

**NOTIFICATION**

No. 20/01/2022-4IB1

The 3<sup>rd</sup> November, 2022

In pursuance to the provision under Clause 5(b) of the Haryana Electric Vehicle Policy-2022 notified in Gazette *vide* No. 20/01/2022-4IB-I dated 08.07.2022, the Governor of Haryana is pleased to notify the “Seed and Conversion Fund” with the provisions given hereunder:

**1. Objectives of the Scheme**

For the creation of end-to-end ecosystem for E-Mobility in the state and harnessing Haryana’s inherent strength in automotive manufacturing sector for supporting Electric Vehicle manufacturing and adoption within the state.

**2. Quantum of Assistance**

One time seed and conversion fund will be provided to manufacturing units @ 25% of the book value of plant and machinery during the year of application upto INR 2 crore whichever is lower.

Book value will be calculated on the assets retained by the unit for complete conversion in EV manufacturing (BEV/FCEV), EV component manufacturing or EV Battery manufacturing.

The subsidy is based on early bird applications, i.e. **First apply, First receive** basis.

- i. **Micro units:** First 30 micro units converting completely to EV manufacturing (BEV/FCEV), EV component manufacturing or EV Battery manufacturing and applying on the portal shall be eligible to receive the seed and conversion fund
- ii. **Small Industry:** First 15 small units converting completely to EV manufacturing (BEV/FCEV), EV component manufacturing or EV Battery manufacturing and applying on the portal shall be eligible to receive the seed and conversion fund
- iii. **Medium Industry:** First 15 medium units converting completely to EV manufacturing (BEV/FCEV), EV component manufacturing or EV Battery manufacturing and applying on the portal shall be eligible to receive the seed and conversion fund
- iv. **Large Industry:** First 15 large units converting completely to EV manufacturing (BEV/FCEV), EV component manufacturing or EV Battery manufacturing and applying on the portal shall be eligible to receive the seed and conversion fund

**3. Definitions**

- i. **Electric Vehicle:** Electric Vehicle (EV) refers to automobiles powered by a battery and an electric motor, including battery electric vehicles (BEV) and Fuel Cell Electric Vehicle (FCEV).
- ii. **Battery Electric Vehicle (BEV):** A vehicle which is powered exclusively by an electric motor; whose traction energy is supplied exclusively by traction battery installed in the vehicle; and has an Electric Regenerative Braking System.
- iii. **Fuel Cell Electric Vehicle:** Fuel Cell Electric Vehicle (FCEV) use a propulsion system like that of electric vehicles, where energy stored as hydrogen is converted to electricity by the fuel cell.

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- iv. **EV Components:** Components dedicatedly used in manufacturing of EV (BEV and FCEV) including Motor Controller, Electric Engine (motor) for EV, Regenerative Braking System, Drive System for EV/FCEV/SHEV, Batteries and Cells (Li-ion, hydrogen or other hi-tech cells) that can be used in EV/FCEV, Battery Management System (BMS), Electric Power Control Unit (EPCU), Battery Heating System, On-board Charger (OBC), Electric Traction Motors and controllers, EV Power Train Components, Components related to transmission mechanism, Traction battery pack, Low Voltage DC-DC Converter(LDC), Power inverter, Vehicle control unit (VCU), EV Charge Port, Fuel Cell Control Unit, Anode Recirculation Blower for FCEV, Hydrogen gas injector for Hydrogen Fuel cells, Humidifier/stack Bypass Valve, Stack-isolation and Control Valve for Hydrogen fuel cells etc.
- v. **Charging/Battery equipment:** Equipment that is exclusively used to charge the batteries of BEV/PHEV/SHEV.
- vi. **Large Enterprise:** Investment in Plant and Machinery greater than INR 50 crore and turnover greater than INR 250 crore (over and above the of limit of Medium units as defined under the MSMED Act, 2020 or amended by GoI from time to time).
- vii. **Medium Enterprise:** Investment in Plant and Machinery or Equipment does not exceed INR 50 crore and turnover does not exceed INR 250 crore as defined under the MSMED Act, 2020 or amended by GoI from time to time.
- viii. **Small Enterprise:** Investment in Plant and Machinery or Equipment does not exceed INR 10 crore and turnover does not exceed INR 50 crore as defined under the MSMED Act, 2020 or amended by GoI from time to time.
- ix. **Micro Enterprise:** Investment in Plant and Machinery or Equipment does not exceed INR 1 crore and turnover does not exceed INR 5 crore as defined under the MSMED Act, 2020 or amended by GoI from time to time.

**4. Eligibility**

- i. Manufacturers of Electric (EV, BEV, FCEV) vehicles, charging infrastructure and EV/Hydrogen/Charging infrastructure component manufacturers shall be eligible for incentives
- ii. Existing Industrial units located anywhere in the state in B, C and D category blocks or units located in Industrial Model Township or Industrial Estates in Block A involved in production of EV, EV components, EV batteries shall be eligible under the scheme.
- iii. The eligible units must also comply with the following conditions:
  - a. The unit should have filed Udyam Registration Certificate (URC) and Haryana Udyam Memorandum (HUM) on the portal.
  - b. The unit should have obtained NOC/CLU from Competent Authority if applicable.
- iv. Large units shall compulsorily establish a battery disposal/ recycling / material recovery facility at their proposed plant.
- v. Units availing subsidy under this policy will not be eligible to avail similar subsidy under any other Haryana Government policy. However, Seed and Conversion fund or similar subsidy under any Government of India scheme/policy, may be availed by the manufactures.

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- vi. The maximum limit of the sum of all fiscal incentives shall not exceed 100% of Fixed Capital Investment (FCI).
- vii. Large and Mega units shall compulsorily establish a battery disposal/recycling/material recovery facility at their proposed plant for claiming any incentive under this policy.

Note: Units availing incentive under this scheme will not be eligible to avail similar incentive under similar head as given in any other Haryana Government policy. The maximum limit of the sum of all fiscal incentives shall not exceed 100% of Fixed Capital Investment (FCI) for manufacturers.

**5. Commencement and Applicability:**

The scheme shall commence with effect from 10.07.2022 and shall remain in operation till a period of 05 years or till the time Government decides to discontinue this scheme, whichever is earlier.

**6. Procedure to apply for financial assistance under the scheme:**

- i. Application on prescribed Form (Annexure-I) for the grant of Subsidy along with listed documents would be submitted to the Director/ Director General, Industries and Commerce, Haryana on the web portal of the department.
- ii. The application would be processed and examined by the Joint Director/Deputy Director, District I&C Center. They will be responsible for scrutiny and shall clearly recommend for approval/rejection of the claim after conducting inspection of the unit.
- iii. Joint Director/Deputy Director, District I&C Centre shall physically visit the unit and verify the eligibility of plant & machinery as per the claim.
- iv. The deficiencies, if any, would be communicated to the applicant in writing within a period of 07 working days and the applicant would be given a time period of 10 working days to rectify the deficiencies so pointed out.
- v. In case the deficiencies are not removed within prescribed period, the claim shall be forfeited by the Competent Authority, under intimation to the party through an e-mail.
- vi. The enterprise shall not be required to submit any additional document other than specified under Annexure-I unless required for establishing genuineness of the claim.

**7. Competent Authority for sanction:**

The Director/ Director General, Industries and Commerce shall be competent authority for sanction of the subsidy.

**8. Time limit:**

The enterprise shall submit its claim, complete in all respects, within three months of start of commercial production of the unit. In case the unit does not apply within 03 months then its entitlement for the subsidy will be forfeited.

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**9. Interpretation/ Clarification**

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

**10. Appeal**

An appeal against an order passed by the Competent Authority shall lie with the Administrative Secretary, Industries & Commerce, Haryana which can be filed within a period of 30 days from the date of communication of orders appealed against. The orders passed by the Administrative Secretary, Industries & Commerce, Haryana in appeal shall be final. Appeal can be submitted in a written format at the office of the Administrative Secretary, Industries & Commerce, Haryana with subject as "Appeal for Seed and Conversion Fund under Haryana Electric Vehicle Policy – 2022."

**11. Power to condone delay in submission of application & appeal**

- i. The Director/ Director General, Industries and Commerce, Haryana shall be competent to condone the delay up to a period of 03 months after the prescribed time limit.
- ii. The Administrative Secretary, Industries & Commerce, Haryana shall be competent to condone the delay up to a period of 06 months after the prescribed time limit. Provided that the competent authority is satisfied with the reasons of late submission of the application on the basis of the substantial evidence/documents/ arguments presented by the applicant.

**12. Penal Action**

In case, it is found at any stage that the applicant has claimed the assistance on the basis of wrong facts, the applicant shall, besides refund of assistance with compound rate of interest @ 12% per annum and facing legal action, 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.

**13. Service Delivery Timeline**

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

Anand Mohan Sharan  
Additional Chief Secretary to Government of Haryana,  
Industries and Commerce Department

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**Annexure – I**

**Application format for claiming subsidy under “Seed and Conversion Fund” Scheme**

Sr. No.	Particulars	Details
1	Name of the applicant (Authorized person of the unit)	
2	Name & Factory address of the unit with telephone no. & email ID	
3	Registered Office address	
4	Name of the block in which the enterprise located and	
5	Category of block (A/B/C/D)	
6	Category of the unit (micro / Small / Medium / Large)	
7	Haryana Udyam Memorandum No. & date	
8	Udyam Registration Certificate No. & date	
9	Date of commencement of commercial production of the unit after complete conversion (As per first sale bill)	
10	Item manufactured before conversion	
11	Item manufactured after conversion	
12	Bank Details Bank Name Account holder Name Account Number IFSC Account type (Saving / Current)	

Copies of documents to be attached with the application:

- i. Copy of Udyam Registration Certificate (URC) and Haryana Udyam Memorandum (HUM).
- ii. Certificate of Incorporation/ Partnership deed
- iii. Board resolution/ Power of attorney
- iv. Change of Land Use (CLU)/ NOC from competent authority, whichever applicable
- v. Declaration (As in Annexure II) on non-judicial stamp paper of INR 50/-
- vi. CA Certificate regarding book value of plant & machinery (Annexure III)
- vii. Audited balance sheet of the unit of last year (if Applicable)
- viii. Copy of first sale bill post complete conversion

Signature of the applicant  
(with seal)

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**Annexure-II**

**Declaration (on non-judicial stamp paper of INR 50 duly notarized)**

1. I,.....do hereby solemnly state that I am proprietor/partner/director/ of M/s.....located at .....which is engaged in the manufacture of..... I have converted the complete unit to make EV / components of EV.
2. I have been authorized to file seed and conversion Subsidy claim with the Industries and Commerce department, Government of Haryana.
3. 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 INR...../-[INR (in words)] 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)

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**Annexure-III**

**Certificate from Chartered Accountant regarding book value of plant & machinery (on a CA letter head)**

**To whom it may concern**

The records and books of account of M/s.....with their regd. office at..... and manufacturing facility located at..... in respect of investment in existing plant & machinery (current book value) of the unit has been verified. It is certified that the book value of plant & machinery as on date..... stands as INR..... and turnover for current fiscal year is INR....., whereas turnover for last fiscal year was INR .....

Name & signature of the  
Chartered Accountant  
(with Seal)

UDIN:.....

CA membership number

Dated: