

Government of Haryana
Industries and Commerce Department

Notification

No. 25/05/2020-4IB-I

The 11th October 2021

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 “External Development Charges Exemption” to the various sectors of Enterprises as per details given hereunder:

1. Quantum of Exemption

(i) 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 Fixed Capital Investment (FCI) and a special package of incentives shall be decided by HEPB on the basis of Cost Benefit Analysis

(ii) Large Units: 100% exemption from External Development Charges in ‘D’ category blocks, 75% in ‘C’ category blocks and 60% in ‘B’ category blocks.

(iii) Micro, Small & Medium Enterprises other than Thrust sectors: 100% exemption of External Development Charges in ‘D’ category blocks, 75% in ‘C’ category blocks and 60% in ‘B’ category blocks.

(iv) Thrust Sector Enterprises: 100% exemption from External Development Charges in ‘D’ category blocks, 75% in ‘C’ category blocks and 60% in ‘B’ category blocks.

(v) Agro-based, Food Processing & Allied Industry: 100% exemption from External Development Charges for MSMEs and Large units in ‘D’ category blocks, 75% in ‘C’ category blocks and 60% in ‘B’ category blocks.

(vi) Electronics System Design & Manufacturing (ESDM): 100% exemption of EDC for MSMEs and Large units in ‘B’, ‘C’ & ‘D’ category blocks.

(vii) Import Substitution Enterprises: 100% exemption of EDC for MSMEs and Large units in ‘B’, ‘C’ & ‘D’ category blocks .

(viii) Essential Sector Enterprises: 100% exemption of External Development Charges for MSMEs and Large units in ‘B’ & ‘C’ category blocks.

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(ix) Whenever any unit (Mega, Ultra Mega) seeks benefit from Empowered Executive Committee (EEC), benefits under this scheme shall become part of Special Package of incentives.

2. Commencement and Applicability

The Scheme shall commence with effect from 01.01.2021 for granting External Development Charges exemption 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) **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 Gol under the MSMED Act, 2006 as amended from time to time).
- ii) **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 Gol under the MSMED Act, 2006 from time to time.
- iii) **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 Gol under the MSMED Act, 2006 from time to time.
- iv) **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 Gol under the MSMED Act, 2006 from time to time.
- v) **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) Defence and Aerospace Manufacturing
 - f) Pharmaceutical & Medical Devices
 - g) Chemical and Petrochemicals
 - h) Large Scale Energy & Data Storage

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

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vi) 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.

vii) 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.

Note: The State Government may modify this list from time to time.

viii) Existing Enterprise:

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

ix) 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 on or after 01.01.2021 shall also be considered as New Enterprise.

4. Eligibility

All Micro, Small, Medium, Large gone into commercial production on or after 01.01.2021. The Industrial Units shall also comply with following conditions:

- i. The unit shall file IEM/Udyam Registration Certificate (URC) and Haryana Udhyaam Memorandum (HUM) on the portal for statistical purpose, at any stage.
- ii. The unit should not fall in the restrictive list as notified by the State Government from time to time.
- iii. The unit should have obtained NOC/CLU from Competent Authority, if applicable.
- iv. The unit should be in commercial production.
- v. Whenever any unit (Mega, Ultra Mega) seeks benefit from Empowered Executive Committee (EEC), benefits under this scheme shall become part of Special Package of incentives.

5. Procedure for External Development Charges exemption claims.

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- a. Application on prescribed Form (**Annexure-I**) for the grant of external charges 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. Time limit:

The Industrial unit shall apply within 03 months after commencement of commercial production. The developer of industrial estate/park shall apply within three months after complete infrastructural development in the industrial estate/park developed by the private developer or within 03 months of notification of the scheme, whichever is later.

7. Competent Authority for sanction:

The Director/ Director General, Industries & Commerce shall be competent authority for sanction of EDC for Ultra Mega, Mega Projects, Large Units and Industrial Estates/ Industrial Parks whereas Director/ Director General, Micro, Small and Medium Enterprises shall be competent authority for Micro, Small and Medium Enterprises for sanction.

8. Appellate Authority:

Appeal shall lie before the Administrative Secretary, Industries & Commerce against the decision of Competent Authority within a period of 30 days from the date of communication of orders appealed against.

9. Penal Action

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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

11. Interpretation of Rules

Administrative Secretary, Industries & Commerce, Haryana shall be competent to make interpretation of provisions of this scheme.

Vijayendra Kumar
Principal Secretary to Government of Haryana,
Industries and Commerce Department

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Annexure-I

Application for the Grant of External Development Charges 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 Udyam Memorandum (HUM) & 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	Amount of EDC charges for which exemption is claimed (Attach report from concerned District Town Planner)	
12	Date of registration of Sale deed(s), attach copy of sale deed or registered lease deed as the case may be	
13	Period for exemption from ED	

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

- i. Copy of IEM/Udyam Registration Certificate (URC) and Haryana Udyam Memorandum (HUM).
- ii. Certificate of Incorporation/ Partnership deed/Partnership registration/ Co-operative society registration.
- iii. Board resolution/ Power of attorney
- iv. Change of Land Use (CLU)/ NOC from competent authority, if applicable.
- v. Declaration by the applicant (as per Annexure II) on non-judicial stamp paper of Rs. 50/- (Min) duly sworn before a Notary Public or First Class Magistrate
- vi. CA Certificate regarding investment in plant & machinery and turnover (Annexure-III).

Signature of the applicant
(with seal)

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Annexure II

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 External Development
Charges 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 along with 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-III

Certificate from Chartered Accountant regarding investment in plant & machinery and turnover (on CA letterhead)

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-----