Members**
9. Representative from the leading incubation center/s - **Member.**
10. Leading Investor (Venture Capital Firm/Angel Investor) from Jammu and Kashmir - **Invitee Member**
11. A leading Startup from Jammu and Kashmir - **Invitee Member.**
12. Need-based experts from academia, government, investors, industrialists, and think tanks may be co-opted as and when required.

4.4 START-UP TASK FORCE:

A task force with the following composition shall monitor the implementation of the policy and decisions of HLEC on a regular basis.

- (i) Administrative Secretary, Industries & Commerce Department - **Chairman.**
- (ii) Director, JKEDI - **Member Secretary.**
- (iii) Special/Additional Secretary, Industries & Commerce Department - **Member.**
- (iv) Representative/s from incubators - **Member.**
- (v) J&K diaspora experts working in multinational companies - **Invitee Member.**
- (vi) Representative from the leading startups/incubators of India - **Invitee Member.**
- (vii) Leading Investor (Venture Capital Firm/Angel Investor) from Jammu and Kashmir - **Invitee Member.**
- (viii) A leading Startup from Jammu and Kashmir - **Invitee Member.**
- (ix) Need-based experts from academia, Government, investors, industrialists, and think tanks may be co-opted as and when required.

5. DEVELOPING TALENT:

Developing talent is crucial for the success and growth of Start-ups. The Nodal Agency (JKEDI) will support the nurturing/development of talent in the following ways:

- (i) JKEDI shall support incubation centers in enriching their content through technical tie-ups with leading institutes across the globe and support in conducting various technical sessions for start-ups.
- (ii) JKEDI shall encourage incubation centers to train first-time entrepreneurs by providing a supportive curriculum.
- (iii) Start-ups working on bridging soft skill gaps would be provided office space (if available with JKEDI) in Zone A/Zone B for a period of 1 year at subsidized rates notified by the Nodal Agency JKEDI.
- (iv) Start-ups working in the areas of Business Process Outsourcing and Knowledge Process Outsourcing would be provided office space (if available with JKEDI) for operations in Zone A/Zone B for a period of 1 year at subsidized rates notified by the Nodal Agency JKEDI.
- (v) Start-ups/Section 8 firms working on sustainable development goals, especially in areas of financial inclusion, would be provided free office space (if available with JKEDI) in Zone A/Zone B for a maximum of 1 year.
- (vi) Start-ups working in the focus sectors and their complimenting industries shall get a 50% discount for co-working office space (if available with JKEDI) for a period of 1 year at subsidized rates notified by the Nodal Agency JKEDI.
- (vii) Start-ups working in the areas of aerospace & defense, Deep Tech with proven technologies and have existing paying customers would be provided with additional need-based support as approved by HLEC.





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5.1 ENCOURAGING ENTREPRENEURSHIP:

To encourage, motivate, and recognize well-performing, potential & promising start-ups of Jammu & Kashmir, there will be an annual Start-ups competition where awards will be given to J&K successful start-ups for their contribution towards the growth of the local Start-up ecosystem.

START-UP AWARD CATEGORY:

- (i) J&K top 3 Start-ups of the year
- (ii) J&K top 3 Women Start-ups of the year
- (iii) J&K top 3 Emerging Start-up of the year
- (iv) J&K top Social Start-up of the year
- (v) Top 2 Start-up Incubation Centers of J&K
- (vi) Top 2 Start-up Mentors of J&K

Each category from (i) to (vi) winners will be awarded a Certificate of Recognition and cash prize of ₹50,000 for 1st position, ₹30,000 for 2nd position, and ₹15,000 for 3rd position every year on National Start-up Day i.e., 16th January.

5.2 GAP YEAR:

Universities/Colleges may introduce the concept of Student Entrepreneur in Residence (SER). Outstanding students who wish to pursue entrepreneurship can take a break of one year, anytime after completing the first academic year, to pursue entrepreneurship full-time. An approved scheme by the university/college would allow parents to be comfortable and confident. The gap year facility may be given to ensure syllabus continuity at the time of joining back and after an appraisal process by an incubator where the student is attached.

5.3 SYLLABUS UPDATE:

Schools, Colleges, and Universities shall be advised to update their respective curriculums to include a compulsory course on "Entrepreneurship Development" as an optional subject, to inspire students with the aspiration, capacity, and inclination towards entrepreneurship. Various nationally and internationally accredited Massive Open Online Courses (MOOCs) focused on entrepreneurship and Gamified entrepreneurship concepts/courses can be included in the academic curriculum of Schools/Colleges/University.



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6. INFRASTRUCTURE DEVELOPMENT

6.1 CO-WORKING SPACES:

The Government of Jammu and Kashmir shall provide co-working space (if available with JKEDI) with uninterrupted high-speed internet to the selected JKEDI recognized Start-ups who opt for co-working space through JKEDI. This facility shall be provided during the start-up's incubation time by JKEDI at their campuses in Pampore, Bari-Brahmana, or at any other JKEDI registered incubation centers at subsidized rates notified by the Nodal Agency JKEDI.

6.2 INCUBATORS & ACCELERATORS:

Incubators targeting incubating disruptive ideas to build business models and accelerators focusing on scaling up a business. Both play a catalyst role in the journey of a start-up. Hence, the following incentives shall be extended to them:

1. Capital grant on setting up/scaling up incubator infrastructure - up to 50% of the eligible amount subject to a maximum limit of ₹50 Lakh.
2. Financial support to incubators up to ₹10 Lakhs per year to cover operational expenditure for 2 years or until self-sustainable, whichever is earlier.
3. Recognized start-ups of JKEDI accepted for acceleration programs by India's top-performing accelerators shall be provided support of 50% of acceleration fees, a maximum of ₹50,000/- per start-up. The benefit shall be extended to a maximum of 50 start-ups under this policy.

7. MARKET ACCESS

Market access is crucial for the success and growth of start-ups. The Government of Jammu & Kashmir through JKEDI shall implement specific interventions to provide domestic and international market access opportunities to the recognized Start-ups of JKEDI.





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7.1 THE SUPPORT WOULD BE FACILITATED THROUGH MEASURES SUCH AS PROMOTING EXPORTS, ESTABLISHING TRADE AGREEMENTS, & CREATING OPPORTUNITIES FOR STARTUPS TO SHOWCASE THEIR PRODUCTS/ SERVICES & HELPING THEM RAISE FUNDS ACROSS INDIA. THE ACCESS SHALL BE FACILITATED THROUGH:

- 1. Assistance to early markets:** The Government of Jammu & Kashmir shall attempt to provide business opportunities to startups with a good track record, after having one-on-one discussions with startups.
- 2. Relaxation in norms for start-ups for in public procurement:** All Jammu & Kashmir Government Departments/Agencies/Public Sector Undertakings shall be encouraged to relax norms in public procurement processes for all recognized startups of Jammu & Kashmir, subject to fulfillment of quality and technical specifications. Such relaxation shall be extended to prior experience criteria and prior turnover criteria in procurement processes wherever Government Departments/Agencies/Public Sector Undertakings may feel necessary.
- 3. Travel Assistance:** Government of Jammu & Kashmir shall provide support to recognized startups of JKEDI in approaching global universities / accelerators / incubators / investors for grants/funds/acceleration programs or for incubation. Such travel assistance shall be limited to a maximum of 1 (one) international and 3 (three) domestic visits per startup during the policy tenure. The travel assistance incentive shall be reimbursed based on the actual or ₹1 Lakh for international travel and ₹25,000/- for domestic travel, whichever is lesser.

8. NETWORKING & COLLABORATION

8.1 START HUB:

The JKEDI has established various basic facilities for an efficient startup ecosystem. The Startup hub shall be accordingly located in JKEDI premises at Pampore in Kashmir and at Bari Brahmana in Jammu.

8.2 NETWORKING EVENTS:

The Nodal Agency will organize and support networking events, such as conferences, trade shows, and meetups, to bring startups, entrepreneurs, investors, and other stakeholders onto a single platform. These events will provide valuable opportunities for startups to connect with potential customers, partners, and investors.

- a) Exposure Visits:** The Nodal Agency will organize at least one national/international exposure visit per year for startup founders/members. The eligibility and provisions for the program will be notified by the Government of Jammu & Kashmir from time to time.
- b) Events by Government Departments:** The Nodal Agency will come up with an annual event calendar for Start-ups in collaboration with the other aligned Government Departments of Jammu & Kashmir.
- c) Start-up Investor Meet:** To assist local Start-ups to raise funds from private investors, Start-up Investor Meet programs will be organized annually in Jammu & Kashmir.
- d) Start-up Corporate Connect:** To facilitate Start-ups more opportunities for business, funding, and R&D opportunities, regular one-to-one Start-up corporate connect (virtual/physical) sessions will be organized with big corporate houses and Multinational Companies (MNCs).
- e) Start-up Events:** Regular Start-up Roadshows, Start-up exhibitions, Start-up week programs, Webinars, Panel discussions, Idea generation workshops, etc., shall be held for creating buzz around Jammu & Kashmir Startup culture and ecosystem.

8.3 INNOVATION CENTRES/TINKERING LABS:

Nurturing talent at the school-level is essential for the holistic development of the startup ecosystem. The Nodal Agency will assist the respective department to set up Tinkering Labs in schools as per the Government of India guidelines to create an environment that would facilitate idea generation for enterprise development. Tinkering labs in schools will be connected to incubators to provide mentorship and a host of other facilities to students in schools.





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9. IMPLEMENTATION, REVIEWING & MONITORING POLICY

9.1 KEY PERFORMANCE INDICATORS:

The Government of Jammu & Kashmir will monitor various key parameters on a quarterly basis to monitor and evaluate the startup ecosystem in Jammu & Kashmir. The following are a few indicative parameters in this regard:

- (i) Number of startups registered
- (ii) Number of startups funded
- (iii) Number of jobs created
- (iv) Number of new startups incubated
- (v) Number of mentorship hours provided
- (vi) Number of partners onboarded by incubation centers
- (vii) Number of events conducted
- (viii) Number of financially self-sustainable startups

9.2 REGULAR REPORTS:

The Government will create a dashboard for ecosystem players & stakeholders, which will be updated on a regular basis to keep a real-time track of the activities of startups. It will also work as a feedback portal to identify challenges faced by the startup ecosystem in Jammu & Kashmir.

9.3 EVALUATION STUDIES:

The Government of Jammu & Kashmir will conduct periodic evaluations of the startup policy to assess its effectiveness and impact. These evaluations will be conducted by independent experts, academics, or other relevant stakeholders. This would provide valuable data and insights into the strengths and weaknesses of the policy and will come up with updates regularly for significant impact.

9.4 FEEDBACK MECHANISMS:

The Government of Jammu & Kashmir will create a quarterly feedback mechanism from startups, mentors, incubators, and other related stakeholders on its portal. These surveys, focus groups, or public consultations will gather input from startups and other stakeholders on the implementation of the start by startups and the support they intend to receive.





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10. J&K NODAL AGENCY & NODAL OFFICER

The Jammu and Kashmir Entrepreneurship Development Institute (JKEDI) shall be the Nodal Agency for the implementation of this Policy, and the Director, JKEDI shall be the Nodal Officer.

11. DEFINITIONS

11.1 INNOVATIVE PROJECT:

Any idea capable of introducing new or disruptive technology in the development of existing and new products, processes, or services, capable of addressing any of the present challenges before the society at large in an effective manner.

1.2 ENTITY:

A Private Limited Company (as defined in the Companies Act 2013) or Limited Liability Partnership (under The Limited Liability Partnership Act, 2008) or a Partnership Firm under J&K Partnership Act, 1996 (1939 A.D).

11.3 START-UP:

An Entity shall be considered as a 'Startup' under this policy, if it fulfills all of the following:

1. It is incorporated/registered within the period of the last 10 years.
2. Its turnover for any of the financial years since incorporation/registration has not exceeded Rs. 100 Crore.
3. The entity is not formed by splitting up or reconstruction of an existing business.
4. It is not incorporated/registered as a subsidiary of an existing Indian or foreign company.
5. It is working towards innovation, development, or improvement of products/processes/services or if it is a scalable business model with a high potential of employment generation or wealth creation; and
6. It is incorporated/registered in Jammu and Kashmir.





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11.4 START-UP HUB:

A Hub is fundamentally a platform for existing as well as aspiring entrepreneurs to get connected with various promoters of the Start-up ecosystem such as business incubators, accelerators, Venture Capital firms, angels, mentors, etc.

11.5 INCUBATOR:

An Organization or an Institute (Govt/Semi Govt/Private) willing to support Innovative Projects and Start-ups during their early stages to help develop new and innovative ideas or concepts or a scalable business model into a marketable product/service through business support services and resources such as physical space, capital, coaching and mentoring for entrepreneurship development, marketing, finance, accounting, research, regulatory, legal services, and providing networking opportunities. It must fall under one of the following categories:

1. Registered Company under Section 8 of the Companies Act, 2013;
2. Private Limited Company (under The Companies Act, 2013);
3. Public Company (under The Companies Act, 2013);
4. Limited Liability Partnership (under The Limited Liability Partnership Act, 2008)
5. Registered under J&K Societies Act; or
6. Registered under J&K Partnership Act 1939.

The incubator, when in operation, should facilitate at least 3 months of in-person or virtual interaction with the adopted Innovative Projects/Start-ups.

11.6 ANGEL INVESTOR:

Angel Investors are usually affluent or high net worth individuals who provide early/seed stage financing to Startups in lieu of ownership in the form of equity stake in the Start-ups they invest in.



