



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)



Delhi State MSME Policy



MSME & Startup Committee, ICAI

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Message from Committee Leadership

Dear MSME & Startup Stakeholders,

We are pleased to share details about the ICAI MSME Clinic, an initiative designed to provide valuable guidance, support, and professional assistance to MSMEs and Startups across the country. This weekly walk-in, pro-bono advisory service aims to address key challenges faced by MSMEs, including finance, accounting, technology support and marketing.

About ICAI MSME Clinic

The ICAI MSME Clinic will be hosted every Friday by ICAI branches, where MSMEs and Startups can receive expert advice from two dedicated advisory desks:

- **Business Support Desk:** Led by Chartered Accountants specializing in MSME and Startup advisory, financial planning, compliance, and business strategy.
- **Institutional Support Desk:** Led by Bankers and Government Representatives, offering assistance with credit access, grievance redressal, and awareness of government schemes.

Introduction to the State-Specific MSME Policy

We are also excited to present the State-Specific MSME Policy, an essential resource for MSMEs & Startups in the ICAI MSME Clinic initiative. As part of this initiative, the Committee has developed a Resource Handbook and State-Specific MSME Policies, aimed at enhancing the knowledge base of MSMEs and Startups.

These State-Specific Handbooks serve as practical and accessible tools for navigating the unique opportunities, policies, and regulatory frameworks specific to each state. By consolidating available schemes, incentives, and support across states, we aim to provide MSMEs & Startups with the guidance they need to grow at the grassroots level and develop the capacity.

Vision of ICAI MSME Clinic

Through consistent, pro-bono engagement and sustainable operations, each branch becomes a local hub and incubation centre of MSME transformation, bridging professional excellence with grassroots economic development. ICAI aims to empower MSMEs & Startups annually, driving financial literacy, compliance discipline, and business growth.

Acknowledgement

We would like to extend our sincere gratitude to **CA Sonia Purswani** for their tireless efforts and contributions in preparing the **State-Specific MSME Policy of Delhi**, which will play a crucial role in this initiative.

MSME & Startup Commitment Growth

The MSME & Startup Committee, ICAI, is deeply committed to ensuring the success of the ICAI MSME Clinic and providing continuous support to MSMEs & Startups. Together, we look forward to contributing to the sustainable growth and empowerment of MSMEs & Startups, which are the backbone of the Indian economy.

CA Gyan Chandra Misra
Chairman
MSME & Startup Committee, ICAI

CA. Sanjay Kumar Agarwal
Vice Chairman
MSME & Startup Committee, ICAI

POLICY 01 | Draft Delhi Industrial Policy 202

Transform Delhi into a sustainable, technology-driven, high-value industrial hub shifting from low-value manufacturing to innovation-led sectors.

Policy Snapshot

01 10-Year Policy	02 ₹400 Cr Venture Fund	03 50% Capital Subsidy	04 100% SGST Reimbursement
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Parameter	Details
Policy Period	2025–2035 (10 years)
Coverage	All industrial, service & R&D enterprises in Delhi
Governed by	Delhi Master Plan 2041 + DPCC Consent Norms (Water Act 1974 & Air Act 1981)
Implementation	Dept. of Industries (GNCTD) + DSIIDC; monitored by High-Level Review Committee headed by Principal Secretary (Industries)

Financial Incentives

Incentive Type	Details
Capital Subsidy	50% of fixed capital investment, up to ₹50 crore, over 5 years
Interest Subsidy	6% p.a. on term loans, for 5 years
SGST Reimbursement	100% of net SGST for 5 years — Delhi's 50% share under Section 54, Delhi GST Act 2017; subject to Finance Dept approval
Patent Reimbursement	100% cost, up to ₹5 lakh per granted patent
Power Incentive	50% exemption on wheeling & transmission charges for 5 years
Venture Fund	₹400 crore for R&D, tech-based & frontier enterprises

Non-Financial & Infrastructure Support

Ecosystem Enablers:

- **Business Support Professionals:** Empanelled CAs, CSs, Lawyers assisting MSMEs with DPRs, filings & compliance
- **District Industries Centres:** District-level investor facilitation & grievance redressal
- **Industry Facilitation Centres:** Single-window for online approvals & clearances

Infrastructure Pipeline:

- **Flatted Factory Complexes for MSMEs:** Okhla, Rani Jhansi Road, Wazirpur, Jhilmil
- **Greenfield Industrial Parks:** Baprola, Ranikhera, Kanjhawala
- **Common Facility Centres:** Shared infrastructure for testing, marketing & skill training

Priority Sectors



Quick Reference FAQs

Question	Answer
MSME-specific subsidies?	No exclusive subsidies — MSMEs benefit from flatted factories, BSPs & DICs
Tax exemptions?	100% net SGST reimbursement for 5 years (as above)
Women-specific provisions?	None dedicated; benefits apply equally to all enterprises
Central scheme alignment?	Complements Startup India & Make in India

POLICY 02 | Delhi Startup Policy

Make Delhi a leading startup hub through financial support, infrastructure access, global exposure, and government procurement preference.

Policy Snapshot

Parameter	Details
In Force	2019 Startup Policy (active until replaced)
Draft 2025 Policy	Prepared; unnotified as of 2025
Implementing Agency	Department of Industries, GNCT of Delhi
Target Group	Recognized startups (≤ 10 yrs, turnover $\leq ₹100$ Cr, innovation/scalability focus), individual entrepreneurs & incubators in NCT of Delhi

2019 Policy — Financial Incentives



Support Type	Details
Interest-Free Loans	Up to ₹10 lakh 0% interest for Year 1, 6% thereafter
Patent Reimbursement	100% of filing & legal fees for successfully granted domestic patents
Govt. Procurement Preference	Up to 10% of procurement by Delhi Ministries/Depts/PSUs reserved for recognized startups — exempt from prior experience, turnover & EMD requirements (GFR 2017, Rule 153A; adopted vide DOI Circular No. F.2(10)/2019/Ind./Policy/289 dated 12-08-2019)

Infrastructure & Ecosystem Support

- **Fabrication Labs:** 5 labs across Delhi, subsidized access to raw materials & components
- **Private Lab Loans:** Interest-free loans for private entities setting up fabrication labs
- **Global Launchpads:** Free office space abroad for 10–30 startups per city for up to 2 years (via FICCI & CII partnerships)
- **Tech Enablers Program:** Free access to digital tools & software via partner organizations
- **Incubation Manager Training:** Govt-funded international training; ₹50 lakh grant to a Delhi university for program setup
- **Bootcamps & Challenges:** Annual innovation bootcamps + biannual idea challenges + quarterly hackathons with cash prizes

Draft 2025 Policy — What's New

Provision	2019 Policy Status	Draft 2025 Proposal
Startup Fund	Not available	₹200 crore Delhi Startup Venture Fund
Operational Grant	Not available	₹2 lakh/month for 12 months
Workspace Reimbursement	Not available	Up to ₹10 lakh/year for 3 years
IPR Reimbursement	Provided, unquantified	₹1 lakh (domestic) / ₹3 lakh (international)
Exhibition Support	Not available	₹5 lakh (domestic) / ₹10 lakh (international)
Women Entrepreneurs	No specific provision	Higher reimbursement + mentorship support
Governance	Evaluation Committee only	Startup Task Force + Digital Single Window

Source: Draft Delhi Startup Policy 2025, GNCTD (unnotified as of 2025)

Eligibility & Exclusions

- Eligible: Registered in Delhi, ≤10 years old, turnover ≤₹100 Cr, innovation/scalability focus
- Not Eligible: Startups formed through restructuring or merger

POLICY 03 | Rajiv Gandhi Swavlamban Rozgar Yojna (RGSRY)

Empower Delhi's unemployed youth, artisans, and small entrepreneurs through direct loan and subsidy support for setting up small-scale units.

Scheme Snapshot



Parameter	Details
Legal Basis	Rule 6, Delhi Khadi & Village Industries Board Rules 1983 GNCTD Notification No. F.1(36)/DKVIB/2020/1295
Implementing Agency	Delhi Khadi & Village Industries Board (DKVIB), under Dept. of Industries, GNCTD
Eligible Age	18–50 years
Operational Since	2023 (as per latest operational guidelines)

Eligibility

- School/college dropouts, individual entrepreneurs, artisans
- Trade professionals & trained technocrats
- Small-scale industrial units (Delhi-based, within MSME limits)

Permitted Sectors:

- Secondary: Tiny / Cottage industries
- Tertiary: Trade, transport, hotels, restaurants — excluding liquor/meat
- Service: Activities permitted under Delhi Master Plan

Loan & Subsidy Terms

Category	Contribution	Loan Limit	Subsidy	Repayment	Interest
General	10% of cost	₹3,00,000	15% (max ₹7,500)	5 years (12-month grace)	As per GNCTD rates
SC/ST/OBC/PH/ Women/Ex-Service-men	5% of cost	₹3,00,000	15% (max ₹7,500)	5 years	As per GNCTD rates

Additional Terms:

- Subsidy adjusted after 2 years of disbursement

- Misuse Penalty: 18% p.a. penal interest on misused/unutilised subsidy (Para 7, Scheme Guidelines 2023)
- Loan Utilisation Deadline: Within 3 months of disbursement (extendable by 3 months); beyond 6 months = treated as default

Security Requirements

- A government employee surety (non-transferable Delhi posting), OR
- Commercial bank surety procedures

Non-Financial Support

- Product display at government exhibitions and Delhi trade fairs
- Marketing support via DSIIDC / cooperative stores
- Recognition certificates for market credibility

Central Scheme Alignment

RGSRY complements PMEGP, Mudra, and Stand-Up India by extending local, state-level credit access to Delhi's small entrepreneurs.

POLICY 04 | Delhi ESDMR Policy 2022–27

Position Delhi as the preferred destination for electronics design, manufacturing, repair & refurbishment.

Policy Snapshot

Parameter	Details
Full Name	Draft Delhi Electronic System Design, Manufacturing and Refurbishment Policy, 2022–27
Policy Period	5 years (2022–2027)
Implementing Agency	Department of Industries, GNCTD
National Alignment	National Policy on Electronics 2019 (MeitY) + E-Waste (Management) Rules 2022

Key Objectives

- Establish Electronics City at Baprola
- Attract investments & promote domestic manufacturing
- Reduce dependency on electronics imports
- Support R&D in electronics
- Promote repair, refurbishment & green manufacturing

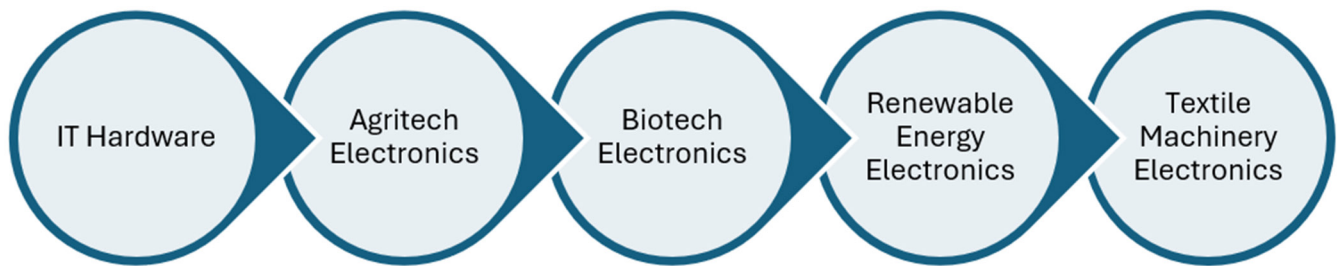
Financial Incentives

- Capital subsidies for setting up manufacturing units
- Interest subsidies on loans for MSMEs
- Reimbursement of stamp duty and registration fees

Non-Financial Support

- Access to Common Facility Centres
- Assistance with clearances & approvals
- Skill development & training programs

Priority Sectors



MSME-Specific Focus

- Simplified procedures for MSMEs to avail incentives
- Special provisions reserved for Women & SC/ST entrepreneurs
- Special schemes for rural entrepreneurs

Central Alignment

Supports Make in India and Atmanirbhar Bharat by boosting domestic electronics manufacturing and reducing import dependence.

POLICY 05 | Collateral-Free Loan Scheme for MSMEs (with CGTMSE)

Remove the collateral barrier for Delhi's MSMEs — enabling small businesses to access credit at scale through a joint guarantee structure.

Scheme Snapshot

Parameter	Details
Scheme Launched	2025
Initial Financial Allocation	₹5 crore (FY 2025–26)
Total Expected via CGTMSE	₹50 crore
Maximum Loan per MSME	₹10 crore
Implementing Bodies	Dept. of Industries, GNCTD + CGTMSE

Guarantee Structure

Component	Details
CGTMSE Coverage	75%
Delhi Government Top-Up	20%
Combined Coverage	Up to 95% (as per CGTMSE Operational Guidelines 2023)
Maximum Loan	₹10 crore per eligible MSME

Eligibility & Sector Coverage

- Who: Registered MSMEs in Delhi meeting CGTMSE eligibility criteria
- Sectors: Manufacturing · Services · Retail · Education (and other qualifying sectors)
- Financial Allocation: ₹5 crore (FY 2025–26); ₹50 crore total expected through CGTMSE

Key Benefits

- No collateral required — eliminates the primary credit access barrier for small businesses
- Joint guarantee structure reduces lender risk, improving loan approval rates
- Supports business expansion, working capital & infrastructure development

Central Alignment

Supports Startup India, MSME Schemes, and Digital India through financial inclusion of small businesses.

Cross-Policy Quick Reference Matrix

Feature	Policy 1	Policy 2	Policy 3	Policy 4	Policy 5
Financial Subsidy / Grant	Yes	Yes	Yes	Yes	Yes
Women-Specific Provision	No	No (Draft 2025: Yes)	Yes	Yes	Pending detail
SC/ST Benefit	No	No	Yes	Yes	Pending detail
Collateral-Free Credit	No	Yes (loans)	Yes (by nature)	No	Yes
Export Promotion	Yes	Yes (Global Launchpads)	Trade fairs only	Yes	Indirect
Infrastructure Support	Yes	Yes	No	Yes	No
R&D / Innovation Focus	Yes	Yes	No	Yes	No
Single Window Access	Yes	Yes	No	Yes	Via banks

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