



Haryana Government Gazette

EXTRAORDINARY

Published by Authority

© Govt. of Haryana

No. 112-2024/Ext.] CHANDIGARH, TUESDAY, JULY 23, 2024 (SRAVANA 1, 1946 SAKA)

HARYANA GOVERNMENT INDUSTRIES AND COMMERCE DEPARTMENT

Notification

The 23rd July, 2024

No. 25/05/2020-4IB1.— In pursuance to the provision under Section - 2 (Sub-Section 2.3) of the Haryana State Startup Policy 2022 notified vide No. Admn/459/ISIT/17601 dated 07th July 2022, the Governor of Haryana is pleased to notify the “*Seed Funding for Startups Scheme*” for the Startups registered under the Haryana State Startup Policy 2022. The Scheme related to “Seed Funding for Startups” will be as under:

1. Objective

The Government of Haryana has always followed a proactive approach to facilitate Startup entrepreneurs for ease of doing business in Haryana. In order to achieve the same, State has undertaken precise policy-level interventions to position Haryana as a pre-eminent investment destination and notified the Haryana State Startup Policy 2022 with a focus on the creation of a world-class ‘Startup Ecosystem’ in the State.

Through this scheme, the State government intends to provide support in the form of “Seed Funding for Startups” to eligible Startups and facilitate the growth and strengthening of Startups in the State of Haryana.

2. Quantum of Assistance (Seed Funding for Startups)

In order to provide funding support to startups, financial assistance as Seed Grant would be provided to the Haryana based Startups:

- (i) Seed grant of up to INR 10 Lakh per startup for 100 startups in ‘A’ category blocks, 250 startups in ‘B’ category blocks, 750 startups in ‘C’ category blocks, and 1000 startups in ‘D’ category blocks would be provided under this scheme.
- (ii) The category of blocks will be applicable as per the block categorization given in Haryana Enterprises and Employment Policy 2020 and as amended from time to time.
- (iii) The Seed Grant shall be provided for validation of idea, proof of concept demonstration, prototype development, assistance towards traveling costs, and carrying out field/market research/ marketing or other initial activities to the selected startup.
- (iv) Assistance towards traveling cost would be limited to INR 50,000.
- (v) Assistance towards carrying out field/ market research would be limited to INR 50,000.

3. Exclusions:

- (i) The expenses which are covered under other Fiscal Incentives for Startups under the Haryana State

Startup Policy 2022 i.e. Lease Rental Subsidy, Patent Cost, Net SGST Reimbursement, Assistance in Acceleration Programs & Reimbursement for Cloud Storage will not be covered under the Seed Funding scheme.

- (ii) Any administrative expenses such as office rent, remuneration of the founding team & employees, utility bills, daily travel & conveyance, and purchase of personal use equipment such as mobile phone, laptop, etc.
- (iii) Repayment of any loans or investments made by the Startup Entity, founding team, or any other person in the startup entity.
- (iv) Seed Funds shall strictly not be used by startups for the creation of any facilities viz. building construction, civil works, etc., and shall be utilized for the purpose it has been granted for.

4. Commencement

The Scheme shall commence with effect from the date of notification of the Haryana State Startup Policy 2022 i.e., 07.07.2022, and shall remain in operation for a period of 5 years i.e., 06.07.2027 or till the time the Government of Haryana decides to discontinue/ amend/ extend this scheme.

5. Eligibility Criteria for Startups

- (i) The Startup entity should be a “Category – 1 Startup” registered with Startup Haryana, Industries & Commerce Department, Haryana as defined in the Haryana State Startup Policy 2022 and as given in 5 (ii) below.
- (ii) Category 1 Startups are defined as Startups registered with Startup Haryana in accordance with the eligibility criteria as mentioned below:
 - a. The entity should be registered & recognized as Startup from DPIIT and
 - b. Location: Address of the Registered Office of the Startup entity should be in Haryana.
- (iii) The Startup entity should have Haryana Udhya Memorandum (HUM) for statistical purposes.
- (iv) The products or processes/ services of the Startup entity should not fall in the restrictive list as notified by State Government under the Haryana Enterprises and Employment Policy 2020 and as amended from time to time.
- (v) The policy/scheme is sector-agnostic and applicable to all Startups irrespective of their domains(s).
- (vi) Startups availing incentives under this scheme should not have availed similar incentives under any other State Government policy. Further, Startups availing incentives under this scheme will also not be eligible to avail similar incentives under any other State Government policy.
- (vii) For Travelling Cost
 - a. The travelling cost (domestic/ international) will include travel through AC 2 Tier/AC Chair Car, AC Bus or lower or Airfare in economy class for participation in conferences, seminars, trade fairs, exhibitions, or any events related to Startups.
 - b. Accommodation expenses, local travel, and any other participation fees will not be covered under this head.
 - c. Only founders, co-founders or directors of the startup will be eligible for the assistance and only two members will be eligible in a single trip.
- (viii) For Field/ Market Research: Assistance towards carrying out field/market research may include:
 - a. Expenses incurred in primary market research
 - b. Market survey on social media platforms.
 - c. Procuring research papers/ journals either online or offline.

6. Procedure for availing Incentive/ Benefit

- (i) The Startup Entity shall apply online on the web portal of the Department of Industries & Commerce, Government of Haryana for “Seed Funding for Startups” in the prescribed format (as per **Annexure-I**) along with the requisite supporting documents as prescribed under this scheme document.
- (ii) The application received shall be examined and in case of any deficiencies, the same will be communicated to the Startup Entity/applicant in their user account, and the applicant shall rectify the same within 10 working days of receipt of intimation from the Industries & Commerce Department, Haryana.
- (iii) In case the deficiencies are not removed by the Startup Entity/applicant or fail to submit requisite additional information within the above timelines, the application shall be deemed rejected/closed. Startup Entity/ applicant would be intimated the status in their user account.

- (iv) The application after examination will be placed before the Evaluation & Approval Committee for consideration and approval. The Startup Entity will be called for a presentation of their Idea/Product/Service to the Evaluation & Approval Committee.
- (v) The Evaluation & Approval Committee shall comprise of the following members:

S. No.	Designation/ Department	Role
1.	Director/ Director General, Industries & Commerce Department, Haryana	Chairperson
2.	Nominee from Director/ Director General, MSME Department, Haryana	Member
3.	Chief Technology Officer / Additional Director or Equivalent, Industries & Commerce Department, Haryana	Member
4.	Nominee from Finance Department, Haryana	Member
5.	Nominee from Higher Education Department, Haryana	Member
6.	The Committee may call 3 Special representatives from Industry Associations/ State Incubators/ Domain Expert/ SIDBI Venture capital Haryana or any other as required on a case-to-case basis.	Member
7.	Joint/Deputy/ Assistant Director, Industries & Commerce Department, Haryana	Member Secretary

Quorum of the Committee: The Quorum of the Committee shall be of 50%, out of which at least 3 members shall be from the State Government.

- (vi) The Evaluation & Approval Committee will examine the application for Seed Fund based on the Evaluation Criteria mentioned in section 7 of this scheme document and will approve/decide the grant to be provided under this scheme.
- (vii) Based on the decision taken on the application, an intimation will be sent to the Startup Entity/ applicant in their user account. The applicant would also be able to download the decision / sanction letter from the portal in reference to their application.
- (viii) The sanctioned amount will be credited into the Bank Account of the Startup Entity subject to the compliance of the terms of the approval / sanction letter, if any.
- (ix) **Disbursal process:** The amount of the Seed grant approved will be disbursed in 3 tranches, which will be 50% in 1st Tranche, 40% in 2nd Tranche & 10% in 3rd Tranche or as decided by Evaluation & Approval Committee with specific justification(s). The disbursement of the subsequent tranche will be post-submission of the utilization certificate of the grant disbursed in the previous tranche subject to the approval of the Evaluation & Approval Committee.
- (x) The Startup entity will be eligible for applying for a grant under the subsequent tranche post submission of the Utilization Certificate of at least 80% amount of the corresponding previous tranche. However, the amount will be disbursed only after the Startup Entity provides the utilization certificate of 100% amount of the corresponding previous tranche.
- (xi) Only those expenses incurred after the approval of the seed fund grant by the Evaluation & Approval Committee will be considered as valid expenditures under tranches 1, 2, and 3.
- (xii) **Disbursement of 2nd & 3rd tranche:** The Startup Entity is required to submit the interim progress report and utilization certificate to initiate the release of the subsequent tranche of funds. Once the sanction is accorded, the Startup Entity would continue to be eligible for 2nd/3rd tranche. The progress will be reviewed by Evaluation & Approval Committee as per the procedure defined in **Section 6 (i to x) above.**
- (xiii) In case of unsatisfactory performance of the startup, the Evaluation & Approval Committee may discontinue the seed fund support to the Startup for subsequent tranches.

- (xiv) If an application of any Startup Entity is rejected by Evaluation & Approval Committee, then that Startup Entity may re-apply in the next quarter with an improved application.

7. Evaluation Criteria

The quantum of Seed fund to be provided will be decided based on the following evaluation criteria:

Sl.No.	Criteria	Details	Weightage
1.	Is there a need for this Idea?	i) What is the Market size? ii) What market gap is it filling? iii) Does it solve a real-world problem?	10
2.	Feasibility	i) Feasibility and reasonability of the technical claims ii) Methodology used/ to be used for Proof of Concept (PoC) validation iii) A roadmap for product development	10
3.	Potential Impact	i) Customer demographic & the technology's effect on these, ii) National Importance (if any)	15
4.	Uniqueness	i) Unique Selling Proposition (USP) of the technology ii) Associated Intellectual Property (IP)	10
5.	Team	i) Strength of the team ii) Technical and business expertise	10
6.	Revenue Streams	Business Plan to generate revenue/Revenue Model	15
7.	Go To Market Strategy	Effective Action Plan	10
8.	Fund Utilization Plan	Roadmap to money utilization	10
9.	Presentation	Overall assessment	10
Total Points			100

Note: To qualify, the startup should achieve a minimum of 60% marks as per the evaluation parameters defined above.

8. Time Limit to Apply

For availing the seed funding under this scheme, the startup entity is required to apply/ submit an online application on the web portal of the Department within the policy period. Further, it is clarified that the application should be submitted before the expiration of the policy i.e. 06.07.2027.

9. Competent Authority for Sanction

The Evaluation & Approval Committee under the chairmanship of the Director/ Director General, Industries & Commerce Department, Haryana, or as decided/ delegated by the Government of Haryana from time to time, shall be the competent authority for sanction of the fiscal benefit under the scheme.

10. Timelines for Processing & Decision of Applications

The applications received in a particular quarter would be considered for evaluation in the subsequent quarter by the Evaluation & Approval Committee.

11. Interpretation/ Clarification/ Modification

The Administrative Secretary, Industries & Commerce Department, Haryana will be the final authority for clarifying/ resolution of any doubts relating to the interpretation of any term or any provision arising under this scheme. The decision in this matter shall be final and binding for all stakeholders in such cases.

12. Appeal

An applicant may file an appeal to the Administrative Secretary, Industries & Commerce Department, Haryana against an order passed by the Competent Authority within a period of 30 days from the date of communication of the order. The order(s) passed by the Administrative Secretary, Industries & Commerce Department in such appeal shall be final.

13. Penal Action

At any time, if it is found that the Startup entity has claimed/ availed any form of assistance/ benefit (Fiscal/Non-Fiscal) from the Government based on any false/ fabricated information or involved in any malpractices/ fraudulent activities; the registration of the Startup entity will be summarily revoked, and the Startup entity shall refund the entire amount of the assistance granted/ availed along-with the compound rate of interest @ 12% per annum. In addition, the Startup entity/ applicant will also be liable to face legal action and will be debarred to avail any incentives/ assistance under any other policy/ scheme of the State Government in the future.

14. Head of Expenditure

The expenditure shall be met under the Scheme Head i.e. “**P-01-19-2852-07-202-87-51-N-V**” of the Industries & Commerce Department, Haryana.

ARUN KUMAR GUPTA,
Additional Chief Secretary to Government Haryana,
Industries and Commerce Department.

Annexure I – Application Form for Seed Funding for Startups

Section 1 – Details of Startup Entity			
1.	Name of the Startup Entity as registered with Startup Haryana Cell, Industries & Commerce Department	Pre - Filled	
2.	Registration number with Startup Haryana Cell, Industries & Commerce Department	Pre - Filled	
3.	Date of Registration with Startup Haryana Cell, Industries & Commerce Department	Pre - Filled From(DD/MM/YYYY) Valid Till.....(DD/MM/YYYY)	
4.	Complete Address of the Registered office of the Startup entity	Pre – Filled	
5.	Complete Address of Operational/ Working office of Startup Entity	Pre – Filled	
6.	GST Number of Startup Entity (If registered under GST)		
7.	PAN of Startup Entity	Pre – Filled	
8.	Haryana Udyam Memorandum(HUM) Number & Date		
9.	Number of Employees (Including Founder and co-founders)	On Direct Payroll - On Contract - Total Employee -	
10.	Turnover of the entity for all the previous financial years since incorporation	Year 1: Year 2: Year 3: Year n:	
11.	Bank Account Details of the Startup Entity		
11.1.	Name of Bank	Pre – Filled	
11.2.	Account Holder Name	Pre – Filled	
11.3.	Account Number	Pre – Filled	
11.4.	Branch Address	Pre – Filled	
11.5.	IFSC Code	Pre – Filled	
12.	Authorized Applicant Details		
12.1.	Name of Applicant Authorized by the Startup Entity		
12.2.	Designation of Authorized Representative		
12.3.	Contact Details of the Authorized Representative	Mobile	1. 2.
		Landline (with STD Code), if any	
12.4.	PAN Number of Authorized Representative		
12.5.	E-mail ID (s) of Authorized Representative		

Section 2 – Application form for Seed Fund		
1.	Description of the Product/ Process/Service of the Startup	
2.	Describe the Innovativeness/ Uniqueness of the Product/ Process/ Service of the startup	
3.	Upload Pitch deck* Pitch deck of the startup entity (As per the Evaluation Criteria) should be covering the followings: <ul style="list-style-type: none"> • What is the Market size? • What market gap is it filling? • Does it solve a real-world problem? • Feasibility and reasonability of the technical claims • Methodology used/ to be used for Proof of Concept (PoC) validation • A roadmap for product development • Customer demographic & the technology's effect on these, • National Importance (if any) • Unique Selling Proposition (USP) of the technology • Associated Intellectual Property (IP) • Strength of the team • Technical and business expertise • Business Plan to generate revenue/ Revenue Model • Effective Action Plan • Roadmap to money utilization 	
4.	Select the stage for which Seed Funding is required (Kindly select the appropriate stage)	Validation of idea/ Proof of Concept/ Prototype Development/ Minimum Viable Product Development
5. Breakup for the Assistance Sought / Expenses Head		
5.1.	Assistance Towards Travelling Costs	
5.2.	Assistance for Carrying out Field/ Market Research	
5.3.	Assistance for Marketing Activities (For MVP and above Stages)	
5.4.	Assistance for Consumables	
5.5.	Assistance for Testing	
5.6.	Assistance for Machinery	
5.7.	Any Other Assistance (ADD+)	
6.	Supporting Documents	i) Letter of Authorization (As per Annexure- II) ii) Pan Card & Passport size Colored Photograph of the Authorized Representative iii) Undertaking (As per Annexure- III) iv) Copy of Haryana Udhyam Memorandum (HUM) v) Cancelled cheque of the bank account of Startup Entity. vi) Pitch deck of the startup entity

Section 3 – Application form for Seed Fund for 2nd / 3rd tranche					
1.	Total Sanctioned Amount		Pre – Filled		
2.	Seed fund Assistance received under tranche 1 / 2 (Any balance amount will be added to the subsequent tranche)		Pre – Filled		
3.	Whether applying with an 80% Utilization Certificate or 100% Utilization Certificate of the previous tranche		Select		
4.	Expenses Head	Funding Sanctioned	Funds utilized in the previous tranche	Brief Details of Expenditure (supported by a relevant document & copy of Invoices)	Funds sought under the next Tranche
4.1	Pre – Filled	Pre – Filled			
4.2	Pre – Filled	Pre – Filled			
4.3	Pre – Filled	Pre – Filled			
5.	Supporting Documents		<ul style="list-style-type: none"> i. CA certified Utilization Certificate for 1st / 2nd Tranche ii. Copy of invoices against each expense head iii. Copy of tickets/boarding pass (in case of travel) iv. Progress report of the previous tranche v. Updated Pitch deck of the startup entity 		

Annexure II - Letter of Authorization
Letter of Authorization for Representative

To,
 The Director/ Director General,
 Industries & Commerce Department

<Name> ----- <Designation>----- is hereby **authorized to sign & stamp requisite documents on behalf** of our Startup Entity (**Name of an entity as given on Certificate of Incorporation / Registration**) for applying for “*Seed Funding for Startups Scheme*” under the Haryana State Startup Policy 2022. He is also authorized to attend meetings and provide additional documents in case any clarifications are required by the concerned authority.

Thanking you,

<p>Signature and seal of the Director(s)/Partner(s)</p> <p><Name></p> <p><Designation></p> <p><Mobile></p> <p><Seal></p>	<p>Signature of the person authorized by the Startup Entity (Name of the entity)</p> <p><Authorized Representative Name></p> <p><Designation></p> <p><Mobile></p> <p><Seal></p>
---	---

Annexure III - Undertaking**UNDERTAKING****TO WHOMSOEVER IT MAY CONCERN**

(Undertaking/Declaration - To be submitted on Non-Judicial Stamp Paper of Rs. 100/- (Min) duly sworn before a Notary Public (duly affixed with Notarial Stamp, and with Notary Seal & Notary Registration Number or First-Class Magistrate)).

1. I / We, < Director / Designated Partner / Partner >, do hereby solemnly declare, that the information given herein regarding our Startup Entity <**Name of the entity as given on Certificate of Incorporation / Registration**> & as stated in the application form is correct and true to the best of our knowledge and belief, and nothing relevant information has been suppressed.
2. I / We do hereby affirm that furnishing of any false or incorrect particulars of any information or suppression of any material information shall attract punishment for fraud and that we will be held liable for it. We understand that if found guilty of furnishing false information or any other fraudulent activity, we will be barred from applying /availing any benefits/incentives under the Haryana State Startup Policy 2022 for this entity and any other entity that I/we are part of and will further be liable for the penal action as defined under the “Seed Funding for Startups Scheme”.
3. The Startup Entity will be liable to refund excess subsidy/assistance/reimbursement, if any, released due to omission or pointed out by the concerned division at any time or the Audit team of the Principal Accountant General, Haryana.
4. I/ We, do hereby confirm and declare that any Director(s)/ Designated Partner(s)/ Partner(s) of our Startup Entity:
 - (i) Is/Are not blacklisted/ de-registered/ debarred by any Central/ State Department/ Agency at the time of submission of the application; and
 - (ii) Have not availed similar incentive under any other State / Central Government policy. Further, we agree that if we avail incentive under this scheme then we shall not claim similar incentive in any other State / Central Government policy.; and
 - (iii) I / We hereby certify that all Director(s)/ Designated Partner(s)/ Partner(s)/ Authorized Representative in our Startup entity have given written consent to provide their DIN/DPIN/PARTNER ID/Aadhaar number and also for use of their Aadhaar Number, Biometric, and/or One Time Pin (OTP) data for Aadhaar based authentication to verify individual identity and to determine eligibility across different Government Schemes. I/We understand that Startup Haryana Cell, Industries & Commerce Department shall ensure the security and confidentiality of my/our personal identity data provided for the purpose stated above.

Dated:

Signature and seal
of the Director(s)/Designated Partner(s)/Partner(s)

<Name and Designation>

Annexure IV – CA Certificate**Certificate from Chartered Accountant in respect of Proof of Expenditure for Seed Funding for Startups****TO WHOM IT MAY CONCERN**

This is to certify that M/s with their registered office at..... have incurred the expenditure of Rs..... (Rupees), for the financial year on account of the Seed Funding for Startups, against the details mentioned in the table below and the same has been verified:

S. No.	Details of Expenditure	Amount (INR)	Remarks
1			
2			
3			
4			
	Total Expenditure		

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

Date-----

UDIN No.-----

* Expenditure details in the above table should be supported by copies of receipts of payments made. The payment receipts must indicate the purpose for which the payments have been made to the certification agency.