Government of Himachal Pradesh
Department of Industries

No. Ind.-A(F)2-2/2019-I Dated: Shimla-2,the 16th August, 2019.

NOTIFICATION

In supersession of this Department notification No. Ind-A(F)6-7/2004 dated 30th December, 2004 and all subsequent notifications issued from time to time in this behalf , the Governor of Himachal Pradesh is pleased to notify **"The Himachal Pradesh Industrial Investment Policy, 2019"** and **"Rules Regarding Grant of Incentives, Concessions and Facilities for Investment Promotion in Himachal Pradesh-2019"** as appended herewith.

By order

Manoj Kumar
Addl. Chief Secretary (Industries) to the
Government of Himachal Pradesh.

Endst. No.: As above. Dated Shimla-2, the 16th August, 2019.

Copy forwarded to the following for information and necessary action:-

1. The Chief Secretary, Government of Himachal Pradesh, Shimla-2.
2. The ACS-cum-Pr. Secretary to Chief Minister, Himachal Pradesh, Shimla-2.
3. The Secretary to the Governor, Himachal Pradesh, Shimla-2.
4. All Administrative Secretaries, Government of Himachal Pradesh, Shimla-2.
5. All Divisional Commissioners, Himachal Pradesh.
6. All Deputy Commissioners, Himachal Pradesh.
7. All Head of Departments, Himachal Pradesh.
8. The Director of Industries, Himachal Pradesh, Udyog Bhawan, Shimla-I.
9. The Sr. Private Secretary/P.S. to all Ministers, Himachal Pradesh, Shimla-2.
10. The Under Secretary (GAD) to the Govt. of Himachal Pradesh, Shimla-2, w.r.t. Item No. 14 of the Cabinet Meeting held on 01.06.2019 and Item No.97 of the Cabinet Meeting held on 08.08.2019.

(Abid Hussain Sadiq)
Special Secretary (Industries) to the
Government of Himachal Pradesh.
Phone No. 0177-2621902.

Himachal Pradesh Industrial Investment Policy, 2019

1 Introduction

Himachal Pradesh consists of diverse terrains and varied climatic zones. Economic strength of Himachal Pradesh primarily lies in activities related to Agriculture, Horticulture, Animal Husbandry, Limestone mines and allied activities in the Primary Sector.

Industrialization in the State is a recent phenomenon. It only gained momentum after getting Statehood. Before grant of Statehood in 1971, only a few industrial units namely Nahan Foundry at Nahan, M/s Mohan Meakins Breweries at Kasauli and Solan, Salt Mines at Drang (Mandi), Rosin & Turpentine Factories at Nahan & Bilaspur and four small gun factories at Mandi were the main industrial units functioning in the State.

The State Government recognized the importance of Industrial Policy as an effective instrument to boost the confidence of investors and catalyze industrial development. Incentives to Industries were notified initially during 1971 and were revised in the year 1980, 1984, 1991, 1996, 1999 and 2004, which were amended in the year 2009, 2015 and 2017 in response to the changing scenario.

The severe climatic conditions topographical and geographical severities throw challenges in the process of industrialization. In such a scenario, the benefits made available in the form of incentives and subsidies as well as the creation of appropriate infrastructure become the main instruments to attract industrial investment in the State. With substantial investment in infrastructural facilities, the State has been able to offset the location and geographical disadvantages to a considerable extent. Factors like low cost quality power, harmonious industrial relations, low cost of land and clean environment, investor friendly administration, attractive incentives and tax concessions, accessibility to Northern markets - all contribute towards creating a healthy investment climate in our State.

During the last few years, industrialization in the State has made significant progress. The Share of industries and Services Sector in the State Domestic Product has increased from 1.1 & 5.9 percent in 1950-51 to 9.4 and 13 percent in 2010-11 and 29.2% and 43.3 % in 2017-18 respectively. The period of Industrial Policy Package of Govt. of India has seen Himachal Pradesh entering the take-off stage with a well-diversified base of industries ranging from rural and traditional Handloom Handicrafts, Cottage, Micro and SSI units to modren Textile, Telecommunication equipment, sophisticated Electronic units.

Pharmaceuticals, Engineering, High Quality Precision Tools, Food Processing industries etc. An investment of about Rs. 15000 Crore actually happened during the period of Industrial Package. Up to 31st March, 2019 the State had 49532 Small Scale and 689 Medium & Large Scale industrial units registered with the Industries Department with a total investment of about Rs. 35449 Crore which were providing employment to about 4.17 lakhs persons. This growth in industrial sector could be achieved only because of forward looking Industrial Policies which were in tendum with changing needs and its proper implementation.

In Ease of Doing Business (EODB) ranking, the State has improved its implementation score from 65.48% to 94.13% in 2017-18 and also emerged as the fastest growing State in the EODB. In Start-up ranking 2018, the State has emerged as the leading Hill State and aspiring leader and also recognized as leader for regulatory change. The State has also recently topped in the ranking done by the NITI Aayog as regards efforts being made to achieve the Sustainable Development Goals.

2 Vision Statement

"To create an enabling ecosystem to enhance the scale of economic development & employment opportunities; ensure sustainable development & balanced growth of industrial & service sectors to make Himachal as one of the preferred destination for investment"

3 Objectives

This policy aims to:-

i) serve as a guideline to create a congenial investment climate for existing industries to grow as well as to attract further investment in the State for creating employment opportunities for local youth and to ensure development of Industrial & Service Sector throughout the State.

ii) specifically address issues impeding industrial growth and ensure simplification of procedures, key physical and social infrastructure, human resource development, access to credit and market.

iii) promote Ease of Doing Business by digitization of all processes and to promote self-certification.

iv) give impetus to food processing industry by establishing effective forward and backward linkages; promoting Agro-Horticulture and rural prosperity.

v) promote MSME sector for uniform sustainable growth of service and industrial sector throughout the State to facilitate generation of employment opportunities for local youth and stakeholders.

vi) promote start-ups and entrepreneurship to create and generate local entrepreneurial base.

vii) recognize and encourage the role of large investment to enhance the scale of economic development, employment opportunities, ancilliarisation, revenue generation and remunerative prices to local resources.

viii) uplift weaker sections of the society.

4 **Strategy**

The objectives of this policy would be achieved by:-

i) streamlining rules/procedures, introducing self-certification, digitalization of all clearances in a time bound manner to ensure Ease of Doing Business (EODB).

ii) creating and up gradation of existing industrial infrastructure and creation of private Land Bank.

iii) ensuring the availability of quality power on competitive rates.

iv) by rationalizing the provisions of incentives, concessions and facilities having a direct impact to sustain and accelerate investment in the State.

v) by providing graded fiscal incentives, facilities and concessions to balance regional economic development.

vi) by providing incentives, facilities & concessions with condition of employment to 80% Bonafide Himachlies at all level. Enterprises employing above 80% Bonafide Himachlies on regular basis are being incentivized on additional employment generated over and above of 50 Bonafide Himachlies.

vii) by focusing and providing an ideal eco system to boost startups & entrepreneurship; environment to sustain traditional cottage industries; technology up gradation, ancilliarisation, industrial sickness, R&D and productivity to increase competitiveness.

viii) by recognizing the importance of cottage Handloom & Handicraft industry and other rural economy based critical sectors such as food processing and provision of backward & forward linkages with Agro-horticulture and Tourism.

ix) by discouraging polluting industries to create a responsible eco friendly environment and incentivize adoption of cleaner production technologies.

x) by recognizing the role of specified services activities in employment generation.

5 Eligible Enterprises for availing incentives under this Policy:-

A) All "New Industrial Enterprises" except Industrial Enterprises engaged in manufacturing activities specified in the "Negative List" annexed with this policy;

And

New Enterprises engaged in "Specified Category of Service Activities" annexed with this policy;

And

All Existing Industrial Enterprises undertaking Substantial Expansion except Industrial activities as specified in the Negative List

And

All Existing Service Enterprises engaged in Specified Category of Service Activities undertaking Substantial Expansion

will be eligible for incentives, concessions and facilities announced under this policy subject to:-

- fulfillment of the eligibility criteria & conditions as defined under the Rules regarding Grant of Incentives, Concessions & Facilities to Industrial & Service Enterprises in Himachal Pradesh-2019.
- employment of minimum 80% Bonafide Himachlies, at all levels, directly on regular, contractual, daily basis etc. or through contractor or outsourcing agencies at the time of commencement of commercial production/operation as well as for the time period it remains in commercial production/operation in the State by the New Enterprise set up under this policy. In case of Existing Enterprises undertaking substantial expansion, out of additional employment generated due to Substantial Expansion employment to atleast 80 % of Bonafide Himachlies.

B) Incentives provided under this policy will be admissible from the date of commencement of commercial production/operation or from the date on which respective administrative department issues enabling notification under the relevant statute/law to operationalize incentives notified under this policy, whichever is later.

6 Categorization of State

With a view to create a congenial investment climate for existing industries to grow as well as to attract further investment in the State and to ensure balanced development of Industrial & Service Sector throughout the State, the State has been categorized into three categories of Areas as "A", "B" & "C". This classification has been done depending upon the location, distance from border of adjoining state, extent of industrial development and overall backwardness; resource availability and potential for employment generation. In Category "A" Areas industrially developed areas and Category "B" industrially developing

areas and in Category "C" Tribal Areas, industrially backward developmental blocks & backward panchayats are included.

7 Incentives for Micro, Small and Medium Enterprises (MSME)

"MSME" enterprises having investment up to Rs.10 Crore in plant and machinery in case of manufacturing enterprises or having investment up to Rs.5 Crore in equipments in case of specified category of service enterprise (Annexure-II) would be entitled to avail following incentives, concessions and facilities:

I	**Subsidy towards the cost of preparation of Detailed Project Report & obtaining certification** Eligible Enterprises would be reimbursed 50% of expenditure incurred towards the cost paid to the consultant for preparation of DPR; certification / valuation of value of Technical Civil Works or investment in Plant and Machinery, subject to maximum of Rs. 20,000 for Micro; Rs. 50,000 for Small and Rs. 1,00,000 for Medium Sector Enterprises.
II	**Incentives related or incidental to allotment of land and Industrial Sheds**
i)	**Allotment of Land and Industrial Sheds** Concession to the tune of 50%, 60% & 70% of rate/premium fixed for land or industrial sheds in category A, B and C respectively will be given to enterprises provided it commences commercial production/operation within 2 years of handing over of possession of land or within a period of 1 year of handing over possession of Industrial Shed, as the case may be. This concession will be adjusted in future instalments.
ii)	**Easy Payment schedule of land/shed premium**:- 12% of the premium of land/ shed shall be realized before handing over of possession and balance in 8 equal annual interest free instalments. In case allottee after commencement of production or any subsequent stage offers to clear balance payment of premium in lump sum, rebate of 10% on balance premium of land/shed will be given.
iii)	**Provisions of extension in provisional allotment period** The land/ plot will be provisionally allotted for a period of two years from the date of handing over of the possession. However period of the provisional allotment can be extended upto 5 years from the date of handing over possession by charging nominal extension fee. The Industrial shed will be provisionally allotted for a period of one year from the date of handing over of the possession, however period of the provisional allotment can be extended upto 2 years from the date of handing over possession by charging nominal extension fee.
iv)	**Provision to rent out surplus built up area for industrial use**

	Industrial Enterprise in production may be allowed to rent out upto 49% of built up area for setting up of Industrial Enterprise(s) to manufacturing the new item(s) by charging nominal processing fee.
III	**Incentives related with matters related with land**
i)	**Concessional rate of Stamp Duty and registration fee** Stamp Duty and registration fee @ 50%, 30% & 10% of applicable rates would be charged in Category 'A', 'B' & 'C' areas on instrument of conveyance deed or lease deed.
ii)	**Exemption from payment of Change in Land Use charges** Enterprise set up in Category B & C areas would be exempted from payment of the change in land use charges levied under the provisions of H.P. Town and Country Planning Act – 1977.
IV	**Interest Subvention** Interest Subvention @ 3% on term loan subject to a maximum of Rs.2 lakhs, Rs.4 lakhs and Rs.6 lakhs per annum for a period of 03 years in Category A, B & C areas respectively
V	**Assistance for transportation of Plant & Machinery** Reimbursement of 50% of cost incurred on inland carriage and inland transit insurance of Plant and Machinery subject to maximum of Rs.2 lakhs per enterprise in Category 'A' area and Rs.3 lakhs in Category 'B' & 'C' areas.
VI	**Transport Subsidy** Eligible Industrial Enterprises set up in category B & C Areas would be incentivized to compensate high cost of transportation within the State, irrespective of fact that source of purchase or destination of sale is within or outside the State that. (a) Enterprises located in Category B areas would be reimbursed actual expenditure incurred on transportation of raw materials & finished products **within the state** or 3% of annual turnover, whichever is lower, subject to maximum of Rs.10 lakhs per annum for a period of 3 years. (b) Enterprises located in Category C areas would be reimbursed actual expenditure incurred on transportation of raw materials & finished products **within the state** or 5% of annual turnover, whichever is lower, subject to maximum of Rs.10 lakhs per annum for a period of 5 years.
VII	**Assistance for access to Technology, Competitiveness, Innovation and Quality Certification:-** Reimbursement of 50% of expenses incurred for the setting up in house testing facilities and equipments required for obtaining certification of Bureau of Indian Standards / World Health Organization – GMP / ISO / Organic Certification / any International Certification excluding Plant

	and Machinery / equipments used directly in manufacturing process or rendering of services subject to maximum of Rs. 5 Lakhs per enterprise.
VIII	**Assistance to encourage water conservation; compliances of Environment, Health and Safety Standards:** **Eligible enterprises would be reimbursed:-** **a)** 25% of expenditure incurred for the purchase of Plant & Machinery / equipments for setting up of Effluent Treatment Plant (ETP), rain water harvesting system excluding expenditure incurred on construction, subject to maximum of Rs.2 lakhs per enterprise. **b)** 50% of Power Tariff paid for running of ETP for a period of 3 years, subject to maximum of Rs.1 lakh per annum. This incentive would be disbursed subject to installation of separate electricity meter/sub-meter exclusively for running of ETP.
IX	**Net SGST Reimbursement** Reimbursement of Net SGST paid to the State Government under H.P. GST Act 2017 @ 50%, 80% and 90% for a **period 7 years**, up to a maximum of 80% of the Fixed Capital Investment in Category A, B and C areas respectively.
X	**Purchase Preference** The State Government would give Purchase Preference to local Micro and Small-Scale Enterprises by placing at least 25% of the total orders with them on lowest approved rates, wherever applicable provided such products meet the required quality standards and HOD is of the opinion that item required is not of sophisticated nature, high technology and precision standards
XI	**Access to Finance for MSMEs** Existing and New eligible enterprises will be reimbursed 50% of expenses incurred on floating Public Issue for raising funds through National Stock Exchange (NSE) dedicated platform for SME's including cost of registration with National Stock Exchange in case funds so raised are utilized **for the setting up or expansion of eligible enterprise(s) within the State**, subject to maximum of Rs.10 lakhs per enterprise.
XII	**Self-Certification** Enterprises after obtaining the title of land may start physical implementation of project without waiting for those approvals/ NOCs/permissions which are identified and notified as such by the concerned department/organization, provided the enterprise has duly applied for requisite approvals/clearances to the respective authorities as regards these approvals/ NOCs/ permissions. The concerned departments/ organizations will be required to give immediate

	Acknowledgement Certificate for 02 years on declaration by Enterprises that they will adhere to applicable conditions and requirements of aforesaid approvals/NOCs/ permissions. The enterprise will be required to obtain all requisite approvals from the competent authority within a period of two years or till it commences operations, whichever is earlier.

8 Incentives for Large enterprises

Enterprises having investment above Rs.10 Crore in plant and machinery in case of manufacturing enterprises or having investment above Rs.5 Crore in equipment in case of service enterprise would be entitled to avail following incentives, concessions and facilities:

I.	**Incentives related or incidental to allotment of Government land**
i)	**Concessional Rate of Allotment of Land** Concession to the tune of 25%, 45% & 65% of rate/premium fixed for land in category A, B and C respectively will be given to enterprises provided it commences commercial production/operation within 3 years of handing over of possession of land.
ii)	**Easy Payment schedule of land premium**:- Payment of 15% of the cost/premium of land before handing over possession and balance in 5 equal annual interest free instalments. In case allottee after commencement of production offers to clear balance payment of premium in lump sum, rebate of 10% on balance premium of land will be given.
iii)	**Provisions of extension in provisional allotment period** The land/ plot will be provisionally allotted for a period of three years from the date of handing over of the possession. However period of the provisional allotment can be extended upto 5 years by charging nominal extension fee.
iv)	**Provision to rent out surplus built up area for industrial use** a) Large Industrial Enterprise may be allowed to rent out upto 60% of built up area for setting up of Industrial Enterprise(s) ancillary to such Large Industrial Enterprise(s) by charging nominal processing fee. b) For cases other than (a) above, provisions made for MSME under this policy will be applicable.
II	**Incentives related with matters related with land**
i)	**Concessional rate of Stamp Duty & Registration fee** Stamp Duty & Registration fee @ 50%, 30% & 20% of applicable rates would be charged in Category 'A', 'B' & 'C' areas respectively on instrument of conveyance deed or lease deed.
ii)	**Exemption from payment of Change in Land Use charges**

	Enterprise set up in Category B & C areas would be exempted from payment of the change in land use charges levied under the provisions of H.P. Town and Country Planning Act – 1977.
III	**Interest Subvention** For large enterprises, interest subvention @ 3%, on term loan subject to a maximum of Rs.10 lakhs, Rs.15 lakhs and Rs.20 lakhs per annum for a period of 3 years in Category A, B & C areas respectively.
IV	**Net SGST Reimbursement** Reimbursement of Net SGST paid to the State Government under H.P. GST Act 2017 @ 50%, 70% and 80% to Large Enterprises in Category A,B and C respectively, for a period 5 years, up to a maximum of 80% of the Fixed Capital Investment.
V	**Transport Subsidy** Eligible Industrial Enterprises set up in category B & C Areas would be incentivized to compensate high cost of transportation within the State, irrespective of fact that source of purchase or destination of sale is within or outside the State. **(a)** Enterprises located in Category B areas would be reimbursed actual expenditure incurred on transportation of raw materials & finished products **within the state** or 3% of annual turnover, whichever is lower, subject to maximum of Rs.20 lakhs per annum for a period of 3 years. **(b)** Enterprises located in Category C areas would be reimbursed actual expenditure incurred on transportation of raw materials & finished products **within the state** or 5% of annual turnover, whichever is lower, subject to maximum of Rs.30 lakhs per annum for a period of 5 years.

9 Additional Incentives for Special Category of Entrepreneurs

Enterprises of persons belonging to the Scheduled Castes, Schedule Tribes, Below Poverty Line(BPL) families; women, ex-serviceman, person(s) with disabilities, persons affected with HIV/AIDS and single member companies promoted by aforesaid persons (Special Category of Entrepreneurs) are entitled for availing incentives, concessions and facilities, as being provided to MSMEs in this policy and also to avail following additional incentives:

a) Reimbursement of 90% of the charges paid to the consultant for preparation of DPR; certification / valuation of Technical Civil Works, subject to maximum of Rs.20,000 for Micro; Rs.50,000 for Small and Rs.1,00,000 for Medium Sector Enterprises.

b) Out of turn allotment of plot / shed available in Industrial Areas / Estates exclusively to the Persons with Disabilities.

c) Interest Subvention @ 5% on term loan for a period of 5 years subject to a maximum ceiling of Rs.3 lakhs, Rs.5 lakhs and Rs.7 lakhs per annum in Category A, B & C areas respectively subject to condition that interest subsidy would be calculated on simple interest .

d) Reimbursement of 100% of cost incurred on inland carriage and inland transit insurance of Plant and Machinery after Commencement of Commercial Production subject to maximum of 3 lakhs.

10 Incentives for Anchor Enterprises

Anchor Enterprise means first Industrial Enterprise set up in an Industrial Area with the Fixed Capital Investment of more than Rs. 200 Crore, employing more than 200 Bonafide Himachlies on regular basis. Such **Anchor** enterprises would be entitled to avail following incentives, concessions and facilities:-

I	Concession to the tune of 50%, 60% & 75% of rate/premium fixed for land in category A, B and C respectively will be given to enterprises provided it commences commercial production/operation within 3 years of handing over of possession of land. Such enterprises would be entitled for easy payment of land premium as being provided to MSME's under this policy.
II	Reimbursement of Net SGST paid to the State Government under H.P. GST Act, 2017 for a period of 7 years up to a maximum of 80% of the Fixed Capital Investment.
III	Stamp Duty & Registration fee @ 50%, 30% & 20% of applicable rate in Category 'A', 'B' & 'C' areas respectively on instrument of conveyance deed or lease deed.
IV	Such Enterprises would be incentivized to compensate high cost of transportation within the State, irrespective of fact that source of purchase or destination of sale is within or outside the State. Actual expenditure incurred on transportation of raw materials & finished products **within the state** or 5% of annual turnover, whichever is lower, subject to maximum of Rs.30 lakhs per annum would be reimbursed for a period of 5 years.

11 Incentive to encourage employment of Bonafide Himachali

(a) Existing as well as new Enterprise giving employment to Bonafide Himachlies over and above 80% on regular basis would be eligible for incentive of Rs.1000 per month per additional employment generated over and above of 50 Bonafide Himachlies for ten years from the date of production.

(b) Bonafide Himachalies employed by the industrial enterprises would be eligible for skill development allowance as notified by the Department of Labour & Employment under Skill Development Allowance Scheme-2018

12 Assistance for Patent Filing and use of green fuel

a) Reimbursement of Rs.10 lakhs or 75% of expenditure incurred/charges paid to patent attorney, patent service centre and patent filling agency for obtaining patent, whichever is lower.

b) Reimbursement of 50% of cost incurred within the factory premises to fuel manufacturing process with gas/ solar power or to use it as an alternate power backup, subject to maximum of Rs.3 lakhs per enterprise.

13 Incentives to EOUs for Promotion of Export

a) Reimbursement of cost incurred for shipment of export samples from the port/ container depot to the port of destination subject to maximum of Rs.1,00,000/- per Enterprise during its period of operation.

b) Reimbursement of 50% of the cost incurred on publishing export marketing brochures/ product literature and participating in the relevant overseas trade fairs approved by the Government of India/State Government with a ceiling of Rs.3,00,000/- per Enterprise during its period of operation.

c) To facilitate the transportation of export items allotment of land may be made at a concessional rate for the setting up of Inland Container Depot(s).

14. Investor friendly planning regulation norms under H.P. Town & Country Planning Act 1977

The State Government is committed for planned development without compromising with the environment and safety of workers and enterprises. The State Government has now revised the operative norms for planning regulation under the Town and Country Planning Act – 1977 to ensure maximum utilization of land. Further all the processes for obtaining planning permission(s) have now been made online, backed with time lines to ensure maximum ease of doing business.

For industrial use following regulations are applicable:

Sl. No.	Size of plot	Minimum Set Backs (in Mtr.) and Maximum Floor Area Ratio (FAR)	
1	150 Sq. Mtr. To 500 Sq. Mtr.		
		Front Set Back	3
		Right Set Back	2
		Left Set Back	2
		Rear Set Back	2

		Floor Area Ratio (FAR)	2
2	501 Sq. Mtr. to 1000 Sq. Mtr.	Front Set Back	5
		Right Set Back	2
		Left Set Back	2
		Rear Set Back	3
		Floor Area Ratio (FAR)	2
3	1001Sq. Mtr to 5000 Sq. Mtr.	Front Set Back	10
		Right Set Back	5
		Left Set Back	5
		Rear Set Back	5
		Floor Area Ratio (FAR)	1.5
4	5001Sq. Mtr. to 10,000 Sq. Mtr.	Front Set Back	15
		Right Set Back	7.5
		Left Set Back	7.5
		Rear Set Back	7.5
		Floor Area Ratio (FAR)	1.25
5	Above 10,001 Sq. Mtr.	Front Set Back	15
		Right Set Back	7.5
		Left Set Back	7.5
		Rear Set Back	7.5
		Floor Area Ratio (FAR)	1

1. There is no upper limit for height of structure of Industrial use and flexible as per the requirement of Industrial Enterprise. However the total floor area should be within the prescribed FAR.
2. Right of Way should not be less than 5 Mtr. for plot having area upto 1,000 Sq. Mtr and in case of plots having area more than 1000 Sq. Mtrs., the Right of Way should not be less than 10 Mtr.
3. Parking Floor up to 15 feet height (4.50 Mtr.) at is allowed and such parking floor would not be counted in permissible FAR.
4. Basement / Cellar exclusively for industries set up on plot size exceeding 1,000 Sq. Mtr. for captive use is allowed. In such cases basement would not be counted in permissible FAR.
5. In case of plots having area of 5,001 Sq. Mtr. & above regulations of minimum Set Backs would be of mandatory. In other category of plots regulation of minimum Front Set Back would be mandatory and rest of the SBs are flexible as per functional requirements of the industrial enterprise(s). This flexibility in SB's is subject to condition that the average area under SB's should be minimal area which was to be kept under a particular SB in case flexibility was not provided.
6. The Security Room / Driver's Rest Room up to floor area of 25 Sq. Mtr. would not be counted in permissible FAR.
7. MSME Enterprises after obtaining the title of land and applying for development permission may start physical implementation of project

without waiting for statutory approvals under H. P. Town & Country Planning Act-1979 in accordance to the provisions of self certification as stated in para 7(ii)(xii) of this policy.

15. Concessional rate of Electricity Duty:

Eligible industrial enterprises would be charged a concessional rate of electricity duty as per the table given below:

Sr. No.	Category of power supply	Concessional rate of electricity duty
1.	Extra High Tension (EHT) category consumers (supply voltage exceeding 33 KVA)	7% for five years and thereafter as per applicable prevailing rate.
2	Large Industrial Consumers (with connected demand above 100 KW and supply voltage not exceeding 33 KVA)	5% for five years and thereafter as per applicable prevailing rate
3	Medium Industrial Consumer (with connected demand between 51 to 100 KVA)	3% for five years and thereafter as per applicable prevailing rate
4	Small Industries Consumers (with connected demand upto 50 KVA)	1% for five years and thereafter as per applicable prevailing rate
5	All Industrial consumers including EHT category consumers which employ more than 300 Himachlies	1% for five years and thereafter ED rate would be as per rates applicable under respective category
6	Exemption from payment of electricity duty on power generated for captive / standby generation through DG Set(s) up to 31-03-2023.	

16 Concessional rate of electricity charges: (excluding any surcharge, peak load exemption charge, winter charge, fuel adjustment charge, service charge, GST or any other charge under any name in the Tariff Schedule):-

a) Eligible enterprises would be charged energy charges 15% lower than the approved energy charges for the respective category for a period of 3 years.

b) Existing industrial consumers, a rebate of 15% on energy charges shall be applicable for additional power consumption beyond the level of preceding financial year.

Incentives of concessional rate of electricity charges would be notified in the Schedule of Tariff for Himachal Pradesh on year to year basis by the H.P. State Electricity Board and it would not be binding upon the State Government during the applicability of this Policy.

17 Incentive, concessions and facilities for creation and up gradation of Industrial Infrastructure by private investors

The Government through this policy aims to encourage private sector investment in creation and up gradation of industrial & social infrastructure. Greenfield and sector specific Theme Parks would be promoted across the State by facilitating the promoter / developer for obtaining the requisite clearances, licenses and approvals. The Government would facilitate availability of industrial infrastructure such as accessibility, power, water, etc. up to site of such private sector approved projects and provide following incentives:-

a) Private sector investment for creation & up gradation of common Industrial and Social Infrastructure such as setting up of common effluent treatment plant, working men and women hostels, schools, testing centres, diagnostics labs and R&D centres for health care, tool rooms, recreational facilities or any other common industrial / social infrastructure development activity duly approved by the government would be facilitated and encouraged. Such infrastructure projects if set up by promoters of existing enterprises, which have chosen Himachal Pradesh as investment destination would also be admissible to avail incentives, concessions and facilities on such project proposals as being provided to MSME Sector under this policy.

b) Undeveloped Government land available with department can be considered for the allotment to private investor(s) on lease hold basis for the development of Industrial /Theme parks in the private sector.

c) Industrial Parks set up on the land identified and purchased by promoter/ developer itself or allotted by the state Government would be entitled for Capital Infrastructure Subsidy of the cost incurred for the development of common industrial infrastructure & utilities @ 25%, 40% & 50% subject to maximum of Rs.15 Crore, Rs.20 Crore & Rs.25 Crore in Category A, B & C areas respectively.

d) Sector Specific / Theme Parks in Agro, Herbal, Knowledge, Food, IT, ITeS and Electronics System Development and Maintenance, Pharma, Textile Park or any other sector set up on the land identified and purchased by promoter/ developer or provided by the Government would be provided Capital Infrastructure Subsidy of the cost incurred for the development of common industrial infrastructure & utilities. Such Parks setup without any assistance of Government of India would be provided Capital Infrastructure Subsidy @ 40% subject to maximum of Rs.10 Crore, Rs.15 Crore & Rs.20 Crore for parks set up in Category A, B & C areas respectively.

18 Incentives for Handloom and Handicrafts

This policy aims for inclusive growth of Handloom & Handicraft sectors in the State, including welfare of artisans. The State Government is adopting a proactive role in implementation of the schemes of Ministry of Textiles, Government of

India for this sector through the District Industries Centers, HP State Handloom and Handicraft Corporation and enterprises / societies actively engaged in these activities.

Focus areas for Handloom & Handicrafts Sectors is empowerment of artisans through:-

- technological up-gradation,
- brand building,
- quality certification,
- easy access to quality raw material at reasonable rates,
- market orientation through designers and institutes of repute
- and market support to meet the challenges of changing domestic and global markets.

Enterprises engaged in Handloom and Handicraft activities would be eligible for incentives, concessions, and facilities as admissible to MSMEs. In addition following incentives will also be admissible to this sector:-

A. All enterprises (existing as well as new) registered / acknowledged / taken on record by the Department of Industries and procuring yarn for in house consumption under through National Handloom Development Corporation (NHDC) under Mill Gate Price Scheme of Ministry of Textiles, Government of India would be reimbursed 10% of the actual cost paid to NHDC on quarterly basis.

B. **Reimbursement of Cost incurred for obtaining certification:** All enterprises would be reimbursed cost incurred for obtaining / registration under GI Act as well as cost of labels for branding their products like GI – Marks, Wool Marks, Handloom Marks, and India Handloom Brand.

C. **Market support for online sale of Handicraft and Handloom products:** All enterprises would be reimbursed 50% of commission paid to online sale companies / portals subject to maximum of Rs.1 lakh per annum per enterprise. Enterprises selling products online through its own website / portal would be reimbursed 60% of logistic cost / transportation cost paid to such service providers, subject to a maximum of Rs.2 lakhs per enterprise per annum.

D. **Reimbursement of rent of space hired for marketing in fairs and festivals:** All enterprises in Handloom and Handicraft sector would be reimbursed 60% of the rent paid by the enterprise for hiring exhibition / sale space in the fair and festivals organized by any organization / agency of the Government of India / State Government / other State Governments / UT administrations, subject to maximum of Rs.10,000/- of rent paid for exhibition / sale space within the State and Rs.15,000/- of rent paid for exhibition / sale space outside the State per fair, subject to condition that such

organisation/agencies has not been provided space for exhibition on subsidised rate.

E. **Assistance for the setting up State of the Art design development-cum-exhibition centres**

The fashion technology institutes of repute, Handicrafts and Handloom co-operatives, H P State Handicrafts & Handloom Corporation or any other organization of Govt. of India engaged in the promotion of Handicrafts and Handloom would be facilitated and assisted for the setting up of such centres in the state. The objective for assisting State of the Art design development-cum- exhibition centres is to provide ready to use modern, contemporary and traditional designs to artisans/ weavers.

The Department of Industries may assist such project(s) with the grant of Rs.2 Crore Or 75 % of capital cost of project whichever is lower. In addition, 75% of recurring expenditure or Rs. 20 lakh per annum, whichever is lower would be provided for the running of such centres for a period of 5 years.

"Rules Regarding Grant of Incentives, Concessions and Facilities for Investment Promotion in Himachal Pradesh -2019"

1	**Short Title & Commencement**: These rules shall be called "Rules Regarding Grant of Incentives, Concessions and Facilities for Investment Promotion in Himachal Pradesh-2019" and shall come into force w.e.f. the date of notification.
2	**Definitions:-**
I.	An "allottee" means an Industrial Enterprise in whose favour an allotment of land/ plot/ industrial shed/ shop has been made under these Rules.
II.	"Anchor Enterprise" means first Industrial Enterprise set up in an Industrial Area with the Fixed Capital Investment of more than Rs. 200 Crore, employing more than 200 Bonafide Himachalies on regular basis. Such project proposal for setting up an "Anchor Enterprise" and after setting up of such enterprise would be acknowledged / taken of record by the Director or any other officer authorised by him.
III.	"Ancillary Enterprise" means the Enterprise which supplies not less than 50% of its production to the parent Enterprise set up in the State.
IV.	"Appointed date" means date on which these Rules come into force.
V.	"Backward Panchayat" means the Gram Panchayat notified as Backward Panchayat by the Government from time to time.
VI.	'Bonafide Himachali' means a resident of the State of Himachal Pradesh as certified by competent authority from time to time.
VII.	"Consultant" means any consultancy organization registered/empanelled with the State or Central Government organization(s) and engaged in providing consultancy/ professional/ expert services or a Chartered Accountant or a Chartered Engineer (Civil or Mechanical).
VIII.	"Commencement of commercial production/ operation" means the date on which the Industrial or Specified Category of Service Enterprise actually commences commercial production or operations, as the case may be and taken on record by the Director/ Joint /Deputy Director of Industries/ General Manager, District Industries Centre/ Member Secretary, Single Window Clearance Agency or any other officer authorized by the Director to do so.
IX.	"Department" means Department of Industries, Government of Himachal Pradesh.

X.	"Director" means Director of Industries, Government of Himachal Pradesh and will also include Commissioner of Industries, Government of Himachal Pradesh, as the case may be.
XI.	"Electricity Duty" means the electricity duty levied by the Government from time to time.
XII.	"Eligible Enterprise" means an enterprise fulfilling the eligibility criteria as per the provisions made under para 5 of these Rules.
XIII.	"Existing Industrial Enterprise" means an Industrial Enterprise engaged in manufacturing of goods and registered / acknowledged / taken on record by the Department and has commenced commercial production before the Appointed Date.
XIV.	"Existing Service Enterprise" means a Service Enterprise engaged in providing services and registered / acknowledged / taken on record by the concerned department and has commenced commercial operation before the Appointed Date.
XV.	"Export Oriented Unit / Enterprise'' (EOU) means an Industrial or Service Enterprise which has a valid letter of permission as an Export Oriented Unit from the Director General of Foreign Trade or any other authority notified by the Government of India from time to time.
XVI.	"Feasibility Report" means a report on the economic and technical feasibility of an enterprise.
XVII.	"Field Officer" means Joint Director of Industries/ Deputy Director of Industries/ General Manager, District Industries Centre/Member Secretary, SWCA.
XVIII.	"Financial Institution" means all Scheduled Commercial Banks, Himachal Pradesh Financial Corporation (HPFC). Himachal Pradesh State Industrial Development Corporation (HPSIDC), I.D.B.I, S.I.D.B.I, NABARD, Co-operative Bank(s) in the State of H.P, Regional Rural Banks, Non Banking Financial Companies or any other institution declared as a "financial institution" by the Government of India under the relevant statute.
XIX.	"Fixed Capital Investment," (FCI) means the cost of land, actual investment made in Technical Civil works, plant and machinery/ operational equipments by an Industrial or Service Enterprise as on date of commencement of commercial production / operation for new enterprise. The additional investments made in FCI for undertaking substantial expansion(s) subsequently by new enterprise will also be added and taken on record in FCI. For Existing Enterprise, FCI means cost of additional land purchased, additional investment made in Technical Civil Works, Plant and Machinery for undertaking Substantial Expansion after the Appointed Date. The additional investments made in FCI for undertaking

	substantial expansion(s) subsequently by existing enterprise will also be added and taken on record in FCI.
XX.	"Government" means the Government of Himachal Pradesh.
XXI.	"Industrial Area" means an area notified as the Industrial Area by the Government.
XXII.	"Industrial Estate" means an area notified as the Industrial Estate by the Government.
XXIII.	"Industrial Enterprise" means Micro, Small and Medium Enterprise (MSME), Large Industrial Enterprise and Anchor Enterprise as defined under these Rules and acknowledged / registered / taken on record by the concerned department.
XXIV.	"Investment in Plant and Machinery" means the investment made in Plant and Machinery by manufacturing enterprise(s), as defined by the Ministry of Commerce and Industries (Department for Promotion of Industry and Internal Trade) under notification No. F.No.2 (2)/2018-SPS dated 23rd April, 2018 and as amended from time to time. For Service Enterprises Investment in Plant and Machinery means cost of construction of building and all other durable physical assets basic to the running of that particular service industry but exclude cost of land and consumables, disposables or any other item charged to revenue as specified in aforesaid notification.
XXV.	"Large Industrial Enterprise" means an Eligible Industrial Enterprise having an investment of above Rs. 10 Crore in plant and machinery at the time of commencement of commercial production or after undertaking substantial expansion.
XXVI.	"Large Service Enterprise" means an Eligible Service Enterprise having an investment of above Rs. 5 Crore in Plant & Machinery, at the time of commencement of commercial operations or after undertaking substantial expansion.
XXVII.	Micro, Small and Medium Enterprises (MSME) means enterprises engaged in the manufacture or production of goods or rendering services in which the investment in plant and machinery or equipments, as the case may be, is within such investment level as prescribed under 'Micro, Small and Medium Enterprises Development Act, 2006 [MSME Act 2006 No. 27 of 2006] by the Government of India, as amended from time to time.
XXVIII.	"Negative List" means the categories of industries listed in Annexure III of these Rules.
XXIX.	"NET SGST" means Net State Goods and Service Tax paid to the State Government under H.P. Goods and Service Tax Act, 2017
XXX.	"New Enterprise" means an Industrial / Service Enterprise located within the State which commences commercial production / operation

	on or after the Appointed Date and registered/ acknowledged/ taken on record by the concerned department.
XXXI.	"Person(s) with Disabilities" means person(s) defined under Rights of Persons with Disability Act, 2016
XXXII.	"Private Industrial Park" means an industrial park proposed to be set up on at least 50 acres land.
XXXIII.	"Power Tariff" means the basic rate of electricity per unit charged for the consumption of power and shall not include electricity duty, surcharge, peak load exemption charge, contract demand charge, winter charge, fuel adjustment charge, service charge, Goods and Service Tax or any other charge under any name in the Tariff Schedule.
XXXIV.	"Secretary (Industries)" means Additional Chief Secretary (Industries)/ Principal Secretary (Industries) / Secretary (Industries) to the Government of Himachal Pradesh, as the case may be.
XXXV.	Service Enterprises means enterprises engaged in service activities as specified in Annexure – II of these Rules.
XXXVI.	Single Window Clearance and Monitoring Authority means authority as notified by the Government from time to time.
XXXVII.	"Special Category of Entrepreneurs" mean entrepreneurs belonging to the scheduled caste, schedule tribe, women, ex-serviceman, person(s) with disabilities, persons affected with HIV/AIDS and below poverty line families, who themselves have set up Industrial Enterprise(s)/ Service Enterprises.
XXXVIII.	"State" means the State of Himachal Pradesh.
XXXIX.	"Substantial Expansion" means an increase by not less than 25% in the value of Plant and Machinery by Existing and new Enterprise for the purpose of expansion of capacity or modernization or diversification and taken on record by the department.
XL.	"Theme Park/ Sector Specific Industrial Park" means an industrial park proposed to be set up on at least 10 acres of land specifically for Agro, Herbal, Knowledge, Food, Information Technology (IT), Information Technology Enabled Services (ITeS) and Electronic Systems Design Manufacturing (ESDM), Pharma, Textile Park or any other sector specific park in principle approved by the Government.
XLI.	"Tribal areas" means the Tribal area as notified by the Government from time to time.
3	Categorization of State:- The State has been categorised into "A", "B"& "C" category of areas for the purpose of providing differential incentives, concessions and facilities as per Annexure-I.

4	**Eligibility:-** A) All "New Industrial Enterprise(s)" (except Industrial activities specified in the "Negative List"); and new Service Enterprises will be eligible for incentives, concessions and facilities under these Rules subject to: ➢ fulfilment of such requirements as specified under these Rules ➢ adherence to procedures as specified by the concerned department from time to time. ➢ employment of minimum 80% Bonafide Himachalies, at all levels, directly on regular, contractual, daily basis etc. or through contractor or outsourcing agencies at the time of Commencement of Commercial Production / Operation as well as for the time period it remains in Commercial Production / Operation in the State. In case of violation of this condition at any point of time incentives, concessions and facilities under these Rules will be stopped and incentives already availed by such Industries or Service Enterprise will be recovered by the concerned department(s) on recommendation of the Department of Labour & Employment as an arrear of land revenue or any legal remedy deemed fit for recovery of incentive(s). ➢ incentive provided under these Rules will be admissible from the date of Commencement of Commercial Production / Operation or from the date on which respective administrative department issues enabling notification under the relevant statute / law to operationalize incentives notified under these Rules, whichever is later. In case New Enterprise undertakes subsequent substantial expansion, same would be taken on record for the purpose of incentives, concession & facilities provided under these Rules for additional investment. ➢ payment of any outstanding dues of the Department. ➢ condition that Udyog Aadhaar Memorandum / Entrepreneur Memorandum Part-II / Commencement of Commercial Production Certificate stands acknowledged / taken on record by the concerned Department as the case may be. B) All Existing Industrial Enterprises undertaking Substantial Expansion (except Industrial activities specified in the Negative List) and Existing Service Enterprises undertaking Substantial Expansion will be eligible for incentives, concessions and facilities under these Rules, subject to: a) fulfilment of such requirements as specified under clause 4A (a to f).

	b) condition that incentive provided under these Rules will be admissible from the date of undertaking Substantial Expansion taken on record by the Department or from the date on which respective administrative department issues enabling notification(s) under the relevant statute / law to operationalize incentives announced under these Rules, whichever is later. In case existing enterprise undertakes subsequent expansion(s) after first Substantial Expansion, same would be taken on record for the purpose of incentives, concession & facilities provided under these Rules for additional investment. c) condition that in case employment is generated due to Substantial Expansion, it will employ 80% Bonafide Himachali directly on regular, contractual, daily basis etc. or through contractor or outsourcing agencies. C Eligible MSME Enterprises fulfilling the Eligibility Criteria would be entitled to avail incentives and concessions provided under these Rules. D Eligible Large Enterprises fulfilling the Eligibility Criteria would be entitled to avail incentives and concessions provided under these Rules. E Eligible Anchor Enterprises fulfilling the Eligibility Criteria would be entitled to avail incentives and concessions provided under these Rules. F Incentives, concession & facilities under these Rules are provided under the discretionary powers of the State Government; do not create any claim / right against the Government and are not enforceable in any court of law. The Government in its wisdom may decide to amend, alter, delete or revise any or all of the incentives notified under these rules and no claim on account of such a decision will be entertained.
5	**Subsidy towards the cost of preparation of Detailed Project Report & obtaining certifications:-** Eligible Enterprises after coming into commercial production would be reimbursed 50% expenditure incurred towards the cost paid to the consultant for (i) preparation of DPR (ii) certification / valuation of Technical Civil Works or investment in Plant and Machinery, on any or all of the above for one time, subject to maximum of Rs. 20,000 for Micro; Rs. 50,000 for Small and Rs. 1,00,000 for Medium Sector Enterprises. The enterprise will apply to the Department within one year of commencement of production. Such application(s) would be decided within 45 days of submission by the Director or any other officers authorised by him.

6	**ALLOTMENT AND TRANSFER OF LAND IN INDUSTRIAL AREAS:**
6.1	Need based land in Industrial Areas /Estates and in other areas wherever available with the Department, will be allotted on leasehold basis for a period of 95 years.
6.2	The premium for the allotment of land in Industrial Areas/Estates and Government Land in other areas for setting up of Industrial Enterprise(s) will be fixed on a year-to-year basis and made effective from 1st of April every year. The rate of premium will be fixed by the Committee consisting of the Secretary (Industries), Director and the Managing Director, Himachal Pradesh State Industrial Development Corporation Ltd. (HPSIDC).
6.3	The Government Land available with the Department may be allotted for the establishment of Industrial Enterprises, development of social infrastructure and public utilities like banks, post offices, educational institutions, medical institutions/facilities etc. on lease hold basis at the premium to be fixed by the Committee as constituted under Rule 6.2.
6.4	The Government Land available with the Department may be allotted for the development & setting up shops, commercial complexes, recreational facilities etc. on lease hold basis by inviting bids from the public, over and above the reserve price, to be fixed by the Committee constituted under Rule 6.2.
6.5	Developed/ undeveloped land for the setting up of Industrial Enterprise(s) and other activities as mentioned in Rule 6.3 & 6.4 above in industrial areas or wherever available with the Department shall be allotted on lease hold basis by the Director or any other officer authorized by him. Developed/ undeveloped land exceeding 20,000 Sq. Mtr. in industrial areas/estates or wherever available with the Department of Industries shall be allotted by on lease hold basis with prior approval of the Secretary (Industries).
6.6	The application for the allotment of plot(s)/ land shall be made to the Department along with other requisite documents and earnest money. The application should accompany with earnest money equivalent to 5% of the premium of land prevalent at the time of making the application for the setting up of MSME enterprise and 6% of premium of land for the setting up of Large & Anchor Enterprises, which shall be adjusted initially in the premium in the event of allotment of land/plot or refunded in the event of non-allotment of plot without any interest. Applications received without earnest money payable and incomplete documents will not be considered.

	a) i) Allottee(s) setting up MSME Industrial Enterprise (s) will be charged 7 % of the premium of land at the time of entering into an agreement to lease and balance in 8 equal interest free annual instalments. In case the approved industrial enterprise of the allottee commences commercial production within 2 years of handing over possession it would be eligible to avail the incentive of concessional rate equivalent to 50%, 60% & 70% of rate/ premium fixed at the time of provisional allotment in category A, B and C areas respectively and the balance instalments would be rescheduled firstly or excess premium paid would be reimbursed accordingly. ii) Allottee(s) setting up Large/ Anchor Industrial Enterprise(s) will be charged 9 % of the premium of land at the time of entering into an agreement to lease and balance in 5 equal interest free annual instalments. In case the approved industrial enterprise of the allottee commences commercial production within 3 years of handing over possession it would be eligible to avail the incentive of concessional rate equivalent to 25%, 45% & 65% in case of Large enterprises and 50%, 60% & 75% in case of Anchor enterprise of rate/ premium fixed at the time of provisional allotment in category A, B and C areas respectively and the balance instalments would be rescheduled or excess premium paid would be reimbursed accordingly. iii) No interest will be charged on the balance instalments, (however penal simple rate of interest @ 9% P.A. would be charged on delayed payment. iv) In case allottee after commencement of production offers to clear balance payment of premium in lump sum, a rebate of 10% on balance premium of land will be given.
6.7	a) Plot(s)/ land shall be allotted by the Director or any other officer authorised by him on the recommendation of a Committee constituted for the purpose on first come first serve basis, unless the Committee decides otherwise for reasons to be recorded in writing. However, plot/land may be allotted on out of turn basis to eligible categories for which such a provision has been specifically made under these Rules. b) The land/ plot will be provisionally allotted on lease hold basis at the premium fixed by the Committee constituted under Rule 6.2 for a period of two years and three years for the setting up of MSMEs and Large/ Anchor Industrial

Enterprises respectively. The possession will be handed over to the allottee after entering into an agreement to lease. The allottee(s) setting up MSMEs and Large/ Anchor Industrial Enterprises shall commence commercial production within 2 years or 3 years, as the case may be, from the date of handing over of the possession.

c) In case any, land/plot is available for allotment consequent upon its having been resumed after execution of lease deed or has been surrendered by the allottee himself, it shall be re-allotted through open auction/ inviting bids from general public. In such cases the minimum reserve price of land will be the rate of premium as fixed by the Committee constituted under Rule 6.2 and of built up structure and/or plant and machinery, if any, as assessed by the officer of HPSIDC Ltd. not below the rank of Assistant Engineer. The bids without requisite documents, as per auction notice and earnest money of Rs 10,000 will not be accepted. Earnest money would be adjustable in case of successful bidder and returned back to unsuccessful bidders. Any amount outstanding from previous allottee on account of lease premium, shed rent, or other dues toward department shall be set off/adjusted toward the bid amount so collected from the successful bidder. The auction would be conducted by the concerned field officer. The 15% amount of the highest bid for such plot / land shall be deposited by the highest bidder within 15 days of issuance of acceptance letter failing which earnest money will be forfeited. The second highest bidder may then be considered for allotment of such plot /land as per procedure laid down under these rules. The balance amount of the highest bid shall be payable in 5 equal annual instalments. No interest will be charged on balance instalments. However interest @ 9% would be charged on delayed payment. In case the bidder after commencement of production or at any subsequent stage within time period scheduled for payment, offers to clear the outstanding payment of bid amount in lump sum, rebate of 10% of balance bid amount will be given:

provided such resumed/surrendered plot can be allotted with the prior permission of Director of Industries or Secretary (Industries), as the case may be in case no bid(s) is received for the allotment of such plot(s)/ land in response to first auction notice. In such cases of allotment(s) premium fixed by the Committee constituted under Rule 6.2 would be

		charged. The provisions made under Rule 6.7 (b) would also be applicable for such allotment(s).
	d)	The Director may, however extend the period of the provisional allotment by one year at a time on the merits of each case, subject to the total period (including the original period of 2 years or 3 years as the case may be) not exceeding 5 years in case of MSMEs & 6 years in case of Large and Anchor Enterprises from the date of handing over of possession. Such cases for grant of each extension will only be considered if the premium due to the Department till the time of making the application for extension of time period has been fully paid and there is no default in the payments due to the Department. Extension fee equivalent to 10%, 15% and 20% of the total premium assessed at the time of provisional allotment of the plot will be charged for extension sought for the 1st, 2nd and 3rd year respectively, which will not be refundable/adjustable in the premium of the plot: However, no extension fee would be charged for extension sought for 1st year, if the Director is satisfied that the Commencement of Commercial Production of the Industrial Enterprises by allottee is delayed due to factors beyond the control of the allottee. The decision of Director in such cases would be final and binding upon the allottee. In such case(s) the Industrial Enterprise would be eligible for availing the incentive of concessional rate/ premium as provided under Rule 6.6 (a) (i) & (ii) in case the allottee commences commercial production within such period of extension.
	e)	A regular lease deed would be entered into between the Department through the field officer and the allottee before commencement of commercial production within the validity period of provisional allotment, subject to the fulfilment of the following conditions by the allottee:- i) Consent to Establish. ii) GST registration.
	f)	The lessee may mortgage/ hypothecate the lease hold rights to the financial institution for availing credit facilities for setting up or running of enterprise on allotted plot/land with the prior permission of the field officer.
6.8	a)	In case an allottee fails to execute regular lease deed, or violate terms and conditions of allotment letter, agreement to lease,

	lease deed, or is refused extension of time for setting up of the enterprise as per Rule 6.7(d) or does not bring the enterprise into commercial production within the period of provisional allotment, including period of extension if any, the allotment shall be cancelled by the field officer and the possession of the plot shall be resumed. The earnest money along with premium and extension fee paid by the allottee shall be forfeited in favour of the Government. b) The possession shall be resumed by the Department after giving notice to the allottee to vacate the plot and surrender the possession free from all encumbrances peacefully within 2 months of cancellation failing which the provisions of the H.P. Public Premises & Land (Eviction and Rent Recovery) Act, 1971 and other legal remedies will be invoked to resume the plot. c) The allottee can make a representation for revocation of cancellation to the Director within a period of two months from the date of issuance of cancellation order. The decision of Director in such case would be final and binding upon the allottee. d) The allottee can make a representation to the Secretary against the orders of Director within period of two months from the date of issuance of such orders by the Director.
6.9	a) In case an allottee who has been offered allotment of land/plot of the size less than applied for or in excess of land/plot applied for and therefore, refuses to take the possession of such provisionally allotted land/plot, such an offer for allotment of the land/plot will be deemed withdrawn and the entire earnest money deposited by the allottee will be refunded without interest. (b) In case an allottee fails/refuses to take the possession of allotted land/plot on any ground other than that mentioned in Sub-Rule (a) above and does not enter into agreement to lease within the stipulated period the provisional allotment shall be cancelled and the amount of Rs.10,000/- or Earnest money whichever is less will be deducted from the earnest money as processing fee and the balance earnest money deposited by the allottee will be refunded without interest. (c) In case, an allottee surrenders the possession of the land/plot provisionally allotted to him within a period of provisional allotment from the date of allotment the provisional allotment would be deemed cancelled and 10% of the premium paid or

	Rs. 10000/-, whichever is higher will be deducted and the balance amount of premium deposited by the allottee would be refunded without any interest.
6.10	a) Change in the ownership/ constitution of an allottee any time after provisional allotment shall be taken on record by charging a processing fee, equivalent to 5% of the differential cost (i.e. difference in the premium of plot as at the time of allotment and the prevalent allotment rate) or Rs. 10,000, whichever is higher would be charged in the event of: - i) the original allottee proprietary firm is converting into partnership firm/LLP provided the original allottee continues to hold the majority (minimum 51 %) share in the newly constituted/registered partnership firm or partnership firm is converting into proprietorship of any of the original allottee partner; ii) the original allottee partnership firm is introducing new partner(s) or becoming a new partnership firm provided the original allottee partners of the firm continues to hold the majority (minimum 51 %) share amongst themselves in the newly constituted/registered firm; iii) the original allottee proprietary/partnership firm/LLP is becoming a Pvt. Ltd. Company provided the original allottee(s) proprietary /partners of firm continues to hold the majority (minimum 51 %) share/ paid up capital amongst themselves in the Company; iv) Merger/amalgamation of Companies, provided that at least 51% shareholding in the new entity continue to remain with the original allottee(s) shareholders/ subscriber of the Company in whose name the plot has been allotted; v) In the event when the original allottee Pvt. Ltd. Company becomes a Public Ltd. Company or vice versa and if such change is allowed by the Registrar of Companies, Provided that, if an allottee has remained in continuous production for a period exceeding 10 years, processing fee equivalent to 3% of differential cost or Rs. 6000/-, whichever is higher would be charged. b) If the original allottee proprietor/ or partners of partnership firm transfers his share to any of his legally recognized Class-I & II heir(s) as recognized under Hindu Succession Act 1956 or other by laws applicable to him than 2% of the differential cost (i.e. difference in the premium of plot as at the time of allotment and the prevalent allotment rate) or Rs. 5,000, whichever is higher

	will be charged.
6.11	a) In the following situation(s), transfer of the lease hold rights of the plot(s) or a portion thereof where the lease deed has been executed will be permitted by the Director subject to the payment of balance premium due in addition to unearned increase in premium (i.e. difference between the rates applicable at the time of transfer and allotment) as under:- i) In the event an Industrial Enterprise has not been set up or has not commenced commercial production or remained in production for less than one year, 20% of the unearned increase in premium shall be realized. ii) In the event an Industrial Enterprise has been in commercial production for a period more than one year or less than five years, the unearned increase in premium shall be realized at the rate of 10%, provided, the transferor Industrial Enterprise has either not availed any incentive or has returned the incentives availed which were conditional upon running the Industrial Enterprise for a specified minimum period subject to enabling notification governing such incentive(s). iii) In the event an Industrial Enterprise has been in commercial production for a minimum period of five years, the unearned increase in premium shall be realized at the rate of 5%. b) In the event of the transfer of the plot to a new Industrial Enterprise/promoter on account of the Industrial Enterprise being taken over and sold under Section 29 of the State Financial Corporation's (SFCs) Act, 1951 by Himachal Pradesh Finance Corporation Ltd. or Himachal Pradesh State Industrial Development Corporation Ltd. or any other financial institution(s) which has financed the enterprise and the new promoter revives/continues with the same Industrial Enterprise as existed prior to take over by HPFC/HPSIDC/FI or sets up a new Industrial Enterprise, instead of charging unearned premium only a processing fee equivalent to 5% of the differential cost (i.e. difference in the premium of plot as at the time of allotment and the prevalent allotment rate) or Rs. 10,000, whichever is higher will be charged: Provided, further that the lessee consequent upon transfer of lease hold rights of plot/land in its favour will either continue with the production in the transferred enterprise or revive/setup new enterprise MSME within in 2 years and Large/Anchor Enterprise within 3 years of execution of

	supplementary lease deed, failing which the annual extension fee equivalent to 5%,10% & 15% of rate of allotment fixed by the Committee constituted under Rule 6.2 at the time of transfer of plot would be charged for extension sought for 1st, 2nd & 3rd year. In case, the transferee fails to set up enterprises within the stipulated period provisions made under Rule 6.8 would be applicable in such cases
6.12	An allottee may be allowed by the field officer to set up one or more separately identifiable Industrial Enterprise(s) on the land/plot allotted to him without charging any processing fee to manufacture new item(s) (other than those being manufactured in the existing Enterprise of the allottee) under the original name/ style and constitution, without any corresponding change in the lease deed. However, if the new Industrial enterprise is set up under a new name, style or constitution in which the allottee has majority share (minimum 51 %), processing fee as per the provisions of Rule 6.10 (a) will be charged and the new enterprise will abide by all the terms and conditions of the lease deed executed with the original allottee and the original allottee will be liable to bear all the liabilities and consequences of actions of its new enterprise.
6.13	a) An allottee, after commencement of commercial production may be allowed by the Director or any other officer authorized by him to rent out not more than 49% of approved built up area which is surplus to his own requirement, for setting up of Industrial Enterprise(s) after charging one time processing fee equivalent to 10% of unearned increase in premium (i.e. difference between the rates applicable at the time of according permission to rent out and allotment), subject to maximum of Rs. 50,000/-, Rs. 20,000/- and Rs. 10,000/- in 'A', 'B' and 'C' category Areas respectively in each case. Such permission will be given only for setting up of not more than two Industrial Enterprise in the rented premises for manufacturing the new item(s) (other than those being manufactured in the existing Enterprise). The existing Industrial Enterprise of the allottee should be in production for at least one year and also have no objection certificate from the Financial Institution(s) having any charge on land/plot and assets of the Industrial Enterprise of the allottee. b) An allottee which has set up or has proposed to set up a Large Enterprises can be allowed to rent out up to 60% of approved built up area of land/plot to its ancillary unit(s) only after

	charging processing fee in each case as mentioned above. c) Permission to rent out premises shall be given initially for a period not exceeding 10 years at a time, which may be renewed by charging processing fee applicable at the time of renewal. Such permission will be deemed to have been withdrawn in case the original allottee or the tenant(s) of the allottee closes down its Industrial Enterprise for a period lasting for more than 12 months continuously.
6.14	The revenue on account of processing fee, extension fee and unearned increase in premium realised by the Department under the provisions of these Rules, shall be deposited into the account of respective Industrial Area Development Agency (IADA), which will be corpus for maintenance and development of industrial areas/infrastructure and the same will be utilized as per by laws of the IADA.
7	**ALLOTMENT OF INDUSTRIAL SHEDS AND SHOPS IN INDUSTRIAL AREAS/ESTATES:**
7.1	**For Industrial sheds allotted after the appointed day:-** (a) Industrial Shed(s) built up by the Department shall be allotted to industrial enterprises by the Director or any other officer authorised by him on leasehold basis for a period of 45 years by charging the premium as under:- A — Actual Cost of construction of shed. B — Cost of land as determined by the Committee constituted under Rule 6.2 of these Rules. Total Premium — a+ b (b) The application for the allotment of Industrial Shed(s) shall be made to the Department along with other requisite documents and earnest money of Rs.10,000. 12% of the premium of shed (the earnest money deposited at the time of application will be adjusted against the amount so payable) shall be payable at the time of entering into an agreement to lease and balance in 8 equal annual interest free instalments. However, penal interest @ 9% P.A. would be chargeable on delayed payments. In case, the approved industrial enterprise of the allottee commences commercial production within 1 year of handing over possession it would be eligible to avail the incentive of concessional rate on the cost of land equivalent to 50%, 60% & 70% of rate fixed at the time of provisional allotment in

category A, B and C areas respectively and the balance instalments would be rescheduled or excess premium paid would be reimbursed accordingly.

(c) Industrial shed shall be allotted by the Director or any other officer authorised by him on the recommendation of the Committee constituted for the purpose on first come first serve basis, unless the Committee decides otherwise for the reasons to be recorded in writing. However, the sheds may be allotted out of turn to the eligible categories for which such a provision has been specifically made under these Rules. In case the shed is available for allotment upon its resumption after cancellation of allotment or has been surrendered by the allottee himself, it shall be re-allotted through open auction/inviting bids from general public. In such cases, the provisions made under Rule 6.7(C) would be applicable.

(d) The industrial shed will be provisionally allotted for a period of one year and possession will be handed over to the allottee after entering into an agreement to lease. The allottee shall commence commercial production within 1 year from the date of handing over of the possession. The Director may, however extend the period of the provisional allotment by one more year on the merits of each case, subject to the total period (including the original period of 1 year) not exceeding 2 years from the date of handing over of the possession. However, in exceptional circumstances where the allottee has taken effective steps for the setting up of the Industrial Enterprise in the Shed, Director may, if satisfied extend the period of the provisional allotment up to 3 years, from the date of handing over of the possession, on the merits of each case. Such an extension will only be given subject to realization of extension fee equivalent to 10% of the total premium assessed at the time of provisional allotment, which will not be refundable/ adjustable in the premium of the Industrial Shed.

(e) A regular lease deed can be entered into between the Department and the allottee after the fulfilment of the following conditions as mentioned in Rule 6.7(e).

(f) The lessee may mortgage/ hypothecate the lease hold rights with the financial institutions with prior permission of the field officer.

(g) In case an allottee fails to bring the Industrial Enterprise in commercial production within the stipulated period including

period of extension if any, the allotment shall be cancelled by the field officer and the possession of the shed shall be resumed and amount deposited on account of lease premium shall be forfeited.

(h) The allottee can make a representation for revocation of cancellation to the Director within a period of two months from the date of issuance of cancellation order. The decision of Director in such case would be final and binding upon the allottee.

(i) The allottee can make a representation to the Secretary against the orders of Director within period of two months from the date of issuance of such orders by the Director.

(j) An allottee after execution of lease deed may be allowed to carry out major repairs, additions and alterations or construction of additional storey at his own cost for which prior approval of the Director shall be required, which will be given wherever feasible and otherwise allowed under the applicable planning regulations of the area. In case of additional construction, an additional premium equivalent to 25% of cost of entire leased area prevalent at the time of execution of initial agreement to lease will be charged and the supplementary lease deed for the balance period indicating the additional built up area will be entered into between the Department and the allottee. In case the allottee has constructed additional floor area or an additional storey after prior approval, he may be allowed by the field officer to set up one separately identifiable Industrial Enterprise therein to manufacture new item(s) (other than those being manufactured in the existing Enterprise of the allottee). If this additional Industrial Enterprise is established under the original name/ style and constitution, without any corresponding change in the lease deed, no processing fee will be charged. However, if the additional Industrial enterprise is set up under a new name, style or constitution in which the allottee has majority share (minimum 51 %), one time processing fee of Rs. 10,000/- will be charged. The new enterprise will abide by all the terms and conditions of the lease deed executed with the original allottee and the original allottee will be liable to bear all the liabilities and consequences of actions of its new enterprise.

(k) Change in the ownership/constitution of the allottee after provisional allotment will be permitted as provided for under

	Rule 6.10. (l) (i) Transfer of the lease hold rights of shed will be permitted by charging unearned increase in premium (i.e. difference between cost of land on which industrial shed is constructed as on the date of execution of lease deed and transfer of lease deed) as provided for under Rule 6.11(a) (i to iii) &(b). ii) In the event, a shed is transferred to a new Industrial Enterprise on account it being taken over and sold under Section 29 of the State Financial Corporation (SFCs) Act, 1951 by HPFC or HPSIDC or financial Institution which had financed the unit, processing fee equivalent to 5% of the differential cost (i.e. difference between cost of land on which industrial shed is constructed as on the date of execution of lease deed and transfer of lease deed) or Rs. 10,000, whichever is higher will be charged. Such a shed will be transferred to the buyer for the remaining period of lease for the establishment of Industrial Enterprise(s) on the same terms and conditions as applicable under Rule 7.1 and the revised lease deed will be executed accordingly.
7.2	**FOR INDUSTRIAL SHEDS ALLOTTED ON RENTAL BASIS.**
7.2.1	The allottee (s) who were allotted industrial shed(s) up to appointed day on rent, may exercise their option either to:- i) continue to be in the occupation of sheds on rental basis subject to the condition that the Enterprise is in operation. The rental would be revised @ 10% and a fresh rent deed signed after every three years, provided the entire outstanding rental due to Department by the allottee has been settled. In case of violation of any of the conditions of allotment or any other condition imposed by the Director or any other officer authorised by him from time to time, the allotment of shed will be cancelled and the dues outstanding, if any, will be recovered as arrears of Land Revenue by the Department. The possession shall be resumed by the Department after giving notice to the allottee to vacate the shed and surrender the possession of the shed free of all encumbrances peacefully within a period of 2 months failing which the provisions of the H.P. Public Premises & Land (Eviction and Rent Recovery) Act, 1971 will be invoked to resume the possession of the industrial shed. or (b) convert their existing rental agreements to lease hold basis for a

	further period of 45 years from the date of agreement to lease. In such cases, a regular lease deed will be signed after realizing the full premium of the shed to be calculated as follows:-

a	Cost of shed	Actual cost of construction + 10% simple rate interest per annum upto the date of execution Agreement to lease.
b	Cost of land	Cost of land as determined by the Committ constituted under Rule 6.2.
c	Rent paid	(i) Rent paid upto the date of execution of lea deed would be deducted from the premium of she (ii) however unpaid interest/penal interest wou be added in the premium of the shed.
d	Premium of shed.	a + b+ c(ii) - c(i)

The regular lease deed will be executed only after receipt of 100% of the premium of shed. 50% of the premium will be realised at the time of agreement to lease and the balance 50% will be recovered in 3 equal annual interest free instalments. The penal interest chargeable on delayed payment would be @ 9% P.A. or as fixed by the Government from time to time;

c) The sheds which are on rental basis can be allowed to transfer tenancy rights by the Director provided that new incumbent/ transferee offers to enter into leased deed with the department subject to realizing the full premium of the shed as per the provisions of Rule 7.2.1 (b):

Provided further that to such allottees also, after execution of regular lease deed, the conditions of Rule 7.1(d),(f to l) will be applicable.

7.2.2	In the event, a shed on rental basis is sold under Section 29 of the State Financial Corporation's (SFCs) Act, 1951 by HPFC or HPSIDC or financial institution which had financed the unit, the same can be considered for transfer of tenancy rights as per the terms and conditions of Rule 7.2.1 (a). In case the new incumbent offers to take such shed on lease hold basis it would be considered as fresh allotment on lease basis and provisions made under Rule 7.1 would be applicable.

7.3	The existing allottee(s) whose subsisting lease deed(s) with the Department are for a period of 20 years may enter into a supplementary lease deeds for a period of 45 years from the date of signing of initial agreement to lease. For such allottee(s), also the conditions of Rule 7.1(d), (f to l) will be applicable.
7.4	Shops in the Industrial Areas/ Estates will be allotted on lease hold basis by inviting sealed bids/open auction for a period of 45 years. The allottees who were allotted shops prior to the appointed day on rental basis may either continue to occupy the shops for the remaining period of rent on rental basis as per the terms and conditions of allotment or opt for converting their existing rental agreements into an agreement for allotment of such shop on a lease hold basis for a period of 45 years calculated from the date of entering into agreement to lease. In such cases regular lease deed will be signed after realizing all outstanding dues and full premium of the shop to be calculated as follows:- A — Actual cost of construction of shop. B — Cost of land as on the date of execution of lease as determined by a Committee constituted under 6.2 of these Rules. Total Cost — a+ b The existing allotee whose subsisting lease deeds with the Department are for a period of 20 years may enter into a supplementary lease deed for a period of 45 years from the date of signing of initial agreement to lease. Wherever feasible and otherwise allowed under the applicable planning regulations of the area, an allottee after execution of lease deed may be allowed to construct one additional floor over the existing shop at his own cost. Prior approval of the Director in such cases shall be required, which will be considered on the merits of each case after charging additional premium equivalent to 50% of cost of land under shop, as determined by the committee constituted under Rule 6.2 of these Rules and applicable at the time of according such permission. The supplementary lease deed for the remaining period of the lease deed indicating the additional built up area also will be entered into between the Department and an allottee in such case.
7.4.1	Transfer of the lease hold rights of shop(s) will be permitted by charging unearned increase in premium(i.e. difference between cost of land on which shop(s) is constructed as on the date of execution of

	lease deed and transfer of lease deed) as provided for under Rule 6.11(a & b).
8	**Rebate on Stamp Duty and Registration Fee** Eligible Enterprise(s) would be charged Stamp Duty @ 50%, 30% & 10% for MSMEs and @ 50%, 30% & 20% for large & Anchor enterprises of applicable rate in Category 'A', 'B' & 'C' areas respectively on instrument of conveyance deed or lease deed for setting up or expansion of enterprise(s) as notified by Revenue Department from time to time.
9	**Exemption from payment of Change in Land Use charges** Enterprise(s) set up in Category B & C areas would be exempted from payment of the change in land use charges levied under the provisions of H.P. Town and Country Planning Act – 1977 as notified by the concerned department from time to time.
10	Interest Subvention Eligible Enterprise(s) would be eligible for availing incentive of Interest Subvention on term loan @ 3% for the period of 3 years from the date of disbursement of first instalment as per following detail/ conditions:-

Category of enterprise	Area wise Maximum amount per annum		
	A	B	C
MSMEs	2 Lakh	4 Lakh	6 Lakh
Large	10 Lakh	15 Lakh	20 Lakh

a) Interest Subvention would be calculated on simple rate of interest (S.I) and will be paid directly to the financial institution(s).

b) The Eligible Enterprise(s), after commencement of commercial production, will file interest subvention claim(s) along with interest certificate issued by the concerned financial institution to the Director or any other officer authorised by him within one year from the date of commencement of commercial production (COP) or completion of substantial expansion, as the case may be.

c) The reimbursement of the claim would be made on annual basis by Director or any other officer authorised by him.

d) Period of eligibility would be counted from the date of disbursement of 1st instalment of term loan. The Penal interest accrued on defaulted payment will not be considered, however defaulted period shall be counted for the periodicity of this incentive:

provided eligible enterprise should not have availed/ availing the

	benefit of interest subvention under any other Central or State Government schemes for the same project.
11	**Assistance for Transportation of Plant & Machinery** Eligible Micro, Small and Medium Enterprise(s) will be reimbursed 50% of cost incurred on inland carriage and inland transit insurance of plant and machinery subject to maximum of Rs. 2 lakhs per enterprise in Category 'A' area and Rs 3 lakhs in Category 'B' & 'C' areas. Such enterprise(s) after commencement of commercial production, will file reimbursement claim to the Director or any other officer authorised by him within a period of one year from the date of commencement of commercial production (COP) or after undertaking substantial expansion, as the case may be.
12	**Transport Subsidy** Eligible Industrial Enterprise(s) set up in category B & C Areas would be provided Transport Subsidy as under: (a) Enterprise(s) located in Category B areas would be reimbursed actual expenditure incurred on transportation of raw materials & finished products within State or 3% of annual turnover, whichever is lower, subject to maximum of Rs.10 lakh per annum for MSMEs and Rs 20 lakh for Large and Anchor enterprise(s) for a period of 3 years. (b) Enterprise(s) located in Category C areas would be reimbursed actual expenditure incurred on transportation of raw materials & finished products within State or 5% of annual turnover, whichever is lower, subject to maximum of Rs. 10 lakh per annum for MSMEs and Rs 30.00 lakh for large and Anchor Enterprise(s) for a period of 5 years. Eligible enterprise(s) would submit Transport Subsidy claim(s) annually before 30th November of every succeeding year on the prescribed format to the Director or any other officer authorised by him along with prescribed documents/checklist within one year from the date of incurring expenditure on transportation of raw material and finished goods within the State or the date of commercial production whichever is later. After preliminary scrutiny, field officer would recommend the claims to the Director.
13	**Assistance for access to Technology, Competitiveness, Innovation and Quality Certification:-** All enterprise(s) shall be reimbursed 50% of expenses incurred for the setting up in house testing facilities / equipments / Plant and Machinery required for obtaining certification of Bureau of Indian Standards / World Health Organization– GMP /ISO / Organic Certification / any International Certification excluding Plant and

	Machinery / equipments used directly in manufacturing process or rendering of services, as the case may be subject to maximum of Rs. 5 Lakh per enterprise. Provided enterprises should have obtained EM-II/COP/PMT/UAM(Verified) from the concerned field officer for availing this incentive and is in regular production at the time of disbursement. The unit has to submit its claim complete in all respect after Commencement of commercial Production and also within 3-months from the date of incurring expenditure for setting up of such facilities.
14	**Assistance to encourage water conservation; compliances of Environment, Health and Safety Standards to Eligible Enterprises:** Eligible Micro, Small and Medium Enterprise(s) (MSMEs) shall be reimbursed:- a) 25% of expenditure incurred for the purchase of Plant & Machinery / equipments for setting up of Effluent Treatment Plant (ETP), rain water harvesting system excluding expenditure incurred on construction, subject to maximum of Rs. 2 lakhs per enterprise. All eligible enterprises shall submit the claim to the Director or any other officer authorised by him within 3 months from the date of commencement of commercial production. b) 50% of Power Tariff paid for running of ETP for a period of 3 years, subject to maximum of Rs. 1 lakhs per annum. This incentive would be disbursed subject to installation of separate electricity meter/sub-meter exclusively for running of ETP. Provided the eligible enterprise(s) should be in regular production at the time of sanction/disbursement of this claim and shall submit claim on the prescribed format and obtain a certificate from H.P.S.E.B.L clearly depicting the total expenses incurred for running ETP only.
15	**Net SGST Reimbursement:** All eligible enterprise(s) would be provided reimbursement of Net SGST subject to maximum limit of 80% of Fixed Capital Investment (FCI) during admissible period of this incentive as per following detail:

Category of enterprise	Area wise SGST reimbursement			Admissible Period
	A	B	C	
MSME	50%	80%	90%	7 years
Large	50%	70%	80%	5 years
Anchor	100%	100%	100%	7 years

Above mentioned incentive would be admissible subject to fulfilment of following conditions:

1. Quantum of incentive would be available only on net SGST paid and deposited with State per annum by the eligible unit. The admissibility of incentive shall cease either on exhaustion of the applicable limit or on the completion of the eligibility period, whichever is earlier.
2. In case of any false declaration, misrepresentation/suppression of facts the amount of incentive so availed shall be liable to be recovered along with 12% compound interest per annum or penalty as decided by the State Government as per applicable laws.
3. The eligible unit has to obtain verified Udyog Aadhar Memorandum (UAM)/ commencement of commercial production certificate from the authorized officers of the Department of Industries, Government of Himachal Pradesh. The eligible unit will obtain certificate from the Department of State Excise& Taxation clearly mentioning the amount of net SGST paid to the state of Himachal Pradesh.
4. Net SGST reimbursement would be available only after the date of Commencement of Commercial Production(CoP)/operation for new unit and from the date of Commercial production/operation after undertaking substantial expansion for existing enterprise(s)
5. The eligible enterprise(s) will submit reimbursement claim of the financial year to the Department of Industries on annual basis in the succeeding financial year before 31st August.

16 **Power Incentives: Concessional Rate of Electricity Duty:**

Eligible industrial enterprises would be charged a concessional rate of electricity duty as per the table given below:

Sr. No.	Category of power supply	Concessional rate of electricity duty
1.	Extra High Tension (EHT) category consumers (supply voltage exceeding 33 kVA)	7% for five years and thereafter as per applicable prevailing rate.
2	Large Industrial Consumers (with connected demand above 100 KW and supply voltage not exceeding 33 kVA)	5% for five years and thereafter as per applicable prevailing rate
3	Medium Industrial Consumer (with connected	3% for five years and thereafter as per applicable prevailing

		demand between 51 to 100 kVA)	rate
	4	Small Industries Consumers (with connected demand upto 50 kVA)	1% for five years and thereafter as per applicable prevailing rate
	5	All Industrial consumers including EHT category consumers which employ more than 300 Himachlies	1% for five years and thereafter ED rate would be as per rates applicable under respective category
	6	Exemption from payment of electricity duty on power generated for captive / standby generation through DG Set(s) up to 31-03-2023.	
i)	**Concessional rate of electricity charges**: (excluding any surcharge, peak load exemption charge, winter charge, fuel adjustment charge, service charge. GST or any other charge under any name in the Tariff Schedule):- a) Eligible enterprises would be charged energy charges 15% lower than the approved energy charges for the respective category for a period of 3 years. b) Existing industrial consumers, a rebate of 15% on energy charges shall be applicable for additional power consumption beyond the level of preceding financial year. Incentives of concessional rate of electricity charges would be notified in the Schedule of Tariff for Himachal Pradesh on year to year basis by the H.P. State Electricity Board and it would not be binding upon the State Government during the applicability of Policy.		
ii)	No electricity duty would be charged on power generated for captive / standby generation through DG Set(s) for its own consumption by any Industrial Enterprise upto 31.3.2023.		
17	**Access to Finance for MSMEs** Eligible Enterprise(s) will be provided 50 % of the cost of Public Issue Expenses including cost of registration with National Stock Exchange, subject to maximum of Rs.10 lakh per enterprise for raising funds through National Stock Exchange (NSE) dedicated platform for SME's; Provided funds so raised are utilizes for setting up/Expansion of eligible enterprise(s) within the state. The claim(s) should be submitted to Director industry alongwith prescribed documents within six months from issue of Initial Public Offering (I.P.O).		
18	**Incentives to enterprises of Special Category of Entrepreneurs** Eligible Micro, Small and Medium Enterprise(s) (MSMEs) will be		

	reimbursed 50% of cost incurred on inland carriage and inland transit insurance of Plant and Machinery subject to maximum of Rs. 2 lakhs per enterprise in Category 'A' area and Rs 3 lakhs in Category 'B' & 'C' areas; Notwithstanding anything contained anywhere in these rules the following incentives to such enterprise(s) will be admissible: **a)** Reimbursement of 90% of the charges paid to the consultant for preparation of DPR; certification / valuation of Technical Civil Works, subject to maximum of Rs. 20,000 for Micro; Rs. 50,000 for Small and Rs. 1,00,000 for Medium Sector Enterprise(s). **b)** Interest Subvention @ 5% on term loan for a period of 5 years subject to a maximum ceiling of Rs. 3 lakhs, Rs. 5 lakhs and Rs. 7 lakhs per annum in Category A, B & C areas respectively subject to condition that interest subsidy would be calculated on simple interest . **c)** 100% reimbursement of cost incurred in transportation and inland transit insurance of Plant and Machinery after Commencement of Commercial Production subject to a maximum of Rs.3 lakhs. **d)** Out of turn allotment of plot / shed available in Industrial Areas / Estates exclusively to the Persons with Disabilities. Provided such claim is submitted within one year from the date of Commencement of production (COP) or after undertaking Substantial expansion as taken on record by the concerned field officer.
19	**Self-Certification**: Every department/organization will notify the approvals/ no objection certificates/ permissions and as regards these approvals/ NOC's/ permissions, enterprises in MSME sector may take effective steps to set up enterprise without waiting for formal approval of the concerned department/organization. Enterprises after obtaining the title of land may start physical implementation of project without waiting for those approvals/NOCs/ permissions which are identified and notified as such by the concerned department/organization, provided the enterprise has duly applied for requisite approvals/clearances to the respective authorities as regards these approvals/ NOCs/ permissions. The concerned departments/ organizations will be required to give immediate Acknowledgement Certificate for 02 years on declaration by Enterprises that they will adhere to applicable conditions and requirements of aforesaid approvals/NOCs/ permissions. The enterprise will be required to obtain all requisite approvals from the competent authority within a period of two years or till it commences operations, whichever is earlier.

	The concerned departments/ organizations will issue Acknowledgement Certificate subject to condition that:- a. it will remain valid for a period of two years or date of commencement of commercial production/ operation, whichever is earlier. b. such MSME's, during physical implementation of the project, will adhere to conditions/ norms notified for issuance of such approval/ NOC/ permission by the concerned department/ organization at the time of acknowledgement of such application. c. enterprise will expeditiously provide documents or information, if any asked by the concerned department/ organization. d. enterprise will not undertake commercial production/operations without obtaining the notified approvals/ NOC's/ permissions. e. if the enterprise fails to adhere to condition (b) above, complete responsibility and liability against any losses to personal, private or public property caused due to non adherence of such norms shall be borne by the enterprise. Besides, whatever action is provided for under the relevant law or rule for violations of provisions thereof, shall be taken against the defaulting enterprise. Provided, in case the enterprise is not accorded the requisite approval(s) within the period of two years, it can bring the same in the notice of Director in writing. The Director shall expeditiously take up matter with concerned department/ organization to facilitate the enterprise.
20	**Incentive to encourage employment of Bonafide Himachalies** i) Existing and New Enterprise(s) giving employment to more than 80% Bonafide Himachlies and also employing minimum of 50 Bonafide Himachlies on regular job, would be eligible for this incentive. Such enterprise would be provided Rs. 1000 per month per additional employment generated over the threshold limit of 80% and 50 bonafide Himachlies for a period of 10 years from the date of crossing of this threshold limit: provided in case an existing enterprise has already employed more than 80% and 50 bonafide Himachlies on regular job, the benefit under this Rule will be available only for additional employment generated to Bonafide Himachlies after appointed date. ii) This incentive would be subject to the condition that the Eligible Enterprise(s) should be regular in payment of employer share under

	EPF scheme/ESI Scheme as certified by concerned department .Claim(s) will be filed by the unit within 3 months (by 30th June every year) on annual basis duly verified by the concerned to the Director or any other officer authorised by him. iii) Bonafide Himachalies employed by the industrial enterprises would be eligible for skill development allowance as notified by the Department of Labour & Employment under Skill Development Allowance Scheme-2018 This incentive will be administered by Labour and Employment Department as notified from time to time.
21	**Incentive to Export Oriented Unit(s)(EOUs)for Promotion of Export** A Eligible Enterprise(s) would be provided following incentives:- i) reimbursement of cost incurred for shipment of export samples from the port/ container depot to the port of destination subject to maximum of Rs. 1,00,000/- per Enterprise during its period of operation. ii) reimbursement of 50% of the cost incurred on publishing export marketing brochures/ product literature and participating in the relevant overseas trade fairs approved by the Government of India/State Government with a ceiling of Rs. 3,00,000/- per Enterprise during its period of operation. B Land will be allotted for the setting up of Inland Container Depot(s) at a concessional rate to be fixed by the Government. The claim(s) must be filed within 3 months from the date of actual shipment to the Director Industry or any other officer authorised by him.
22	**Assistance for Patent Filing and use of green fuel** All Enterprise(s) would be entitled for following incentive. a) Reimbursement of Rs. 10 lakhs or 75% of expenditure incurred/charges paid to patent attorney, patent service centre and patent filling agency for obtaining patent, whichever is lower. b) Reimbursement of 50% of cost incurred within the factory premises to fuel manufacturing process with gas/ solar power or to use it as an alternate power backup, subject to maximum of Rs. 3 lakhs per enterprise Application for the reimbursement of expenditure/cost incurred shall be submitted by Eligible Enterprise(s) in case of a) and b) above alongwith the requisite documents within 6-months from the date of acquiring patent or date of incurring of expenditure respectively to the

	Director or any other officer authorised by him
23	**Purchase Preference** would be given to local Micro and Small-Scale Enterprises by placing at least 25% of the total orders with them on lowest approved rates, wherever applicable, provided such products meet the required quality standards and Head of Department of concerned department is of the opinion that item required is not of sophisticated nature, high technology and precision standards.
24	**Investor friendly planning regulation norms under H.P. Town & Country Planning Act 1977** The following Planning regulations will be applicable for eligible Industrial enterprises after notification by the Department of Town and Country Planning of the Government.

Sl. No.	Size of plot	Minimum Set Backs (in Mtr.) and Maximum Floor Area Ratio (FAR)	
1	150 Sq. Mtr. To 500 Sq. Mtr.	Front Set Back	3
		Right Set Back	2
		Left Set Back	2
		Rear Set Back	2
		Floor Area Ratio (FAR)	2
2	501 Sq. Mtr. to 1000 Sq. Mtr.	Front Set Back	5
		Right Set Back	2
		Left Set Back	2
		Rear Set Back	3
		Floor Area Ratio (FAR)	2
3	1001Sq. Mtr to 5000 Sq. Mtr.	Front Set Back	10
		Right Set Back	5
		Left Set Back	5
		Rear Set Back	5
		Floor Area Ratio (FAR)	1.5
4	5001Sq. Mtr. to 10,000 Sq. Mtr.	Front Set Back	15
		Right Set Back	7.5
		Left Set Back	7.5
		Rear Set Back	7.5
		Floor Area Ratio (FAR)	1.25
5	Above 10,001 Sq. Mtr.	Front Set Back	15
		Right Set Back	7.5
		Left Set Back	7.5
		Rear Set Back	7.5
		Floor Area Ratio (FAR)	1

1 There is no upper limit for height of structure of Industrial use

	and flexible as per the requirement of Industrial Enterprise. However the total floor area should be within the prescribed FAR. 2 Right of Way should not be less than 5 Mtr. for plot having area upto 1,000 Sq. Mtr and in case of plots having area more than 1000 Sq. Mtrs., the Right of Way should not be less than 10 Mtr. 3 Parking Floor up to 15 feet height (4.50 Mtr.) at is allowed and such parking floor would not be counted in permissible FAR. 4 Basement / Cellar exclusively for industries set up on plot size exceeding 1,000 Sq. Mtr. for captive use is allowed. In such cases basement would not be counted in permissible FAR. 5 In case of plots having area of 5,001 Sq. Mtr. & above regulations of minimum Set Backs would be of mandatory. In other category of plots regulation of minimum Front Set Back would be mandatory and rest of the SBs are flexible as per functional requirements of the industrial enterprise(s). This flexibility in SB's is subject to condition that the average area under SB's should be minimal area which was to be kept under a particular SB in case flexibility was not provided. 6 The Security Room / Driver's Rest Room up to floor area of 25 Sq. Mtr. would not be counted in permissible FAR. 7 MSME Enterprises after obtaining the title of land and applying for development permission may start physical implementation of project without waiting for statutory approvals under H. P. Town & Country Planning Act-1977 in accordance to the provisions of self certification as stated in Rule 19 of these Rules.
25	**Incentive, concessions and facilities for creation and up gradation of Industrial Infrastructure by private investors** (1) The promoters of Existing Enterprises would be admissible to avail incentives as provided under these Rules to Micro, Small and Medium Enterprises for their projects set up after appointed day for creation & up gradation of common Industrial and Social Infrastructure such as setting up of common effluent treatment plant, working men and women hostels, schools, testing centers, diagnostics labs and R&D centers for health care, tool rooms, recreational facilities or any other common industrial / social infrastructure development activities. Promoter(s) of Existing Enterprises would submit project proposal to the Director and same would be placed for

consideration and in-principle approval of the Single Window Clearance and Monitoring Authority (SWC&MA). The Director after the SWC&MA will take on record the projected project parameters.

(2) Private investors setting up Industrial Park or Theme Park/ Sector Specific Park being set up without assistance of Government of India would be eligible for the availing Capital Infrastructure Subsidy (CIS) as per following detail:

(a) Private Industrial Park:

SN.	Category of Area	Capital Infrastructure Subsidy	Maximum Limit
1	A	25%	Rs. 15 Crore
2	B	40%	Rs. 20 Crore
3	C	50%	Rs. 25 Crore

(b) Theme Park(s)/Sector specific Park:

SN.	Category	Capital Infrastructure Subsidy	Maximum Limit
1	A	40%	Rs.10 Crore
2	B	40%	Rs.15 Crore
3	C	40%	Rs.20 Crore

Such parks would be eligible for availing the CIS subject to conditions that:

I. minimum land for setting up Private Industrial Park should be 50 Acre and for Theme Parks/Sector specific Parks it should be10 Acre.

II. private investor has to identify private land by itself and the Government may also offer government land if available for setting up Private Industrial Park/Theme Park/Sector Specific Park.

III. capital Infrastructure Subsidy would be calculated on the actual cost incurred for the development of following common industrial infrastructure & utilities:-

i. Approach road or bridge to Industrial Park/Theme Park.
ii. Up gradation of existing roads & widening of roads to the Industrial Parks / Theme Park.
iii. Internal roads within the Industrial Parks /Theme Park.
iv. Drainage facilities
v. Street Lights in Industrial Park
vi. Water supply and distribution Network

	vii. Power/Gas Distribution Network viii. Common Effluent Treatment Plant (CETP)/ Effluent Treatment Plant (ETP) ix. Warehousing x. Facilities Centre, Primary Health Centre, Product Development Centre, Training Centre, Testing Centre R&D centre and or any Common facilities centre xi. Any other infrastructure facilities specific to such Industrial Park /Theme Park which is considered and taken on record by Director for the purpose of calculating CIS. (IV) Such park should be completed within a period of 3 years from the date of procurement of land, however Government may extend the time period for completion of such park on merits of the case. (V) Promoter(s) of such park will submit project proposal to the Director and same would be placed for consideration and in-principle approval of the Single Window Clearance and Monitoring Authority (SWC&MA). The Director after approval of SWC&MA will take on record the project parameters. (VI) The Director will release the in principle approved Capital Infrastructure Subsidy after ascertaining the physical implementation of project in the following manner : i) 1st instalment equivalent to 30 % of actual expenditure incurred on eligible components of Capital Infrastructure Subsidy { Rule 25(2)(iii) } or 30% of in principle approved Capital Infrastructure Subsidy, whichever is less. ii) 2nd instalment equivalent to 40 % of total admissible Capital Infrastructure Subsidy will be released on completion of 80% of physical implementation of project. iii) 3rd full & final instalment of 30% of the admissible Capital Infrastructure Subsidy would be released after completion of approved project proposal and taken on record by the Director.
26	**Incentives for Handloom and Handicrafts** (a) Eligible Enterprises engaged in Handloom and Handicraft activities would be eligible for incentives, concessions, and facilities as provided to MSME's under these Rules. (b) All enterprises engaged in Handloom activities and procuring

yarn for in house consumption under through National Handloom Development Corporation (NHDC) under Mill Gate Price Scheme of Ministry of Textiles, Government of India would be reimbursed 10% of the actual cost paid to NHDC on quarterly basis by Director.

(c) All enterprises engaged in Handloom and Handicraft activities would be reimbursed cost incurred for obtaining / registration under GI Act as well as cost of labels for branding their products like GI – Marks, Wool Marks, Handloom Marks, and India Handloom Brand on annual basis by Director.

(d) All enterprises engaged in Handloom and Handicraft activities would be reimbursed 50% of commission paid to online sale companies / portals subject to maximum of Rs. 1 lakh per annum per enterprise on annual basis by Director. Enterprises selling products online through its own website / portal would be reimbursed 60% of logistic cost / transportation cost paid to such service providers, subject to a maximum of Rs 2 lakhs per enterprise per annum annual basis by Director.

(e) All enterprises in Handloom and Handicraft sector would be reimbursed 60% of the rent paid by the enterprise for hiring exhibition / sale space in the fair and festivals organized by any organization / agency of the Government of India / State Government / other State Governments / Union Territory administrations, subject to maximum of Rs 10,000/- of rent paid for exhibition / sale space within the State and Rs 15,000/- of rent paid for exhibition / sale space outside the State per fair. Such reimbursement would be subject to condition that such organisations/agencies have not been provided space for exhibition on subsidised rate and claim is filed within 6 months of closing of event.

(f) Assistance for the setting up State of the Art design development-cum- exhibition centres

With the objective of to provide ready to use modern, contemporary and traditional designs to artisans/ weavers the fashion technology institutes of repute, Handicrafts and Handloom co-operatives, H P State Handicrafts & Handloom Corporation or any other organization of Govt. of India engaged in the promotion of Handicrafts and Handloom would be provided grant of Rs. 2 Cr. or 75 % of capital cost, whichever is less for the setting up of the Art design development-cum-exhibition centres in the State. In addition, such Art design development-cum- exhibition centres after completion of physical

	infrastructure would be provided 75% of recurring expenditure or Rs. 20 lakh per annum, whichever is lower for the running of such centres for a period of 5 years. Promoter(s) of such park will submit project proposal to the Director and same would be placed for consideration and in-principle approval of the Single Window Clearance and Monitoring Authority (SWC&MA). The Director after approval of SWC&MA will take on record the project parameters. The Director will release the in principle approved grant after ascertaining the physical implementation of project in the following manner: i) 1st instalment equivalent to 30 % of actual expenditure incurred or 30% of in principle approved one time grant, whichever is less. ii) 2nd instalment equivalent to 40 % of total admissible one time grant will be released on completion of 80% of physical implementation of project. iii) 3rd full & final instalment of 30% of admissible grant would be released after completion of approved project proposal and taken on record by the Director. iv) The recurring expenditure would be reimbursed by the Director on quarterly basis.
27	Incentives, concessions & facilities provided under these Rules will be sanctioned and disbursed by the Director or any officer authorized by him on the recommendation of the committee(s) to be notified by the Government. For the operationlizing and implementation of these Rules, the forms, procedure etc. will be prescribed by the Director on online platform.
28	**Power to amend and/or relax/repeal any or all provisions of the Rules:** I) Notwithstanding anything contained in any of the provisions of these Rules, the State Government may at any time: a) make any amendment to these Rules, or repeal them; b) make any relaxation in applying the provisions of these Rules on merits of each case, as the State Government may consider necessary and appropriate; c) impose any condition in addition to the provision of these Rules on merits of each case, as the State Government may consider necessary and appropriate; II) In case of any dispute arising out of interpretation of these Rules, the matter will be referred to the Government, whose decision shall be final and binding on all.

29	**REPEAL AND SAVINGS:** Rules Regarding Grant of Incentives, Concessions and Facilities to Industrial Units in Himachal Pradesh, 1991,1992 and 1996 notified vide notifications No. 9-4/73-SI(Rules)-4 dated 27/3/91, 31/7/1992, notification number Udyog (Chh)6-96/81-IV dated 22/8/1996 respectively and Rules Regarding Grant of Incentives, Concessions and Facilities to Industrial Units in Himachal Pradesh,1999 notified vide notification No. IND.A(E)5-1/98 dated 31st March, 1999 and all other incentives rules notified earlier as amended from time to time and orders , directions issued there under shall upon the commencement of these Rules, save as otherwise expressly provided in these Rules, stand repealed/revised. Provided that such repeal shall not affect the operation of the incentive rules in respect of the claims, matters and issues pertaining to the period prior to the appointed day (as specified under these rules) and the same shall be governed by the Rules applicable at that time. In other words units set up prior to the appointed day and which were covered under the previous incentive Rules, as notified from time to time, would continue to be governed for the purpose of incentives as provided for under those Rules, for the unexpired period only.

ANNEXURE-I- Categorization of the State for Disbursement of Incentives

S. No.	District	Category "A" Areas (excludes Backward Panchayats)	Category 'B' Areas (Entire area under the following Development Blocks including left out areas of the Development Blocks indicated under Category 'A' Areas and excludes any Backward Panchayat)	Category 'C' Area (Includes all Tribal Areas, Development Blocks mentioned under this category and includes all Backward Panchayats located in 'A' and 'B' Category Areas)
1	Bilaspur		Bilaspur Sadar, Ghumarwin, Jhandutta	
2	Chamba		Bhattiyat, Chamba	Bharmaur, Pangi, Tissa, Salooni, Mehla
3	Hamirpur		Hamirpur, Bijhari, Nadaun, Bhoranj, Sujanpur-Tihra, Bamsan	
4	Kangra		Kangra, Rait, Nagrota Bagwan, Panchrukhi, Fatehpur, Lamba Gaon, Baijnath, Nagrota Surian, Dehra, Bhawarna, Paragpur, Indora, Nurpur, Sulah, Dharamshala	
5	Kinnaur			Kalpa, Pooh, Nichar
6	Kullu		Kullu, Naggar-Katrain	Anni, Nirmand, Banjar
7	Lahaul& Spiti			Lahaul (Keylong), Spiti (Kaza)
8	Mandi		Mandi Sadar, Sundernagar, Balh, Gopalpur, Darang, Chauntra, Dharampur	Seraj, Karsog, Gohar
9	Shimla		Theog, Mashobra, Jubbal, Narkanda, Basantpur	Rohru, Chopal, Chhohara, Rampur, Nankhar
10	Sirmaur	1) All areas included in Kanungo circles of Majra and	Rajgarh. All Left out Areas (i.e excluding Areas indicated in Category 'A' list) of	Pacchad, Shillai, Sangrah

		Paonta Sahib including Industrial Area Paonta Sahib in Paonta Sahib Development Block 2) All areas included in Kanungo circles of Nahan including Industrial Area Kala Amb in Nahan Development Block	Paonta Sahib, and Nahan Development Blocks	
11	Solan	1) All Areas included in kanungo circles of Kasauli including Industrial Area Parwanoo in Dharampur Development Block 2) All Areas included in kanungo circles of Nalagarh and Doon, including Industrial Area/s Baddi, Barotiwala, EPIP etc. in Nalagarh Block	Kandaghat, Kunihar, Solan	
12	Una		Amb, Gagret, Dhundla, Una, Haroli	

ANNEXURE II: List of Specified Category of Service Activities

1. Information Technology / Information Technology Enabled Services, BPO
2. Warehouse
3. Marketing Yard for Fruits & Vegetables Products
4. Reefer Vehicle
5. Instant Quick Freezing and Irradiation Facilities
6. Ripening Chambers
7. Cold Chain Facility
8. Equipment / Vehicle Maintenance, Repair and Overhaul (MRO)
9. Equipment Rental and Leasing
10. Industrial R&D Labs, Industrial Testing Lab
11. Laboratories Engaged in Testing of Raw Materials, Finished Products
12. Weigh Bridge
13. Designs studio
14. Battery Charging Stations for Electric Vehicles
15. Packaging activities
16. Laundry Services
17. Desktop Publishing
18. Research and Development / Industrial Testing Facilities
19. Photographic Lab
20. EDP Institute Established by Voluntary Associations / NGO's
21. Event Management and Audio Visual Services

ANNEXURE III: Negative List of Industries

1. Tobacco and Tobacco Products including Cigarettes and Pan Masala
2. Thermal Power Plant (Coal / Oil based)
3. Coal Washeries / Dry Coal Processing
4. Tanning and Dyeing extracts, tannins and their derivatives, Dyes, Colours, Paints and Varnishes, Putty, Fillers and other Mastics, Inks
5. Foundries using Coal
6. Minerals Fuels, Mineral Oils and products of their Distillation; Bituminous Substances, Mineral Waxes
7. Cement Clinker and Asbestos Raw including Fibre.
8. Explosive (including Industrial explosives, detonators & fuses, Fireworks, Matches, Propellant Powders etc.)
9. Mineral or Chemical Fertilizers
10. Insecticides, Fungicides, Herbicides & Pesticides (basic Manufacture and Formulation)
11. Manufacture of Pulp-Wood Pulp, Mechanical or Chemical (including Dissolving Pulp)
12. Production of Firewood and Charcoal

Government of Himachal Pradesh
Department of Industries

No. IND-A-F001/4/2021-IND-A-GoHP Dated: Shimla-2,the 29th April, 2022.

NOTIFICATION

In continuation to this Department's Notifications No. Ind-A(F)2-2/2019-I dated 16th August, 2019 and 07th October, 2020, the Governor, Himachal Pradesh is pleased to amend/insert the following provisions in **'The Himachal Pradesh Industrial Investment Policy, 2019'** and **'Rules Regarding Grant of Incentives, Concessions and Facilities for Investment Promotion in Himachal Pradesh-2019'**:-

Amendments in the 'Himachal Pradesh Industrial Investment Policy-2019'	
Clause	**Provision**
5(A)	**Eligible Enterprises for availing incentives under this Policy:** All "New Industrial Enterprises" except Industrial Enterprises engaged in manufacturing activities specified in the "Negative List" annexed with this policy; *OR* New Enterprises engaged in "Specified Category of Service Activities" annexed with this policy; *OR* All Existing Industrial Enterprises undertaking Substantial Expansion except Industrial activities as specified in the Negative List; *OR* All Existing Service Enterprises engaged in Specified Category of Service Activities undertaking Substantial Expansion; will be eligible for incentives, concessions and facilities announced under this Policy subject to:- ➢ Fulfillment of the eligibility criteria & conditions as defined under the 'Rules regarding Grant of Incentives, Concessions & Facilities to Industrial & Service Enterprises in Himachal Pradesh-2019'. ➢ Employment of minimum 80% Bonafide Himachalies, at all levels, directly on regular, contractual, daily basis etc. or through contractor or outsourcing agencies at the time of commencement of commercial production/operation as well as for the time period it remains in commercial production/operation in the State by the New Enterprise set up under this Policy. In case of Existing Enterprises undertaking substantial expansion, out of additional employment generated due to Substantial Expansion employment to atleast 80% of Bonafide Himachalies.
5(C)	**Duration:-** Incentive provided under this Policy will remain in force for new enterprises which commence commercial production/ operation on or before *31.12.2025*. Incentive provided under this Policy will remain in force for existing enterprises undertaking substantial expansion which start commercial production/ operation after expansion on or before *31.12.2025*.

Note: *Provisions amended have been highlighted as Italic and Underlined.*

7	**Incentives for Micro, Small and Medium Enterprises (MSME):** *MSME enterprises (as defined under this Policy) in case of manufacturing enterprises or specified category of service enterprise (Annexure-II) would be entitled to avail following incentives, concessions and facilities:*	
	I	**Subsidy towards the cost of preparation of Detailed Project Report & obtaining certification** Eligible Enterprises would be reimbursed 50% of expenditure incurred towards the cost paid to the consultant for preparation of DPR; certification / valuation of value of Technical Civil Works or investment in Plant and Machinery, subject to maximum of Rs.20,000 for Micro; Rs.50,000 for Small and Rs.1,00,000 for Medium Sector Enterprises.
	II	**Incentives related or incidental to allotment of land and Industrial Sheds**
	i)	**Allotment of Land and Industrial Sheds** Concession to the tune of 50%, 60% & 70% of rate/premium fixed for land or industrial sheds in category A, B and C respectively will be given to enterprises provided it commences commercial production/operation within 2 years of handing over of possession of land or within a period of 1 year of handing over possession of Industrial Shed, as the case may be. This concession will be adjusted in future instalments.
	ii)	**Easy Payment schedule of land/shed premium:-** 12% of the premium of land/ shed shall be realized before handing over of possession and balance in 8 equal annual interest free instalments. In case allottee after commencement of production or any subsequent stage offers to clear balance payment of premium in lump sum, rebate of 10% on balance premium of land/shed will be given.
	iii)	**Provisions of extension in provisional allotment period** The land/ plot will be provisionally allotted for a period of two years from the date of handing over of the possession. However period of the provisional allotment can be extended upto 5 years from the date of handing over possession by charging nominal extension fee. The Industrial shed will be provisionally allotted for a period of one year from the date of handing over of the possession, however period of the provisional allotment can be extended upto 2 years from the date of handing over possession by charging nominal extension fee.
	iv)	**Provision to rent out surplus built up area for industrial use** Industrial Enterprise in production may be allowed to rent out upto 49% of built up area for setting up of Industrial Enterprise(s) to manufacturing the new item(s) by charging nominal processing fee.
	III	**Incentives related with matters related with land**
	i)	**Concessional rate of Stamp Duty and registration fee** Stamp Duty and registration fee @ 30%, 30% & 10% of applicable rates would be charged in Category 'A', 'B' & 'C' areas on instrument of conveyance deed or lease deed.

	ii)	**Exemption from payment of Change in Land Use charges** Enterprise set up in Category B & C areas would be exempted from payment of the change in land use charges levied under the provisions of H.P. Town and Country Planning Act – 1977.
	IV	**Interest Subvention** Interest Subvention @ 3% on term loan subject to a maximum of Rs.2 lakhs, Rs.4 lakhs and Rs.6 lakhs per annum for a period of 03 years in Category A, B & C areas respectively.
	V	**Assistance for transportation of Plant & Machinery** Reimbursement of 50% of cost incurred on inland carriage and inland transit insurance of Plant and Machinery subject to maximum of Rs.2 lakhs per enterprise in Category 'A' area and Rs.3 lakhs in Category 'B' & 'C' areas.
	VI	**Transport Subsidy** Eligible Industrial Enterprises set up in category B & C Areas would be incentivized to compensate high cost of transportation within the State, irrespective of fact that source of purchase or destination of sale is within or outside the State that: (a) Enterprises located in Category B areas would be reimbursed actual expenditure incurred on transportation of raw materials & finished products within the State or 3% of annual turnover, whichever is lower, subject to maximum of Rs.10 lakhs per annum for a period of 03 years. (b) Enterprises located in Category C areas would be reimbursed actual expenditure incurred on transportation of raw materials & finished products within the State or 5% of annual turnover, whichever is lower, subject to maximum of Rs.10 lakhs per annum for a period of 05 years.
	VII	**Assistance for access to Technology, Competitiveness, Innovation and Quality Certification:-** Reimbursement of 50% of expenses incurred for the setting up in house testing facilities and equipments required for obtaining certification of Bureau of Indian Standards / World Health Organization–GMP / ISO / Organic Certification / any International Certification excluding Plant and Machinery / equipments used directly in manufacturing process or rendering of services subject to maximum of Rs.5 Lakhs per enterprise.
	VIII	**Assistance to encourage water conservation, compliances of Environment, Health and Safety Standards:** **Eligible enterprises would be reimbursed:-** a) 25% of expenditure incurred for the purchase of Plant & Machinery / equipments for setting up of Effluent Treatment Plant (ETP), rain water harvesting system excluding expenditure incurred on construction, subject to maximum of Rs.2 lakhs per enterprise. b) 50% of Power Tariff paid for running of ETP for a period of 03 years, subject to maximum of Rs.1 lakh per annum. This incentive would be disbursed subject to installation of separate electricity meter/sub-meter exclusively for running of ETP.

	IX	**Net SGST Reimbursement** Reimbursement of Net SGST paid to the State Government under H.P. GST Act 2017 @ 50%, 80% and 90% for a period of 07 years, up to a maximum of 80% of the Fixed Capital Investment in Category A, B and C areas respectively.
	X	**Purchase Preference** The State Government would give Purchase Preference to local Micro and Small-Scale Enterprises by placing at least 25% of the total orders with them on lowest approved rates, wherever applicable provided such products meet the required quality standards and HOD is of the opinion that item required is not of sophisticated nature, high technology and precision standards.
	XI	**Access to Finance for MSMEs** Existing and New eligible enterprises will be reimbursed 50% of expenses incurred on floating Public Issue for raising funds through National Stock Exchange (NSE) dedicated platform for SMEs' including cost of registration with National Stock Exchange in case funds so raised are utilized for the setting up or expansion of eligible enterprise(s) within the State, subject to maximum of Rs.10 lakhs per enterprise.
	XII	**Self-Certification** Enterprises after obtaining the title of land may start physical implementation of project without waiting for those approvals/ NOCs/permissions which are identified and notified as such by the concerned department/organization, provided the enterprise has duly applied for requisite approvals/clearances to the respective authorities as regards these approvals/NOCs/permissions. The concerned departments/ organizations will be required to give immediate Acknowledgement Certificate for 02 years on declaration by Enterprises that they will adhere to applicable conditions and requirements of aforesaid approvals/NOCs/permissions. The enterprise will be required to obtain all requisite approvals from the competent authority within a period of two years or till it commences operations, whichever is earlier.

8	**Incentives for Large Enterprises:** *Enterprises having investment above Rs.50 crore and annual turnover more than Rs.250 crore in case of manufacturing enterprises and specified category of service enterprises (Annexure-II) would be entitled to avail following incentives concessions and facilities:-*

I.	**Incentives related or incidental to allotment of Government land**
i)	**Concessional Rate of Allotment of Land** Concession to the tune of 25%, 45% & 65% of rate/premium fixed for land in category A, B and C respectively will be given to enterprises provided it commences commercial production/operation within 3 years of handing over of possession of land.
ii)	**Easy Payment schedule of land premium** Payment of 15% of the cost/premium of land before handing over possession and balance in 5 equal annual interest free instalments. In

		case allottee after commencement of production offers to clear balance payment of premium in lump sum, rebate of 10% on balance premium of land will be given.
	iii)	**Provisions of extension in provisional allotment period** The land/ plot will be provisionally allotted for a period of three years from the date of handing over of the possession. However period of the provisional allotment can be extended upto 05 years by charging nominal extension fee.
	iv)	**Provision to rent out surplus built up area for industrial use** a) Large Industrial Enterprise may be allowed to rent out upto 60% of built up area for setting up of Industrial Enterprise(s) ancillary to such Large Industrial Enterprise(s) by charging nominal processing fee. b) For cases other than (a) above, provisions made for MSME under this Policy will be applicable.
	II	**Incentives related with matters related with land**
	i)	**Concessional rate of Stamp Duty & Registration fee** Stamp Duty & Registration fee @ 50%, 30% & 20% of applicable rates would be charged in Category 'A', 'B' & 'C' areas respectively on instrument of conveyance deed or lease deed.
	ii)	**Exemption from payment of Change in Land Use charges** Enterprise set up in Category B & C areas would be exempted from payment of the change in land use charges levied under the provisions of H.P. Town and Country Planning Act – 1977.
	III	**Interest Subvention** For large enterprises, interest subvention @ 3%, on term loan subject to a maximum of Rs.10 lakhs, Rs.15 lakhs and Rs.20 lakhs per annum for a period of 03 years in Category A, B & C areas respectively.
	IV	**Net SGST Reimbursement** Reimbursement of Net SGST paid to the State Government under H.P. GST Act 2017 @ 50%, 70% and 80% to Large Enterprises in Category A,B and C respectively, for a period of 05 years, up to a maximum of 80% of the Fixed Capital Investment.
	V	**Transport Subsidy** Eligible Industrial Enterprises set up in category B & C Areas would be incentivized to compensate high cost of transportation within the State, irrespective of fact that source of purchase or destination of sale is within or outside the State. (a) Enterprises located in Category B areas would be reimbursed actual expenditure incurred on transportation of raw materials & finished products within the State or 3% of annual turnover, whichever is lower, subject to maximum of Rs.20 lakhs per annum for a period of 03 years. (b) Enterprises located in Category C areas would be reimbursed actual expenditure incurred on transportation of raw materials & finished products within the State or 5% of annual turnover,

Note: *Provisions amended have been highlighted as Italic and Underlined.*

		whichever is lower, subject to maximum of Rs.30 lakhs per annum for a period of 05 years.
10	**Incentive for Anchor Enterprises:** *Anchor Enterprise means first Industrial Enterprise established in a notified Industrial Area(s) or first unit established outside Industrial Area in a particular Development Block of a district, with the minimum Fixed Capital Investment as under:-* i. *Category A:- Rs.200 Crore and employing minimum 200 Bonafide Himachalies.* ii. *Category B:- Rs.150 Crore and employing minimum 150 Bonafide Himachalies.* iii. *Category C:- Rs.100 Crore and employing minimum 100 Bonafide Himachalies.* Such Anchor enterprises would be entitled to avail following incentives, concessions and facilities:-	
	I	Concession to the tune of 50%, 60% & 75% of rate/premium fixed for land in category A, B and C respectively will be given to enterprises provided it commences commercial production/operation within 3 years of handing over of possession of land. Such enterprises would be entitled for easy payment of land premium as being provided to MSMEs' under this Policy.
	II	Reimbursement of Net SGST paid to the State Government under H.P. GST Act, 2017 for a period of 07 years up to a maximum of 80% of the Fixed Capital Investment.
	III	Stamp Duty & Registration fee @ 50%, 30% & 20% of applicable rate in Category 'A', 'B' & 'C' areas respectively on instrument of conveyance deed or lease deed.
	IV	Such Enterprises would be incentivized to compensate high cost of transportation within the State, irrespective of fact that source of purchase or destination of sale is within or outside the State. Actual expenditure incurred on transportation of raw materials & finished products within the State or 5% of annual turnover, whichever is lower, subject to maximum of Rs.30 lakhs per annum would be reimbursed for a period of 05 years.
16	**Concessional Rate of Electricity Charges** (excluding any surcharge, peak load exemption charge, winter charge, fuel adjustment charge, service charge, GST or any other charge under any name in the Tariff Schedule): a) New enterprises would be charged energy charges 15% lower than the approved energy charges for the respective category for a period of 03 years. b) Existing industrial consumers undertaking substantial expansion as per these Rules would be eligible for a rebate of 15% on energy charges for additional power consumption beyond the level of preceding financial year *for a period of 03 years.* Incentives of concessional rate of electricity charges would be notified in the Schedule of Tariff for Himachal Pradesh on year to year basis by the H.P. State Electricity Board and it would not be binding upon the State Government during the applicability of Policy.	

Amendments in the 'Rules Regarding Grant of Incentives, Concessions and Facilities for Investment Promotion in Himachal Pradesh-2019'

Rule	Provision
2(II)	*Anchor Enterprise means first Industrial Enterprise established in a notified Industrial Area(s) or first unit established outside Industrial Area in a particular Development Block of a district, with the minimum Fixed Capital Investment as under:-* i. *Category A:- Rs.200 Crore and employing minimum 200 Bonafide Himachalies.* ii. *Category B:- Rs.150 Crore and employing minimum 150 Bonafide Himachalies.* iii. *Category C:- Rs.100 Crore and employing minimum 100 Bonafide Himachalies.* Such project proposal for setting up an "Anchor Enterprise" and after setting up of such enterprise would be acknowledged/ taken of record by the Director or any other officer authorized by him.
2(VII)	"Consultant" means any consultancy organization registered/empanelled with the State or Central Government organization(s) and engaged in providing consultancy/professional/expert services or a *Chartered/ Cost Accountant* or a Chartered Engineer (Civil or Mechanical).
2(VIII)	"Commencement of commercial production/ operation" means the date on which the Industrial or Specified Category of Service Enterprise actually commences commercial production or operations, as the case may be and taken on record by the Director/ Joint /Deputy Director of Industries/ General Manager, District Industries Centre/ Member Secretary, Single Window Clearance Agency or any other officer authorized by the Director to do so. *The date of commencement of commercial production would be determined after fulfilment and on the basis of following parameters:-* 1. *Clear title of land (date of registration) OR date of rental permission/ lease deed.* 2. *Consent to operate of HP State Pollution Control Board, if applicable.* 3. *Power release certificate by HP State Electricity Board/ permission to run the unit on DG set.* 4. *Project specific mandatory requirements, as applicable, such as drug license, factory license, environment clearance etc.* 5. *First sale bill.*
4(A)	**Eligibility:** All "New Industrial Enterprise(s)" (except Industrial activities specified in the "Negative List") and new Service Enterprises will be eligible for incentives, concessions and facilities under these Rules subject to: ➢ fulfilment of such requirements as specified under these Rules ➢ adherence to procedures as specified by the concerned department from time to time. ➢ employment of minimum 80% Bonafide Himachalies, at all levels, directly on regular, contractual, daily basis etc. or through contractor or outsourcing agencies at the time of Commencement of Commercial Production / Operation as well as for the time period it remains in

	Commercial Production / Operation in the State. In case of violation of this condition at any point of time, incentives, concessions and facilities under these Rules will be stopped and incentives already availed by such Industries or Service Enterprise will be recovered by the concerned department(s) on recommendation of the Department of Labour & Employment as an arrear of land revenue or any legal remedy deemed fit for recovery of incentive(s). ➢ incentive provided under these Rules will be admissible from the date of Commencement of Commercial Production / Operation or from the date on which respective administrative department issues enabling notification under the relevant statute/law to operationalize incentives notified under these Rules, whichever is later. In case New Enterprise undertakes subsequent substantial expansion, same would be taken on record for the purpose of incentives, concession & facilities provided under these Rules for additional investment. ➢ payment of any outstanding dues of the Department. ➢ condition that Udyog Aadhaar Memorandum/Entrepreneur Memorandum Part-II/Commencement of Commercial Production Certificate stands acknowledged / taken on record by the concerned Department as the case may be. ➢ Incentive provided under this Policy will remain in force for new enterprises which commence commercial production/operation on or before *31.12.2025* and for existing enterprises undertaking substantial expansion which start commercial production/ operation after expansion on or before *31.12.2025*.
6.7(c)	In case, any land/plot is available for allotment consequent upon its having been resumed after execution of lease deed or has been surrendered by the allottee himself, it shall be re-allotted through open auction/ inviting bids from general public. In such cases the minimum reserve price of land will be the rate of premium as fixed by the Committee constituted under Rule 6.2 and of built up structure and/or plant and machinery, if any, as assessed by the officer of HPSIDC Ltd. not below the rank of Assistant Engineer. The bids without requisite documents, as per auction notice and earnest money of Rs.10,000 will not be accepted. Earnest money would be adjustable in case of successful bidder and returned back to unsuccessful bidders. Any amount outstanding from previous allottee on account of lease premium, shed rent, or other dues toward department shall be set off/adjusted toward the bid amount so collected from the successful bidder. The auction would be conducted by the concerned field officer. The 15% amount of the highest bid for such plot/land shall be deposited by the highest bidder within 15 days of issuance of acceptance letter failing which earnest money will be forfeited. The second highest bidder may then be considered for allotment of such plot /land as per procedure laid down under these Rules. The balance amount of the highest bid shall be payable in 5 equal annual installments. No interest will be charged on balance installments. However interest @ 9% would be charged on delayed payment. In case the bidder after commencement of production or at any subsequent stage within time period scheduled for payment, offers to clear the outstanding payment of bid amount in lump sum, rebate of 10% of balance bid amount will be given: Provided such resumed/surrendered plot can be allotted with the prior permission of Director of Industries or Secretary (Industries), as the case may be in case no bid(s) is received for the allotment of such plot(s)/land in response to first auction notice. In such cases of allotment(s) premium fixed by the

Committee constituted under Rule 6.2 would be charged. The provisions made under Rule 6.7(b) would also be applicable for such allotment(s):

Provided further that such vacant plots (where no built up structure exists) resumed after execution of lease deed or has been surrendered by the allottee himself, the same shall be allotted as per provision of Rules applicable for fresh allotment under this Policy.

15 **Net SGST Reimbursement:**

All eligible enterprise(s) would be provided reimbursement of Net SGST subject to maximum limit of 80% of Fixed Capital Investment (FCI) during admissible period of this incentive as per following detail:-

Category of enterprise	Area wise SGST reimbursement			Admissible Period
	A	B	C	
MSME	50%	80%	90%	7 years
Large	50%	70%	80%	5 years
Anchor	100%	100%	100%	7 years

Above mentioned incentive would be admissible subject to fulfilment of following conditions:-

1. Quantum of incentive would be available only on net SGST paid and deposited with State per annum by the eligible unit. The admissibility of incentive shall cease either on exhaustion of the applicable limit or on the completion of the eligibility period, whichever is earlier.
2. In case of any false declaration, misrepresentation/ suppression of facts, the amount of incentive so availed shall be liable to be recovered along with 12% compound interest per annum or penalty as decided by the State Government as per applicable laws.
3. The eligible unit has to obtain verified Udyog Aadhar Memorandum (UAM)/ commencement of commercial production certificate from the authorized officers of the Department of Industries, Government of Himachal Pradesh. The eligible unit will obtain certificate from the Department of State Excise & Taxation clearly mentioning the amount of net SGST paid to the State of Himachal Pradesh.
4. Net SGST reimbursement would be available only after the date of Commencement of Commercial Production (CoP)/operation for new unit and from the date of Commercial production/operation after undertaking substantial expansion for existing enterprise(s).
5. The eligible enterprise(s) will submit reimbursement claim of the financial year to the Department of Industries on annual basis in the succeeding financial year before 31st August *or within 3 months of assessment of net SGST by the Excise & Taxation Department H.P., whichever is later (also applicable for units as found eligible under this Policy).*

One time relaxation upto 31st December, 2022 is also given to those units which were unable to file the claim on time due to non finalization of net SGST by Excise & Taxation Department.

16(i) **Concessional Rate of Electricity Charges** (excluding any surcharge, peak load exemption charge, winter charge, fuel adjustment charge, service charge, GST or any other charge under any name in the Tariff Schedule):

a) New enterprises would be charged energy charges 15% lower than the

	approved energy charges for the respective category for a period of 03 years. b) Existing industrial consumers undertaking substantial expansion as per these Rules would be eligible for a rebate of 15% on energy charges for additional power consumption beyond the level of preceding financial year *for a period of 03 years*. Incentives of concessional rate of electricity charges would be notified in the Schedule of Tariff for Himachal Pradesh on year to year basis by the H.P. State Electricity Board and it would not be binding upon the State Government during the applicability of Policy.
18(e)	*5% reservation of land/plots/sheds shall be done where such land is to be used for the purpose of setting up of enterprise by Person(s) with Disability either individually or collectively in new notified Industrial Areas.*
18(f)	*Existing as well as new Enterprises providing 5% employment to the persons with benchmark disability in total work force will be eligible for additional incentives of Rs.1000/- per month per such employee for a period of 03 years.*

2. The Governor, Himachal Pradesh is further pleased to include following new Development Blocks in Category-B of Annexure-I–'Categorization of the State for Disbursement of Incentives of Industrial Policy 2019':-

Sr. No.	District	Name of Development Block to be Included in Category-B
1.	Bilaspur	*Shri Naina Devi Ji*
2.	Mandi	*Bali Chowki, Dhanotu, Nihri, Churag*
3.	Shimla	*Totu, Kupvi, Kotkhai*
4.	Sirmaur	*Tilordhar*
5.	Una	*'Dhundla' Block may be read as 'Bangana' Block*

3. The Governor, Himachal Pradesh is also pleased to include following new Services in Annexure-II 'List of Specified Category of Services Activities' of the Policy:-

Sr. No.	Services to be Included
22	*Distribution of universally designed consumer products and accessories for general use for Persons with Disabilities.*
23	*Skill Development Centres*
24	*Health Infrastructure/ Hospital*
25	*Common Effluent Treatment Plant(CETP), STP and other Key utilities requisite for industrialization.*

4. These amended provisions shall come into force with immediate effect.

By order

R. D. Dhiman
Addl. Chief Secretary (Industries) to the
Government of Himachal Pradesh.

Note: *Provisions amended have been highlighted as Italic and Underlined.*

Endst. No.IND-A-F001/4/2021-IND-A-GoHP Dated Shimla-2, the 29th April, 2022.

Copy forwarded to the following for information and necessary action:-

1. The Chief Secretary, Government of Himachal Pradesh, Shimla-2.
2. The Pr. Secretary to Chief Minister, Himachal Pradesh, Shimla-2.
3. The Secretary to the Governor, Himachal Pradesh, Shimla-2.
4. All Administrative Secretaries, Govt. of Himachal Pradesh, Shimla-2.
5. All Divisional Commissioners, Himachal Pradesh.
6. All Deputy Commissioners, Himachal Pradesh.
7. All Head of Departments, Himachal Pradesh.
8. The Director of Industries, Himachal Pradesh, Udyog Bhawan, Shimla-1.
9. The Sr. Private Secretary/P.S. to all Ministers, Himachal Pradesh, Shimla-2.
10. The Under Secretary (GAD) to the Govt. of Himachal Pradesh, Shimla-2, w.r.t. Item No. 69 of the Cabinet Meeting held on 07.04.2022.

(C. P. Verma)
Special Secretary (Industries) to the
Government of Himachal Pradesh
Phone No. 0177-2620887.

Note: *Provisions amended have been highlighted as Italic and Underlined.*

238

Government of Himachal Pradesh
Department of Industries

No. IND-A-F001/3/2022 Dated: Shimla-2, the 13th December, 2023.

NOTIFICATION

In continuation to this Department's Notifications No. Ind-A(F)2-2-2019-I dated 16th August, 2019, 07th October, 2020, No. Ind.A(Inv.Cell)(F)1-1/2021 dated 03rd November, 2021 and No. IND-A-F001/4/2021-IND-A-GoHP dated 29th April, 2022, the Governor, Himachal Pradesh is pleased to amend the following provisions in **'The Himachal Pradesh Industrial Investment Policy, 2019'** and **'Rules Regarding Grant of Incentives, Concessions and Facilities for Investment Promotion in Himachal Pradesh-2019'**:-

Amendments in the 'Himachal Pradesh Industrial Investment Policy-2019'

Clause	Provision
7(IX)	**Net SGST Reimbursement** (a) All eligible MSME enterprise(s) (excluding Steel Manufacturer enterprises) would be provided reimbursement of Net SGST in respect of supplies/manufactured goods consumed within the State of Himachal Pradesh @60% in Category-A and 90% in Category-B & Category-C areas, for a period of 07 years, subject to maximum limit of 100% of Fixed Capital Investment (FCI). (b) Eligible Steel Manufacturer MSME enterprises would be provided reimbursement of Net SGST paid to the State Government @ 50%, 80% and 90% in Category-A, B and C areas respectively, for a period of 07 years, up to a maximum of 80% of the Fixed Capital Investment.
8(IV)	**Net SGST Reimbursement** (a) All eligible Large Enterprise(s) (excluding Steel Manufacturer enterprises) would be provided reimbursement of Net SGST in respect of supplies/manufactured goods consumed within the State of Himachal Pradesh @60% in Category-A and 80% in Category-B & Category-C areas, for a period of 07 years, subject to maximum limit of 100% of Fixed Capital Investment (FCI). (b) Eligible Steel Manufacturer Large enterprises would be provided reimbursement of Net SGST paid to the State Government @ 50%, 70% and 80% in Category-A, B and C areas respectively, for a period of 05 years, up to a maximum of 80% of the Fixed Capital Investment.

10(II)	**Net SGST Reimbursement** (a) All eligible Anchor Enterprise(s) (excluding Steel Manufacturer enterprises) would be provided reimbursement of Net SGST in respect of supplies/manufactured goods consumed within the State of Himachal Pradesh @100% in Category-A, Category-B and Category-C areas, for a period of 10 years, subject to maximum limit of 250% of Fixed Capital Investment (FCI). (b) Eligible Steel Manufacturer Anchor enterprises would be provided reimbursement of Net SGST paid to the State Government @ 100% in Category-A, Category-B and Category-C areas respectively, for a period of 07 years, up to a maximum of 80% of the Fixed Capital Investment.

Amendments in the 'Rules Regarding Grant of Incentives, Concessions and Facilities for Investment Promotion in Himachal Pradesh-2019'

Rule	Provision
15	**Net SGST Reimbursement:** (a) All eligible enterprise(s) (excluding Steel Manufacturer Enterprises) would be provided reimbursement of Net SGST in respect of supplies/manufactured goods consumed within the State of Himachal Pradesh, subject to maximum limit of 100% of Fixed Capital Investment (FCI) for all categories except Anchor Units to be established in Category B & Category C areas, for which the maximum limit of Fixed Capital Investment (FCI) would be 250% during admissible period of this incentive as per following detail:

Category of Enterprise	Area wise SGST Reimbursement			Admissible Period
	A	B	C	
MSME	60%	90%	90%	7 years
Large	60%	80%	80%	7 years
Anchor	100%	100%	100%	10 years

(b) All eligible Steel Manufacturer enterprise(s) would be provided reimbursement of Net SGST subject to maximum limit of 80% of Fixed Capital Investment (FCI) during admissible period of this incentive as per following detail:-

Category of enterprise	Area wise SGST reimbursement			Admissible Period
	A	B	C	
MSME	50%	80%	90%	7 years
Large	50%	70%	80%	5 years
Anchor	100%	100%	100%	7 years

	Above mentioned incentive would be admissible subject to fulfilment of following conditions:- 1. Quantum of incentive would be available only on net SGST paid and deposited with State per annum by the eligible unit. The admissibility of incentive shall cease either on exhaustion of the applicable limit or on the completion of the eligibility period, whichever is earlier. 2. In case of any false declaration, misrepresentation/ suppression of facts, the amount of incentive so availed shall be liable to be recovered along with 12% compound interest per annum or penalty as decided by the State Government as per applicable laws. 3. The eligible unit has to obtain verified Udyog Aadhar Memorandum (UAM)/ commencement of commercial production certificate from the authorized officers of the Department of Industries, Government of Himachal Pradesh. The eligible unit will obtain certificate from the Department of State Excise & Taxation clearly mentioning the amount of net SGST paid to the State of Himachal Pradesh. 4. Net SGST reimbursement would be available only after the date of Commencement of Commercial Production (CoP)/operation for new unit and from the date of Commercial production/operation after undertaking substantial expansion for existing enterprise(s). 5. The eligible enterprise(s) will submit reimbursement claim of the financial year to the Department of Industries on annual basis in the succeeding financial year before 31st August or within 3 months of assessment of net SGST by the Excise & Taxation Department H.P., whichever is later (also applicable for units as found eligible under this Policy). **Note:-** The modified/amended rates would be applicable only to the enterprises set up in the State after the date of notification in this regard by the Government and till the date of implementation of this Policy.

(R. D. Nazeem)
Principal Secretary (Industries) to the Government of Himachal Pradesh.

Endst. No. IND-A-F001/3/2022 Dated Shimla-2, the 13th December, 2023.

Copy forwarded to the following for information and necessary action:-

1. The Chief Secretary, Government of Himachal Pradesh, Shimla-2.
2. The Pr. Secretary to Chief Minister, Himachal Pradesh, Shimla-2.
3. The Secretary to the Governor, Himachal Pradesh, Shimla-2.
4. All Administrative Secretaries, Govt. of Himachal Pradesh, Shimla-2.
5. All Divisional Commissioners, Himachal Pradesh.

6. All Deputy Commissioners, Himachal Pradesh.
7. All Head of Departments, Himachal Pradesh.
8. The Director of Industries, Himachal Pradesh, Udyog Bhawan, Shimla-1.
9. The Sr. Private Secretary/P.S. to all Ministers, Himachal Pradesh, Shimla-2.
10. The Joint Secretary (GAD) to the Govt. of Himachal Pradesh, Shimla-2, w.r.t. Item No. 10 of the Cabinet Meeting held on 01.12.2023.

(R.D. Nazeem)
Principal Secretary (Industries) to the
Government of Himachal Pradesh.

942

Government of Himachal Pradesh
Department of Industries
A-Section

No. IND-A-F001/3/2022 Dated: Shimla-2, the 04th March, 2024.

NOTIFICATION

In continuation to this Department's Notifications No. Ind-A(F)2-2/2019-I dated 16th August, 2019, 07th October, 2020, No. Ind.A(Inv.Cell)(F)1-1/2021 dated 03rd November, 2021, No. IND-A-F001/4/2021-IND-A-GoHP dated 29th April, 2022 and No.IND-A-F001/3/2022, dated 13th December, 2023, the Governor, Himachal Pradesh is pleased to include more items under the 'Annexure-II- List of Specified Category of Service Activities' in **'The Himachal Pradesh Industrial Investment Policy, 2019'** and **'Rules Regarding Grant of Incentives, Concessions and Facilities for Investment Promotion in Himachal Pradesh-2019'**, as under:-

26. Information Technology Park including Data centers
27. Tourism and allied activities including Adventure Tourism
28. Health, Ayush & Wellness Centres
29. Educational Institutions
30. Integrated Industrial Township/Housing Projects/Real Estate/ Integrated Residential Units/ Workers Hostel etc.
31. All incidental services related to manufacturing & Integrated Service Clusters as notified by the Government from time to time.

Note-1: **Independent Integrated Industrial Township/ Housing Projects/Real Estate/Integrated Residential Units/ Workers Hostel etc.** would be encouraged to be a part of either integrated IT Parks or Tourism or Health or Ayush & Wellness Centres or Educational Institutions etc. to sustain the ecosystem of such units and to provide dwelling units for the people working in such Green Service Industries. However, the maximum area to be allowed for these housing activities would be limited to 25% of the total area.

Note-2:- Service activities mentioned at Sr. No. 26 to 31 will be eligible only for land allotment and land related incentives as per the Himachal Pradesh Industrial Investment Policy, 2019. These activities will continue to be regulated and governed as per the existing acts, rules and policies of their concerned department.

(R. D. Nazeem)
Principal Secretary (Industries) to the
Government of Himachal Pradesh.

243

Endst. No. IND-A-F001/3/2022 Dated Shimla-2, the 04th March, 2024.

Copy forwarded to the following for information and necessary action:-

1. The Chief Secretary, Government of Himachal Pradesh, Shimla-2.
2. The Secretary to Chief Minister, Himachal Pradesh, Shimla-2.
3. The Secretary to the Governor, Himachal Pradesh, Shimla-2.
4. All Administrative Secretaries, Govt. of Himachal Pradesh. Shimla-2.
5. All Divisional Commissioners, Himachal Pradesh.
6. All Deputy Commissioners, Himachal Pradesh.
7. All Head of Departments, Himachal Pradesh.
8. The Director of Industries, Himachal Pradesh, Majitha House, Shimla-2.
9. The Sr. Private Secretary/P.S. to all Ministers, Himachal Pradesh, Shimla-2.
10. The Joint Secretary (GAD) to the Govt. of Himachal Pradesh, Shimla-2, w.r.t. Item No. 1 of the Cabinet Meeting held on 29.02.2024.

(R. D. Nazeem)
Principal Secretary (Industries) to the Government of Himachal Pradesh.

944

Government of Himachal Pradesh
Department of Industries
A-Section

No. IND-A(F)1-3/2024 Dated: Shimla-2, the 08th October, 2024.

NOTIFICATION

In continuation to this Department's Notifications No. Ind-A(F)2-2/2019-I dated 16th August, 2019, 07th October, 2020; No. Ind.A(Inv.Cell)(F)1-1/2021 dated 03rd November, 2021; No. IND-A-F001/4/2021-IND-A-GoHP dated 29th April, 2022 and No.IND-A-F001/3/2022 dated 13th December, 2023 & 04th March, 2024; the Governor, Himachal Pradesh, is pleased to further amend the provisions in **'The Himachal Pradesh Industrial Investment Policy, 2019'** and **'Rules Regarding Grant of Incentives, Concessions and Facilities for Investment Promotion in Himachal Pradesh-2019'** in order to ensure sustainability and commercial viability of the **Medical Devices Park, Una**, as under:-

a. Himachal Pradesh Industrial Investment Policy-2019:-

i) **Following provision shall be inserted below the Clause 7(II)(i) of the ibid Policy :-**

"Provided that concession to the tune of 10% of rate/premium fixed for land, will be given to enterprises / allottee of Plots in the Upcoming Medical Devices Park for MSME category only provided it commences commercial production/ operation within 2 years."

ii) **Following provision shall be inserted below the Clause 7(II)(ii) of the Policy:-**

"Provided that 25% of the premium of land shall be realized before handing over of possession and balance 75% of premium of plots would be realized in 3 annual installments within 3 years from the date allotment for the allottee of Plots in the upcoming Medical Devices Park. In case allottee after commencement of production or any subsequent stage offers to clear balance payment of premium in lump sum, rebate of 10% on balance premium of land/Plot will be given."

b. **Rules Regarding Grant of Incentives, Concessions and Facilities for Investment Promotion in Himachal Pradesh-2019:-**

i) **Rule 6.7(d) of the ibid Rules shall be amended as under:-**

"The Director may, however extend the period of the provisional allotment by one year at a time on the merits of each case, subject to the total period (including the original period of 2 years or 3 years as the case may be) not exceeding 5 years in case of MSMEs & 6 years

in case of Large and Anchor Enterprises from the date of handing over of possession. Such cases for grant of each extension will only be considered if the premium due to the Department till the time of making the application for extension of time period has been fully paid and there is no default in the payments due to the Department. Extension fee equivalent to 10%, 15% and 20% of the total premium **(15%, 20% and 25% in case of enterprises to be established in the Medical Devices Park, Una)** assessed at the time of provisional allotment of the plot will be charged for extension sought for the 1st, 2nd and 3rd year respectively, which will not be refundable/ adjustable in the premium of the plot: However, no extension fee would be charged for extension sought for 1st year, if the Director is satisfied that the Commencement of Commercial Production of the Industrial Enterprises by allottee is delayed due to factors beyond the control of the allotee. The decision of Director in such cases would be final and binding upon the allotee. In such case(s) the Industrial Enterprise would be eligible for availing the incentive of concessional rate/ premium as provided under Rules 6.6 (a)(i)&(ii) in case the allotee commences commercial production within such period of extension."

ii) Rule 6.11(a) of the ibid Rules shall be amended as under:-

"In the following situation(s), transfer of the lease hold rights of the plot(s) or a portion thereof where the lease deed has been executed will be permitted by the Director subject to the payment of balance premium due in addition to unearned increase in premium (i.e. difference between the rates applicable at the time of transfer and allotment) as under:

i) In the event an Industrial Enterprise has not been set up or has not commenced commercial production or remained in production for less than one year, 20% **(50% in case of enterprises to be established in the Medical Devices Park, Una)** of the unearned increase in premium shall be realized.

ii) In the event an Industrial Enterprise has been in commercial production for a period more than one year or less than five years, the unearned increase in premium shall be realized at the rate of 10% **(20% in case of enterprises to be established in the Medical Devices Park, Una)**, provided, the transferor Industrial Enterprise has either not availed any incentive or has returned the incentives availed which were conditional upon running the Industrial Enterprise for a specified minimum period subject to enabling notification governing such incentive(s).

iii) In the event an Industrial Enterprise has been in commercial production for a minimum period of five years, the unearned increase in premium shall be realized at the rate of 5% **(10% in case of enterprises to be established in the Medical Devices Park, Una).**

(R. D. Nazeem)
Principal Secretary (Industries) to the
Government of Himachal Pradesh.

Endst. No. IND-A(F)1-3/2024 Dated Shimla-2, the 08th October, 2024.

Copy forwarded to the following for information and necessary action:-

1. The Chief Secretary, Government of Himachal Pradesh, Shimla-2.
2. The Pr. Secretary to Chief Minister, Himachal Pradesh, Shimla-2.
3. The Secretary to the Governor, Himachal Pradesh, Shimla-2.
4. All Administrative Secretaries, Govt. of Himachal Pradesh. Shimla-2.
5. All Divisional Commissioners, Himachal Pradesh.
6. All Deputy Commissioners, Himachal Pradesh.
7. All Head of Departments, Himachal Pradesh.
8. The Director of Industries, Himachal Pradesh, Majitha House, Shimla-2, w.r.t. his letter No.Ind.(Dev)F(16)MDP/2020-Vol-V, dated 01.10.2024. He is also requested to suitably incorporate the above provisions in the new draft Industrial Policy.
9. The Sr. Private Secretary/P.S. to all Ministers, Himachal Pradesh, Shimla-2.
10. The Joint Secretary (GAD) to the Govt. of Himachal Pradesh, Shimla-2, w.r.t. Item No. 33 of the Cabinet Meeting held on 25.07.2024.

(R. D. Nazeem)
Principal Secretary (Industries) to the
Government of Himachal Pradesh.