

Government of Haryana
Industries and Commerce Department

NOTIFICATION

No.20/01/2022-4IB1

The 3rd November, 2022

In pursuance to the provision under Clause 5(c) 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 “Net SGST Reimbursement Scheme” with the provisions given hereunder:

1. Objectives of the Scheme

The state envisions to promote clean transportation by promotion of use of Electric Vehicles (EVs) in the State so to make Haryana a global hub for manufacturing of Electric Vehicles (EVs), major components of EVs and batteries for EVs. The scheme aims to strengthen electric mobility ecosystem of the state and generate employment opportunities in the State by providing GST related incentives to industries coming up in e-Vehicle manufacturing space.

2. Quantum of Assistance

Net SGST reimbursement for micro, small, medium, large, and mega industries manufacturing Electric Vehicles, major components of EVs, batteries for EVs shall be as below:

- i. All units would be provided a reimbursement of 50% of the applicable Net SGST for a period of 10 years or up to realization of fixed capital investment whichever is earlier.
- ii. In case, where Net SGST deposit under cash ledger is less than 5% of FCI in a year, the Investment subsidy up to 5% of FCI may be given for a period of 8 years in equal installments subject to annual ceiling of INR 5 crore for mega units.
- iii. In case of mega projects having inverted duties, the Investment Subsidy upto 5% of FCI may be given for a period of 8 years in equal annual installments subject to annual ceiling of INR 5 crore per mega project.

Note: Units availing capital subsidy under the ‘Capital subsidy of Fixed Capital Investment’ scheme shall not be eligible for benefits under ‘Net SGST Reimbursement scheme’. Refer Note under clause 5 c. of EV Policy.

3. Definitions

- i. **New Units:** The units which has incurred capital expenditure in the form of investment in plant, machinery or equipment and gone into commercial production or to which term loan has been sanctioned (for interest subsidy) after 10.07.2022 and before 9.07.2027
- ii. **Existing Units:** Units already established in the state and that have gone into commercial production before 10.07.2022
- iii. **Expansion/ Diversification** means 50% additional investment in plant and machinery of the investment in plant and machinery of existing unit made in one go.
- iv. **Commercial Production** means and refers to the date of first sale bill issued by the industrial unit.

4. Eligibility

The Industrial Units must comply with the following conditions:

- i. Manufacturers of Electric (EV, BEV, FCEV) vehicles, charging infrastructure and EV/Hydrogen/Charging infrastructure component manufacturers shall be eligible for this incentive.
- ii. The Ultra-Mega, Mega and Large units shall file IEM with Department for Promotion of Industry and Internal Trade, GoI and the Micro, Small and Medium enterprise shall file Udyam Registration Certificate (URC) and Haryana Udyam Memorandum (HUM) on the portal.
- iii. The Eligible Enterprise Unit (EEU) applying under this scheme shall get a separate Goods and Services Tax (GST) registration under the GST Act mandatorily for core manufacturing activity (for which incentive is applied). No other business activity such as trading etc. shall be conducted from this GST registration number. A separate registration shall be taken by the new unit/expansion for non-core activities.
- iv. EEU in case of expansion/ diversification will obtain mandatorily separate registration under GST for such expansion/diversification. The separate books of accounts will be maintained by such units for existing unit as well as the expanded unit. The turnover of existing units should not be lower than the average sales turnover for the previous three years, or lesser period if the existing unit is in operation for less than three years, as the case may be, during the period of investment subsidy entitlement. Any failure of the EEU to comply with the above conditions will render it liable for withdrawal of the benefit of the Investment subsidy entitlement for the remaining eligibility period.
- v. In case there is any inter-plant supply, or the goods manufactured from new plant are further supplied as inter-state transaction from Haryana (with or without purpose); then such supplies shall not be eligible for the reimbursement and SGST receipts on the same should be deducted.
- vi. The applicant shall submit CA certificate as per the performa in Annexure-IV/ IV-A/IV-B with details reconciling with GST returns (GSTR-3B) and an undertaking for points 4ii to 4iv.
- vii. The new investment in land, building, plant & machinery shall only be considered while working out eligible Fixed Capital Investment.
- viii. The unit should not have been placed in the restrictive list as notified by the State government from time to time.
- ix. The unit should have obtained NOC/CLU from competent Authority if applicable.
- x. The unit should be in commercial production at the time of disbursement and the subsidy shall not be released to the closed unit.
- xi. The incentive shall exclude any refunds entitled to be obtained by the taxpayer on account of exports or deemed exports.
- xii. The incentive shall not apply to any tax that may become payable due to any show-cause notice issued by the department on the grounds of collusion, fraud,

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misinterpretation, and other similar grounds mentioned in the GST law requiring penal action.

- xiii. The incentive shall not be given in respect of any tax credits which the taxpayer has failed to avail on any grounds whatsoever (e.g. late filing of prescribed return or fraudulent conduct of supplier etc.).
 - xiv. Only the eligible products shall be manufactured under the unit availing the scheme and the benefit of the scheme shall be restricted to the eligible products.
 - xv. The Eligible Enterprise Unit (EEU) shall first exhaust the available credit while discharging its output liability towards State GST.
 - xvi. In case of units which have opted for composition levy U/s 10 of the Haryana GST Act, 2017, the incentives shall be linked to the amount paid by such unit to the State and quantum of reimbursement provisioned shall be applied to the amount paid, as per the returns filed by the unit.
 - xvii. If the eligible unit has shown its inter-state supplies as intra-state supplies through intermediary/marketing network/or any other middleman, either directly or indirectly controlled by it, in order to get higher incentives then benefit to the eligible unit shall be liable to be cancelled with effect from the date of such contravention, and the eligible unit shall be liable to return forthwith the incentives availed together with interest @12% per annum.
 - xviii. The investment subsidy amount released to the enterprise shall be liable to be recovered at any time if it is discovered that it has been obtained by fraud, deceit, misrepresentation, mis-statement or concealment of material facts.
 - xix. 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.
 - xx. The investment subsidy in lieu of Net SGST shall not be released to the unit in the following circumstances:
 - a. Disposal or transfer by the unit or any of its fixed assets adversely affecting its manufacturing or production capacity.
 - b. Closing down of its Industrial activities. In case, any unit remains out of production exceeding 06 months except beyond its control (Fire, Strike, Earthquake and any other natural calamity) then it will not be entitled for SGST benefit for that Financial Year.
 - xxi. "New Fixed Capital Investment" for purposes of benefit means investment in –
 - a. Land under use
 - b. New construction
 - c. New Machinery
 - xxii. Units availing capital subsidy as per clause 5(a) of the Haryana EV Policy 2022, shall not be eligible for benefits under this scheme.
- Note I:** In case the unit is setup on leased land, the investment in new building construction shall be included in fixed capital investment only if the land is on

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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 capital investment made before going into commercial production and within 01 year thereon shall be considered while calculating eligible fixed capital investment for capping of benefit.

Note IV: For Special Package of Incentives approved by Haryana Enterprises Promotion Board (HEPB) in case of Mega Projects - The entire fixed investment made prior to date of commercial production and within 03 years from date of approval of Special package of incentives by HEPB in case of Mega Projects shall be considered while calculating Eligible Fixed Capital Investment and for capping of benefit. The HEPB shall also be competent to extend the period for grounding of investment in case of genuine reason of delay. These benefits will be only applicable to New units and existing units undergoing expansion as per the definition mentioned in the scheme document.

Note V: 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 Net SGST reimbursement shall be admissible for the units which have taken effective steps for establishment of Industrial unit before 9.07.2027.

Effective steps mean 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 obtained for CLU/NOC wherever applicable.

6. Procedure to apply for financial assistance under the scheme

- i. Applicant shall fill Application on prescribed Form (Annexure-I) for the grant of subsidy along with listed documents which would be submitted to Department of Industries & Commerce, on web portal of the department within 03 months of closing of the financial year or date of notification of the scheme, whichever is later.
- ii. The application would be processed and examined by the Joint Director/Deputy Director, District Industries Centre. They will be responsible for scrutiny and shall clearly recommend for approval/rejection of the claim. The deficiencies, if any, would be communicated to the applicant through portal within a period of 07 days

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and the applicant would be given a time period of 10 days to rectify the deficiencies so pointed out.

- iii. After completion of case, the unit shall be inspected by the concerned Joint Director/Deputy Director, District Industries Centre for ascertaining new investment.
- iv. 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 e-mail.
- v. 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 3 months of closing of financial year (post start of commercial production of the unit). In case the unit does not apply within 3 months then its entitlement for the subsidy will be forfeited for the year.

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 Net SGST reimbursement scheme under the 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

- i. 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

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compound rate of interest @ 12% per annum and facing legal action, be debarred from grant of any incentives/assistance from the State Government and shall be recoverable as arrears of land revenue.

- ii. If the eligible unit has shown its inter-state supplies as intra-state supplies through intermediary/marketing network/or any other middle man, either directly or indirectly controlled by it, in order to get higher incentives then benefit to the eligible unit shall be liable to be cancelled with effect from the date of such contravention, and the eligible unit shall be liable to return forthwith the incentives availed together with compound rate of interest @12%per annum and shall be recoverable as arrears 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 Govt. of Haryana,
Industries and Commerce Department

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Annexure – I

Application format for claiming Net SGST Reimbursement Scheme

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	Registered office address	
4	Name of the block in which unit is located and category(A/B/C/D)	
5	Category of the unit (Micro/Small/Medium/Large/ Mega/ Ultra Mega)	
6	Constitution of the Unit [Proprietary, Partnership, Pvt. Ltd., Public Ltd., LLP (Limited Liability Partnership), Co-operative Society]	
7	Date of Commencement of Commercial Production (as per first sale bill)	
8	IEM/Udyam Registration Certificate (URC) and Haryana Udyam Memorandum (HUM) No. and date	
9	Date of approval of Special Package of Incentives by HEPB in case of Mega Projects	
10	Item of manufacture/processing/ service	
11	Whether the project is new/expansion/diversification	
12	a) GST TIN No. of New Unit.	
	b) GST TIN No. of existing unit	
	c) GST TIN No. in case of expansion/diversification unit.	
13	Details of Total New Fixed Capital Investment in original value (Attach CA Certificate) i) Land ii) Building iii) Plant & Machinery/ Equipment (in case of expansion/ diversification furnish above Information regarding existing and additional investment separately)	
14	Details of net SGST deposited by the unit during the financial year for which claim has been filed (Attach CA 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	

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15	Quantum of claim admissible as per scheme applicable	
16	Details of investment subsidy on net SGST claimed earlier year- wise.	
17	Date of commencement of commercial production (As per first sale bill).	
18	Bank Details for beneficiary account <ul style="list-style-type: none">• Bank Name• Beneficiary Name (Authorized person of unit)• Account Number• Account Type (Savings / Current)• IFSC	

Copies of documents to be attached with the application:

- i. Copy of Certificate of Incorporation/ Partnership deed & partnership registration/ co-operative society registration.
- ii. Copy of Board resolution/ Power of attorney.
- iii. Copy IEM/Udyam Registration Certificate (URC) and Haryana Udyam Memorandum (HUM).
- iv. Copy of letter of Special Package of Incentives approved by HEPB, if any.
- v. CA Certificate regarding fixed capital investment (**Annexure-II**) / **Annexure-II-A** in case of Special Package of Incentives approved by HEPB.
- vi. List of new Plant & Machinery (**Annexure-III**).
- vii. Copies of the purchase invoices of plant & machinery/ equipment in sequence of the details mentioned under Annexure-III.
- viii. Certificate from CA regarding net State GST deposited by the unit during the Financial Year for which claim has been filed (**Annexure-IV or Annexure-IV-A**, whichever is applicable).
- ix. Copy of GST Return/Audited balance sheet of the unit of last year (wherever applicable).
- x. Copy of first sale bill.
- xi. Copy of sale deed/ irrevocable lease deed.
- xii. Affidavit as per **Annexure-V** and **Annexure VI**

Signature of the applicant (with seal)

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Annexure-II

Certificate from Chartered Accountant regarding New Fixed Capital Investment
(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 new Fixed Capital Investment (original purchase value) of the company has been verified in accordance with criteria mentioned in the scheme. It is certified that the new Fixed Capital Investment as on date of commencement of commercial production dated..... and within further Years (up to 02 years) stands as Rs..... as per detail given below:

- a) Land cost
- b) Building cost
- c) Plant & Machinery/equipment
- d) Total

and turnover of last financial year INR. (Rupees.....)

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

Date.

UDIN No.....

Annexure-II-A

Certificate from Chartered Accountant regarding New Fixed Capital Investment (on CA letter head)
(For Special Package of Incentives approved by Haryana Enterprises Promotion Board (HEPB) in case of Mega Projects)

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 of the scheme. It is certified that new Fixed Capital Investment (FCI) made before commencement of commercial production i.e. and within 03 years from date of approval of Special package of incentives by HEPB in case of Mega Projects..... (date of approval by HEPB) stands as INR..... as per details given below:

(INR in lakhs)

	1st Year	2nd Year	3rd Year
Land Cost			
Building cost			
Plant & Machinery/ equipment			
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

Date.

UDIN No.

Annexure-III

Details of new Plant and Machinery/Equipment of the unit i.e. M/s_:

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

Dated:

Signature of the applicant
(with seal)

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Annexure-IV

Certificate from Chartered Accountant for Net SGST Payment Certificate in case of New unit

No.....

Dated.

Net SGST paid during the Financial Year _____		
1.	Name and Address of the Industrial Unit	
2.	Office Address:	
3.	SGST Registration No.:	
4.	Goods/Products manufactured by the unit:	
5.	Date of Commencement of Commercial Production	
6.	Sales turnover of current year	
7.	Total Net 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	
8.	Financial year for which the Tax has been paid.	
9.	It is also certified that no refund whatsoever has been made to the unit out of the above amount given in Sr. No. 7	

Note.— This certificate has been issued strictly as per provisions contained in the notification of the “Net SGST Reimbursement Scheme”

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

Date.

UDIN No.

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Annexure-IV-A

Certificate from Chartered Accountant for **Net SGST Payment Certificate in case of Expansion/ Diversification with separate GST No. for expansion unit**

No.

Dated:

Net SGST paid during the Financial Year_____		
1.	Name and Address of the Industrial Unit	
2.	Office Address:	
3.	(i) GST TIN No. of existing unit.	
	(ii) GST TIN No. of Expanded/Diversified Unit.	
4.	Goods/Products manufactured by the existing units	
5.	Goods/Products manufactured by the Expanded/Diversified Unit:	
6.	Date of commercial production of expanded unit	
7.	Average Sales turnover of the existing unit for the last three years or lesser period if existing unit has been in operation for less than three years as the case may be i.e. before the date of commercial production of expanded unit.	
8.	Sales Turnover of current year of existing unit.	
9.	Total Net SGST paid under HVAT Act, 2003/SGST under HGST Act, 2017 on goods produced by the Expansion/Diversification unit at_(location of the unit) 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	
10.	Financial year for which the Tax has been paid.	
11.	It is also certified that no refund whatsoever has been made to the unit out of the above amount given in Sr. No. 8.	

Note.— This certificate has been issued strictly as per provisions contained in the notification of the scheme of “Net SGST Reimbursement Scheme”

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

Date.

UDIN No.

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Annexure-V

Affidavit duly sworn before a Notary Public affixed with Notary Stamp, Notary Seal & Notary Registration Number or First Class Magistrate.

(to be submitted on non-judicial stamp paper of INR10/- (Min))

I _____ [Proprietor/Partner/Director/Authorized Person] of M/s
[_____] situated at [_____] engaged in the manufacturing of
_____ do hereby solemnly affirm and declare as under:

1. That there is no change in constitution of the unit.
2. That the unit has not been leased out/rented out/sold out to some other party.
3. That our unit is working regularly and the machinery installed is intact.
4. The unit has not shown its inter-state supplies as intra-state supplies through intermediary/marketing network/or any other middle man, either directly or indirectly controlled by it.
5. That 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 or any violation of the eligibility criteria/conditions of the scheme.
6. I hereby undertake to refund the entire amount of assistance of INR _____ (Rupees _____), with compound rate of interest @12% per annum, granted to the unit, which shall also be recoverable arrears of land revenue, besides facing legal action in case facts contained in the application are proved to be wrong at any stage.

DEPONENT

Verification

Verified that the above contents are true and correct to the best of my knowledge and belief and nothing has been concealed therein.

DEPONENT

Signature of Authorized signatory and seal

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Annexure VI

Undertaking/Declaration

(to be submitted on non-judicial stamp paper of INR.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 Net SGST reimbursement with the Department of Industries and Commerce, Haryana.

I have gone through all the conditions/criteria mentioned in the scheme of Net SGST reimbursement and the same have been duly complied with.

I, do hereby affirm that the particulars given in the application are correct and further that:

- a) 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.
- b) 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 assistance of INR _____ (in words _____) granted to unit at the compound rate of interest @12% per annum, which shall also be recoverable arrears of land revenue, 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.
- c) No other business activity such as trading etc. shall be conducted from this registration number (GST No).
- d) In case of expansion/ diversification the unit shall obtain separate registration under GST and separate books of accounts will be maintained by such units for existing unit as well as the expanded unit.
- e) The turnover of existing units will not be lower than the average sales turnover for the previous three years, or _____ (years) as the existing unit is in operation for less than three years.
- f) In case there is any inter-plant supply, or the goods manufactured from new plant are further supplied as inter-state transaction from Haryana (with or without purpose); then such supplies shall not be eligible for the reimbursement and SGST receipts
- g) In case, inter-state sales has been shown as intra-state sales through intermediary/marketing network/or any other middle man, either directly or indirectly controlled by it, in order to get higher incentives then benefit to the eligible unit shall be liable to get cancelled with effect from the date of such contravention and the eligible unit shall be liable to refund forthwith the incentives availed together with compound rate of interest @12% per annum, which shall also be recoverable arrears of land revenue, besides facing legal action.

Dated:

Signature of the applicant (with seal)