

NOTIFICATION

The 6th January, 2017

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 "Investment Subsidy on VAT/ SGST" for Ultra Mega Projects, Mega projects, Large Units, Micro, Small and Medium, Textile Sector, Agro and Food processing sector, Footwear Sector and Defence/Aerospace/Electronics/Auto Components/ Railways.

1. Objective:

The vision of new Industrial Policy is to position Haryana as a pre-eminent Investment destination and facilitate balanced regional and sustainable development supported by a dynamic governance system. In order to implement the vision, it was felt that infrastructure support and ease of doing business alone will not be able to attract investment in the backward areas rather there is a need to provide one of the major fiscal incentive of investment subsidy on VAT/ SGST for reducing cost of doing business to make the industry competitive and sustainable.

2. Quantum of Assistance for New/ Expansion/ Diversification Units:

i. Ultra Mega projects:

The Ultra Mega Projects shall be offered special package of incentives by Haryana Enterprises Promotion Board including mixed land use, allotment of land at a price to be decided by the Government etc throughout the State. The quantum of investment subsidy on VAT/ SGST shall be decided by the Haryana Enterprises Promotion Board.

- ii. Mega projects:-** 75% of VAT/SGST net paid for first 5 years, 35% for next 3 years in 'D' category blocks; 50% for first 5 years, 25% for next 3 years in 'C' category blocks; 30% for first 5 years, 15% for next 3 years in 'B' category blocks from the date of commencement of commercial production with cap of 100% of new fixed capital investment.

Note- Haryana Enterprise Promotion Board may also consider for providing special package of incentives for Mega projects having potential to develop ancillary enterprises.

- iii. Large units:-** 75% of VAT/SGST net paid for first 7 years, 35% for next 3 years in 'D' category blocks; 50% for first 5 years, 25% for next 3 years in 'C' category blocks from the date of commencement of commercial

production with cap of 100% of new fixed capital investment for new enterprises.

75% of VAT/SGST net paid in 'D' category blocks for 7 years, 50% in 'C' category blocks for 5 years on 50% additional investment in plant and machinery for expansion/ diversification of existing unit with cap of 100% of new fixed capital investment on expanded FCI.

- iv. **Micro, Small and Medium Enterprises:-** 75% of VAT/SGST net paid for first 7 years, 35% for next 3 years in 'C' & 'D' category blocks; 50% for first 5 years, 25% for next 3 years in 'B' category blocks from the date of commencement of commercial production with cap of 100% of new fixed capital investment for new enterprises.

75% of VAT/SGST net paid for first 7 years, 35% for next 3 years in 'C' & 'D' category blocks; 50% for first 5 years, 25% for next 3 years in 'B' category blocks provided atleast 50% additional investment in plant and machinery for expansion/ diversification of existing unit with cap of 100% of new fixed capital investment of the expanded FCI.

- v. **Mega, Large & MSMEs of Textile sector (apparel/ knitting/ embroidery/ technical textiles/ ginning, cotton spinning/ power loom):-** 75% of VAT/SGST net paid for first 7 years, 35% for next 3 years in 'C' & 'D' category blocks; 50% for first 5 years, 25% for next 3 years in 'B' category blocks from the date of commencement of commercial production with cap of 100% of new fixed capital investment for new enterprises.

75% of VAT/SGST net paid for first 7 years, 35% for next 3 years in 'C' & 'D' category blocks; 50% for first 5 years, 25% for next 3 years in 'B' category blocks provided atleast 50% additional investment in plant and machinery for expansion/diversification of existing unit with cap of 100% of new fixed capital investment of expanded FCI in case of Large and MSMEs.

Note- The projects undertaking expansion/diversification with the criteria of Investment and employment as defined in Clause-3(ii) shall be treated as Mega Projects.

- vi. **Mega, Large & MSMEs of Agro and Food processing sector:-**

75% of VAT/SGST net paid for first 7 years, 35% for next 3 years in 'B', 'C' & 'D' category blocks from the date of commencement of

commercial production with cap of 100% of new fixed capital investment for new enterprises.

75% of VAT/SGST net paid for first 7 years, 35% for next 3 years in 'B', 'C' & 'D' category blocks provided atleast 50% additional investment in plant and machinery for expansion/ diversification of existing unit with cap of 100% of new fixed capital investment of the expanded FCI in case of Large and MSMEs.

Note- The projects undertaking expansion/diversification with the criteria of Investment and employment as defined in Clause-3(ii) shall be treated as Mega Projects.

- vii. **Mega, Large & MSMEs of Footwear Sector (value addition products excluding leather processing) :-** 75% of VAT/SGST net paid for first 7 years, 35% for next 3 years in 'C' & 'D' category blocks; 50% for first 5 years, 25% for next 3 years in 'B' category blocks from the date of commencement of commercial production with cap of 100% of new fixed capital investment for new enterprises.

75% of VAT/SGST net paid for first 7 years, 35% for next 3 years in 'C' & 'D' category blocks; 50% for first 5 years, 25% for next 3 years in 'B' category blocks provided atleast 50% additional investment in plant and machinery for expansion/ diversification of existing unit with cap of 100% of new fixed capital investment of the expanded FCI in case of Large and MSMEs.

Note- The projects undertaking expansion/diversification with the criteria of Investment and employment as defined in Clause-3(ii) shall be treated as Mega Projects.

- viii. **Mega, Large & MSMEs of Defence/ Aerospace/ Electronics/ Auto Components sector:-** 75% of VAT/SGST net paid for first 7 years, 35% for next 3 years in 'B', 'C' & 'D' category blocks from the date of commencement of commercial production with cap of 100% of new fixed capital investment for new enterprises.

75% of VAT/SGST net paid for first 7 years, 35% for next 3 years in 'B', 'C' & 'D' category blocks provided atleast 50% additional investment in plant and machinery for expansion/ diversification of existing unit with cap of 100% of new fixed capital investment of the expanded FCI in case of Large and MSMEs.

Note: The projects undertaking expansion/diversification with the criteria of Investment and employment as defined in Clause-3(ii) shall be treated as Mega Projects.

- ix. **Large service enterprises:-** 50% of net VAT/SGST paid for new enterprise for a period of 5 years in 'B', 'C' & 'D' category blocks from the date of commencement of service of new service enterprise with cap of 90% of new FCI as defined service enterprises under Clause-3(iv).
- x. **Note:** The amount of investment subsidy shall be limited to maximum cap of 100% of new fixed capital investment for Mega, Large, Medium, Small, Micro units and 90% for Large service enterprises as defined above under para no.-2.

3. Definitions:

i. **Ultra Mega Project:**

Iconic projects in manufacturing enterprises, tourism, wholesale markets and logistics etc. which bring in mega investments minimum of US\$1 billion (Rs. 6000 crore) on land area of minimum 500 acres and have a cascading impact on the local economy in particular and the State Economy in general and generate huge employment opportunities.

ii. **Mega Project:**

Mega projects are the projects involving fixed capital investment of over Rs. 100 Crore and above, or generating direct employment of more than 200 persons in 'D' category blocks and fixed capital investment over 100 crore or generating direct employment of more than 500 persons in 'B' & 'C' category blocks. The projects undertaking expansion/ diversification with same criteria of Investment and Employment shall also be treated as Mega Projects. Besides, the projects related to manufacturing sector, other sector projects including Health, Education, Skill Development, Research & Development, Logistics, Testing Labs, exhibition centers, power sector etc. would also qualify as mega projects subject to fulfilling the above mentioned criteria.

iii. **Large Manufacturing Enterprise:**

Where the investment in plant & machinery is more than 10 crore rupees (or over and above of limit of Medium units defined under MSMED the Act, 2006 time to time) and does not exceed 100 crore rupees.

iv. Large Service Enterprise:

Health care, Education (skill development, Raining-cum-incubation centres), IT, Logistics, Warehousing (Cargo handling service etc.), Bulk courier services, Industrial R&D Labs, Industrial Testing labs, Engineering & Design services, Equipments rental & leasing (construction & Industry related), Equipment maintenance & repair, environmental serves (Sewage/ refuse disposal), Entertainment Parks except Cinema Halls having investment in Building and equipment morethan Rs.10 crore. [Any other service enterprise notified by the State Government for inclusion in the list from time to time].

v. Medium Enterprises:

Where the investment in plant & Machinery in more than 5 crore rupees but does not exceed 10 crore rupees in case of manufacturing enterprise or amended under MSMED the Act, 2006 from time to time.

vi. Small Enterprises:

Where the investment in plant & machinery is more than 25 lakh but does not exceed 5 crore in case of manufacturing enterprise or amended under MSMED the Act, 2006 from time to time

vii. Micro Enterprise:

Where the investment in plant & machinery does not exceed 25 lakh rupees in case of manufacturing enterprise or amended under MSMED the Act, 2006 from time to time.

4. Eligibility Criteria of the Industrial Units:

(a) The Industrial Units must comply with the following conditions:

- (i) The Ultra, Mega and Large units should have filed IEM with Department of Industrial Policy and Promotion, Gol.
- (ii) The Micro, Small and Medium enterprise should have filed EM part-II/ Udyog Adhaar Memorandum with concerned District Industries Centre.
- (iii) The new investment in land, building, plant & machinery shall only be considered while working out eligible Fixed Capital Investment.
- (iv) The unit should not have been placed in the restrictive list as notified by the State government from time to time.
- (v) The unit should have obtained NOC/CLU from competent Authority if applicable.

- (vi) The unit should be in commercial production.
 - (vii) The unit should be in regular production at the time of disbursement and the subsidy shall not be released to the closed unit.
- (b) “New Fixed Capital Investment” for purposes of benefit means investment in -
- (i) Land under use
 - (ii) New construction
 - (iii) Plant and machinery (including Generating Set), tools and equipments which have not been used before in India.

Note I - In case the unit is setup on leased land, the investment in new construction shall be included in fixed capital investment only if the land is on irrevocable lease for a minimum period of ten years from the date of commercial production.

Note II - Transfer of plant and machinery from the same or different unit anywhere else shall not be considered towards fixed capital investment of plant and machinery.

Note III - The entire fixed investment made before going into commercial production shall be considered while calculating eligible fixed capital investment for capping of benefit.

- (i) “New Industrial Unit” means an industrial unit which has come into commercial production after 14.08.2015.
- (ii) “Expansion/ Diversification” means 50% additional investment in plant and machinery of the investment in plant and machinery of existing unit made in one go.
- (iii) “Existing unit” means an industrial unit which had come into commercial production before coming into force of this scheme i.e. by 14.08.2015.
- (iv) “Commercial Production” means and refers to the date of first sale bill issued by the industrial unit.

5. Commencement and Applicability:

The Scheme shall commence with effect from 15.8.2015 and investment subsidy on net VAT/SGST shall be admissible for the units, which have gone into production after 14.08.2015 or which have taken effective steps for establishment of Industrial unit before 14.08.2020. The Industrial unit shall file IEM/Udyog Adhaar Memorandum (UAM).

“Effective steps” means an Industrial unit which fulfils the following conditions-

- (i) has arranged land or premises by way of purchase, allotment/ transfer, registered lease/rent;
- (ii) has obtained sanction for raising finance from financial institution if applicable or has made adequate arrangement for investments to the satisfaction of competent authority;
- (iii) has applied for CLU/NOC if applicable;

- (iv) such unit would start commercial production within two years i.e. before 14.08.2022.

6. Procedure :

- a. Application on prescribed Form (Annexure-I) for the grant of Investment subsidy along with listed documents would be submitted to the Director of Industries & Commerce on web portal of the department within three months of closing of the financial year or date of notification of the scheme, whichever is later.
- b. The application would be processed and examined. The deficiencies, if any, would be communicated to the applicant through portal within a period of 20 working days and the applicant would be given a time period of eight weeks to rectify the deficiencies so pointed out.
- c. After completion of case, the unit shall be inspected by the concerned Joint Director/Deputy Director, District Industries Centre in case of MSMEs and by the Additional Director in case of Large and Mega Projects for ascertaining new investment.
- d. 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 specified under Annexure-I without approval of competent authority.
- e. The claim application so filed may be reopened with the orders of Principal Secretary 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.

7. Competent Authority for Sanction:

- i. Haryana Enterprise Promotion Board shall consider and approve scheme for Special package of incentives for Ultra Mega Projects and Special package of incentives for Mega Projects over and above Standard package of incentives.
- ii. Director, Industries & Commerce shall be competent authority for approval and sanction for Large and Mega Projects.
- iii. Additional Director Industries shall be competent authority for approval and sanction for Micro, Small & Medium Enterprises.

- iv. Investment Subsidy shall be sanctioned within 30 days from the date of completion of the claim by the competent authority except in case of approval of Special package of incentives by HEPB.

8. Time Limit:

An enterprise shall forfeit its entitlement for the investment subsidy on VAT/SGST, if it does not submit its claim, complete in all respects within three months of the closing of financial year for which incentive is being claimed or date of notification of the scheme, whichever is later.

9. Interpretation/ Clarification:

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

10. Appeals:

Appeal against an order passed by the Competent Authority shall lie with the Administrative Secretary, Industries & Commerce, Haryana within a period of 30 days from the date of communication of the order appealed against. The order passed by the Administrative Secretary in appeal shall be final.

11. Penal Action :

At any time if it is found that assistance from government has been availed on the basis of any false information, 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 and shall be recoverable arrears of land revenue.

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

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Annexure-I

Application format for claiming Investment subsidy on VAT/SGST.

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.	Name of the block in which unit is located and category(B/C/D)	
4.	Category of the unit (Micro/Small/Medium/Large/ Mega/ Ultra Mega)	
5.	IEM/ EM part-II/ Udyog Adhaar Memorandum no. and date	
6.	Item of manufacture/processing	
7.	Whether the project is new/ expansion/ diversification or modernization	
8.	i) Details of Total New Fixed capital investment in original value (Attach CA Certificate) ii) Land iii) Building iv) Plant & Machinery/ Equipments (in case of expansion/ diversification furnish above information regarding existing and additional investment separately)	
9.	Details of net VAT/SGST deposited by the unit during the financial year for which claim has been filed (Attach DETC Certificate):	
(i)	Quarter ending 30.06.20_____	
(ii)	Quarter ending 30.09.20_____	
(iii)	Quarter ending 31.12.20_____	
(iv)	Quarter ending 31.03.20_____	
	Total	
10.	Quantum of claim admissible as per scheme applicable	
11.	Details of investment subsidy claimed earlier year-wise.	
12.	Date of commencement of production.	

13. 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.

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- iii. Copy of IEM/ EM Part-II/ Udyog Adhaar Memorandum number.
- iv. CA Certificate regarding fixed capital investment in land, building, Plant & machinery **(Annexure-II)** (existing and investment for expansion in case of existing units & investment for new units separately).
- v. List of new Plant & machinery (Date of purchase-Name of the plant & machinery—Value in Rs. **(Annexure-III)**).
- vi. Copies of the purchase invoices of plant & machinery/ equipments in sequence with details mentioned under Annexure-III.
- vii. Audited balance sheet of the unit of last year (Applicable in case of existing Enterprises).
- viii. Certificate from concerned Deputy Excise & Taxation Commissioner regarding net VAT/SGST deposited by the unit during the financial year for which claim has been filed **(Annexure-IV)**.
- ix. Copy of first sale bill.

Signature of the applicant
(with seal)

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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 claim of
Investment subsidy on net 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 assistance of Rs. _____ (Rupee _____) granted to me at the 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

Certificate from Chartered Accountant regarding New Fixed Capital Investment
(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 new Fixed Capital Investment (original purchase value) of the company has been verified in accordance with criteria mentioned under clause 4(b) of the scheme. It is certified that the investment in new Fixed Capital Investment as on date of commencement of production..... stands as Rs..... as per detail given below:

- a) Land cost
 - b) Building cost
 - c) Plant & Machinery/ equipments
 - d) Total
- ❖ In case of expansion/ diversification, indicate Fixed Capital Investment of additional new investment and existing investment (Original Value) separately.

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

Dated:

Details of new Plant and Machinery of the unit:

Sr. No.	Name of Plant & Machinery/ equipments	Name of the Supplier	Bill Number & Date	Value (in Rs.)

Dated:

Signature of the applicant
(with seal)

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Annexure-IV

No.....

Dated.....

VAT/SGST Payment Certificate

Net VAT/SGST paid during the financial year _____ to be obtained from concerned Deputy Excise and Taxation Commissioner.	
1.	Name and Address of the Industrial Unit
2.	Office Address:
3.	VAT/SGST Registration No.:
4.	Goods/Products manufactured by the unit:
5.	Total Net VAT/SGST paid under HVAT Act, 2003/SGST on goods produced by the unit at _____ and sold in Haryana for the Financial year _____ is certified as under:
(i)	Quarter ending 30.06.20_____
(ii)	Quarter ending 30.09.20_____
(iii)	Quarter ending 31.12.20_____
(iv)	Quarter ending 31.03.20_____
	Total
6.	The Financial year for which the Tax has been paid.
7.	It is also certified that no refund what so ever has been made to the unit out of the above amount given in Sr. No. 5.

Date:

Deputy Excise & Taxation Commissioner
District _____