

HARYANA GOVERNMENT
INDUSTRIES & COMMERCE DEPARTMENT
DIRECTORATE OF MICRO, SMALL & MEDIUM ENTERPRISES

Notification

The 5th July, 2023

No. 12/03/2022-11B-II - In pursuance to the Haryana AatmaNirbhar Textile Policy 2022-25 notified in Gazette vide No. 12/03/2022-11B-II dated 19.12.2022, the Governor of Haryana is pleased to notify "Interest Subsidy Scheme" for textile MSMEs of various categories as per details given below:

1. Quantum of Assistance

(i) Financial Assistance for Textile MSMEs (New/ Existing)

Interest subsidy on term loan for textile MSMEs @6% or maximum up to INR20 lakh per year in 'B' category blocks, 7% or maximum up to INR 30 lakh per year in 'C' category blocks and 7% or maximum up to INR 50 lakh in 'D' category block for 7 years for new/ expansion/ diversification/ modernization projects for all textile enterprises including technical textiles, import substitution, backward linkages, etc.

Interest subsidy on term loan for textile machine manufacturing MSMEs @ 6% or maximum up to INR 25 lakh per year in 'B' and 'C' category blocks and INR 40 lakh per year in 'D' category blocks for 7 years for new/expansion/ diversification/ modernization projects.

2. Definitions

- (i) Existing Enterprise: Any project existing and in operation prior to notification of this policy and any project undertaking expansion/diversification/modernization during the operative period of the policy.
- (ii) New Industrial Enterprise: Means an enterprise established and commencing commercial production during the operative period of the policy. The existing enterprise undertaking expansion/diversification at different location shall also be considered as New Enterprise.
- (iii) Micro Enterprise: Investment in Plant and Machinery or Equipment does not exceed INR 1 crore and turnover does not exceed INR 5 crore as amended under the MSMED Act, 2006 or as amended by GoI from time to time.

- (iv) Small Enterprise: Investment in Plant and Machinery or Equipment does not exceed INR 10 crore and turnover does not exceed INR 50 crore as amended under the MSMED Act, 2006 or as amended by Gol from time to time.
- (v) Medium Enterprise: Investment in Plant and Machinery or Equipment does not exceed INR 50 crore and turnover does not exceed INR 250 crore as amended under the MSMED Act, 2006 or as amended by Gol from time to time.
- (vi) Textile Sector/Textile Enterprises: The term 'Textile sector/Textile enterprises' shall include all units which are engaged in various value chain activities of the industry such as Ginning & Pressing, Spinning, Recycled PSF manufacturing, Weaving, Tufting, Dyeing & Processing, Technical textiles (including non-woven), Knitting, Garment/Made-ups/Apparels, Machine Carpeting, Extruding, Machine Embroidery and any other activities/process like crimping, texturizing, twisting, winding, sizing etc. and Textile machine manufacturing.
- (vii) Expansion/ Diversification/ Modernization: Existing enterprise taking up expansion and/or diversification with or without forward/backward integration, with investment more than 25% of its existing gross fixed capital investment, as on date of initiating expansion/diversification and commencing production of said expansion/diversification during the operative period of the policy shall be treated as expansion/diversification. The expansion should be completed within 18 months of its initiation.
- (viii) Technical Textiles: Technical textiles are defined as textile materials and products used primarily for their technical performance and functional properties rather than for aesthetics or decorative characteristics, where function is the primary criterion. Depending on the product characteristics, functional requirements and end-use applications, the highly diversified range of technical textiles has been grouped into 12 sector applications wise:
 - Agriculture, Horticulture, Fisheries, and Forestry Textiles (Agrotech): Agrotech Segment includes textile products used in agriculture, horticulture (including floriculture), fisheries, animal husbandry, forestry and other allied activities.
 - Architectural and Constructional Textiles (Buildtech): Buildtech consists of those textile products which have application in building and construction industry.
 - Clothing Textiles (Clothtech): Clothtech segment comprises textile material and products manufactured to fulfil functional requirements of clothing, garments, and footwear industry.

- Geotextiles (Geotech): These materials are permeable and have been designed for uses such as soil reinforcement, separation, filtration, drainage, and erosion control. Products in Geotech segment are used in nonwoven, woven and knitted forms in roads, railway tracks, embankments, waterworks etc.
- Household Textiles (Hometech): Technical components of furniture, household textiles, and floor coverings, etc., are categorised as Hometech.
- Industrial textiles (Indutech): Textile products which are designed for filtration, conveying, purification of products and other industrial uses are classified under Indutech segment.
- Medical and Hygiene Textiles (Meditech): Meditech segment consists of textile material used for healthcare and hygiene applications.
- Transportation Textiles (Mobiltech): Mobiltech segment includes textile products that are used for applications in automotive components of terrestrial vehicles of various kinds, railways, airplanes, boats and ships, satellites, and space crafts.
- Environment Protection Textiles (Oekotech): Textile products that are used for applications related to environmental protection are categorised as Oekotech products. Oekotech products are used in erosion control, air and water purification, waste recycling and treatment.
- Packaging Textiles (Packtech): This segment consists of products manufactured for applications in packaging of industrial products and food products.
- Protection and Safety Textiles (Protech): Products of Protech segment are used for their functional performance in the areas of protection of personnel and physical assets. The main user groups are those associated with external security duties (defence), fire control services, police, paramilitary forces as well as residential and industrial security.
- Sport and Recreation Textiles (Sportech): High-performance textile materials used for sportswear and sports equipment are covered under this category.
- Any other product as notified by Ministry of Textiles, Government of India, time to time.

Note: Detailed list of products under each sector group of technical textiles as notified by Govt. of India are provided in the Annexure – B of the Haryana AatmaNirbhar Textile Policy 2022-25.

3. Commencement and Applicability

The Scheme shall commence with effect from 19.12.2022 for providing interest subsidy on term loan and shall remain in operation for a period of 3 years. The textile manufacturing unit to which term loan has been sanctioned/disbursed on or after 19.12.2022 and before 18.12.2025 or policy completion period if extended by Government, shall be admissible for this interest subsidy.

4. Eligibility

All Micro, Small, Medium Enterprises (new/ expansion/ diversification and existing) which have availed term loan from Financial Institutions/ Co-operative Banks/ Sarv Haryana Kshetriya Gramin Bank/ Commercial Banks after 19.12.2022, shall be eligible under the scheme. The units must comply with following conditions at the time of application:

- (i) The unit should have filed Udyam Registration Certificate (URC) and Haryana Udhyam Memorandum (HUM).
- (ii) The unit should be in commercial production.
- (iii) The unit should be in regular production at the time of disbursement and the subsidy shall not be released to the closed unit.
- (iv) Change in Land Use (CLU)/NOC permission for the project for said land from Competent Authority.
- (v) The applicant should not be defaulter or NPA with any of the bank.

5. Procedure

- (i) 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 General, Directorate of 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.
- (ii) The application would be processed and examined by the Joint Director/Deputy Director, District MSME Centre. He/she 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.

- (iii) In case the deficiencies are not removed within prescribed period, the claim shall be filed by the Competent Authority, under intimation to the enterprise 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

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 Additional Director, Directorate of MSME shall be competent authority for sanction of the subsidy.

8. Interpretation/ Clarification

The Administrative Secretary, Industries and Commerce, Haryana shall be competent to make interpretation/clarification and removal of any difficulties in provisions of this scheme.

9. Appeals

- (i) An Appeal against the order passed by the Additional Director, MSME shall lie with the Director General, Micro, Small and Medium Enterprises within a period of 30 days from the date of communication of order appealed against.
- (ii) Appeal against the orders passed by the Director General, Micro, Small and Medium Enterprises shall lie with Administrative Secretary, Industries & Commerce, Haryana within a period of 30 days from the date of communication of order appealed against.
- (iii) The orders passed by the Administrative Secretary, Industries & Commerce, Haryana in appeal shall be final.

10. Power to condole delay in submission of application

- (i) The 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.
- (ii) 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 and 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.

Dated, Chandigarh
the, 27th June, 2023

Anand Mohan Sharan, IAS
Additional Chief Secretary to Govt. Haryana,
Industries & Commerce Department

Annexure – I

Application Form for claiming Interest Subsidy on term loan

S. No.	Particulars	Details
1.	Name of the applicant (Authorized person of the Unit)	
2.	Name and address of the unit with contact no. and email	
3.	Registered office address	
4.	Constitution of the unit [Proprietary, Partnership, Pvt. Ltd., Public Ltd., LLP (Limited Liability Partnership) and Co-operative society]	
5.	Name of block in which unit is located and category of block i.e., B/C/D	
6.	Category of unit (Micro/Small/Medium)	
7.	Udyam Registration Certificate (URC) and Haryana Udyam Memorandum (HUM) No. & Date	
8.	Date of commencement of commercial production (as per first sale bill)	
9.	Item of manufacturing/processing	
10.	Category under which interest subsidy has been claimed (i) MSME (ii) Textile Machine Manufacturing	
11.	Name of Bank/ Financial Institution from which term loan has availed	
12.	Quantum of term loan sanctioned for the project	
13.	Actual Rate of interest on term loan	
14.	Date of disbursement of first installment of loan & amount	
15.	Cost of project as approved by bank/ financial institution	
16.	Details of Project Cost	
17.	Rate of interest subsidy applicable i.e., 6% or 7%	
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 latest Udhyam Registration Certificate (URC) and Haryana Udhyam Memorandum (HUM).
- (ii) Certificate of Incorporation/ Partnership Registration with concerned DIC/ LLP/ Co-operative Society Registration.
- (iii) Change in Land Use (CLU)/ NOC permission for the project for said land from Competent Authority Board Resolution
- (iv) Power of Attorney.
- (v) Land title documents i.e., sale deed or registered lease deed for at least period of 10 years
- (vi) Term loan sanction letter from Bank.
- (vii) Certificate for Bank/ Financial Institution concerned (Annexure – II).
- (viii) CA Certificate regarding investment in plant & machinery for new unit/expansion/diversification (Annexure – III).
- (ix) Copy of GST Return/ Audited Balance Sheet for last financial year (if applicable).
- (x) Copy of first Sale bill.
- (xi) Undertaking stating the applicant unit has not defaulted and has not declared NPA with any Bank/Financial Institution.

Signature of applicant (with seal)

Date: _____

Undertaking/ Declaration (to be submitted on non-judicial stamp paper of Rs. 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 _____ which is engaged in the manufacture of _____ and I have been authorized to file the Interest Subsidy claim with the Directorate of MSME, Haryana.

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.

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 Interest Subsidy Scheme 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.

Signature of the applicant (with seal)

Date: _____

Annexure – II

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 _____ up to _____. 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__ to 31/03/20__ as under:

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 _____ (6% or 7% whichever is applicable).

This is to certify that:

- (i) The unit is presently regular in repayment of the term loan instalments.
- (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:

Signature

Date:

Branch Manager

Name of Bank

(Seal of the Bank)

Annexure - III

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

TO WHOM IT MAY CONCERN

The records of M/s _____ with their registered office at _____ and factory located at _____ in respect of investment in plant and machinery (original value) of the company have been verified.

The unit has availed term loan of INR _____ up to _____ from _____ (Bank/FI) on _____. The first installment of the term loan of INR _____ was paid on dated _____.

The unit had made repayment for the last financial year dated 01/04/20__ to 31/03/20__ as under:

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 _____ (6% or 7% whichever is applicable).

Verified from the books of accounts of above firm the total 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

Dated: _____
UDIN _____