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**NET SGST REIMBURSEMENT SCHEME - HARYANA GOVERNMENT
(Haryana State Startup Policy 2022)**

NOTE ON NET SGST REIMBURSEMENT SCHEME – HARYANA GOVERNMENT
(Haryana State Startup Policy 2022)

The Haryana government has introduced a NET SGST Reimbursement Scheme as part of its Startup Policy 2022 to encourage entrepreneurship and boost the startup ecosystem in the state and to foster a conducive environment for startups in the state.

NET SGST Reimbursement:

Eligible startups can receive a 50% reimbursement of Net SGST for seven years, capped at 100% of their Fixed Capital Investment (FCI). Net SGST refers to the SGST paid in cash after utilizing input tax credits. Fixed capital investment includes new construction, plant, machinery, software, and IT infrastructure. Investments in leased land qualify if the lease is irrevocable for at least five years. Transferring existing assets within India doesn't count as new investment. All investments made before and within two years of starting operations are considered for the cap.

Eligibility Criteria:

To be eligible for the NET SGST reimbursement, a startup must be registered as a Category 1 Startup with Startup Haryana, recognized by DPIIT, have its registered office in Haryana, and possess a Haryana Udhyam Memorandum.

Additionally, the startup should have necessary clearances, be in commercial operation, and its products or services should not fall under restricted categories. The scheme is open to all sectors, but startups cannot avail similar incentives from other government bodies.

Procedure for Availing Incentive/ Benefit:

To avail the NET SGST reimbursement, startups must submit an online application with necessary documents on the Industries & Commerce Department's portal. If No/NIL NET SGST was paid in preceding year, a CA certificate is required for that year.

The department assesses the application, communicates deficiencies, and may call for presentations or clarifications. Upon approval, the sanctioned amount is credited to the startup's bank account.

Time Limit to Apply:

Startups must apply for the NET SGST reimbursement within 6 months of the financial year end or 3 months from the scheme notification date, whichever is later. Failure to apply within this timeframe will disqualify the startup from receiving benefits under the scheme

Conclusion

The NET SGST Reimbursement Scheme offers significant financial relief to eligible startups, allowing them to invest more in research, development, and growth. By reducing their tax burden, startups can focus on scaling their operations and creating jobs. By carefully understanding the NET SGST Reimbursement Scheme and meeting the eligibility criteria, Haryana-based startups can significantly benefit from this initiative.


To read the detailed gazette notification, [click here](#).


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