Investor Guide on Tourism Sector

Contents

Overview of Jammu and Kashmir

The former state of Jammu & Kashmir has been reorganized as the Union Territory of Jammu and Kashmir on 31st October 2019. Popular by the sobriquet "Heaven on Earth", the State is located in the extreme north of the country, with China in the north, Punjab and Himachal Pradesh in the south, and Pakistan in the west. The economy of Jammu and Kashmir primarily relies on agriculture and related sectors, with a significant portion of the population engaged in agricultural and allied activities.

UT Capital	‣ Jammu (Winter) ‣ Srinagar(Summer)
Geographic Area	‣ 1,20,355 sq. km
Population (Census 2011)	‣ 12.5 Million
Total Road Length (2019)	‣ 1,20,034 (km)
Industrial Estates	‣ 64(Developed) ‣ 46(under development)

Tourism in J&K

Tourism in Jammu and Kashmir, a region known for its breath-taking landscapes and cultural richness, has long been a crucial contributor to the state's economy. While my information is based on the situation up to January 2022, it's important to note that the dynamics in the region might have evolved since then.

Natural Beauty: Jammu and Kashmir, often referred to as "Paradise on Earth," is renowned for its stunning natural beauty. The region is adorned with picturesque landscapes, including the Himalayan Mountain ranges, pristine lakes such as Dal Lake, lush valleys, and meandering rivers.

Tourist Attractions: Several iconic tourist attractions draw visitors to Jammu and Kashmir. Srinagar, the summer capital, is famous for its houseboats and Mughal gardens. Gulmarg is a popular destination for skiing and winter sports, while Pahalgam offers serene landscapes and is a starting point for the annual Amarnath Yatra pilgrimage.

Cultural Richness: The region is culturally diverse, with a blend of Hindu, Muslim, and Buddhist influences. Visitors can explore ancient temples, mosques, and monasteries that reflect the rich cultural and religious heritage of the area.

Adventure Tourism: Jammu and Kashmir offer numerous opportunities for adventure enthusiasts. The region's topography supports activities such as trekking, mountaineering, white-water rafting, and skiing. The Amarnath Yatra, an annual pilgrimage to the Amarnath Cave, is a significant religious and trekking event.

Challenges: The tourism sector in Jammu and Kashmir has faced challenges, particularly due to geopolitical issues and occasional instances of unrest. Security concerns have at times impacted the flow of tourists to the region. Efforts are ongoing to address these challenges and promote Jammu and Kashmir as a safe and attractive tourist destination.

Revitalization Efforts: The government, both at the state and central levels, has undertaken initiatives to promote tourism in Jammu and Kashmir. These include infrastructure development projects, promotional campaigns, and measures to enhance the overall tourism experience.

Hospitality and Handicrafts: The region is known for its warm hospitality, and visitors often indulge in traditional Kashmiri cuisine and purchase exquisite handicrafts, including Pashmina shawls, carpets, and papier-mâché items.

Seasonal Variations: The tourism flow in Jammu and Kashmir is often seasonal, with peak seasons attracting a higher number of visitors, especially during the summer months when the weather is pleasant and conducive to outdoor activities.

Jammu and Kashmir, with its natural splendour and cultural richness, continues to be a captivating destination for tourists. Efforts to address challenges and promote sustainable tourism will likely play a crucial role in ensuring the long-term growth and vitality of the tourism sector in this region. For the most up-to-date information, it's recommended to check recent sources and travel advisories.

Advantages of Jammu and Kashmir

- ► 1.88 Crore tourists visited J&K in 2022 out of which 20,000 were international tourists.
- ► 2 commercial Airports with 100+ flights daily and 4 – Lane connectivity for major cities & 24+ trains.
- ► Tourism Sector contributes Rs. 8,000 crores annually, nearly 10% of the UT's GDP.
- ► Four seasons, offering different moods and settings throughout the year.
- ► Large pool of ~70,000 people directly & indirectly employed in Tourism Industry.

Major Development Initiatives

- New Central Sector Scheme notified in 2021 for the Industrial Development of J&K, with an outlay of INR. 28,400 crores
- Jammu & Kashmir received a proposed investment of worth ₹ 87,923 Cr
- Highest-ever Incentive to Industry @ 400% on P&M
- Major Infrastructure Development – Rail and Road connectivity, PFT, Industrial land and CFCs
- Prime Minister's Development Package: 39 Infra projects ongoing/in pipeline
- 5.9 million tonnes of lithium reserves have been found for the first time in the UT

Policy Initiatives:
- J&K Industrial Policy 2021
- J&K Industrial Land Allotment Policy 2021
- J&K Private Industrial Estate Policy 2021
- J&K Ayush Policy 2020
- J&K Health Investment policy 2019
- J&K FDI Policy 2022
- J&K Film Policy 2021
- J&K IT & ITeS policy 2020
- J&K Poultry Policy 2020
- J&K Tourism Policy 2020
- J&K Township & Housing Policy 2020
- J&K Wool Processing, Handloom and Handicraft Policy 2020
- Change of Land use
- Logistic Policy, Export Policy, Startup Policy, Private Industrial Estate Policy(Drafted)

Current Food Processing Scenario

- 16- Large Food Processing Units
- 300+ - Grading / Packaging Units
- 3.3mn - People Currently Engaged in Agriculture

Policy Ecosystem

New Central Sector Scheme for Industrial Development of J&K

► This scheme was notified on 19.2.2021 by the Department for Promotion of Industry & Internal Trade (DPIIT) to bring about radical transformation in the existing industrial ecosystem of J&K, thereby enabling Jammu and Kashmir to compete nationally with other leading industrially developed States/ UTs of the country

► The Scheme aims to give fresh thrust to industry and services led development of J&K with emphasis on job creation, skill development and sustainable development by attracting new investment and nurturing the existing one, The scheme is for the duration of 2021-22 to 2036-37 with total financial out lay of Rs. 28,400 crore and envisages four types of incentives namely

► Capital investment incentive (CII)
  o For Zone A – CII @30% of investment, maximum up to INR 5 Cr
  o For Zone B – CII @50% of investment, maximum up to INR 7.5 Cr
► Capital interest Subvention (CIS)
  o CIS at the annual rate of 6% for maximum 7 years on loan amount up to INR 500 Cr for investments.
► GST Linked Incentive (GSTL)
  o GSTL Incentive equal to 100% of the gross GST for 10 years maximum upto 300% of eligible value of investment.
► Working Capital Interest Subvention (WCIS)
  o WCIS is 5% Interest subsidy for existing units on working capital loan for 5 years, maximum up to INR 1 Cr

Jammu and Kashmir Industrial Policy

► Policy is effective from Apr-21 and will remain in force for 10 years
► Policy to provide incentives to New, Existing units and Existing units undertaking substantial expansion
► New units to get 100% exemption of stamp duty
► Units to be incentivised for investment in pollution control equipment and adopting environment friendly production technologies
  o 60% of the cost of Pollution Contron Devices maximum of INR 50 lakhs.
  o 50% subsidy on the expenditure incurred.
► Additional support to existing units
  o Turnover incentive for 5 years of 3% for Micro and 2% for small, medium and large units
  o Net SGST reimbursement for 10 years

J&K Industrial Land Allotment Policy

► The 'Industrial Land Allotment Policy 2021-30' was approved to pave way for investments in health institutions, medicities, educational institutions and edu-cities in the UT

► The adoption of the J&K Industrial Land Allotment Policy 2021-30 was approved to evolve a highly structured industrial land bank for promoting equitable industrial growth in the union territory

Policy for promotion of Foreign Investment in J&K

► The Jammu and Kashmir administration approved the first-ever foreign direct investment (FDI) policy for the union territory in Feb-22, based on the guiding framework on FDI issued by the Government of India through the Reserve Bank of India (RBI) and the Department for Promotion of Industry and Internal Trade (DPIIT), it will be valid for 10 years.

► The policy would aid foreign investments of over Rs. 100 crore with a minimum stake of 51 percent for the foreign entity.

► It will pave the way for identifying parcels of land in various industrial estates "to be given exclusively to industries with foreign investments, including vertical rise premises in the form of multi-purpose buildings, complexes, with plug-and-play facilities.

Sector Analysis – Tourism

Exports & Economic Contribution

► Tourism Sector contributes Rs. 8,000 crores annually, nearly 10% of the UT's GDP.

► 1.88 Crore tourists visited J&K in the year 2022 out of which 20,000 were international tourists.

Resource Availability

► 100+ Tourist destinations and new 75+ offbeat locations identified.
► Road, rail and air connectivity being improved.

Existing Ecosystem

► 4200+ Hotels & Guest Houses spread across all major tourist destinations of J&K.

► With 160+ Category A hotels and ~70% occupancy rate.

Traditional Strength/ Skill

► J&K has traditionally been a strong tourist destination. It was one of the sought after destinations in India.

Employment/ Skilled Manpower

► Tourism Industry in J&K generates ~70,000 direct & Indirect employment.
► Large part of local population has been involved in tourism managing boathouses, working as guides, taxi drivers, etc.

Supporting Infra.

► 4200+ Hotels & Guest Houses spread across all major tourist destinations of J&K.
► Presence of tourism institutes – SHTM Jammu; Food Craft Institute, IHM Srinagar, etc.

Sustainable Scalability

► The hospitality and tourism sector has a very high employment potential especially with rise of eco-tourism.
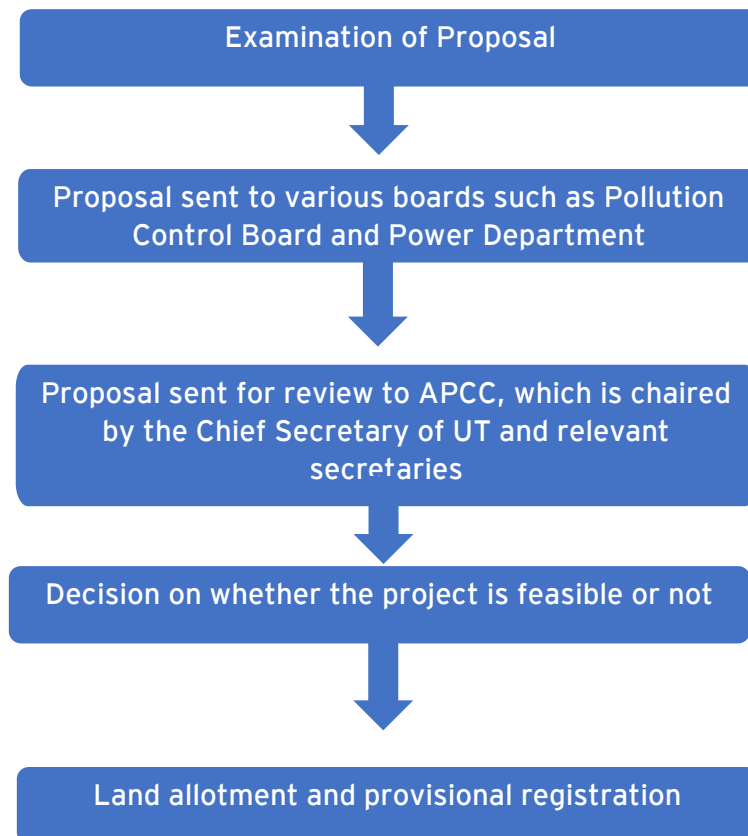► J&K is aiming for 15-20% YoY growth in tourist footfall and developing new 75 tourist destinations.

Logistics Cost

► 2 commercial Airports operating 100+ flights daily.
► 4 – Lane connectivity for major cities and towns in J&K and 24+ trains cross through UT making it easily accessible.

Single-window clearance mechanism

APCC, a high-power clearance committee, has been set up to rapidly clear projects under the chairmanship of the Chief Secretary of the UT. The committee serves as a single-window clearance system for projects related to all cases of export-oriented units and prestigious units
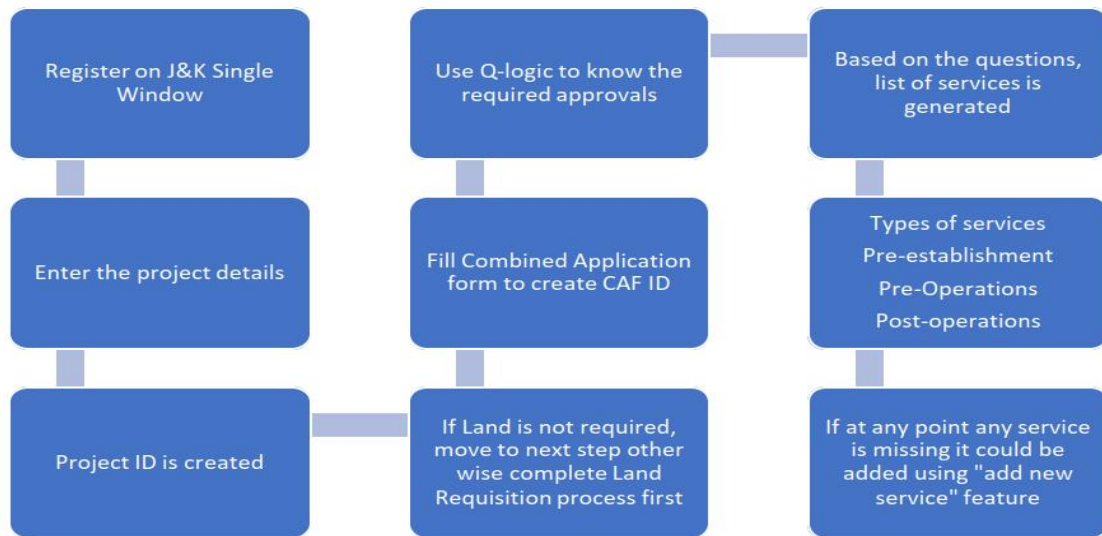
Process Flow:

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┌─────────────────────────────────────────┐
│         Examination of Proposal          │
└─────────────────────────────────────────┘
                    │
                    ▼
┌─────────────────────────────────────────┐
│  Proposal sent to various boards such    │
│  as Pollution Control Board and Power    │
│  Department                              │
└─────────────────────────────────────────┘
                    │
                    ▼
┌─────────────────────────────────────────┐
│  Proposal sent for review to APCC,       │
│  which is chaired by the Chief Secretary │
│  of UT and relevant secretaries          │
└─────────────────────────────────────────┘
                    │
                    ▼
┌─────────────────────────────────────────┐
│  Decision on whether the project is      │
│  feasible or not                         │
└─────────────────────────────────────────┘
                    │
                    ▼
┌─────────────────────────────────────────┐
│   Land allotment and provisional         │
│   registration                           │
└─────────────────────────────────────────┘
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The entire procedure is completed within a maximum time-frame of two months.

State Single Window Portal

J&K has come up with State Single Window Portal (InvestJK) for providing ease of application to investors, who are looking to start a business in the UT. Applicants/Investors can submit application thrssough Single Sign On (SSO) for all the services/NoCs required from stakeholder departments. All respective departments are integrated with Single Window Clearance system (InvestJK) to enable single point access for all the functionalities like tracking application, MIS Dashboard access, Grievance redressal, feedback etc.

The SSO provides ease to Investors and he/she doesn't need to visit different department portals for different services and everything gets governed and submitted through State Single Window Portal.

Process flow for an investor looking to start a business in J&K

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┌─────────────────────┐    ┌─────────────────────┐    ┌─────────────────────┐
│ Register on J&K     │    │ Use Q-logic to know │    │ Based on the        │
│ Single Window       │    │ the required        │    │ questions, list of  │
│                     │    │ approvals           │    │ services is         │
│                     │    │                     │    │ generated           │
└─────────────────────┘    └─────────────────────┘    └─────────────────────┘

┌─────────────────────┐    ┌─────────────────────┐    ┌─────────────────────┐
│ Enter the project   │    │ Fill Combined       │    │ Types of services   │
│ details             │    │ Application form to │    │ Pre-establishment   │
│                     │    │ create CAF ID       │    │ Pre-Operations      │
│                     │    │                     │    │ Post-operations     │
└─────────────────────┘    └─────────────────────┘    └─────────────────────┘

┌─────────────────────┐    ┌─────────────────────┐    ┌─────────────────────┐
│ Project ID is       │    │ If Land is not      │    │ If at any point any │
│ created             │    │ required, move to   │    │ service is missing  │
│                     │    │ next step other     │    │ it could be added   │
│                     │    │ wise complete Land  │    │ using "add new      │
│                     │    │ Requisition process │    │ service" feature    │
│                     │    │ first               │    │                     │
└─────────────────────┘    └─────────────────────┘    └─────────────────────┘
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Steps involved

- ▶ Register and login
- ▶ Document upload
- ▶ Society Registration
- ▶ Partnership Registration
- ▶ Project Creation
- ▶ Land Requisition
- ▶ CAF ID creation
- ▶ Applying for services
- ▶ Services Available
- ▶ Available Incentives

Your Approval List

| Sr. No.	Service Type	Service Department	Service Name	TimeLine	SOP
1	Pre-establishment Approvals	Industries & Commerce Department	Advanced/ EM-2 Registration	15	View/download
2	Pre-establishment Approvals	Industries & Commerce Department	Assessment of raw material & finished goods	30	View/download
3	Pre-establishment Approvals	Industries & Commerce Department	Change in Location	30	View/download
4	Pre-establishment Approvals	Industries & Commerce Department	Change in Name & Style	30	View/download
5	Pre-establishment Approvals	Industries & Commerce Department	De-registration of Units	21	View/download
6	Pre-establishment Approvals	Industries & Commerce Department	Initial / EM-1 Registration	30	View/download
7	Pre-establishment Approvals	Industries & Commerce Department	Land Allotment Application	30	View/download
8	Pre-establishment Approvals	Industries & Commerce Department	Prior Permission for additional products	30	View/download
9	Pre-establishment Approvals	Industries & Commerce Department	Prior Permission for substantial- Expansion Additional Line of Activity	30	View/download
10	Pre-establishment Approvals	Industries & Commerce Department	Registration of Partnership firm	30	View/download
11	Pre-establishment Approvals	Industries & Commerce Department	Transfer of Lease Hold Rights of Units	30	View/download
12	Pre-establishment Approvals	Labour Department	Registration under The Shops and Establishment Act	30	View/download
13	Pre-operation Approvals	Industries & Commerce Department	Merger of Units	30	View/download
14	Pre-operation Approvals	Labour Department	Registration of Establishments Employing Contract Labour under Contract Labour Act	30	View/download

Workflow procedure

Investors will create login credentials at https://www.investjk.in/ (OTP enabled)

- ► Applicant/Investor will first define project details and enter information "Whether Land/Establishment is required or not."
- ► If applicants don't have any Establishment/Land, he/she can apply for Land Availability Application and submit the application.
- ► Application will be scrutinized at SICOP/SIDCO, after that permission will be granted.
- ► Once the applicants receive Land Allotment order, they will fill Common Application Form for one time after which CAF ID will be generated.
- ► If applicants have land, they will fill the required details and proceed for CAF as defined above.
- ► After the issuance of CAF ID, the Applicants will be asked to fill Q-Logic (set of questions)/Select Department services based on which number of approvals will be viewed which needs to be applied with line departments.
- ► Existing Applicants who have already filled CAF don't require to opt for Q logic as they can directly add/select service from the drop-down list.
- ► Once the applicant applies for the service, department will ensure that service will be given within prescribed timelines.
- ► All the applications integrated with different department will be routed/applied through Single Window Clearance System only.
- ► Integrated department functioning will remain unchanged and same, but all the activities performed will be tracked by applicant through Single Window Portal only.
- ► There would be only one portal for applicants to track down the status of applied Applications.
- ► Applicants can also view MIS Dashboard status, put Grievance if any through Single Window portal.
- ► Applicants can track down the status of multiple clearances through Single CAF ID.

Detailed Workflow
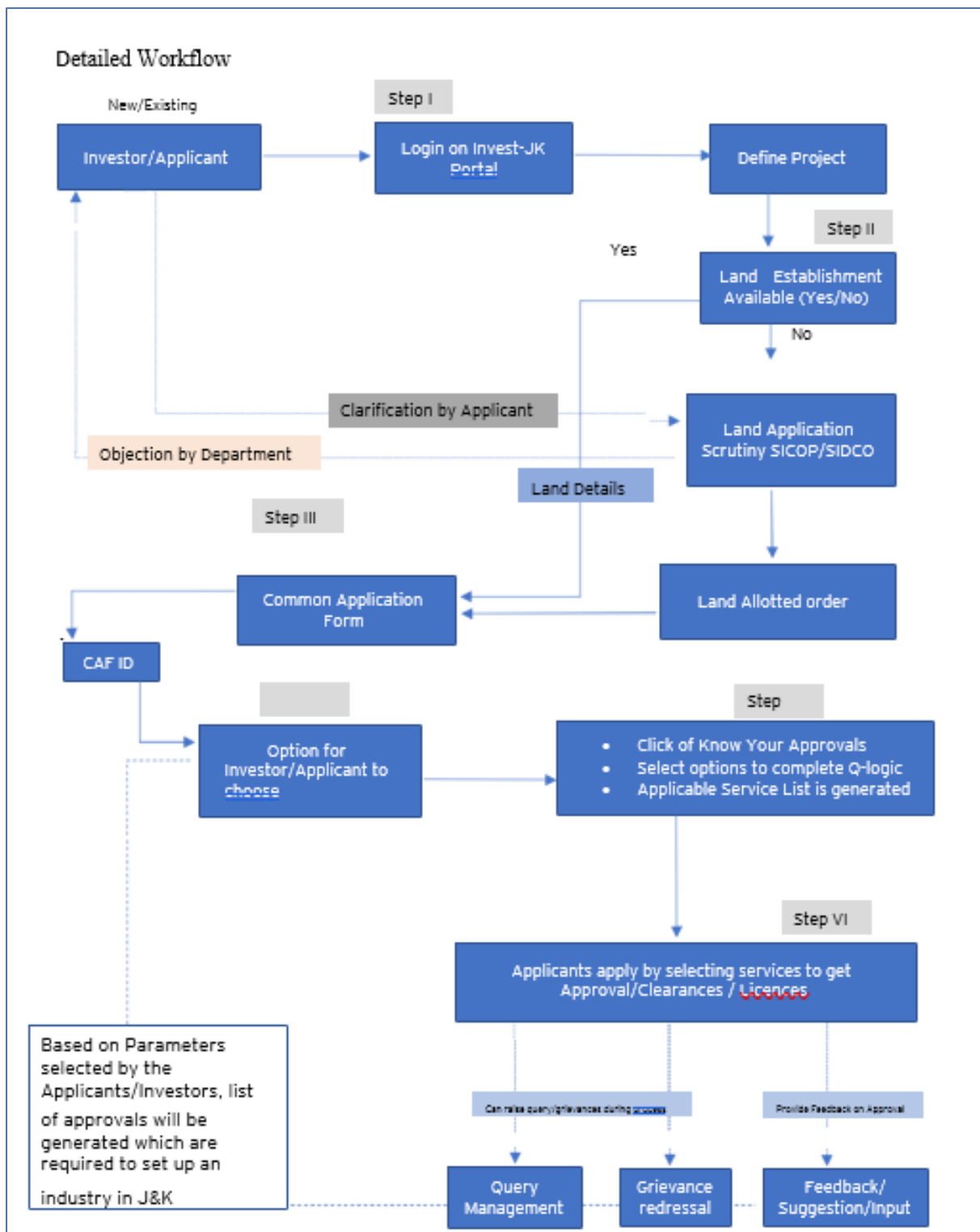
New User Registration

Investor can register themselves by clicking on the register button. After registration one can access all the investment facility.
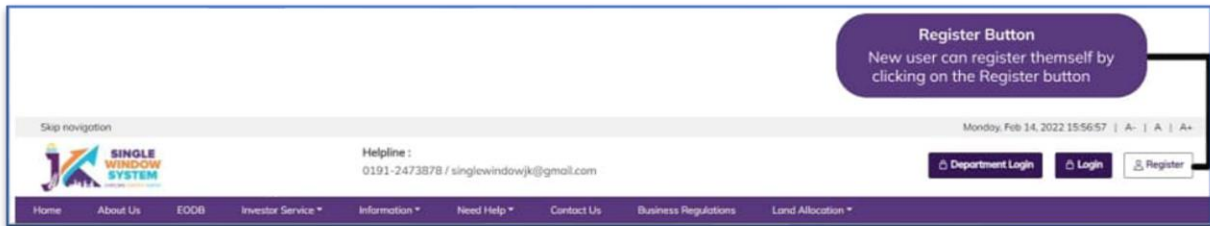
In the above Registration page user will need to fill in all the details.

User must generate and enter the OTP by specifying his/her e-mail ID. Once the OTP is entered and all the mandatory fields are filled, user will be successfully registered.

Login Page

After registration is successful, user can login with their credentials and access the application to avail the benefits of single window system - J&K.

Document Manager

After login, users will land on to the below page. In the left-hand side menu users need to select "My Document Manager", here they can upload all the necessary documents needed for project creation.

Society Registration

After login, select My Project from the left side menu. From project list in My Project, click on the Action button next to your project name and select Add Society Registrations.
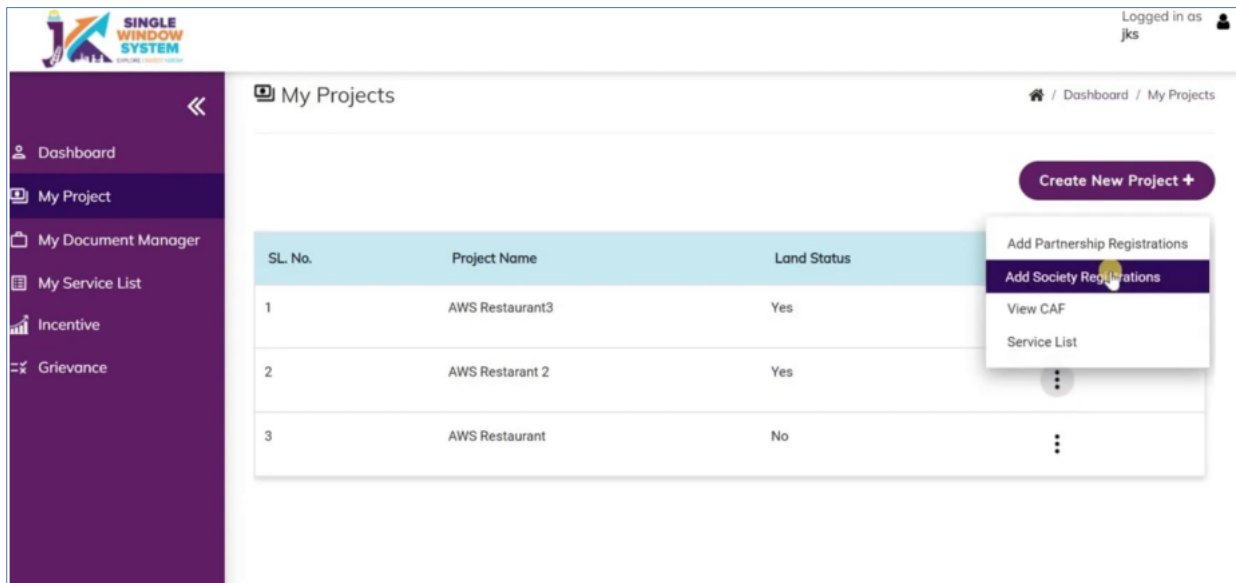
Partnership Registration

After login, select My Project from the left side menu. From project list in My Project, click on the Action button next to your project name and select Add Partnership Registrations.
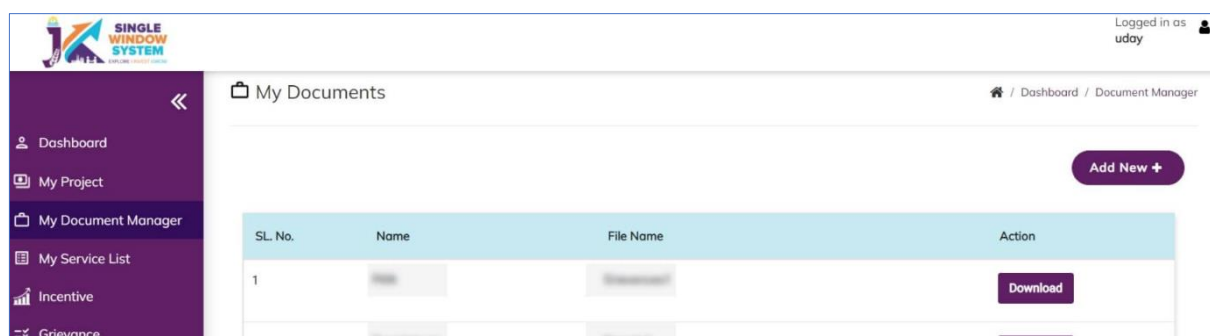
After clicking on Add Partnership Registrations. Instructions for Firm Registration under J&K Partnership Act, 1996 page will appear. After reading the instructions, click on the continue button.

Below page opens on clicking continue

Details to be filled

► Firm Name - Enter the name of the firm here.
► Type of Firm - Select the type of firm whether it is a Self Help Group firm or Firm other than self help group.
► Resolution duly signed by all Partners - From the dropdown list, select the file of resolution which is duly signed by all the partners.
► Letter from District Employment Center - From the dropdown list, select the letter from district employment center.
► Qualification Certificate - From the dropdown list, select the qualification certificate. NOC from Education Department - From the dropdown list, select the NOC from Education Department.

- ► Division - Select the division whether it is Jammu or Kashmir
- ► Under the list of Partners Information in Partner 1 Details, Enter the following details of the member –
  - o Name of Partner - Enter the Partner's name here.
  - o Partner Share in Percentage - Enter the partner's share in percentage here.
  - o Permanent Address - Enter the permanent address here.
  - o Date of Joining - Enter the date of joining of the partner.
  - o Age - Enter the age of the partner.
  - o Religion - Enter the religion of the partner.
  - o Scanned Photograph - From the dropdown list, select the file having a scanned photograph of the member
  - o Scanned Signature - From the dropdown list, select the file having a scanned signature of the member.
  - o Self Attested copy of State Subject Certificate - From the dropdown list, select the Self Attested copy of State Subject Certificate.
  - o Select File Self Attested copy of Ration Card or Election Card or Aadhar Card or Passport or Driving License or PAN Card - From the dropdown list, select File Self Attested copy of Ration Card or Election Card or Aadhar Card or Passport or Driving License or PAN Card

Above detail is to be filled by all the Partners

- ► Partnership deed duly registered before Sub-Registrar - From the dropdown list, select the partnership deed duly registered before Sub-Registrar.
- ► Affidavit - From the dropdown list, select the affidavit.
- ► Rent deed duly registered before Sub-Registrar - From the dropdown list, select the rent deed duly registered before Sub-Registrar.
- ► PAN Card of the Firm - From the dropdown list, select the PAN Card of the Firm.
- ► NOC/Business License, if any, required under an law for the time being in force - From the dropdown list, select the NOC/Business License, if any, required under an law for the time being in force.
- ► After filling the required field, click on the Submit button to proceed. Now, you can view all the filled details. To change/modify any details click on
- ► Edit button, else click on the Continue button. Now proceed with payment and fter the successful payment the Partnership Registration is completed

Project Creation

After logging in to the website, users need to select "My Project" in the left side menu. Here they will click on "Create New Project" to create their project.
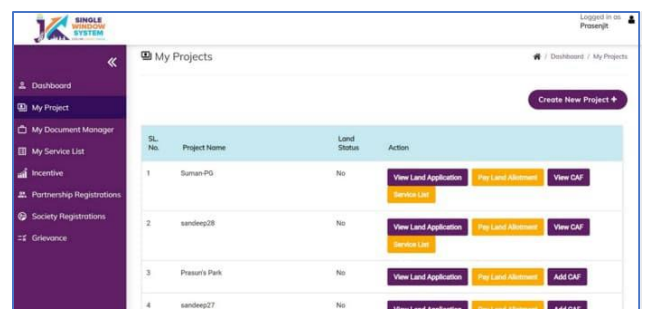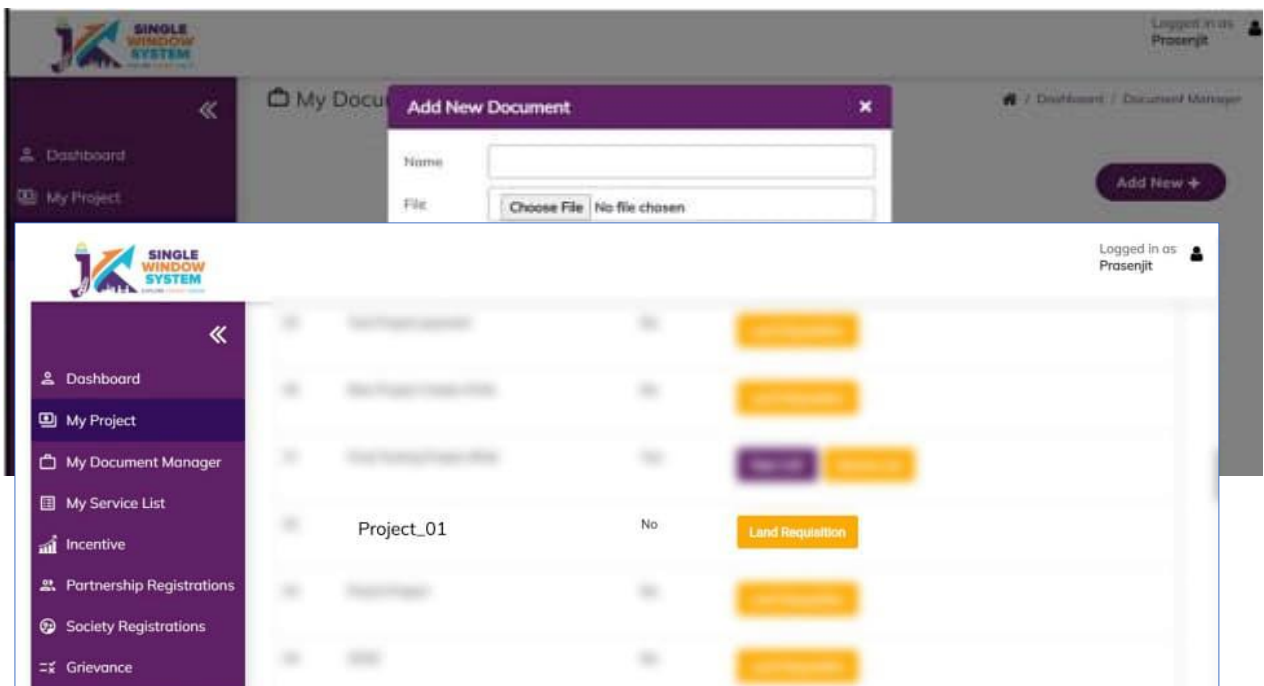
Land Requisition

After creating the project, if the investor doesn't require "Land Property", then they will have to fill the "Add CAF" but if the investor has requirement for "Land Property" then the investor has to fill the "Land Requisition" form. Here we will discuss the second case when the investor requires land property.

STEP 01- Upload the required document in "My Document Manager". Select My document manager from side menu and click on "Add New" button to add your documents.
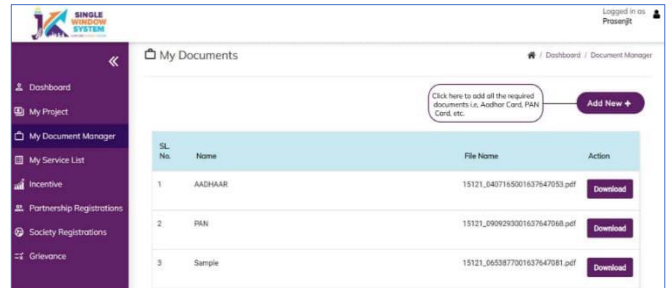
After clicking on Add New, following screen will appear to upload all the documents.

Clicking on the Land Requisition button will open the instruction page, which will have the instructions regarding Land Allotment Application.

After reading the instruction users will click on "Continue" button to proceed to "Business Details" page in which all the required fields are needed to be filled. The page will appear followed by all the field's description:

BUSINESS DETAIL

► Name of Unit-Enter the name of unit.
► Address-Enter here the full address.
► Industrial Estate-Specify the industrial estate for your business.
► District Name-Specify the district name of your business.
► Division-Specify the division your business comes under.
► Zone-Specify the zone your business comes under.

PERSONAL DETAIL

► Contact Number-Enter your contact number for your business.
► Mobile Number-Specify your mobile number. Email ID-Specify your personal Email ID. PAN Number-Specify your PAN Number. Document-Select the required document. The list will show the documents available in document manager.
► Category of Enterprise-Select the scale of your business that whether your business set up is micro, small, medium, or large.
► Constitution Type-Specify the type of business to be established whether it is proprietor, Partnership, LLP, Company or Other.

PROPRIETOR'S DETAIL

- ► Name-Enter the proprietor's name.
- ► Address-Enter here the full proprietor's address.
- ► PAN-Specify proprietor's PAN Number.
- ► Type of Unit-Enter the unit type. i.e, whether it is manufacturing unit or service unit.
- ► Area of Required Land (in kanals) - Specify the required land in kanals. Example -35kanal. Type of Industry - Specify the industry type, i.e, red, orange, white or green
- ► Power Requirement-Specify the power requirement.
- ► Power Unit-Specify the unit of the power consumption, i.e, KW or HP. Proposed

EMPLOYMENT DETAILS

- ► Management-Specify the number of management resources in the project.
- ► Skilled-Specify the number of skilled resources in the project.
- ► Semi-Skilled-Specify the number of semi-skilled resources in the project.
- ► Unskilled-Specify the number of unskilled resources in the project.
- ► Approximate Project Cost-Specify the approx. cost of the project.
- ► Upload DPR-Upload Detailed Project Report (DPR) of your project.

After filling all the details, click on the continue button. After clicking on the continue button, you can view the details. In view mode, you can edit the information if needed and then to proceed click on the continue button. On continuing you will be directed to the payment page where you can make the payment and now your project has been created successfully and you can also see payment details.

Common Application Form

HOW TO AVAIL CAF

After login, select My Project from the side menu and click on Add CA Faction button from the project list. Note: Add CAF button will not come if land requisition payment is incomplete.

Following screen will appear.

Project Cost Tab

Project cost tab consist of land value, building value and plant and machinery value. For each section, the investor have to mention the existing investment and expansion investment respectively. Total investment and Total value will be calculated accordingly. Investor can evaluate their total project cost here and save it for the further process.

Common Application Form

General	Address	Project Cost	Employment	Line of Activity

	Existing Investment	Expansion Investment	Total Investment
Land Value *			
Building Value *			
Plant and Machinery Value *			
Total Value *			

SAVE AS DRAFT   SAVE

Employment Tab

Common Application Form

General	Address	Project Cost	Employment	Line of Activity

	Skilled	Unskilled	Total
Male *			0
Female *			0

SAVE AS DRAFT   SAVE

Under Employment tab of CAF, Investor must mention employment details regarding the project. Here investor must specify the number of skilled and unskilled male and female employees in the project.

In Line of Activity tab, investor must fill all the information regarding the line of activity of the project. All the fields here are mandatory. Line of Activity- Investor must specify the line of activity of the project.

Activities Search-Investor can select the activity from the dropdown list. The dropdown list is dynamic so it will help user with the search by just typing a keyword.


Activities of Enterprise-Manufacturing or Service (Radio Button)-Investor specifies the type of activity weather it is manufacturing or service. NIC Code-The NIC Code is a classification system that enables one to classify the business activities. It is a numeric code in the form of a 2-to-3-digit code, a four-digit code, and a five-digit code. NIC 2 Digit Code, NIC 4 Digit Code and NIC 5 Digit Code are mandatory fields that are automatic ally populated as we enter the activity by search activities. Investors can also manually enter these fields. After, all the mandatory fields are filled the investor have to click on Add NIC and the selected fields will now be displayed in a tabular for mass own in the following screenshot as an example.

Similarly, investor can add raw material by clicking on the button Add Raw Material. Now, User can save or save as draft (In case of further entry or edit) and now CAF has been added successfully.
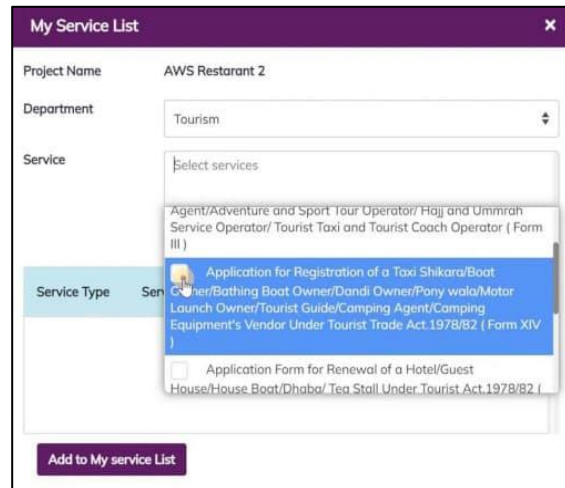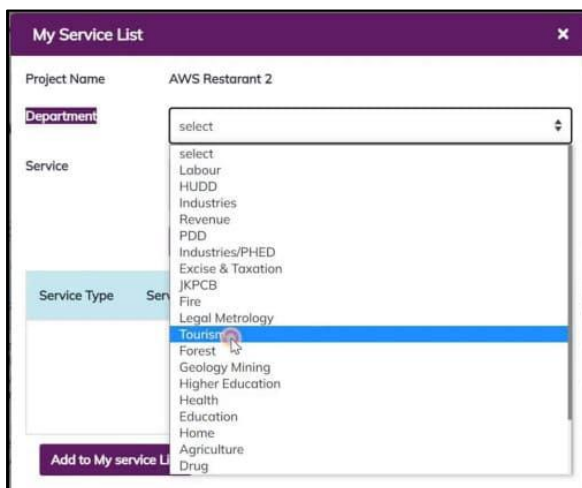
Apply for Services

After login, select My Service List from the left side menu and click on "Add New Service" button.
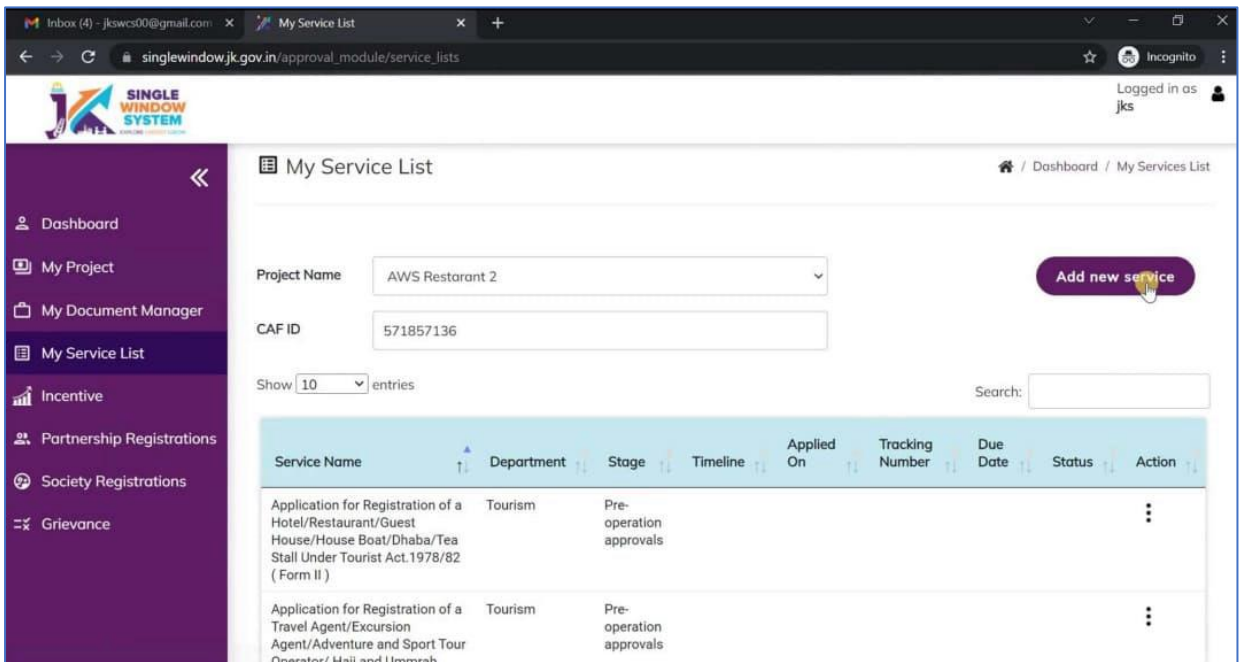
CAF ID is required to apply for services.

Clicking on "Add New Service" will open My service list, here department will be selected from the dropdown list. Example-Tourism and then select the service from the service dropdown.

Now, click on Add button to add your service. And now click on Add to my Service List. Now you can see your added service on service list.

Selected services can be applied by clicking on "Apply" button.
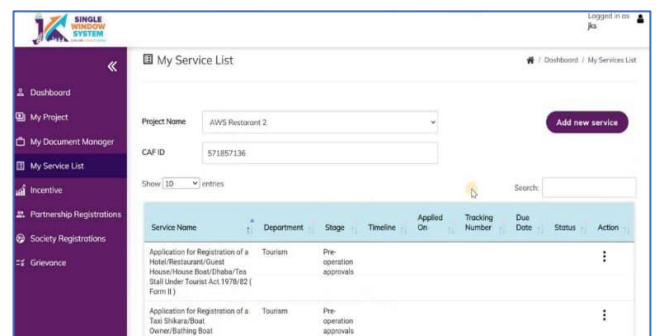
Apply for Incentives

In this tab investors can start applying for applicable incentives as per their business.