



सत्यमेव जयते

Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade

#startupindia

➤ STATES' STARTUP RANKING 2022 ➤
EMERGING ECOSYSTEMS



JAMMU & KASHMIR



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States' Startup Ranking Results 2022

Jammu & Kashmir participated in 24 Action Points of the Ranking Framework 2022. Jammu & Kashmir performance in each of the Reform Area has been graphically represented. Data presented below is the percentile score, which is the relative performance of the State in each Reform Area as compared to other participating States/UTs.

For example, if Jammu & Kashmir has a score of 100th percentile in the 'Institutional Support' Reform Area, this implies that the State has scored higher than all the participating States/UTs in that Reform Area.

Jammu & Kashmir has been evaluated on seven Reform Areas that have a significant contribution towards propelling the startup ecosystem in the State. Detailed analysis with insights into the initiatives taken by the State to promote its startup ecosystem are discussed in the subsequent sections.



Jammu & Kashmir's Startup Ecosystem

Jammu and Kashmir, located in the northernmost part of India, is renowned for its diverse and stunning geography. The UT is divided into two divisions and further into 20 districts, allowing for more localized governance and development initiatives.

Jammu and Kashmir's administration has taken significant steps to enhance the business environment and support startup growth. Their initiatives include a Startup Policy with incentives, streamlining regulatory procedures for ease of doing business, creating an investor-friendly climate, establishing incubation centres, promoting skill development, investing in digital infrastructure, and fostering collaboration with educational institutions. These efforts reflect the administration's commitment to nurturing a thriving startup ecosystem, driving economic growth, and expanding employment opportunities in the region.

To enhance the business environment in the region and promote economic growth, infrastructure initiatives are aimed at attracting investments, creating jobs, and fostering sustainable development.

The nodal agency for the startup ecosystem of the UT is the Jammu & Kashmir Entrepreneurship Development Institute (JKEDI) represented as member secretary alongside Industries Department as member convener in the State Level Steering Committee (SLEC) appointed for implementing the startup policy.

UT's Startup Policies and Incentives

The Jammu & Kashmir Startup Policy 2018, laid the foundation for setup of infrastructure, facilitate Startups, and earmark the fiscal incentives for the development of ecosystem in the UT.

1. Clear guidelines for registration of startups, incubators, and investors have paved the way for recognition and formalization within the startup ecosystem, promoting transparency and accountability, and facilitating a more structured and supportive environment for entrepreneurial growth and innovation.
2. Fiscal Incentives for Startups across stages of growth: Provision of co-working spaces, Monthly Allowances, R&D, Energy Assistance, Patent Filing, Tax Exemptions, Public Procurement, Self-Certification for Compliance under Labour Laws, Idea to POC funds and Jammu & Kashmir Angel Network to support Startups.
3. Awareness and Outreach Programs: The policy also outlined the organisation of several programs for Startups such as Youth Innovation and Exposure Programs (YIEP), Mentorship Bootcamps, Annual Startup Festival of Innovations and Hackathon



Institutional Support

Introduction

Institutional Support focuses on the execution and facilitation of the State/UT's startup policy through a comprehensive portal and specific incentives provided by various Government stakeholders. This Reform Area focuses on the access to information for startups on the State-supported initiatives. It analyses whether a particular State/UT has a functional startup portal offering single window solutions for all startup ecosystem stakeholders. A holistic startup portal offers services ranging from startup registration to an efficient grievance redressal mechanism in making information accessible and inclusive through the functionality of local languages. A special focus has been drawn towards women-led startups with specially tailored incentives and schemes to ensure equitable implementation. The Reform Area also emphasizes on institutionalized support provided to the startups from various State/UT Government departments.

State/ UTs' Performance

The state of Jammu and Kashmir has launched a comprehensive startup portal called 'Startup JK'. (<http://www.startupjk.com/>). It acts as a centre of information for all details, ranging from startup registration to government directives, incentives, and connecting with mentors. The portal can be accessed in English, Hindi and Urdu.



Figure A: QR Code for StartJK Portal

The state launched the J&K Start-up Policy - 2018 with the aim to nurture and inspire the young and entrepreneurial brains of Jammu and Kashmir to pursue innovation and entrepreneurship by creating a vibrant and conducive Startup ecosystem in the State.

Startup JK facilitated a Grievance Redressal Mechanism or Startup Helpline for startups to raise their queries on several issues such as incubation support, funding support, public procurement grievances, regulatory issues, technical assistance, etc.

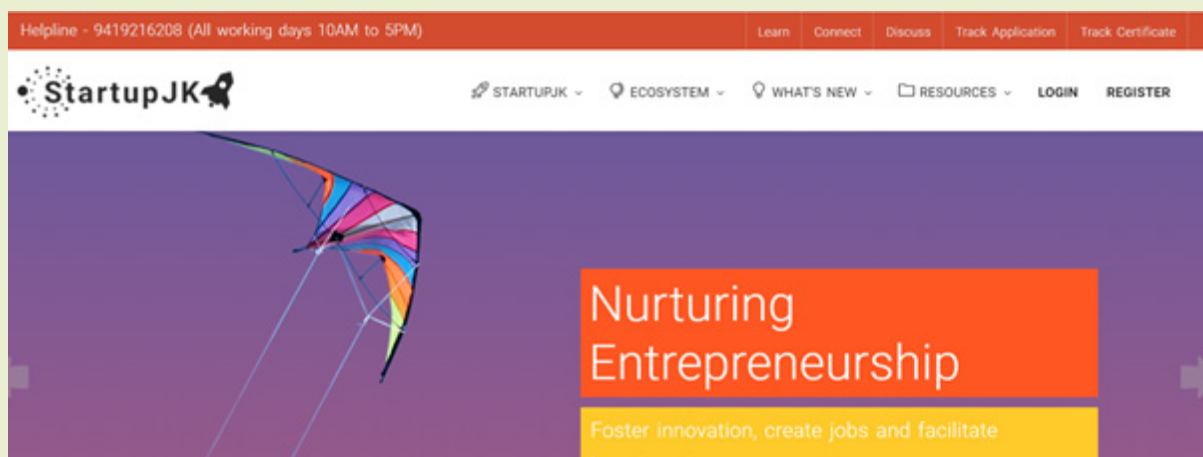


Figure B: Snapshot of Startup JK Portal

Startup JK provides easy access to information such as –

1. Details of State level approvals & clearances for Startup registration
2. Details of State Nodal Officer, Nodal Department and Dedicated team for startups
3. Details of Dedicated Helpline or call centre number on Startup Portal
4. List of Incubators and Accelerators with contact details
5. List of Mentors
6. Details of Public Procurement relaxation for Startup on Portal
7. Details of availing Funding Support
8. Details of departments providing institutional support to startups
9. Details of marketing, outreach, events, webinars on State

Suggestive Recommendations

1. The State may provide informative virtual tour, walk through or video manuals on home page specific to Startup portal for proper information dissemination.
2. The State may provide maximum functionality for accessibility to PWD on portal.
3. The State in State Startup portal or a separate unified web platform may develop or include a mechanism for startups to submit requests or grievances with a tracking mechanism. The query or grievance resolution must have a set timeframe in days, it is suggestive to be less than 30 days.
4. The State may focus on Government departments apart from Nodal Department to provide institutional support to startups. The institutional support could be in the form of sustainable programs, hackathons, grand challenges, incubation support, funding support, venture funding, open data APIs, public procurement support and other sustainable programs.
5. Requests or grievances or issues on provision to avail all types of funding, including seed funding, subsidized loans, Government grants, sustenance allowance, debt or equity financing through incubators, venture funding, public procurement amongst others, may be addressed on the platform.
6. The State may incorporate support for Startup ecosystem stakeholders in various State sectoral policies, schemes, or other relevant frameworks. To enhance transparency and accessibility, any modifications made, and their respective details should be promptly made available on the State Startup Portal, ensuring easy access to up-to-date information.
7. Apart from State, the State may make Regulations considering long-term impact of the technology or business model. Under State sectoral policies or Schemes, Startup ecosystem stakeholders support may be included.

Fostering Innovation & Entrepreneurship

Fostering Innovation and Entrepreneurship seeks to encourage the spirit of innovation among aspiring students and rural entrepreneurs. It focuses not only on the assessment of the total number of registered startups in each State/UT, which is a direct result of the State/UT support but also on the regulatory reforms undertaken to support startups in disruptive sectors. This Reform Area assesses the extent to which Higher Educational Institutes (HEIs) have been engaged in providing support to student entrepreneurs. It also highlights the value of innovation through disruption and promotes State-supported technological disruption to help drive innovation.

State/ UTs' Performance

The state has registered more than 90 startups. All registered startups avail benefits like incubation support, sustenance allowance, seed support, patent cost reimbursement, national and international event participation support, preference in government procurement, connect with relevant Startup Ecosystem stakeholders etc.

Over 130 events have been conducted by the state to support student entrepreneurs, all events were attended by at least 50 participants.

The state arranged various programs in Higher Education Institutions (HEIs) to support the growth of future entrepreneurs, with more than 125 events held in HEIs.



Suggestive Recommendations

1. The State may foster increased collaborations with organizations running programs in educational institutions, specifically focusing on providing support for student entrepreneurs.
2. The State may implement bi-annual sessions to educate students about the various incentives and benefits available to budding entrepreneurs within the State.
3. The State may collaborate with government entities, nodal institutes, and incubators in Higher Education Institutes (HEI) to conduct informative sessions tailored for startups and students.
4. The State may facilitate networking events connecting students with investors, industry professionals, and fellow entrepreneurs, recognizing the importance of building a robust network for future collaborations and business growth.
5. The State may develop a comprehensive Entrepreneurship course aimed at cultivating students' entrepreneurial aspirations, ensuring it imparts foundational knowledge and skills necessary for venturing into the entrepreneurial realm.
6. The State may organize a variety of events, such as business plan workshops, faculty awareness sessions, boot camps, entrepreneurship and innovation classes, lectures, and meet-and-greets, all aimed at fostering entrepreneurship.
7. The State may focus on designing knowledge support and outreach programs to disseminate the benefits of registering startups, thereby encouraging entrepreneurs to do the same.
8. The State may provide specific incentives to women-led startups, which could be included in the startup policy of the UT. The incentives could include a monthly sustenance allowance for women-led startups.
9. The State may further reserve a specific quota for women-led startups in terms of funding grants and incubation support.
10. The State may explore the possibility of introducing relaxations in its procurement proposals to encourage startups to participate in public procurement.
11. The State may assign a certain percentage of the total procurement by the administration's Departments / UT PSUs to be acquired from startups.

Access to Market

This Reform Area seeks to encourage the State/UT Government to ease participation in the public procurement process for startups and become an enabler in connecting startups with private stakeholders. The States/UTs are evaluated based on the support provided by them to startups through the organization of showcase opportunities such as Demo-Day, Buyer-Seller Meet, National and International Events, and relaxation in rules for Government work orders. The aim is to steadily increase the number of work orders awarded to startups by helping them be at par with the established players in their respective sectors.

State/ UTs' Performance

All State Government Departments have some relaxed norms in public procurements, subject to fulfilment of quality and technical specifications. All recognised Start-ups are given exemption from the prior experience criteria and prior turnover criteria in all public procurement. The Start-ups are required to pay 50% of the amount of Earnest Money Deposit.

Suggestive Recommendations

1. The State may explore the feasibility of introducing flexible measures in procurement proposals to actively encourage startup participation in public procurement processes.
2. The State may earmark a designated percentage of overall procurement conducted by State departments and Public Sector Undertakings (PSUs) for startups, fostering an environment conducive to their participation.
3. The State may consider developing a specialized section on the official Startup website dedicated to public procurement activities. This page would comprehensively outline exemptions and details relevant to startup participation in procurement processes.
4. The State may focus on strategizing programs aiming to establish connections between startups and government departments, initiating programs that facilitate the presentation of case-specific solutions to departments, promoting increased engagement in procurement activities.
5. The State may conduct workshops on the Government e-Marketplace (GeM) and Demo Days to familiarize startups with the procurement platform and provide opportunities to showcase innovative solutions.
6. The State may organize Grand Challenges and Hackathons as platforms for startups to showcase capabilities and present innovative solutions aligning with the requirements of government departments.
7. The State may establish Innovation Zones to facilitate collaboration between startups and government entities. Additionally, Buyer-Seller Meets may be organized to encourage direct interactions between startups and procurement decision-makers.

State/ UTs' Performance

The State has encouraged and supported entrepreneurial spirit by support programs and services provided through State-supported incubators, 10+ incubators have been setup in the state.

Startup JK has built a database of mentors. The same enables a startup founder to connect with a right mentor that can be beneficial both professionally and personally. The startup platform has facilitated over 90 startups in connecting with mentors.

Jammu & Kashmir Entrepreneurship Development Institute (JKEDI) has established a Business Incubator to give boost to the new breed of young entrepreneurs and to create conducive ecosystem for encouraging entrepreneurship innovation and growth of the Start-ups in Jammu & Kashmir.

The incubator will support development of a new/ innovative idea or concept into a marketable product/ service and the institute will provide common infrastructure and services among others to Startup businesses.

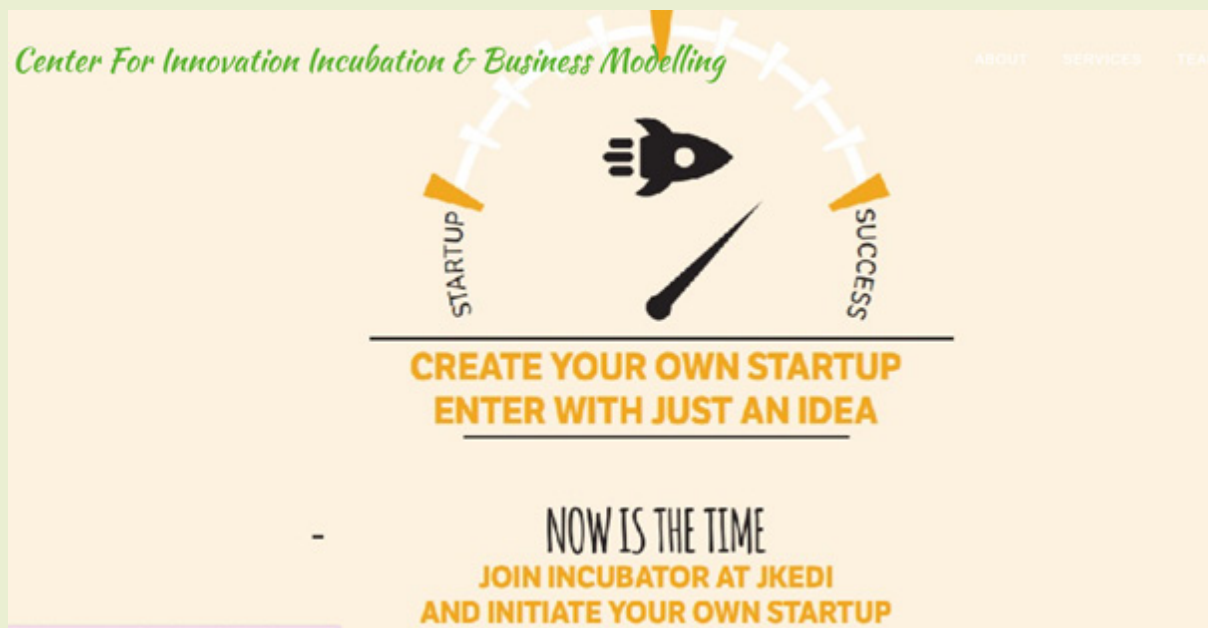


Figure C: JKEDI Business Incubator



Suggestive Recommendations

1. The State may establish a dedicated section within the State Startup Portal, streamlining connections between startups and incubators through an exclusive incubator dashboard.
2. The State may assess the feasibility of amplifying the existing incubators' capabilities and explore the potential establishment of new ones to further bolster the burgeoning startup ecosystem, recognizing the growing entrepreneurial fervour in the State.
3. The State may provide robust support to incubators, extending one-time capital assistance, fully reimbursing stamp duty and registration fees, offering power tariff subsidies, and covering the entire electricity duty paid during the initial 5 years.
4. The State may introduce a centralized form to simplify the enrolment process for incubation programs, ensuring a more streamlined and accessible application process.
5. The State may encourage startups to actively contribute ratings and acknowledgments, aiming to gather valuable feedback for continuous improvement and enhancement the overall incubation experience.
6. The State, with the expansion of the mentorship network, may categorize registered mentors to offer startups sector-specific guidance, ensuring a more targeted and impactful mentorship experience.
7. The State may organize and expand the impact of acceleration programs, moving into the future. Leveraging virtual formats, these programs can reach a broader audience nationally and internationally, fostering connections with stakeholders globally.
8. The State may actively seek mentorship beyond borders, engaging with mentors at the national and international levels. Exploring virtual mentorship through video calls provides an avenue for diverse experiences and insights.
9. The State, in enriching the mentorship landscape, may consider diversifying its network to include experts from relevant sectors. This expansion could involve collaboration with industry specialists, corporate professionals, financial experts, and successful entrepreneurs.
10. The State may enhance accessibility by compiling and maintaining a comprehensive list of registered mentors categorized by sectors. This valuable resource could be easily accessible through the State startup portal, promoting transparency and facilitating seamless engagement for startups seeking mentorship.
11. The State can also develop its State Startup Portal in a way such that startups can connect with incubators through a dedicated incubator dashboard.

Funding Support

All startups require timely availability of funding for their growth. This Reform Area encourages various State/UT Governments to establish either Seed or Venture funds or Fund of Funds for startups. It also focuses on the access to these funds established by the State/UT Government. A special focus has been given to initiatives and programs undertaken for connecting startups with private investors through workshops, networking events, pitching sessions, and investor networking events.

State/ UTs' Performance

State Entrepreneurship Development Institute (JKEDI) under "Sher-e-Kashmir Employment and Welfare Programme for the Youth (SKEWPY)", announced by the Government of J&K, will offer 'Entrepreneurship Development Programme/s (EDPs)' which apart from sensitization, training and consultancy include an incentive in the form of non-refundable Seed Money to the eligible prospective entrepreneurs to kick start their ventures and make their projects bankable. This scheme was named as Seed Capital Fund Scheme.

The main objective of the Scheme is to motivate, train and facilitate a large segment of educated young men and women to take up entrepreneurship as a career option instead of hankering after the government jobs.

Suggestive Recommendations

1. The State may enhance the mentorship network by including professionals from diverse sectors, such as industry specialists, corporate experts with field-specific experience, financial sector individuals with funding insights, and accomplished entrepreneurs.
2. The State may explore broader mentorship horizons, engaging with mentors not only at the national but also at the international level, considering the viability of virtual mentorship through video calls.
3. The State may introduce a dedicated loan scheme and explore accessible funding options, including tailored loans or equity, addressing the unique financial needs of startups to support them in their early stages.
4. The State may enhance transparency by integrating an online dashboard into the State startup portal, providing comprehensive details of government-sponsored or supported funding opportunities.
5. The State may implement an efficient online fund disbursement mechanism, capturing transaction details to ensure enhanced financial transparency in the fund disbursement process and the State may present detailed fund information, including eligibility conditions, on the startup portal for easy access to financial support, simplifying the application process.

Suggestive Recommendations

1. The State may organize monthly virtual programs across different districts to create awareness among potential investors about the opportunities for investing in startups.
2. The State may facilitate the capacity development of state-supported incubators through workshops, collaborating with incubators from other states to foster mutual learning opportunities and a thorough documentation of workshops and programs, maintaining comprehensive records of discussions and detailed participant information.
3. The State may ensure that each workshop covers topics related to policy and regulations in the Indian startup ecosystem, sessions on the benefits and the role of the government of Sikkim in encouraging entrepreneurship, and discussions on national and global best practices.
4. The State may consider collaboration with State-supported incubators for conducting capacity development programs in other incubators, subject to evaluation and may also provide financial support for capacity-building programs conducted in other states or countries by incubators, with consideration for contributions from private and international organizations.
5. The Government of Jammu and Kashmir may hold quarterly sensitization workshops for various government departments and officials to encourage them to interact with startups and understand their concerns.
6. The State may focus on enhancing the presence of early-stage investors within the national startup ecosystem by raising awareness among potential investors. This includes individuals from family businesses, corporate entities, and small entrepreneurs, enlightening them about the potential of startups as an attractive asset class. The primary objective should be to empower aspiring or emerging investors, providing them with the knowledge and skills to deepen their engagement in early-stage investing.

Suggestive Recommendations

1. The State may consider developing specific incentives tailored for startups operating in sustainability, renewable energy, climate change, and the circular economy. Additionally, it could assess and modify existing policies to better support startups in these sectors.
2. The State may ensure clarity in articulating eligibility criteria for startups making a rural impact, underscoring their potential to generate employment, introduce rural-focused innovations, or meet specified benchmarks. Transparency in this information should be easily accessible to the public.
3. Tailoring incentives specifically for startups engaged in sustainability, renewable energy, climate change, and the circular economy could be a strategic move for the State.
4. To address the unique needs of startups in these critical sectors, the State may evaluate and potentially revise existing policies or incentives, ensuring they align more effectively with the goals and challenges of startups in sustainability-related fields.
5. Stimulating market demand for sustainability-related products could be achieved by the State aligning regulations, policies, or procurement norms following the four principles of Reuse, Recycle, Reduce. Incorporating elements like urban farming and carbon capturing into these initiatives may further enhance their impact.
6. The State may extend support, whether in the form of grants, mentorship, capacity development sessions, or other non-monetary assistance, to beneficiaries of all policies and schemes aimed at enhancing sustainability-related initiatives in the State.

Annexure

List of Figures

Figure A: QR Code for StartJK Portal

Figure B: Snapshot of Startup JK Portal

Figure C: JKEDI Business Incubator

Abbreviations

JKEDI- Jammu & Kashmir Entrepreneurship Development Institute

YIEP- Youth Innovation and Exposure Programs

PWD - Person with Disability

HEI - Higher Educational Institutes

PSUs - Public Sector Undertakings

CPSEs-Central Public Sector Enterprises

SKEWPY - Sher-e-Kashmir Employment and Welfare Programme for the Youth

EDP - Employment Development Programs

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