

NOTIFICATION

The 18th April, 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 “Start-ups/First Generation Entrepreneurs” for setting up of Micro & Small Enterprises. The scheme will consist of the following provisions:

1. Objectives of the Scheme:

To encourage and give support to the prospective start-ups/ first generation entrepreneurs of the State for setting up of Micro & Small ventures having poor financial position.

2. Eligibility Criteria for Start-ups:

Professionals such as Engineers, MBA, CA with five years experience even without having any business background (first generation entrepreneurs) shall be eligible. The net worth of the promoters should be less than the required capital as per their project report. The gap in the promoters contribution shall be bridged by provision of concessional funding from the scheduled banks (the State Government would allow Interest Subsidy @ 5% PA). The facility for providing collateral free loan will also give tremendous support to the start-ups/first generation entrepreneurs.

- 2.1 The plant and machinery installed by the unit should be new or second hand imported machinery with residual life of ten years.
- 2.2 The above incentive will be available if the units are set up in ‘B’, ‘C’ and ‘D’ Category Blocks.
- 2.3 The unit should not have been placed in the restrictive list as notified by the State government from time to time.
- 2.4 The unit should have obtained NOC/CLU from competent Authority if applicable.
- 2.5 The unit should be in commercial production

3. Financial Assistance:

- 3.1 Exemption of 100% VAT/SGST upto turnover of Rs. 3.00 crores for three years whichever is earlier in 'B', 'C' and 'D' Category Blocks. No other taxes including local municipal tax will be leviable till such time (Achievement of Rs.3.00 crore turnover or three years whichever is earlier).
- 3.2 Such enterprises shall be exempted from inspection of the concerned departments except in the cases where it is mandatory by law.
- 3.3 The entrepreneurs covered under this category would be given Interest subsidy @ 5% for Micro & Small Enterprises on term loan for maximum upto Rs. 10.00 lacs per year for 3 years in 'B', 'C' & 'D' categories Blocks (the entrepreneurs shall have to apply for Interest Subsidy separately).

4. Commencement and Applicability:

The Scheme shall commence with effect from 15.8.2015 and shall remain in operation for a period of 5 years. The exemption from payment of VAT/SGST shall be admissible to the units, which come into commercial production on taking effective steps for the setting of industrial units such as filing of EM Part-I/UAM, leasing/ renting/ construction of industrial building, purchase & installation of plant and machinery after 14.08.2015 and before 14.08.2020 shall be admissible for exemption.

5. How to apply:

- 5.1 The eligible entrepreneurs shall submit their applications on the prescribed performa (Annexure-I) on the e-biz portal of the department within three months of the date of going into commercial production. The commercial production shall be considered as date of first sale bill issued by the unit. The entrepreneurs should have also filed EM Part-II/UAM with concerned District Industries Centre.
- 5.2 The application would be processed and examined. The deficiencies, if any, would be communicated to the applicant on-line within a period of 10

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working days and the applicant would be given a time period of eight weeks to rectify the deficiencies so pointed out.

5.3 In case the deficiencies are not removed within prescribed period, the claim shall be filed by the Competent Authority, under intimation to the party through e-mail.

5.4 The claim application so filed may be reopened with the orders of Director of Industries & Commerce provided request for the same is received within a period of 30 days from the date of rejection of the claim by the designated Competent Authority

6. Competent Authority:

The Director Industries & Commerce shall be competent to issue eligibility certificate to Excise and Taxation department for granting benefit of 100% exemption from payment of VAT/SGST net paid upto turnover of Rs. 3.00 crore for three years, whichever is earlier within 30 days from the completion of case.

7. Appellate Authority:

The Entrepreneur can file appeal to the Principal Secretary, Industries & Commerce against the decision of Director Industries & Commerce within the 30 days of the communication of the decision. The decision of the Principal Secretary of Industries & Commerce shall be final.

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

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Annexure-I

Application form for exemption from payment of VAT/SGST by Start-ups/ first generation entrepreneurs.

| Sr. No. | Particular | Details |
|---------|---|---------|
| 1. | Name of the entrepreneur | |
| 2. | Business background of entrepreneur /Father/Mother, if any. | |
| 3. | Professional qualification of the entrepreneur and year of acquiring qualification(Engineers/MBA/ CA etc.) | |
| | Experience of Entrepreneur post professional qualification | |
| 4. | Aadhar No. of Sole Proprietor/ Partners/Directors(Optional) | |
| 5. | Name & address of the unit with telephone no. & e-mail | |
| 6. | Name of the block in which unit is located & category (B/ C/ D) | |
| 7. | Category of the unit (Micro/Small) | |
| 8. | Whether sole proprietorship/ partnership/company | |
| 9. | EM Part-II/UAM (filed under MSMED Act) no. & date | |
| 10. | VAT/SGST registration No. | |
| 11. | Item of manufacture | |
| 12. | Date of commercial production (first sale bill) | |
| 13. | Details of total fixed capital investment (attached CA certificate) i) Land ii) Building iii) New Plant & Machinery/Equipments | |
| 14. | Installed capacity in quantity & value. | |
| 15. | Proposed Turnover of the unit(In Rs.) | |
| 16. | Proposed Number of persons employed | |

17. Self attested copies of documents to be attached with the application:

- i. Copy of Certificate of Incorporation/ Partnership deed
- ii. Copy of Board resolution/ Power of attorney.
- iii. Copy of EM Part-II/ UAM acknowledgement
- iv. CA Certificate regarding fixed capital investment in land, building, Plant & machinery.

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- v. Copies of the purchase invoices of plant & machinery/ equipments
- vi. Copy of first sale bill.
- vii. Documentary evidences regarding effective steps taken for the setting up of industrial units such as filing of EM Part I/UAM, leasing/renting/construction of industrial building, purchase & installation of plant and machinery, after 15.8.2015.

Signature of the applicant
(with seal)

Declaration:

I, _____ do hereby solemnly state that I am proprietor/
partner/ director/ _____ of M/s _____
located _____ which is engaged in the manufacture of
_____ and I have been authorized to apply for exemption from
payment of VAT/SGST with the Department of Industries and 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 later found to be wrong or incorrect or misleading, I do hereby undertake to refund the entire amount of VAT/SGST exemption granted to me, alongwith 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)

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Annexure-II

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

To whom it may concern

The records of M/s with their regd. office
at..... and factory located at in respect of
investment in plant & machinery (original purchase value) of the company has
been verified. It is certified that the entrepreneur has installed new plant &
machinery and investment made in plant & machinery as on date.....
stands as Rs.....

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

Dated: