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HARYANA GOVERNMENT

INDUSTRIES & COMMERCE DEPARTMENT

Notification

The 8th June, 2021

No. 25/05/2020-4IB-I.— In pursuance to the provision under Chapter 14 of 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 scheme for grant of “Electricity Duty Exemption” to the various sectors of Enterprises as per details given here under:

1. Quantum and period of Exemption

- (i) **Ultra-Mega projects:** The Ultra Mega Projects shall be offered customized package of incentives by the Haryana Enterprises Promotion Board throughout the State. The period of Electricity Duty Exemption shall be decided by the Haryana Enterprises Promotion Board.
- (ii) **Cluster Establishment/ Relocation**
Any cluster comprising of at least 10 enterprises, engaged in similar economic activity, being established or relocating from other countries/States to Haryana, shall be treated as a Mega Project provided it meets the criteria of FCI and a special package of incentives shall be decided by HEPB on the basis of Cost Benefit Analysis.
- (iii) **Mega Projects:** 100% exemption for 10 years in ‘D’ category blocks, 7 years in ‘C’ category blocks and 5 years in ‘B’ category blocks.
- (iv) **Large Units:** 100% exemption for 10 years in ‘D’ category blocks, 7 years in ‘C’ category blocks and 5 years in ‘B’ category blocks.
- (v) **Micro, Small & Medium Enterprises other than Thrust sectors:** 100% exemption for 12 years in ‘D’ category blocks, 10 years in ‘C’ category blocks and 7 years in ‘B’ category blocks.
- (vi) **Thrust Sector Enterprises:** 100% exemption for 20 years in ‘D’, for 15 years in ‘C’ and for 10 years in ‘B’ category blocks.
- (vii) **Electronics System Design & Manufacturing (ESDM):** 100% exemption for a period of 7 years.
- (viii) **Data Centres & Co-location facilities:** 100% exemption from electricity duty from a period of 20 years throughout the State.

- (ix) **Import Substitution Enterprises:** 100% exemption for 10 years in 'B', 'C' and 'D' category blocks.
- (x) **Essential Sector Enterprises:** 100% exemption for 12 years in 'B', 'C' & 'D' category blocks.
- (xi) **Service Enterprises:** 75% exemption only for new enterprise for 5 years in 'C' & 'D' category blocks and 50% in 'B' category blocks.

2. Commencement and Applicability

The Scheme shall commence with effect from 01.01.2021 for granting Electricity Duty and shall remain in operation for a period of 5 years. The units which have gone into commercial production on or after 01.01.2021 shall be eligible.

3. Definitions

(i) Ultra-Mega Project:

Iconic Projects having minimum Fixed Capital Investment of INR 6000 Cr. in A Blocks, INR 4,500 Cr. in 'B' category blocks, INR 3,000 Cr. in 'C' category blocks and INR 1,500 Cr. in 'D' category blocks.

(ii) Mega Project: Project having minimum Fixed Capital Investment (FCI) of INR 200 Cr. in B Blocks, FCI of over INR 100 Cr. in C Blocks and FCI of over INR 75 Cr. in D Blocks. The project undertaking expansion/ diversification and the identified services at clause 2(xi) with same criteria of investment shall also be treated as Mega Project.

[Special Package of incentives for Mega Projects having potential of ancillarisation shall be decided by HEPB over and above standard package of incentives on the basis of Cost Benefit Analysis, under the policy].

(iii) Large Project: Investment in Plant and Machinery more than INR 50 crore and turnover greater than INR 250 crore (over and above of limit of Medium units defined by GoI under the MSMED Act, 2006, or as amended from time to time).

(iv) Medium Enterprise: Investment in Plant and Machinery or Equipment does not exceed INR 50 crore and turnover does not exceed INR 250 crore or as amended by GoI under MSMED the Act, 2006 time to time.

(v) Small Enterprise: Investment in Plant and Machinery or Equipment does not exceed INR 10 crore and turnover does not exceed INR 50 crore or as amended by GoI under MSMED the Act, 2006 time to time.

(vi) Micro Enterprise: Investment in Plant and Machinery or Equipment does not exceed INR 1 crore and turnover does not exceed INR 5 crores or as amended by GoI under MSMED the Act, 2006 time to time.

(vii) Start-up: As defined by Department of Electronics and Information Technology, Haryana, from time to time and registered with Startup Haryana.

(viii) Thrust Sectors: The State has identified the following 08 thrust sectors:

- (a) Auto, Auto Components & Light Engineering
- (b) Agro-based, Food Processing & Allied Industry
- (c) Textiles and Apparels
- (d) Electronics System Design & Manufacturing (ESDM)
- (e) Defense and Aerospace Manufacturing
- (f) Pharmaceutical & Medical Devices
- (g) Chemical and Petrochemical
- (h) Large Scale Energy & Data Storage

Note: The list of Thrust sectors may be amended by HEPB from time to time

(ix) Import Substitution Enterprises:

Enterprises engaged in the manufacturing of products for which nation is dependent on imports. The list containing such enterprises is placed at Annexure-8 of the policy.

(x) Essential Sector Enterprises:

Essential Goods and Services are classified as those activities, which are necessary for the survival of citizens, employment generation, business linkages and ancillary industries, have seasonality of commodities (Raw material seasonality) and required in dealing with disaster (e.g. Pandemic related goods and industries) The list containing such enterprises is placed at Annexure-7 of the policy.

(xi) Service Enterprises:

Health Care, Tourism (excluding standalone hotels), Education (Skills Development, Training-cum-incubation centres), IT, Bulk courier Services, R&D centres, Testing labs, Engineering & Design services, Equipment rental & leasing (construction & Industry related), Equipment maintenance & repair, environmental services (sewage/ refuse disposal/ waste management), Entertainment Parks except Cinema Halls having investment in Building and equipment more than Rs. 10 crores. [Any other service enterprises notified by the State Government for inclusion in the list from time to time]

(xii) Data Centre Unit:

A physical facility that enterprises and cloud service providers use to store and manage their business-critical applications and information on a network of IT servers. The facility typically comprises of DC Server Room that has server racks, storage racks and networking equipment, NOC (Network Operation Centre) Room, Centralized Building Management System (BMS room), Help/ Desk area and Testing/ Lab room, Electrical Room (Power Supply Room), Telecom Room, UPS and Battery Room, AHU (Air Handling Units) and Fire Suppression System.

(xiii) Co-location Facility:

A standalone building in which multiple companies share space for storing and running their IT and/or network equipment, akin to a multi-tenant office building; the co-location facility provides the building, cooling, power, bandwidth and physical security while the customer provides servers and other storage equipment, which is used for data management and storage. Space in the facility is often leased by the rack, cabinet, cage or room.

(xiv) Existing Enterprise:

The Enterprise which has gone into commercial production before date of commencement of the Policy i.e. 01.01.2021.

(xv) New Enterprise:

The Enterprise which has gone into commercial production on or after date of commencement of the Policy i.e. 01.01.2021. The existing enterprise undertaking expansion/diversification at different location shall also be considered as New Enterprise.

4. Eligibility

All Micro, Small, Medium, Large, Mega Units (new and expansion/ diversification with separate power connection) gone into commercial production on or after 01.01.2021. The Industrial Units must comply with following conditions at the time of application:

- i. The unit should have filed IEM/Udyam Registration Certificate (URC) and Haryana Udhya Memorandum (HUM) on the portal for statistical purpose, at any stage.
- ii. The electricity duty exemption shall be available on the power load being used for the production purposes. The electricity duty exemption shall not be available on light load.
- iii. The unit should not fall in the restrictive list as notified by the State Government from time to time.
- iv. The unit should have obtained NOC/CLU from Competent Authority, if applicable.
- v. The unit should be in commercial production.

5. Procedure for Electricity Duty exemption claims.

- a. Application on prescribed Form (Annexure-I) for the grant of electricity duty exemption, along with listed documents would be submitted to the Director/ Director General, Industries & Commerce/Micro, Small and Medium Enterprises on the web portal of the department.
- b. The application would be processed and examined by the Joint Director/Deputy Director, District Industries Centre/ District MSME Centre. He will be responsible for scrutiny and shall clearly recommend for approval/rejection of the claim after conducting inspection of the unit. The deficiencies, if any, would be communicated to the applicant on-line within a period of 7 days and the applicant would be given a time period of 10 days to rectify the deficiencies so pointed out.
- c. 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. The enterprise shall not be required to submit any additional document other than those specified under Annexure-I unless required for establishing genuineness of the claim.

6. Condonation of delay in submission of claims:

The Joint Director/ Deputy Director, District Industries Centre/ District MSME Centre shall be competent to condone the delay in submitting the Electricity Duty Exemption claims after the period of 03 months of the release of electricity connection. However, the time period shall be counted from the date of release of electricity connection. The total period shall be limited to from the date of release of power connection by excluding delayed period.

For example, release of connection to 'A' industrial unit is say 01.01.2021, the industrial unit is required to submit application on or before 31.03.2021. If 'A' unit applies for exemption on 28.02.2021, then it will be eligible for ED exemption for 5/7/10/12/15/20 years (whichever is applicable) w.e.f. 01.01.2021 to the period ending 5/7/10/15/20 years. However, if a 'A' unit applies for exemption on 31.03.2022, after condonation of delay, it would be eligible from 01.04.2022 to the period ending 5/7/10/15/20 years by excluding the delayed period. It means the industrial unit has lost the ED exemption for the period 01.01.2021 to 31.03.2022.

7. Competent Authority for sanction:

The Joint Director/ Deputy Director, District MSME Centre shall be Competent Authority to issue Electricity Duty exemption certificate for Micro, Small and Medium Enterprises and Additional Director, Industries & Commerce for Large and Mega projects from payment of Electricity Duty by power utilities.

8. Appellate Authority:

Appeal shall lie before the Director/ Director General, Industries & Commerce/Micro, Small and Medium Enterprises against the decision of Competent Authority within a period of 30 days from the date of communication of orders appealed against.

9. Penal Action

In case, it is found at any stage that the applicant has claimed the exemption 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. If the applicant fails to refund the subsidy amount with interest, then the amount shall be recovered as arrear of land revenue. The applicant shall be debarred from public procurement as a result of mismatch in facts and figures.

10. Service Delivery Timeline

S. No.	Tasks	Time limit (working days)
1	Letter of Approval	30 days
2	Letter of Sanction	07 days
3	Disbursement	07 days

VIJAYENDRA KUMAR,
Principal Secretary to Government Haryana,
Industries & Commerce Department.

Annexure-I**Application for the Grant of Electricity Duty Exemption for new Industrial Enterprises.**

Sr. No.	Particulars	Details
1	Name of the applicant (Authorized person of the unit)	
2	Name & Address of the unit with telephone no. and e-mail	
3	Constitution of the Unit [Proprietary, Partnership, Pvt. Ltd., Public Ltd., LLP (Limited Liability Partnership) and co-operative society]	
4	Name of the block in which the enterprise located and category of blocks i.e. B/C/D	
5	Category of the unit (Micro/ Small/ Medium/ Large/ Mega/Ultra Mega).	
6	Whether product covered under thrust sector/ Essential sector/Import substitution	
7	IEM/Udyam Registration Certificate (URC) and Haryana Udhyam Memorandum (HUM) No. & date	
8	Date of commencement of commercial Production	
9	Item of manufacture/processing	
10	Category of units as per HEEP-2020 i) Ultra Mega/Mega/Large (General) ii) MSMEs (General) iii) Thrust sectors iv) ESDM v) Essential Sector vi) Import Substitution vii) Service Enterprises	
11	Date of release of electric connection	
12	Connected load	
13	Period for exemption from ED	

14. Self-attested copies of documents to be attached with the application:
- Copy of IEM/Udyam Registration Certificate (URC) and Haryana Udhyam Memorandum (HUM).
 - Certificate of Incorporation/ Partnership deed/Partnership registration/ Co-operative society registration.
 - Board resolution/ Power of attorney
 - Change of Land Use (CLU)/ NOC from competent authority, if applicable.
 - Performa signed by concerned SDO/Xen, UHBVNL/ DHBVNL in Annexure-II.
 - CA Certificate regarding investment in plant & machinery and turnover (Annexure- III).

Signature of the applicant
(with seal)

Undertaking/Declaration (to be submitted on non-judicial stamp paper of Rs. 50/- (Min) duly sworn before a Notary Public (duly affixed with Notarial Stamp; and with Notary Seal & Notary Registration Number) or First-Class Magistrate):

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 file the application for exemption from Electricity Duty with the Department of Industries and Commerce/MSMEs, Haryana.

2. The unit will be liable to refund excess subsidy/assistance, if any released due to omission or pointed out by the Audit team of Principal Accountant General, Haryana.

3. I do hereby further 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 or violation of the eligibility criteria/conditions, I do hereby undertake to refund the entire amount of 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)

Annexure-II

Performa for details of electrical installations of M/S _____

Sr. No.	Details of Electrical Installation and connected load	Authority who inspected electrical installation	No. & date videwhich permission for electrical connection given	Date of release of electrical connection

** It is certified that the electricity connection released to the aforesaid unit is a new connection and is not an Extension of Load (EoL).

SDO/XEN
UHBVNL/DHBVNL

Annexure-III

Certificate from Chartered Accountant regarding investment in plant & machinery and turnover (on 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 investment in plant & machinery as on date..... stands as Rs..... (Rupees-----) and turnover of last financial year Rs.----- (Rupees-----)

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

Date-----

UDIN No-----