



# Haryana Government Gazette

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HARYANA GOVERNMENT

INDUSTRIES & COMMERCE DEPARTMENT

### Notification

The 29th December, 2020

**No. 25/05/2020-4IB-I.**— In supersession of the Enterprises Promotion Policy, 2015, the Governor of Haryana is pleased to notify the '**Haryana Enterprises & Employment Policy-2020**' attached as Annexure-'A', which will be effective from 01st January, 2021 for a period of five years.

The policy has been concurred by the Finance Department vide their U.O. No.11/67/2020-3FD-III/2020/26223, dated 22nd December, 2020 and approved by the Council of Ministers in its meeting held on 23rd December, 2020.

Chandigarh:  
The 28th December, 2020.

A. K. SINGH,  
Principal Secretary to Government of Haryana,  
Industries & Commerce Department.

ANNEXURE-'A'

# HARYANA ENTERPRISES AND EMPLOYMENT POLICY, 2020

Department of Industries and Commerce,  
Government of Haryana

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## Abbreviations

|         |   |
|---------|---|
| AKIC    | Amritsar Kolkata Industrial Corridor                                |
| BIPP    | Bureau of Industrial Policy & Promotion                             |
| BRAP    | Business Reforms Action Plan  |
| CAF     | Composite Application Form  |
| CETP    | Common Effluent Treatment Plant                                     |
| CFC     | Common Facility Centres   |
| CFS     | Container Freight Station   |
| CIS     | Central Inspection System   |
| CLU     | Change of Land Use  |
| DHBVN   | Dakshin Haryana Bijli Vitran Nigam                                  |
| DIC     | District Industries Centres   |
| DMIC    | Delhi - Mumbai Industrial Corridor                                  |
| DPIIT   | Department for Promotion of Industry and Internal Trade             |
| EAC     | Economic Advisory Council   |
| EDC     | External Development Charges  |
| EODB    | Ease of Doing Business  |
| ESDM    | Electronics System Design & Manufacturing                           |
| EV      | Electric Vehicle  |
| FAR     | Floor Area Ratio  |
| FPO     | Farmer Producer Organization  |
| FY      | Financial Year  |
| GMP     | Good Manufacturing Practice   |
| GRB     | Gender Responsive Budgeting   |
| GSDP    | Gross State Domestic Product  |
| GSVA    | Gross State Value Added   |
| HEPB    | Haryana Enterprise Promotion Board                                  |
| HEPC    | Haryana Enterprises Promotion Centre                                |
| HSIIDC  | Haryana State Industrial and Infrastructure Development Corporation |
| ICD     | Inland Container Depot  |
| IIT     | Indian Institute of Information Technology                          |
| IIM     | Indian Institute of Management                                      |
| IMT     | Industrial Model Township   |
| IT      | Information Technology  |
| ITeS    | Information Technology Enabled Services                             |
| KMP     | Kundli-Manesar-Palwal   |
| MoU     | Memorandum of Understanding   |
| MSE-CDP | Micro & Small Enterprises-Cluster Development Programme             |
| MSME    | Micro, Small and Medium Enterprises                                 |
| NASSCOM | National Association of Software and Service Companies              |
| NID     | National Institute of Design  |
| NIT     | National Institute of Technology                                    |
| NMA     | National Monuments Authority  |
| NoC     | No objection Certificate  |
| PFT     | Private Freight Terminal  |
| PPP     | Public Private Partnership  |
| QMC     | Quality Marking Centres   |
| SWS     | Single Window System  |
| SDG     | Sustainable Development Goals                                       |
| TCP     | Town and Country Planning   |
| TIES    | Trade Infrastructure for Export Scheme                              |
| UHBVN   | Uttar Haryana Bijli Vitran Nigam                                    |

## Chapter 1: Executive Summary

### 1.1. Overview

At the time of its creation in 1966, Haryana was an agrarian state. Today, while the State continues to honour its agricultural roots it is also counted amongst the most industrialized and developed states in India. In the past five years alone, the State GSDP at constant prices has grown from INR 3.7 Lakh Crore (FY 2014-15) to INR 5.72 Lakh Crore (FY 2019-20, Advance Estimates), registering a Compounded Annual Growth Rate (CAGR) of above 9 percent<sup>1</sup>. In 2019-20, the industrial contribution to GSVA was 33 percent and service sector contribution was 51 percent. Further in 2019-20, the industry sector grew at 6.8 percent and the services sector at 8.8 percent versus the national average of 2.5 percent and 6.9 percent respectively. Haryana registered exports worth INR 96,570 Cr. in 2018-19, an annual growth of 12.8 percent<sup>2</sup>.

Haryana's industrial ecosystem thrives on the back of a vibrant MSME ecosystem. The major MSME footprint is in the automobile, food & beverages, textiles, engineering and metals sector. The manufacturing MSME spectrum in the state comprises both state-of-the-art medium enterprises (majorly located in Panipat, Faridabad and Gurugram) as well as a large number of traditional micro and small enterprises (majorly located in Panchkula, Ambala, Karnal, Rohtak and Kaithal).

The State has embodied the philosophy - *"from red tape to red carpet"* and is committed to making the state as the preferred destination for investment

Haryana also benefits from a unique strategic locational advantage, with nearly 57 percent of the State falling within the National Capital Region (NCR). The State offers a robust industrial infrastructure with 6 Industrial Model Townships (IMTs), 24 Industrial Estates and 11 Industrial Clusters/ Theme Parks spanning over 27,137 acres. On macro infrastructure, Haryana has 9 ICDs, 3 CFS and 8 PFTs and entire state under the expanse of at least one major industrial corridor i.e. Delhi - Mumbai Industrial Corridor (DMIC), Amritsar Kolkata Industrial Corridor (AKIC), Kundli-Manesar-Palwal Expressway (KMP), North-South Corridor and Bharatmala offering immense opportunities for industrial development. Other key infrastructure projects include Integrated Aviation Hub at Hisar, the KMP Economic Corridor, Panchgram, IMT Sohna, Global City Gurugram and a Multi-Modal Logistics Hub at Narnaul.

The State has also evolved over the years as a nesting destination for education and skilling. With over 40+ Universities, 800+ Colleges, 150+ Engineering Colleges & 180+ Polytechnics, Haryana is also home to premier national institutes such as IIM, IIIT, NIT, NID. Haryana was amongst the first few states to launch a dedicated skill

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<sup>1</sup>Haryana Economic Survey 2019-20

<sup>2</sup> As per DGCIS data

university – the Haryana Vishwakarma Skill University. The Skill Development and Industrial Training Department is presently providing training for certificate courses having to about 1,01,381 trainees.

The Enterprise Promotion Policy (EPP) in 2015 was launched to position Haryana as a pre-eminent investment destination and facilitate balanced regional and sustainable development supported by a dynamic governance system, wide-scale adoption of innovation & technology, and skill development for nurturing entrepreneurship and generating employment opportunities.

The State has taken a series of initiatives to attract industries through enabling policy measures and enhancing the Ease of Doing Business. This has resulted in improving the industrial landscape of Haryana. After the successful implementation of the Enterprises Promotion Policy-2015, a new lens is required to chart the future growth story and to ensure the alignment of policy outlook and action with the present needs of the industrial ecosystem.

The Haryana Enterprises and Employment Policy (HEEP), 2020, identifies the following five pillars for holistic socio-economic development of the State:

1. Industry competitiveness
2. Balanced regional growth
3. Export development
4. Innovation and entrepreneurship
5. Robust industrial infrastructure

This policy places a special emphasis on the development of the MSME sector and their business growth. It envisages bringing up a paradigm shift from being a regulator to a facilitator of industries .

## **1.2. Rationale for HEEP 2020**

A renewed focus on making factors of production more cost-competitive, further easing the regulatory burden on the industry, ensuring balanced regional development, revival of MSME sector, enhancing productivity and leveraging technological progress.

## **1.3. Vision, Mission and Objective**

The vision of the policy is to establish Haryana as a competitive and favoured investment destination, achieve regional development, export diversification and augment livelihood opportunities for its people through resilient economic development. The policy objective is to attract investments of INR 1 lakh crore and generate 5 lakh jobs in the State.

## **1.4. Fostering Ease of Doing Business**

In an atmosphere where all states are competing against each other for attracting investments, the role of business facilitation becomes crucial. The Government of Haryana is determined to create an ecosystem in which the Ease of

Doing Business in the State matches and even exceeds the best global standards. This policy proposes regulatory reforms in land, labour, power and institutional mechanisms.

#### **1.5. Facilitating balanced regional development & value chain strengthening**

The policy emphasizes the need for a balanced regional growth across the State. This would be strategized through fiscal and non-fiscal interventions that assist spread of the industry to the industrially backward areas of the State and infrastructure-led geographical dispersal driven by Mega Projects and Industrial Corridors.

#### **1.6. Enhancing exports**

The performance of the State on the export front has been excellent despite the lack of natural resources and the distance of the State from seaports. However, the need has been identified, to provide adequate infrastructure, regulatory support & incentives to the exporting units for increasing exports from the state through strategic policy interventions.

#### **1.7. Developing robust industrial infrastructure**

Quality Infrastructure plays a crucial role for the industrial development of the State. The availability of world-class infrastructure enables industries to establish operations with lower operating costs. In addition to social development and the generation of new employment opportunities, it helps in attracting indigenous and foreign investments. In this regard, various strategic infrastructure schemes have been included in this policy.

#### **1.8. Supporting entrepreneurship and MSMEs**

The MSME sector has emerged as a highly vibrant and dynamic sector contributing significantly to the socio-economic development of the country. The sector encourages the growth of entrepreneurship and generates employment opportunities at lower capital costs. These units are important since they are complementary to large industries and serve as ancillary units, contributing to inclusive development. This policy provides critical support to MSMEs for enhancing productivity, quality and market access and promoting the entrepreneurial spirit. The policy promotes cluster development, regulatory easing and provision of attractive fiscal incentives for the future growth of the MSME sector.

#### **1.9. Promoting brand Haryana**

This policy envisages to increase investor satisfaction through the entire business cycle from investment promotion to after-care. Further, the policy lays emphasis on district level investment promotion and facilitation. Three-tier grievances redressal committees have been constituted to address industrial disputes and grievances.

#### **1.10. Generating livelihood opportunities & labour integration**

This policy targets to generate 5 lakh jobs. The focus of the policy is on employment generation through the promotion of greenfield and brownfield investments in the State, adoption of a labour-intensive approach to industrial infrastructure development and maintenance, execution of strategic skill development

initiatives and technological interventions. The policy also envisages to create a more inclusive labour force with an increased focus on labour well-being.

#### **1.11. Boosting investments in thrust sectors**

The State has been at the forefront in promoting industrial growth by offering an array of attractive incentives to encourage rapid industrialization. Based upon an in-depth analysis of geographical advantages, skill base, available resources and manufacturing capabilities, the State has identified the following seven thrust sectors:

1. Auto, Auto Components & Light Engineering
2. Agro-based, Food Processing & Allied Industry
3. Textile and Apparel
4. Electronics System Design & Manufacturing (ESDM)
5. Defence and Aerospace Manufacturing
6. Pharmaceutical & Medical Devices
7. Chemical and Petrochemicals
8. Large Scale Energy and Data Storage

The thrust sectors shall be supported through enhanced fiscal support, conducive infrastructure and other strategic interventions for their growth.

#### **1.12. Strengthening services sector**

The services sector contributes over 50% to the State's Gross Value Added. Further, the service sector supports several critical industries, therefore making it a crucial enabler for the overall socio-economic development of the State. IT & ITeS, Logistics, Retail & Warehousing, Research & Development, Healthcare, Education and Tourism have been identified as focus areas within the service sector.

#### **1.13. Providing competitive incentives framework**

To reduce the cost of doing business and enhance industry competitiveness, the policy offers an array of attractive fiscal incentives to MSMEs, Large, Mega and Ultra-Mega enterprises, exporting units, thrust sector enterprises, large service sector enterprises including but not limited to investment subsidy, interest subsidy, stamp duty refund, electricity duty refund, employment subsidy and technology acquisition support, amongst others. Ultra-Mega and Mega projects as defined under this policy shall also be eligible for a special package of incentives over and above the incentives offered under this policy. In support of Micro-enterprises in rural areas, the 'Haryana Gramin Udyogik Vikas Yojna' is also being introduced under this policy.

#### **1.14. Implementation and monitoring**

A committee shall be constituted to identify hurdles/bottlenecks in the implementation of the State's industrial policy and for redressal. An Economic Advisory Council of eminent people has been constituted to harness the intellectual capital on policy matters and other issues of overall economic development of the State. A cell for implementation and monitoring support for Central Government schemes shall also be established under the purview of this policy.



**1.15. General**

The policy validity period shall be from 1<sup>st</sup> January, 2021 for 5 years. All schemes proposed in the policy will be formulated within time frame of two months from the date of notification of this policy. The on-line platform would go online/live by 31<sup>st</sup> March, 2021.

## Chapter 2: Definitions

**2.1. Ultra-Mega Project:** Iconic Project having minimum Fixed Capital Investment of INR 6000 Cr. in A Blocks, INR 4,500 crore in B Blocks, INR 3,000 crore in C Blocks and INR 1,500 crore in D Blocks.

**2.2. Mega Project:** Project having minimum Fixed Capital Investment (FCI) of INR 200 crore in B Blocks, FCI of over INR 100 crore in C Blocks and FCI of over INR 75 crore in D Blocks. The project undertaking expansion/ diversification and identified service enterprises with same criteria of investment shall also be treated as Mega Project.

[Special Package of incentives for Mega Projects having potential of ancillarization shall be decided by HEPB over and above standard package of incentives on the basis of Cost Benefit Analysis under this policy and sectoral policy i.e. IT & ESDM Policy 2017].

**2.3. Large Enterprise:** Investment in Plant and Machinery greater than INR 50 crore and turnover greater than INR 250 crore (over and above the of limit of Medium units defined under the MSMED Act, 2006 or as amended by GoI from time to time).

**2.4. Medium Enterprise:** Investment in Plant and Machinery or Equipment does not exceed INR 50 crore and turnover does not exceed INR 250 crore as amended under the MSMED Act, 2006 or as amended by GoI from time to time.

**2.5. Small Enterprise:** Investment in Plant and Machinery or Equipment does not exceed INR 10 crore and turnover does not exceed INR 50 crore as amended under the MSMED Act, 2006 or as amended by GoI from time to time.

**2.6. Micro Enterprise:** Investment in Plant and Machinery or Equipment does not exceed INR 1 crore and turnover and turnover does not exceed INR 5 crore as amended under the MSMED Act, 2006 or as amended by GoI from time to time.

**2.7. Start-up:** As defined by Department of Electronics and Information Technology, Government of Haryana, from time to time and registered with Start-up Haryana.

**2.8. Rural Functional Cluster:** Cluster developed by a group of minimum 10 enterprises in rural area within jurisdiction of village panchayat resulting in enhanced economic activity and local employment in 'B', 'C' & 'D' category blocks.

**2.9. Essential sectors:** Essential Goods and Services are classified as those activities, which are necessary for the survival of citizens, employment generation, business linkages and ancillary industries, have seasonality of commodities (raw material seasonality) and required in dealing with disaster (e.g. pandemic related goods and industries) as defined by the State Government from time to time.

**2.10. Service Enterprise:** HealthCare, Tourism (excluding stand-alone hotel facilities), Education (Skills Development, Training-cum-Incubation Centres), IT, Bulk Courier

Services, R&D Centres, Testing Labs, Engineering & Design Services, Equipment Rental & Leasing (construction & industry related), Equipment Maintenance & Repair, Environmental Services (sewage/ refuse disposal/ waste management), Entertainment Parks except Cinema Halls, having investment in building and equipment more than INR 10 crore. [Any other service enterprise, as notified by the State Government for inclusion in the list from time to time].

**2.11. Data Centre Unit:** A physical facility that enterprises and cloud service providers use to store and manage their business-critical applications and information on a network of IT servers. The facility typically comprises of DC Server Room that has server racks, storage racks and networking equipment, NOC (Network Operation Centre) Room, Centralized Building Management System (BMS room), Help/ Desk area and Testing/ Lab room, Electrical Room (Power Supply Room), Telecom Room, UPS and Battery Room, AHU (Air Handling Units) and Fire Suppression System<sup>3</sup>.

**2.12.Co-location Facility:** A standalone building in which multiple companies share space for storing and running their IT and/or network equipment, akin to a multi-tenant office building; the co-location facility provides the building, cooling, power, bandwidth and physical security while the customer provides servers and other storage equipment, which is used for data management and storage. Space in the facility is often leased by the rack, cabinet, cage or room.

**2.13.Net SGST:** Net SGST to be considered for reimbursement means that the eligible unit will be entitled to get reimbursement of SGST amount paid through cash ledger against the output liability of SGST on sale of eligible products. The eligible unit shall first have to utilize all the eligible ITC including eligible ITC of IGST available in its Credit Ledger, against the SGST output liability, before adjusting the SGST amount through Cash Ledger.

**NOTE:** These definitions will also be applicable for sectoral policies.

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<sup>3</sup> MEITY Data Centre Guidelines ([https://meity.gov.in/writereaddata/files/Annexure\\_1\\_sdc.pdf](https://meity.gov.in/writereaddata/files/Annexure_1_sdc.pdf))

## Chapter 3: Rationale for HEEP 2020

In 2020, India has become the world's 5<sup>th</sup> largest economy and is poised to become a USD 5 trillion economy by 2025. The State of Haryana is well-positioned to play a critical role in advancing the national economy. There are certain challenges and opportunities that have manifested such as changing global macroeconomic environment, rise of new technologies impacting the manufacturing and services industry, new working models in the wake of current pandemic and rising concerns on environment safety and bringing gender equality. The COVID-19 pandemic has created several challenges and opportunities for the country and Haryana.

To propel the State towards an accelerated trajectory of growth, a renewed focus is required on making factors of production more cost-competitive, further easing the regulatory burden on the industry, ensuring balanced regional development, revival of MSME sector, enhancing productivity and leveraging technological prowess.

In lieu of the above, the new Haryana Enterprises and Employment Policy, 2020 takes cognizance of the following:

- 3.1 Need for building resilience in economic development and industrial growth through policy affirmations
- 3.2 Opportunities arising out of changes in the global economic order and political headwinds
- 3.3 Alignment with national initiatives such as Aatma nirbhar Bharat Abhiyaan and infrastructure development schemes of Govt. of India
- 3.4 Advent of Industry 4.0 bringing to fore adoption of digital transformation, Artificial Intelligence, Internet of Things, Big Data and Analytics, Cloud and Cyber security amongst other interventions
- 3.5 Leveraging emerging trends in Supply Chain & Logistics, Electric Mobility, e-commerce, Agri-tech, Green manufacturing & Climate change and Healthcare & Pharma and other new avenues for growth.

## Chapter 4: Vision, Mission and Objectives

### 4.1 Vision

*“To establish Haryana as a competitive and favoured investment destination, achieve regional development, diversify exports and augment livelihood opportunities through resilient economic development.”*

### 4.2 Mission

- 4.2.1 Bringing systemic changes through rationalizing of State statutes for industrial development and facilitating ease to businesses
- 4.2.2 Focussing on supply chain strengthening across sectors and regional development
- 4.2.3 Diversifying export markets and commodities
- 4.2.4 Building robust industrial infrastructure and utilising industrial corridors for economic development
- 4.2.5 Focussing on investment promotion and promoting brand Haryana
- 4.2.6 Encouraging innovation & developing Start-up ecosystem and entrepreneurial culture in each district
- 4.2.7 Ensuring greater cohesion of the workforce and generating opportunities for livelihood in each district
- 4.2.8 Promoting investment in thrust sectors
- 4.2.9 Providing competitive incentives framework

### 4.3 Policy Objectives

- 4.3.1 Generate 5 lakh jobs
- 4.3.2 Attract investments over INR 1 lakh crore
- 4.3.3 Double the exports to INR 2 lakh crore
- 4.3.4 Re-evaluate at least 100 State statutes (Acts, Rules and guidelines) and make them more amenable to investors
- 4.3.5 Strengthen supply chain facilities and infrastructure across 22 districts

## Chapter 5: Fostering Ease of Doing Business

Apart from easing regulations, Haryana has adopted a three-pronged approach for Ease of Doing Business. The State's EoDB strategy is being implemented in three phases i.e. 'Design & Develop', 'Implement & Use' and 'Improve'. The ultimate objective of Haryana's 3 phase strategy is creating a conducive environment for businesses.

In an environment, where all states are competing against each other for attracting investments, the role of business facilitation becomes crucial. The Government of Haryana is determined to create an ecosystem in which the Ease of Doing Business matches and even exceeds the best global standards. The State Government is aware that a hassle-free regulatory environment is accorded the highest priority by the industrialists/investors. In order to achieve this, the State Government has implemented an effective Clearance & Facilitation System, which will continue to improve and strengthen the existing enablers of EoDB.

### 5.1. Project Clearance Mechanism:

A two-tier system for project clearances had been created for increasing efficiency under the Haryana Enterprise Promotion Board (HEPB):

- a) Projects with investments more than INR 10 crore and involving CLU cases of more than 1 acre land will be cleared by the Empowered Executive Committee of HEPB.
- b) Projects with investments up to INR 10 crore and CLU cases up to 1 acre in conforming zones will be cleared by District Level Clearance Committee headed by Deputy Commissioner.

Further, HEPB is responsible for sanctioning of special packages for Mega Projects and overseeing timely provision of clearances and deemed clearances. The statutory backing is provided for this implementation under The Haryana Enterprise Promotion Act, 2016.

### 5.2. Strengthening Single Window System (SWS):

5.2.1. The State has implemented a dedicated Single Window System, the Haryana Enterprise Promotion Centre (HEPC), with a statutory backing that provides online approvals in a timely manner and has provisions for deemed clearances. More than 100 ind clearances such as Consent to Establish, Approval of Building Plans, Electricity Connection, Consent to Operate etc. are now being granted through HEPC with all services being delivered within a time frame of maximum 45 days.

#### 5.2.2. To further strengthen the Single Window System the following initiatives shall be undertaken:

5.2.2.1. In case services are not rendered within the notified timelines deemed clearance of service applications on HEPC portal shall be auto issued from the

- log-in ID of the concerned Head of Department and auto generated notices for disciplinary action against the defaulting officials shall be issued.
- 5.2.2.2. The timelines of application processing and approval shall be rationalised according to the best practices of other States.
  - 5.2.2.3. More than 150 services/ clearances/ approvals etc. related to industrial units have been notified under The Haryana Right to Service Act, 2014. Additional 41 services / clearances (Annexure- 1) shall be notified under The Haryana Right to Service Act, 2014 with an ongoing focus on rationalising timelines, application procedures and application fee.
  - 5.2.2.4. An application checklist shall be integrated with HEPC, whereby investor shall be intimated of application requirements prior to submission. Further, the portal shall be updated regularly to provide a seamless user experience.
  - 5.2.2.5. 117 number of services are being provided through Single Window System on HEPC Portal. The additional 36 services (Annexure-2) shall also be provided on HEPC Portal.
  - 5.2.2.6. A process re-engineering exercise shall be conducted to identify and remove redundant processes and minimise interdependency of approvals such as Change of Land Use (CLU) requirement for obtaining Factory Registration / Licence and Consent to Establish (CTE)/ Consent to Operate (CTO).
  - 5.2.2.7. Digi Locker shall be integrated in the Single Window System to avoid hassle to investors of re-uploading documents.
  - 5.2.2.8. Investor feedback mechanism has been integrated in the Single Window System to facilitate data collection and improve service delivery.
  - 5.2.2.9. All requisite Districts Level Business Reforms shall be integrated in the Single Window System to provide ease to businesses.
  - 5.2.2.10. System of auto-notifications to the investor through SMS or email for renewal of licenses and payment of fee has been integrated in the Single Window System.
  - 5.2.2.11. Business clearances and approvals applicable for different sectors shall be grouped and made available on HEPC Portal in such a way that any industrial unit belonging to a particular sector shall be able to easily obtain information on the clearances and approvals required for operating in that sector in the State.
  - 5.2.2.12. The business ecosystem shall be made more conducive by rationalising the existing rules, regulation in a way which reduces the number of processes, time taken and cost.

### **5.3. Strengthening Central Inspection System (CIS):**

The Government of Haryana launched the Central Inspection System in October 2017 and it was ranked as a best practice in EoDB State ranking 2017-18 by DPIIT, Government of India. To further strengthen the Central Inspection System in such a way that it optimizes benefits to investors in the State, the following initiatives shall be undertaken:

- 5.3.1. The Central Inspection System shall be integrated with the Single Window System (HEPC portal).
- 5.3.2. Inspections will be treated as a service and will be integrated with the Grievance

Redressal System and HEPC feedback management system.

- 5.3.3. Inspection checklists shall be rationalised in consultation with concerned departments.
- 5.3.4. Inclusion of services of new departments under the ambit of CIS shall be examined and appropriately implemented.
- 5.3.5. Dedicated mobile app shall be launched to facilitate inspections and access to inspection reports.
- 5.3.6. Security audit shall be conducted of the CIS module. The Digi Locker, Digital Signatures and QR codes shall be integrated in CIS.
- 5.3.7. To reduce the burden of inspections on State Departments and in the interest of streamlining processes, assignment of Inspection to Empanelled Technical Experts in select regulations shall be examined.

#### **5.4. Simplification of Regulations**

In order to make a conducive business ecosystem in Haryana, the following reforms shall be undertaken with clear outcomes with a focus on regulatory, governance and execution.

- 5.4.1. **Regulatory impact assessment:** The government shall undertake regulatory impact assessment exercise for all investor touch points and re-evaluate regulations to streamline Acts/Rules and ease the burden on the investors.
- 5.4.2. **Focus on improving major parameters:** The effort shall be taken to reduce time, cost and number of procedures for Starting a Business, Construction Permits, Getting Electricity and Registering Property.

#### **5.5. MSMEs:**

- 5.5.1. **Clearances:** MSMEs shall be given all requisite business clearances within 15 days, beyond which there will be a provision for automated deemed clearance on the HEPC portal.
- 5.5.2. **Inspections:** No inspections shall be carried out for a period of 3 years from the date of starting a business.

#### **5.6. Labour Reforms:**

- 5.6.1. **Mega and Ultra-mega projects:** New Mega and Ultra-Mega Projects shall be exempted from the purview of all labour laws in the state of Haryana, except the Minimum Wages Act, 1948, for a period of 3 years, subject to the fulfilment of certain conditions.
- 5.6.2. **Increase in coverage limit for small industries under the Factories Act, 1948:** The limit of the number of workers for exemption from coverage under the Factories Act, 1948 shall be increased from 20 to 40 for the industries operating with aid of power.
- 5.6.3. **Increase in overtime working hours under the Factories Act, 1948:** The



allowed overtime working hours shall be increased from the present norm of 50 hours per quarter to 115 hours per quarter, which would be immensely beneficial to the workers as well as the entrepreneurs. It would enable the workers to invest more hours to work, thereby earning extra wages and would also help entrepreneurs to respond to greater production requirements, as and when required.

5.6.4. **Self-certification for factory license:** Provision for all industries to obtain factory license under self-certification scheme (except those industries in high risk category) shall be suitably examined.

5.6.5. **Three shifts for women:** The provision for allowing three working shifts for women shall be made for Data Centres Units and other industries as notified by the Government time to time.

5.6.6. **Public utilities:** IT/ITES, Electronics, Auto & Textile Industry shall be declared as Public Utilities under the Industrial Disputes Act, 1947.

## 5.7. Land Reforms:

5.7.1. **Concession on land price:** For Mega or Ultra-Mega Projects, where the project proponent has been engaged in the manufacturing business (in India or abroad) for at least a period of 20 years and where in the product proposed to be manufactured in the State fulfils the objective of import substitution, the project proponent shall be eligible for a concession in land allotment price by HSIIDC up to 50% of prevailing land allotment price of HSIIDC in C & D category blocks and up to 25% in B category blocks. HEPB will be the competent authority to grant this concession on the recommendations of the Empowered Executive Committee

5.7.2. **For general industry:** The facility of enhanced FAR of 50% beyond the general level of 150% i.e. up to 200% in case of general industries shall be permissible, subject to payment of proportionate increasing EDC and conversion charges at existing rates (in the form of augmentation charges) or as may be prescribed by the State Government /development agency.

5.7.3. **For warehousing:** The facility of enhanced FAR of 75% beyond the general level of 75% i.e. up to 150% in case of warehousing shall be permissible subject to payment of proportionate increasing EDC and conversion charges at existing rates (in the form of augmentation charges) or as may be prescribed by the State Government /development agency.

5.7.4. **CLU for units in conforming zone:** A one-time opportunity shall be provided to units established without obtaining CLU in the conforming zones of the Town and Country Planning Department, to obtain the CLU at a rationalised compounded cost.

5.7.5. **CLU for expansion of units:** CLU charges shall be rationalised for expansion of units that were originally setup outside the controlled area of TCP with NOC but

were subsequently brought under the controlled area.

- 5.7.6. **Data Centre Units:** TCP shall amend their policy to remove the requirement for provision of basement parking in case of Data Centre Units being surface parking sufficient for such units.
- 5.7.7. **Advance ruling of CLU:** In order to ascertain whether the land likely to be purchased by the investor meets/qualify the criteria for CLU, a on-line mechanism shall be introduced by TCP.
- 5.7.8. **Land titling verification:** The step shall be undertaken to move from a presumptive land titling system to a conclusive land titling system.
- 5.7.9. **Digitisation of land records:** To bring ease for investors in property registration the land record shall be digitised with record of past 20 years' land transaction history.
- 5.7.10. **Authority to Industrial Parks:** Special dispensation would be provided to private industrial parks with additional provision of granting delegated power/ authority for Estate Management to promote industrial development at par with HSIIDC.
- 5.7.11. **Distribution license for Industrial Townships:** Automatic notification of Industrial Township under Article 243 Q in the Constitution of India, 1949 for grant of second distribution license at the time of grant of license by DTCP.
- 5.7.12. **Provision of utilities:** For an industrial license granted in the Agriculture Zone, the cost of providing infrastructure by various agencies/departments of the State Government sought by the licensee shall be charged on actual basis. For industrial license granted in an urbanisable zone, external development charges shall be levied as per the rates determined by the State Government from time to time.
- 5.7.13. **Simplified Mechanism for Change of Land Use:**
- 5.7.13.1. In 35 blocks, there shall be no need to obtain CLU for setting up of Industrial Units (Annexure-6). So far TCP has not notified any controlled area in these blocks. The investor shall only be required to obtain auto NOC from HEPC Portal.
- 5.7.13.2. The provision of Auto CLU for the land area up to 1 acre with an automatic dispensation of deemed clearance in industrial zones shall be made in case the requisite charges and documents are submitted.
- 5.7.13.3. The documentation required for obtaining CLU/ NOC shall be rationalised.
- 5.7.13.4. The provision for the lessee to obtain CLU (for a minimum lease period of 30 years) on behalf of the landowner shall be made.
- 5.7.14. Panchayat land shall be made available to the industry on lease to promote industrialization in rural areas, through Industries & Commerce Department, Haryana. A suitable policy shall be formulated in this regard.
- 5.7.15. The procedure for exchange of Panchayat land shall be simplified.

**5.7.16. Old Industrial Areas developed by Department of Industries & Commerce:**

In the 14 Old Industrial Area, Department of Industries & Commerce shall allow the utilization of land for commercial purposes in addition to industrial use subject to charging of conversion fee and regularizing of industrial plots bifurcated/ fragmented prior to the issue of this notification (wherein sale deed is executed by sub-registrar) by charging bifurcation fee/ processing fee as the case may be. No zoning plan shall be required for transfer and bifurcation or division of plots.

**5.8. HSIIDC**

**5.8.1. Transfer of plots:** No fee for transfer of plots shall be taken. Only a minimal processing fee shall be charged. Auto provision for transfer of plots shall be made in the cases where the project stands implemented and dues of HSIIDC are cleared.

**5.8.2. Zoning plan:** Shall be provided alongside the Letter of Intent/ Regular Allotment Letter.

**5.8.3. Timeline for completion of secondary infrastructure:** HSIIDC shall be encouraged to complete the secondary level infrastructure within 3 years of allotment of 25% of the total saleable area as provision of secondary infrastructure is critical to the success of industry.

**5.8.4. Increased FAR for Flatted Factories :** HSIIDC shall allot plot(s) of at least 2000 sq. mt. and above to developers for creating 'Plug and Play' facilities with permissible FAR of 250% in order to encourage uptake by Micro and Small Enterprise in industrial estates

**5.8.5. Increased FAR for Labour Housing:** HSIIDC shall allot at least 2000 sq. mt. plot and above to developers for creating and providing quality labour housing facilities with permissible FAR of 250%. Labour housing shall be available on lease to the industries in the industrial estates.

**5.8.6. Reservation for Labour Housing:** 10% of area of industrial estates shall be reserved as residential area for labour housing.

**5.8.7. Reservation for Warehousing:** 5% of area of industrial estates shall be reserved for warehousing activities.

**5.8.8. Re-evaluation of EMP:** HSIIDC shall re-evaluate the Estate Management Procedures (EMP), 2015 and make it supportive for industrial development of state by rationalising land procedures, fees & charges, operation & maintenance processes of industrial area/estates and other required activities.

**5.8.9. Leveraging GoI schemes:** HSIIDC shall actively utilise the Government of India's schemes for creation and up-gradation of infrastructure in the industrial estates.

- 5.8.10. **Land on lease:** HSIIDC shall formulate a policy to offer Land on Lease which may later be converted into free hold basis. The policy shall aim at reducing the upfront cost burden on investors by allowing them to operate on land taken on lease.
- 5.8.11. **Dormitories for workers:** HSIIDC shall formulate a scheme for creating dormitories for workers and industrial housing in the industrial estates to ensure easy availability and better residential facilities for workers.
- 5.8.12. **Allowing service activities:** The service activities such as Bulk Courier Services, Equipment Rental & Leasing (construction & Industry related), Equipment Maintenance & Repair, Environmental Services (sewage/ refuse disposal) shall also permitted in the industrial estates.
- 5.8.13. **Upgradation of infrastructure:** HSIIDC shall review and upgrade infrastructure in all estates and model townships at least once in every five years.
- 5.8.14. **Catering to MSMEs:** Adequate number of smaller plots/developed sheds/flatted factories in industrial parks for MSMEs.
- 5.8.15. **Environment infrastructure:** HSIIDC shall create CETPs in all industrial estates and provision for recirculation pipelines for reuse of treated water.
- 5.8.16. **Environment Impact Assessment:** HSIIDC will complete the Environmental Impact assessment (EIA) for the notified industrial park before allotment of land. All necessary clearances to be completed before the allocation of industrial plots to Micro, Small & Medium and Large Enterprises.

## 5.9. Power

- 5.9.1 **Rationalising of penalty on exceeding contractual demand:** The penalty for exceeding the maximum contract demand may be rationalised from 25% of the total month's electricity consumption to 25% of the day's consumption, where feasible to evaluate the day's electricity consumption.
- 5.9.2 **Competitive power tariffs:** Differential power tariff shall be introduced to provide electricity to industrial units at competitive rates during off-peak hours.
- 5.9.3 **Captive Solar Power plants:** Permissions for setting up Captive Solar Power plants shall be provided on ongoing basis through single window portal, instead of the existing window-based application process.
- 5.9.4 **Insolvency and Bankruptcy dues:** An investor purchasing assets (land/ building/ machinery) of a sick unit, which has filed under the Insolvency and Bankruptcy Code, 2016 from the bank or National Company Law Tribunal, shall not be liable to pay the electricity dues of the sick unit when applying for a new electricity connection if the new investor was not given prior intimation about such dues by the Power Department at the time of purchase of assets.

## 5.10 Environment

5.10.1 **Environment Zoning:** All industrial land in the State shall be environmentally zoned as per an Environment Management Plan (EMP) and type of industries permitted shall be duly notified. This will simplify and automate procedure of NOC from Pollution Control Board.

5.10.2 **Industry linkages for minimising crop residue burning:** The Department of Industries and Commerce shall formulate a scheme in consultation with the Department of Agriculture to enhance linkages between industry and farmers for effective usage of crop residue for energy generation, packaging, manufacturing etc.

## 5.11 Other reforms

5.11.1 **Building by-laws:** Building by-laws under the Haryana Building Code, 2017 shall be suitably amended to include the provisions of the Factories Act, 1948, to include a worker dormitory/ housing portion in total FAR and restriction imposed by Government of India notification GSR (751) E for constructions and erection of building around Airports.

5.11.2 **Excise and Taxation:** The Excise and Taxation department may introduce a scheme to settle long standing disputes with industrial units operating in Haryana.

5.11.3 **Consolidation of industrial taxes:** The State shall endeavour to consolidate the taxes applicable to industrial units such as property tax and trade tax.

5.11.4 **Rationalisation of fees:** Trade license fee under section 128 of the Haryana Municipal Act (Dangerous and Offensive Trades) Bye Laws, 1982 shall be rationalised.

5.11.5 **Renewal relaxations:** Fire NOC renewal shall happen after every 3 years instead of every year.

5.11.6 **Assured water supply:** Irrigation and Water Resources Department or Public Health Engineering Department, as the case may be applicable, shall make provisions for water supply at the doorstep of all Mega Projects/ Ultra Mega Projects/ industrial parks/estates.

5.11.7 **Law and order:** A mechanism has been introduced on HEPC portal for registering law and order grievances which shall be addressed in a time bound manner by the Home Department.

5.11.8 **Recovery of MSEs dues:** The provision shall be made in Haryana Micro, Small Enterprises Facilitation Council (HMSEFC) rules to recover the outstanding payments of MSEs as arrear of land revenue.

## Chapter 6: Facilitating Balanced Regional Development & Strengthening Value Chains

This policy emphasizes the need for a balanced regional growth across the State. This would be strategized through fiscal and non-fiscal interventions that assist in spread of the industry to the industrially backward areas of the State and infrastructure-led geographical dispersal driven by Mega Projects and Industrial Corridors.

### 6.1 Incentives led geographical dispersal:

For promoting geographical dispersal of industry, the State has been divided into 4 categories of Development Blocks viz. A, B, C and D based on the level of industrialization, level of socio-economic development, locational advantage (connectivity), state of infrastructure development and level of skill development. The category of incentives, namely, SGST reimbursement, interest subsidy, electricity duty exemption, stamp duty refund etc. will be provided in the A, B, C & D category blocks along with the additional incentives of providing infrastructure support in terms of road connectivity, water and power availability to Mega and Large projects/ clusters of industrial units located in the backward and extremely backward blocks.

In addition, special incentives shall be provided for the thrust areas/ focus clusters i.e. textiles and food processing industry utilizing raw material produced in the State. Similarly, for rural functional clusters i.e. apparel, footwear and dairy decentralized production in rural areas and utilizing the traditional skill of women/ rural artisan, with appropriate skill development support resulting in large scale employment and income enhancement shall be encouraged.

### 6.2 Enabling Infrastructure:

- 6.2.1 **Rural industrial development** shall be accelerated by providing basic urban services, affordable housing, water, sanitation, health, education, and social security, and strengthening last mile connectivity in collaboration with other State Departments.
- 6.2.2 **Development of strategic production clusters** at suitable locations such as district headquarters or industrially developed blocks where industries can get the benefit of trade/export-related infrastructure and market linkage support.
- 6.2.3 **Market linkages and direct connectivity** between Rural Clusters and Consumption Centres of the State (typically urban areas) shall be suitably enhanced.
- 6.2.4 **Private sector participation** and investments in strategic infrastructure development focused at improving connectivity and logistics infrastructure in the State shall be encouraged through proactive outreach and marketing of shelf of projects in urban and rural areas.

### 6.3 EoDB Ground level Implementation:

Establishing and enabling centralised monitoring of the regulatory environment

in the districts. Focused intervention in districts lagging in ground implementation of reforms.

#### **6.4 District Branding:**

District profiles will be created and made available on HEPC. The profiles will be based on the inherent strengths of the district, opportunities and shelf of projects.

#### **6.5 Value Chain Development:**

Value chain strengthening can be useful for fighting inequality, favouring higher incomes for producers, and a more balanced value creation and addition. -For holistic development, it is required to enhance participation in the generation of value-added -through upgrading and transforming the chain's structure. This involves the transition from simple activities to more complex ones. The State Government shall identify strategic value chains in thrust sectors and develop them through:

- 6.5.1 Identification of bottlenecks and opportunities within each link of the chain, as well as their actual and potential linkages for:
  - 6.5.1.1 Strengthening the weak actors to address the bottlenecks in the chain
  - 6.5.1.2 Improving linkages that allow flow of knowledge and resources to make firms more productive
  - 6.5.1.3 Creating new or alternative links in the chain, e.g., linking local firms to global value chains or linking to new, additional lead firms
- 6.5.2 Setting up value chain development groups in public-private participation.
- 6.5.3 Identification of lead-firm or individual champion that could further engage in fostering value chain development, wherever applicable
- 6.5.4 Development and implementation of sector-specific value chain strategies in public-private partnerships with effective monitoring and evaluation mechanisms.

#### **6.6 Strengthening Supply Chains of Thrust Sectors**

- 6.6.1 A State level Business Continuity Platform will provide end to end information services related to Upstream/ Downstream entities in the supply chain of thrust sectors. This will be designed and integrated with the Single Window System.
- 6.6.2 A "whole of the supply chain" approach will be adopted for the development of thrust sectors. This would be implemented by bringing together variety of service sectors and subsectors that are relevant for the State's manufacturing industry through policy interventions and regulatory easing.
- 6.6.3 Specific studies shall be undertaken on sectors, sub-sectors and products to strategize and plan the development through specific interventions.

## Chapter 7: Enhancing Exports

The performance of Haryana on the export front has been excellent despite the lack of natural resources and the distance from seaports. However, for further export development, it is imperative to provide adequate infrastructure, regulatory support & incentives to the exporting units.

### 7.1. Land Allotment and Infrastructure Development:

- 7.1.1 100% Export Oriented Units (EoUs) shall be given priority for allotment of land in the Industrial Estates developed by HSIIDC.
- 7.1.2 HSIIDC shall develop an Exhibition-cum-Convention Centre along with Training Rooms in the Industrial Estates, wherever feasible.
- 7.1.3 State Government shall provide industrial land at 50% of HSIIDC's price to the Export Promotion Councils for setting up their offices in the districts of Karnal, Panipat, Hisar and Ambala or any appropriate location decided by the Government for the promotion of exports.
- 7.1.4 Steps shall be taken for setting up of Export Promotion Industrial Park at Panipat for textile exporting units.
- 7.1.5 Steps shall be taken for development of Inland Containers Depots (ICDs) by private players or under PPP mode in Karnal, Panipat and Hisar or any other appropriate location as decided by the Government. 50% Stamp Duty and External Development Charges shall be exempted for such projects.
- 7.1.6 In order to increase the cost competitiveness of exporting units, steps shall be taken to identify exporting clusters of thrust sectors and provisioning of a dedicated fund to build common facilities such as design, training, testing and certification centres in these clusters.

### 7.2. Leveraging Government of India Schemes:

- 7.2.1. The Government of India has launched the Trade Infrastructure for Export Scheme (TIES) from FY 2017-18 with the objective to assist Central and State Government Agencies for the creation of appropriate infrastructure for the growth of exports from the States. TIES will be leveraged to strengthen export related infrastructure in Haryana.
- 7.2.2. The scheme of M/o MSME shall also be leveraged in respect of the Government's Quality Marking Centres.

### 7.3. Institutional Strengthening:

- 7.3.1. A dedicated **strategy and action plan** shall be devised to showcase and develop export markets for Haryana's produce and industrial goods based on global trends.
- 7.3.2. **Export Promotion Bureau:** A Bureau shall be set-up in the State, under the Department of Industries and Commerce, to perform the following functions:



- 7.3.2.1. Undertake commodity analysis and identify potential export markets to boost exports
- 7.3.2.2. Undertake analysis of Non- Tariff Measures and its implications on state export and make this information readily available for exporters
- 7.3.2.3. Assists exporters in expanding trade and market access for agricultural goods and processed food
- 7.3.2.4. Support exporters in leveraging Foreign Trade Agreements (FTAs) for augmenting regional value chains
- 7.3.2.5. Support and examine the feasibility of certification and development of common facilities
- 7.3.2.6. Provide export consulting services (including Regulatory, Financial and Marketing consulting support to Exporting Units or businesses with high potential for Export from the State)
- 7.3.2.7. Develop a one-stop platform for trade information
- 7.3.2.8. Promote regulatory simplification & intergovernmental coordination
- 7.3.2.9. Engage in policy advocacy at State and National Level
- 7.3.2.10. Promote national and international collaboration & market linkages for Exporting units
- 7.3.2.11. Conduct Need-Gap analysis and advocacy for export infrastructure and skill development
- 7.3.2.12. Identify the products in which the country is dependent on imports and wherein the State can utilize its inherent strength for import substitution, trade diversification and promote manufacturing in support of Aatmanirbhar Bharat

7.3.3. **Export Promotion Council:** A Haryana Export Promotion Council in collaboration with industry shall be established. The purpose of this council shall be to act as the sounding board to the State Government on various export-related issues and strategies, advocacy on policy matters and other areas of export development targeted at doubling the exports from the State and job creation. This council will guide the development in the State based on the changing economic environment and market trends.

#### 7.4. **Skill Development:**

- 7.4.1. Technical courses for educating youth in pre-export inspections and procedures shall be explored with Haryana Vishwakarma University and other prominent Skill and Training Institutions of the State in consultation with industry and academia.

#### 7.5. **Enhancing Services Exports:**

- 7.5.1. Haryana has high potential in the Services Export especially in IT/ITeS, Healthcare and Education. The State export promotion strategy shall also focus on identifying high potential sub-domains within the services sector and appropriating support to boost these services sector exports.

## Chapter 8: Developing Robust Industrial Infrastructure

Quality infrastructure plays an important role in the industrial development of the State. As a result of the availability of world-class infrastructure, industries get established with less capital investment and can function without obstructions. These infrastructure facilities assist in the growth of businesses and industries. In addition to social development and the generation of new employment opportunities, it helps in attracting indigenous and foreign investments. In this regard, certain infrastructure schemes have been included in this policy.

### 8.1 Sectoral Interventions:

- 8.1.1 **Dedicated sectoral parks:** The Government of India's infrastructure schemes such as Electronics Manufacturing Cluster, Mega Food Park, Cluster Development Programme for Pharma Sector, Creation of Bulk Drug parks, Medical Devices Park shall be leveraged to setup an Electronics Manufacturing Cluster at Sohna, Bulk Drug Park, Hisar and Medical Device Park at Panipat, Mega Food Park at Barhi to boost the sectoral manufacturing growth within the state.
- 8.1.2 **Developing common infrastructure:** Promote the development of common infrastructure such as Cluster Facility Centres, Central Effluent Treatment Plants, Common Testing Labs, Logistic Park, Training Centres, Display Centres, Business Centres etc. under various central/state government schemes and /or in collaboration with industries.
- 8.1.3 **Creating Tehsil-Wise Industrial Areas:** Industrial Park Development Scheme shall be introduced to encourage developing industrial estate in each tehsil of each district.

### 8.2 Panchgram Yojna:

The Kundli Manesar Palwal (KMP) expressway of 135 km across Kundli, Manesar and Palwal abutting Delhi from 3 sides to decongest traffic is completed and has started functioning. Another bright side to this project is a Global Economic Corridor, which is proposed to be developed alongside the expressway with an estimated investment potential of USD 50 billion. The 2-6 km belt on either side of the KMP Expressway has been designated as a Controlled Area.

The state is also working on the development of 8 cities on approximately 50,000 ha of the area along KMP corridor as a part of "Panchgram" vision. To fast track the progress, a Panchgram Development Authority is being constituted. The new cities will act as new urban centres and also open opportunities for trade and commerce.

### 8.3 State Industrial Infrastructure Development Schemes:

The State shall keep the Scheme continued under the State budget for creating and up-gradation of technical infrastructure such as Testing Laboratory, R&D Centres, Exhibition-cum-Convention Centre, CFC, Critical Infrastructure, ICD, Design Development Centre etc. to spur infrastructure development.

**Note:** The Infrastructure schemes are specified under Annexure – 4 of the Policy.

## Chapter 9: Supporting Entrepreneurship & MSMEs

The agenda for Sustainable Development Goals, 2030 along with the set goals and targets commit to free humanity from poverty, secure a healthy and sustainable planet, foster peace & inclusive society that promotes dignity and prosperity for all. To meet these aspirational goals and specifically Decent Economic Growth (SDG 8) and Industry, Innovation and Infrastructure (SDG 9) the contribution of Micro, Small and Medium Enterprises is extremely crucial.

The MSME sector is the backbone of Haryana's industrial growth story. The MSMEs have recorded tremendous growth and progress in terms of quality production, exports, innovation, product development and self-reliance. Entrepreneurial efforts have made it possible to domestically produce a range of items, which were earlier imported. These units have also been successful in producing new variants with the help of local innovation, thereby adding value. This has become possible because of various initiatives adopted by the State.

In line with its commitment to promote the MSME sector, the State recently launched the Haryana MSME Policy, 2019. Under this policy, a dedicated scheme for Skill Development & Training for potential/exiting workers has been introduced for imparting technical and shop-floor training to the workers of existing MSMEs.

The State has also constituted the 'Haryana Micro and Small Enterprises Facilitation Council' to facilitate recovery of payments delayed beyond 45 days with the buyers of MSME products anywhere in India, for those Micro Small Enterprises that are established in the State of Haryana.

To further the development of MSMEs and Entrepreneurship, the policy envisages to support cluster development, enhance market linkages and international collaboration, enhance access to infrastructure and technology, simplify regulatory regime, and provide fiscal incentives in the State.

### 9.1 Cluster Development

The State has adopted a 'Cluster' approach for development of the MSMEs by enabling them to achieve economies of scale. Focusing on cluster approach, initiatives under EPP 2015 created tremendous on ground impact. Cluster initiatives valued at INR 190 cr. under PPP mode are underway in more than 35 MSME clusters covering 16 districts in the State under the Central and State Government sponsored schemes.

The Haryana Mini Cluster Scheme, under which 25 projects are underway, has been widely applauded and has also earned appreciation from Ministry of MSME, Government of India. Haryana's cluster development approach has become a nationwide case study and Ministry of MSME urged other states to replicate Haryana's approach for development of MSMEs, thereby making Haryana a reference point for other states.

### 9.1.1 MSE-CDP

The Central Government implements MSE-CDP scheme for creating common facility centres with financial support (GoI: State: SPV - 70:10:20) for investment up to a maximum of INR 20 crore for a group of at least 20 existing industrial units in a cluster. The State will provide 20% share for each cluster over and above its share of 10% whereas SPV will contribute only 10% share in place of 20%. State Government will also contribute 50% of the cost of the project exceeding INR 20 crore (up to a maximum of INR 25 crore).

### 9.1.2 State Mini Cluster Development Scheme

The State Government has also revamped the Mini Cluster Development Scheme which now will provide 90% grant-in-aid (up to INR 5 crore per project) for setting up of common facility centre, providing a positive fillip to the MSME sector in the State. The scheme has been recognized as a best practice by GoI.

## 9.2 Enhancing access to markets

- 9.2.1 **Price preference to MSMEs:** The State Government has formulated a public procurement policy for MSMEs under which micro and small enterprises will receive several benefits such as exemption on payment of tender fee, earnest money deposit and concession on performance security. The purchase preference would be up to 50% of the total tendered quantity.
- 9.2.2 **E-commerce platform:** The State shall leverage new-age marketing platforms such as e-commerce portal for online trading, marketing of products of MSMEs specially Khadi and Handicraft products. This will aid in promoting "Brand Haryana" to national and international audiences.
- 9.2.3 **Event promotion:** To promote MSME units, the State Government will take initiative to organize buyer-seller meet, vendor development programmes.
- 9.2.4 **Leveraging GoI schemes:** Relevant GoI schemes shall be leveraged by the State to further strengthen market linkages and international collaboration.
- 9.2.5 **Knowledge exchange:** International knowledge exchange programs for creating an enabling framework for effective tie-ups with MSMEs in countries with strong MSME ecosystem such as Germany, Japan and Singapore shall be encouraged.

## 9.3 Quality Improvement

The State will also take initiatives to revive, upgrade and expand sector-focused testing, calibration and Intellectual Property Rights (IPR) facilitation centres. It will also undertake awareness programmes to educate MSMEs of schemes initiated by Government of India for the adoption of cutting-edge technologies, Quality Management Standards and Zero Effect, Zero Defects.

#### **9.4 Enhancing Productivity**

- 9.4.1 The State shall undertake measures for technological up-gradation of MSMEs to withstand global competition.
- 9.4.2 Online training platforms and modules shall be promoted as cost-effective measures for skill-up gradation.
- 9.4.3 The State shall develop database and case studies of Good Manufacturing Practices (GMP) and provide its access to industry for the enhancement of productivity and quality.

#### **9.5 Promoting Entrepreneurship**

- 9.5.1 The State government shall promote entrepreneurship through financial assistance under the Entrepreneurship Development Programme (EDP).
- 9.5.2 World-class incubation centres shall be facilitated in every district to provide thrust to promote start-ups and cultivate innovative ideas. Government shall encourage setting up of incubation centres in premier educational institutes, Universities and Industrial parks.
- 9.5.3 Development of incubators which provide safe office space, free data and cloud access, and handholding support to start-ups shall be encouraged.
- 9.5.4 MDOs shall identify the infrastructural gaps of every district for development and support of start-ups and roll out district start-up ecosystem development and promotion plan.

#### **9.6 MSME Development Offices (MDOs):**

- 9.6.1 MSME Development Offices (MDOs) under Directorate of MSME will be created at the district-level to provide facilitation and advisory support to MSMEs and traders, besides facilitating statutory clearances from government departments. These MDOs will maintain a repository of Business Development Services Provider's (BDSPs) available in each district to guide and mentor the MSMEs on various functional areas of an enterprise.

#### **9.7 MSME Advancement & Nurturing Support (MEANS) Council**

A dedicated agency – MSME Advancement & Nurturing Support (MEANS) Council is being set up for undertaking promotion, facilitation & developmental activities for furthering the growth of state's MSMEs & businesses. The agency will plan and implement programs for enhancing MSME competitiveness. The agency will sensitize MSMEs on various schemes of Central as well as State Government that aid their growth. Agency will undertake promotional activities for sensitizing and capacity building of MSMEs and businesses on various areas like ecommerce linkages, technology improvements, financial linkages, and productivity enhancements.

## **9.8 Haryana Micro and Small Enterprises Facilitation Council**

The State has also constituted 'Haryana Micro and Small Enterprises Facilitation Council' to facilitate recovery of delayed payments of MSEs stuck beyond 45 days with the buyers of MSME products anywhere in India. For those Micro-Small Enterprises that are established in the State of Haryana, provision shall be made to effect recovery as arrears of land revenue.

## **9.9 Governance Mechanism**

The State shall engage with key MSME stakeholders to plan, execute and monitor focused programs & initiatives. The State Government shall set up an MSME Advisory Committee under the chairmanship of Administrative Secretary, Industries & commerce with representatives of key MSME stakeholders as members. The Committee would deliberate on issues in the larger interest of the MSME in the State, review the impact of various MSME policies & programs and put forward its suggestions to the State Government every 6 months. The committee would provide recommendations for initiating interventions for betterment of State's MSME sector.

## **9.10 Tool Rooms**

Tool Rooms provide support to the Indian industry by way of precision tooling and providing skilled manpower in the area where they are established. To promote the MSME sector manufacturing and skill development, Tool Room has been set-up at IMT Rohtak (over 19.8 acres). Further, Tool Room/ Technology Centre in Industrial Growth Centre, Saha (10 acres) with an approximate investment of INR 70 crore, shall be set-up by the Government of India. The land for this project has been provided by the State. This technology centre is expected to train 10,000 trainees every year through various long-term and short-term training programmes. Additional Tool Rooms/ Technology Development Centres are proposed to be set up in Gurugram & Faridabad.

## **9.11 Up-gradation of Quality Marking Centres (QMCs)**

To support MSMEs for product quality improvements, QMCs were conceptualized. However, with passage of time, the equipments at QMCs have become obsolete. While up-gradation of QMC Faridabad has been approved under TIES and SIID Schemes, QMC at Faridabad, Jagadhari, Bahadurgarh and Hisar shall be revamped during this policy.

## **9.12 Haryana Gramin Udyogik Vikas Yojna**

In order to promote rural entrepreneurship and balanced regional growth, the scheme shall offer an array of attractive incentives i.e. Capital Subsidy, Interest Subsidy and DG Subsidy for Micro Enterprises in rural areas under the jurisdiction of village panchayat.

## **9.13 Fiscal Incentives**

A detailed list of fiscal incentives and infrastructure related support offered to MSMEs and Start-ups is provided in Annexure -4.

## Chapter 10: Promoting Brand Haryana

### 10.1 Bureau of Industrial Policy & Promotion (BIPP)

**10.1.1** The Department of Industries and Commerce has created the Bureau of Industrial Policy & Promotion (BIPP), which is responsible for policy outreach, continuous engagement with the industry, tracking investment proposals, promoting investments, resolving issues related to Non-Resident Indians (NRIs) and Foreign Direct Investment (FDI), handholding investors and converting investment queries into commitments.

**10.1.2** BIPP is being further strengthened to empower it to perform proactive solicitation of investments, encompassing series of activities such as proactive investor outreach and promoting the State as an attractive investment destination. This would involve identifying and communicating competitive advantages, lead generation, investor targeting and investor life-cycle management.

**10.1.3** Basis the study of national and international best practices, the institutional structure BIPP is being re-organized and supplemented with the following key features:

**10.1.3.1** Headed by Chief Operating Officer (COO), a Government Official of Selection Grade

**10.1.3.2** An office of BIPP existing at New Delhi shall be headed by a Deputy COO (Investment Promotion), reporting to COO

**10.1.3.3** Deputy COO (Investment Promotion) will be supported by Sector Leads/Investment Promotion Officers (focusing on Auto, Food Processing, Textile, IT & ESDM and MSME) from the Private Sector

**10.1.3.4** Deputy COO (Grievance Redressal and BRAP) shall be placed in BIPP Chandigarh office along with his team of Investment Facilitation Officers and Relationship Executives

### 10.2 Haryana Enterprise Promotion Centre (HEPC)

**10.2.1** HEPC shall supplement the capabilities of BIPP by augmenting the Investment Facilitation and Aftercare competencies within its framework. The Deputy COO (Investor Facilitation & Aftercare), shall directly manage three key components within HEPC including Facilitation & Aftercare, Marketing & Branding and IT along with the overall maintenance and upkeep of the Single Window System.

**10.2.2** Feeling the need to supplement manpower for improving district level investment facilitation mechanisms given the quantum of Composite Application Forms (CAFs) being filed in districts like Gurugram, Faridabad, Sonapat, Panipat, Jhajjar, Rewari and Karnal, dedicated Relationship Executives will be deployed in these districts.

### **10.3 Promotion and Branding of Districts**

- 10.3.1 For district branding, district profiles shall be created and made available on the State Single Window System, HEPC. The district profile will showcase the inherent strengths of the district, opportunities and shelf of projects.
- 10.3.2 A district ranking mechanism on Ease of Doing Business will be integrated with the State's Single Window System, HEPC to enable centralised monitoring of the regulatory environment in the Districts. Focused intervention in Districts lagging in the rankings will be undertaken.

### **10.4 Investment Promotion and Engagement**

- 10.4.1 Sector specific investment promotion strategy and action plan shall be developed to reach out to potential investors.
- 10.4.2 State shall organise virtual events/meetings/ webinar including sector specific events, regional events, buyer seller meets, B2G meetings for investment promotion.
- 10.4.3 Regular industrial consultations shall be conducted for resolving industrial issues, improving facilitation services and policy advocacy.
- 10.4.4 State shall organise and actively participate in national and international investment promotion events and activities.
- 10.4.5 State shall establish investment facilitation desk at potential national and international locations.
- 10.4.6 State shall establish Non-Resident Haryanvis (NRH)-NRI Cell with various regional chapters to increase NRHs interaction with government and utilise their reach and strength for the socio-economic development of state.
- 10.4.7 State shall promote the establishment of ancillary units of any major industry and shall provide fiscal incentives and facilitate with fast track approvals and land allotment.

### **10.5 Grievances Redressal:**

- 10.5.1** In light of the belief that satisfaction of existing investors in the State is critical for promoting brand Haryana, therefore a special emphasis shall be placed on Investor After-Care.
- 10.5.2 Three Tier Grievances Redressal Committees** have been constituted to resolve the grievances received on the HEPC portal from individual units or from Industrial Associations/Institutions regarding issues of simplification of the provisions of Acts, policies, programs and official



procedures which create bottlenecks for the industry. Further, the State Level Grievances Committee and District Level Grievances Committee shall also comprise of an ex-officio member from industrial associations.

- 10.5.2.1** The Apex Level Grievances Committee (ALGC) is headed by the Hon'ble Chief Minister of Haryana
- 10.5.2.2** The State Level Grievances Committee (SLGC) is headed by Administrative Secretary to Government of Haryana, Department of Industries and Commerce
- 10.5.2.3** The District Level Grievances Committee (DLGC) is headed by the Deputy Commissioner of the District concerned

## Chapter 11: Generating Livelihood Opportunities & Labour Integration

### 11.1 Employment Generation through Bureau of Industrial Policy and Promotion (BIPP)

- 11.1.1 The BIPP shall be encouraged to place emphasis on proactively soliciting investments in employment-intensive industries.
- 11.1.2 BIPP shall be responsible for communicating information regarding new foreign and domestic investments and undertaking studies of specific value chains and market assessments.
- 11.1.3 BIPP shall be tasked to promote better data and information sharing across departments. The agency shall work in tandem with the representatives of the private sector to ensure that employment considerations are taken seriously by all stakeholders.

### 11.2 Employment Generation through Industrial Infrastructure Development

- 11.2.1 A labour-intensive approach shall be undertaken that favours and optimizes the use of local resources in the development and maintenance of industrial infrastructure assets. This approach shall be adopted in all areas of infrastructure development funded by public-private investments.

### 11.3 Skill Development:

- 11.3.1 To set-up cluster specific skill centres in the identified clusters, a grant up to INR 5 crore per cluster shall be provisioned.
- 11.3.2 Haryana Skill Development Mission and Shri Vishwakarma Skill University shall introduce new skilling programmes in emerging sectors such as Logistics, ESDM, and Automobile (Electric Vehicle segment), Industry 4.0 (Data analytics, Machine Learning, Internet of Things, Robotics, Cloud etc.). Further, the digitisation of skilling programmes shall be pursued.
- 11.3.3 Centres of excellence shall be setup for specialized sectors including emerging sectors such in Industry 4.0 and sectors of strategic importance to the State such as Healthcare and Pharma.
- 11.3.4 Multi-Skill Training Centres shall be established in every district to help deliver quality education, where accessibility remains a challenge, ideas like mobile vans and container schools will be explored.
- 11.3.5 ITIs in the State shall be encouraged to introduce sector specific courses in consultation with local industries.
- 11.3.6 Design and implement the Technical and Vocational Education and Training Plan (TVET) to improve the quality and quantity of education

system. This shall be implemented through efficient investment in training, building the capacity of trainers, undertaking training programmes, business engagement in development skills, national partnerships and institutions and governance & monitoring training.

- 11.3.7** The State shall strive to introduce demand and market driven curriculums in professional institutions with an additional focus on soft skills for developing skilled and efficient manpower for Services Sector.
- 11.3.8** The State shall identify and develop skill development opportunities to promote employment in rural areas. The built up space shall be provided to industries in Government ITIs/Schools for creating training facility.
- 11.3.9** Safe target countries and sectors for overseas employment shall be identified. Training programmes shall be developed and aligned with the requirements of the target country/sector so that there is a clear understanding of the job roles and skill requirements of those countries/sectors.

#### **11.4 Labour Market Information System (LMIS)**

- 11.4.1** It is critical to have aggregated and gender disaggregated data to facilitate up-to-date analysis and develop a holistic understanding of employment opportunities and implications across Government and other relevant stakeholders.
- 11.4.2** To have an up to date LMIS system in place. The disaggregated data shall be collected and collated every 6 months.
- 11.4.3** This will also aid in identifying current and emerging skills gaps which can be addressed in TVET planning.

#### **11.5 Labour Well-Being**

- 11.5.1 Safety Net Scheme:** for the industrial labour in collaboration with the industry to protect the livelihood of labour in times of crisis.
- 11.5.2 Labour Housing:** HSIIDC shall earmark plots for industrial labour housing for sale/ rent/ lease in all Industrial Estates. Reimbursement of 50% of the cost of building up to INR 50 lakhs shall be provided for development of labour housing/ dormitories.
- 11.5.3 Facility of ESI dispensaries/ hospitals:** ESI dispensaries/ hospitals shall be established in every district of the State wherever feasible as per the number of ESI registration.

#### **11.6 Gender Inclusion**

- 11.6.1** Women's economic empowerment shall be treated as a baseline agenda

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in all industrial policy decisions. For this Gender Responsive Budgeting (GRB), a globally followed practice that acknowledges the fiscal expenditure with a gender perspective and prorates funds for the gender-specific outcome to address the persistent gender inequality that hinders the overall growth and development shall be adopted.

- 11.6.2 Programmes aimed at increasing women's employment in the formal sector, access to financial resources and social security coverage shall be introduced.
- 11.6.3 Enhanced incentives shall be provided for capacity building of women employees. Further, women micro and start-up entrepreneurs shall be eligible for enhanced incentives such as capital subsidy and interest subsidy.

## Chapter 12: Boosting Investment in Thrust Sectors

The State has been at the forefront in promoting industrial development and growth by offering an array of attractive incentives. Based upon an in-depth analysis of geographical advantages, skill base, available resources and manufacturing capabilities, the State has identified the following seven thrust sectors:

- i. Auto, Auto Components & Light Engineering
- ii. Agro-based, Food Processing & Allied Industry
- iii. Textile and Apparel
- iv. Electronics System Design & Manufacturing (ESDM)
- v. Defence and Aerospace Manufacturing
- vi. Pharmaceutical & Medical Devices
- vii. Chemical and Petrochemicals
- viii. Large Scale Energy and Data Storage

The list of thrust sectors is subject to amendment by HEPB from time to time. The Thrust Sectors shall be supported through investment subsidy, employment generation subsidy, stamp duty refund, EDC exemption, electricity duty exemption and last mile connectivity through Industrial Infrastructure Development Fund and various other schemes.

### 12.1 Auto, Auto Components and Light Engineering

The Auto sector in India has been one of the biggest recipients of Foreign Direct Investment (FDI) between April 2000 and March 2020. Major interventions and technologies such as Electric Vehicles (EV), autonomous vehicles, connected vehicles amongst others, are changing the face of the industry and adding to further growth. Light Engineering and associated components are crucial in supporting the overall manufacturing scenario. The sector lends support to agriculture, manufacturing and various other production sectors of the economy, adding to employment generation for skilled and semi-skilled labour.

The auto cluster in Gurugram and surrounding areas produces more than 50% of the cars and 60% of motorcycles in India. Due to existing forward and backward linkages with several segments of automotive industry 50 of 150 (33%) large OEMs in India are located in Haryana. The sector witnessed exports of over INR 12,000 Cr. with over 4,200 crore in Motor Car and Scooters & 7,700 crore in components in 2019<sup>4</sup>. The sector is a significant contributor to Gross State Value Added (GSVA) and to employment.

Gurugram is an existing hub of auto manufacturing and Rewari, Faridabad and Palwal are emerging as key districts. The region of Gurugram-Manesar-Bawal is renowned as an auto-hub.

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<sup>4</sup>DGCIS

Besides the enhanced incentives, the State shall also provide support to this sector through the following interventions:

- 12.1.1 Encourage the setting-up of supplier parks for automobile sector through proactive investor outreach and enabling access to land at competitive prices.
- 12.1.2 State shall promote and support the new establishment and expansion of existing Automobile units in B, C and D category districts through low cost land (including land for establishment of ancillary units), establishment of training centres, linkages with ITIs and polytechnics and development of social infrastructure for official and workers.
- 12.1.3 Encourage and incentivize EV manufacturing and promote green automotive technology through policy interventions and development of EV charging infrastructure in the State.
- 12.1.4 Encourage and incentivize testing tracks and facilities to support research and development in the sector.
- 12.1.5 Provide support to exhibitors for hosting trade shows and expos in the State.
- 12.1.6 Vehicular scrap page units shall be incentivised to enhance market demand and promote circular economy.

## **12.2 Agro-based, Food Processing and Allied Industries**

Agriculture, along with its allied sectors, is the largest source of livelihood in India. The development of the sector has a direct influence on conditions of economic prosperity, especially in the rural areas. The growth of Food Processing is essential to meet the two-fold objective of inclusive growth and increased food security.

Haryana is a significant producer of food grains, vegetables, dairy, poultry & meat. The main crops of the State include rice, wheat, sugarcane, cotton, oilseeds, pearl millet, gram and barley. The State additionally enjoys proximity advantage to markets of National Capital Region which have significant potential for retail of agro and processed-food products. Enhanced incentives offered under the policy include capital subsidy for creation, expansion and diversification of units, developing cold-chain and value-added infrastructure and developing backward and forward linkages in rural areas and SGST reimbursement amongst other provisions.

New drivers of growth such as agro-marketing reforms, establishment of Mega & Mini food parks, special support to Farmer Producer Organizations (FPOs), support to Agri and food processing cooperatives and promotion of start-up initiatives in this sector shall also be given due emphasis by the State.

Besides, enhanced incentives, the State shall also provide support to this sector through the following interventions:

- 12.2.1 Encourage investments in developing supply chain including primary processing facilities, cold storage/cold chains, chilling centres and distribution hubs.
- 12.2.2 Strengthen linkages between industry and farmers to ensure access to markets for selling local produce and uninterrupted supply for industries.
- 12.2.3 Strive to position state as an ideal destination for outsourcing of Agri

- produce for countries dependent on agricultural imports.
- 12.2.4 Increase national and global awareness about the State's raw material base, Agri-production and processing capabilities.
  - 12.2.5 Promote cultivation of processable variety of crops, sorting and grading at farm gate and direct shipment to processing units.
  - 12.2.6 Encourage exports and invest in development of export infrastructure such as Agricultural Export Processing Zones (AEPZs).
  - 12.2.7 Establish Food Processing Training Centres with assistance from Ministry of Food Processing Industries, Government of India, for delivery of short-term training programmes for entrepreneurs and to improve their technological and innovation skills and increase their awareness of latest trends.

### **12.3 Textile and Apparel**

The Textile and Apparel industry is one of the earliest industries to have developed in India. The State of Haryana exhibits strength across the textile and apparel value chain. Haryana is one of the leading cotton producers in the country with Sirsa, Fatehabad, Bhiwani, Hisar and Jind being the main cotton producing districts. The expansive availability of raw materials supporting the textile industry, gives the State a competitive advantage.

Textile and Apparel is one of the top contributing sectors towards GSVA and employment. Haryana's contribution to national exports of Textile and Apparel is over 36% for carpets and other textile floor coverings, 18% for apparel and clothing (woven), 8% for apparel and clothing (knitted) and 9% for other made-up textile articles.

The cluster-based approach towards industrial development has produced robust textile centres in districts such as Panipat, Gurugram, Faridabad, Hisar and Sonipat. Gurugram has also emerged as a hub for the manufacturing of readymade garments, with the city being home to some of the largest readymade garment manufacturers in Asia.

The State shall encourage the development of Textile clusters for manufacturing of hosiery (in Sirsa), carpets (in Panipat) and garments (in Gurugram), a Textile Park exclusively for Dyers & Processors in Faridabad, Apparel Park exclusively for apparel manufacturing units in Mewat and an Integrated Textile Park in Hisar.

Besides, enhanced incentives, the State shall also provide support to this sector through the following interventions:

- 12.3.1 Encourage setting-up of micro units such as surgical cotton, masks, baggage, napkins in cotton producing areas.
- 12.3.2 Tap into new opportunities and encourage investments across entire value chain for inclusive growth through proactive investment promotion and outreach.
- 12.3.3 Promote R&D in the area of manufacturing of manmade fibres and technical textiles to promote environment friendly process/technologies in textile

sector.

- 12.3.4 Develop integrated textile parks with provision of water supply and treatment for water intensive textile units.
- 12.3.5 Support water and energy audit and its implementation by textile and apparel units
- 12.3.6 Leverage Central Government policies and schemes such as Integrated Processing Development Scheme and Incubation Centres in Apparel Manufacturing to develop state infrastructure and boost investment.

#### **12.4 Electronics System Design & Manufacturing (ESDM)**

The Electronics System Design & Manufacturing industry is one of the fastest-growing industries in India, both in terms of production and exports. The sector is driven by macro factors such as the growing middle-class population and rising disposable income, the industry presents significant investment opportunities and rising demand. The State has a robust IT & Software sector which additionally complements the hardware manufacturing industry. Proximity to the National Capital Region, abundance of local workforce and availability of a number of notified Brownfield clusters, the State has an unmatched enabling ecosystem for the ESDM industry.

Besides enhanced incentives, the State shall also provide support to this sector through the following interventions:

- 12.4.1 Leverage EMC 2.0 scheme of MeitY, Government of India to create an Electronics Manufacturing Cluster in Sohna.
- 12.4.2 Set-up Start-up Hub and mobile application development centre in Panchkula Following the success of the NASSCOM Start-up Hub and the IMAI mobile applications development centre.
- 12.4.3 Encourage development of R&D facilities, Centres of Excellence for Internet of Things (IoT), ESDM incubators and Mobile Design centres.
- 12.4.4 Promote research, innovation and industry for safe disposal of e-Waste.
- 12.4.5 Encourage electronics exports, develop an export-oriented strategy and create an enabling strategy for import substitution.
- 12.4.6 Promote skill development in the sector with industry linkages which may assure the supply of workforce with requisite skill set.

#### **12.5 Defence and Aerospace Manufacturing**

The Defence and Aerospace (D&A) Manufacturing sector in India is at an inflection point, given the modernization and indigenization programs being undertaken by all the three services of the second largest military force in the world. With a pre-established ecosystem comprising of a strong ancillary base, abundant land banks, proximity to international airports and availability of technically skilled workforce, the State of Haryana is poised to become a leader in D&A manufacturing. The State shall leverage manufacturing prowess in auto-components, light engineering and textiles to become an ideal destination for aerospace and defence components manufacturing.



Haryana is equipped with 1 Domestic Aerodome at Hisar and 4 civil air strips at Bhiwani, Karnal, Narnaul & Pinjore along with 2 Flying Training Institute Centres of Civil Aviation Department at Karnal and Pinjore and upcoming large Flight Training Organization (FTO) at the Integrated Aviation Hub Hisar. The State also has existing production facilities for defence equipment at Panchkula and ammunition production facility at Yamuna nagar.

An Integrated Aviation Hub over 7200-acres is being set-up in Hisar, as 3<sup>rd</sup> Airport of NCR and to serve as a satellite airport for the Indira Gandhi International Airport at New Delhi. With Phase-I of the project already completed, the airport was inaugurated in 2018. The State shall encourage the development of Maintenance, Repair, and Operations (MRO) facilities, centre for drone manufacturing and institute for flight training in the Aviation Hub.

In addition to the incentives in Annexure-4, the State shall also provide support to this sector through the following interventions:

- 12.5.1 Seek and encourage private sector partnerships in order to realize the full potential of the Hissar Aviation Hub.
- 12.5.2 Attract global investors to setup MRO facilities at Hissar Aviation Hub.
- 12.5.3 Encourage private sector participation for setting up a flight training school.
- 12.5.4 Enhance connectivity of the Hisar airport with the New Delhi International Airport by rail and road to divert traffic of goods and passengers from Delhi to Hissar.
- 12.5.5 Make the Hissar airport equipped for all weather use as this will encourage more flight operators to use the airport.
- 12.5.6 Develop marketing and outreach plan for the parking facility for planes at the Hissar Airport to airline operators in New Delhi and other nearby airports.
- 12.5.7 Promote defence manufacturing in the State which provide strategic logistic advantage for defence forces and reduce overhauling transportation cost and time.

## **12.6 Pharmaceuticals and Medical Devices**

The Indian Pharmaceutical Industry is of strategic importance for the country as it caters to the drugs and vaccines market both, domestically and abroad. The Pharmaceutical sector in Haryana has witnessed compounded annual growth rate of over 16% between 2007-08 and 2017-18.

The State has launched a dedicated policy the Haryana Pharmaceutical Policy 2019 to provide impetus to sectoral growth. Under the ambit of the Haryana Pharmaceutical Policy 2019 the State is developing a state-of-the-art Pharmaceutical Park in Karnal and the policy provides an array of incentives to those units which will set-up operations there. Additionally, the State shall also make an effort to provide common facilities such as Cluster Labs and Common Effluent Treatment Plant (CETP).

In addition to the incentives in Annexure-4, the State shall also provide support to this sector through the following interventions:

- 12.6.1 Leverage Government of India Scheme for Promotion of Bulk Drugs Parks to develop a Bulk Drugs Manufacturing Park in Hissar.
- 12.6.2 Leverage Government of India Scheme for Promotion of Medical Devices Parks to develop a Medical Devices Manufacturing Park in Panipat.
- 12.6.3 Exhibit and market strategic offerings of Modern Pharma Park at Karnal on national and international platforms to attract investment and generate employment.
- 12.6.4 Assess and facilitate provision of essential infrastructure requirements of prospective investors such as development of dedicated cargo zones to handle pharma stocks.
- 12.6.5 Promote establishment of cold-chain supply network to improve shelf-life of pharma products and additionally enhance export capability of important drugs.
- 12.6.6 Enhance competitiveness in bulk drug manufacturing sector, state shall provide low cost power to the bulk drug manufacturers.
- 12.6.7 Develop common facilities for testing, R&D, trainings and incubation centres in upcoming pharma, medical devices and bulk drug parks.
- 12.6.8 Promote import substitution of critical Active Pharmaceutical Ingredients (APIs)/ Bulk Drugs.

## **12.7 Chemicals and Petrochemicals**

The Indian Chemical industry is interlinked with important sectors including Agriculture, Manufacturing, Food, Pharmaceutical and Transportation, and hence is an important contributor to the national economy. Haryana is home to various chemical manufacturing and trading establishments.

The Chemicals sector in the State grew at a compounded annual growth rate of over 12% over the 10 years between 2007-08 and 2017-18. The export of petroleum products, paint and other dyeing materials from the State grew at over 30% in the five-year period between 2013-14 and 2018-19. The Indian Oil Refinery at Panipat offers a significant scope for the development of downstream industry for which a petrochemical hub/ plastic parks may be developed by private sector participants.

Besides the enhanced incentives, the State shall also provide support to this sector through the following interventions:

- 12.7.1 Fast and transparent approval mechanism for non-hazardous chemical manufacturing units.
- 12.7.2 Facilitate development of chemical and petrochemical manufacturing zones with provision of relevant safety measures.
- 12.7.3 Promote investment in downstream petrochemicals industry.
- 12.7.4 Promote and facilitate, through buyer-seller linkages, existing chemical manufacturers to tap dependent sector demand thereby reducing dependence on chemicals from other-states or countries.

## **12.8 Large Scale Energy and Data Storage**

Energy Storage System (ESS) is rapidly egressing as an indispensable part of the evolving clean energy systems of the 21<sup>st</sup> century. Energy storage presents vast economic opportunity for India. Aspirational goals, cooperative strategies, and a concerted approach could facilitate India fulfil its emission reduction targets while avoiding import dependency for battery packs and cells. Haryana aims to create conducive environment for creating energy storage facility by solar and bio energy industry. It will also be delivering reliable, cost-competitive solutions to meet growing energy demand.

India's data storage market is witnessing the growth of 8% year-on-year and is expected to grow much more in near future. Data localization is fuelling the growth of the Indian data center industry. Many global multinational are coming to India to set up their data centers. Haryana has ideal conditions for setting of these Data centers and energy storage devices.

**Note-**The enhanced fiscal incentives for thrust sectors shall be offered as specified under Annexure-4 of the policy.

## Chapter 13: Strengthening Service Sector

The services sector contributes over 50% to the State's Gross Value Added (GSVA). Further, the services sector supports several critical industries in the State making it a crucial enabler for the overall socio-economic development of the State.

### **13.1 The following provisions shall be made to encourage investment in the services sector besides enhanced incentives:**

- 13.1.1 Up to 15% of the plots in Industrial estates shall be earmarked for identified services which support the manufacturing activities.
- 13.1.2 Service export competitiveness for MSMEs shall be enhanced by leveraging the benefits and Schemes offered by Services Export Promotion Council (SEPC), Government of India, which is an apex trade body to facilitate services export of India and serves as a platform of interaction between service exporters and policy makers.
- 13.1.3 Incentives to support research & development in the services sector in the State shall be introduced to enhance competitiveness of services. Financial assistance to set R&D laboratories shall be provided. Further, commercialization of innovation and research through academia-industry linkage and innovator- services industry linkage programmes shall be promoted.

### **13.2 The following sub-sectors shall be treated as focus sectors in the services sector:**

- i. IT & ITeS
- ii. Logistics, Retail and Warehousing
- iii. Research & Development (R&D)
- iv. Healthcare
- v. Education
- vi. Tourism

#### **13.2.1 IT & ITeS**

The IT & ITeS sector makes a significant contribution to exports and employment. Gurugram is considered as the BPO hub of the world, employing about 5% of the global BPO workforce.

Besides the incentives, the State shall also provide support to this sector through the following interventions:

- 13.2.1.1 Encourage and incentivize private participants to develop Data Centres in the State and address specific issues for development of Data Centres.
- 13.2.1.2 In order to promote skill development and rural employment, the State shall facilitate setting up of Rural BPOs in Rohtak, Hissar, Kurukshetra, Sonipat and Sirsa.
- 13.2.1.3 Skill development training shall be provided under the schemes of

Ministry of Skill Development and Entrepreneurship, Government of India/Haryana Skill Development Mission.

### **13.2.2 Logistics, Retail & Warehousing**

With a unique locational advantage, large consumer base, increasing per-capita income and rapid urbanization, Haryana presents enormous potential to become one of the leading destinations for Logistics, Warehousing & Retail in the country. Additionally, a robust connectivity network, proximity to international airports and to major industrial corridors of DMIC & AKIC, have been the drivers of growth of the sector. Moreover, 13 districts of Haryana are now a part of NCR region which is well known to a prominent trade and consumption hub of India.

Taking lead in creation of a simplified regulatory environment to facilitate investors, the State has notified a dedicated policy, the Haryana Logistics, Warehousing & Retail Policy, 2019. The policy is targeted to attract investment of INR 10,000 crore and generate over 25,000 employment opportunities through the creation of 5 Integrated Logistic Parks across Haryana. The provisions of the policy include capital subsidy, interest subsidy, stamp duty refund and EDC refund along with relaxations in FAR amongst other incentives.

Besides the incentives, the State shall also provide support to this sector through the following interventions:

- 13.2.2.1 Develop Integrated Multi-Modal Logistics Hub (IMLH) in PPP mode as one of the largest logistics hubs in North India on 1200 acres of land at Nangal Chaudhary, Narnaul.
- 13.2.2.2 Encourage development of Truckers Parks along the National Highways in Haryana on a minimum of 10 acres.
- 13.2.2.3 Earmark a "Logistics Zone" along the KMP expressway and all new enterprises setting up in this zone shall be exempt from the requirement of CLU.
- 13.2.2.4 Earmark land for developing Warehouses, Logistics Parks, Warehousing Cum Retail hubs and Integrated Multi-Modal Logistics Park in the master plan of Panchgram Cities.
- 13.2.2.5 Provision last-mile-connectivity and access to critical utilities such as water, power and access roads up to the Integrated Multi-Modal Logistics Park & Logistic Parks.
- 13.2.2.6 Develop Automotive Logistics Parks around existing automotive clusters with shared warehousing infrastructure and integrated connectivity to roads, railways and ports.
- 13.2.2.7 Strengthen the last mile delivery infrastructure of existing dry ports, Private Freight Terminals (PFT)& Railways goods sheds by developing connecting infrastructure in form of roads, parking yards for 24X7 connectivity access.
- 13.2.2.8 Support development of E-commerce fulfilment centres with

priority to be given to semi-automated & fully automated fulfilment centres.

13.2.2.9 Facilitate skill development initiatives to ensure adequate supply of competent and trained workforce.

13.2.2.10 Accord 'Industry' status to Logistics & Warehousing in the State so that the units shall be eligible for the incentives specified in the Logistics, Warehousing & Retail Policy.

### **13.2.3 Research & Development (R&D)**

India ranked as the 48<sup>th</sup> Innovative Nation in the world in 2020 by Global Innovation Index (GII), a significant jump from the 81<sup>st</sup> rank in 2015. Investment in R&D has increased at the CAGR of 9.7% in the last decade. Research has shown that 1% increase in R&D expenditure can result in over 2% growth in GDP<sup>5</sup>. The State shall increase its focus on boosting R&D investments.

Besides the incentives, the State shall also provide support to this sector through the following interventions:

13.2.3.1 Tenure for staggered payment towards cost of land shall be increased specifically for R&D companies to provide relief in inception years.

13.2.3.2 Commercialization of innovation and research through academia-industry linkage and innovator-industry linkage programme shall be promoted. This will support the research of institution and individual through talent search programme, R&D support and commercial linkages.

13.2.3.3 Promote investment in technologically advanced industries such as AI, Space Technologies, Laser Technologies, Nanotechnology, Biotechnology, Energy-Saving Solutions.

13.2.3.4 Encourage existing foreign investors in the State, who have had positive experiences of Haryana to relocate their Research, Development & Innovation to Haryana.

### **13.2.4 Healthcare**

The State is committed to providing quality healthcare to all citizens. With the objective to make healthcare accessible to all, several path breaking initiatives have been taken and innovative schemes have been launched in Haryana. The health services are being provided through a

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<sup>5</sup>R&D expenditure and economic growth: EU28 evidence for the period 2002–2012

network of many hospitals including PGIMS, Rohtak, Community Health Centres, Primary Health Centres, Sub Centres, and Trauma Centres, Urban RCH Centres and Delivery Huts.

Cities such as Faridabad and Gurugram are hubs of globally renowned healthcare institutions. Cities such as Rohtak, Panipat, Sonipat and Karnal also have a strong infrastructure of professional medical training centres and medical colleges. The State has also earmarked Pharma Park & Medical Device park in Karnal.

Besides the incentives, the state shall also provide support to the sector through the following interventions:

- 13.2.4.1 Encourage the creation of Medi-City and Healthcare Parks in high density zones to enable a holistic ecosystem for innovation in healthcare.
- 13.2.4.2 Promote development of research centres and training institutes to encourage new-age research in domains such as gene-therapy and precision medicines.
- 13.2.4.3 Encourage the establishment of telemedicine services through provision of clinical services to patients by practitioners in the State via tools of electronic communication such as video conferencing.
- 13.2.4.4 Promote the establishment of micro & small healthcare establishments by providing similar incentives and financial benefits such as those to Micro, Small & Medium Enterprises.
- 13.2.4.5 Collaborate with international governments, leading medical firms and medical institutions to facilitate better access to state-of-the-art therapies, medicines and medical equipment.

### **13.2.5 Education**

The education sector of India is termed to be highly lucrative and essentially recession-proof. With the increase in formal education and tutorial education entities in the country, the sector has been witnessing rapid growth. The sector has additionally witnessed significant FDI and has also seen a growing trend of PPPs, which has further added to the growth of the sector.

The education sector in Haryana is robust with presence of a significant number of pre-primary, primary, secondary, higher-secondary and degree education institutes. Cities such as Sonipat are already emerging as a hub for higher learning and centre for research with state-of-the-art Universities. The State is also creating Education City, spread over 2000 acres, in Sonipat. Gurugram, Faridabad, Karnal, Kurukshetra and Hissar are also home to some of the leading National and State Educational Institutes.

Besides the incentives, the state shall also provide support to the sector through the following interventions:

- 13.2.5.1 Encourage signing and implementation of MoUs through State educational centres/ universities to enable cross-functional teaching, student-exchange programmes amongst other areas of collaboration.
- 13.2.5.2 Promote setting up of Education Parks inclusive of multi-disciplinary educational institutions with world-class facilities and infrastructure.
- 13.2.5.3 Partner with private entities to enable employment opportunities.

### **13.2.6 Tourism**

Haryana represents the face of modern India and is well positioned among one of the wealthiest and most economically developed regions. The state consists of diverse landscapes, showcasing magnificent archaeology and celebrating art and culture.

From being referred to as 'heaven on earth' in ancient Sanskrit texts to being the bedrock of Indus valley civilization, Haryana has one of the most unique histories. Today Haryana stands tall with its achievements in agriculture, industrialization and flourishing art and culture. Rich in history, monuments, heritage, flora and fauna, human resources and tourism with well-developed economy, national highways and state roads, Haryana is a journey worth experiencing.

Besides the incentives, the state shall also provide support to the sector through the following intervention:

- 13.2.6.1 Focus on development of niche tourism such as medical, farm, hi-end, cultural and heritage.
- 13.2.6.2 Develop domestic/international tourist circuits
- 13.2.6.3 Develop and promote cultural and heritage sites for tourism
- 13.2.6.4 Promote Haryana's tourism through participatory processes with international and national community
- 13.2.6.5 Focus on rationalising cost of living at tourism destinations, connectivity, quality of infrastructure
- 13.2.6.6 Organise annual tourism events for promotion of Haryana's tourism
- 13.2.6.7 Promote local heritage and languishing art & craft with adequate branding and promotion
- 13.2.6.8 Promote Gurugram as "Golf-Capital" of the country



## Chapter 14: Providing Competitive Incentives Framework

The vision of this policy is to position Haryana as a pre-eminent Investment destination and facilitate balanced regional and sustainable development supported by a dynamic governance system, wide scale adoption of innovation & technology, and skill development for nurturing entrepreneurship and generating employment opportunities.

In order to implement the vision, it is felt that infrastructure support and ease of doing business alone will not be able to attract investment in the backward areas rather there is a need to provide fiscal incentives for reducing cost of doing business to make the industry competitive and sustainable. In depth study was undertaken of Fiscal Incentives of industrially progressive states and since our vision is to position Haryana as preferred destination, the State Government has tried to provide best package of incentives to Ultra Mega Projects, Mega projects, Thrust Sectors and especially for Micro, Small & Medium Enterprises in the State as defined under.

- 14.1. Investment Subsidy in lieu of Net SGST:** To reduce the cost of doing business in the State investment subsidy in lieu of Net SGST paid shall be provided to the investor @ 30% - 100% Net SGST reimbursement for 5-10 years. The quantum of incentive shall vary as per the segment i.e. Micro, Small, Medium, Large and Mega and as per the location of the project.
- 14.2. Interest Subsidy:** It has been observed that a large number of Micro & Small units which provide significant employment opportunities are not able to setup/expand/modernize due to high cost of capital. Therefore, interest subsidy shall be provisioned @ 5% - 8% on term loan for 5-7 years. This will go a long way in providing the much-needed fillip to scale and induct latest technology in the manufacturing process.
- 14.3. Employment Generation Subsidy:** Labour cost is a major cost incurred by any industry. Therefore, the industry shall be incentivized through employment generation subsidy up to INR 48,000 for up to 7-10 years for employing persons belonging to Haryana (skilled/semi-skilled/unskilled) having Haryana Resident Certificate.
- 14.4. Support to Rural Industries:** In order to boost rural industries, a specific scheme i.e. Haryana Gramin Udyogik Vikas Yojna shall be introduced for micro enterprises in rural areas with the incentives i.e. Capital Subsidy @15% up to INR 25 lakh, Interest Subsidy @ 7% for term loan up to INR 8.00 lakh/year for 7 years, DG set subsidy has @INR 8000 per KVA up to 50% of cost of DG set.
- 14.5. Focused incentives for MSMEs:** Being a significant driver for employment, MSMEs shall be facilitated by providing an array of best-in-class incentives. In order to create market for the products of MSMEs, provisions for financial support in respect of Market Development Assistance, Brand Building Support, and 50% reservation in procurement policy shall also be made.

- 14.6. Zero Defect and Zero Effect:** To adopt this concept, the financial support for technology acquisition @ 75% maximum of INR 50 Lakh, quality certification @ 50% maximum of INR10 Lakh, patent registration @ 100% maximum of INR 25 Lakh, testing equipment @ 50% maximum of INR20 Lakh, technology up-gradation and assistance for establishment of Effluent Treatment Plant for environment compliance @ 50% maximum of INR 50 Lakh will be provided. The financial support for, availability of finance through credit linked interest subsidy scheme @ 5% maximum of INR 10 lakh per year and credit rating will also be extended.
- 14.7. Collateral Free Credit Facilitation:** The State Government shall reimburse 100% guarantee fee, which will provide a window of opportunity to Micro and Small Enterprises for availing collateral free loan from lending institutions/banks.
- 14.8. Support to Start-Ups:** Start-ups may be small companies, but they can play a significant role in economic growth and also contribute to economic dynamism by spurring innovation and injecting competition. To promote start-ups in the State, financial assistance in the form on seed grant up to INR 10 lakh, lease rental subsidy up to INR 5 lakh, interest subsidy up to 8% for 5 years, 100% Net SGST reimbursement for 7 years, support for attending national and international incubation programmes and mentorship support, amongst others, shall be provided. For start-up ecosystem development, the State shall financial support for setting-up of incubation centres in universities, Start-Up warehouses and Mobile Apps Development Centres.
- 14.9. Support to Thrust Sectors:** Enhanced incentives shall be provided to the thrust sectors i.e. Auto, Auto Components & Light Engineering, Agro-based, Food Processing & Allied Industry, Textiles and Apparels, Electronics System Design & Manufacturing (ESDM), Defence and Aerospace Manufacturing, Pharmaceutical & Medical Devices, Chemical and Petrochemicals Industries.
- 14.10. Support for Exporting Units:** To make the new exporting of Micro & Small Enterprises competitive in the global market, freight subsidy upto INR 10 Lakh will be provided to defray the transportation cost from premises of the unit to the Seaport/ Air cargo/ International borders including other non-fiscal incentives.
- 14.11. Services Sector:** In order to attract investment in Services Sector for the identified services, fiscal incentives such as investment subsidy in lieu of SGST net paid @ 50%, Electricity Duty Exemption @50% - 75% and Refund of Stamp Duty @ 30% - 50%, shall be offered.
- 14.12. Industrial Infrastructure Development Fund:** In order to achieve geographical dispersal and to provide infrastructure led development in dedicated manufacturing corridors, rural clusters, thrust area clusters, it has been decided to provide independent power feeder, water supply and road connectivity of adequate width up-to periphery of such clusters/mega projects/ large enterprises/ Industrial Estates.

**14.13. Categorization of Blocks:** In order to ensure regional balanced growth, the entire State has been divided into 4 categories of blocks based on the level of industrialization, level of socio-economic development, locational advantage i.e. connectivity to highway, airport etc., state of infrastructure development and level of skill development that has taken place in these areas/blocks. The four categories are – Developed (A), Intermediate (B), Backward (C), & Most Backward (D) blocks. The list of these blocks is attached at Annexure-3. The Government may change the category of any block at any time depending upon the changed scenario.

**Criteria for Block Categorization**

| Parameters  | Weightage |
|---|-----------|
| <b>Level of Industrialization</b><br>(No. of enterprises, Investment, Employment)   | 45%       |
| <b>Socio-Economic Development</b><br>(Per capita GSDP of district, Number of Bank Branches per Lakh of population, Urbanization)  | 15%       |
| <b>Locational Advantage (Natural Growth)</b><br>(Connectivity to National and State highways, Connectivity to Airport, Connectivity to ICD, Length of surfaced road per 100sq.km, Connectivity to National Capital) | 20%       |
| <b>Infrastructure (developed by Govt./ Private agency)</b><br>(No. of ICDs/CFS, No. of Logistics Parks, No. of Industrial Parks, No. of MSME clusters)  | 15%       |
| <b>Skill Development</b><br>(No. of ITIs, No. of polytechnics, No. of Engg. Colleges, Other Skill development centers )   | 5%        |
| <b>Total</b>  | 100%      |

**14.14.** The details of incentives available for Ultra & Mega Projects, Large Projects and Micro, Small & Medium Enterprises have been given in the Annexure-4. The Micro Enterprises set up in rural area within the jurisdiction of Village Panchayat, under Haryana Gramin Udyogik Vikas Yojna, shall not be required to submit CLU/NOC from Town & Country Planning for availing incentives. The incentives under the policy will not be available to the industries covered under the restrictive list of industries (Annexure-5) except State Export Awards and State Awards. The Government may modify this list at any time depending upon the changed scenario.

**14.15.** The guidelines for Administration of each scheme of incentives and infrastructure will be notified separately by the State Government within 02 months.

**Note:** The detailed incentives/ infrastructure related schemes have been specified under Annexure – 4 of the Policy.

## Chapter 15: Implementation & Monitoring

**15.1 Policy Monitoring Mechanism:** A Committee shall be constituted to identify hurdles/bottlenecks in the implementation of the State's industrial policy and for redressal.

**15.2 Economic Advisory Council:** A high profile Economic Advisory Council (EAC) has been constituted in 2019 to harness the intellectual capital in the State on Policy matters and other issues of overall economic development of the State. Subsequently, in order to adopt a sector-focused approach to development, Sub-Sectoral Task Forces/Committees shall be formulated and notified, comprising Members from within the EAC itself or new Members as proposed by existing Members. These Sub-Sectoral Task Forces/Committees will support with facilitating development and growth, job creation and investment promotion pertaining to key thrust sectors of Haryana.

**15.3 Sector Specific Missions:** In order to attract new industry and facilitate existing units, the State shall work in a mission mode for Industrial Development, whereby sector specific missions shall be established in collaboration with industry to guide policy formulation and implementation.

**15.4 Establishment of Atmanirbhar Bharat Facilitation Cell:** Steps shall be taken to leverage the schemes under Atmanirbhar Bharat Mission (Self-Reliant India Movement) and transmit the benefits to industries. The cell shall focus on central government scheme related with Common Facility Centres (CFC), Trade facilitation, Cluster development, Establishment of sector specific park, integrated development of the sector, etc. which support industrial development in the State. The cell shall liaise with central government and promote the schemes through awareness, provide support in documentation and co-ordinate with central government and departments.

**15.5 Develop industry emergency response system:** Steps shall be taken to develop a system involving all state government departments dealing with industry and other stakeholders i.e. Industry & Commerce Department, Pollution Control Board, Disaster Management, Health Department, Labour Department, Home Department, DISCOMs and DC of all districts, amongst others, to deal with economic and social emergencies and other issues which may affect continuity and productivity of the industry in the State.

## Chapter 16: General

### 16.1 Creation of Data Bank

Authenticated and correct data pertaining to number of units, investment, production, employment, turnover and export etc. is of paramount importance in policy making. It is proposed that the State shall consolidate the data collected by various State Departments from industrial units operating in the State on multiple platforms to develop a dynamic data bank, updated quarterly. The District Industries Centre shall motivate the entrepreneurs to file Udhyam Memorandum/Haryana Udhyam Memorandum for statistical purpose and creating data bank for planning perspective.

### 16.2 Directory of prominent professionals belonging to Haryana

It has been observed that there are large number of prominent entrepreneurs, investors and professionals belonging to Haryana State who are settled at various places across the country or overseas and excelled in various fields. BIPP shall prepare a Directory of all such prominent persons and keep it updated. The Directory shall be placed on the HEPC Portal.

### 16.3 Industrial Retention Policy

The State shall formulate a mechanism to address the issues relating to Industry which need immediate attention and preventive/corrective measures. The mechanism shall also include supporting the existing industry in the State as they are expected to be our brand ambassadors.

The District Industries Centres would be strengthened to provide all necessary support to the Industry particularly the MSMEs, by positioning finance/operations/marketing professionals. The support to be provided by these DICs would inter-alia include:

- i. Trigger action on issues relating to Industry which need immediate attention and preventive/corrective action;
- ii. Identifying triggers like slowdowns/industrial Disputes/Troubleshooting etc. (identifying reasons for failure)/for corrective actions;
- iii. Provide economic development services (Information sharing, data Collection, consultancy support, Entrepreneurship Development Programs etc.)

### 16.4 Turnaround time under this policy

All the Policy proposals will have to be notified by concerned department(s) in one month from the date of release of this Policy unless otherwise specified. All new Schemes proposed in Policy will have to be formulated with in time frame of 02 months from the date of release of this policy and on-line platforms for project clearances would go online/live by 31<sup>st</sup> March 2021.

### **16.5 Savings and clarifications**

This policy replaces the Haryana Enterprise Promotion Policy 2015 and would take effect from 1<sup>st</sup> January, 2021. All actions taken under the previous policy or commitments made thereunder would remain protected. Any other issue, which has not been specifically covered under this policy or requires any clarification, would be referred to the Government in the Industries & Commerce Department for decision/clarification and the decision of the Government thereon would form part of the Policy.

### **16.6 Relaxations**

The Haryana Enterprise Promotion Board (HEPB), in its discretion, if it is of the opinion that if a project is of strategic importance to the State and is likely to have a substantial impact on the industrial development of the State, for reasons to be recorded in written, can grant any benefit over and above what is already provisioned in the policy and may also relax any of the provisions mentioned in this policy.

### **16.7 Policy validity period**

This policy shall remain valid for 5 years from 1<sup>st</sup> January, 2021.

## Annexure - 1

**Additional 41 services to be incorporated under The Haryana Right to Service Act, 2014**

| S. No. | Name of Department                    | Services to be incorporated under The Haryana RTS Act, 2014   |
|--------|---------------------------------------|---|
| 1.     | Town and Country Planning             | 1. NOC for establishment of unit under Urban Area Act, 1975   |
|        |                                       | <b>For industrial colonies:</b><br>2. Industrial colony License application under 1975 Act.<br>3. Demarcation plan and Zoning approval<br>4. Serving plan approval after approval from HUDA<br>5. Renewal of license<br>6. Competition certificate for Industrial colony  |
| 2.     | Urban & Local bodies                  | 7. Occupation/Completion certificate  |
| 3.     | Environment Department                | 8. Environmental clearance (EC) under Aravali Notification 1992 and 1999<br>9. Environmental clearance plan from State/Central Environment Impact Assessment Authority-EIA notification 2006  |
| 4.     | Haryana State Pollution Control Board | 10. Registration/Authorization under e-waste (Management and Handling) Rules, 2011<br>11. Registration for Recycle/reprocessing under Hazardous waste (Management Handling and Trans Boundary and Movement) Rules, 2008<br>12. Registration under Plastic Manufacture, Sale and Usage Rules, 1999<br>13. Authorization under Bio Medical Waster (Management & Handling) Rules, 1998 |
|        |                                       | <b>For industrial colonies:</b><br>14. Consent for establishment of colony under Water Act, 1974 and the Air Act 1981<br>15. Consent for establishment of Building under Water Act, 1974 and the Air Act 1981<br>16. Consent to operate a colony under Water Act, 1974 and the Air Act, 1981<br>17. Consent to operate a Building under Water Act, 1974 and the Air Act, 1981       |
| 5.     | Forest Department                     | 18. Forest clearance approach public entry/exist and diversion of forest land- under Forest Conservation Act, 1980<br>19. License for wood-based industry   |
| 6.     | UHBVNL & DHBVNL                       | 20. Load sanctioning and agreement for temporary connection<br>21. Electrical service plan estimates<br>22. Realignment of HT/LT lines<br>23. Load sanctioning and Release of permanent electric connection   |

| S. No. | Name of Department                        | Services to be incorporated under The Haryana RTS Act, 2014   |
|--------|---|---|
| 7.     | Labour Department                         | 24. Deposition of Cess (Advance) @ 1% of the cost of Building and Construction (excluding the cost of land) to the Haryana Building and other Construction Welfare Board  |
| 8.     | Excise and Taxation                       | 25. VAT Registration<br>26. CST Registration  |
| 9.     | HSIIDC                                    | 27. Temporary water connection  |
| 10.    | Non-Conventional Energy Department        | 28. Registration & approval for setting up of Biomass based power projects in the state   |
| 11.    | Industries & Commerce Department          | 29. Application submission under Industrial Infrastructure Development Scheme dated 06 January 2017   |
| 12.    | Mines & Geology Department                | 30. Mining Approval for excavation of earth for construction  |
| 13.    | Irrigation and Water Resources Department | <b>For industrial colonies:</b><br>31. Permission for water supply<br>32. Permission for construction of Bridge/ culvert over drains (in case required)<br>33. Permission to discharge water into natural drains/water bodies<br>34. Permission for bore wells till the piped water supply is functional. |
| 14.    | Development & Panchayats                  | 35. Exchange of Land of Dhana & Rasta of Panchayat approval   |
| 15.    | Fire Department(ULB)                      | 36. Fire scheme approval<br>37. Fire NOC after construction   |
| 16.    | Public Works Department (B&R)             | <b>For industrial colonies:</b><br>38. Access permissions from scheduled road<br>39. Permission for construction of culvert across the roads (In case required)   |
| 17.    | Department of Power                       | <b>For industrial colonies:</b><br>40. Electrical service plan<br>41. Completion certificate for Electrical Installations   |



## Annexure – 2

**Additional 36 services to be provided on HEPC portal**

| S. No. | Name of Department  | Service Name   |
|--------|---|--|
| 1      | Revenue and Disaster Management   | 1. Issue of Non-Encumbrance Certificate<br>2. Measurement/ Demarcation of Land   |
| 2      | Directorate of Urban Local Bodies   | 3. NOC from Municipality that premises of unit falls in original M.C limit required for purpose of incentives.   |
| 3      | Directorate of Agriculture and Farmers Welfare  | 4. Grant of license under Insecticide Act, 1968 for manufacture, storage and sale of insecticides and its renewal<br>5. Grant of license under Insecticide Act, 1968 for manufacture, storage and sale of pesticides and its renewal                 |
| 4      | Industries & Commerce   | 6. Registration and Renewal of Boilers manufactures under The Boilers Act, 1923 (Directorate of Boiler)<br>7. Registration of Partnership Firms (Registrar firms and Societies)  |
| 5      | Public Health Engineering Department, Urban Local Bodies, Haryana State Industrial and Infrastructure Development Corporation | 8. Certificate of non-availability of water from water supply agency required for NoC for water extraction from Central Ground Water Authority/ Relevant Authority   |
| 6      | Home  | 9. NOC required for setting up of explosives manufacturing, storage, sale, transport<br>10. NOC required for setting up of petroleum, diesel & Naphtha manufacturing, storage, sale, transport<br>11. Petrol Pump License (registration and Renewal) |
| 7      | Public Works Department, Buildings & Roads  | 12. Registration of Contractors for works and services   |
| 8      | Mines and Geology   | 13. Mining lease/ Composite License/ Non-exclusive Reconnaissance Permit   |
| 9      | Haryana State Agricultural Marketing Board  | 14. Agricultural Produce Market Committee License (Registration and Renewal)   |
| 10     | Department of Power   | 15. Permission for Grid connectivity for captive use<br>16. Permission/License for Lift installation.  |
| 11     | Development and Panchayats  | 17. Exchange of Land of Dhana & Rasta of Panchayat approval  |
| 12     | Haryana State Industrial Infrastructure Development Corporation   | 18. Transfer of plots<br>19. Change in constitution  |
| 13     | Irrigation Department   | 20. Permission for ground water extraction   |

| S. No.   | Name of Department                         | Service Name   |
|--|--|--|
| <b>CLEARANCES FOR DEVELOPMENT OF INDUSTRIAL COLONY</b> |  |  |
| 13   | Town and Country Planning                  | 21. Industrial colony License application under 1975 act.<br>22. Demarcation plan and Zoning approval<br>23. Renewal of License<br>24. Completion certificate for industrial colony<br>25. Service plan estimates approval.  |
| 14   | Haryana State Pollution Control Board      | 26. Consent for establishment of colony under Water Act, 1974 and the Air Act 1981<br>27. Consent for establishment of Building under Water Act, 1974 and the Air Act 1981<br>28. Consent to operate a colony under Water Act, 1974 and the Air Act, 1981<br>29. Consent to operate a Building under Water Act, 1974 and the Air Act, 1981 |
| 15   | Department of Power                        | 30. Electrical service plan<br>31. Realignment of HT/LT lines<br>32. Completion certificate for Electrical Installation 1  |
| 16   | Irrigation and Water Resource department   | 33. Permission for water supply<br>34. Permission for construction of Bridge/culvert over drains (in case required)  |
| 17   | Public Works Department, Buildings & Roads | 35. Access permissions from scheduled road<br>36. Permission for construction of culvert across the roads (In case required)   |

## Annexure -3

**Block Categorization:**

| Sr. No. | Category of Blocks | Status of Development                                 |
|---------|--------------------|---|
| 1.      | 'A'                | Comprising of the industrially developed areas        |
| 2.      | 'B'                | Comprising of the areas of 'intermediate development' |
| 3.      | 'C'                | Comprising: of industrially backward areas            |
| 4.      | 'D'                | Comprising of industrially most backward areas        |

**1. Category 'A' Blocks:**

| Sr. No. | District     | Block          |
|---------|--------------|----------------|
| 1.      | Ambala       | 1. Ambala-I    |
| 2.      | Faridabad    | 2. Faridabad   |
|         |              | 3. Ballabgarh  |
|         |              | 4. Tigaon      |
|         |              | 5. Gurugram    |
| 3.      | Gurugram     | 5. Gurugram    |
| 4.      | Jhajjar      | 6. Bahadurgarh |
| 5.      | Panipat      | 7. Panipat     |
| 6.      | Rewari       | 8. Bawal       |
|         |              | 9. Rai         |
|         |              | 10. Sonapat    |
|         |              | 11. Ganaur     |
| 7.      | Sonapat      | 12. Murthal    |
|         |              | 13. Jagadhri   |
| 8.      | Yamuna Nagar | 13. Jagadhri   |

**2. Category 'B' Blocks:**

| Sr. No. | District   | Block           |
|---------|------------|-----------------|
| 1.      | Ambala     | 1. Ambala II    |
| 2.      | Gurugram   | 2. Pataudi      |
|         |            | 3. Sohna        |
|         |            | 4. Farukh Nagar |
|         |            | 5. Hissar-I     |
| 3.      | Hissar     | 5. Hissar-I     |
| 4.      | Jhajjar    | 6. Jhajjar      |
| 5.      | Karnal     | 7. Karnal       |
|         |            | 8. Gharaunda    |
|         |            | 9. Nilokheri    |
| 6.      | Kurushetra | 10. Pipli       |
| 7.      | Palwal     | 11. Prithla     |
|         |            | 12. Palwal      |

| <b>Sr. No.</b> | <b>District</b> | <b>Block</b> |   |
|----------------|-----------------|--------------|---|
| 8.             | Panchkula       | 13.          | Pinjore   |
| 9.             | Panipat         | 14.          | Bapauli   |
|                |                 | 15.          | Samalkha  |
|                |                 | 16.          | Madlauda & HSIIDC, Indl. Estate Near Refinery Panipat |
| 10.            | Rewari          | 17.          | Rewari  |
| 11.            | Rohtak          | 18.          | Rohtak and IMT, Rohtak                                |
|                |                 | 19.          | Sampla  |
| 12.            | Sonepat         | 20.          | Kharkhoda   |

### 3. Category 'C' Blocks:

| <b>Sr. No.</b> | <b>District</b> | <b>Block</b> |                   |
|----------------|-----------------|--------------|-------------------|
| 1.             | Ambala          | 1.           | Barara            |
|                |                 | 2.           | Naraingarh        |
|                |                 | 3.           | Saha              |
|                |                 | 4.           | Shehzadpur        |
| 2.             | Bhiwani         | 5.           | Bhiwani           |
| 3.             | Fatehabad       | 6.           | Fatehabad         |
| 4.             | Hissar          | 7.           | Hansi-I           |
|                |                 | 8.           | Hissar-II         |
| 5.             | Jhajjar         | 9.           | Beri              |
|                |                 | 10.          | Badli             |
|                |                 | 11.          | Matenhail         |
| 6.             | Jind            | 12.          | Jind              |
| 7.             | Kaithal         | 13.          | Kaithal           |
|                |                 | 14.          | Guhla at Cheeka   |
|                |                 | 15.          | Pundri            |
|                |                 | 16.          | Dhand             |
| 8.             | Karnal          | 17.          | Indri             |
|                |                 | 18.          | Nissing at Chirao |
|                |                 | 19.          | Kunjpura          |
| 9.             | Kurukshetra     | 20.          | Thanesar          |
|                |                 | 21.          | Pehowa            |
|                |                 | 22.          | Ladwa             |
|                |                 | 23.          | Shahabad          |
|                |                 | 24.          | Ismailabad        |
| 10.            | Mahendergarh    | 25.          | Narnaul           |

| Sr. No. | District     | Block |                 |
|---------|--------------|-------|-----------------|
| 11.     | Mewat        | 26.   | Nuh & IMT Sohna |
|         |              | 27.   | Taoru           |
| 12.     | Palwal       | 28.   | Hodel           |
| 13.     | Panchkula    | 29.   | Barwala         |
| 14.     | Panipat      | 30.   | Israna          |
|         |              | 31.   | Sanauli Khurd   |
| 15.     | Rewari       | 32.   | Khol at Rewari  |
| 16.     | Rohtak       | 33.   | Meham           |
|         |              | 34.   | Lakhan Majra    |
| 17.     | Sirsa        | 35.   | Sirsa           |
| 18.     | Sonepat      | 36.   | Gohana          |
|         |              | 37.   | Mundlana        |
| 19.     | Yamuna Nagar | 38.   | Bilaspur        |
|         |              | 39.   | Chhachhrauli    |
|         |              | 40.   | Radaur          |
|         |              | 41.   | Khizrabad       |

#### 4. Category 'D' Blocks:

| S. No. | District     | Block |              |
|--------|--------------|-------|--------------|
| 1.     | Bhiwani      | 1.    | Loharu       |
|        |              | 2.    | Tosham       |
|        |              | 3.    | Bawani-Khera |
|        |              | 4.    | Kairu        |
|        |              | 5.    | Siwani       |
|        |              | 6.    | Bahal        |
| 2.     | Charki Dadri | 7.    | Charki Dadri |
|        |              | 8.    | Badhra       |
|        |              | 9.    | Bond Kalan   |
|        |              | 10.   | Jhojhu Kalan |
| 3.     | Fatehbad     | 11.   | Tohana       |
|        |              | 12.   | Ratia        |
|        |              | 13.   | Jakhal       |
|        |              | 14.   | Bhattu Kalan |
|        |              | 15.   | Bhuna        |
|        |              | 16.   | Nagpur       |
| 4.     | Hissar       | 17.   | Narnaund     |
|        |              | 18.   | Adampur      |
|        |              | 19.   | Uklana       |
|        |              | 20.   | Agroha       |

| S. No. | District     | Block |                  |
|--------|--------------|-------|------------------|
|        |              | 21.   | Barwala          |
|        |              | 22.   | Hansi-II         |
| 5.     | Jhajjar      | 23.   | Sahalwas         |
| 6.     | Jind         | 24.   | Narwana          |
|        |              | 25.   | Julana           |
|        |              | 26.   | Safidon          |
|        |              | 27.   | PilluKhera       |
|        |              | 28.   | Uchana           |
|        |              | 29.   | Alewa            |
|        |              | 30.   | Ujhana           |
| 7.     | Kaithal      | 31.   | Kalayath         |
|        |              | 32.   | Rajound          |
|        |              | 33.   | Siwan            |
| 8.     | Karnal       | 34.   | Munak            |
|        |              | 35.   | Assandh          |
| 9.     | Kurukshetra  | 36.   | Babain           |
| 10.    | Mahendergarh | 37.   | Ateli Nangal     |
|        |              | 38.   | Kanina           |
|        |              | 39.   | Mahendergarh     |
|        |              | 40.   | Nangal Chaudhary |
|        |              | 41.   | Sihma            |
|        |              | 42.   | Nizampur         |
|        |              | 43.   | Satnali          |
| 11.    | Mewat        | 44.   | Nagina           |
|        |              | 45.   | Ferozpur Jhirka  |
|        |              | 46.   | Punhana          |
|        |              | 47.   | Pingwan          |
|        |              | 48.   | Indri            |
| 12.    | Palwal       | 49.   | Hathin           |
|        |              | 50.   | Badoli           |
|        |              | 51.   | Hasanpur         |
| 13.    | Panchkula    | 52.   | Morni            |
|        |              | 53.   | Raipur Rani      |
| 14.    | Rewari       | 54.   | Nahar            |
|        |              | 55.   | Dahina           |
|        |              | 56.   | Jatusana         |
| 15.    | Rohtak       | 57.   | Kalanaur         |

| <b>S. No.</b> | <b>District</b> | <b>Block</b> |                     |
|---------------|-----------------|--------------|---------------------|
| 16.           | Sirsa           | 58.          | Dabwali             |
|               |                 | 59.          | Baragudha           |
|               |                 | 60.          | Rania               |
|               |                 | 61.          | Ellanabad           |
|               |                 | 62.          | Odhan               |
|               |                 | 63.          | Nathusari<br>Chopta |
| 17.           | Sonepat         | 64.          | Kathura             |
| 18.           | Yamuna Nagar    | 65.          | Mustafabad          |
|               |                 | 66.          | Sadhaura            |

**Note:** As per Development and Panchayats Department, there are 140 Blocks in the state as on 1<sup>st</sup> November, 2020. The Government may modify this list from time to time.

## Annexure - 4

### Fiscal Incentives and Infrastructure Schemes

#### 1. ULTRA MEGA PROJECTS:

Ultra-Mega Projects shall be offered customized package of incentives by Haryana Enterprise Promotion Board throughout the State.

#### 2. MEGA PROJECTS (standard package of incentives):

##### 2.1 Investment Subsidy in lieu of Net SGST:

- 75% of Net SGST for first 5 years, 35% for next 3 years in 'D' category blocks with cap of 125% of FCI.
- 50% of Net SGST for first 5 years, 25% for next 3 years in 'C' category blocks with cap of 100% of FCI.
- 30% of Net SGST for first 5 years, 15% for next 3 years in 'B' category blocks with cap of 100% of FCI.
- In case of mega projects having inverted duties, the Investment Subsidy upto 5% of FCI may be given for a period of 8 years in equal annual installments subject to annual ceiling of INR 5 crore per mega project.
- In case, where Net SGST deposited under cash ledger is less than 5% of the FCI in a year, the Investment Subsidy upto 5% of FCI may be given for a period of 8 years in equal annual installments subject to annual ceiling of INR 5 crore per mega project.

##### 2.2 Employment Generation Subsidy:

For capacity building of persons belonging to Haryana (skilled/semi-skilled/un-skilled) [having Haryana Resident Certificate], Subsidy @ INR 36,000/- per year for SC/ Women and INR 30,000/- per year for general category for 7 years in 'B' 'C' & 'D' category blocks for direct employment on pay roll or contract with valid ESI/PF Number.

##### 2.3 Stamp Duty Refund:

100% refund of stamp duty in 'D' category blocks; 75% in 'C' category blocks and 60% in 'B' category blocks on the land meant for industrial use, after commencement of commercial production within 5 years from the date of purchase of land.

##### 2.4 Electricity Duty Exemption:

100% exemption for 10 years in 'D' category blocks, 7 years in 'C' category blocks and 5 years in 'B' category blocks.



## **2.5 EDC Charges:**

100% exemption from External Development Charges in 'D' category blocks, 75% in 'C' category blocks and 60% in 'B' category blocks.

### **Note:**

- i. Special Package of incentives in B, C and D Category blocks having potential of ancillarisation shall be decided by HEPB over and above standard package of incentives on the basis of Cost Benefit Analysis.
- ii. Mega Projects in thrust sectors/ helping in reducing carbon footprint / generating intensive employment in C and D blocks may be considered for enhanced incentives.
- iii. The projects undertaking expansion/ diversification & the identified service enterprises at Clause 14 with same criteria of investment shall also be treated as Mega Projects.

## **3. LARGE ENTERPRISES:**

### **3.1 Investment Subsidy in lieu of Net SGST:**

- 75% of Net SGST for first 7 years, 35% for next 3 years in 'D' category blocks with cap of 125% of FCI.
- 50% of Net SGST for first 5 years, 25% for next 3 years in 'C' category blocks with cap of 100% of FCI.
- 30% of Net SGST for first 5 years, 15% for next 3 years in B category Blocks with cap of 100% of FCI.

### **3.2 Employment Generation Subsidy:**

For capacity building of persons belonging to Haryana (skilled/semi-skilled/un-skilled) [having Haryana Resident Certificate], Subsidy @ INR 36,000/- per year for SC/ Women and INR 30,000/- per year for general category for 7 years in 'B' 'C' & 'D' category blocks for direct employment on payroll or contract with valid ESI/PF Number.

### **3.3 Stamp Duty Refund:**

100% refund of stamp duty in 'D' category blocks; 75% in 'C' category blocks and 60% in 'B' category blocks on the land meant for industrial use, after commencement of commercial production within 5 years from the date of purchase of land.

### **3.4 Electricity Duty Exemption:**

100% exemption for 10 years in 'D' category blocks, 7 years in 'C' category blocks and 5 years in 'B' category blocks.

### **3.5 EDC Charges:**

100% exemption from External Development Charges in 'D' category blocks, 75% in 'C' category blocks and 60% in 'B' category blocks.

**Note:** Expansion/Diversification- These benefits except Employment Generation Subsidy shall be also be applicable to units undergoing 50% additional investment in plant and machinery for expansion/ diversification of existing unit with cap of 100% of new fixed capital investment on expanded FCI.

#### **4. MICRO, SMALL AND MEDIUM ENTERPRISES:**

##### **4.1 Investment Subsidy in lieu of Net SGST:**

- 75% of Net SGST for first 10 years, 35% for next 3 years in 'D' category blocks with cap of 150% of FCI.
- 75% of Net SGST for first 7 years, 35% for next 3 years in 'C' category blocks with cap of 125% of FCI.
- 50% of Net SGST for first 5 years, 25% for next 3 years in 'B' category blocks with cap of 100% of FCI.
- 75% of Net SGST for first 7 years, 35% for next 3 years in 'B', 'C' and 'D' category blocks with cap of 150% of FCI for woman/SC/ST led micro enterprise.

##### **4.2 Interest Subsidy:**

- 5% for Micro and Small Enterprises on term loan or maximum up to INR20.00 lakh per year for 5 years in 'C' & 'D' Categories Blocks
- 5% for Micro and Small Enterprises on term loan or maximum up to INR20.00 lakh per year for 3 years in 'B' Categories Blocks
- 6% for woman/SC/ST led Micro Enterprise on term loan or maximum up to INR20.00 lakh per year for 5 years in 'B', 'C' & 'D' Categories Blocks.

##### **4.3 Employment Generation Subsidy:**

For capacity building of persons belonging to Haryana (skilled/semi-skilled/un-skilled) [having Haryana Resident Certificate], Subsidy @ INR 36,000/- per year for SC/ Women and INR 30,000/- per year for general category for 7 years in 'B' 'C' & 'D' category blocks for direct employment on pay roll or contract with valid ESI/PF Number.

##### **4.4 Stamp Duty Refund:**

100% refund in 'D' category blocks; 75% in 'C' category blocks and 60% in 'B' category blocks on the land meant for industrial use, after commencement of commercial production within 5 years from the date of purchase of land.

##### **4.5 Electricity Duty Exemption:**

100% exemption for 12 years in 'D' category blocks, 10 years in 'C' category blocks and 7 years in 'B' category blocks.

#### **4.6 EDC charges:**

100% exemption of External Development Charges in 'D' category blocks, 75% in 'C' category blocks and 60% in 'B' category blocks.

**Note:** Expansion/Diversification- These benefits except Employment Generation Subsidy shall be also be applicable to MSMEs undergoing 50% additional investment in plant and machinery for expansion/ diversification of existing unit with cap of 100% of new fixed capital investment on expanded FCI.

#### **OTHER INCENTIVES FOR MSMEs.**

##### **4.7 Market Development Assistance:**

- **International fair:** 75% space charges, shipment of exhibits, cost of product literature, display material, stall/stand construction/ fabrication/ designing charges or maximum up to INR 4 lakh and air fare by economy class up to INR 1 lakh (maximum 2 person) will be reimbursed for participation by Micro & Small Enterprise in the international fairs / exhibitions for one fair in a year
- **Domestic fair:** 75% space charges, transportation of exhibits, cost of product literature, display material, stall/stand construction/ fabrication/ designing charges or maximum up to INR 3 lakh and air fare by economy class up to INR 0.50 lakh and boarding charges @ INR 5000/- per day per person (maximum two persons) will be reimbursed for participation by Micro & Small Enterprises in the domestic fairs/ exhibitions for one fair in a year.

##### **4.8 Testing Equipment Assistance:**

In order to ensure 'Zero Defect' in the quality of products to make globally competitive, Financial support of 50% as subsidy or maximum of INR20 lakh per year for the purchase of testing equipment shall be provided.

##### **4.9 Assistance for Technology Acquisition:**

75% of cost for acquiring technology from premier National/International Institutes/Patented Technology from domestic/foreign companies, max. of INR 50.00 lakh.

##### **4.10 Patent Cost:**

Financial support by reimbursement of 100% of the actual expenses (including filing fees, consultancy fees, search fees, maintenance fees and Publishing fees) with a maximum of INR 25 lakhs for domestic and international patent registrations.

##### **4.11 Quality Certification:**

75% reimbursement of the total expenditure incurred for obtaining certification and logistics charges thereof subject to a maximum of INR 5 lakhs per certification for obtaining ISO/ HACCP/ BSI/ WHO-GMP/ ZED/TS/ Hallmark certifications and

INR 10 lakhs per certification for other country specific certifications and would be in addition to the support being provided by Government of India.

#### **4.12 Assistance for Environment Compliance:**

50% financial support or maximum of INR 50.00 lakh on capital cost for setting up of Effluent Treatment Plant and for installation of Air Pollution Control Devices for new Micro, Small and Medium Enterprises of all sectors. The Units adopting zero effluent discharge as certified by HSPCB and reusing treated waste water will be considered for higher benefit upto 75% of capital cost, maximum of INR 1 crore.

#### **4.13 State Renewable Energy Scheme:**

State will provide interest subsidy on term loan to the tune of 5% (maximum up to INR 5 lakhs per year) for three years for adoption of renewable energy technologies like rooftop solar.

#### **4.14 Energy Conservation:**

75% reimbursement or maximum of INR 2 lakhs for conducting energy audit. Further, subsidy on cost of capital equipment required for undertaking measures to conserve energy, 50% in 'D' category blocks, 40% in 'C' category blocks and 30% in 'B' category blocks and 20% in 'A' category blocks, subject to maximum of INR 20 lakhs once in every 5 years. No subsidy for energy audit in case audit recommendations are not implemented.

#### **4.15 Water Conservation:**

75% reimbursement of cost of Water audit subject to maximum of INR 1 lakh. Also, subsidy up to 50% or maximum of INR 20 lakhs on the cost of capital equipment required for Water Conservation/ Harvesting System. No subsidy for water audit in case audit recommendations are not implemented.

#### **4.16 Safety Compliance:**

75% reimbursement of expenses incurred on safety audit subject to maximum of INR. 1 lakh for conducting safety audit. Further, 50% subsidy on cost of capital equipment and capital expenditure required for undertaking safety measures, subject to maximum of INR 20 lakh in 'D' category blocks, INR 15 lakh for 'C' category blocks, INR 10 lakh for 'B' category blocks and INR 5 lakh for 'A' category blocks once in every 5 years [for compliance of Safety provisions under Factory Act, 1948]. No subsidy for safety audit in case audit recommendations are not implemented.

#### **4.17 Credit Linked Capital Subsidy for Technology Up-gradation:**

State Credit Linked Interest Subsidy for Technology Up-gradation of existing enterprises- @6% in 'C' and 'D' category blocks and @5% in 'A' and 'B' category blocks up to a maximum of INR 10 lakh per year for a period of 3 years to an eligible unit in specified sectors/products (appraisal by HSIIDC/SIDBI).

#### **4.18 Collaborative Industry-Academia Research**

To promote Industry-Academia linkage and development of new technologies, State will provide assistance up to INR 50 lakh per project for undertaking R&D activities that should result in emergence of new commercialized technologies through joint industry-academia collaboration.

#### **4.19 Power Tariff Subsidy:**

INR 2 per unit up to connected load of 40kW in 'D' category blocks and 30kW in 'C' category blocks at source only for Micro and Small Enterprise. The funds shall be provided by the Government to UHBVN/DHBVN for DBT of subsidy amount.

#### **4.20 Credit Rating:**

Reimbursement of the expenses incurred towards the credit rating to the extent of 75% or maximum of INR 2 lakhs for Micro, Small and Medium enterprises carried out by SIDBI / Govt. accredited credit rating agency once in every 5 years.

#### **4.21 Collateral Free Credit Guarantee Scheme:**

Reimbursement @ 100% guarantee cover fee charged by the Financial Institutions/banks from Micro Enterprises for collateral free term loan/working capital under CGTMSE for the period of 05 years.

#### **4.22 SME Exchange Equity:**

One-time support of 25% of expenditure, up to INR 5 Lakh for raising funds through SME exchange platform after successful raising of equity.

#### **4.23 Enterprise Resource Planning adoption**

Financial assistance up to 75% of capital cost up to INR 5 Lakh for adopting ERP system. This will help in improving operational efficiency and resource optimisation.

#### **4.24 Lean Manufacturing Competitiveness Scheme:**

GoI reimburses 80% of the cost of hiring the lean manufacturing consultant (LMC) through National Monitoring and Implementing Units (NMIUs) to SPVs/Units and 20% of the cost is borne by the SPVs/units. The State shall reimburse remaining 20% of the cost of hiring a lean manufacturing consultant maximum up to INR 9 Lakh per mini cluster of 10 units under this scheme.

#### **4.25 State Awards for Micro and Small Enterprises:**

Outstanding Entrepreneurship State Awards shall be provided to Micro and Small Enterprises of INR 5 lakh each separately for growth in production and profit, for innovation & development of new products, quality products, import substitution and lean manufacturing techniques in the field of Agro and Food processing, Automobiles and auto parts, Textiles, Engineering, Pharmaceuticals, IT & Electronics etc. The unit once selected for award shall not be considered again during next 5 years.

**4.26 DG Set Subsidy:**

INR 8000 per KVA, maximum up to 35% for Small enterprises and maximum up to 25% for Medium enterprises of the DG set cost in 'D' and 'C' category blocks in rural areas.

**4.27 Entrepreneurship Development Program:**

The financial support of Rs. 5 lakhs per year shall be provided to Government Universities/ NIT/ IIT/ Technical Institutes for conducting entrepreneurship development program.

**4.28 Price Preference to MSEs:**

A public procurement policy has been formulated under which the micro and small enterprises (MSEs) of State will get several benefits such as exemption on payment of tender fee, earnest money deposit and concession on performance security. The purchase preference would be 50% of the total tendered quantity by the Supplies and Disposal Department or amended by the Government time to time.

**4.29 Vendor Development Programme:**

For promotion of MSMEs sales, Vendor Development Programmes (INR 10.00 lakhs per program) at least 02 per year shall be organized in-collaboration with Micro, Small and Medium Enterprises Development Institute, Karnal of GoI.

**4.30 Haryana Gramin Udyogik Vikas Yojna in B, C and D Category Blocks.**

In order to spur rural Industrial growth, the following incentives shall be provided for setting up of Micro Enterprises in rural areas falling under the jurisdiction of village panchayat:

**i. Capital Subsidy:**

15%, maximum of Rs. 20 lakh & max. of Rs. 25 lakhs for Women/ SC for Micro Enterprises on the investment made on Plant & Machinery and building.

**ii. Interest Subsidy:**

7% for Micro Enterprises on term loan or maximum up to Rs. 8.00 lakh per year for 7 years.

**iii. DG Set Subsidy**

INR 8000 per KVA, max. up to 50% of the cost of the DG Set for Micro enterprises.

**NOTE:-** The other incentives specified for MSME sector shall also be permissible for Micro Enterprises set up under the scheme.

**4.31 Special provisions for Start-Ups:**

- ξ Interest subsidy of 8%, maximum upto INR 20 lakh per year for a period of 5 years

- Reimbursement of 30% of lease rental subsidy for general and 45% for start-ups with only women founders, period of 1 year up to INR 5 lakh
- Seed Grant up to INR10 Lakh per start-up for 100 start-ups in 'A' category blocks, 200 start-ups for 'B' category blocks, 300 start-ups for 'C' category blocks and 400 start-ups for 'D' category blocks (idea selection by special committee to be formulated by State Government)
- 100% Net SGST Reimbursement for 7 years with cap of 150% FCI.
- Support start-ups up to INR 2.5 lakh to attend national acceleration programs and INR 5 lakh for international acceleration programs.
- Mentoring assistance of INR 1 lakh per incubator will be given to Government sponsored incubators up to a maximum of INR 15 lakhs per annum.
- 100% reimbursement of expenses incurred for cloud computing/ storage on Haryana based Data Centres up to INR 1 lakh per start-up per annum for a period of 3 years.

## **5. THRUST SECTOR**

- (i) Auto, Auto Components & Light Engineering**
- (ii) Textiles and Apparels**
- (iii) Defence and Aerospace Manufacturing**
- (iv) Pharmaceutical & Medical Devices**
- (v) Chemical and Petrochemicals**
- (vi) Large Scale Energy and Data Storage**

### **5.1 Investment Subsidy in lieu of Net SGST:**

- 100% of Net SGST for 10 Years in 'D' Category blocks with cap of 150% of FCI
- 75% of Net SGST for 8 Years in 'C' Category blocks with cap of 125% of FCI
- 50% of Net SGST for 7 years in 'B' Category blocks with cap of 100% of FCI.

### **5.2 Employment Generation Subsidy:**

For capacity building of persons belonging to Haryana (skilled/semi-skilled/un-skilled) [having Haryana Resident Certificate], Subsidy @ INR 48,000/- per year for SC/ Women and INR 36,000/- per year for general category for 7 years in 'B' 'C' & 'D' category blocks for direct employment on pay roll or contract with valid ESI/PF Number.

### **5.3 Interest Subsidy:**

- 6% for Micro and Small Enterprises on term loan or maximum up to Rs.20.00 lakh per year for 7 years in 'C' & 'D' Categories Blocks
- 6% for Micro and Small Enterprises on term loan or maximum up to Rs.20.00 lakh per year for 5 years in 'B' Categories Blocks

#### **5.4 Stamp Duty:**

100% refund of stamp duty in 'C' and 'D' category blocks; 80% in 'B' category blocks on the land meant for industrial use, after commencement of commercial production within 5 years from the date of purchase of land.

#### **5.5 EDC Charges:**

100% exemption from External Development Charges in 'D' category blocks, 75% in 'C' category blocks and 60% in 'B' category blocks.

#### **5.6 Electricity Duty Exemption:**

100% exemption for 20 years in 'D' category blocks, for 15 years in 'C' category blocks and for 10 years in 'B' category blocks

#### **NOTE:**

- i. The other incentives specified for MSME sector would also be permissible for MSMEs under the thrust sectors.
- ii. Expansion/Diversification- These benefits except Employment Generation Subsidy shall be also be applicable to MSMEs undergoing 50% additional investment in plant and machinery for expansion/ diversification of existing unit with cap of 100% of new fixed capital investment on expanded FCI.
- iii. Special Package of incentives for mega projects in B, C and D category blocks having potential of ancillarisation shall be decided by HEPB over and above under the heads of standard package of incentives on the basis of Cost Benefit Analysis.

### **6. Agro-based, Food Processing & Allied Industry (Thrust sector)**

#### **6.1 Investment Subsidy in lieu of Net SGST:**

- 100% of net SGST for 10 Years in 'D' Category blocks with cap of 150% of FCI
- 75% of net SGST for 8 Years in 'C' Category blocks with cap of 125% of FCI
- 50% of net SGST for 7 years in 'B' Category blocks with cap of 100% of FCI.

#### **6.2 Employment Generation Subsidy:**

For capacity building of persons belonging to Haryana (skilled/semi-skilled/un-skilled) [having Haryana Resident Certificate], Subsidy @ INR 48,000/- per year for SC/ Women and INR 36,000/- per year for general category for 10 years in 'B' 'C' & 'D' category blocks for direct employment on pay roll or contract with valid ESI/PF Number.

#### **6.3 Interest Subsidy:**

- 7% for Micro, Small and Medium Enterprises on term loan or maximum up to Rs. 20.00 lakh per year for 7 years in 'C' & 'D' Categories Blocks.
- 7% for Micro, Small and Medium Enterprises on term loan or maximum up to Rs. 20.00 lakh per year for 5 years in 'B' Categories Blocks.



**6.4 Stamp Duty:**

100% refund in 'C' and 'D' category blocks; 80% in 'B' category blocks on the land meant for industrial use, after commencement of commercial production within 5 years from the date of purchase of land.

**6.5 EDC Charges:**

100% exemption from External Development Charges in 'D' category blocks, 75% in 'C' category blocks and 60% in 'B' category blocks.

**6.6 Cane Purchase Tax Exemption:**

100% exemption from cane purchase tax paid for purchase of sugarcane by the manufacturing enterprises.

**6.7 Electricity Duty Exemption:**

100% exemption for 20 years in 'D' category blocks, for 15 years in 'C' category blocks and for 10 years in 'B' category blocks.

**6.8 Primary Processing Centre:**

Capital subsidy @ 50% of FCI on plant & machinery and technical works, maximum of Rs. 1.75 crore for eligible entrepreneurs engaged in washing, grading, waxing, drying, packaging, cold chain and processing of fruits & vegetables using local produce as raw material for bank finance project in 'B', 'C' and 'D' category blocks. The subsidy will also include 35% grant-in-aid being provided by GoI.

**6.9 Excise Duty Exemption:**

Wines/ Liquors/ Brandy made from 100% fruits and Barley produced in the State will be exempted from the Excise Duty throughout the State.

**NOTE:**

- i. The other incentives specified for MSME sector would also be permissible for MSMEs under this thrust sector.
- ii. Expansion/Diversification- These benefits except Employment Generation Subsidy shall be also be applicable to MSMEs undergoing 50% additional investment in plant and machinery for expansion/ diversification of existing unit with cap of 100% of new fixed capital investment on expanded FCI.
- iii. Registered Farmer Producer Organisation (FPO)/ Integrated Pack Houses (having grading, sorting, packaging etc facilities) shall also be eligible for aforementioned incentives and incentives specified for MSMEs.
- iv. Special Package of incentives for mega projects in B, C and D category blocks having potential of ancillarisation shall be decided by HEPB over and above under the heads of standard package of incentives on the basis of Cost Benefit Analysis.

## **7. Electronics System Design & Manufacturing (ESDM)-Thrust Sector**

### **7.1 Investment subsidy in lieu of Net SGST:**

100% of Net SGST for 10 years in B, C & D Category Blocks and for 05 years in 'A' category blocks with cap of 100% of Fixed Capital Investment (FCI).

### **7.2 Employment Generation Subsidy:**

For capacity building of persons belonging to Haryana (skilled/semi-skilled/un-skilled) [having Haryana Resident Certificate], Subsidy @ INR 48,000/- per year for SC/ Women and INR 36,000/- per year for general category for 7 years in 'B' 'C' & 'D' category blocks for direct employment on pay roll or contract with valid ESI/PF Number.

### **7.3 Interest Subsidy:**

- 6% for Micro and Small Enterprises on term loan or maximum up to Rs. 20.00 lakh per year for 7 years in 'C' & 'D' Categories Blocks
- 6% for Micro and Small Enterprises on term loan or maximum up to Rs. 20.00 lakh per year for 5 years in 'B' Categories Blocks

### **7.4 Stamp Duty:**

100% refund in 'B', 'C' and 'D' category blocks on the land meant for industrial use, after commencement of commercial production within 5 years from the date of purchase of land.

### **7.5 Electricity Duty Exemption:**

100% exemption for a period of 10 years from commercial operations

### **7.6 EDC Charges:**

100% exemption of EDC in 'B', 'C' & 'D' category blocks.

### **7.7 Assistance for Waste Management**

Financial assistance @50% of project cost [land and building subject to maximum of 25% of Project cost], machinery & equipment up to Rs. 50 Crore to facilitate setting up of electronic waste management and e-waste recovery projects.

#### **Note:**

- i. The other incentives specified for MSME sector would also be permissible for MSMEs under this thrust sector.
- ii. Expansion/Diversification- These benefits except Employment Generation Subsidy shall be also be applicable to MSMEs undergoing 50% additional investment in plant and machinery for expansion/ diversification of existing unit with cap of 100% of new fixed capital investment on expanded FCI.
- iii. Special Package of incentives for mega projects in B, C and D blocks having potential of ancillarisation shall be decided by HEPB over and above under the heads of standard package of incentives on the basis of Cost Benefit Analysis.

**7.8 Data Centres and Co-location facilities throughout the State:**

- 7.8.1 100% Net SGST reimbursement for the developer of the co-location facility for first 3 years and 50% Net SGST for subsequent 7 years, and 75% Net SGST reimbursement for Data Centre Units (not in co-location facilities) for a period of 10 years, subject to a maximum of 100% of Fixed Capital Investment.
- 7.8.2 100% reimbursement of stamp duty
- 7.8.3 100% exemption from electricity duty for a period of 20 years.

**8. IMPORT SUBSTITUTION:**

The enterprises engaged in the manufacturing of products for which the nation is dependent on imports (Annexure-8) shall be eligible for the following incentives.

**8.1 Concession on Land Price:**

For mega or ultra-mega projects, where the project proponent has been engaged in the manufacturing business (in India or abroad) for at least a period of 20 years and wherein the product proposed to be manufactured in the State fulfils the objective of import substitution, the project proponent shall be eligible for a concession in land allotment price by HSIIDC up to 50% of prevailing land allotment price of HSIIDC in 'C' & 'D' category Blocks and up to 25% in 'B' Category Blocks. HEPB will be the competent authority to grant this concession on the recommendation of Empowered Executive Committee.

**8.2 Investment Subsidy in lieu of Net SGST:**

- 100% of Net SGST for 10 Years in 'D' Category blocks with cap of 150% of FCI
- 100% of Net SGST for 8 Years in 'C' Category blocks with cap of 125% of FCI
- 100% of Net SGST for 7 years in 'B' Category blocks with cap of 100% of FCI.

**8.3 Employment Generation Subsidy:**

For capacity building of persons belonging to Haryana (skilled/semi-skilled/un-skilled) [having Haryana Resident Certificate], Subsidy @ INR 48,000/- per year for SC/ Women and INR 36,000/- per year for general category for 7 years in 'B' 'C' & 'D' category blocks for direct employment on pay roll or contract with valid ESI/PF Number.

**8.4 Interest Subsidy:**

- 6% for Micro and Small Enterprises on term loan or maximum up to Rs.20.00 lakh per year for 7 years in 'C' & 'D' Categories Blocks
- 6% for Micro and Small Enterprises on term loan or maximum up to Rs.20.00 lakh per year for 5 years in 'B' Categories Blocks.

**8.5 Stamp Duty:**

100% refund in 'B', 'C' and 'D' category blocks on the land meant for industrial use after commencement of commercial production, within 5 years from the date of purchase of land.

**8.6 EDC Charges:**

100% exemption of EDC in 'B', 'C' & 'D' category blocks .

**8.7 Electricity Duty Exemption:**

100% exemption for 10 years in 'B', 'C' and 'D' category blocks.

**Note:**

- i. The import substitution products mentioned in Annexure-8 shall be eligible for these incentives. The Government may update it from time to time based on the evolving trade scenario.
- ii. Expansion/Diversification- These benefits except Employment Generation Subsidy shall be also be applicable to MSMEs undergoing 50% additional investment in plant and machinery for expansion/ diversification of existing unit with cap of 100% of new fixed capital investment on expanded FCI.
- iii. The other incentives specified for MSME sector would also be permissible for MSMEs in this category.
- iv. Special Package of incentives for mega projects in B, C and D category blocks having potential of ancillarisation shall be decided by HEPB over and above under the heads of standard package of incentives on the basis of Cost Benefit Analysis.

**9. CLUSTER ESTABLISHMENT/ RELOCATION:**

**9.1** In the spirit of promoting GoI initiative of 'One District, One Product' (ODOP), any cluster comprising of at least 10 enterprises, engaged in similar economic activity, being established or relocating from other countries/States to Haryana, shall be treated as a Mega Project provided it meets the criteria of FCI and a special package of incentives shall be decided by HEPB on the basis of Cost Benefit Analysis.

**9.2** The cluster shall also be eligible for a concession in land allotment price by HSIIDC up to 30% of prevailing land allotment price of HSIIDC in C & D category Blocks and up to 15% in B Category Blocks. HEPB will be the competent authority to grant this concession on the recommendation of Empowered Executive Committee.

**10. ESSENTIAL SECTOR ENTERPRISES FOR ALL CATEGORIES:**

The incentives applicable under 'D' category blocks for MSMEs (under clause-4 except 4.2 of Annexure-4) shall be available for 'B' and 'C' category blocks for Essential Goods Industry mentioned under Annexure-7 and as modified by State Government from time to time.

**11. RESEARCH AND DEVELOPMENT FOR ALL CATEGORY ENTERPRISES :**

Financial assistance @50% of project cost [cost of building subject to maximum of 25% of Project cost], machinery & equipment up to Rs. 5 crore to facilitate setting up of R&D Centers/Laboratories for research and innovation, throughout the State.

**12. RENEWABLE ENERGY PROJECTS FOR ALL CATEGORY ENTERPRISES:**

New captive renewable energy projects generating and storing solar energy (above 1 MW) or generating bio energy (from agricultural residue) will be treated as "Industry" and all the incentives available to thrust sector units under this policy, shall also be available to the solar and bio energy producers/units. Further, a capital subsidy of 25% upto INR 1 Crore per MW, maximum of INR 2.5 Crore shall be provisioned for bio energy (from agricultural residue) units throughout the state. The incentives specified for thrust sector i.e. Agro Based, Food Processing and Allied Industry would also be permissible for Bio-Energy Units.

**13. EXPORT ORIENTED UNITS****13.1 Freight Assistance:**

1% of Free on Board (FOB) value or actual freight excluding government fee and taxes on transportation of goods from place of manufacture to the seaport/ air cargo/ by road up to international border, whichever is less and maximum up to INR 10 lakh in 'C' and 'D' category blocks and INR 5 lakh in 'A' and 'B' category blocks per annum to new exporting micro and small enterprises with turnover less than INR 10 Cr having ZED certification.

**13.2 State Export Awards:**

The State Government shall provide a total of 18 State Export Awards, one Outstanding Woman Exporter Award for Micro & Small category and Large & Medium category and 19 Consolation Prizes to the Outstanding Exporting Units in the State. The Award Amount for the State Export Awards shall be enhanced to INR 5 lakh each and Consolation Prizes to INR 51,000/- each for acknowledging and recognizing the contribution of Exporters. The exporting unit once selected for award shall not further be considered during 5 years.

**13.3 Export Credit Guarantee Corporation:**

Reimbursement @50% of premium paid, maximum up to Rs 1.5 lakh per annum per unit for new Micro and Small Enterprises for a period of 5 years having ZED certification.

**Note:** The other incentives specified for MSME sector would also be permissible for Exporting MSME units.

**14. SERVICE ENTERPRISES:**

Health Care, Tourism (excluding stand alone hotels), Education (Skills Development, Training-cum-incubation centres), IT, Bulk courier Services, R&D centers,

Testing labs, Engineering & Design services, Equipment rental & leasing (construction & Industry related), Equipment maintenance & repair, environmental services (sewage/ refuse disposal/ waste management), Entertainment Parks except Cinema Halls having investment in Building and equipment more than Rs. 10 crore. [Any other service enterprises notified by the State Government for inclusion in the list from time to time]

#### **14.1 Investment Subsidy in lieu of Net SGST:**

50% of Net SGST paid for new enterprise for a period of 5 years in 'B', 'C' & 'D' category blocks from the date of commencement of service.

#### **14.2 Entertainment Tax/ SGST (except cinema halls):**

50% Investment subsidy on entertainment tax/SGST for 5 years for new enterprise in 'B', 'C' & 'D' category blocks with cap of 100% of fixed capital investment.

#### **14.3 Stamp duty:**

50% refund of stamp duty in 'C' & 'D' category blocks and 30% in 'B' category blocks for new enterprise, after commencement of service within 5 years from the date of purchase of land.

#### **14.4 Electricity Duty Exemption:**

75% exemption only for new enterprise for 5 years in 'C' & 'D' category blocks and 50% in 'B' category blocks

### **15. HANDICRAFT SECTOR:**

#### **15.1 State Handicrafts Awards:**

The Outstanding artisans/weavers belonging to the State shall be provided 13 State Handicrafts Awards of Rs. 5 lakh each including one for outstanding woman artisan in the category of Painting, Terracotta, Clay objects, Stone & Marble, Embroidery & Textile, Wood & Bamboo, Metal, Leather, Handloom, Jute, Wax & lakh, miscellaneous and 12 consolation prizes of Rs.51000/- each would also be conferred on artisans. The artisan once selected for award shall not further be considered during 5 years.

#### **15.2 Assistance for Product Promotion:**

To assist in the sale of handicrafts items, 01 State level (INR 15 lakh) and 04 District level (INR 5 lakh) fairs/ exhibitions shall be organized on the special occasions for duration of one to two weeks through Trade Fair Authority Haryana. There shall be at least 50 participants/stalls for the State level fair and 20 participants/stalls for the District level fair.

#### **15.3 State Mini Revamped Scheme Fund for Regeneration of Traditional Industries (SFURTI) Scheme.**

In order to make a traditional industry more competitive and productive, the following support shall be provided for soft interventions like capacity building, institutional

support as well as hard interventions like marketing hubs/exhibition centres, raw material banks, common facility centres etc.

- i. Regular clusters (up to 150 artisans) - Grant in aid of 90% of project cost of up to INR 1 crore
- ii. Major clusters (over 150 artisans) – Grant in aid of 90% of project cost of up to INR 2 crore.

## **16. INFRASTRUTURE RELATED SCHEMES:**

### **16.1 Incubation Centre**

- 16.1.1 The financial assistance for creating incubation centre in universities and other Government institutions to the extent of Rs. 50 Lakh per incubator and Rs. 20 Lakh yearly for recurring expenditure for 5 years.
- 16.1.2 Financial assistance up to INR 10 Lakh per incubator for existing incubators in Universities and other Government Institutions for upgrading facilities with new age technologies such as Internet of Things (IoT), FinTech, Robotics, Artificial Intelligence amongst others.

### **16.2 Start-ups warehouse / Innovation campus:**

Financial support of Rs. 4 crore for capital expenditure, for creating IT start-ups warehouse in collaboration with NASSCOM/ CII/ FICCI/ ASSOCHAM/ PHD/ Center for Innovation Incubation and Entrepreneurship (CIIE) for furnishing and equipping (Networking, bandwidth, lease line, air conditioning & furniture etc.) the bare shell space and Rs. 1 crore yearly for 3 years recurring expenditure support at Panchkula, Hissar and other potential locations. The recurring expenditure shall also be provided for further 3 years for the incubation center established at Gurugram

### **16.3 Mobile Apps. Development Centre:**

Financial supports of Rs. 4 crore for capital expenditure for creating Mobile Apps Development Centre in collaboration with Internet & Mobile Association of India/ any other relevant industrial association/ body found suitable by the State and yearly support of Rs. 1 crore for three years at Panchkula, Hissar & other potential locations.

**Note:** The funds shall be provided by Industries Department to E&IT/HARTRON.

### **16.4 Cluster Development Program (MSE-CDP):**

GoI implements MSE-CDP scheme for creating common facility centre with investment up to maximum of Rs. 20.00 crore for a group of at least 20 existing Industries in a cluster with Financial support (GoI, State, SPV – 70:10:20). The State will provide 20% share for each cluster in place of 10% whereas SPV will contribute only 10% share. State Govt. will also contribute 50% of the cost of project exceeding Rs. 20.00 crore and up to Rs. 25.00 crore, as State share.

**16.5 State Mini Cluster Development Scheme:**

State Mini Cluster Development Scheme for creating Common Facility Centre (CFC) for a group of at least 10 existing units with funding pattern of 90% State contribution; 10% SPV for project cost up to Rs. 5 crore.

**16.6 Creation of Industrial Infrastructure Development Scheme:**

IIDS for providing adequate width of road connectivity with nearest State/ National highway, water supply, independent power feeder & fibre optic Connectivity up to the periphery of Mega/Ultra-Mega projects, Mega identified service enterprises and rural functional clusters set up in 'B', 'C' and 'D' category blocks and Industrial Estates developed by the Private Developer in 'C' & 'D' category blocks at State Expenses.

**16.7 State Industrial Infrastructure Development Scheme:**

The scheme for creating/ up-gradation of infrastructure in respect of technical infrastructure such as Testing Laboratory, R&D centers, Exhibition-cum Convention Center, CFC, basic Infrastructure in Industrial estates/ clusters, Design Development Centre, CETP, Firefighting stations etc. The funding for the project shall generally be on cost sharing basis in the ratio of 75:25 (75% shall be borne by the State Government and 25% by the implementing agency). The SIID Committee may consider full funding of the project on merits.

**16.8 Modified Special Incentive Package Scheme under EMC 2.0:**

GoI provides assistance for Electronics Manufacturing Clusters to attract investment in Electronics System Design & Manufacturing (ESDM) Industries @ 50% of the project cost, maximum of Rs. 70 crore for every 100 acres of land. For larger areas, prorata ceiling would apply but not exceeding Rs. 350 crore per project. The remaining project cost will be borne by State Govt./ State Agency. The State shall contribute 50% of the project cost subject to cap of Rs. 30 crore for setting of EMC by HSIIDC at Sohna and Hissar. The benefit of the State contribution shall be passed by the corporation to the allottees.

**16.9 MEGA FOOD PARK**

GoI provides capital grant @ 50% of the project cost maximum up to Rs. 50 crore for creation of Mega Food Park on land area of 50 acre by SPV/ State Govt. agencies. The State shall supplement the scheme by contributing 50% of the contribution of stake holders subject to cap of Rs. 25 crore for setting up of Food Park by HSIIDC in B, C and D Category Blocks. The benefit of the State contribution shall be passed by the developing agency to the allottees.

**16.10 Creation of Bulk Drug parks**

Government of India provides Grants-in-Aid to States with a maximum limit of Rs. 1000 crore per Bulk Drug Park. The Park will have common facilities such as solvent recovery plant, distillation plant, power & steam units, common effluent treatment plant etc. The State shall facilitate creation of Bulk Drug Park at Hissar over 1000 acre.



**16.11 Medical Device Park**

GoI provides one-time grant in aid to four Medical device parks with a maximum limit of Rs. 100 crore per park or 70% of the project cost of common infrastructure facilities, whichever is less. The State shall facilitate creation of Medical Device Manufacturing Park at Karnal by HSIIDC.

**16.12 Aviation Hub**

Aerospace/ Defence manufacturing park shall be set up at Hissar. The proposed park would manufacture components for aerospace and defence sector. This will be conducive for aviation manufacturing as well as maintenance, repair and overhaul operations within the State.

**16.13 Cluster Development Programme for Pharma Sector (CDP-PS)**

GoI provides one-time grant-in-aid to a Maximum of Rs.20 crore or 70% of project cost, whichever is less for creation of infrastructure and common facilities by SPV with minimum of 10 manufacturing enterprises of Pharma products. The State shall supplement the scheme by contributing 50% of the contribution of stake holders subject to cap of Rs. 7 crore

**16.14 Agricultural Testing Center at Karnal**

To create facilitate for the agriculture implements manufactures, the financial assistance up to INR 3 crore shall be provided to the Haryana Agriculture University Hissar for setting up of Agricultural testing center in Village Uchani, Karnal.

**16.15 Centre of Excellence for Textiles**

State Government shall set up of Centre of Excellence for Textiles in Collaboration with TITS at Bhiwani with financial support of INR 5 crore. The Centre shall have facility for Research and Development, Testing and Evaluation of Textiles, Quality Certification, Technical Services and Consultation.

**16.16 Creation /up-gradation of Quality Marking Centers (QMC):**

The TIES scheme of Department of Commerce (GoI) shall also be leveraged in respect of Government Quality Marking Centers for upgradation/ creation of infrastructure enabling these centers to obtain accreditation from National Accreditation Board for Testing and Calibration Laboratories (NABL) to facilitate MSMEs. The Quality marking/testing centers shall be created at Hissar, Yamuna Nagar and Bahadurgarh.

**16.17 Assistance for Zero Liquid Discharge Common Effluent Treatment Plants (Supplement to GoI Scheme):**

GoI provides assistance for establishing Zero Liquid Discharge Plant @50% or maximum up to Rs.75 crore with 25% state share & 25% by SPV (15% + 10% bank loan). The State shall supplement the scheme of GoI and shall provide funding support to HSVP for establishing Zero Liquid Discharge Plant of 30 MLD capacity at Panipat with

contribution of 25% State share. The state shall also provide 25% SPV contribution and differential cost to HSVP or any other Government agency.

### **16.18 Tool Rooms**

Tool Rooms/ Technology development center will be established at Nilokheri (Karnal) to cater agricultural implements manufactures and other units. Tool room shall also be setup at Growth Center Saha (Ambala), Gurugram and Hissar with assistance of GoI.

### **16.19 Industrial Park Development**

#### **i. Financial assistance for Industrial Parks:**

Contribution of 50% of the project cost (excluding land) up to Rs 40 crore for setting-up of industrial parks by any developer i.e. industry association/ SPV/any enterprise registered under Partnership Act/ Companies Act/ Cooperative Societies Act in 'C' & 'D' category blocks. The external infrastructure related to road, water supply and independent power feeder shall be provided at the state expenses under IIDS.

#### **ii. Stamp Duty Refund for Industrial Park:**

80% stamp duty refund to the developer of Industrial Park in 'C' and 'D' category blocks.

#### **iii. Financial assistance for setting-up industrial housing/ dormitories in Industrial Parks:**

Reimbursement of 50% of the cost of building, subject to a ceiling of Rs. 50 lakh developed in industrial parks on min. of 2000 sq. mt. plot and above in Industrial Estates/Parks developed by State Agency/Private Developer.

### **16.20 Cluster Plug and Play Facility**

Grant in aid of 50% of project cost up to INR 10 crore for developing flatted factories on minimum 5 acres of land with the objective of reducing cost of doing business for MSMEs.

### **16.21 Consultancy Scheme:**

The budget provision of Rs. 10 crore for seeking consultancy Services/ support for getting maximum benefit of the infrastructure related schemes of GoI as well as for implementation of schemes for MSMEs sector will be made and for executing business reform points under EoDB mandate of GoI.

**Annexure - 5****Restrictive list**

The incentives under the policy will not be available to these industries except State Export Awards and State Awards for MSMEs. The State would not encourage the following categories of Industries for reasons of pollution or water scarcity or planning perspective:

1. Industrial units involving trade effluents and air emissions setup within or operating from the residential areas;
2. Cigars and Cigarettes of Tobacco and manufacture of Tobacco including other Tobacco products;
3. Industrial units for soft drinks/ aerated water and packaged drinking water, (consuming high-water content) located in areas notified as "Dark Zones" for water availability;
4. Stone crushers/ Washerries for reasons of Air and Water Pollution;
5. Lime kilns, Brick kilns except refractory bricks, fly Ash bricks and cement blocks;
6. Copper smelter/ Zinc smelter recovery of Zinc metal from Zinc ash, Dross and Waster for reason of pollution;
7. Manufacture of Ethyl Alcohol/ Distillery/ Fermentation/ Brewery except wines/ liquors/ brandy made from 100% fruits and Barley produced in the State;
8. Sulphuric acid/ thinners & varnishes/ electroplating for reason of pollution;
9. Dyes and Dye intermediates for reasons of high pollution except units covered under zero liquid discharge;
10. Dyeing Industry for yarn and cloth except units covered under zero liquid discharge;
11. Refining of used oil for reason of pollution;
12. Tanneries for reason of air and water pollution;
13. Poultry excluding Hatcherries;
14. Fire crackers Manufacturing for reason of explosive & hazardous industry;
15. Hot mix plants including site-oriented industries for reason of pollution;

## Annexure - 6

## List of 35 NO CLU Blocks

| Sr.No. | District      | Block             |
|--------|---------------|-------------------|
| 1.     | Ambala        | Shehzadpur        |
| 2.     | Bhiwani       | Tosham            |
| 3.     | Charkhi Dadri | Badhra            |
| 4.     | Charkhi Dadri | Jhojhu Kalan      |
| 5.     | Bhiwani       | Bawani Khera      |
| 6.     | Bhiwani       | Bond Kalan        |
| 7.     | Bhiwani       | Kairu             |
| 8.     | Hisar         | Adampur           |
| 9.     | Jhajjar       | Sahlawas          |
| 10.    | Jhajjar       | Matenhail         |
| 11.    | Jind          | PilluKhera        |
| 12.    | Jind          | Alewa             |
| 13.    | Jind          | Ujhana            |
| 14.    | Kaithal       | Rajound           |
| 15.    | Kaithal       | Siwan             |
| 16.    | Kaithal       | Dhand             |
| 17.    | Karnal        | Nissing at Chirao |
| 18.    | Kurukshetra   | Babain            |
| 19.    | Mewat         | Nagina            |
| 20.    | Mewat         | Pingwan           |
| 21.    | Mahendergarh  | Ateli Nangal      |
| 22.    | Mahendergarh  | Kanina            |
| 23.    | Mahendergarh  | Nagal Chaudhary   |
| 24.    | Palwal        | Hassanpur         |
| 25.    | Rewari        | Khol at Rewari    |

| <b>Sr.No.</b> | <b>District</b> | <b>Block</b>    |
|---------------|-----------------|-----------------|
| 26.           | Rewari          | Jatusana        |
| 27.           | Rewari          | Nahar           |
| 28.           | Rohtak          | Lakhan Majra    |
| 29.           | Sirsa           | Rania           |
| 30.           | Sirsa           | Baragudha       |
| 31.           | Sirsa           | Ellenabad       |
| 32.           | Sirsa           | Odhan           |
| 33.           | Sirsa           | Nathusri Chopta |
| 34.           | Sonepat         | Mundlana        |
| 35.           | Sonepat         | Kathura         |

## Annexure-7

### List of 28 Essential Sector Products

The enterprises manufacturing/ processing following products have been classified as “Essential Sector Enterprises”.

1. Milk products
2. Food and Beverages except Soft drink
3. Pesticides/ Insecticides
4. Agricultural Implements
5. Vegetables & Fruits processing Industries
6. Edible oils
7. Fertilizer
8. Cattle feed manufacturing
9. Face mask and its raw material
10. Hand sanitizers/ Disinfectants/Surface cleaners
11. Soaps, body wash, shampoos
12. Surface cleaners, detergents, tissue papers
13. Toothpastes/oral care
14. Sanitary pads and diapers
15. Packaging industries working for food and Pharma Industries
16. Pharmaceutical formulations including Allopathic, Homeopathic and Ayurvedic drugs.
17. Bulk drugs/APIs and intermediates
18. Medical devices & its ancillary units
19. Medical Implants
20. Medical oxygen
21. Crepe bandage and band-aid
22. Food irradiation units
23. Charger and battery cells
24. Industrial units manufacturing water/ air purifiers
25. Industries manufacturing equipment used in public health services
26. Electricity generation equipments
27. Technical Textiles for Medical and Defence use
28. Defence and its ancillaries

**Note:** The Government may modify this list from time to time.

## Annexure-8

**The list of 30 Import Substitution Products.**

The enterprises manufacturing/ processing following products have been classified as "Import Substitution Enterprises".

1. Active Pharma Ingredients (APIs)- Pharmaceuticals
2. Diagnostic devices, optical devices and other therapeutic and non- therapeutic medical devices- Pharmaceuticals
3. Fertilizers – Agro Chemicals
4. Synthetic Filament Tow of Nylon, Purified Terephthalic Acid (PTA), Polyester Staple Fibre(PSF), Polyester Filament Yarn(PFY), Acrylic Fibers/Other Polyamids-Chemical
5. Tyre Cord Fabric of Polyesters/Nylon- Chemical
6. Lithium-Ion, Lithium cadmium, Iron Phosphate, Nickel-Cobalt Batteries - Chemical
7. Ethanol and other bio fuels- Chemical
8. Wheat Gluten - Food Processing
9. Saps and Extracts of Hops- Food Processing
10. Soya Bean Crude Oil - Food Processing
11. Crude Oil of Sunflower- Food Processing
12. Shuttleless Weaving machines- Textiles
13. Escalators- Mechanical
14. Embroidery machine(s), sewing machine(s), Air jet & Water jet cutting machine – Textiles/Mechanical
15. Engineering Machines (CNC & VMC etc.), Machining Centre- Mechanical
16. Rail Coach- Mechanical
17. Aeroplanes and Aircrafts - Defence
18. Rifles, Revolvers, Pistols, Shooting Rifles and Cartridges - Defence
19. Artillery equipments- Defence
20. ARC Lamps- Electrical
21. Air Conditioners, Electronic storage devices, Electronic network devices & telecom equipment, computer peripheral items – Electronics
22. Silicon wafer – Electronics
23. Semiconductor devices, PCBs –Electronics
24. Drones and Robots- Electronics
25. Solar PV cell, semiconductor fabrication-Electronics
26. Processor and Controller, Whether or Not combined with Memories convertors, logics circuits, amplifiers clock - Electronics
27. Parts of electronic integrated circuits and micro assembles- Electronics
28. Diodes, other than photosensitive or light emitting diodes- Electronics
29. Transistor other than Photosensitive Transistors- Electronics
30. Toys – Electronics/Mechanical

**Note:** The applicant needs to submit relevant HS code(s) of items being manufactured for the purpose of this scheme. The Government may modify this list from time to time.