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PART-I

Notifications, Orders and Declarations by Haryana Government

HARYANA GOVERNMENT

INDUSTRIES & COMMERCE DEPARTMENT

Notification

The 4th March, 2024

No. 12/02/2022-1IB-II.— In pursuance to the Programme to Accelerate Development for MSME Advancement (PADMA) notified in Gazette *vide* Notification No. 12/2/2022-1IB-II dated 29th November 2022 and re-notified in Gazette *vide* No. 12/2/2022-1IB-II dated 17th August 2023, the Governor of Haryana is pleased to notify **"PADMA Capital Investment Subsidy Scheme"** for micro and small enterprises inside/outside the PADMA cluster. The scheme will consist of following provisions:

1. Objective

The main objective of the scheme is to attract investments and generate employment in the PADMA Cluster set up by Public and Private Implementing Agencies (IAs). Through this scheme, the Government will provide financial assistance for creating best-in-class manufacturing infrastructure, upgradation of technology, promotion of identified products, increase in exports thereby resulting in overall development of the MSME sector in the state.

2. Quantum of Assistance

Capital investment subsidy for micro and small enterprises on eligible capital investment made in plant & machinery and building inside the PADMA cluster for new/ expansion/ diversification/ modernization projects as under:

- @30% on eligible capital investment and maximum up to of Rs. 30 lakh for Women/SC/SHG owned micro and small units. The Self-Help Group (SHG) shall consist of a minimum of 10 women members.
- @ 25% on eligible capital investment and maximum up of Rs.25 lakh for other micro and small units.

The scheme is also applicable to the units outside the PADMA cluster. The quantum of assistance shall be half of the above-mentioned assistance for new units setting up in that particular block around the identified product as mentioned in the PADMA policy. The quantum is assistance is as under:

- @30% on eligible capital investment and maximum up to of Rs. 15 lakh for Women/SC/SHG owned micro and small units. The Self-Help Group (SHG) shall consist of a minimum of 10 women members.
- @ 25% on eligible capital investment and maximum up of Rs.12.50 lakh for other micro and small units.

Maximum number of cases eligible per PADMA cluster to avail the benefit under the scheme is as follow:

- Maximum upto 20 units in first 5 PADMA clusters
- Maximum upto 10 units in next 10 PADMA Cluster i.e., 6th to 15th PADMA cluster

- Maximum upto 5 units in rest of the PADMA clusters i.e. above 16th PADMA cluster
- Maximumupto 100 units outside the PADMA block across the state on first come first basis during the policy period.

3. Definitions

- I. **Micro Enterprise:** Investment in Plant and Machinery or Equipment does not exceed INR 1 crore and turnover does not exceed INR 5 crore or as amended by GoI under the Micro, Small and Medium Enterprises Development Act, 2006 from 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 Micro, Small and Medium Enterprises Development Act, 2006 from time to time.
- III. 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.

4. Commencement and Applicability

The scheme shall commence with effect from the date of re-notification of PADMA policy i.e., 17.08.2023 and shall remain in operation for a period of 5 years up-to 16.08.2028 or till the validity of the PADMA policy. The applicants shall have to apply on the prescribed performa (Annexure – I) along with complete documents within 03 months from the start of commercial production from the date of notification of the scheme or from the date of re-notification of PADMA policy, whichever is later.

5. Basic Eligibility Criteria

The micro and small enterprises inside/outside the approved PADMA cluster shall be eligible under the scheme. The MSEs shall also comply with the following conditions:

- 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 closed unit.
- IV. The unit shall remain in regular production for a period of 05 years from date of commercial production.
- V. The unit should be engaged in manufacturing/processing of the approved product category of that cluster.
- VI. The unit shall have to use the PADMA logo on the product manufactured.
- VII. The land for the project shall be arranged by the promoter either by purchase or on registered lease deed of at least 10 years.
- VIII. The unit availing incentive under this scheme will not be eligible to obtain incentives under any capital subsidy/similar scheme of other policies of the State Government.
- IX. The CLU/NOC/Industrial License as applicable obtained by IA for the said PADMA cluster, will be applicable.

6. Documents required for online application

The following documents are required as per scheme to be uploaded online duly signed by the lead promoter/authorized signatory.

- I. Application in the prescribed format (Annexure I).
- II. Certificate of incorporation/ registration of the organization, Memorandum and Articles of Association and Bye laws of the society (If applicable)/partnership deed etc.
- III. Annual reports and Audited Statement of Accounts of last three years, in case of expansion/ diversification/modernization.
- IV. Land title documents i.e., sale deed or registered lease deed for at least 10 years.
- V. CA certificate regarding the proposed project cost and means of finance.

- VI. A declaration to the effect: "that the organization has not obtained/applied or will not obtain any grant/subsidy from any Ministry/Department of Central Govt./State GoI organization/agencies for the same purpose/ activity/same components".
- VII. Latest Udyam Registration Certificate (URC) and Haryana Udhyam Memorandum (HUM).

7. How to Apply

- I. Application on prescribed Form (Annexure I) for the grant of PADMA Capital Investment subsidy, 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 03 months from the start of commercial production or from the date of re-notification of the PADMA policy or within three months from the date of notification of thisscheme, whichever is later.
- II. The application would be processed and examined by the concerned Joint Director/ Deputy Director, District MSME Centre. He/ she will be responsible for scrutiny & verification of documents and shall clearly recommend the application 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 07 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 by the applicant, the claim shall be recommended for rejection by the Joint Director/Deputy Director of the concerned District MSME Centre and subsequently, 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.

8. Competent Authority for Sanction

The Head of the Department (HOD) of Directorate of MSME, Haryana shall be competent authority for sanction of the amount of assistance under the scheme after compliance of requisite formalities.

9. Interpretation/Clarification

The Administrative Secretary, Industries & Commerce, Haryana Shall be competent to make interpretation/ clarification and removal of difficulties in provision of this scheme.

10. Appeals

- I. An appeal against the orders passed by the Head of the Department (HOD) of Directorate of MSME, Haryanashall lie with Administrative Secretary, Industries & Commerce, Haryana within a period of 30 days from the date of communication of order appealed against.
- II. The orders passed by the Administrative Secretary, Industries & Commerce, Haryana in appeal shall be final.

11. Power to condole delay in submission of application:

- I. The Head of the Department (HOD) of Directorate of MSME, Haryanashall 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.

12. 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.

Chandigarh: The 1st March, 2024 ANAND MOHAN SHARAN, Additional Chief Secretary to Govt. Haryana, Industries & Commerce Department

Annexure – I

Application Form for claiming PADMA Capital Investment Subsidy

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.	Name of the PADMA Cluster, Block & Product		
5.	Category of unit (Micro or Small)		
6.	Constitution of the unit [Proprietary, Partnership, Pvt. Ltd. Company, Public Ltd., LLP (Limited Liability Partnership) and Co-operative society]		
7.	Udyam Registration Certificate (URC) and Haryana Udyam Memorandum (HUM) No. & Date		
8.	Item of manufacturing/processing		
9.	Date of commencement of commercial production (As per first sale bill)		
10.	Whether the project is new/ expansion/ diversification/ modernization		
11.	 i. GST TIN No. of New unit (if available) ii. GST TIN No. of Existing Unit iii. GST TIN No. in case of expansion/ diversification/ modernization unit 		
12.	Details of Fixed Capital Investment: (i) Building (ii) Plant & Machinery/ Equipment (iii) Total (in case of expansion/ diversification/modernization furnish above Information regarding existing and additional investment separately)		
13.	Quantum of incentive admissible as per scheme applicable		

Copies of documents to be attached with the application:

- (i) Copy of UdyamRegistration Certificate (URC) and HUM
- (ii) Copy of first sale bill
- (iii) Certificate of Incorporation/ Partnership Deed/ Partnership Registration/ Co-operative Society Registration.
- (iv) Board Resolution/Power of Attorney
- (v) CA Certificate regarding investment in Building &Plant & Machinery
- (vi) GST Certificate
- (vii) Copy of list of plant & machinery along with invoices.

Signature of applicant (with seal)

Date: _____

Annexure – II

Declaration of the guarantee

(Not less than Rs. 100/-)

I S/o Resident of do here by solemnly affirms and state as follows:

- (a) That the organization has not obtained/applied for or will not obtain any grant/subsidy from any other Ministry/Department of Central Government/GOI organization/agencies and State Government for the same project and same components.
- (b) That the organization will remain in operation for at least 5 years after the release of grant-in-aid/date of commencement of commercial production.

Authorized signatory

Annexure – III

[PART I

Letter Head of CA

CA Certificate (with membership No. and Firm Registration No. of CA) in the following format

Date:

I. Project Cost

S. No.	Name of the Component/ Item	Proposed Project Cost	Actual Cost as on date
1	Land/Development Charges		
2	Building/ Civil Works		
3	Plant & Machinery		
4	Misc. Fixed Assets		
5	Pre-liminary and Pre-operative Expenses		
	Total		

II. Means of Finance

S. No.	Name of the Component/ Item	Proposed Project Cost	Actual Cost as on date
1	Promoter's Contribution		
2	Term Loan (if any)		
3	Grant-in-aid from GoH		
	Total		

Signature and Seal of C.A (Statutory Auditor in case of company)

UDIN._____

Annexure - IV

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 located at and I have been authorized to file the claim of PADMA Capital Investment Subsidy with the Directorate of MSME, Haryana.

I have gone through all the conditions/criteria mentioned in the scheme of PADMA Capital Investment Subsidy and the same have been duly complied with.

I do hereby affirm that the particulars given in the application are correct and further that:

- (a) 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.
- (b) 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 unit at the compound rate of interest @12% per annum, which shall also be recoverable arrears of land revenue, 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: _____

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