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HARYANA GOVERNMENT

INDUSTRIES & COMMERCE DEPARTMENT

Notification

The 14th September, 2012

No. 49/100/2010-4IB1.—The 'Scheme of Incentives' as contained in Chapter 10 of the 'Industrial and Investment Policy-2011' notified in the Government Gazette bearing No. 49/100/2010-4IB1 dated 31st December, 2010 has been reviewed. Accordingly, the Governor of Haryana is pleased to notify the revised "Chapter 10 : Scheme of Incentives" enclosed as Annexure 'A' in supersession of the same notified earlier. The provisions of this revised notification shall be effective from 1st January, 2011.

Y.S. MALIK,

Principal Secretary to Government of Haryana,
Industries & Commerce Department.

Annexure - A

Chapter 10

Scheme of Incentives

10.1 Introduction:

In addition to provision of planned and developed industrial space for establishment of Industrial Projects and other investment proposals in the State, the Government has decided to extend various other benefits for the industry. These are detailed in this chapter.

10.2 Incentives for Mega Projects in Backward Areas:

10.2.1 Definition of Mega Projects:

Mega Projects are the Projects involving a minimum fixed capital investment of Rs. 100 crore and above, or generating direct employment of more than 500 persons. A Mega Project should have the inherent potential of serving as anchor/mother unit. Besides the projects related to industry sector, other sector projects including skill development sector, health sector, power sector etc. would also qualify as Mega Projects subject to fulfilling the above mentioned criteria.

10.2.2 The Scheme of incentives for a 'mega project' will be considered and approved by the Haryana Investment Promotion Board (HIPB) based on the merits of the case. The HIPB may sanction a customised package of incentives for a mega project, which may include allotment of developed land at special promotional rates and other benefits, such as, (i) financial incentives by way of Interest Free Loan (IFL) to be quantified at 50% of the tax paid on the sale of goods produced by such industrial units under the Haryana Value Added Tax Act, 2003 for a period of 5 to 7 years from the date of start of commercial production, and repayable after a period of 5 years from the date of grant of IFL, and (ii) exemption from payment of Electricity Duty to the new industrial units for a period of 5 years from the date of release of electricity connection. The Industrial Units included in the restricted list of industry shall not be entitled to any incentives.

10.3 The under-mentioned sector-specific incentives are also provided:

10.3.1 Incentives for Food Processing Industries:

- (i) Interest Free Loan at the rate of 75% of the tax paid on the sale of goods produced in such industrial units would be given under the Haryana Value Added Tax Act, 2003 for a period of 5 years from the date of start of commercial production. This would be repayable after a period of 5 years;
- (ii) New industrial units established within the State of Haryana would be exempt from payment of Electricity Duty for a period of 5 years from the date of commercial production;
- (iii) Change of Land Use (CLU) charges for food processing units would be levied @ 50% of normal rates in respect of units established in the 'B' and 'C' Category Blocks.
- (iv) Agro-based/food processing units/enterprises established in 'B' & 'C' Category Blocks will be entitled to 50% concession in the stamp duty in respect of the land purchased or taken on lease for the said purpose.
- (v) No market fee would be charged on the vegetables and fruits grown in the State, whether under the contract farming arrangement or otherwise, and consumed as raw material by the food processing industry located within the State of Haryana;
- (vi) Wines/Liquors/Brandy etc. made from 100% fruits and Barley produced in the State will be exempt from the Excise Duty in 'B' and 'C' Category Blocks;
- (vii) No market fee would be charged on agriculture and horticulture produce used as raw material by Food Processing Industries within the State except wheat, paddy, oil-seeds, guar, sun-flower seed, till, toria, taramira and cotton;

Provided that the above incentives shall not be available for the industrial units engaged in the business of:

- (i) Extraction of oil from different kinds of seeds;
- (ii) All kinds of pulses/daals;
- (iii) Shelling, grading and polishing etc. of rice;
- (iv) Processing of cotton and manufacturing of cotton based products;
- (v) Guar and guar-gum units;
- (vi) Manufacturing of flour, suji, and maida etc.

10.3.2 Bio-Technology :

Biotechnology is the future panacea for many of our health problems and for ensuring economic benefits to the country. The Government plans to set up a high profile Biotechnology Park in the State under the PPP mode. Such projects will be accorded the status of industry for the purpose of incentives under the Industrial Policy.

Special priority would be given for release of electric connection to mega projects, 100% EOUs, IT Industries and FDI projects.

10.3.3 Incentives for promoting clean and green technology:

- (a) VAT on renewable energy devices like solar panel / wind mill etc. has been reduced from 12.5% to 5%;
- (b) The State has taken lead in exempting 'LPG for domestic use' from VAT;
- (c) VAT on CNG and PNG has been reduced from 12.5% to 5% with effect from 20.10.2010;
- (d) Any fuel manufactured by the processing of municipal solid waste would be exempt from VAT.

10.3.4 Incentives for Micro and Small Scale Industrial Units

- (i) The new Micro and Small Scale Industrial Units set up in the backward areas (Category 'B' and 'C' Blocks) would continue to be extended the facility of financial assistance in the shape of Interest Free Loan to be quantified at 50% of the Tax paid on the sale of goods produced in such industrial units under the Haryana Value Added Tax Act, 2003 for a period of 5 years from the date of start of commercial production to be repayable after a period of 5 years.
- (ii) Exemption from Electricity Duty to the new Micro and Small Industrial Units, set up in Category 'B' and Category 'C' areas in the State for a period of 5 years from the date of release of regular electricity connection:

Provided that the Industrial Units claiming the incentive of Interest-Free Loans (IFL) would be required to secure its repayment through a Bank Guarantee;

10.4 Facilities for the traders :

- (i) Dealers paying less than Rs. 1.00 lakh in a year have been exempted from filing of Annual Commodity Tax Return.

