

DELHI DRAFT STARTUP POLICY 2025

INTRODUCTION

The Government of the National Capital Territory of Delhi has introduced the Draft Startup Policy 2025. The objective of the policy is to create a structured framework to support and scale the startup ecosystem in Delhi. The policy lays down provisions for funding support, financial incentives, infrastructure creation, governance mechanisms and consultation processes. It also links with the Draft Industrial Policy 2025–35 for coordinated economic growth.

OBJECTIVES

➤ INR 200 Crore Venture Capital Fund

The policy provides for the establishment of a Venture Capital Fund with a corpus of INR 200 crore. The fund will focus on providing financial support to early-stage startups through both equity investment and structured debt. The fund will also operate through a co-investment mechanism where private investors are encouraged to participate along with the government, thereby expanding the pool of capital available to startups. The primary objective of this fund is to address the funding gap faced by startups in the initial stages of their operations.

➤ Startup Growth Target

The Government of Delhi has set a target of facilitating at least 5,000 startups by the year 2035. This target establishes a measurable benchmark for the performance of the policy and provides a long-term perspective for the development of the startup ecosystem within the territory.

➤ Financial Incentives

- ◆ **Lease Rental Reimbursement:** The policy contains a set of financial incentives aimed at reducing the cost burden on startups. Startups will be reimbursed 100 percent of lease rental costs, subject to a maximum limit of INR 10 lakh per year, for a period of three years. This reimbursement is intended to address the significant expense of acquiring and maintaining office or operational space.
- ◆ **Intellectual Property Support:** In order to promote innovation and protect intellectual property, the policy provides reimbursement of patent-related expenses. Startups can claim reimbursement of up to INR 1 lakh for each domestic patent and up to INR 3 lakh for each international patent. This measure is designed to encourage startups to file for patents both in India and globally.

- ◆ **Exhibition Participation Support:** The policy also facilitates participation in domestic and international exhibitions by providing reimbursements. A startup will be eligible for up to INR 5 lakh for participation in domestic exhibitions and up to INR 10 lakh for participation in international exhibitions. This support is aimed at enabling startups to showcase their products and services and to access larger markets.
- ◆ **Operational Allowance:** An operational allowance has been introduced to assist with recurring expenses. Each eligible startup may receive an allowance of INR 2 lakh per month for a duration of 12 months. This allowance is intended to provide financial stability during the initial phase of business operations.
- ◆ **Support for Special Category Startups:** Startups led by women entrepreneurs and those promoted by members of marginalised communities will be eligible for enhanced ceilings under the above incentives. This provision is included to encourage wider participation and inclusivity in the startup ecosystem.

➤ Infrastructure Development

The policy envisages establishment of incubation hubs, co-working spaces and fabrication laboratories across Delhi. These facilities will be supported through both capital and operational subsidies. The development of such infrastructure is intended to provide startups with access to affordable and shared resources which are critical during the early stages of business development.

The policy also envisages stronger linkages between startups, universities, research institutions and industry stakeholders. These linkages will enable mentorship, research collaboration and knowledge exchange, thereby strengthening the support system for startups.

➤ Governance and Implementation

The implementation of the policy will be overseen by multiple governance structures. A nodal agency under the Department of Industries will act as the single-window authority for startups. This agency will be responsible for administering benefits, processing applications and coordinating between stakeholders.

A Startup Task Force will be constituted to review applications for funding and incentives, to monitor the progress of the policy and to prepare annual reports on its outcomes. This Task Force will play a supervisory role in ensuring that startups are able to access the benefits in a timely and transparent manner.

In addition, a Policy Monitoring Committee will be established under the chairmanship of the Industries Commissioner. The Committee will include representatives from the private sector and subject matter experts. The Committee will have the responsibility of monitoring overall implementation, coordinating across departments and reviewing the effectiveness of the policy framework.

➤ Consultation Process

The Draft Startup Policy 2025 has been released for public consultation. Entrepreneurs, investors, incubators and other stakeholders are invited to submit their feedback on the draft. The consultation window will remain open until 3 September 2025. Following the consultation period, the government will review the inputs received and finalise the policy for adoption.

➤ Link to Industrial Policy 2025–35

The Draft Startup Policy 2025 is aligned with the Draft Industrial Policy 2025–35. The Industrial Policy proposes the creation of a separate Venture Capital Fund of INR 400 crore. It also provides for capital investment reimbursements, goods and services tax related incentives and reforms for the service sector. Both the startup policy and the industrial policy are structured to complement each other in order to strengthen both the startup ecosystem and the broader industrial base of Delhi.

CONCLUSION

The Draft Delhi Startup Policy 2025 establishes a comprehensive framework for strengthening the startup ecosystem in the National Capital Territory of Delhi. It combines a government-backed venture capital fund, targeted financial incentives, infrastructure support, and structured governance mechanisms with defined monitoring responsibilities. The policy sets measurable objectives such as facilitating the creation of 5,000 startups by 2035 and introduces specific measures to support women-led and marginalised community-led enterprises. With a public consultation process open until 3 September 2025 and parallel alignment with the Draft Industrial Policy 2025–35, the framework is designed to integrate startup growth with broader industrial development in Delhi.

This is an opinion based on general information and should not be construed as legal advice. For specific legal concerns and advice, reach out to us at info@sarvaankassociates.com



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