

GOVERNMENT OF HARYANA
INFORMATION TECHNOLOGY POLICY 2000

Preamble

Information Technology (IT) would have a prominent and progressive role in the new millennium as the single most important enabler for improving efficiency and effectiveness in organisations. The State Government recognises the role of IT as an effective tool in catalysing economic activity, in efficient governance and in developing human resource. This policy seeks a deep impact initiative by the State Government in encouraging replacement of traditional delivery system of public services by IT driven system of governance that works better, costs less and is capable of serving the citizens' needs with ease. A high degree of public satisfaction through transparent and efficient functioning of public domain activities would be at the focus of IT initiative. Application of sunrise technologies in transition to a knowledge based society, providing equal opportunity to all in reaping the benefits of development, harnessing vast potential of human endeavour and enriching quality of life shall provide the long term underpinning of socio-economic transformation of the State. This policy further seeks to facilitate private domain initiative in e-transition of Haryana by providing critical infrastructure, systems framework and enabling environment.

IT Vision

To transform Haryana into an IT driven economy

Objectives

The IT Vision is sought to be realised by achieving the following objectives:

1. Upgrading the standard and quality of administration, particularly in social and public services sector through a process of modernisation and rationalization of the administrative set up,
2. Providing public centered, efficient and cost-effective Government,
3. Extensive percolation of IT literacy and education in the State,
4. Promoting investments in IT industry,
5. Encouraging private sector initiative in IT related infrastructure and services,
6. Increasing the share of IT in State Gross Domestic Product,
7. Generating IT related employment opportunities, and
8. Enhancing earning capacity of the residents thereby ensuring a better quality of life.

IT Policy and Public Domain

Re-engineering of administrative processes

The State shall undertake intensive re-engineering and administrative reforms, redefining its role, and recasting the structure and functioning of its administrative Departments to facilitate adaptation to IT. This exercise shall be carried by removal of redundancies, resource optimisation and rationalisation of rules and procedures to bring about transparency in working and enhancing efficiency and productivity. IT application in transaction automation and creation of information databanks will be mandatory for all Departments, Boards and Corporation to achieve accountability and efficiency in administration. This process will be completed by the year 2003.

As a part of administrative re-engineering, integration of projects across various Departments to provide a single point of contact to citizens for electronic delivery of services would be put in place.

IT Budget

Each Department, Board and Corporation shall earmark 5% of its budget for IT applications. This budget shall be spent for complete transition to e-Governance by the year 2005. Individual organisation specific IT plans will be finalised by 31.3.2001. The allocated budget shall be spent on procurement of hardware, systems software, establishing IT centres, networking, web technology, development of applications software, training and technical consultancy, etc. This initiative will be supervised by Hartron and NIC.

IT Initiative Fund for e-Governance

An IT initiative fund for e-Governance shall be established with contributions from profit making State PSUS, co-operative institutions and other public sector organisations. The initiative fund shall be utilised for developing replicable and reusable models of e-Governance, IT innovations in administration reengineering, IT supported resource optimization, decision support systems, MIS, intranets and other applicable enabling technologies.

The fund shall have an initial Corpus of Rs. 10 Crores and shall be administered by a Governing Body headed by the Principal Secretary to the Chief Minister. An Executive Committee of the Governing Body headed by Secretary, EIT shall be constituted for appropriations from this fund.

State-wide Area Network

The State shall establish backbone network **Haryana State Wide Area Network (HARNET)** for voice, data and video transmission and dissemination. The network shall be utilised for inter department connectivity, multi-user and multi-service facilities, video conferencing, file transfer facility, e-mail, on-line application processing, query and response. HARNET shall enable better communication, information sharing, allowing people to work together more effectively resulting in cohesive administration. Phased implementation of HARNET will cover strengthening the existing intranets at State Secretariat,

Haryana Bhawan and 19 Districts Head Quarters with existing NIC/DOT infrastructure. The second phase shall extend HARNET to all Government Departments, State Secretariat, Districts, Sub-Divisions, Tehsils, Sub-Tehsils and Block Head Quarters. Hartron shall implement this extended HARNET in association with private sector. Where DOT is not in a position to provide suitable links, such connectivity shall be achieved through private initiative.

The State Government Departments shall establish departmental intranets and local area networks which will lay the foundation of Centralised Data Repository of public domain information for "Anytime-Anywhere" usage.

Flagship/Proof-of-concept Applications

Flagship applications will be developed as proof-of-concept applications for building confidence in other Departments, Boards and Corporations. These applications shall be finalised by the Steering Committee.

SMART Cards

SMART Card based citizens ID with multi-functions that enable citizens to interact with services, make payments, act as a Voter ID, obtain ration card, passport, driving licence and vehicle registration etc. shall be introduced in association with the private sector by the year 2003.

Use of Hindi

The State Government shall promote use of Hindi in Information Technology to increase the outreach to the common man. For this purpose specific initiative will be taken for use of Devnagari in Computers and developing Web Applications.

Government Tendering/Procurement Process

Electronic procurement and settlement system with supporting databases and transparent decision making shall replace the existing system by the year 2002.

MIS for Different Levels

An efficient and effective department specific IT based Decision Support System/ Management Information System shall be evolved concurrently with the process of reengineering in the State Government. Abstract on all developmental parameters, revenue collections, crime rate, key agricultural inputs, condition of irrigation facilities, status of power generation and distribution, social infrastructure etc. will be integrated in this system. Wherever citizen interface is involved, Web enabled applications will be developed. On-line Analytical Processing (OLAP) would be developed for planning and decision making. This initiative shall be supported by the Secretariat for Information Technology. The process shall be completed by the year 2003.

Standardisation of IT Infrastructure, data and applications

It shall be mandatory for all Departments, Boards and Corporations to procure hardware, software, networking equipment etc. according to specifications and standardisation laid down by Hartron which shall be the sole agency of the State Government to procure software and equipment. General use application software like payroll, personnel information system, inventory management system, budget expenditure control, grievance handling and office automation systems etc. shall in future be developed by Government Departments, Boards and Corporations on the technical advice of Hartron. Standardisation of data shall also be carried out by organisations to the feasible extent. These steps shall enable integration of resources into the State Intranet, creation of **Central Data Warehouses** and predictable architecture ensuring the manageability, portability and inter-operability of systems. These efforts shall culminate into public domain information availability on centralised servers reducing future costs of IT applications.

Use of GIS Technology

GIS shall be extensively used in integrating, analysing and visualising different types of data for spatial planning, environmental protection, utility management, traffic regulation etc. Digitised maps of Haryana already available with NIC-HSU will be utilised for providing GIS based services. Augmentation of digitised base maps shall be made as and when required.

Development of Portal Website

A Portal website of the State would be set up by Hartron by interconnecting website of every department and organisation who in turn shall develop their own websites. The portal site developed by Hartron shall be updated dynamically. All Government tenders, employment news, public domain information and notices issued by Government for general public shall be published on this website.

IT Literacy in Government

The Government shall implement an IT Literacy Plan (ITLP) for its employees to achieve 100% IT literacy in the Government by 2002. IT literacy will have a minimum level of defined proficiency which will include word processing, e-mail, data entry and access etc. Suitable incentive/disincentives shall be designed to achieve desired level of proficiency.

Each department shall create an **IT Cell** to be headed by **Chief Information Technology Officer(CITO)** who shall co-ordinate and supervise implementation of e-Governance. The CITO will be a qualified computer professional. Where suitable officer is available within the department, his level of skills will be enhanced through requisite training. The Departments shall undertake review of existing manpower and replace adequate number of posts with IT personnel without any additions to overall establishment budget. Senior and Middle level functionaries in the departments shall be trained in relevant IT applications and management techniques apart from achieving minimum defined proficiency level. This

initiative will be supported by Hartron and NIC. All manual/ electronic typewriters shall be phased out, use of e-mail, internet and computers in general shall be maximised.

e-Citizen Interface

Digitisation of Public Domain Information

All public domain information like official gazette notifications, acts, rules, regulations, circulars, policies and programme documents would be digitised and made available for electronic access on Web. This process shall be completed by the year 2002.

Public Information and Facilitation Counters (PIFCs) in Government offices shall be set up so that public domain information is available without any harassment. These PIFCs shall also function as e-mail access into **grievance suggestion databases**.

Delivery of Public Domain IT Services

The State Government proposes to establish electronic delivery of services in the public domain in its Departments, Boards and Corporations using state-of-art technology. Such delivery of services shall be permitted on transaction fee basis to be charged from the users. Flexibility to individual departments to fix transaction fee shall be permitted. Quality assurance for such delivery shall follow well laid out norms.

IT and Private Domain

Electronic Commerce

The development of electronic market places is transforming the structure of global economy. B2B and B2C applications, e-Banking require a number of legal issues to be addressed. The State Government will give due emphasis on e-Commerce and will endeavour to develop **International Electronic Commerce Hub** in Gurgaon. This hub will be set up in joint venture with VSNL/private sector. The State Government will remove hurdles to EC growth and development and will expedite it through joint venture pilot projects in association with the private sector. Legal frame work required for speedy implementation shall be expedited.

Promotion of IT-enabled Services or Remote Services

The State Government shall promote establishment of units for providing IT-enabled Services or Remote Services as these have vast employment generation potential. Technical know-how, marketing support and financial assistance will be provided by State Government Organisations for setting up such units.

Promotion of IT Industry

The State Government recognised the need to give fillip to investments by the private sector in IT Industry. The role of the State Government shall be to facilitate such investment by creating investor friendly environment, escort services, speedy clearances and reliable infrastructure. The IT industry has already been recognised as the major thrust area under the Industrial Policy, 1999. A special package of incentives, which provide opportunity for competitive growth under this IT Policy has been specifically worked out for the IT Industry.

IT Infrastructure

Communication Backbone

The State Govt. shall encourage establishment of backbone networks by the private sector with potential of covering the last mile. Such networks using optical fiber and other reliable media including satellite communication and wireless communication technologies will create adequate bandwidth for meeting mass connectivity needs and will facilitate IT-enabled services. The State Government shall formulate policy on right of way (ROW) and shall facilitate backbone networks. The State Government shall also promote private initiative in creating dedicated networks for use by research institutions, libraries, educational institutions, universities etc having outreach to other centres of learning within the country and abroad.

Service Delivery Points (SDPs)

The SDPs shall be encouraged in the private sector for citizens to access services. This will include **Information Kiosks, Public Tele Info Centres (PTICs), Interactive Voice Response Systems (IVRS)** for interaction with databases.

Internet Community Centres

The State Government will promote setting up of Internet Community Centres by private sector to provide Internet facilities through out the State and up to last mile linkage.

Hi-tech Habitat/ITT Complexes/private Software Technology Parks (STP)

The State Government will set up Hi-tech Habitat/ITT Complexes at Gurgaon, Panchkula and other candidate sites in the State. In addition, the State Government will promote setting up of private STPs by liberalising the Government procedures and policies. Special encouragement shall be given to setting up of IT incubators.

Cyber City

For nucleating the IT concept and germination of medium and large software companies, a world class Cyber City shall be set up at a suitable location in the State. The self-contained 'Intelligent City' shall be planned with high quality infrastructure, attractive surroundings, high-speed communication access, uninterrupted power, clean and hygienic living spaces, institutional areas, hotels and entertainment facilities etc. This city shall be planned using the best international talent on highly futuristic concept and design. The project shall be implemented in joint sector with HUDA/Hartron/HSIDC in association with international/private partners as lead entrepreneur. Full autonomy and liberal administrative guidelines would be framed to enable setting up of ventures on the fast track in the Cyber City. This city shall be set up initially over an area of around 2000 acres of land.

IT Based Human Resource Development

Human resource development shall occupy highest priority with the State Government. The HRD upgradation will be with the twin objectives of providing necessary manpower to the IT sector for its growth and to improve the employability of the residents in IT.

1. IT literacy in Government schools and colleges shall occupy high priority. Enhancement of IT literacy shall be carried out jointly by Hartron and Education Department in association with the private sector. The phased plan for IT literacy shall be implemented by the year 2003. The basic courses shall be so designed as to provide ready employment opportunities in low end IT enabled services.
2. IT module in engineering and non-engineering degree and diploma courses shall be introduced.
3. The Government shall encourage setting up internet clubs for students in all educational institutions.
4. The output of students in IT in technical institutions shall be tripled in the next three years to meet the growing market demand.
5. Promotion of Distance Education - In order to enable access to Centres of Learning 'Anywhere, Anytime', initiative will be taken for promotion of distance education using electronic classrooms. Universities, other educational institutions, vocational training and technical education centres will be encouraged to create infrastructure throughout the State to achieve this objective. Private sector contribution and other feasible sources of investment including local initiative shall also be encouraged.
6. Networking of Centres of Learning - The State Government shall promote networking of all the universities and other centres of research and learning. The HARNET shall be made freely available for this initiative.
7. For making the e-citizen interface successful, citizens will be trained in information retrieval and transmission.

Indian Institute of Information Technology (IIIT)

The State Govt. has approached the Government of India for setting up of Indian Institute of Information Technology in the State. The Government is committed to providing necessary support like adequate land and other infrastructure for setting up IIIT in the Government sector.

The State Govt. shall also encourage setting up of Advanced Institutes of Information Technology and specialized schools of Information Technology by private promoters as Centres of excellence in IT. Such Institutes shall be developed for providing high-end education in Information Technology, research and development and shall be ultimately developed as deemed Universities.

The Government shall also encourage setting up of Institutes in the private sector for development of IT professionals and for up gradation of skills of high-end IT professionals answering the needs of IT industry.

Certification / accreditations to IT professional shall be granted by the Secretariat for Information Technology (SIT) in association with private sector. A separate academic wing shall be established in SIT for this purpose.

Institutional Frame Work

The IT developments in the State shall be governed on the philosophy of maximum facilitation and minimum interference by creation of investor friendly environment. The State Government shall set up a separate **Secretariat for Information Technology (SIT)** which shall monitor the implementation of IT initiative and take necessary steps to remove hurdles in successful implementation of the IT Policy. The Secretariat shall be headed by Secretary, Electronics and Information Technology and will report to the Chief Minister.

A **State Level Steering Committee - IT PRISM** (P=Planning; R=Re-engineering; I=Implementation; S=Steering and M=Monitoring) headed by the Chief Secretary shall oversee computerisation and application of IT in public domain. This committee shall be assisted by a **Technical Committee** headed by the Secretary, Electronics & Information Technology. The constitution, role and functions of these Committees are given at **Annexure-1**.

A **Facilitation Committee** of State Government officials and IT Industry shall be set up under the Chairmanship of Principal Secretary to the Chief Minister to coordinate and facilitate private investments in IT. The constitution of this committee is given at [Annexure-1](#).

Package of Incentives for IT Industries

1. Preferential allotment of land for IT industry :

The State Government shall give preferential treatment for allotment of land to the IT industries on an ongoing basis in all industrial areas developed by State agencies.

2. Continuous - uninterrupted power supply for IT industry :

The State Government shall endeavour to provide continuous and uninterrupted power supply for IT industries and shall exempt them from scheduled power cuts. Encouragement to captive power generation in IT Parks/IT locations shall be given.

3. Facilities on Generator Sets:

Captive power generation sets installed by the Information Technology Industry will be eligible for total exemption from payment of electricity duty without any time limit.

4. Liberal change of existing industry to IT :

The State Government shall permit setting up of IT Software units/IT Parks in urban areas and change of existing industry to IT/IT Parks.

5. Change of land use :

No charges for change of land use [CLU] shall be levied for the IT industry/IT Parks for 3 years i.e., up to 31.03.2003. Permission for sale/ leasing/subleasing in constructed buildings and open spaces shall be permitted for optimum utilisation of infrastructure. Licences for setting up STPs shall be given liberally and on easy payment terms.

6. Floor Area Regulation (FAR) :

Relaxation in FAR shall be permitted up to 100% for IT units and in all IT Parks.

7. Clearances and Support :

Escort services and Single Desk Clearance for obtaining easy clearances and approval of various Government Departments shall be facilitated for the IT industries. On-line Clearance & Support Network (OCSN) will be established linking all the related Departments/organizations. The Secretariat for IT shall coordinate approvals and facilitation.

8. Registration and Stamp Duty :

Rebate on registration and transfer of property charges and exemption from stamp duty on a tapering scale shall be given for sale/ lease of built-up space to the IT Industry establishing facilities in private STPs/Government STPs/IT Parks as under:

- i. For facilities established and sold/leased before 1.6.2001, 90% rebate
- ii. For facilities established and sold/leased before 1.6.2002, 75% rebate
- iii. For facilities established and sold/leased before 1.6.2003, 60% rebate
- iv. For facilities established and sold/leased before 1.6.2004, 45% rebate

The rebate would be applicable on the combined levy of registration fee, stamp duty and transfer of property duty and no total exemption of stamp duty would be extended. This concession would be available only for the first transaction, when the first sale by the infrastructure company is made to an IT industry.

9. Sales Tax Concession:

Sales Tax Concession to new units and for expansion/diversification will remain same as already provided for in the Industrial Policy, 1999 and as given at Annexure '3'.

10. Applicable rate of Sales Tax :

IT Software Industry will be totally exempted from payment of sales tax. The applicable rate of sales tax on computers and computer peripherals shall be reduced to 0.25%.

*** Definitions: Definitions of IT Industry, Software, Computers and Computer peripherals for the purpose of sales tax concession and applicable rate of sales tax as mentioned at points 9 and 10 are given at [Annexure '2'](#).**

11. IT as priority sector for lending:

IT Software and IT Services shall be considered as a priority sector by of the State Level Financial Institutions for lending assistance.

12. Exemption from Pollution Control :

IT Software industry shall be exempted from the purview of NOC and consent regime of the Haryana State Pollution Control Board, except in respect of power generation sets of more than 10 KVA Capacity.

13. Self-certification/exemption from various Acts :

Self-certification/exemption for the IT Software Industry shall be permitted as far as possible regarding requirement of the Factories Act, Employment Exchange (Notification of Vacancies Act), Payment of Wages Act, Minimum Wages Act, Contract Labour (Regulation and Abolition) Act , Workmen Compensation Act , Haryana Shops and Establishments Act ; and Employees State Insurance Act.

14. Awards of excellence :

The State will declare awards of excellence for outstanding performance in exports/domestic segment/employment generation.

15. Strengthening telecom and communication infrastructure :

The State shall pursue with DOT for establishing reliable, adequate and efficient telecom and communication infrastructure including Internet Nodes in all districts of Haryana.

16. Special Incentives for Mega Projects :

Customized package of special incentives will be permitted for prestigious projects having an investment of Rs. 30 crores and above. A High Powered Committee under the chairmanship of Chief Minister will be constituted to decide the package in individual cases.

ANNEXURE-1

State Level Steering Committee - IT PRISM

Constitution

The constitution of the committee shall be as follows :

1. Chief Secretary Chairman
2. Principal Secretary to Chief Minister
3. Secretary, Finance,
Secretary, Planning,
Secretary, Commercial Taxation,
Secretary, Education,
Secretary, Revenue,
Secretary, Administrative Reforms,
Secretary, Health,
Secretary, Food & Supply,
Secretary, Local Bodies,
Secretary, Transport,
Secretary, Power,
Secretary, Panchayat & Rural Development,
Secretary, Electronics & IT,
Secretary, Technical Education,
Secretary, Agriculture,
Secretary, Cooperation.
4. Director General, NIC or his nominee
5. Three experts in IT to be nominated by the State Government
6. MD, Hartron/Director, EIT Member Secretary
7. Any other Secretary/HoD to whom specific agenda applies.

Role and functions

1. To set the priorities of sectors to be taken up for Computerization.
2. To review the progress of implementation IT Action Plan of various Government Departments, Boards and Corporations.
3. To approve budget and sanction posts & expenditure for IT. The approval by this committee shall be deemed to be final & no further reference to AD/FD will be required.
4. To devise the ways and means for the promotion of IT Education in Haryana.

Technical Committee

Constitution

1. Secretary, E & IT - Chairman
2. MD, Hartron - Member Secretary
3. SIO, NIC, Haryana State Unit - Member
4. Three IT Experts to be nominated by the State Government.

Role and Functions

1. Standardization of hardware, software and databases .
2. Evaluation of Technologies for IT including LAN/ WAN.
3. Establishing framework contracts.
4. Fixing up norms for hardware and software purchase.
5. To approve the course curricula for all types of computer courses.
6. To assist the Steering Committee.

Facilitation Committee

Constitution

1. Principal Secretary to Chief Minister - Chairman
2. Secretary, Power
3. Secretary, Labour

4. Secretary, Excise & Taxation
 5. Secretary, Local Bodies
 6. Secretary, Industries
 7. Secretary, Electronics & Information Technology
 8. Secretary, Town & Country Planning
 9. MD, HSIDC
 10. MD, HFC
 11. Chief Administrator, HUDA
 12. Director, Industries
 13. Labour Commissioner
 14. MD, Hartron - Member Secretary
- Six representatives from industries associations.

ANNEXURE – 2

Categories of Industries included in the scope / definition of Information Technology Industry

A) Computing devices including:

Desktop

Personal Computer

Servers

Work-station

Nodes

Terminals

Network P.C.

Home P.C.

Lap-top Computers

Note Book Computers

Palm top Computer / PDA

B) Network Controller Cards / Memories including:

Network Interface Card (NIC)

Adaptor – Ethernet / PCI / EISA / Combo / PCMICA

SIMMs – Memory

DIMMs – Memory

Central Processing Unit (CPU)

Controller – SCSI / Array

Processors – Processor / Processor Power Module / Upgrade

C) Storage Units including:

Hard Disk Drives / Hard Drives

RAID Devices & their Controllers

Floppy Disk Drives

C.D. ROM Drives

Tape Drives – DLT Drives / DAT

Optical Disk Drives

Other Digital Storage Devices

D) Others

Key Board

Monitor

Mouse

Multi-media Kits

E) Printers and Output Devices including:

Dot matrix
Laserjet
Inkjet
Deskjet
LED Printers
Line Printers
Plotters
Pass-book Printers

F) Networking products including:

Hubs
Routers
Switches
Concentrators
Trans-receivers

G) Software including:

Application Software
Operating system
Middleware / Firmware

H) Power supplies to Computer Systems including:

Switch mode power supplies
Uninterrupted Power supplies

**I) Networking / Cabling & related accessories
(related to IT Industry)**

Fibre Cable
Copper Cable
Cables
Connectors, Terminal Blocks
Jack panels, patch cord
Mounting cord / wiring blocks
Surface mount boxes

J) Consumables including:

C.D. ROM / Compact Disk
Floppy Disk
Tapes DAT / DLT
Ribbons
Toners
Inkjet Cartridges
Inks for Output devices

K) Electronic Components:

Printed Circuit Board / populated PCB
Printed Circuit Board / PCB
Transistors
Integrated Circuits / ICs
Diodes / Thyristor / LED
Resistors
Capacitors
Switches / (On / Off, Push button, Rocker, etc.)

Plugs / sockets / relays
Magnetic heads, Print heads
Connectors
Microphones / Speakers
Fuses

L) Telecommunication Equipment including:

Telephones
Videophones
Fascimile machines / Fax cards
Tele-Printers / Telex machine
PABX / EPABX / RAX / MAX – Telephone Exchange
Multiplexers / Muxes
Modems
Telephone answering machines
Telecommunication Switching Apparatus
Antena & Mast
Wireless datacom equipment
Receiving equipments like Pagers, Mobile / Cellular Phones, etc.
VSATs
Video Conferencing Equipments
Including Set Top Boxes for both Video and Digital Signalling.

M) IT Enabled Services:

IT Enabled Services are business processes and services, the end products/services of which are: -

- Delivered outside India.
- Delivered over communication networks, and
- Either externally contracted (out-sourced) or provided by a remote subsidiary of the same company (out-located).

Note:

Services which would not be included are: -

- i. Remote production/manufacturing units
- ii. The Corporate offices of companies or their local branches
- iii. Virtual business on Internet.

Following services which meet the above criteria would be included: -

- i. Back-Office Operations
- ii. Call Centres
- iii. Content Development or Animation
- iv. Data Processing
- v. Engineering and Design
- vi. Geographic Information System Services
- vii. Human Resource Services
- viii. Insurance Claim Processing
- ix. Legal Database
- x. Medical Transcription
- xi. Payroll
- xii. Remote Maintenance
- xiii. Revenue Accounting
- xiv. Supports Centres and
- xv. Web-site Services.

ANNEXURE-3

Sales Tax Concessions

The benefit of sales tax concessions would be available to new units on graded scale or on fixed slab scale at the option of the eligible unit. For the purpose of granting sales tax concession incentive, the State shall be divided in 3 categories:

Category 'A' Areas within the municipal limits of Gurgaon Town, Gurgaon Block of Gurgaon district (except Manesar), the municipal limits of Faridabad Municipal Complex, Faridabad and Ballabgarh Blocks of Faridabad district.

Category 'B' Controlled areas of Kundli, Bahadurgarh and Panipat towns, IMT Manesar and Panchkula urban estate.

Category 'C' Rest of the State except those mentioned above.

The maximum limit of sales tax concession to new units in SSI units and L&M units and the maximum period of exemption for which the benefit would be available is as under: -

CATEGORY	EXTENT OF CONCESSION		TIME LIMIT	SCALE OF CONCESSION
A	SMALL SCALE 125% of fixed capital investment	MEDIUM/LARGE SCALE 100% of fixed capital investment	9 years	50% Exemption from 1 st year to 9 th year
B	125% of fixed Capital Investment	100% of fixed fixed investment	10 years	1 year 80% 2 year 60% 3 year 60% 4 year 50% 5 year 50% 6 year 50% 7 year 50% 8 year 40% 9 year 30% 10 year 20%
C	150% of fixed capital investment	125% of fixed Capital Investment	11 years	1 year 80% 2 year 60% 3 year 60% 4 year 50% 5 year 50% 6 year 50% 7 year 50% 8 year 40% 9 year 30% 10 year 30% 11 year 20%

Note 1: The benefit of sales tax concession will not be admissible to units falling in the negative list. (Annexure II)

Note 2: All new industrial units in category 'B' and 'C' after availing the benefit of sales tax exemption shall continue their production atleast for the next five years not below the level of average production in preceding five years.

Note 3: New industrial units falling in category 'B' and category 'C' can opt for the scale of concession on fixed slab scale as applicable to units in category 'A'. In case of this option the condition in Note 2 above shall not apply.

Note 4: The eligible units will be allowed to collect applicable sales tax and retain the permissible benefit as State subsidy.

Note 5: The investment in land and building shall not exceed the investment made in plant and machinery for the purpose of calculating fixed capital investment.

Note 6: The maximum extent of concession to agro based units shall be 250% of fixed capital investment and for information technology / software / electronics will be 300% of fixed capital investment.

Note 7: The existing industrial units availing sales tax exemption / deferment under previous policies would have the option to avail tax incentives as per this policy for the balance entitlement/period.

Sales Tax Concessions on Expansion/Diversification

Industrial units under going expansion/diversification would be given the benefit of sales tax exemption as per the above scale only on the investment in plant & machinery. The benefit will be restricted to the 50% fixed slab scale and will be given for five years.