

**Government of Jammu and Kashmir
Industries and Commerce Department
Civil Secretariat, Jammu/Srinagar**

Subject:- Jammu and Kashmir Start-up Policy, 2024-27.

Reference: Administrative Council Decision No. 25/02/2024 dated 19.02.2024.

**Government Order No. 29 – JK(IND) of 2024
Dated . 23 .02.2024**

In supersession of Startup Policy, 2018 notified vide Government Order No. 224-IND of 2018 dated 13.09.2018, sanction is hereby accorded to the implementation of Jammu and Kashmir Startup Policy, 2024-27 annexed to this order as **ANNEXURE-A** with immediate effect.

By Order of the Government of Jammu and Kashmir.

Sd/-

(Vikramjit Singh) IPS

Commissioner/Secretary to the Government

Dated. 23.02.2024

No. IC-EDI/21/2023-01 (7238672)

Copy to the:-

1. All Financial Commissioners (Additional Chief Secretaries).
2. Director General of Police, J&K.
3. Director General, J&K Institute of Management, Public Administration and Rural Development.
4. All Principal Secretaries to the Government.
5. Principal Secretary to the Hon'ble Lieutenant Governor, J&K.
6. Principal Resident Commissioner, J&K Government, New Delhi.
7. All Commissioners/Secretaries to the Government.
8. Chief Electoral Officer, J&K.
9. Joint Secretary (J&K), Ministry of Home Affairs, Government of India.
10. Divisional Commissioner, Kashmir/Jammu.
11. All Deputy Commissioners.
12. All HoDs of Industries and Commerce Department.
13. Director, Information, J&K.
14. Chairperson, Special Tribunal, J&K.
15. All Heads of Departments/Managing Directors of PSUs/Corporations.
16. Director, Archives, Archaeology and Museums, J&K.
17. General Manager, Government Press, Jammu/Srinagar.
18. Private Secretary to Hon'ble Lieutenant Governor.
19. Private Secretary to the Chief Secretary, J&K.
20. Private Secretary to Advisor (B) to Hon'ble Lieutenant Governor.
21. Private Secretary to Commissioner/Secretary to Government, General Administration Department.
22. Private Secretary to Commissioner/ Secretary to the Government, I&C Department.
23. In-charge Website, Industries and Commerce Department.
24. Government Order/Notification file.


(Anil Sharma)

Under Secretary to the Government

14

**ANNEXURE-A to Government Order No. 29_JK
(IND) of 2024 dated 23.02.2024**

Jammu and Kashmir

Start-up Policy

2024-2027

Contents

1. Introduction:	3
2. Objective	3
3. Access to funding for Start-ups	3
4 Regulatory Framework:	4
5 Developing Talent	6
6 Infrastructure development	7
7 Market Access	7
8 Networking and Collaboration	8
9 Implementation, Reviewing & Monitoring Policy	9
10 J&K Nodal Agency and Nodal Officer	10
11 Definitions	10-11

1. Introduction

The Government of Jammu & 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 and 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 and 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 setup a Venture Capital Funds of ₹ 250 Crores. The Government of Jammu & Kashmir will infuse 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, so to reach total fund value of ₹ 250 Crores. The venture capital fund so created shall invest primarily in recognized start-ups of Jammu & Kashmir. These funds will be utilised to scale up the start-up businesses established

during the policy period in the Jammu & Kashmir.

3.2 Loan Guarantee Programs: The eligible start-ups recognized with JKEDI and Department for Promotion of Industry and Internal Trade (DPIIT) shall be facilitated to avail loan 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 up to ₹ 20 lakhs (4 equal instalments) shall be provided to start-ups recognized by JKEDI. This seed funding shall be provided to the start-ups for developing prototype/ introduction of an innovative product or service in the market/marketing of the product or any other activity for scaling up of their start-up venture allowed by Start-up Task Force Committee. The seed funding shall be provided based on the evaluation criteria laid down in Start-up Policy operational guidelines. Funding instalments shall be subject to progress of the start-up monitored by concerned Incubator or nodal agency, JKEDI. The seed funding cases shall be appraised and approved by start-up task force committee.

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

3.5 Assistance for Mentorship: 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 centres, 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 compliance burden for start-ups and make the regulatory regime friendly and robust, simplified process is required in the regulatory regime. A favourable regulatory framework would greatly support the growth and success of start-ups, 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 start-ups recognized by JKEDI shall be facilitated for start-up registration with DPIIT, Government of India. This recognition will further extent the benefits and incentives offered by DPIIT to the recognized start-ups.

4.2 Self-Certification of compliance: The Government of Jammu Kashmir would endeavour to initiate process of self-certification for start-ups under different labour 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 Start-ups: HLEC, decision-making body shall periodically monitor the performance of the Jammu & Kashmir start-up ecosystem. The committee shall take necessary decisions for the encouragement of innovations in Jammu & Kashmir and modify the start-up policy/guidelines from time to time, as felt necessary. The committee constituted is as below:

- (i) Chief Secretary of Jammu & Kashmir – **Chairman**
- (ii) Administrative Secretary, Industries & Commerce Department – **Member Convener**
- (iii) Administrative Secretaries of Science and Technology, Finance, Skill Development Department, Higher Education, School Education Departments – **Members**
- (iv) Director, JKEDI – **Member**
- (v) Representative from the Central Universities/UT Universities/IIMs/IITs/NITs of J&K, not below the level of Associate Professor (if needed) – **Invitee Members**
- (vi) Representative from Lead Banks – **Member**
- (vii) Presidents of apex chambers of commerce and trade bodies – **Invitee Members**
- (viii) J&K diaspora in leadership roles/experts in multinational companies – **Invitee Members**
- (ix) Representative from the leading incubation centre/s – **Member**
- (x) Leading Investor (Venture Capital Firm/Angel Investor) from Jammu and Kashmir – **Invitee Member**
- (xi) A leading Start-up from Jammu and Kashmir – **Invitee Member**
- (xii) 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 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 incubator – **Member**
- (v) J&K diaspora experts working in multinational companies – **Invitee Member**
- (vi) Representative from the leading start-ups/incubators of India, – **Invitee Member**
- (vii) Leading Investor (Venture Capital Firm/Angel Investor) from Jammu and Kashmir – **Invitee Member**
- (viii) A leading Start-up 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 centres 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 centres to train the first-time entrepreneurs by providing 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 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 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 maximum of 1 year.
- (vi) Start-ups working in the focus sectors and its 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 Nodal Agency JKEDI.
- (vii) Start-ups working in the areas of aerospace & defence, Deep Tech with proven technologies and have existing paying customers would be provided with additional need-based support as approved by HLEC.

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 growth of 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 Centre 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, any time after completing first academic year, to pursue entrepreneurship full time. An approved scheme by the university/college would allow the 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.

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 centres at subsidized rates notified by Nodal Agency JKEDI.

6.2 Incubators and Accelerators: Incubators targeting on incubating disruptive ideas to build business models and accelerators focus 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 - upto 50% of the eligible amount subject to maximum limit of ₹50 Lakh.
2. Financial support to incubators upto ₹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 program by India’s top performing accelerators shall be provided support of 50% of acceleration fees, maximum of ₹50,000/- per start-up. The benefit shall be extended to 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.

7.1 The support would be facilitated through measures such as promoting exports, establishing trade agreements and creating opportunities for start-ups to showcase their products/services and helping them raise funds across India. The access shall be facilitated through:

- (i) **Assistance to early markets:** The Government of Jammu & Kashmir shall attempt to provide business opportunities to start-ups with a good track record, after having one on one discussion with start-ups.
- (ii) **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 procurements processes for all recognized start-ups of Jammu & Kashmir, subject to fulfilment of quality and technical specifications. Such relaxation shall be extended to prior experience criteria and prior turnover criteria in procurement processed were ever Government Departments/Agencies/Public Sector Undertakings may feel necessary.
- (iii) **Travel Assistance:** Government of Jammu & Kashmir shall provide support to recognized start-ups of JKEDI in approaching global universities/ accelerators/ incubators/investors for grants/funds/acceleration programs or for incubation. Such travel assistance shall be limited to maximum of 1 (one) international and 3(three) domestic visits per start-up 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 and Collaboration

8.1 Start hub: The JKEDI has established various basic facilities for an efficient start-up ecosystem. The Start-up 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 meet ups, to bring start-ups, entrepreneurs, investors and other stakeholders on a single platform. These events will provide valuable opportunities for start-ups to connect with potential customers, partners and investors.

a) **Exposure Visits:** The Nodal Agency will organise at least one national/international exposure visit per year for Start-up 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 Road shows, Start-up exhibitions, Start-up week program, Webinars, Panel discussions, Idea generation workshops etc. shall be held for creating buzz around Jammu & Kashmir Start-up culture and ecosystem.

8.3 Innovation Centres/Tinkering Labs: Nurturing talent at school-level is essential for the holistic development of the start-up ecosystem. The Nodal Agency will assist respective department to set up Tinkering Labs in schools as per 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.

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 start-up ecosystem in Jammu & Kashmir. The following are a few indicative parameters in this regard:

- (i) Number of start-ups registered
- (ii) Number of start-ups funded
- (iii) Number of jobs created
- (iv) Number of new start-ups incubated
- (v) Numbers of mentorship hours provided
- (vi) Numbers of partners on boarded by incubation centres
- (vii) Numbers of events conducted
- (viii) Number of financially self-sustainable start-ups

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

9.3 Evaluation Studies: The Government of Jammu & Kashmir will conduct periodic evaluations of the start-up 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 start-ups, mentors, incubators and other related stakeholders on its portal. These surveys, focus groups or public consultations, will gather input from start-ups and other stakeholders on the implementation of the start-up policy. The feedback will help provide valuable insights into the challenges faced

by start-ups and the support they intend to receive.

9.5 Implementation: The Government of Jammu & Kashmir shall establish a Technical Support Unit (TSU) in JKEDI to orchestrate networking activities between various start-up ecosystem players such as start-ups, accelerators, incubators, angel investors, corporates, venture capitalists and other necessary stakeholders. The TSU shall provide necessary support & assistance in appraising incentive cases, collaboration with VCF's and successful implementation of this policy.

9.6 Focus Sectors: The Policy shall give special attention to Start-ups with disruptive value additions in the following illustrative focus sectors:

1. Food Processing and Allied activities.
2. Agriculture & allied sectors including Horticulture and Floriculture.
3. Handicrafts & Handlooms and their design element...
4. Education, Healthcare & Pharmaceuticals.
5. Textiles, Apparel & Fashion Technology.
6. Renewable Energy.
7. Electronics System Design and Manufacturing.
8. Information Technology enabled Services.
9. Tourism / Adventure Sports
10. Environment Protection / Green Technologies

10 J&K Nodal Agency and 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.

11.2 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 'Start-up' under this policy, if it fulfils all of the following:

1. It is incorporated/ registered within the period of last 10 years.
2. Its turnover for any of the financial year 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.

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 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 the 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:

- i. Registered Company under Section 8 of the Companies Act, 2013;
- ii. Private Limited Company (under The Companies Act, 2013);
- iii. Public Company (under The Companies Act, 2013);
- iv. Limited Liability Partnership (under The Limited Liability Partnership Act, 2008)
- v. Registered under J&K Societies Act; or
- vi. 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 the ownership in the form of equity stake in the Start-ups they invest in.

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