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HARYANA GOVERNMENT

INDUSTRIES AND COMMERCE DEPARTMENT

Notification

The 12th May, 2023

No. 25/05/2020-4IB-I.— In pursuance to the provision under 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 “Enterprise Resource Planning Adoption Scheme” with the following provisions: -

1. Objective:

Adoption of latest Information & Communication technology (ICT) by Micro and Small Enterprises, has been identified as a key gap area, which requires Govt. intervention in the form of subsidies to help state MSEs upgrade their ICT practices. Use of latest ICT can help MSEs improve their management processes ranging from procurement, manufacturing, delivery, accounting, HR & marketing. It enables greater competitiveness via improving efficiency, saving time & cost in different business processes, better customer & supplier management, and efficient flow of information between different business functions.

Keeping this in view, Government of Haryana, introduces subsidy for adoption of cloud-based Enterprises Resources Planning (ERP) solutions. The rationale behind choosing cloud-based solutions for subsidy support is that they do not require any upfront expenditure in installation of Hardware/Software, and as such have no capital expenditure. Additionally, ERP solutions can help MSEs in efficient management of multiple processes ranging from purchase, sales, production, finance, payroll, supply chain, inventory, quality, compliance etc. Cloud based ERP solutions typically charge only a subscription/usage fee to be paid on a “pay-as- you-use” basis.

2. Quantum of Assistance:

Financial assistance up to 75% of capital cost with maximum ceiling of INR 5 Lakh for adopting ERP system. This will help in improving operational efficiency and resource optimization.

3. Commencement and Applicability:

The Scheme shall commence with effect from the date of commencement of Haryana Enterprises & Employment Policy, 2020 i.e. 01.01.2021 and shall remain in operation for a period of 5 years. The assistance shall be available only on subscription/usage bills paid after 01/01/2021 but before 01/01/2026.

The scheme is open for 20 units per year and the applications will be scrutinized on **first come** basis.

4. Eligibility Criteria

All the existing Micro and Small Enterprises located in the State, who have Udhyam Registration Certificate (URC) and Haryana Udhyam Memorandum (HUM) shall be eligible under the Scheme. Only ERP solutions

which are cloud based shall be eligible for subsidy. The scheme also covers cloud based financial accounting service, regulatory compliance services & manufacturing design services. This scheme does not cover purchase of licensed version of any software nor any kind of computer/network/storage hardware installations. The eligible units must also comply with the following conditions:

- i. The unit must be a Micro or Small Enterprise in the state of Haryana.
- ii. The unit must upgrade their Information Technology Infrastructure via buying subscription from a cloud based ERP services provider.
- iii. The unit should be in commercial production.
- iv. The unit should be in regular production at the time of disbursement and the subsidy shall not be released to a closed unit.
- v. The unit cannot claim subsidy under this scheme for the same subscription for which it has already availed subsidy under the GoI scheme namely "Promotion of Information and Communication Technology in MSME sector" or amended / revised version of the same scheme.
- vi. The units that have applied under GOI's "Promotion of Information and Communication Technology in MSME sector" scheme but have not been able to avail subsidy due to revision in scheme or any other reason, are eligible only after fulfilling the terms and conditions under the state ICT scheme.

5. Procedure for Claim Submission

Application on prescribed Form (Annexure-I) for the grant of reimbursement for ICT/ERP (Enterprise Resource Planning) system along with listed documents would be submitted to the Director/ Director General, MSME on the website of the department. Application should be filed within 3 months from the end of financial year in which the subscription was purchased along with subscription agreement and all invoices & payment receipts for the financial year. The following documents shall be required to be enclosed with the application form:

- i. Acknowledgement of URC & HUM.
- ii. Certificate of Incorporation/ Partnership deed.
- iii. Board resolution/ Power of attorney
- iv. CA Certificate regarding expenses incurred toward subscription/usage fee of cloud based ERP solution in the financial year (Annexure-II).
- v. Audited balance sheet of the unit of last year (if Applicable).
- vi. Copy of subscription agreement of the Cloud ERP solution.
- vii. Copy of all invoices of Cloud ERP solution for the financial year
- viii. Copy of all payment receipts made towards cloud ERP solution for the financial year

6. Timelines

The MSMEs shall apply within 3 months from the end of financial year in which the subscription of ERP solution is purchased or from the date of notification of the scheme, whichever is later within the policy period as mentioned at Clause No 3 of this scheme.

7. Competent Authority for Sanction:

The Additional Director, MSME shall be competent authority for sanction of these incentives.

8. Interpretation/Clarification:

The Administrative Secretary, Industries & Commerce, Haryana shall be competent to make interpretation/clarification of provisions of this scheme.

9. Appeal

Appeal against orders passed by the Competent Authority shall lie with the Director/ Director General, Micro, Small and Medium Enterprises, Haryana within a period of 30 days from the date of communication of orders appealed against. The orders passed by the Director/ Director General, Micro, Small and Medium Enterprises 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

- i. 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 incentives/assistance from the State Government.
- ii. The industry should be in operation for a period of three years from the date of disbursement of subsidy otherwise the entire amount of subsidy on pro rata basis shall be recovered from the unit.
- iii. 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 | 45 days |
| 2 | Letter of Sanction | 07 days |
| 3 | Disbursement | 07 days |

13. Other Terms and Conditions

- a. That the Beneficiary will allow the officers of the Government of Haryana or any other person or persons authorized by Government of Haryana to inspect the cloud based ERP subscription for which the reimbursement subsidy has been granted and will furnish such information concerning the subscription agreement, payment terms etc., or concerning any matter connected with the reimbursement subsidy or incidental thereto, as the Government of Haryana or their nominees may, from time to time require.
- b. That the Beneficiary will not change the place or location of the industrial unit entirely or partly, nor enter into partnership with any one, or change its constitution by merger, amalgamation or in any manner without the express prior permission of the Government of Haryana in writing. This is applicable for cases within three years of disbursement of subsidy.

ANAND MOHAN SHARAN,
Additional Chief Secretary to Government Haryana,
Industries and Commerce Department.

Annexure-I**Application form for Enterprise Resource Planning Adoption Scheme**

| Sr. No. | Particulars | Details |
|----------------|--|----------------|
| 1 | Name of the applicant (Authorized person of the unit) | |
| 2 | Name & address of the enterprise with telephone no. and e-mail | |
| 3 | Registered Office address | |
| 4 | Name of the Block in which the enterprise is located and Category of blocks i.e. A/B/C/D | |
| 5 | Category of the unit (Micro/ Small/Medium). | |
| 6 | Item of manufacture/processing / Service provided | |
| 7 | Udyam Registration Certificate (URC) and Haryana Udhyam Memorandum (HUM) No. & Date | |
| 8 | Date of commencement of cloud-based ERP solution subscription | |
| 9 | Name of the Cloud based ERP service provider | |
| 10 | Modules/Services/Business functions covered under cloud based solution | |
| 11 | Total annual subscription fee paid till the end of financial year | |
| 12 | Date of first subscription payment made | |
| 13 | Current account of the unit with Account Name, Account number, IFSC code, Branch Address | |
| 14 | Quantum of reimbursement subsidy claimed by the unit | |

15. Self-attested copies of supporting documents to be uploaded with the application:

- i. Copy of Udyam Registration Certificate (URC) and Haryana Udhyam Memorandum (HUM).
- ii. Declaration by the applicant as on Annexure II
- iii. Certificate of Incorporation/ Partnership deed.
- iv. Board resolution/ Power of attorney
- v. CA Certificate regarding expenses incurred towards subscription/usage fee of cloud-based ERP solution in the financial year (Annexure-II).
- vi. Audited balance sheet of the unit of last year (if Applicable).
- vii. Copy of subscription agreement of the Cloud ERP solution.
- viii. Copy of all invoices of Cloud ERP solution for the financial year
- ix. Copy of all payment receipts made towards cloud ERP solution for the financial year

Signature of the applicant
(with seal)

Annexure-II

Declaration

(On the Letter Head of the Unit)

1. I, _____ do hereby solemnly state that I am proprietor/ partner/ director/ _____ of M/s _____ located _____ which is engaged in the manufacture of _____ (or providing services like _____) and I have been authorized to file the reimbursement subsidy under Enterprise Resource Planning Adoption Scheme with the Department of Industries & Commerce, Haryana.
2. I do hereby affirm that the particulars given in the application are correct. In case, any of the statement/ information furnished in the application/ documents is later found to be wrong or incorrect or misleading, I do hereby undertake to refund the entire amount of assistance of Rs. _____ (Rupee _____) 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)

Annexure-III

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

To whomsoever it may concern

The records and books of account of M/s with their Regd. Office at..... and factory located at in respect of expenses incurred towards payment of subscription/usage fee towards cloud based ERP solution services has been verified.

The total investment incurred in plant and machinery by M/s.....stands as Rs.....

It is certified that the subscription fee payments for cloud based ERP solution as on date..... stands as Rs.....

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

Dated: