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HARYANA GOVERNMENT
INDUSTRIES AND COMMERCE DEPARTMENT

Notification

The 29th July, 2021

No. 25/05/2020-4IB-I.— In pursuance to the provision under Chapter 14 of Haryana Enterprises & Employment Policy-2020 notified in Gazette vide No.25/05/2020-4IB-I dated 29.12.2020, the Governor of Haryana is pleased to notify the “Interest Subsidy Scheme” with an objective to provide affordable credit to new Micro, Small & Medium Enterprises, Start-ups and enterprises operating for import substitution & with the provisions given hereunder:

1. Quantum of Assistance

A. New Micro & Small Enterprises

- 5% for Micro and Small Enterprises on term loan or maximum up to INR 20.00 lakh per year for 5 years in ‘C’ & ‘D’ Categories Blocks
- 5% for Micro and Small Enterprises on term loan or maximum up to INR 20.00 lakh per year for 3 years in ‘B’ Categories Blocks
- 6% for woman/SC/ST led Micro Enterprise on term loan or maximum up to INR 20.00 lakh per year for 5 years in ‘B’, ‘C’ & ‘D’ Categories Blocks.

Expansion/Diversification: 5% for existing Micro and Small Enterprises which have made additional investment at least 50% in plant and machinery in one go for expansion/diversification of existing unit, one time during operational period of the scheme.

B. New Micro & Small Enterprises under Thrust Sectors/ Import Substitution

- 6% for Micro and Small Enterprises on term loan or maximum up to INR 20.00 lakh per year for 7 years in ‘C’ & ‘D’ Categories Blocks
- 6% for Micro and Small Enterprises on term loan or maximum up to INR 20.00 lakh per year for 5 years in ‘B’ Categories Blocks

Expansion/Diversification: 6% for existing Micro and Small Enterprises which have made additional investment at least 50% in plant and machinery in one go for expansion/diversification of existing unit, one time during operational period of the scheme.

C. New Agro-based, Food Processing & Allied Industry/Bio energy from Agricultural residue.

- 7% for Micro, Small and Medium Enterprises on term loan or maximum up to INR 20.00 lakh per year for 7 years in ‘C’ & ‘D’ Categories Blocks
- 7% for Micro, Small and Medium Enterprises on term loan or maximum up to INR 20.00 lakh per year for 5 years in ‘B’ Categories Blocks

Expansion/Diversification: 7% for existing Micro, Small and Medium Enterprises which have made additional investment atleast 50% in plant and machinery in one go for expansion/diversification of existing unit, one time during operational period of the scheme.

D. Start-ups

i) Interest subsidy of 8%, max. upto INR 20 Lakh per year for a period of 5 years.

2. Commencement and Applicability:

The Scheme shall commence with effect from 01.01.2021 for providing interest subsidy on term loan and shall remain in operation for a period of 05 years. The industrial unit to which term loan has been sanctioned on or after 01.01.2021 and before 31.12.2025 shall be admissible for interest subsidy.

3. Definitions

i. Medium Enterprises: Investment in Plant and Machinery or Equipment does not exceed INR 50 crore and turnover does not exceed INR 250 crore or as amended by GoI under the MSMED Act, 2006 time to time.

ii. Small Enterprise: Investment in Plant and Machinery or Equipment does not exceed INR 10 crore and turnover does not exceed INR 50 crore or as amended by GoI under the MSMED Act, 2006 from time to time.

iii. Micro Enterprise: Investment in Plant and Machinery or Equipment does not exceed INR 1 crore and turnover does not exceed INR 5 crores or as amended by GoI under the MSMED Act, 2006 from time to time.

iv. Start-up: As defined by Department of Electronics and Information Technology, Haryana, from time to time and registered with Startup Haryana.

v. Thrust Sectors: The State has identified the following 08 thrust sectors:

- (a) Auto, Auto Components & Light Engineering
- (b) Agro-based, Food Processing & Allied Industry
- (c) Textiles and Apparels
- (d) Electronics System Design & Manufacturing (ESDM)
- (e) Defense and Aerospace Manufacturing
- (f) Pharmaceutical & Medical Devices
- (g) Chemical and Petrochemical
- (h) Large Scale Energy and Data Storage

Note.— The list of Thrust sectors shall be amended by HEPB from time to time

vi. Import substitution:

Enterprises engaged in the manufacturing of products for which nation is dependent on imports. The list containing such enterprises is placed at Annexure-8 of the policy.

vii. Essential Sector Enterprises:

Essential Goods and Services are classified as those activities, which are necessary for the survival of citizens, employment generation, business linkages and ancillary industries, have seasonality of commodities (Raw material seasonality) and required in dealing with disaster (e.g. Pandemic related goods and industries). The list containing such enterprises is placed at Annexure-7 of the policy.

viii. Bio Energy Projects:

Bio energy (from agricultural residue) will be treated as “Industry” and all the incentives available to Agro-based, Food Processing and Allied Industry under the policy, shall also be available bio energy producers/units.

ix. Existing Enterprise:

The Enterprise which has gone into commercial production before date of commencement of the Policy *i.e.* 01.01.2021.

x. New Enterprise:

The Enterprise which has gone into commercial production on or after date of commencement of the Policy *i.e.* 01.01.2021.

4. Eligibility

Micro, Small & Medium and Start-up Enterprises (new and expansion/diversification) which have availed term loan from Financial Institutions/ Co-operative Banks/ Sarv Haryana Shettriya Gramin Bank/ Commercial Banks, after 01.01.2021, shall be eligible under the scheme. The Industrial Units shall also comply with the following conditions:

- i. The unit shall file Udyam Registration Certificate (URC) and Haryana Udhyaam Memorandum (HUM) on the portal for statistical purpose, at any stage.
- ii. The unit should not fall in the restrictive list as notified by the State Government from time to time.

- iii. The unit should have obtained NOC/CLU from competent Authority if applicable.
- iv. The unit should be in commercial production.
- v. The unit should be in regular production at the time of disbursement and the subsidy shall not be released to the closed unit.
- 5. Procedure**
- 5.1 Application on prescribed Form (Annexure-I) for the grant of interest subsidy on the term loan, along with listed documents should be submitted to the Director/ Director General, Micro, Small and Medium Enterprises, on the web portal of the department within three months of closing of financial year for which incentive is being claimed or from the date of notification of the scheme, whichever is later.
- 5.2 The application would be processed and examined by the Joint Director/Deputy Director, District MSME Centre. He will be responsible for scrutiny and shall clearly recommend for approval/rejection of the claim after conducting the inspection of the unit. The deficiencies, if any, would be communicated to the applicant in writing within a period of 7 days and the applicant would be given a time period of 10 days to rectify the deficiencies so pointed out.
- 5.3 In case the deficiencies are not removed within prescribed period, the claim shall be filed by the Competent Authority, under intimation to the party through an e-mail. The enterprise shall not be required to submit any additional document other than specified under Annexure-I unless required for establishing genuineness of the claim.
- 6. Time Limit to apply**
An enterprise shall forfeit its entitlement for the interest subsidy on term loan, if it does not submit its claim, complete in all respects within three months of the closing of the financial year of which incentive is being claimed or from the date of notification of the scheme, whichever is later.
- 7. Competent Authority for sanction**
The Director/ Director General, Micro, Small and Medium Enterprises shall be competent authority for sanction of the subsidy above INR10 lakhs to INR20 lakh and Additional Director, MSME up to INR10 lakh.
- 8. Interpretation/ Clarification**
The Administrative Secretary, Industries & Commerce, Haryana shall be competent to make interpretation/clarification of provisions of this scheme.
- 9. Appeals**
An appeal against an order passed by the Competent Authority shall lie with the Director/Director General, Micro, Small and Medium Enterprises and appeal against the orders passed by the Director/Director General, Micro, Small and Medium Enterprises shall lie with the Administrative Secretary, Industries & Commerce, Haryana within a period of 30 days from the date of communication of orders appealed against. The orders passed by the Administrative Secretary, Industries & Commerce, Haryana in appeal shall be final.
- 10. Power to condone delay in submission of application & appeal:**
- a) The Director/ Director General, Micro, Small and Medium Enterprises, Haryana shall be competent to condone the delay up to a period of 03 months after the prescribed time limit.
- b) The Administrative Secretary, Industries & Commerce, Haryana shall be competent to condone the delay up to a period of 06 months after the prescribed time limit.
- Provided that the competent authority is satisfied with the reasons of late submission of the application on the basis of the substantial evidence/documents/ arguments presented by the applicant.
- 11. Penal Action**
In case, it is found at any stage that the applicant has claimed the assistance on the basis of wrong facts, the applicant shall besides refunding assistance with compound rate of interest @ 12% per annum and facing legal action, will be debarred from grant of any incentive/assistance from the State Government. If the applicant fails to refund the subsidy amount with interest, then the amount shall be recovered as arrear of land revenue. The applicant shall be debarred from public procurement as a result of mismatch in facts and figures.
- 12. Service Delivery Timeline**

S. No.	Tasks	Time limit (working days)
1	Letter of Approval	30 days
2	Letter of Sanction	07 days
3	Disbursement	07 days

VIJAYENDRA KUMAR,
Principal Secretary to Government of Haryana,
Industries and Commerce Department.

Annexure –I

Application format for claiming Interest subsidy on term loan.

Sr. No.	Particulars	Details
1	Name of the applicant (Authorized person of the unit)	
2	Name & Address of the unit with telephone no. and e-mail	
3	Registered office address	
4	Constitution of the Unit [Proprietary, Partnership, Pvt. Ltd., Public Ltd., LLP (Limited Liability Partnership), Co-operative Society]	
5	Name of the block in which the enterprise located and category of blocks i.e. B/C/D	
6	Category of the unit (Micro/Small/Medium)	
7	Udyam Registration Certificate (URC) and Haryana Udhya Memorandum (HUM) No. & Date	
8	Date of commencement of commercial production (As per first sale bill)	
9	Item of manufacture/processing	
10	Category under which interest subsidy has been claimed i) Micro & Small Enterprises ii) Micro & Small Enterprises under Thrust Sectors iii) Micro & Small Enterprises engaged in Import Substitution iv) MSMEs Agro-based, Food Processing/Bio Energy v) Start-ups vi) Haryana Gramin Udyogik Vikas Yojna	
11	Name of the bank/ financial institution	
12	Quantum of term loan sanctioned for the Project	
13	Date of disbursement of first installment of loan & amount	
14	Cost of project as approved by bank/ financial institution	
15	Details of Fixed Capital Investment: i. Land ii. Building iii. Plant & Machinery/equipment iv. Others Total	
16	Means of Finance i. Promoters Contribution ii. Term Loan iii. Others resources Total	
17	Rate of interest subsidy applicable i.e. 5% or 6% or 7% or 8%	
18	Quantum of Interest Subsidy admissible for the financial year as per scheme applicable. (Attach bank certificate as per prescribed Performa)	
19	Details of interest subsidy claimed earlier year-wise	

- 20.** Self-attested copies of documents to be attached with the application:
- i. Copy of Udyam Registration Certificate (URC) and HUM.
 - ii. Certificate of Incorporation/ Partnership deed/Partnership registration/ Co-operative society registration.
 - iii. Board resolution/ Power of attorney.
 - iv. Change of Land Use (CLU)/ NOC from competent authority, if applicable.
 - v. Certificate for Financial Institution/Bank concerned (Annexure-III)
 - vi. CA Certificate regarding investment in plant & machinery for new unit/ expansion/ diversification (Annexure-IV).
 - vii. Copy of GST return/Audited Balance Sheet for last financial year (if applicable).
 - viii. Copy of first sale bill.

Signature of the applicant
(with seal)

Undertaking/Declaration (to be submitted on non-judicial stamp paper of INR 50/- (Min) duly sworn before a Notary Public (duly affixed with Notarial Stamp; and with Notary Seal & Notary Registration Number or First-Class Magistrate):

I, _____ do hereby solemnly state that I am proprietor/
partner/director/_____ of M/s _____
located _____ which is engaged in the manufacture of _____
and I have been authorized to file the Interest subsidy claim with the Department of Industries and
Commerce/MSMEs, Haryana.

2. The unit will be liable to refund excess subsidy/assistance, if any released due to omission or pointed out by the Audit team of Principal Accountant General, Haryana.

3. I do hereby further affirm that the particulars given in the application are correct. In case any of the statement/ information furnished in the application/ documents later found to be wrong or incorrect or misleading or violation of the eligibility criteria/conditions, I do hereby undertake to refund the entire amount of assistance of INR _____ (Rupees _____) granted to me at the compound rate of interest @12% per annum, besides facing legal action in case facts contained in this application are proved to be wrong at the time of verification/ checking or otherwise at any stage.

Dated:

Signature of the applicant
(with seal)

Certificate from financial institution/Bank

This is to certify that M/s has been sanctioned term loan of INR for the project located at@ % interest.

The unit has been disbursed term loan of INR upto..... The first installment of the term loan of INR was disbursed on dated

The unit had made repayment for the last financial year dated 01/04/20.... to31/03/20. asunder:-

Against Term loan INR.....

As interest INR.....

Total INR.....

On the disbursed amount of term loan mentioned above, the interest amount for the above period comes to INR.....at.....(5% or 6%or 7% or 8% whichever is applicable).

This is to certify that:

- (i) The unit is presently regular in repayment of the term loan installments.
- (ii) No penal interest has been charged.
- (iii) The above interest has been charged/ calculated on the original term loan sanctioned to the unit.

Place:

Date:

Signature
Branch Manager
Name of Bank

Seal of the Bank

Annexure-III

Certificate from Chartered Accountant regarding investment in plant & machinery and turnover (on CA letterhead)

To whom it may concern

The records of M/s with their regd. office at and factory located at..... in respect of investment in plant & machinery* (original purchase value) of the company has been verified. It is certified that the investment in plant & machinery as on date..... stands as INR..... and turnover of last financial year INR..... (Rupees.....).

Name & signature of the Chartered Accountant with
stamps & CA membership Number

Date.....

UDIN No.