

Haryana

OVERVIEW

Policy Name	Haryana Entrepreneur & Startup Policy-2017
Policy Document	Download here
Nodal Agency	Haryana State Electronics Development Corporation Limited
Office Address	SCO 111-113, Sector 17-B, Chandigarh, 160017
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INCENTIVES

FOR STARTUPS

Eligibility Criteria

Startup means an entity (Private, Public, Proprietary, Partnership Firm), incorporated in India:

- As a private limited company (as defined in the Companies Act, 2013) or registered as a Partnership firm (registered under Section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India.
- Not prior to seven years and in the case of Biotechnology Companies this period shall be up to 10 years
- With annual turnover not exceeding INR 25 crore in any preceding financial year
- Working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation/
- Provided that such entity is not formed by splitting up, or reconstruction, of a business already in existence and should not have been formed by the demerger or reconstitution of a business already in existence
- Provided that such entity is not a holding company and it is not a subsidiary of any firm already in existence or except the subsidiary of any startup
- Location: The company/entity be registered in Haryana under the Haryana Shops and Commercial Establishment Act, 1958.
- Employment: The company employs at least 50 (fifty) per cent of its total qualified workforce in Haryana, which shall not include contract employees.

1. Lease Rental Subsidy

Type of Benefit	Fiscal
Benefit Details	Reimbursement of 25% of lease rental subsidy to eligible startup units established in the state, operating from Incubators/IT Parks/Industrial Clusters or any other notified location shall be eligible for a period of 1-year subject to the ceiling of INR 1lakh per annum.

2. Patent Cost Reimbursement

Type of Benefit	Fiscal
Benefit Details	Cost reimbursement for max 3 Patent/Quality certification per Unit up to a limit of INR 2 lakh for domestic & INR 5 lakh for International Patent/Quality certification upon successfully receiving them.

3. Assistance for Program/App Development

Type of Benefit	Fiscal
Benefit Details	Government will empanel software/mobile app development agencies for extending programming/app development support to eligible startups and would reimburse development cost to the tune of 60% for application development undertaken through empanelled agencies, to the ceiling of INR 1 lakh per startup.

4. Seed Grant

Type of Benefit	Fiscal
Benefit Details	A Seed Grant up to INR 3 Lakhs per start-up shall be provided for validation of idea, prototype development, assistance towards travelling costs and carrying out field/ market research/ skill training/marketing and initial activities to setup a startup etc.

5. Self-Certification

Type of Benefit	Non-Fiscal
Benefit Details	<p>Startups and incubators in the state will be permitted to file self-certifications and will be exempted from inspections under the following acts and rules framed there under barring inspections arising out of specific complaints. In case a unit has to be inspected for certain reasons the permission of the District Magistrate shall be obtained:</p> <ul style="list-style-type: none">• The Factories Act, 1948• The Maternity Benefit Act,1961• The Shops and Commercial Establishments Act,1958• The Contract Labour (Regulations & Abolition) Act, 1970• The Payment of Wages Act, 1936• The Minimum Wages Act, 1948• Payment of Gratuity Act, 1972• Child Labour (Prohibition & Regulation) Act• The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959

6. Preferential Procurement

Type of Benefit	Non-Fiscal
Benefit Details	<p>The Government shall encourage participation of Startups in the Government procurements by waiving off prior experience or turnover requirements so long as the product meets the desired specifications.</p>

7. Annual Hackathon Competition

Type of Benefit	Fiscal
Benefit Details	<p>The State would be actively participating in Smart India Hackathon, with Gurugram being proposed for year 2018, wherein the startups/students would be invited to propose innovative solution for the social/economical challenges being faced by the Government. Total of five participants would be rewarded monetarily. Winner- INR 1 Lakh; 1st runner up – INR 75,000; 2nd runner up – INR 50,000; 3rd & 4th runner up – 25,000 each.</p>

FOR INCUBATORS

1. Exemption on Rental Charge

Type of Benefit	Fiscal
Benefit Details	Incubators would be given 50% exemption on lease rent and operation & maintenance charge for Govt. owned building for 3 years, upto a maximum of INR 5 lakh per annum per incubator.

2. Recurring Expense Reimbursement

Type of Benefit	Fiscal
Benefit Details	Govt. Incubators shall get the support for recurring expenses as Operational Subsidy assistance upto the limit of INR 1lakh per year for a period of 3 years.

3. Stamp Duty & Registration Exemption

Type of Benefit	Fiscal
Benefit Details	Incubators shall be provided 100% Stamp duty registration exemption on purchase/lease of land/Office space/IT Building with the condition of commencing operation within 2 years.

4. Mentoring & Training Assistance

Type of Benefit	Fiscal
Benefit Details	In order to provide mentoring for priority issues such as fundraising, scaling, recruitment and product interface, Incubators shall be provided Mentoring Assistance support upto a limit of INR 3 lakh per year.

5. Assistance in Participation of Fair/Exhibition

Type of Benefit	Fiscal
Benefit Details	The Industry association/Incubators leading a delegation of startups to National and International Fair/Exhibition or for organizing such fair/exhibition/seminars should be provided financial assistance up to INR 25 Lakh or as actual basis. At most 12 such events would be supported by the State government annually.

FOR INVESTORS

Eligibility Criteria

1. Fund of Funds

Type of Benefit	Fiscal
Benefit Details	<p>Haryana government would create a corpus fund of INR 100 Cr dedicatedly for category I funding to meet the funding requirement for scalability of Startups.</p> <p>The fund features would be as follows:</p> <ul style="list-style-type: none">• The State Government shall set up a fund with an initial corpus of INR 100 Cr to be invested over a period of 5 years as the Alternative Investment Fund (AIF) identifies investment opportunities.• The Fund would be about the nature of FoF, which means that it will not invest directly into the Start-ups, but shall participate with capital commitment in SEBI registered Category 1 AIF Venture Funds.• SIDBI would manage this Fund and would make the disbursement to Venture Capital Fund after due diligence, once the condition is fulfilled.• The mandate would be given by state government to make 10% contribution in the total corpus of the VC Fund subject to the condition that VC invests twice the amount contributed by the State Government in the startups based in Haryana. The proportionate return or proceeds from the Venture Funds shall be remitted back to the FoF. This returns along with Capital gains shall be used to continue to fund Venture Funds to continuously support rapidly growing start-up eco-system.• The State Government in total would contribute 10 % of the funds size to be raised by VC and it shall be released only when the VC makes investment in Haryana based Startup.

FOR INSTITUTIONS

1. Incubator Setup Grant

Type of Benefit	Fiscal
Benefit Details	<p>Government Host Institutes shall be provided capital grant of 50% of Capital Investment (excluding land cost) for setting up Incubator, Subject to max INR 1 Cr.</p> <p>Private Host Institutes shall be provided capital grant of 50% of Capital Investment (excluding land cost) for setting up Incubator, Subject to max INR 50 lakh.</p>

2. Startup Competition assistance

Type of Benefit	Fiscal
Benefit Details	<p>To encourage entrepreneurship culture in colleges, Eligible Institutes of National Importance, State Universities & Central Universities based in Haryana, established Incubators in these institution's premises shall be supported by state government to organize such startup competition fest annually in which state shall provide assistance upto the limit of INR 5 lakh per event.</p>