Entrepreneurship Ecosystem Overview

Jammu & Kashmir
Levers of change – Entrepreneurship

Following are the key levers of change which determine whether a state’s policy, education, legal framework, financial systems, business markets, cultural and social ethos are augmenting Entrepreneurship Growth:

1. The Entrepreneur
2. Govt. & Regulatory Support
3. Access to Finance
4. Educational & Cultural Preparedness
5. Mentoring & Networking
Jammu & Kashmir ranks #22 in India on World Bank’s ‘Ease of Doing Business’ index according to the Department of Industrial Policy and Promotion's (DIPP). It has improved from 31 in 2016 to 22 this year.
Govt. & Regulatory Support
Schemes:

- *Scheme of Fund for Regeneration of Traditional Industries (SFURTI)*

Govt. Regulatory Bodies:

- *SICOP- J & K Small Scale Industries Development Corporation Limited*
- *SIDCO- J & K State Industrial Development Corporation*
**Scheme of Fund for Regeneration of Traditional Industries (SFURTI)**

SFURTI is a scheme offered by MSME GoI to develop clusters of traditional industries in various parts of the country, make traditional industries more competitive with more market-driven, productive, profitable and sustained employment for traditional industry artisans and rural entrepreneurs, strengthen the local governance systems of industry clusters, build up innovated and traditional skills, advanced processes, market intelligence and new models of public-private partnerships.

**Benefits**

Khadi & Village Industries Commission, J & K is the facilitating agency for the scheme in the state. The scheme launched in 2005 intends to benefit artisans, entrepreneurs and voluntary organizations. The scheme provides for assistance 75% to 100% as a grant. The funding is shared between the beneficiaries and the central govt.
SICOP- J & K Small Scale Industries Development Corporation Limited

• SICOP aims to aid, counsel, assist, finance, protect and promote the interests of the Small Scale Industries in the State.
• To undertake and provide Marketing facilities to Small Scale Industrial Units in the State.
• To undertake procurement and sale of various raw materials whether imported or indigenous for supply to the Small Scale Industrial Units.
• To set up and manage raw material depots for effective and speedy supply of industrial raw materials, finished or semi-finished to Small Scale Industrial units.
• To work as stockiest in the state for Iron & Steel and other materials and supply them to the Industrial units.
• To develop Industrial Estates with a view to providing basic infrastructural facilities to the Small Scale Industrial units in the State.
SIDCO- J & K State Industrial Development Corporation

• J&K SIDCO (Jammu & Kashmir State Industrial Development Corporation) is the nodal agency for promotion & development of medium and large scale Industries in the state.

• Since its inception J&K SIDCO has acted as a prime mover in the State for promotion of Industrial ventures and thus is playing the role of "Institutional Entrepreneur." It provides Infrastructure and support services, Single Window Clearance System and funding.
Startup J&K

- StartupJK is an online platform for all stakeholders of the startup ecosystem in J&K, including startups, investors, mentors, incubators, accelerators, aspiring entrepreneurs, service providers and government bodies.
- It gives access to important resources such as its Learning & Development program, information about relevant Government Schemes, a Forum to brainstorm and discuss, News and Blogs among others.
- It is an initiative of the Industries and Commerce Department, J&K Govt.
- Website: www.startupjk.com
Access to Finance
Schemes:

- J & K Special Package of Industrial Incentives
- J&K Industrial Policy 2016
- Jammu & Kashmir Self Employment Scheme
- Sher-e-Kashmir Employment Welfare Programme for Youth (SKEWPY)

VC’s and Angels in J & K:

- CII J & K Angel Network
J & K Special Package of Industrial Incentives

Benefits

• Capital Investment Subsidy @ 15% of investment in plant and machinery subject to ceiling of Rs.30 lakh. However, MSMEs would be eligible for Capital Investment Subsidy @ 30% of the investment of plant and machinery subject to ceiling of Rs.3.00 crore and Rs.1.50 crore for manufacturing and service sector respectively to all new industrial units and existing industrial units on their substantial expansion.

• 3% Interest subsidy on the average of daily working capital loan to all new units for a period of 5 years from the date of commencement of commercial production.

• Central Comprehensive Insurance Subsidy Scheme with 100% reimbursement of premium to all new and existing units on their substantial expansion for a period of 5 years from the date of commencement of commercial production.
J&K Industrial Policy 2016

• The policy includes online processing of business proposals, self certification, establishment of green corridor at Lakhanpur, delegation of powers and time bound clearances from other departments including Power Development Department and State Pollution Control Board (SPCB). There is a clear focus on ‘ease of doing business’.

• To facilitate the investors, an Investment Facility Cell has been constituted at SIDCO and SICOP. Entrepreneurship and Skill Development Fund has been created for skill development of entrepreneurs. For revival of sick industrial units, the policy envisages for setting up of an “Asset Reconstruction Company” in partnership with J&K Bank. The policy aims to increase the share of manufacturing, services, and trade sector in GSDP.
State Capital investment Subsidy: State government will provide capital investment subsidy of 30 percent to micro, small and medium industries with upper sealing of Rs 60 lakh and Rs 75 lakh respectively in Zone-A (industrially progressive districts) and Zone-B (far flung and industrially backward districts) in manufacturing sector, and upto sealing of Rs30 lakh and Rs 37.5 lakh in respective zones in services sector.

For micro and small industries additional capital investment subsidy of 10 percent upto maximum Rs 20 lakh will be provided in Zone-B districts for promotion of industries in industrially backward areas.

Interest Subsidy on working capital: Interest subsidy in Zone-B has been enhanced to 5 percent from existing 3 percent to attract more investment in these industrially backward districts.

Subsidy of 50 percent on expenditure taken for green and environmental protection initiatives like waste management, rainwater harvesting, recycling etc.
J & K Industrial Policy 2016

• For installation of diesel generator sets of 10 KW to 200 KW, 100 percent subsidy upto Rs 40 lakh in Zone-A and Rs.45 lakh in Zone-B will be provided. The 100 percent subsidy will also be provided for installing renewable energy sources like wind and solar plants for required energy consumption in industrial units.

• For handloom and handicrafts, airfreight subsidy of 50 percent upto Rs15 lakh per annum on the parcels of 5000 kg within India and 1000 kg abroad. Airfreight subsidy of 50 percent upto Rs5 lakh per annum on export of finished goods and import of raw material within India.

• Exemption of stamp duty on mortgage deeds required for loan and other purposes by the financial institutions. Exemption of court fee on registration of documents required for lease of land.
Jammu & Kashmir Self Employment Scheme

Under the scheme, unemployed youths aged 18 years and above, who have at least passed Class 8 or have completed a one-year training course from a government institution, are provided with incentives like interest subsidy, capital subsidy and margin money to establish their own employment-generating units.

**Benefits**

- Individuals between 18-42 years of age (General category) and 18-47 years of age (ST/SC/OBC/Women etc) are eligible for availing loan for 75% of the project cost.
- Capital subsidy of 5% is allowed on the total cost of the project subject to a maximum of 7500 INR.
- As an incentive, Margin Money @ 15% of the project cost is paid to the beneficiary as an interest-free loan towards equity contribution of the entrepreneur which is repayable in 5 equal yearly installments after the liquidation of the loan amount.
**Sher-e-Kashmir Employment Welfare Programme for Youth (SKEWPY)**

- **Seed Capital Fund Scheme:** Under this scheme, the beneficiary will get exposure to EDPs which apart from sensitization, training & Consultancy shall include an incentive in the form of non-refundable seed money to the eligible prospective entrepreneurs for making their projects bankable.

- 35% of total project cost will be provided to the beneficiary upto a maximum Rs.3 Lakhs for undergraduates/graduates & Rs.5 lakhs for postgraduates. For professionally qualified persons like Doctors, Engineers & MBA's etc the maximum limit is Rs.7.5 Lakhs. For group initiative upper limit is 10 Lakhs. However, for those businesses which require costlier technologies it may be increased to 10 lakhs.65% of the project cost is provided as bank loan at interest rate of 9% per annum.

- Seed Capital Fund Scheme under SKEWPY policy of J & K State aims at creating job options not only for the entrepreneurs but also for others by creating employment opportunities.
• **Youth Start-up Loan Scheme**: Under this scheme, projects with an investment up to Rs. 8.00 lakhs will be considered for financing with 90% project cost as loan component and 10% as beneficiary contribution.

• However, in respect of projects with higher investment, the beneficiary contribution will be project cost less by 90% of the loan amount subject to a maximum of Rs. 8.00 lakhs.

• The Scheme emphasizes that while accessing credit for the establishment of enterprises, the entrepreneurs covered under the Scheme are not put to any inconveniences, thereby enabling them to start their 5 enterprises in a hassle free manner.

• The Scheme will help young startup entrepreneurs initiate and sustain their business activities so that they can develop an initial experience set and business track record that will help them later access the financial capital needed to grow their businesses through the commercial banking sector.
Empowering Skilled Young Women: Loan assistance from Rs.50,000 to Rs. 3 Lakhs is provided to women irrespective of caste/creed/religion to enable them to set up income generating units. 90% of loan is provided by government & 10 % is beneficiary contribution. The rate of interest is 6% and repayment period is 5 years, after 5 years interest will be charged at 12%
VCs And Angels In J & K

_CII J & K Angel Network_ : They provide mentoring and investment opportunities to the potential entrepreneurs.
Education & Cultural Preparedness
Educational Institutions Promoting Entrepreneurship

Jammu & Kashmir Entrepreneurship Development Institute (JKEDI)

• Established by the Government of Jammu and Kashmir to effectively enable entrepreneurship development in the state.
• Recognised as the second best organization in the entrepreneurial and self-employment space in India.
• Almost 90 percent of JKEDI sponsored units are running successfully and many of them are in the advanced stage of their business cycle
• JKEDI has 1 campus each in Kashmir, Jammu & Ladakh Divisions.
Mentoring & Networking
Start-Up Kashmir aims to bring Kashmir on the global startup network and build the startup ecosystem in the state of J&K by catalyzing and inspiring first time entrepreneurs to build ventures; accelerating and growing them to successful business by providing mentorship and access to global network. It is an effort to build an ecosystem that is sustainable and long lasting. [https://startupkashmir.org/](https://startupkashmir.org/)
• **Think pod Co-working**: This space aims to solve the problem that many businesses and start-ups in Kashmir face. For many, it can be very costly to lease one's own place and pay for all the amenities. Thinkpod workspace provides affordable renting plans and Internet, printing, storage and power backup facilities available 24/7. [https://www.facebook.com/thinkpodcowork/](https://www.facebook.com/thinkpodcowork/)

• **Silk Route Consulting Group**: It’s a consulting group based in Kashmir offering coaching, strategy, operations and networking to startups. They connect startups with potential investors. [http://thesilkrountegroup.com/](http://thesilkrountegroup.com/)
Sources:-