



Haryana's industrial units using natural gas to get 50% VAT exemption

Why in news?

- On October 22, 2022, a meeting of the Standing Finance Committee was held under the chairmanship of Haryana Chief Minister Manohar Lal in which it has been decided that those industrial units in the state will get 50 percent exemption in Value Added Tax (VAT), which will meet their energy requirement with natural gas instead of diesel-powered generator sets.

Why in news?

- This scheme will be applicable to the entire industries including MSMEs and will be effective for 2 years from the date of its notification.
- The use of diesel-powered generator sets is prohibited in the National Capital Region. Now the industries which meet their energy requirement with CNG, PNG will get 50 percent exemption in VAT.
- Similarly, the committee also approved a subsidy of Rs 164.66 crore per year to electric vehicle manufacturers under various heads under the Haryana Electric Vehicle (EV) Policy 2022.
- It was informed in the meeting that the objective of ev policy is to preserve the environment, reduce carbon footprint, make Haryana an EV manufacturing hub, ensure skill development in EV sector, encourage EV vehicles to grow, provide EV charging infrastructure and encourage R&D in EV technology.
- The policy encourages new manufacturing in EV technology and also encourages existing automobile manufacturers to diversify the EV manufacturing sector.
- The policy covers various financial incentives to EV manufacturers by giving them fixed capital investment (FCI), total SGST, incentives on stamp duty, employment generation etc.
- The policy encourages R&D in educational or research institutions. By 2030, efforts will be made to convert the bus fleet owned by Haryana state transport undertakings into 100 per cent electric buses or fuel cell vehicles or other non-fossil fuel based technologies.
- Further, the government has set phased targets for Gurugram and Faridabad cities to adopt charging infrastructure to achieve 100 per cent electric vehicles (EVs), e-mobility in Model Electric Mobility (EM) cities.