

# 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 and employment 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:**

- 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:**

- 7.81 100% 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.
- 7.82 100% reimbursement of stamp duty
- 7.83 100% 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.