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HARYANA GOVERNMENT INDUSTRIES AND COMMERCE DEPARTMENT

Notification

The 20th April, 2023

No. 02/02/2023-IIB-II.— In supersession of earlier Notification No.25/05/2020-4IB-I dated 08.06.2021 regarding 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 the “Revised Energy Conservation Scheme” for Micro, Small & Medium Enterprises located anywhere in the State. The scheme will consist of the following provisions:

1. Objective:

The objective of the scheme is to identify areas where excess energy consumption or wastage of energy is taking place. It involves measuring the actual energy consumption of various electrical gadgets used in the premises, comparing it with an estimate of the minimum energy required to undertake the process and establishing technically and economically feasible means to achieve the same & suggest best ways to optimize the energy consumption leading to energy saving.

2. Quantum of Assistance:

75% Reimbursement of cost of conducting energy audit subject to maximum of INR 02 lakhs. Further subsidy on cost of capital equipment required for undertaking measures to conserve energy shall be provided once in 05 years as under:

Sr. No.	Category of Blocks	Reimbursement of cost of capital equipment for Energy Savings (in %)	Maximum Limit
(i)	A	20%	20.00 lakhs
(ii)	B	30%	
(iii)	C	40%	
(iv)	D	50%	

No subsidy for energy audit shall be provided in case energy audit recommendations are not implemented.

3. Definitions:

- (i) **Medium Enterprise:** Investment in Plant & Machinery or Equipment does not exceed INR 50 crores and turnover does not exceed INR 250 crores or as amended by GoI under MSMED Act, 2006 time to time.
- (ii) **Small Enterprise:** Investment in Plant & Machinery or Equipment does not exceed INR 10 crore and turnover does not exceed INR 50 crores or as amended by GoI under MSMED Act, 2006 time to time.

- (iii) **Micro Enterprise:** Investment in Plant & Machinery or Equipment does not exceed INR 1 crore and turnover does not exceed INR 5 crores or as amended by GoI under MSMED Act, 2006 time to time.

4. Commencement and Applicability:

The Scheme shall commence with effect from 01.01.2021 and shall remain in operation for a period of 5 years. MSMEs which have undertaken energy audit and purchased equipment(s) on or after 01.01.2021 and before 31.12.2025 shall be eligible under this scheme.

5. Eligibility Criteria

All MSMEs existing anywhere in the state shall be provided financial assistance only if the energy audit has been conducted by an Energy Auditor certified by the Bureau of Energy Efficiency (BEE). The Industrial Units must comply for the following conditions at the time of application:

- (i) The unit should have filed Udyam Registration Certificate (URC) and Haryana Udyam Memorandum (HUM) on the portal for the statistical purpose, at any stage.
- (ii) The item of manufacture should not fall in the restrictive list as notified by the State Government from time to time.
- (iii) The assistance on cost of capital equipment will be provided only if, there has been at least 15% reduction in average energy bills (bills of various source of energy i.e. Electricity, CNG/PNG, Solar, Thermal etc.) of previous 03 months (before conducting the Energy Audit) compared with average of energy bills of corresponding 03 months (after implementation of recommendations of Energy Auditor). For e.g. energy bill of a cyclic period (*for instance June-August*) after implementation of energy auditor's recommendations should be compared with the bill of same cycle (*June-August*) prior to implementation of energy auditor's recommendations.
- (iv) Even after taking all steps as mentioned above for efficient use of energy, if actual energy consumption is increasing due to increase in production then such claim will be examined separately by a committee to be constituted by the Director/ Director General, Micro, Small and Medium Enterprises.
- (v) Investments in new plant, machinery and equipment focused towards enhancing energy efficiency shall only be eligible for subsidy under this scheme. The machinery/equipment to be installed should be new. No subsidy shall be admissible on second-hand machinery/ equipment. The old machinery should be replaced with new machinery to optimize the energy consumption. Mere installation of machinery/equipment for the purpose of expansion of industrial unit shall not be eligible under the scheme.
- (vi) The unit should have obtained NOC/CLU from competent authority, if applicable.
- (vii) The unit should be in commercial production.
- (viii) The unit should be in regular production at the time of disbursement. The assistance shall not be released to a closed unit.
- (ix) The unit should be ISO 50001 certified.
- (x) All the recommendations of the Energy Auditor, as mentioned in the Energy Auditor's Report should be implemented in all aspects within 06 months from the month of Energy Audit.
- (xi) The Energy Auditor shall also conclude the following in its final submission/report:
 - Summary of the recommendations.
 - Comparative statement of existing energy consumption and expected energy consumption of the recommended machinery/equipment.

6. Procedure:

- a. Application on prescribed Form (Annexure-II) for the reimbursement of expenses incurred in conducting energy audit & purchase of capital equipment along with listed documents would be submitted to the Director/Director General, Micro, Small and Medium Enterprises, on the web-portal of the department as per timeline mentioned in Point No.7.
- b. The application would be processed and examined by the Joint Director/Deputy Director, District MSME Centre. He will be responsible for scrutiny and shall clearly recommend for approval/rejection of the claim after conducting the inspection of the unit. The deficiencies, if any, would be communicated to the applicant in writing 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 the prescribed period, the claim will be filed by the Competent Authority, under intimation to the applicant through an e-mail. The enterprise shall not be required to submit any additional document other than specified under Annexure-II unless required for establishing genuineness of the claim.

7. Time Limit

An enterprise shall forfeit its entitlement for the reimbursement of the expenses incurred in conducting the energy audit/compliance, if it does not submit its claim, complete in all respects within a maximum period of 12 months as per the following timelines:

- (i) A maximum period of 06 months for implementation of Energy Auditor's recommendations.
- (ii) A maximum period of 03 months for monitoring the reduction in energy consumption after implementation of Energy Auditor's recommendations.
- (iii) A maximum period of 03 months for applying the case online on web-portal after monitoring the reduction in energy consumption.

8. Competent Authority for sanction:

The Director/Director General, Micro, Small and Medium Enterprises shall be competent authority for sanction of assistance.

9. Interpretation/Clarification:

The Administrative Secretary, Industries & Commerce shall be competent to make interpretation/clarification of any provision of this scheme.

10. Appeal:

Only an online appeal against the 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 orders appealed against. The orders passed by the Administrative Secretary, Industries & Commerce, Haryana in appeal shall be final.

11. Power to condone delay:

- (a) The Director/Director General, Micro, Small and Medium Enterprises, Haryana shall be competent to condone the delay in submission of online application upto a period of 03 months after the prescribed time limit.
- (b) The Administrative Secretary, Industries & Commerce, Haryana shall be competent to condone the delay in submission of online application and appeal upto 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

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. 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)
(i)	Letter of Approval	30 days
(ii)	Letter of Sanction	07 days
(iii)	Disbursement	07 days

The 17th April, 2023.

ANAND MOHAN SHARAN,
Additional Chief Secretary to Government Haryana,
Industries & Commerce Department.

Annexure-I

Study Overview

Scope of Detailed Energy Audit

Our Area of Detail Energy Audit Covers Following Areas:

- (i) Study of Electricity Bills, Contract Demand & Power Factor & Loading Pattern.
- (ii) Power distribution Study
- (iii) Electrical systems Study
- (iv) Power Quality Analysis
- (v) Diesel Gen Set Audit or any other Generator Audit.
- (vi) Motor Management
- (vii) Air Conditioning Study
- (viii) Thermal Study: Boilers/Furnaces/Incinerators.
- (ix) Compressor Study
- (x) Pump systems
- (xi) Study of Lighting System
- (xii) Thermograph study.
- (xiii) Techno Economic Study of Power & Fuel with distribution drawings
- (xiv) Projects for Implementing the Energy Saving Measures.

Study of lighting system:

- (i) Performance test of system installed
- (ii) Calculating recommended luminance level for various tasks
- (iii) Calculation of installed lighting load efficacy and installed load efficacy ratio
- (iv) ILER Assessment
- (v) Finding areas for improvement
- (vi) Light control: Recommendation & design for grouping of lighting system, installation of occupancy sensors, installation of PLC based time-based lighting control sensors, installation for exclusive transformer for lighting.
- (vii) Selection of luminaries for efficiency and colors rendering index.

Electrical energy audit:

- (i) Power factor improvement,
- (ii) Max. Demand analysis, solution for avoiding penalties,
- (iii) Most economical voltage level study,
- (iv) Capacitor performance,
- (v) Calculation of specific power consumption (units/kg.),
- (vi) Adaptation of new Energy conservation technology etc.
- (vii) Calculation of electricity cost on various machines
- (viii) Bifurcations of power consumption spend on productive machines and utilities and their comparison with the standards.

Power Quality Audit (Harmonic Analysis):

Detailed harmonic analysis, quantifying losses occurring due to high level of harmonics prevailing in the system, ways and means to mitigate the same to improve power factor in presence of harmonic polluted environment.

D.G. Audit:

Calculation of specific fuel consumption (units/liters) on existing and different load condition, load optimization on D.G. and suggest the scope of fuel saving, D.G. efficiency trials, load bearing capacity of D.G. set, checking of general maintenance and suggest measures to achieve better fuel efficiency, power factor suggestions, techno-economic study of new D.G., solution for problems etc.

Automation & Modification:

Detail analysis of system, product up gradation by value engineering, study and need of drives, sensors & PLC etc. analysis of feedback control in compressor D.G., humidification towers etc, development of on line monitoring & control system, need base implementation of **SCADA** (Supervisory Control And Data Acquisition System).

Motor Management:

Motor's addressing and coding, general checks for installation safety and starting, check for the level of heating etc., general procedure for overhaul of motors, critical check points of motor after rewinding, motor's performance evaluation incorporating percentage loading, formulation of maintenance schedule.

Compressor Study:

- Evaluating Efficiency-EPI
- Air Leakage losses
- Evaluating actual CFM/KW generation
- Designing system for energy saving on compressor as per requirement

Air Conditioning Study:

- Evaluating tonnage & system efficiency
- Determining CFM/KW for each supply fan
- Determining Fan efficiency
- Determining Pump efficiency
- Evaluating insulation of ducts
- Determining plant heat load requirement
- Evaluating CFM required to match plant's heat load
- Determining actual CFM flow on shop floor inside plant
- Ways & means for conservation of energy

Thermal audit:

Boiler efficiency evaluation & measures of improvement, efficient steam distribution & utilization, waste heat recovery system, optimization of steam pressure for generation distribution and utilization, insulation/radiation loss calculation, steam pipe line study, pressure optimization for fuel saving, flue gas analysis, use of alternate energy resources, water quality analysis, adaptation of new technology, process optimization for fuel saving etc. (saving can be achieved in the terms of 10-20%).

Annexure-II

Application Form for Detailed Energy Conservation Scheme

Sr. No.	Description	
1.	Name of the Applicant (Authorized person of the unit)	
2.	Name & factory address of the unit with telephone No. and e-mail	
3.	Registered Office address	
4.	Category of Unit (Micro/Small/Medium)	
5.	Udyam Registration Certificate (URC) and Haryana Udhyam Memorandum (HUM) No. & Date	
6.	Date of commencement of commercial production	
7.	Item of manufacture	
8.	Constitution of the Unit [Proprietary, Partnership, Pvt. Ltd., Public Ltd., LLP (Limited Liability Partnership) and Co-operative society]	
9.	Name of the Energy Audit agency	
10.	Total amount & details of expenditure incurred for conducting Energy Audit	
11.	Total Reimbursement claimed against Energy Audit	
12.	Details of investment made	
13.	Details of All Energy using processes and equipment including Cooling Tower etc.	
14.	Amount of Electricity Bills of last 12 months	
15.	Capacity of Transformers	
16.	Contract Demand and Connected Load	
17.	Cost & Details of Power Factor control Equipment installed	
18.	Cost & Details of DG sets installed with capacity 1. 2. 3.	
19.	Cost & Details Thermal Equipment installed (Like Boiler, Furnace etc.)	
20.	Cost & Details of compressed Air Equipment installed	
21.	Cost & Details of Welding machines Installed	
22.	Cost & Details of Pneumatic Air Tools installed	
23.	Cost & Details of any other energy consuming equipment installed	
24.	Total cost of the equipment installed for energy saving (in Rs.)	
25.	Amount of subsidy claimed @50%/40%/30%/20% of the total cost of energy saving equipment	
26.	Amount of assistance obtained from Government of India, if any	

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

- (i) Copy of Udyam Registration Certificate (URC) and Haryana Udhyam Memorandum (HUM).
- (ii) Certificate of Incorporation/Partnership Deed/Partnership Registration with Form 'A' & 'C'/ Co-operative Society Registration.
- (iii) Board resolution/Power of attorney to be signed by the majority of the Directors/Partners
- (iv) Change of Land Use (CLU)/NOC from competent authority, if applicable.

- (v) Copy of Energy Audit Certification.
- (vi) CA certificate of Expenditure (in original) giving the details (as per prescribed format)
- (vii) Copies of the Bills/Purchase Invoices of machinery/equipment and Energy Auditor, on which subsidy has been claimed and proof of payment made to the supplier (Bills of Entry/Bankers' Certificate mentioning Exchange Rate and suppliers details in case of payments to foreign suppliers.)
- (viii) Copy of GST return and Audited Balance Sheet for last financial year.
- (ix) Copy of ISO-50001 certification
- (x) Land Proof i.e. Occupation Certificate/Letter of Allotment, Sale Deed/Transfer Deed/Conveyance Deed. Registered Lease Deed/Registered Rent Deed from the concerned competent authority, in case the unit is running on lease/rent.

Signature of the applicant (with seal)

Annexure-III

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 at _____ which is engaged in the manufacture of _____ and I have been authorized to file the claim of Energy Audit & subsidy on purchase of capital equipment for energy conservation with the Directorate of MSME, 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 assistance of Rs. _____ (Rupees _____) 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 Proprietor/Partner/
Managing Director/Director (with seal)

Annexure-IV

Certificate from Chartered Accountant in respect of Proof of Expenditure incurred for conducting energy audit and about investment in plant & machinery and turnover (on CA letter head).

To whom it may concern

The document & records of M/s.....with their regd. Office at..... and factory located at.....and Udyam Registration Certificate (URC)/HUM No.....dated.....) in respect of the expenditure incurred in conducting energy audit have been verified, and it is certified that the said company has incurred a total expenditure of Rs..... (Rupees) towards, Application fee, assessment/ audit fee, annual fee/ license fee, training, calibration and technical consultancy etc. (excluding hotel & travel expenses & surveillance charges) in conducting energy audit from the certification agency namely.....during.....as per the following details of payments.

Details of payments (Name of certification agency/org.) amount paid (in rupees).

- (a) Application fee paid to.....
- (b) Assessment/audit fee paid to.....
- (c) Annual fee/license fee paid to.....
- (d) Calibration charges paid to.....
- (e) Technical consultancy charges paid to.....
- (f) Training expenses paid to.....
- Total.....

and

Verified from the books of accounts & records of above firm that the cost of capital equipment installed on.....for energy conservation is as under:

Sr. No.	Machine / Equipment Purchased	Date of Purchase Invoice	Amount

and

Verified from the books of accounts of above firm that the total investment in plant and machinery (original purchase value) of the unit 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
UDIN-----

Date _____

The above payments should be supported by copies of receipts of payments made to the Vendor/Institution/Agency duly attested. The payment receipts must indicate the purpose for which the payments have been made.