



GOVERNMENT OF
JAMMU AND KASHMIR



GUIDELINES FOR SETTING UP OF
STARTUP HUB &
INCUBATORS

JKEDI

INDUSTRIES AND COMMERCE
DEPARTMENT





Government of Jammu & Kashmir,
Industries & Commerce Department.

Subject:- Setting up of Startup Hub, Incubators and Scheme for Assistance to Startups in J&K.

Reference:- Cabinet Decision No: 190/12/2017 Dated: 23-10-2017

Government Order No:- 248-Ind of 2017

Dated :- 25 - 10- 2017

Sanction is accorded to the implementation of the scheme for "Setting up of Startup Hub, Incubators and Scheme for Assistance to Startups in J&K" as per the guidelines appended as annexures I and II to this Government Order.

By order of the Government of Jammu & Kashmir .

Sd/-

(Shailendra Kumar)IAS
Commissioner/Secretary to Government,
Industries and Commerce Department

Dated:- 25 - 10-2017

No:Ind/Plan- 1202/2016

Copy to the :-

1. Principal Secretary to the Government, Higher Education Department
2. Principal Secretary to the Government, Finance Department
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4. Commissioner/Secretary to Government, Industries & Commerce Department
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8. Director, Indian Institute of Management (IIM), Jammu
9. Chairman, J&K Bank Ltd, Corporate Head Office, Daigate, Srinagar
10. Director, J&K EDI, Srinagar
11. Director, Industries & Commerce, Jammu/Kashmir
12. Director, Technical Education/Mission Director, Skill Development
13. Managing Director, J&K SIDCO/SICOP
14. Registrar, University of Kashmir/ University of Jammu
15. Registrar, Central University, Kashmir/Jammu
16. Registrar, SKUAST, Jammu/Kashmir
17. Registrar, IUST, Awantipora (Kashmir)/SMVDU, Katra/BGSBU, Rajouri
18. Additional Director, STPI, Rangrethi.
19. President, KCCI/JCCI/ICTA, Jammu/Kashmir.
20. Private Secretary to Chief Secretary for information of Chief Secretary.
21. Private Secretary to Hon'ble Minister, Industries & Commerce Department.
22. Private Secretary to Hon'ble MOS, Industries and Commerce Department.
23. Private Secretary to Advisor to Hon'ble Chief Minister.
24. Incharge Website, Industries and Commerce Department.
25. Government Order file (w.2.s.c).
26. Stock Order file/Master file.

(Parvaiz A. Handoo)
Joint Director (P&S)

Industries & Commerce Department

GUIDELINES FOR SETTING UP OF STARTUP HUB AND INCUBATORS

① Introduction:

For creation of a conducive ecosystem for encouraging entrepreneurship and innovation and the growth of Start-ups in J&K, the state government would provide necessary support and to be aligned with the objectives of the National Initiative of Startup India.

Hub and Incubators are an integral component of a robust Startup ecosystem as they nurture, guide and support existing and aspiring Startups become successful business ventures. The state government is supposed to initiate the activities required towards setting up a Hub and multiple industrial players along with premier education institution (s).

For the purpose of clarity, a Startup, a Hub and an Incubator are defined as follows:

Startup:

A Startup means an entity, incorporated or registered in India not prior to five years, with annual turnover not exceeding Rs.25.00 crore in any preceding financial year, working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.

Hub:

A Hub is fundamentally a platform for existing as well as aspiring entrepreneurs to get connected with various promoters of Startup ecosystem such as business incubators, accelerators, VC firms, angels, mentors, etc.

Incubator:

An Incubator is an organisation that supports development of a new/ innovative idea or concept into a marketable product/ service. A typical Incubator provides common infrastructure and services such as technology development assistance, networking and mentoring, funding access, training and development, business support services (entrepreneurship development, marketing, finance and accounting, research, legal, regulatory), pre-incubation services among others to Startup businesses.

② Key features of an Incubator: |||||

For a new idea to become a successful commercial venture, adequate support and mentoring at various stages of business lifecycle is required. Incubators play an important role in identifying early stage Startups and supporting them across various phases of their lifecycle.

Key features of an effective Incubator have been classified under five areas spanning across various stages of Startup lifecycle, as represented in the illustration below:

Start-up life cycle/ Feature	Ideation	Prototyping	Commercialization
Advisory Support	<ul style="list-style-type: none"> • Conducting outreach program (such as in premier institutes in the country) for idea spotting • Validating viability/ potential of various ideas • Providing mentor support • Conducting business training programs. 	<ul style="list-style-type: none"> • Providing mentor support • Providing human resource support • Assistance in conducting market trials. • Developing client entry and exit criteria. • Support in drafting business plan, • Assistance in marketing and related activities. • Conducting training on business function skills such as marketing, finance etc. 	<ul style="list-style-type: none"> • Conducting training on business function skills such as marketing, finance etc. • Assistance in developing business growth strategy, • Assistance/ mentorship with investor pitch, go-to-market strategy. • Providing recruitment advice.
Funding Support	<ul style="list-style-type: none"> • Facilitating seed/ early stage funding. 	<ul style="list-style-type: none"> • Facilitating angel funding. • Facilitating venture capital funding. • Facilitating loan from commercial banks. • Facilitating specialized non-commercial loan funds. 	<ul style="list-style-type: none"> • Facilitating angel funding. • Facilitating venture capital funding. • Facilitating loan from commercial banks • Facilitating specialized noncommercial loan funds.
Networking and Access to Market Support	<ul style="list-style-type: none"> • Facilitating linkages with coaches such as academia industry leaders and other entrepreneurs. • Provide access to knowledge material on Startups/ entrepreneurship. 	<ul style="list-style-type: none"> • Assistance in linkages with local and international strategy partners. • Facilitating linkage with mentors in similar fields of business. • Providing access to knowledge material on Startups/ entrepreneurship. 	<ul style="list-style-type: none"> • Assistance in linkages with local and international strategy partners. • Providing access to knowledge material on Startups/ entrepreneurship.
Legal, Regulatory and Compliance Support	<ul style="list-style-type: none"> • Providing guidance on regulatory environment/ applicable laws which may impact implementation of ideas, 	<ul style="list-style-type: none"> • Assistance with intellectual property rights protection. 	<ul style="list-style-type: none"> • Assistance in setting up a legal structure of business. • Providing advisory services for import/ export requirements. • Providing general legal services. • Providing advisory services for various taxation compliances.
Infrastructure Support	<ul style="list-style-type: none"> • Providing training rooms, • Providing conference/ meeting rooms. 	<ul style="list-style-type: none"> • Providing facility based services such as office space, research labs and equipment, internet, meeting rooms etc. • Providing secretarial services such as printing, photocopying etc. 	<ul style="list-style-type: none"> • Providing facility based services such as office space, research labs and equipment, internet, meeting rooms etc. • Providing secretarial services such as printing, photocopying etc.

(3) Key features of a Startup Hub:

A Startup Hub is envisaged to bring in transformational changes in the Startup ecosystem by enabling collaboration among various partners and helping Startups through their lifecycle. Key features of a Startup Hub include:

Helpdesk to provide information regarding:

- » Setting up a business
- » Getting recognition as Startup
- » Incentives available to Startups and other ecosystem players
- » Procedures for availing the benefits
- » Queries/Grievances

- Tools such as policy documents, sectoral research, business templates, trainings etc.
- Facilitation for connecting various stakeholders including identification of funding agencies to be approached/mentor(s)/ other partner(s), etc.
- Any other tool/facility to allow for end-to-end assistance to various stakeholders throughout the Startup lifecycle
- Provide connect to Incubators within the State
- Online and offline events/ campaigns to stimulate the Startup ecosystem.

(4) For setting up of Startup Hub, the guidelines of Department of Industrial Policy and Promotion, Govt. of India would be followed.

(5) For setting up of Incubation Centres and Innovation Centres, the guidelines of Department of Industrial Policy and Promotion, Govt. of India and Atal Innovation Mission (AIM) of NITI Aayog would be followed.

(6) Constitution of State Level Empowered Committee (SLEC): |||||

A State Level Empowered Committee (SLEC) under the chairmanship of Administrative Secretary, Industries and Commerce Department and Director J&K Entrepreneurship Development Institute as Member/Secretary with composition of other members as under, shall be a decision making body for establishment of Startup Hub, to periodically monitor the performance of the Startup Ecosystem and to take decisions about the modifications in the scheme guidelines from time to time as felt necessary:

- i. Director Industries and Commerce Kashmir/Jammu.
 - ii. Director, Technical Education/Mission Director, Skill Development.
 - iii. Managing Director J&K SIDCO/SICOP.
 - iv. Representative of Universities of Kashmir/Jammu, not below the level of Associate Professor.
 - v. Representative (not below the level of Additional Secretary) of Administrative Secretary, Higher Education Department.
 - vi. Representative of Indian Institute of Management (IIM) Jammu, not below the level of Associate Professor.
 - vii. Representative of SKUAST Kashmir/Jammu, not below the level of Associate Professor
 - viii. Representative of NIT Srinagar not below the level of Associate Professor.
 - ix. Additional Director STPI, Rangreth
 - x. Representative of J&K Bank
 - xi. President KCCI, JCCI, ICTA J&K
-

(7) Setting up of the Start-up Hub in the State: |||||

The Jammu & Kashmir Entrepreneurship Development Institute already has various facilities that are basic for setting up of an efficient Startup Ecosystem. The Startup Hub with two parallel Centers shall be located at EDI Pampore in Kashmir and initially in the office premises of JKEDI at Udhog Bhawan, Rail Head Complex Jammu to be finally shifted to permanent campus of the JKEDI being established at Bari-Brahmana Jammu.

⑧ Setting up of the Incubator Centres in the State:

To start with, the following institutions may initiate steps for establishing Incubator Centres in the State for encouraging innovation and entrepreneurship through Startups and may apply for getting registered as Incubators: which is illustrative and not exhaustive:-

Jammu Province:

1. University of Jammu, B.R. Ambedkar Road, Jammu
2. Central University of Jammu
3. Shri Mata Vaishno Devi University (SMVDU) Kakryal, Katra
4. Baba Ghulam Shah Badshah University (BGSBU), Rajouri
5. Indian Institute of Technology (IIT), Jammu
6. Indian Institute of Management (IIM), Jammu
7. Indian Institute of Integrated Medicines (IIIM), Jammu
8. GGM Science College, Canal Road, Jammu
9. Govt. College for Women, Parade, Jammu
10. Govt. Boys Polytechnic College, Bikram Chowk, Jammu
11. Satellite Campus, Baderwah, University of Jammu
12. Government P.G. College, Kathua
13. Government P.G. College, Poonch
14. Government Degree College, Samba

Kashmir Province:

1. University of Kashmir (KU), Hazratbal, Srinagar
2. SK University of Agricultural Sciences and Technology, Kashmir (SKUAST-K)
3. Central University of Kashmir (CUK), Ganderbal
4. Islamic University of Science and Technology (IUST), Awantipora
5. Government Women's College, M.A Road Srinagar
6. J&K Entrepreneurship Development Institute (EDI), Pampore
7. Kashmir Government Polytechnic College, Srinagar
8. SSM College of Engineering and Technology, Parihaspora, Baramulla
9. Craft Development Institute (CDI), Srinagar
10. Indian Institute of Carpet Technology (IICT), Srinagar
11. National Institute of Technology (NIT) Srinagar
12. Software Technology Parks of India (STPI), Rangreth Srinagar
13. Information and Communications Technology Association (ICTA) of J&K Srinagar
14. Govt. Degree College, Leh
15. Govt. Degree College, Kargil

⑨ Setting up of Incubators under State funding: |||||

While presenting State Budget on 30.05.2016 in the State Legislative Assembly, the Hon'ble Minister for Finance announced an allocation of Rs 5.00 crore for setting up of Business incubators for sunrise industries in Srinagar and Jammu Cities. Relevant part of the Budget Speech is reproduced as under:

“Para 61: our new breed of young entrepreneurs needs support for them to grow. Instead of giving them subsidies, I propose to set up Business Incubators for Sunrise Industries in the capital cities of Srinagar and Jammu. The Business Incubators will provide finance, branding and marketing support to the entrepreneurs. To begin with, I propose a start-up fund of Rs 5.00 crore”

For this purpose a “Scheme for Assistance to Startups/Innovation” has been prepared for implementation and form part B of this document.

GUIDELINES FOR ASSISTANCE TO STARTUPS

1) Introduction:

For creating conducive ecosystem for encouraging entrepreneurship innovation and growth of the Start-ups in J&K, the State Government has decided to set up Business Incubators for sunrise industries in the State to give boost to the new breed of young entrepreneurs with initial indicative list of such incubators given at page-4 of the document. These incubators will function in the ecosystem under the platform of the designated Hub will function as Nodal Agency for assistance of the Incubators and the Startups. To start with JKEDI Jammu and Srinagar would function as designated Hub which can be expanded by inclusion of other such institutions having manpower, expertise and infrastructure.

2) Functions of the Nodal Agency:

The Nodal agency shall provide holistic networking platform for all the incubators, entrepreneurship development agencies, academic institutions, R&D Centres, industrial bodies and associations and funding/financing entities;

- a. The Agency shall be vested with appropriate operational and financial powers to design and implement the innovation agenda for the State.
- b. Any Institute in quest of grants from state government to setup Incubator shall have to be registered with the nodal agency.
- c. The agency shall monitor implementation of new incubators as well as the performance of newly setup incubators.
- d. Once the idea gets commercialized, the Innovator will apply to Nodal Agency to avail benefits such as venture capital assistance, marketing/publicity support.
- e. The agency shall act as an interface for establishing suitable collaborations and exchanges.

The Nodal Agency shall facilitate Start-ups/Incubators/Host Institutes to avail benefits under the scheme. This agency will act as 'One Stop Solution' for all Start-ups /Incubators queries, liaison with Government functionaries and assist in policy implementation plan.

3) Incubators: |||||

Institutes selected as Incubators shall be responsible to provide basic 'plug & play' facilities to start-ups such as:

- Work space with computer and Internet Broadband Connection
- Common business, administrative & incubation facilities
- Training & Mentoring (Technical, Financial, Marketing & Legal)

4) Eligibility: |||||

- Any individual /group of individuals will be eligible to avail benefits under the scheme.
- University/Educational Institutions, Incubation Centres/PSUs/R&D Institutions/Private and other establishments will be eligible as an institution to support and mentor the innovators, to be approved by a Committee so formed, as Nodal Agency.

5) Infrastructure: |||||

The applicant will have to provide at least 3,000 sq. ft. space with the availability of power, water & other facilities. However, area for an incubator can be considered even only 1000 sqft for eligibility where ever the location is important and the space available is limited.

6) Activities: |||||

Incubators shall focus on business with the potential to grow and develop quickly considering the region they are established in. The Incubators shall also submit the list of sectors in which Incubation for entrepreneurship building is proposed to be conducted.

7) Process: |||||

Eligible Start-up/Entrepreneur /Incubator/Host Institution shall submit its application along with its business plan to the Nodal Agency. Nodal agency shall formulate a Proposal Evaluation Committee under the Chairmanship of a designated officer for evaluation of the proposals obtained from Incubators/Host Institution for approval.

8. Assistance Available:

- I. The eligible Incubators shall be provided capital grant of max 50% for Fixed Cost Investment (excluding Land cost) for setting up Incubator, subject to max of Rs 50 Lacs.
- II. There shall be no provision available for salaries or admissibility for creation of posts under the scheme.

9. Innovator/Incubator:

The innovator intending to avail incubation facilities shall approach the Incubator with his proposal of innovative idea. The Incubator shall approve idea/concept of an individual or group of individuals.

The selected candidate, whose project is then approved by the Nodal Agency, will be eligible for sustenance allowance for a period of one year.

After the commercialization of the idea, incubate can apply to DIC for assistance under MSME Schemes, State Package of Incentives etc as already available.

a) Assistance for innovation:

- » Institution will provide support to the innovator by providing mentor services
- » Institution will allow the innovator to use facilities available in the institution for Start-ups.
- » Rs.10000 per month will be provided to the innovator as sustenance allowance for one year whose project is approved by the committee.
- » Upto Rs 5.00 lakh assistance will be provided for Mentoring Services, Cost for Raw Material/Components and other related equipment required for the innovative process for the new product development based on approval of the Committee.
- » The Incubators will support selected innovator to get free access to University Libraries/Govt. Laboratories/PSUs to have more clarity on his innovative idea/concept.

b) Assistance once the idea/Concept get commercialized:

- » Marketing/publicity assistance up to Rs. 10.00 lakh will be provided for the introduction of innovated product in the market.
- » Project of innovated product will be assisted in getting Venture Capital.

c) The Project will be eligible for other benefits available under MSME Schemes/State Industrial Policy.

10. General Guidelines: |||||

a) Selection:

Incubators shall analyse the business and the business ideas/proposals to ensure that those selected can gain most from the incubator and offer most to the local economy. This typically means excluding retail and trade activities (since they are generally over-represented) and choosing business activities that are under-represented in the local economy. The Incubator shall evolve transparent system for selection of incubates. Only those incubates shall be admitted who fulfil the eligibility criteria.

b) Support:

Incubators shall provide hand-on, tailored, one-stop-shop business support for resident entrepreneurs.

c) Incubation team:

The support will be packaged by one-site business advisor/advice team, as well as having bought in specialist services. Each Incubator would have a dedicated Manager with desired domain and management expertise, working full time for the incubator. The Manager would lead a core team to manage day-to-day affairs of the incubator. Apart from the Manager, the incubator should have sufficient qualified manpower for its successful operations.

d) Graduation:

The businesses shall be encouraged to move on once they have grown, gained markets and maturity. Incubators shall tend to not house businesses for more than 2 years. The idea is that the benefits of sheltered environment should only be provided to support the initial period of a new business. An effective selection and exit policy shall therefore be vital.

e) Website:

Each designated agency is required to have a website of its own and should update it at regular intervals including the details of incubates.

