



Haryana Government Gazette

EXTRAORDINARY

Published by Authority

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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 2.2 (c)) of the Haryana State Startup Policy 2022 notified vide No. Admn/459/1SIT/17601 dated 07th July 2022, the Governor of Haryana is pleased to notify the “*NET SGST Reimbursement Scheme*” for the Startups registered under the Haryana State Startup Policy 2022. The Scheme related to “Reimbursement of Net SGST” 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 fiscal support in the form of “Reimbursement of Net SGST” to eligible Startups based in Haryana and facilitate the growth of Startups in the State of Haryana.

2. Quantum of Assistance (Net SGST Reimbursement)

Financial support of 50% Net SGST will be reimbursed for a period of 7 years with a cap of 100% Fixed Capital Investments (FCI).

3. Definitions

- (i) **Net SGST:** Net SGST to be considered for reimbursement means that the eligible unit will be entitled to get reimbursement of SGST amount paid through cash ledger against the output liability of SGST on sale of eligible products and services. The eligible unit shall first have to utilize all the eligible Input Tax Credit (ITC) including eligible ITC of IGST available in its Credit Ledger, against the SGST output liability, before adjusting the SGST amount through Cash Ledger.
- (ii) **Fixed Capital Investment (FCI):** “New Fixed Capital Investment” for purposes of benefit means investment in –
 - i. New Construction
 - ii. New Plant and machinery (including generator set), tools, and equipment which have not been used before in India.
 - iii. Investments in software, IT infrastructure etc.

- Note I**— In case the unit is set up on leased land, the investment in new building construction shall be included in fixed capital investment only if the land is on irrevocable lease for a minimum period of five years from the date of commercial operations.
- Note II**— Transfer of plant and machinery from the same or different unit anywhere else (within India) shall not be considered towards the new fixed capital investment of plant and machinery.
- Note III**— The entire fixed capital investment made before going into commercial operations and within 2 years thereon shall be considered while calculating eligible fixed capital investment for capping of benefit.

4. Eligibility Criteria

- (i) The Startup Entity should be a “Category – 1 Startup” registered with Startup Haryana, Industries & Commerce Department as defined in the Haryana State Startup Policy 2022 and as given in 4 (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 Udhyaam Memorandum (HUM) for statistical purposes.
- (iv) The Startup Entity should have obtained No Objection Certificate(NOC)/ Change of Land Use (CLU)/ clearance(s)/ any other statutory compliances from the respective competent Authority, wherever applicable.
- (v) 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.
- (vi) The Startup Entity should be in commercial operations at the time of submission of the application as well as at the time of availing the benefit.
- (vii) The policy/ scheme is sector-agnostic and applicable to all Startups irrespective of their domains(s).
- (viii) Startup Entities availing incentives under this scheme should not have availed similar incentives under any other State / Central Government policy. Further, Startup Entities availing incentives under this scheme will also not be eligible to avail similar incentives under any other State/ Central Government policy.
- (ix) The incentive shall not apply to any tax/ amount that may become payable due to any show-cause notice issued by the department on the grounds of collusion, fraud, misinterpretation, and other similar grounds mentioned in the GST law requiring penal action.
- (x) The incentive shall not be given in respect of any tax credits which the taxpayer has failed to avail on any grounds whatsoever (e.g. late filing of prescribed return or fraudulent conduct of supplier etc.)
- (xi) The Startup Entity shall first exhaust the available credit while discharging its output liability towards State GST.
- (xii) If the eligible unit has shown its inter-state supplies as intra-state supplies through an intermediary/ marketing network/ or any other middleman, either directly or indirectly controlled by it, in order to get higher incentives then benefit to the eligible unit shall be liable to be cancelled with effect from the date of such contravention, and the eligible unit shall be liable to return forthwith the incentives availed together as per penal action (Section 13) defined in the scheme.
- (xiii) All benefits to Startup Entity shall be subject to a maximum of 100% of Fixed Capital Investment.
- (xiv) The incentives availed during the policy period will be valid for the defined incentive period as per the policy and the new policy/amendments will not have any retrospective impact on existing units which are availing incentives under the policy.

5. Procedure for Availing Incentive/ Benefit

- (i) The Startup Entity shall apply online on the web portal of the Industries & Commerce Department, Haryana for the “Net SGST Reimbursement Scheme” in the prescribed format (as per Annexure-I) along with the requisite supporting documents as prescribed under this document.
- (ii) In case, No/ NIL Net SGST has been paid in the preceding financial year, the Startup Entity will only have to submit a CA Certificate (as per Annexure – VI of this scheme) for that year. Failing to submit

the CA Certificate will make the entity ineligible for availing benefits under the 'Net SGST Reimbursement Scheme' in subsequent years.

- (iii) 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 the prescribed timelines as per Section 10 of this scheme document.
- (iv) In case the deficiencies are not removed by the Startup Entity/applicant or fail to submit requisite additional information/ documents within the prescribed timelines, the application shall be deemed rejected/closed. Startup Entity/ applicant would be intimated the status in their user account.
- (v) The Startup Entity, if required and with approval of the competent authority, may be called for a presentation/ clarification in relation to either the benefit eligibility or reimbursement claimed, or any other component.
- (vi) The application after examination will be put for final consideration & approval by the Competent Authority as defined in Section 7 below.
- (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.

6. Time Limit to Apply

For claiming the incentives, the Startup Entity is required to apply/ submit an online application on the web portal of the Industries & Commerce Department, Haryana within 06 months from the closing of the financial year for which the expenses are being claimed or within 3 months of the date of notification of this scheme, whichever is later. Thereafter, the Startup Entity will no longer be eligible to receive assistance or reimbursement under this scheme except in scenario under Section-9.

7. Competent Authority for Sanction

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.

8. 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., till 06.07.2027 or till the time Government of Haryana decides to discontinue/amend this scheme.

9. Power to Condone the Delay in Submission of the Application

- (i) The Director/ Director General, Industries & Commerce Department, Haryana, or as decided/ delegated by the Government of Haryana from time to time, may condone the delay up to a period of 03 months after the prescribed time limit.
- (ii) The Administrative Secretary, Industries & Commerce Department, Haryana may 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 for the late submission of the application based on the substantial evidence/ documents/ arguments presented by the Startup Entity/applicant.

10. Timelines for Processing & Decision of Applications

The following are the timelines for processing and decision of applications:

S. No.	Particulars	Time Limit (in working Days)
1	By the department for processing & decision on the application which is completed in all aspects	30 Days
2	By the applicant for Removal of deficiencies/ submission of additional information/ documents	10 Days

Note: If an applicant/ entity is unable to remove deficiencies or fails to submit requisite additional information/ documents within 10 working days of the intimation from the Industries & Commerce Department, the application shall be deemed rejected/ closed.

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 of 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 Industries & Commerce Department, Haryana.

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

Annexure I – Application Form for Net SGST Reimbursement

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		
7.	PAN of Startup Entity	Pre – Filled	
8.	Haryana Udyam Memorandum (HUM) Number & Date		
9.	Date of commencement of Commercial operations of the Startup Entity (DD/MM/YYYY)	
10.	Number of Employees (Including Founder and co-founders)	I. On Direct Payroll - II. On Contract - III. Total Employee -	
11.	Turnover of the entity for all the previous financial years since incorporation	Year 1: Year 2: Year 3: Year n:	
12.	Whether Net SGST Paid or Not in the preceding financial year?	Yes	No
12.1	If Yes,	Apply for Net SGST Reimbursement	
12.2	If No,	Attach CA Certificate (as per Annexure – VI) and submit	
13.	Bank Account Details of the Startup Entity		
13.1	Name of Bank	Pre – Filled	
13.2	Account Holder Name	Pre – Filled	
13.3	Account Number	Pre – Filled	
13.4	Branch Address	Pre – Filled	
13.5	IFSC Code	Pre – Filled	
14.	Authorized Applicant Details		
14.1.	Name of Applicant Authorized by the Startup Entity		
14.2.	Designation of Authorized Representative		
14.3.	Contact Details of the Authorized Representative	Mobile	1. 2.
		Landline (with STD Code)	
14.4.	PAN Number of Authorized Representative		
14.5.	E-mail ID (s) of Authorized Representative		

Section 2 – Details for claiming of Incentive		
1.	GST Number of the Startup Entity	Pre – Filled
2.	Date of Issue of GST Number(DD/MM/YYYY)
3.	Total Fixed Capital Investment (Building, Plant & Machineries, other as relevant)	INR_____ (in Crores)
4.	Total Net SGST paid by the Startup Entity	INR.....(in Crores)
5.	Amount of incentive requested out of the total amount paid as Net SGST by the startup Entity (50% of Net SGST with a cap of 100% FCI)	Amount of Eligible Net SGST INR_____ (INR in Crores)
6.	Supporting Documents	<ul style="list-style-type: none"> 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) CA Certificate for Fixed Capital Investments (As per Annexure- IV) vi) List of new Plant & Machinery (Date of purchase- Name of the Plant & Machinery/ Equipment along with copies of purchase invoices (As per Annexure- V) vii) Certificate from Deputy Excise & Taxation Commissioner of the concerned district regarding net State GST deposited by the entity during the Financial Year for which the claim has been filed (As per Annexure- VI) viii) CA Certificate in case of Nil GST is paid in the preceding financial year (as per Annexure – VII) ix) Copy of GSTIN Certificate Copy of GST Returns of the entity of last year x) A merged pdf file of details of payment of Net SGST paid for the period (GSTR-3B-6(i)) xi) Copy of any valid proof as evidence of the Startup Entity being in commercial operations (First Sale Bill) xii) Copy of latest financial report xiii) Cancelled cheque of the bank account of Startup Entity

Annexure II - Letter of Authorization
Letter of Authorization for Representative

To,

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 "*Net SGST Reimbursement 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>
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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 “Net SGST Reimbursement 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) The Startup Entity is in commercial operations during the period for which incentive is being claimed as well as at the time of submission of application.
5. I / We hereby certify that all Director(s)/ Designated Partner(s)/ Partner(s)/ Authorised Representative in our Startup Entity have given written consent to provide their DIN/DPIN/PARTNER ID/Aadhaar number/PAN 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
TO WHOMSOEVER IT MAY CONCERN

(Certificate from Chartered Accountant in respect of Start-up Entity (on CA letterhead))

The records of <Entity Name>, with their registered office at <registered office address> located at <Address>; in respect of investment in new Fixed Capital Investment (Original Purchase Value exclusive of Tax), by the entity has been verified and it is certified that Fixed Capital Investment made after 07.07.2022, stands as <Value in Lacs> as per details given below:

S.NO.	Particular	Value in Rs. Lakhs
1.	Building Cost	
2.	Plant & Machineries Cost	
3.	Software and IT Infrastructure	
4.	Any other	
Total Cost		

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

Date-----

UDIN No.-----

Annexure V – Equipment Details Form

It is hereby declared that, details of equipment/ machinery belonging to Eligible Startup Entity for Fixed Capital Investment in respect of M/S _____ located at Address _____ are given as under:

S. No.	Name of the Plant & Machinery/ Equipment	Type: New/ Used	Name of the Supplier and Place	Date of Purchase	Bill No.	Value (inclusive of Tax) (INR)	Total GST paid (INR)

** Attach copies of purchase invoices

Date:

Signature of Applicant
(with seal)

**Annexure VI – CA Certificate for NIL Net SGST Payment
TO WHOMSOEVER IT MAY CONCERN**

(Certificate from Chartered Accountant in respect of Startup Entity (on CA letterhead))

It is hereby declared that in respect of M/S _____ located at Address _____; NIL Net SGST amount has been paid in the preceding financial year <Financial Year>. Hence, No Net SGST Reimbursement is being claimed in the current financial year i.e. _____.

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

Date-----

UDIN No.-----

Annexure VII – Net SGST Payment Certificate

(Certificate from Competent Authority (Assistant/ Deputy/ Joint Excise & Taxation Commissioner) in respect of Startup Entity (on department letterhead))

S. No.	Particulars	Details
1.	Name of the Startup Entity	
2.	Complete address of the Startup Entity	
3.	Date of Commencement of Commercial Operations	
4.	GST No. of Startup Entity	
5.	Total Net SGST paid by the Startup Entity in the financial year _____	INR.....(in lacs)
5.1	1st Quarter of FY _____	INR.....(in lacs)
5.2	2nd Quarter of FY _____	INR.....(in lacs)
5.3	3rd Quarter of FY _____	INR.....(in lacs)
5.4	4th Quarter of FY _____	INR.....(in lacs)

It is also certified that no refund whatsoever has been issued to the <... **Name of the Startup Entity**...> out of the Total Net SGST paid by the **Startup Entity** as given in **S. No. 5** above.

(Sd.)...

Deputy Excise & Taxation Commissioner.