

**OFFICE OF THE COMMISSIONER OF INDUSTRIES  
GOVT. OF NCT OF DELHI: UDYOG SADAN  
419, FIE, PATPARGANJ INDUSTRIAL AREA, DELHI-110 092**

**STARTUP POLICY FOR NCT OF DELHI 2019**

**1. Vision**

To make NCT of Delhi one of the top 10 startup destinations in the world by fueling a vibrant startup ecosystem that brings together all stakeholders of the startup ecosystem and leveraging global best practices to enable startups to scale globally.

**2. Policy Period**

The Delhi Startup Policy shall be valid with effect from the date of its notification and shall remain in effect until substituted with another policy.

**3. Focus Areas**

The focus areas for this policy are as below:

- Artificial Intelligence & Robotics
- Automation & Technical Innovation
- Cyber Security
- Big Data
- Education
- Solid-Waste Management
- Urban Infrastructure Planning & Environment
- Renewable Energy & Clean-tech
- Industrial Revolution 4.0 Technologies
- Creative ideas pertaining to sectors including and not limited to Agriculture, e-commerce, Healthcare, Logistics and Transportation, Rural innovation, E-Governance.
- Other focus areas may be identified and included as per the market demand and leading edge technologies

**4. Definitions**

**4.1 Government**

For the purpose of this policy, 'government' refers to the Government of Delhi NCT, unless otherwise specified.

**4.2. (Recognized) Entrepreneurs**

Any individual(s) working on a startup idea wishing to avail certain benefits under this policy may apply to be recognized as Entrepreneurs as long as they meet the following criteria:

- i. Must be resident(s) of Delhi
- ii. Must be working on an idea that is innovative and scalable

All applications shall be reviewed by the Startup Evaluation Committee.

#### **4.3. (Recognized) Startup**

An entity shall be eligible to be recognized as a “Startup” under this Delhi Startup policy if it fulfils all of the six conditions given below OR if the entity is recognized under the Startup India Initiative and fulfils the sixth condition below:

- It was registered no more than 5 years before the date of application
- It is registered as a Private Limited Company (under the Companies Act, 2013) or registered as a Partnership Firm (under section 59 of the Partnership Act, 1932) or a Limited Liability Partnership (under the Limited Liability Partnership Act, 2008) in India.
- It has an annual turnover not exceeding Rs. 5 crores for any preceding financial year; 4, Such an entity has not been formed by splitting up or restructuring of a business already in existence;
- It is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation;
- It is incorporated or registered in Delhi or is registered with GST Commissionerate IN Delhi

#### **4.4. (Recognized) Incubator**

An organization designed to support Startup companies during the early stages to help develop a scalable business model through business support resources and services such as physical space, capital, coaching and mentoring, common services including corporate and legal services and providing networking opportunities.

Any entity funded or registered under any central or state government initiative support incubation shall also be considered as an incubator for this policy. For instance, Technology Business Incubator (TBI) under Department of Science & Technology, Atal Incubation Centre under NITI Aayog.

The incubator must offer a minimum of 2000 sq. ft. of usable space for its incubatees.

The incubator entity must be registered under one of the following categories:

- Society (under The Societies Registration Act, 1860)
- Section 8 Company (under The Companies Act, 2013)
- Private Limited Company (under The Companies Act, 2013)
- Public Company (under The Companies Act, 2013)
- Limited Liability Partnership (under The Limited Liability Partnership Act, 2008)
- Public Charitable Trust (under The Indian Trusts Act, 1882)

Besides the above, Startup Evaluation Committee may consider the case of any reputed academic institution/ university/ deemed university for recognition as an incubator even if the same does not fall under any of the above categories.

**4.5. University**

For the purpose of this policy, a university refers to any institution that is recognized by the University Grant Commission. A government university refers to any university established or incorporated under a Central Act or a State Act.

**4.6. Fabrication Lab**

A Fabrication Lab, also known as a maker space, is an industrial workshop where users can build working prototypes for their products using specialized fabrication tools and electronics equipment, both manual and computer-aided.

**4.7. Co-working Space**

A co-working space refers to a shared office space, typically used by startups and entrepreneurs because it is more cost-effective than leasing a dedicated office space. A co-working space usually provides plug and play workstations, shared office equipment, wifi, meeting rooms and other services that are characteristic of a typical workplace.

**4.8. Startup Evaluation Committee**

The Startup Evaluation Committee will be responsible for evaluating and approving applications for entrepreneur, startup and incubator recognition. It shall also be responsible for periodically evaluating and amending the Delhi Startup Policy.

The body will consist of relevant members from the government and the private sector, chosen periodically by the Minister of Industries. These shall include, senior representatives from the Department of Industries and Chief Minister's Office, as well as from leading universities, incubators, industry associations and startups.

**4.9. Task Force**

The Startup Task Force will be the team responsible for day to day implementation and monitoring of outcomes of the Delhi Startup Policy.

**4.10. Policy Monitoring Committee**

This will be a body chaired by the Minister of Industries, and will be responsible for acquiring inter-departmental support and approvals for various aspects of the policy. The committee will include senior representatives from the Departments of Industries, Finance, Planning and GST, as well as the Delhi Development Authority, Delhi Cantonment Board and the various district-wise municipal councils of Delhi.

**5. Infrastructure Support**

The Government of Delhi shall invest in the creation of world-class incubation facilities that can nurture the growth of local startups.

**5.1. Delhi Innovation Hub**

The government will set up a state-of-the-art incubator, Delhi Innovation Hub, through which recognized startups or entrepreneurs will be incubated for free or at subsidized rates. The incubator will provide startups with office space and common office facilities, qualified mentors, networking and fundraising opportunities, and more.

The incubator is to be made operational within 18 months from the notification of this policy.

## **5.2. Delhi Innovation Network**

A network of co-working spaces will also be setup across the NCT of Delhi, with at least one in each district. These co-working spaces would be available for recognized startups or entrepreneurs to use for free or at subsidized rates.

These co-working spaces will operate at least 16 hours a day 7 days a week, in order to accommodate those working on deadline or working on a startup idea after their working hours.

## **5.3. Matching Capital Grant for University Incubators**

The Government of Delhi will provide a one-time, matching capital grant of up to Rs. 1 crore to any university that wishes to set up or scale up an incubation facility. Any university-run incubator may be considered for the grant, regardless of whether it is open to all or open exclusively to university students.

The grant may be used towards any capital expenditure (excluding the cost of real estate) for the incubator and will be disbursed in stages, upon completion of predetermined milestones.

## **5.4. Training of Incubator Managers**

A careful study of the Indian startup ecosystem shows a dearth of well-trained and qualified candidates for the role of incubator manager.

### **5.4.1 Training Existing Managers**

The Government of Delhi shall select promising candidates, through an open application process, and fund their participation in a leading, foreign Business Incubation Management program in order to acquaint them with global best practices.

### **5.4.2 Training Existing Managers**

The Government of Delhi will select a top local university to design and implement a course on Business Incubation Management, in accordance with global best practices. The chosen university will be awarded a one-time grant of Rs. 50 lacs, towards the costs of setting up the program.

## **5.5. Fabrication Labs**

### **5.5.1 Government Fabrication Labs**

The Government of Delhi will set up at least 5 fabrication labs by 2025. The labs will be accessible to recognized startups and entrepreneurs, and will operate for a minimum of 16 hours a day 7 days a week in order to support startups or entrepreneurs who are working to a deadline or working on their idea after work hours.

Each lab will be manned by trained experts to teach users safe and effective operation of the machinery, as well as essentials of product development. Through the lab, recognized startups or entrepreneurs will be able to procure raw materials, parts and components needed for product development at subsidized costs.

#### **5.5.2 Support for Private Fabrication Labs**

The Government of Delhi shall provide interest-free loans to any private entity interested in building a new fabrication lab or expanding an existing one. Equipment procured through loans provided would be registered in the name of GNCTD with ownership rights transferred to the Private Fabrication Labs post clearance of the loans

#### **5.6. Global Launchpads**

In an effort to build startups that think big and are globally scalable, the Government of Delhi will partner with industry bodies (such as FICCI and CII) to offer global launchpads to recognized startups.

The government, along with partnered bodies, shall endeavour to provide free office space for between 10-30 Delhi Startups in business cities across the globe (e.g. New York, London, Frankfurt, Singapore, Hong Kong, Tokyo), for a period of up to 2 years.

#### **5.7. Technology Enablers**

The Government of NCT of Delhi shall enable participation of companies and organizations through the Tech Enablers program to provide free of cost subscriptions for different offerings of theirs to the recognized entrepreneurs and startups.

### **6. Incentives for Startups**

In addition to access to world-class infrastructure for supporting startups, the following incentives are made available to recognized startups and entrepreneurs.

#### **6.1. Interest-Free Loans**

The Government will provide loans of up to Rs. 10 lacs to recognized startups or entrepreneurs with disbursement after completion of specific milestones. These loans shall be interest-free for the first one year, with an interest rate of 6% after one year.

#### **6.2. General Administrative Support**

The government will empanel a number of Chartered Accountants to assist startups and aspiring entrepreneurs with company incorporation or related services at subsidized rates. Similarly, resources for other tasks and services like miscellaneous Accounting, Taxation, Company Registration, Legal help, Project Management and Banking shall be empanelled. These services can be solicited through the Delhi Startup Portal or a telephone hotline.

### **6.3. Patent Filing Cost Reimbursement**

The Government of Delhi shall reimburse recognized startups or entrepreneurs for 100% of the filing fees and 100% of the legal fees for successfully granted domestic patents, up to a prescribed limit.

### **6.4. Public Procurement**

Up to 10% of all goods and services procured by Delhi Ministries/Departments/PSUs may be through recognized startups, as per applicable guidelines/policies with exemptions for the requirements of prior experience, minimum prior turnover and earnest money deposits in public procurement.

## **7. Academic Interventions**

### **7.1. Innovation Bootcamps**

The Government of Delhi, with the help of Corporate Partners, will organize an innovation bootcamp for local secondary schools at least once in a year, where:

- Introductory talks or panels will be delivered by startup founders or industry personnel, as a means of guiding and inspiring students
- Under the guidance of appropriate mentors, student teams will be given the opportunity, and token funds, to develop and execute a small business idea within the duration of the bootcamp. These ideas can be presented to well-known panelists for feedback and prizes.

### **7.2. Project Work**

Student entrepreneurs, from institutes/universities under the Govt. of NCT of Delhi, working on a start-up idea in their graduation year will receive certain allowances such as attendance relaxation and grace marks or they will be permitted to convert their start-up project into a final year project towards their degree completion.

## **8. Awareness and Outreach**

The Government of Delhi shall support city-wide events that create awareness and excitement around entrepreneurship in the general public.

### **8.1. Idea Challenge**

The government shall organize Idea Challenges every 6 months where aspiring entrepreneurs can present their business ideas to a panel of established entrepreneurs. The best ideas will win cash prizes and incubation opportunities.

### **8.2. Delhi Startup Festival**

The Government of Delhi will partner with Industry Associations and Corporates to organize Startup Festivals every 6 months, where:

- Startups and entrepreneurs from Delhi and surrounding states will be given a platform to showcase their ideas, innovations and businesses.
- Large-scale talks and panels shall be conducted, featuring eminent startup or industry leaders from around the world.
- Sector-specific, limited-entry networking events will be organized where startups, investors, mentors and other stakeholders can connect and exchange ideas.

### **8.3. Hackathon**

Hackathons will be organized every quarter, where Delhi's leading startups will be invited to work together to devise marketable solutions to pre-determined problems. Winning ideas will be awarded cash grants and/or pilot opportunities from participating corporates and government departments.

### **8.4. Governance Innovations**

On an ongoing basis, innovative solutions shall be sought by the Government of NCT of Delhi for specific issues. The best solution(s) screened by the Selection Committee will receive pilot opportunities.

## **9. Enablement**

To ensure smooth execution of the Delhi Startup Policy, the State Government will ensure the following:

### **9.1. Entrepreneur, Startup and Incubator Recognition**

Please refer to the Definitions section for eligibility criteria for entrepreneur — recognition (section 14.2), startup recognition (section 14.3) and incubator recognition (section 14.4)

In order to be considered for incentives under this policy, stakeholders may simply apply through the Delhi Startup Portal with relevant supporting documents. Applications will be reviewed by the Startup Evaluation Committee and applicants will be notified of the decision via the portal.

Additionally, individuals and startups can also apply for recognition by dialing 1076 and applying with the guidance or assistance of a professional from the comfort of their homes.

### **9.2. Delhi Startup Portal**

The Government of Delhi shall engage an appropriate vendor to develop a Startup Portal, which will act as a one-stop shop for individuals, startups and incubators seeking information or incentives under the Delhi Startup Policy.

The portal shall include, among other things:

- An online query response system regarding Delhi Startup Policy and other Delhi licenses and clearances. - Online applications for incentives and programs under the policy
- Online applications for entrepreneur, startup or incubator recognition
- Online booking platform for Fabrication Labs and other public facilities created under this policy

### **9.3. Dedicated Helpline**

A dedicated helpline to answer all Startup related queries. Individuals and Startups will be able to use the Government of Delhi's doorstep service, by dialing 1076, to call a CA and/or lawyer to help them incorporate a company from their home or office.

**9.4. Promotion**

The State Government shall promote Delhi as a startup destination through participation in international and national events, sponsoring the participation of local startups in such events.

**9.5. Review Mechanism**

This policy shall be reviewed once a year. A status report shall be commissioned by the Task Force to critically appraise the usefulness of the policy, the ease of implementation and the outcomes achieved. The report shall be placed before the Startup Evaluation Committee for assessment.