

HARYANA GOVERNMENT
INDUSTRIES AND COMMERCE DEPARTMENT

**State Awards for Product/ Process Innovation
in Micro, Small and Medium Enterprises (MSMEs)**
NOTIFICATION

The 14th June, 2016

No. 49/43/2015-4IB1- In pursuance to the provision under Chapter 12 of Enterprises Promotion Policy-2015 notified vide No. 49/43/2015-4IB1 dated 14th August, 2015, the Governor of Haryana is pleased to notify the Scheme of State Award for Product/ Process innovation for Micro, Small and Medium Enterprises. The scheme will consist of the following provisions:

1. Background:

The Micro, Small and Medium Enterprises (MSMEs) in Haryana have undergone a vast development in the last four decades. The MSMEs have registered tremendous growth as also the progress in terms of quality production, exports, innovation, product development and import substitution, exceeding the expected objectives of setting up MSMEs in the State. Entrepreneurial efforts have made it possible to produce domestically number of items, which were earlier imported. In quite a few cases, new variants so produced with the help of local innovations also have additional attributes not present in the original versions and are capable of solving a multitude of user problems. All this has become possible owing to the ambitious and visionary spirit of entrepreneurs of MSMEs.

2. Objective:

The MSMEs of the State are very creative and innovate new products and process as well as provide innovate services to remain competitive in domestic and global market. This has become possible to encourage such innovative efforts and promote this spirit in larger interest of qualitative development of MSMEs. The Government of Haryana recognize these entrepreneurs for their outstanding innovations in products/ process and by conferring awards to motivate and encourage them.

3. Quantum and categories of awards:

State Awards shall be given to the outstanding Micro, Small and Medium Enterprises of Rs. 3.00 lakh each separately for growth in production and profit, for innovation & development of new products, quality products and lean manufacturing techniques in the field of Agro and Food processing, Automobiles and auto parts, Textiles, Engineering, Pharmaceuticals, IT & Electronics, Footwear, Defence, Miscellaneous for

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service as well as manufacturing enterprises. The unit once selected for award shall not be considered again during next 5 years.

4. Definition of Invention & Innovation-

Invention refers to new concepts or products that derive from individual's ideas or from scientific research. Innovation, on other hand, is the commercialization of the invention itself.

5. Awards:

09 State awards for Innovation of Rs. 3.00 lakh each shall be given to Micro, Small and Medium Enterprises in the category of Agro and Food processing, Automobiles and auto parts, Textiles, Engineering, Pharmaceuticals, IT & Electronics, Footwear, Defence, Miscellaneous.

6. Periodicity & Eligibility

The Awards will be given for every calendar year to deserving entrepreneurs managing Micro, Small and Medium Enterprises having permanent SSI registration /have filed Entrepreneurs Memorandum Part II/Udyog Aadhar Memorandum(UAM) with the respective District Industries Centre in accordance with the provisions contained in the Micro, Small and Medium Enterprises Development (MSMED) Act 2006. The MSMEs should have been in continuous production/services for last three years.

7. Criteria

The evaluation for Award is to be done on the basis of and on the Criteria & Performa for Evaluation and Awarding Marks (Form Z-1) specifically designed for the purpose.

The critical areas include:

- (i) Nature of innovation.
- (ii) Growth rate of Annual Sales and profit of Innovative Products/Process
- (iii) Obtaining ISO-9000 Series/ 14000/ 22000/ HACCP/ GMP/ equivalent certification
- (iv) Patents/design/ obtained or applied for
- (v) Technology involved
- (vi) Waste Management
- (vii) Whether innovation (product/process) is eco-friendly
- (viii) Standardization-Obtained BIS Mark/ International Standard/ equivalent (DGQA, RDSO, GMP /BEE etc)-
- (ix) Export Growth
- (x) Energy Conservation

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- (xi) Whether any reward scheme introduced for employees for suggesting innovation
- (xiii) Future Innovation Plan.
- (xiv) Any other area that the Principal Secretary to Govt. Haryana, Industries & Commerce department may decide from time to time before applications are sought

8. Composition of District Level Scrutiny Committee

The District Level Scrutiny Committee will consist of following:

Sr. No.	Description	Status
1.	The Joint Director/ Deputy Director, District Industries Centre of the respective District	Chairman
2.	Deputy Director/ Assistant Director Quality Marking Centre	Member
3.	Assistant Director, MSME-DI, Karnal	Member

It will scrutinise the applications received and would award the marks on various parameters.

9. Composition of State Level Scrutiny Committee

The State Level Scrutiny Committee will consist of following:

Sr. No.	Description	Status
1.	The Director, Industries & Commerce, Haryana	Chairman
2.	Two Joint Directors, District Industries Centre in the State,	Member
3.	Representative of Managing Director, HSIIDC, Panchkula not below the rank of DGM	Member
4.	Deputy Director, BIS, Sector-34, Chandigarh	Member
5.	Deputy Director, MSME-DI, Karnal	Member
6.	Additional Director of Industries & Commerce Haryana	Member-Secretary

10. Composition of State Award Selection Committee (SASC)

The State Award Selection Committee will consist of following:

Sr. No.	Description	Status
1.	The Administrative Secretary, Industries & Commerce Department, Haryana	Chairman
2.	Director of Industries & Commerce Haryana	Member
3.	Director, MSME-DI, Karnal	Member
4.	Director, National Institute of Technology, Kurukshetra	Member
5.	Managing Director, HSIIDC, Panchkula	Member
6.	Director, BIS, Sector-34, Chandigarh	Member
7.	Representatives of one State Level MSME Associations	Member
8.	Additional Director of Industries & Commerce Haryana	Member-Secretary

- 10.1 The State Level Scrutiny Committee after proper screening is to select eligible MSME in order of merit for the consideration of the State Award Selection Committee.

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- 10.2 For the purpose of evaluation by the State Award Selection Committee, the Evaluation forwarding marks (Form X-1) is enclosed.
- 10.3 The Awardees should not be considered for the same Award in the subsequent 05 year(s).
- 10.4 State Award Selection Committee before approving the names for State Awards would institute such inquiries as may be necessary that the entrepreneur has been abiding by all statutory requirements in vogue, is maintaining the proper documentation and is also not involved in any economic/other offence for which enquiry/ legal action is pending. The MSME status of the enterprise for the Award year be specifically verified and certified keeping in view the investment limit permissible in Plant & Machinery as also other norms in vogue and in accordance with the provisions contained in the Micro, Small and Medium Enterprises Development (MSMED) Act. 2006.
- 10.5 A Committee consisting of the Joint Director, DIC and In-charge of the Quality Marking Centre in the respective district shall visit the MSME to verify the information furnished in the application form including details of technology, performance, quality, MSME status, growth rate/trend etc. and prepare a report for consideration of SASC.
- 10.6 SASC will select the awardees on the basis of merit and its decision will be final.

11 How to apply and Methodology:

For purposes of selecting MSME for consideration for awards, the following procedure will be observed:-

- (i) The eligible Enterprises will apply in the prescribed Performa on the web portal of the department to the Joint/ Deputy Director, District Industries Centre of the concerned District.
- (ii) State Award Selection Committee will select MSME for the Award and award marks on the Criteria Performa (**Form Z-1**) enclosed.

Devender Singh
Principal Secretary to Government of Haryana,
Industries and Commerce Department

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(Application Form to be submitted in duplicate - Product/ Process Innovation)

PART-I

Sr. No.	Description			
1.	Name of Entrepreneur			
2.	Name and address of Enterprise			
3.	District			
4.	State			
5.	Pin code			
6.	STD code & Telephone numbers			
7.	Aadhaar card number			
8	Mobile no.			
9.	Fax no.			
10.	Email ID			
11.	Educational/Professional Qualification of Entrepreneur (If required use separate sheet and attach the documentary proof)			
12.	Type of Enterprises			
13.	Permanent MSE Registration no./EM Part-II/ UAM of Enterprise			
14.	Date of commencement of production/Services			
15.	Name of Products manufactured (enclosed photos/Leaflets also)			
16.	Please give an affidavit on non-judicial stamp paper duly attested by Notary that you have cleared your income tax dues and that Enterprise/entrepreneur is not involved in any Economic or other offence for which legal action/enquiry is pending			
17.	Last 3 Financial years audited balance sheets:			
	Items	1 st F.Y.	2 nd F.Y.	3 rd F.Y.
	Original investment in Plant & Machinery/ Equipment(Rs. in lakh) cumulative upto 31st March			
	No. of Employees as on 31st March			
	Value of Annual Sales of Products/Services/			
	Job Work(Rs.in lakh)			
	Net Profit (after taxes) (Rs. in lakh)			
	Export-Direct / (Rs.in lakh)			

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PART-II

1. Details of Innovation -

Please explain whether innovation is product development or process / design development. What exactly, is novel about your innovation? How innovation is improvement over what already exists. **Enclose as Annexure-1**

2. Please give the details of the annual sales of products / process of last 3 years certified by Chartered Accountant. **Enclose as Annexure-2**

3. Please give the details of the net profit (after taxes) of products / process of last 3 years certified by Chartered Accountant. **Enclose as Annexure-3**

4. Is your enterprise certified for ISO-9000/14000/18000/22000/HACCP/GMP/other equivalent Certification? If yes, give details and attach documentary proof, (for last Three Financial Year) **Enclose as Annexure-4**

5. Details of patents/designs/copyrights obtained or applied for as on 31st March of last Financial Year (attach the certificate/ documentary evidence) **Enclose as Annexure-5**

6. Please give detail whether technology involved for innovation is completely new technology or new combination of existing technology (attach the documentary evidence) **Enclose as Annexure-6**

7. Whether enterprise has in-house R&D/Innovation facilities approved by DSIR. Please attach documentary evidence. **Enclose as Annexure-7**

8. Please give details whether innovation is eco-friendly. Please attach documentary evidence. **Enclose as Annexure-8**

9. Standardization-

(i) Has enterprise obtained BIS mark /international standard/CE/ULA/equivalent (DGQA,RDSO, GMP/BEE etc.) please give details and attach the documentary evidence **Enclose as Annexure-9**

(ii) Whether innovated product is equivalent any other standards/specifications, please give details and attach the documentary evidence.

Enclose as Annexure-10

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10. Whether innovation development is (1) Prototype Stage (2) successfully Developed (3) Commercialized. Please give details and attach the documentary evidence.

Enclose as Annexure-11

11. Are you direct exporter? If yes, give details of last 3 years duly supported with documentary evidence and country to whom exported. In case due to specific product / supplies to strategic organization i.e. Defense etc. where export not permissible, please give the details of the last 3 years products supplied to Strategic Organization. Please give details and attach the documentary evidence. Enclose photocopy of at least three shipping bills of each last three years.

Enclose as Annexure-12

Year	Name of Strategic Organisation	Value of Products Supplied to Strategic Organizations (Rs./lakh)	Name of Products
1 st Financial Year			
2 nd Financial Year			
3 rd Financial Year			

12. Qualification of the Innovation Development Personnel(s)? Please give details with supporting documents.

Enclose as Annexure-13

13. Whether innovation developed products are import substitution? If yes, give details with supporting documents.

Enclose as Annexure-14

14. Whether innovation conserves energy? If yes, give details with supporting documents.

Enclose as Annexure-15

15. Do you have any innovation plan/vision? If yes, give details with supporting documents. Give roadmap for continuous innovation in organization. Other innovations undertaken/under pipelines.

Enclose as Annexure-16

16. Please give write up of not more than 300 words about yourself, your enterprise and the products(s) manufactured/service(s) rendered by indicating your achievements to justify as to why your application deserves to be considered for the award.

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Enclose as Annexure-17

I certify that the above information furnished by me is correct. I undertake to refund the cash prize, return the trophy and certificate, if awarded to me, in case it is ever found that the information furnished above was incorrect. Further I may also be liable for any action under the law of the land for any false declaration.

**SIGNATURE OF THE ENTREPRENEUR
SEAL OF THE ENTERPRISE**

Place:

Date:

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(Forms Z-1 Criteria & Performa for Evaluation and Awarding Marks- Product/ Process Innovation)

Note: For Evaluation and awarding marks , achievements for last Three Financial Year or as specified in the application form for all points should only be considered. Marks should be awarded on the basis of documentary evidence.

A. Name of the Enterprise_____

B. Products_____

C. Type of Enterprise (Micro, Small or Medium)

D. District

Part-I (Weight age-70%)

S. No.	Parameters for Awarding Marks	Maximum Marks	Marks allotted by District Level Scrutiny Committee	Marks allotted by State Level Scrutiny Committee	Marks allotted by State Level Selection Committee
(1)	(2)	(3)	(4)	(5)	(6)
1	Whether Innovative Development is (Ref. Annex - 1)	10			
	(i) Product development - 10 Marks				
	(ii) Process/Design Development - 5 Marks				
2	Whether enterprise has in- house R&D/Innovation facilities approved by DSIR (Ref. Annex- 7).	10			
	(i) Yes- 10 marks				
	(ii) others - 5 marks				
3	Technology involved in Innovative Development (Ref. Annex-6)	7			
	(i) Completely new Technology - 7 Marks				
	(ii) New combination of existing Technology-3 Marks				
4	Whether Innovative Development is (Ref. Annex-11)	12			
	i. Prototype Stage only-5 Marks				
	ii. Successfully Development -8 Marks				
	iii. Commercialized- 12 Marks5				
5	Qualification of the Innovative Development personnel (as on 31st March of last Financial Year) associated with achievements made by him/her (Mark best	6			

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	of any year) - (Ref. Annex-13)				
	(i) Graduate Engineer/Post Graduate and above - 6 Marks				
	(ii) Others - 3 Marks				
6	Whether Innovative Development Products are Import Substitution- (Ref. Annex-14)	6			
	i. Yes, with supporting documents - 6 Marks				
	ii. No- 0 Mark				
7	Patents/design/obtained or applied for (as on 31st March of last Financial Year). (I). Marks to be awarded for any one of (i)and(ii) as applicable (II) in case due to innovated specific product/supplies to strategic organizations (viz. Defense etc. where obtaining patents not permissible, full marks may be awarded) (Ref. Annex - 5)	15			
	(i) Obtained - 15 Marks				
	(ii) Applied for - 8 Marks				
	(iii) No initiative- 0 Mark				
8	Whether innovation (product/process) is eco-friendly - 6 Marks (Ref. Annex - 8)	6			
	i. Yes, with supporting documents - 6 Marks				
	ii. No- 0 Mark				
9	Standardization (Ref. Annex-9&10)	12			
	(i) Obtained BIS Mark/International/National Standard (RDSO, GMP,BEE, FSSAI, Ag Mark etc) - 12 Marks				
	(ii) Product equivalent to any other Specification-6 Marks				
10	Energy conservation Measures (Ref. Annex-15)	6			
	i. Yes, with supporting documents i.e. Certified Energy Audit Report, - 6 Marks				
	ii. Energy conservation measures adopted by enterprises - 3 Marks				
	iii. No initiative- 0 Mark				
11	Obtaining ISO-9000 Series/14000/22000 /HACCP/GMP/ equivalent certification (Ref. Annex - 4)	10			
	i. Yes, more than 3 years - 10 Marks				
	ii. Yes, less than 3 years - 5Marks				

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	iii. No - 0 marks				
	Total	100			

Part-II (Weight age: -30%)

S. No.	Parameters for Awarding Marks	Maximum Marks	Marks allotted by District Level Scrutiny Committee	Marks allotted by State Level Scrutiny Committee	Marks allotted by State Level Selection Committee
(1)	(2)	(3)	(4)	(5)	(6)
1	Value of Average Annual Turnover/ Sales of 3 years (Ref. Annex - 2)	20			
	(i) up to Rs.100 lakh - 3 Marks				
	(ii) above Rs.100 lakh & up to Rs.500 lakh-6 Marks				
	(iii) above Rs.500 lakh & up to Rs.1000 lakh-10 Marks				
	(iv) above Rs.1000 lakh - 15 Marks				
2	Growth rate of Average Annual Turnover/ Sales of 3 years from 1st year. (Ref. Annex - 2)	17			
	(i) growth rate up to 10% - 3 Marks				
	(ii) growth rate above 10% & up to 20% -6 Marks				
	(iii) growth rate above 20% & up to 30% - 9 Marks				
	(iv) growth rate above 30% - 12 Marks				
	(v) No growth - 0 Mark				
3	Growth rate of Net Profit (after Taxes) of 3 years (Ref. Annex - 3)	20			
	(i) Average growth rate up to 10%- 2 Marks				
	(ii) Average growth rate above 10% to 20%- 6 Marks				
	(iii) Average growth rate above 20% to 30%- 10 Marks				
	(iv) Average growth rate above 30%- 15 Marks				
	(v) No growth - 0 mark				

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4	Exports (Direct) of developed products/process during last three years Note: In case due to specific product/supplies to strategic organizations (viz. Defense etc. where exports not permissible, marks may be awarded on the basis of average growth rate of supply to strategic organizations. (Ref. Annex - 12)	12			
	(i) Average growth rate up to 10%- 3 Marks				
	(ii) Average growth rate above 10% to 20%- 6 Marks				
	(iii) Average growth rate above 20% to 30%- 9 Marks				
	(iv) Average growth rate above 30%- 12 Marks				
	(v) No growth - 0 Mark				
5	Value of Export Average of 3 years (Ref. Annex - 12)	15			
	(i) up to Rs.50.00 lakh - 3 Marks				
	(ii.) above Rs.50.00 lakh & up to Rs.100 lakh - 6 Marks				
	(iii) above Rs.100.00 lakh & up to Rs.150.00 lakh - 10 Marks				
	(iv) above Rs.150.00 lakh - 15 Marks				
6	Innovation Plan/Vision Road -Map for continuous innovation in organization. Other innovations undertaken/under pipelines. (Ref. Annex - 16)	16			
	(i) Excellent with supporting documents - 16 marks				
	(ii) Good - 10 marks				
	(iii) No such initiatives taken - 0 Mark				
	TOTAL	100			

Weight age: Part-I - 70%, Part-II -30%.

Example : Average growth rate = Ist year II year III year

Rs. 10.00 Lakh Rs. 12.00 Lakh Rs. 20.00 Lakh

Average turnover of three years = $\frac{10 + 12 + 20}{3} = 14$

Average growth rate = $\frac{14 - 10}{10} \times 100$

=

40 = 40%

10 10