



Haryana Government Gazette

EXTRAORDINARY

Published by Authority

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No. 122-2022/Ext.] CHANDIGARH, FRIDAY, JULY 8, 2022 (ASADHA 17, 1944 SAKA)

HARYANA GOVERNMENT

INDUSTRIES & COMMERCE DEPARTMENT

Notification

The 8th July, 2022

No. 20/01/2022-4IB-I.— The Governor of Haryana is pleased to notify the 'Haryana Electric Vehicle Policy-2022' which will be effective from 10th of July, 2022 for a period of 5 years. The Haryana Electric Vehicle Policy-2022 is placed below at Annexure-'A'.

The policy has been concurred by the Finance Department *vide* their U.O. No. 11/02/2022-3FD-III/2022/14630 dated 24.06.2022 and approved by the Council of Ministers in its meeting held on 27.06.2022.

Chandigarh:
The 8th July, 2022.

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

HARYANA ELECTRIC VEHICLE POLICY

1. Introduction

The number of vehicles in Haryana has been increasing rapidly over the last decade. However, vehicles driven on fossil fuels are a major source of environmental pollution and pose serious health hazards and the stocks of fossil-fuels are fast depleting across the globe. The situation demands that alternative clean, eco-friendly technologies be explored for running of vehicles.

Haryana Government aims to contribute to improve the environment, reduce carbon footprints and aggressively motivate the citizens to buy Electric Vehicles through this policy. The Government of India has also launched “The Faster Adoption and Manufacturing of Electric Vehicles in India (FAME Scheme I and II)” scheme in 2015 which has been extended subsequently in 2019, under National Electric Mobility Mission Plan (NEMMP) with the aim to promote eco-friendly electric vehicles in the country.

The Haryana Electric Vehicle Policy focuses on following aspects:

- Encourage and incentivize Manufacturing of Electric Vehicles, major components of EVs, batteries for EVs in Haryana and thereby reducing cost of doing business.
- Develop charging infrastructure and strengthen e-mobility in the State
- Human Capital development
- Promote green automotive technology
- Promote Research and Development (R&D) on various aspects of electric mobility i.e., manufacturing, developing prototype vehicles, innovation in the field of battery manufacturing, etc.

This policy places a special emphasis on the creation of end-to-end ecosystem for E-Mobility in the state and envisages at harnessing Haryana’s inherent strength in automotive manufacturing sector for supporting Electric Vehicle manufacturing and adoption within the state.

2. Objectives

- i. To promote clean transportation by promotion of use of Electric Vehicles (EVs) in the State.
- ii. To make usage of Electric Vehicles affordable and easy, by setting up of a widespread and accessible charging infrastructure.
- iii. To make Haryana a global hub for manufacturing of Electric Vehicles (EVs), major components of EVs and batteries for EVs.
- iv. To generate employment opportunities in the State.
- v. To promote Research and Development (R&D) on various aspects of electric mobility.

3. Eligibility

- i. This policy shall come into effect on the date of its notification in the Official Gazette of Government of Haryana.
- ii. This policy is applicable to “new” and “existing” units anywhere in B, C, and D blocks and / or in Govt. approved Industrial Estates / IMTs in Block A.
- iii. Existing units desirous of claiming incentives under this policy shall have to comply with the following:
 - a. Existing units undertaking expansion / diversification / complete conversion anywhere in B, C, D category blocks and / or in Govt. approved Industrial Estates / IMTs in Block A
 - b. Units with an additional investment of at least 50% of FCI (of the already established unit) in EV sector
 - c. Units converting completely into EV/EV component/ EV Battery manufacturing
- iv. The policy incentives will be available for manufacturers of EV (BEV and FCEV) and Hybrid EV (PHEV and SHEV); EV components, individual buyers and enterprises setting up charging infrastructure as defined in clause 4 and detailed in clause 5, 6 and clause 8 of this policy.
- v. 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 a particular incentive under this policy will not be eligible to avail similar incentive under similar head as given in any other Haryana Government policy. However, such units will be eligible for other incentives not specified in this policy. All incentives specified in this policy (excluding buyer incentives) may be availed in addition to incentives available under any Government of India scheme/policy. The maximum limit of the sum of all fiscal incentives shall not exceed 100% of Fixed Capital Investment (FCI) for manufacturers and owners of Public Charging Station/Swapping Station or 100% of ex-showroom price of the vehicle for buyers.

4. 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.
- iv. **Hybrid Electric Vehicles (HEV):** A vehicle that for the purpose of mechanical propulsion draws energy from both of the following on-vehicle sources of energy/power:
 - A consumable fuel
 - Rechargeable Energy Storage System (ReESS)
- v. **Strong Hybrid Electric Vehicle:** Strong Hybrid Electric Vehicle (SHEV) is a HEV which has an engine 'Stop-Start' arrangement, 'Electric Regenerative Braking System' and a 'Motor Drive' (motor alone is capable to propel/drive the vehicle from a stationary condition)
- vi. **Plug-in Hybrid Electric vehicle:** PHEV is a type of 'Strong Hybrid Electric Vehicle' which has a provision for 'Off Vehicle Charging' (OVC) of 'Rechargeable Energy Storage System (ReESS)'.
- vii. **Electric Regenerative Braking System:** An integrated vehicle braking system which provides for the conversion of vehicle kinetic energy into electrical energy during braking.
- viii. **Engine 'Stop-Start' arrangement:** A system by which the engine is started or stopped in a hybrid electric vehicle by vehicle control unit at operating conditions depending upon traction power required for the propulsion of the vehicle.
- ix. **Off Vehicle Charging (OVC):** Rechargeable Energy Storage System (ReESS) in the vehicle has a provision for external charging.
- x. **EV Components:** Components of EV will include 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.
- xi. **Charging/Battery equipment:** Equipment that is exclusively used to charge the batteries of BEV/PHEV/SHEV. This equipment can be installed at existing fuel stations or separate charging or battery swapping stations.
- xii. **Privately owned public charging station:** A dedicated charging station owned by a private entity that is used for charging personal EV or EV fleet and can be installed at independent homes, group residential buildings, offices, public places or dedicated parking land which can be self-operated or CPO-managed (Charged Point Managed for EV fleet charging). The charging stations shall adhere to the norms laid by Ministry of Power (MoP)
- xiii. **Electric Mobility Ecosystem:** This policy addresses various components and end products of the electric mobility ecosystem. Such an ecosystem encompasses the "Electric Vehicles and components such as Lithium-Ion Batteries (or other advanced batteries with comparable energy/power densities), Super capacitors, Fuel cell systems, EV Charging equipment, Hydrogen generation, storage and refueling equipment, Battery swapping equipment, EV Motors & Controllers and other EV powertrain components, Battery management systems, EV electronics, electric harness etc. integral to the functioning of an EV."

Other Important definitions

- i. **Fixed Capital Investment (FCI):** Fixed Capital Investment refers to Land, Building and Plant & Machinery, as specified in the policy / the schemes to be notified under the policy.
- ii. **Ultra-Mega Project:** Project having minimum Fixed Capital Investment of INR 6000 crore in A Blocks, INR 4,500 crore in B Blocks, INR 3,000 crore in C Blocks and INR 1,500 crore in D Blocks.
- iii. **MegaProject:** Project having minimum Fixed Capital Investment (FCI) of INR 200 crore in Govt. approved Industrial Estates/IMTsin Block A and all are as under B Blocks, FCI of over INR 100 crore in C Blocks and FCI of over INR 75 crore in D Blocks. [Mega and Ultra Mega units setting up in the State shall also be eligible for a special package of incentives as per HEEP 2020 and future Haryana's Flagship Industrial Policy (if and when released)]
- iv. **Large Enterprise:** Investment in Plant and Machinery greater than INR 50 crore and turnover greater than INR 250 crore (over and above the limit of Medium units as defined under the MSMED Act, 2020 or amended by GoI from time to time).
- v. **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.
- vi. **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.
- vii. **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.

5. Incentives for Manufacturers

Manufacturers of Electric (EV, BEV, FCEV) vehicles, charging infrastructure and EV/Hydrogen/Charging infrastructure component manufacturers shall be eligible for incentives as mentioned below. Manufacturers producing components intended to be used exclusively for electric vehicle & EV charging infrastructure shall only be considered for following incentives under this policy:

a. Capital subsidy of Fixed Capital Investment (FCI)

Capital subsidies will be provided to industries manufacturing Electric Vehicles (BEV/FCEV), major components of EVs, batteries for EVs, manufacturer of charging infrastructure:

S.No.	Industry	Subsidy	No. of beneficiaries
1.	Micro Industry	25% of FCI or INR 15 lakh, whichever is lower	First 20 units in each segment of electric vehicles (2 wheelers, 3 wheelers, 4 wheelers, buses/Heavy Vehicle) battery and charging equipment
2.	Small Industry	20% of FCI or INR 40 lakh, whichever is lower	First 10 units in each segment of electric vehicles (2 wheelers, 3 wheelers, 4 wheelers, buses/Heavy Vehicle) battery and charging equipment
3.	Medium Industry	20% of FCI or INR 50 lakh, whichever is lower	First 5 units each in each segment of electric vehicles (2 wheelers, 3 wheelers, 4 wheelers, buses/Heavy Vehicle) battery and charging equipment
4.	Large Industry	10% of FCI or INR 10 crores, whichever is lower	For first 2 units in each segment of electric vehicles (EV) (2 wheelers, 3 wheelers, 4 wheelers, buses/Heavy Vehicle), battery and charging equipment
5.	Mega Industry	20% of FCI or INR 20 crore whichever is lower	For first 3 units in the state *Mega or Ultra mega units setting up in the State will be also eligible for a special package of incentives as per HEEP 2020

In order to promote circular economy and responsible disposal of batteries, first 5 units setting up their manufacturing facility in the state across Medium, Large or Mega category for battery disposal/recycling/ material recovery shall be eligible for capital subsidy @ 15% of FCI or INR 1.00 crore whichever is lower.

b. Seed and Conversion Fund

One-time support as a seed funding for existing units converting completely into EV manufacturing (BEV/FCEV), EV component manufacturing or EV Battery manufacturing @ 25% of the book value of plant and machinery during the year of application for Micro, Small, Medium, and Large units or IN 2 crore whichever is lower. This will be available for early adopter units under each category as below:

S.No.	Type of unit	Maximum Number of Early adopter units
1	Micro units	First 30 units
2	Small units	First 15 units
3	Medium units	First 15 units
4	Large units	First 15 units

c. Net SGST reimbursement

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:

- All units would be allowed 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.
- In case, where Net SGST deposit under cash ledger is less than 5% of FCI in a year or project having inverted duty, 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.

Note: Units availing capital subsidy as in the clause 5.a. shall not be eligible for benefits under clause 5.c.

d. Reimbursement in Stamp Duty

Reimbursement of 100% stamp duty on purchase /lease of land/shed/buildings to be used for manufacturing Electric Vehicles, major components of EVs, batteries for EVs and charging infrastructure after commencement of commercial production. Subsequent transactions on same property will not be eligible for this reimbursement.

e. Power subsidy and incentives:

- The Government shall provide special tariff to the units manufacturing electric vehicles, major components of EVs, batteries for EVs and charging infrastructure as announced by Haryana Electricity Regulatory Commission every year.
- 100% exemption on Electricity Duty for a period of 20 years. For units producing captive power, the exemption shall be limited to the power consumed for its own operation only, but not sold to other business entities/private companies/PSUs/DISCOMs/etc. In case of the expansion / diversification of the existing units, a mechanism shall be made to exempt electricity duty in lieu of incremental consumption of Power.
- Power utilities shall provide uninterrupted 24x7 quality power to all units involved in manufacturing Electric Vehicles, major components of EVs, batteries for EVs and charging infrastructure.

f. Water treatment plant incentives

In order to promote water recycling for manufacturing plant, the Haryana Government shall reimburse 50% of the cost of water treatment plant up to INR 50 lakh for first 5 units in each category (Medium, Large, Mega and Ultra-Mega units).

g. Patent Fee

Financial support by reimbursement of 100% of the actual expenses (including filing fees, consultancy fees, search fees, maintenance fees and Publishing fees) with a maximum of INR 25 lakh for domestic and international patent registrations for manufacturing units falling under eligibility of this policy.

h. Employment Generation Subsidy

Employment generation subsidy shall be extended to manufacturing units established only in B, C and D category blocks, for capacity building of persons belonging to Haryana (skilled/semi-skilled/unskilled) [having Haryana Resident Certificate], Subsidy @ INR 48,000/- per employee per annum for 10 years for direct employment on pay roll or contract with valid ESI/PF Number. As per the Haryana State Employment of Local Candidates Act, 2020 amended from time to time, units shall mandatorily employ at-least 75% of Haryana Domicile workforce, to be able to receive the employment incentive.