



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)



Haryana State MSME Policy



MSME & Startup Committee, ICAI

Disclaimer

This publication is intended solely for general information and reference purposes only and does not constitute professional advice. Readers are advised to seek professional help for specific queries. While every effort has been made to avoid any mistake or omission, ICAI assumes no responsibility and makes no warranty, either express or implied, regarding the accuracy, completeness, or timeliness of the content. ICAI would not be liable in any manner, whatsoever, to any person by reason of any mistake or omission in this publication or for any action taken or omitted to be taken or advice rendered or accepted on the basis of this publication. ICAI shall not be liable for any loss, damage, or consequences that may arise from the use of or reliance upon this publication, howsoever caused. Readers are advised to exercise their own independent judgment and consult official government sites, notifications, circulars, statutory instruments, and prevailing laws for the most current and authoritative pronouncements or seek independent professional advice before proceeding with any decision or action.

Message from Committee Leadership

Dear MSME & Startup Stakeholders,

We are pleased to share details about the ICAI MSME Clinic, an initiative designed to provide valuable guidance, support, and professional assistance to MSMEs and Startups across the country. This weekly walk-in, pro-bono advisory service aims to address key challenges faced by MSMEs, including finance, accounting, technology support and marketing.

About ICAI MSME Clinic

The ICAI MSME Clinic will be hosted every Friday by ICAI branches, where MSMEs and Startups can receive expert advice from two dedicated advisory desks:

- **Business Support Desk:** Led by Chartered Accountants specializing in MSME and Startup advisory, financial planning, compliance, and business strategy.
- **Institutional Support Desk:** Led by Bankers and Government Representatives, offering assistance with credit access, grievance redressal, and awareness of government schemes.

Introduction to the State-Specific MSME Policy

We are also excited to present the State-Specific MSME Policy, an essential resource for MSMEs & Startups in the ICAI MSME Clinic initiative. As part of this initiative, the Committee has developed a Resource Handbook and State-Specific MSME Policies, aimed at enhancing the knowledge base of MSMEs and Startups.

These State-Specific Handbooks serve as practical and accessible tools for navigating the unique opportunities, policies, and regulatory frameworks specific to each state. By consolidating available schemes, incentives, and support across states, we aim to provide MSMEs & Startups with the guidance they need to grow at the grassroots level and develop the capacity.

Vision of ICAI MSME Clinic

Through consistent, pro-bono engagement and sustainable operations, each branch becomes a local hub and incubation centre of MSME transformation, bridging professional excellence with grassroots economic development. ICAI aims to empower MSMEs & Startups annually, driving financial literacy, compliance discipline, and business growth.

Acknowledgement

We would like to extend our sincere gratitude to **CA Vikas Kumar** for their tireless efforts and contributions in preparing the **State-Specific MSME Policy of Haryana**, which will play a crucial role in this initiative.

MSME & Startup Commitment Growth

The MSME & Startup Committee, ICAI, is deeply committed to ensuring the success of the ICAI MSME Clinic and providing continuous support to MSMEs & Startups. Together, we look forward to contributing to the sustainable growth and empowerment of MSMEs & Startups, which are the backbone of the Indian economy.

CA Gyan Chandra Misra
Chairman
MSME & Startup Committee, ICAI

CA. Sanjay Kumar Agarwal
Vice Chairman
MSME & Startup Committee, ICAI

1. The Policy Landscape: Transition from HEEP 2020 to Make in Haryana 2026

Haryana has long been one of India’s most industrialised States, anchored by automobile and auto-component manufacturing around Gurugram, Manesar and Faridabad, textiles in Panipat, and a dense base of micro and small enterprises across the State. Its MSME sector is the backbone of this industrial story, contributing significantly to output, exports and employment at comparatively low capital cost.

The policy that shaped the most recent industrial cycle was the Haryana Enterprises and Employment Policy (HEEP) 2020. Effective from 1 January 2021 for a five-year term, HEEP 2020 superseded the earlier Enterprises Promotion Policy and set out a structured incentive architecture built around a four-tier classification of development blocks (A, B, C and D), with the more backward C and D blocks receiving preferential fiscal support.

As HEEP 2020 approached the end of its term, the State Government extended its operation as a bridge measure while a successor framework was prepared. Following extensive consultation — during which 109 suggestions were received from industrialists, traders and other stakeholders, most of which were incorporated — the Haryana Cabinet, chaired by Chief Minister Nayab Singh Saini, approved a comprehensive new policy package on 18 May 2026.

At the centre of this package is the Make in Haryana Industrial Policy 2026, which formally retires the HEEP 2020 framework and replaces it with a substantially redesigned approach to industrial promotion. It is accompanied by nine sector-specific policies covering electronics, pharmaceuticals, toys, e-waste recycling, global capability centres, information technology, animation and gaming, data centres, and agri-business.

Evolution of Haryana's Industrial & Enterprise Policy Framework

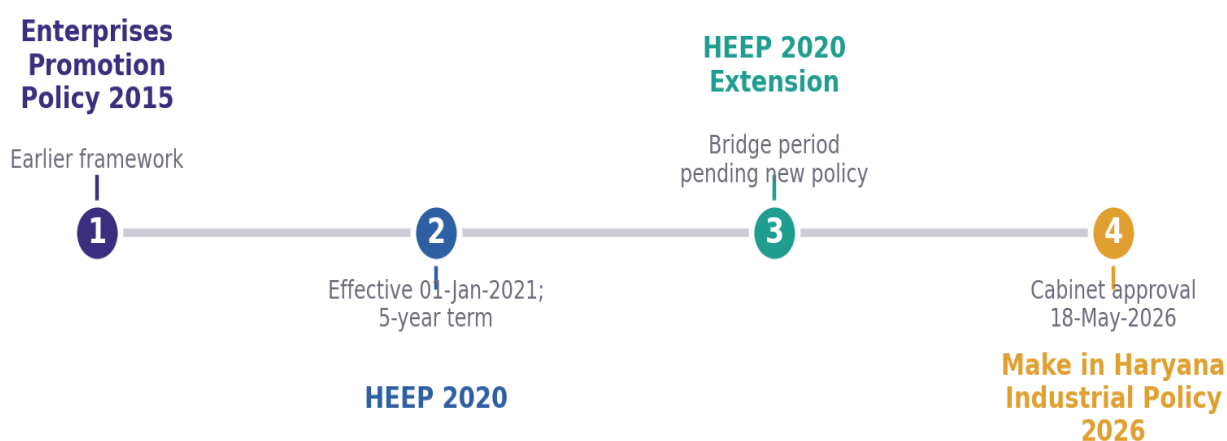


Figure 1: Evolution of Haryana’s industrial and enterprise policy framework.

1.1 Why the Framework Changed

Three forces drove the redesign. First, the policy environment had shifted: digital transformation, supply-chain realignment, the India Semiconductor Mission and the National AI Mission created

opportunities that a 2020-vintage framework was not built to capture. Second, the block-based incentive system had produced uneven outcomes, with industry concentrating in a few prosperous districts while interior blocks lagged. Third, investors consistently flagged delays in the release of sanctioned incentives as a deterrent to fresh commitment.

The 2026 framework responds to each of these. It broadens the eligibility geography, introduces sector-specific depth through a coordinated policy package, and — importantly for smaller enterprises — hard-wires speed and certainty into the incentive-disbursal process.

1.2 What This Means for MSMEs and Their Advisors

For MSMEs, the transition is an opportunity rather than a disruption. Enterprises with claims already in the pipeline continue to be governed by HEEP 2020 scheme guidelines, while fresh investments will be assessed under the more generous Make in Haryana 2026 framework once its operative guidelines are notified. For Chartered Accountants advising these enterprises, the practical task is to track the HEPC portal closely, map each client's location to the new zone categories, and ensure that documentation is ready so that claims can be filed early in the faster new pipeline.

2. HEEP 2020: The Outgoing Framework

Although superseded by the Make in Haryana Industrial Policy 2026, HEEP 2020 remains directly relevant: its scheme guidelines continue to govern incentive claims already in the pipeline, and its design provides the baseline against which the 2026 reforms are best understood. This section preserves a concise account of the framework.

2.1 Vision and Strategic Context

HEEP 2020 envisioned transforming Haryana into a globally competitive, investment-friendly destination by leveraging its proximity to the National Capital Region (NCR), its robust infrastructure base, and a governance-driven facilitation framework. The policy targeted an investment inflow of Rs. 1 lakh crore and the creation of five lakh direct employment opportunities, underpinned by five strategic pillars:

- Industrial competitiveness
- Balanced regional development
- Export promotion
- Innovation and entrepreneurship
- Industrial infrastructure augmentation

Its rationale aligned with global megatrends — digital transformation, supply-chain realignment, Industry 4.0 adoption, and the economic disruptions following COVID-19 — and integrated with national missions including Aatmanirbhar Bharat, Make in India, Startup India and Digital India.

2.2 Policy Scope and the Block System

HEEP 2020 applied to all new and existing industrial enterprises across the State, classified by development blocks into four categories — A, B, C and D. Backward blocks (C and D) received preferential fiscal support to encourage balanced regional growth. This block-based geography of incentives is the single most important feature replaced by the 2026 policy.

Investment thresholds under HEEP 2020 distinguished Ultra-Mega Projects (Rs. 1,500 crore to Rs. 6,000 crore), Mega Projects (Rs. 75 crore to Rs. 200 crore, location-dependent), MSMEs (as per the MSME Development Act, 2006) and Service Enterprises in healthcare, tourism, IT, education, logistics and allied sectors. Incentives and clearances were delivered through the Haryana Enterprise Promotion Centre (HEPC) single-window digital portal.

2.3 Incentive Architecture under HEEP 2020

Financial Incentives

- Net SGST reimbursement of up to 75% for MSMEs in C and D blocks.
- Interest subsidy: general MSME interest assistance typically up to 5%-8% per annum, subject to caps varying with amount, tenure, block and industry — to be read with the applicable scheme.

- Stamp duty refund of 100% in D blocks and 75% in C blocks.
- Electricity duty exemption for up to 10 years in backward and rural regions.
- Land cost concessions of up to 50%, and employment subsidies for local youth and women.

Non-Financial Incentives

- Single-window clearance through HEPC and a Central Inspection System for regulatory transparency.
- Cluster development, technology upgradation, branding support, delayed-payment resolution, and incubation support.

Sectoral focus extended to auto components, agro-processing, textiles, ESDM, defence, pharmaceuticals, chemicals, renewable energy and data centres, supported by dedicated industrial parks and cluster-based development. Many of these elements have been carried forward and deepened under the 2026 package.

3. The Make in Haryana Industrial Policy 2026

The Make in Haryana Industrial Policy 2026 is the cornerstone of the new framework. Approved by the State Cabinet on 18 May 2026, it replaces HEEP 2020 and positions Haryana to compete with established manufacturing destinations such as Tamil Nadu and Karnataka for fresh investment.

3.1 Vision and Headline Targets

The policy seeks to establish Haryana as a national industrial, technological and employment hub, attracting major investment from within India and abroad. Its headline ambitions are a sharp scaling-up of the HEEP 2020 targets:

- **Rs. 5 lakh crore** of fresh investment over five years — five times the HEEP 2020 target.
- **10 lakh direct jobs** over the same period — double the earlier target.
- A pronounced focus on raising the State's exports and on cleaner, technology-led industrialisation.

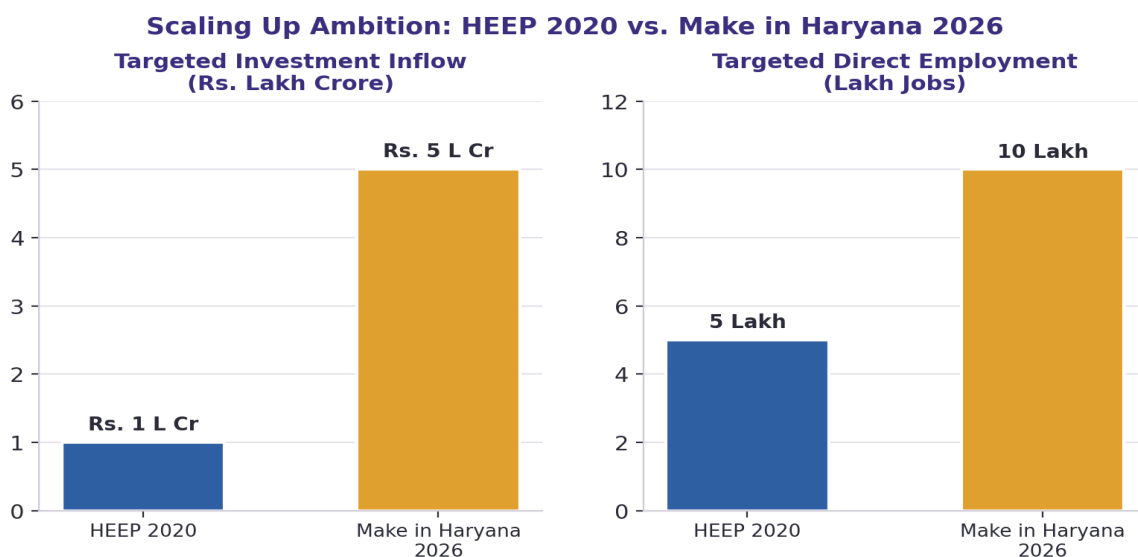


Figure 2: Investment and employment ambition — HEEP 2020 compared with Make in Haryana 2026.

3.2 The Defining Reform: From Blocks to Dynamic Zones

The most consequential change is the abolition of the A/B/C/D block classification that concentrated incentives in select regions. In its place, the policy introduces a dynamic categorisation that tracks every administrative block as a Core, Intermediate, Sub-Prime or Prime (Focus) Area, ensuring that fiscal incentives reach all parts of the State. The intent is distributed industrialisation — correcting the historical imbalance whereby industry clustered around a handful of NCR districts while interior blocks were left behind.

For an MSME, the practical consequence is significant: location in an interior district no longer means exclusion from the incentive system. The level of support is now calibrated to the development status of the specific area, with the least-developed Focus Areas attracting the deepest assistance.

3.3 Fiscal Incentive Architecture

The 2026 policy builds an expanded set of fiscal rails. The principal heads relevant to MSMEs are summarised below; precise rates are calibrated to enterprise size and zone category and will be set out in the operative scheme guidelines.

Net SGST Reimbursement

Enterprises are eligible for Net SGST reimbursement in a band of 30% to 70%, with the reimbursement horizon scaled to project size — up to seven years for large units, up to ten years for Mega Projects, and up to twelve years for Ultra-Mega Projects under special packages.

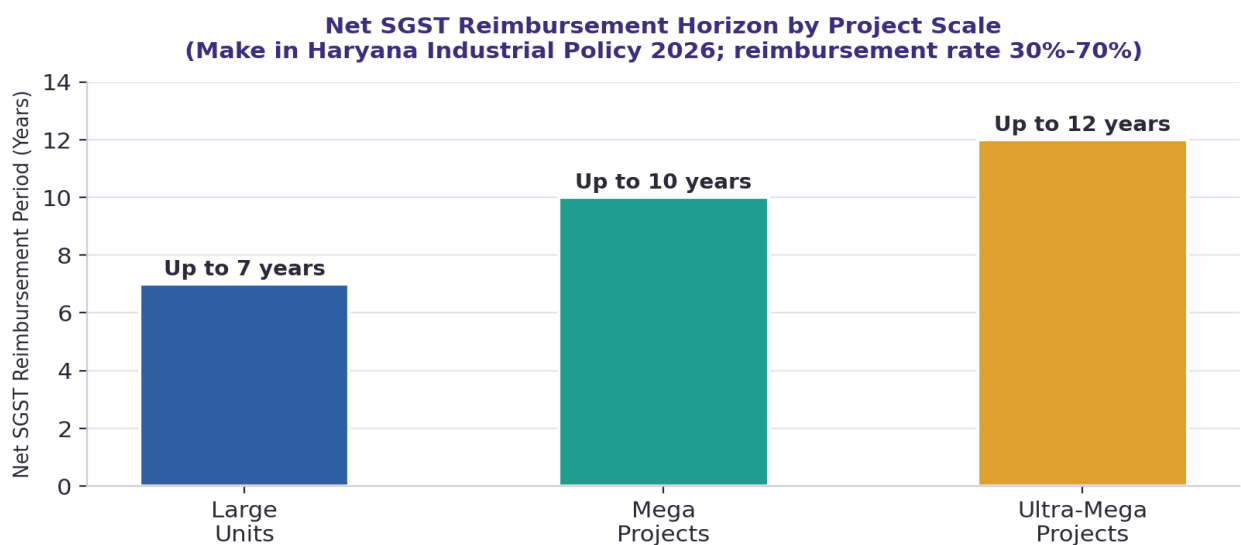


Figure 3: Net SGST reimbursement horizon by project scale under the 2026 policy.

Capital Subsidy

Capital subsidy support is available against eligible fixed capital investment, reaching up to 30% for Ultra-Mega Projects, with size- and zone-linked rates for MSME-scale units. Developers of private industrial parks are offered a choice between a capital subsidy and an alternative incentive structure.

Employment Generation Subsidy

Employment incentives have been substantially enhanced. The employment generation subsidy for engaging local workers has been increased from Rs. 48,000 to Rs. 1 lakh per employee per year, payable for ten consecutive years. For workers who are women, Scheduled Castes, persons with disabilities, Agniveers or ex-servicemen, the assistance rises to up to Rs. 1.20 lakh per employee per year.

EPF Reimbursement

In a measure of particular value to MSMEs, units that recruit through the Haryana Kaushal Rozgar Nigam portal are eligible for reimbursement of both the employer’s and the employee’s EPF contributions — a 100% reimbursement for a period of five years. This directly reduces the cost of formal employment for small enterprises.

Other Fiscal Support

- Stamp duty and registration concessions, calibrated by zone category.
- Electricity duty exemption, continuing the long-standing relief for industrial units.
- Interest assistance on term loans, to be specified in scheme guidelines.
- Land-related concessions and infrastructure support, deeper for Focus Areas.

3.4 Investor-Facilitation Reforms

Beyond money, the 2026 policy reforms the process of obtaining support — the area where smaller enterprises have historically lost the most time and certainty.

Time-Bound Incentive Disbursal

The policy institutionalises an aggressive disbursal timeline. Fifty per cent of an approved incentive is to be released within seven working days of approval, and the balance within forty-five days. Crucially, the State has accepted a self-imposed penalty: any delay in payment beyond 1 April 2026 attracts interest at 8% per annum payable by the Government to the enterprise.

Time-Bound Incentive Disbursal Commitment - Make in Haryana 2026

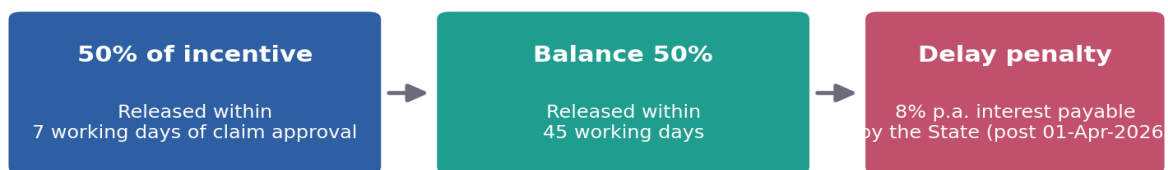


Figure 4: The time-bound incentive disbursal commitment under Make in Haryana 2026.

Land Feasibility Certificate

A new Land Feasibility Certificate mechanism provides clarity on land ownership, permitted land use and the status of related approvals within 45 working days — reducing one of the most common sources of delay and risk in setting up a unit.

Saksham Fund and Industrial Estate Renewal

A Rs. 500 crore Saksham Fund has been proposed to revamp ageing industrial estates, including those at Sonipat, Hisar, Ambala, Yamunanagar, Sirsa, Fatehabad, Nilokheri, Bahadurgarh, Barwala and Panipat. This recognises that the productivity of existing MSME clusters depends on the quality of common infrastructure.

New Industrial Model Townships

Fresh Industrial Model Townships (IMTs) are planned, with land acquisition under way at Ambala and Naraingarh and proposals invited for IMTs at Tosham, Jind, Rewari, Faridabad and Rai — expanding the supply of serviced industrial land across the State.

4. The 2026 Industrial Policy Package: Ten Frameworks

The Make in Haryana Industrial Policy 2026 does not stand alone. It is the umbrella of a coordinated package of ten policies approved together on 18 May 2026, designed to align Haryana’s manufacturing, digital and agri-economy with national missions. For MSMEs and Startups, the sector-specific policies are important because many small enterprises operate precisely in these targeted value chains — as component makers, service providers, processors and suppliers.

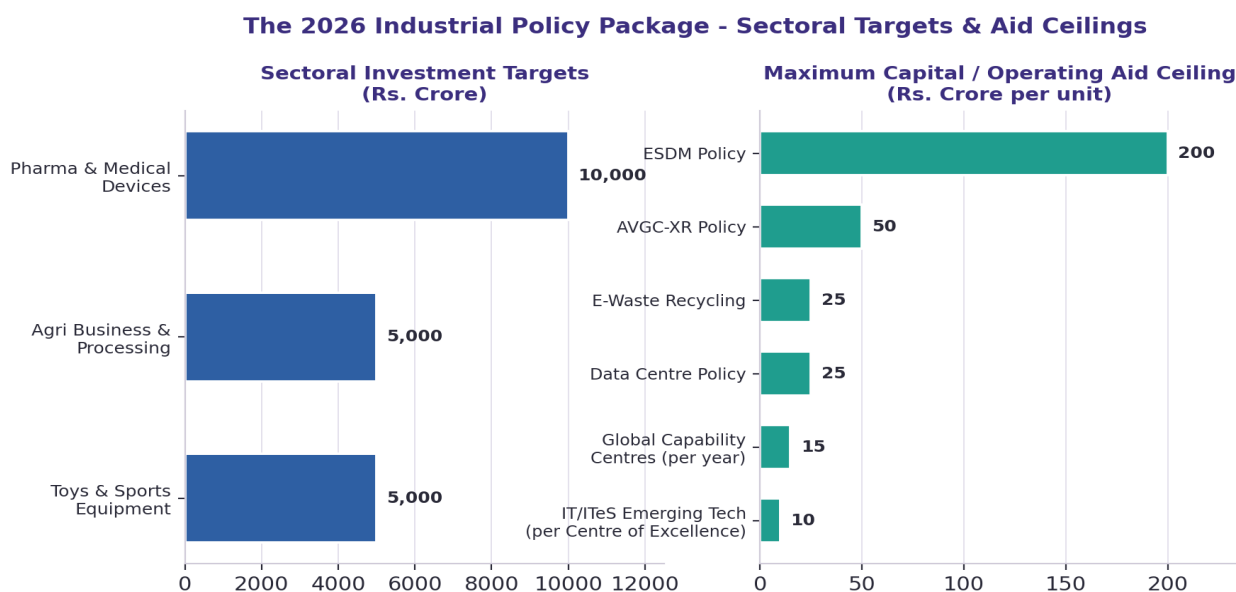


Figure 5: Sectoral investment targets and per-unit aid ceilings across the 2026 policy package.

4.1 The Ten Approved Policies at a Glance

#	Policy Framework	Target / Outlay	Core Objective
1	Make in Haryana Industrial Policy 2026	Rs. 5 lakh crore (package)	Replaces HEEP 2020; extends incentives to every block via Core/Prime zone classification.
2	Electronics System Design & Manufacturing (ESDM) Policy	Up to Rs. 200 crore capital aid per unit	Mandates a 500-acre semiconductor and electronics cluster at IMT Sohna; builds trusted component supply chains.
3	Pharmaceuticals & Medical Devices Policy	Rs. 10,000 crore investment target	Fast-tracks drug formulations and bioequivalence setups; permits women’s night shifts.
4	Toys & Sports Equipment Policy	Rs. 5,000 crore investment target	Promotes STEM-based, smart and eco-friendly toy design to reduce import dependence.
5	E-Waste Recycling Policy 2026	Up to Rs. 25 crore capital aid per unit	Formalises e-waste collection and material recovery for next-generation electronics.

#	Policy Framework	Target / Outlay	Core Objective
6	Global Capability Centres (GCC) Policy	Up to Rs. 15 crore operating aid per year	Positions Gurugram as a global GCC capital; adds an investor-matchmaking platform.
7	IT, ITeS & Emerging Technology Policy	Up to Rs. 10 crore per Centre of Excellence	Establishes a Global AI Centre in Gurugram and an Advanced Computing Facility in Panchkula; trains 50,000 professionals.
8	AVGC-XR Policy 2026	Up to Rs. 50 crore capital aid per unit	Drives animation, visual effects, gaming, comics and extended-reality content and IP creation.
9	Data Centre Policy 2026	Up to Rs. 25 crore capital aid per unit	Grants 'Essential Service' status; incentivises hyper data centres above 10 MW with a 5% interest subsidy.
10	Agri-Business & Processing Policy	Rs. 5,000 crore investment target	Promotes food parks, testing labs and cold chains to lift farmer incomes and cut post-harvest losses.

4.2 Why the Package Matters for Small Enterprises

Each sector-specific policy creates an ecosystem in which MSMEs participate at multiple levels. The ESDM policy and its semiconductor cluster at IMT Sohna will require a dense base of component, tooling and testing units. The pharmaceuticals policy supports formulation and medical-device units of MSME scale. The agri-business policy is built around food parks and cold chains that are predominantly small-enterprise territory. The data centre, GCC and IT policies generate sustained demand for MSME service providers — from facilities management to specialised engineering.

The e-waste recycling policy is especially notable for the circular economy: it formalises material recovery and turns electronic waste into feedstock for new manufacturing, opening a regulated, incentive-backed line of business for small recyclers. The AVGC-XR policy similarly recognises that much creative-economy output originates in small studios and individual-led ventures.

For advisors, the message is that an MSME's eligibility is no longer determined only by the umbrella industrial policy. Where a client operates in one of these nine sectors, the relevant sector-specific policy should be examined in parallel, since it may offer deeper or more targeted assistance.

5. The Revised MSME Classification (2025)

Eligibility for almost every State and Central MSME incentive begins with how an enterprise is classified. With effect from 1 April 2025, the Government of India revised the national MSME classification — a change every Haryana enterprise and its advisor must factor into planning.

5.1 The New Thresholds

Through Notification S.O. 1364(E) dated 21 March 2025, the Ministry of Micro, Small and Medium Enterprises raised the classification limits, superseding the earlier thresholds in Notification S.O. 2119(E) dated 26 June 2020. The investment ceilings were increased 2.5 times and the turnover ceilings doubled.

Category	Investment in Plant & Machinery / Equipment	Annual Turnover
Micro	Up to Rs. 2.5 crore (was Rs. 1 crore)	Up to Rs. 10 crore (was Rs. 5 crore)
Small	Up to Rs. 25 crore (was Rs. 10 crore)	Up to Rs. 100 crore (was Rs. 50 crore)
Medium	Up to Rs. 125 crore (was Rs. 50 crore)	Up to Rs. 500 crore (was Rs. 250 crore)

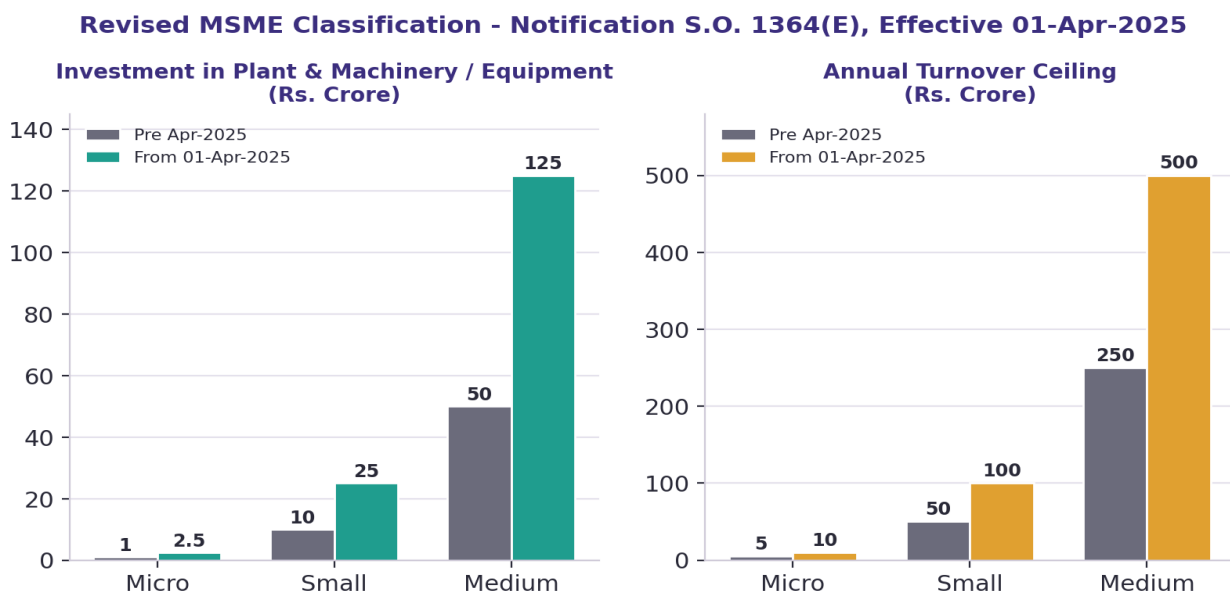


Figure 6: Revised MSME classification thresholds, effective 1 April 2025.

5.2 How the Classification Works

Classification rests on a composite criterion — both investment in plant and machinery or equipment and annual turnover must lie within the prescribed limits. If an enterprise exceeds the ceiling on either criterion, it moves up to the next higher category; it can move down only if it falls below the limits on both criteria. The classification is aligned with the Udyam Registration system, and the distinction between manufacturing and service enterprises has been removed — the same criteria apply uniformly to both.

5.3 Why This Matters for Haryana Enterprises

The wider thresholds carry several practical advantages. Enterprises that were approaching the old limits can now scale operations — hiring more workers, expanding capacity, entering new markets — without immediately losing MSME status and the benefits attached to it. A larger number of enterprises now qualify as MSMEs, broadening access to priority-sector lending, public-procurement preference, credit-guarantee cover and the incentive schemes described in this handbook.

Advisors should re-examine each client's classification against the new limits, update the Udyam Registration accordingly, and reassess eligibility for both State and Central schemes. Complementary Central measures — including credit cards for Udyam-registered micro enterprises and the strengthening of the SIDBI Fund of Funds for startups — further widen the support available.

6. Sectoral Thrust Areas and Industrial Clusters

Haryana's industrial strategy is cluster-based: enterprises in identified thrust sectors, located in designated parks and clusters, receive deeper fiscal support and dedicated infrastructure. The 2026 framework retains this approach and extends it through the sector-specific policies.

6.1 Identified Thrust Sectors

The State extends enhanced fiscal incentives, special land pricing and infrastructure support to enterprises in the following thrust sectors:

- Automobiles, auto components and light engineering.
- Agro-based, food processing and allied industries.
- Textiles and apparel.
- Electronics System Design and Manufacturing (ESDM) and semiconductors.
- Defence, aerospace and aviation manufacturing.
- Pharmaceuticals and medical devices.
- Chemicals and petrochemicals.
- Renewable energy, green manufacturing and data centres.
- Information technology, emerging technologies, AVGC-XR and global capability centres.

6.2 Industrial Parks and Clusters

Haryana's cluster-based development is anchored by dedicated industrial parks and Industrial Model Townships. Key elements include:

- **IMT Sohna** — designated for a 500-acre semiconductor and electronics manufacturing cluster under the ESDM policy.
- **Karnal** — a medical-devices base, with a Pharmaceutical Park envisaged under the State pharma policy.
- **Panipat** — a textiles and bulk-drugs hub, and the location of the Export Promotion Industrial Park.
- **New IMTs** — planned at Tosham, Jind, Rewari, Faridabad and Rai, with land acquisition under way at Ambala and Naraingarh.
- **Existing estates** — ageing industrial estates at Sonipat, Hisar, Ambala, Yamunanagar, Sirsa, Fatehabad, Nilokheri, Bahadurgarh, Barwala and Panipat are slated for renewal through the Rs. 500 crore Saksham Fund.

6.3 Special Provisions for Women Entrepreneurs

Haryana provides enhanced support for women-led enterprises, recognising their role in inclusive industrial growth:

- An additional subsidy — of the order of 10% — over and above regular MSME benefits for women-led enterprises.
- Support for women industrial parks and cluster-based women cooperatives.
- Dedicated facilitation through Women Incubation and Training Centres under the Department of Industries & Commerce.
- Preference for women-led startups under the Haryana Gramin Udyogik Vikas Yojana and Startup Haryana initiatives.
- An enhanced employment subsidy of up to Rs. 1.20 lakh per year for women workers, and provisions permitting women's night shifts under the pharmaceuticals and medical devices policy.

7. Incentives for MSMEs: A Consolidated View

This section brings together, in one place, the principal incentives an MSME in Haryana may access. Precise rates depend on enterprise size, zone category, sector and the operative scheme guidelines; the table is a planning aid, not a substitute for the scheme text.

7.1 Financial Incentives

Incentive Head	Indicative Benefit
Net SGST reimbursement	Reimbursement of 30%-70% of net SGST; horizon of up to 7 years (large units), 10 years (Mega Projects) and 12 years (Ultra-Mega Projects under special packages).
Capital subsidy	Subsidy against eligible fixed capital investment, up to 30% for Ultra-Mega Projects, with size- and zone-linked rates for MSME-scale units.
Employment generation subsidy	Rs. 1 lakh per local worker per year for 10 years; up to Rs. 1.20 lakh for women, SC, PwD, Agniveers and ex-servicemen.
EPF reimbursement	100% reimbursement of employer and employee EPF contributions for 5 years for units hiring through the Haryana Kaushal Rozgar Nigam portal.
Interest assistance	Interest subsidy on term loans — historically of the order of 5%-8% per annum subject to caps — as specified in the applicable scheme guideline.
Stamp duty & EDC	Concessions on stamp duty and External Development Charges, calibrated by zone category and deeper for Focus Areas and export logistics projects.
Electricity duty exemption	Exemption from electricity duty for industrial units, continuing the long-standing relief of up to 10 years in less-developed regions.
Land & infrastructure support	Land cost concessions and infrastructure assistance, with a new Land Feasibility Certificate giving land clarity within 45 working days.
Cluster & capital grant support	Capital grant support for common cluster infrastructure, including under the MSE-CDP and the State Mini Cluster Development Scheme.

7.2 Non-Financial Incentives and Facilitation

- Single-window clearance through the HEPC portal, with deemed approval where timelines lapse.
- Central Inspection System ensuring regulatory transparency and reducing inspector discretion.
- Technology upgradation, quality certification, branding and market-access support.
- Delayed-payment resolution mechanisms for micro and small enterprises.
- Incubation, mentoring and acceleration support for startups and first-generation entrepreneurs.

7.3 Support for Startups

Startups recognised by the Department for Promotion of Industry and Internal Trade (DPIIT) can access a dedicated set of benefits through Startup Haryana, including subsidised incubation space, seed funding and venture assistance, capital investment subsidy on fixed capital investment, Net SGST reimbursement, reimbursement of patent and IPR costs, liberalised criteria for participation in State Government tenders, and mentoring support. Incubation is delivered through centres at institutions such as IIM Rohtak, NIT Kurukshetra and Haryana Vishwakarma Skill University, and through collaboration with NASSCOM, STPI and Industrial Model Townships.

8. Export Promotion Framework

Export competitiveness is one of the explicit priorities of the 2026 framework, carried forward from HEEP 2020 and reinforced through the sector-specific policies. For MSMEs, the export route is both an avenue for growth and a basis for additional fiscal support.

8.1 Institutional Architecture

Haryana's export effort is delivered through dedicated institutions, including an Export Promotion Bureau and an Export Promotion Council for market development, and an Export Promotion Industrial Park at Panipat. Inland Container Depots at Karnal, Hisar and Panipat bring container handling closer to inland clusters, reducing logistics cost and time for exporting MSMEs.

8.2 Fiscal and Facilitation Measures

- Concessions on stamp duty and External Development Charges for private export-logistics projects.
- Priority land allotment for 100% Export-Oriented Units (EOUs).
- Alignment with the Government of India's Trade Infrastructure for Export Scheme (TIES).
- Development of multimodal logistics hubs along the DMIC, AKIC and KMP corridors.

Enterprises in the thrust sectors — auto components, textiles, pharmaceuticals, electronics and processed foods — are particularly well placed to combine these export measures with the core industrial incentives, since these sectors account for a large share of the State's outbound trade.

8.3 Balanced Regional Growth

Balanced regional development remains a stated objective. Under the 2026 zone classification, less-developed Focus Areas attract the deepest incentives, and targeted cluster development continues in rural and traditional sectors so that export-oriented growth does not remain confined to the NCR belt.

9. Institutional Framework and the Single-Window System

A policy is only as effective as the institutions that deliver it. Haryana's industrial framework is administered by a defined set of agencies and a digital single-window system.

9.1 Implementing Agencies

- **Department of Industries & Commerce, Government of Haryana** — the nodal department for industrial and MSME policy.
- **Haryana State Industrial & Infrastructure Development Corporation (HSIIDC)** — responsible for industrial estates, IMTs and infrastructure delivery.
- **District Industries Centres (DICs)** — the district-level interface for registration, facilitation and grievance redressal.
- **MSME Directorate and Startup Haryana Cell** — managing MSME-specific schemes and the startup ecosystem.
- **Haryana Enterprise Promotion Board (HEPB)** — the apex body sanctioning special packages for mega projects and overseeing clearances, with statutory backing under the Haryana Enterprise Promotion Act, 2016.

9.2 The HEPC Single-Window System

The Haryana Enterprise Promotion Centre (HEPC) is the State's single-window digital platform for industrial approvals and incentive claims, accessible at investharyana.in. It provides online registration, document upload and real-time status tracking. Under the Haryana Right to Service Act, 2014, services carry defined timelines, with deemed approval where the timeline lapses — commonly cited in the range of 15 to 45 days depending on the service. The Central Inspection System complements the portal by allocating inspections in a transparent, randomised manner.

An Investor Enablement Cell is being established to provide hand-holding support, and the 2026 framework adds an investor-matchmaking platform under the Global Capability Centres policy. For MSMEs, the practical point is that almost every interaction — from registration to incentive claim to grievance — is now intended to be conducted online, with documented timelines.

9.3 Regulatory Simplification

Regulatory simplification has continued through measures such as the Haryana Jan Vishwas (Amendment of Provisions) Act, 2025, which rationalises and decriminalises minor, technical and procedural defaults across business legislation — reducing the compliance risk that weighs disproportionately on smaller enterprises.

10. The Role of Chartered Accountants

Chartered Accountants are central to the effective working of industrial policy. They are the professional bridge between an enterprise and the incentive system — translating investment and operations into the certified, verifiable record on which incentive eligibility depends.

10.1 Core Responsibilities

In the context of Haryana's MSME incentive framework, the responsibilities of a Chartered Accountant include:

- Certifying fixed capital investment in land, building, plant and machinery, and certifying the means of finance.
- Ensuring that statutory registrations — Udyam, the Haryana Udyam Memorandum (HUM), GST and Change of Land Use (CLU) — are in place and current.
- Preparing project-cost certificates, subsidy claims and supporting schedules in the prescribed formats.
- Maintaining audit trails adequate to withstand verification, and supporting the enterprise through appeals.

10.2 Value Addition in the 2026 Environment

The transition to the Make in Haryana 2026 framework expands the advisory role. Beyond certification, the Chartered Accountant now adds value by:

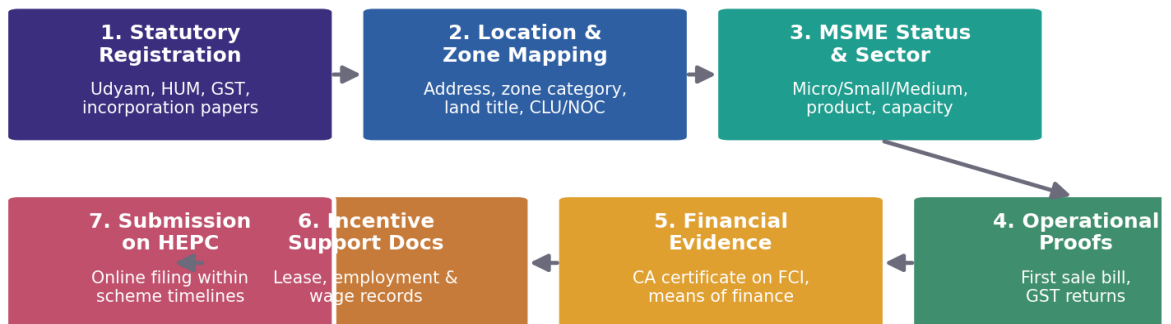
- Mapping the client's location to the new Core / Intermediate / Sub-Prime / Prime zone categories and quantifying the resulting incentive entitlement.
- Re-classifying the enterprise against the revised 2025 MSME thresholds and updating the Udyam Registration.
- Identifying whether a sector-specific policy in the ten-policy package offers deeper benefits than the umbrella policy.
- Sequencing investment and employment so that the enhanced employment and EPF incentives are fully captured.
- Monitoring the statutory disbursement timeline and, where the State delays beyond the prescribed period, advising the client on the 8% interest entitlement.

In short, the Chartered Accountant converts a generous but complex policy package into a concrete, optimised and well-documented outcome for the enterprise.

11. Stepwise Documentation Process for Incentive Claims

A robust, well-organised documentation process is essential not only for compliance but also to maximise an enterprise's ability to secure benefits. Chartered Accountants should follow a step-wise approach covering statutory registration, financial proofs, operational details and incentive-specific requirements. The workflow below applies equally to claims under the HEEP 2020 scheme guidelines and, with zone-mapping adjustments, to claims under the 2026 framework.

Chartered Accountant - Stepwise Documentation Workflow for Incentive Claims



Followed by: CA certification on letterhead > Verification & rectification > Audit trail & appeals

Figure 7: The Chartered Accountant's stepwise documentation workflow for incentive claims.

Step 1 — Statutory Registration and Identity

- Obtain and verify the Udyam Registration Certificate (URC) and the Haryana Udyam Memorandum (HUM).
- Collect the Certificate of Incorporation (for companies) or the Partnership Deed / LLP Agreement (for firms).
- Secure a Board Resolution or Power of Attorney authorising submissions and claims.

Step 2 — Location and Zone Category

- Document the full address of the industrial unit with contact details, specifying the block and its zone category under the applicable framework (A/B/C/D under HEEP 2020; Core/Intermediate/Sub-Prime/Prime under the 2026 policy).
- Attach land title documents — a registered sale deed or a lease for at least ten years — with the Change of Land Use (CLU) or NOC, and, where available, the Land Feasibility Certificate.

Step 3 — MSME Status and Sector Details

- Identify the enterprise category — Micro, Small or Medium — against the revised 2025 thresholds.
- State the manufacturing or processing item, installed capacity and value, proposed or actual turnover, employee strength, and any sector-specific eligibility information.

Step 4 — Operational Proofs

- Provide a copy of the first sale bill as evidence of the date of commercial production.
- File the GST registration number and copies of the latest GST returns or audited financial statements where required.

Step 5 — Financial Evidence

- Generate a CA Certificate on fixed capital investment in land, building, plant and machinery, in the prescribed Annexure format, distinguishing cost as per bank appraisal from actual cost.
- Present purchase invoices for equipment, bank loan sanction letters, and the means of finance — promoter's equity, term loans and unsecured loans — with supporting CA certification.

Step 6 — Support Documents for Specific Incentives

- Attach lease-rent agreements where a rental subsidy is claimed.
- Provide proof of participation in acceleration programmes, seed-grant claims (business plan and documented expenses), and use of cloud or data-centre facilities for IT support.
- File employment records and wage statements for employment-linked and EPF-reimbursement claims, including evidence of recruitment through the Haryana Kaushal Rozgar Nigam portal.

Step 7 — Submission and Timelines

- File applications in the prescribed format, online through the HEPC portal, within the scheme-specific timelines published on HEPC — windows commonly range across 30, 90 and 180 days depending on the incentive; the applicable scheme guideline must be checked.
- Upload self-attested copies of all supporting documents alongside the application.

CA Certification and Verification

- Submit the CA certificate on letterhead, quoting the membership number, attesting to the accuracy of capital investment and financials, and clearly distinguishing appraised cost from cost actually incurred.
- Certify the project-cost schedule, the means of finance and unsecured loans; maintain a checklist of all required fields.
- Review the file for verification, ensure that no deficiencies remain, and assist the applicant in rectifying any deficiency within the stipulated time after notification by the authorities.

Audit Trail and Appeals

- Maintain a complete audit trail of documents, submissions, approvals and communications.
- In the event of a claim rejection, support the unit in filing an appeal and in responding to additional clarifications sought by the authorities.

By meticulously following these steps, Chartered Accountants ensure that MSME eligibility for incentives is fully documented, compliant with the applicable policy framework, and capable of withstanding review — giving the enterprise both clear guidance and institutional credibility for future incentives and expansion.

12. Application Process and Timelines

Understanding the procedural path — and the timelines now attached to it — helps an enterprise plan cash flows and avoid forfeiting benefits through late filing.

12.1 The Application Journey

1. Register the enterprise: obtain Udyam Registration and the Haryana Udhyam Memorandum (HUM).
2. Create a profile on the HEPC portal at investharyana.in and complete the unit's particulars.
3. Assemble the documentation set described in Section 11, with CA certification where required.
4. File the incentive application online in the prescribed format within the scheme-specific window.
5. Respond promptly to any deficiency notice and rectify within the stipulated time.
6. On approval, receive disbursement under the time-bound schedule; pursue appeal where a claim is rejected.

12.2 Timelines and Service Guarantees

Two distinct sets of timelines apply. The first governs clearances and approvals: under the Haryana Right to Service Act, 2014, notified services carry defined timelines — widely cited in the range of 15 to 45 days — with provision for deemed approval on the HEPC portal where the timeline lapses.

The second governs the release of sanctioned incentives. Under the 2026 framework, 50% of an approved incentive is released within seven working days and the balance within forty-five days, with 8% per annum interest payable by the State for delays after 1 April 2026. This shift from open-ended disbursement to a guaranteed schedule is one of the most consequential reforms for MSME cash flow.

12.3 Practical Cautions

- Scheme windows are strict: a claim filed after the window generally cannot be revived. Diarise every deadline.
- Verify the operative position before filing — during the transition, confirm on the HEPC portal whether a claim falls under HEEP 2020 scheme guidelines or the 2026 framework.
- Keep registrations current: an outdated Udyam classification can stall an otherwise valid claim.
- Retain the complete audit trail for the full period during which the claim may be reviewed or appealed.

13. Convergence with National Missions

Haryana's industrial framework is deliberately designed to converge with the flagship initiatives of the Government of India, allowing enterprises to stack State and Central support.

- **Make in India:** facilitation of large-scale manufacturing and sector-specific industrial parks in auto, ESDM, textiles, defence and pharma, supported by competitive fiscal incentives.
- **India Semiconductor Mission:** the ESDM policy and the 500-acre semiconductor cluster at IMT Sohna align Haryana with the national push for trusted electronics supply chains.
- **National AI Mission:** the IT, ITeS & Emerging Technology policy establishes a Global AI Centre in Gurugram and an Advanced Computing Facility in Panchkula.
- **Startup India & Stand-Up India:** integration through Startup Haryana, offering seed funds, incubation and simplified registration, with emphasis on youth- and women-led ventures.
- **Aatmanirbhar Bharat:** promotion of import substitution and indigenous manufacturing through cluster development, supported by an identified import-substitution products list.
- **Digital India:** the fully online HEPC single-window system and Central Inspection System deliver paperless, trackable governance.
- **Skill India:** collaboration with Haryana Vishwakarma Skill University builds job-ready manpower for EVs, electronics and renewable energy.
- **MSME Schemes & ZED Certification:** the State dovetails ZED (Zero Defect, Zero Effect), CGTMSE credit guarantee and the MSE-CDP cluster programme with top-up assistance from the State exchequer.
- **National Logistics Policy & PM Gati Shakti:** multimodal logistics hubs and industrial corridors under the DMIC, AKIC and KMP frameworks integrate Haryana into the national logistics grid.

For an MSME, this convergence is not abstract. A unit may, for example, combine a State capital subsidy with a CGTMSE-backed collateral-free loan, obtain ZED certification with Central support, and locate in a Gati Shakti-aligned corridor — each layer reinforcing the others.

14. Frequently Asked Questions

Q1. Which policy currently governs MSME incentives in Haryana?

The Make in Haryana Industrial Policy 2026, approved by the State Cabinet on 18 May 2026, is the governing umbrella policy and replaces HEEP 2020. During the transition, HEEP 2020 scheme guidelines continue to apply to claims already in the pipeline. Enterprises should confirm the operative position for their specific claim on the HEPC portal before filing.

Q2. What happened to the A, B, C and D block classification?

It has been abolished. The 2026 policy replaces the four-block system with a dynamic classification of every administrative block as a Core, Intermediate, Sub-Prime or Prime (Focus) Area, so that incentives reach all parts of the State, with the deepest support directed to the least-developed Focus Areas.

Q3. How much employment subsidy is now available?

The employment generation subsidy for engaging local workers has been raised from Rs. 48,000 to Rs. 1 lakh per employee per year, payable for ten years. For women, Scheduled Castes, persons with disabilities, Agniveers and ex-servicemen, the assistance is up to Rs. 1.20 lakh per employee per year.

Q4. What is the EPF reimbursement benefit?

Units that recruit through the Haryana Kaushal Rozgar Nigam portal are eligible for 100% reimbursement of both employer and employee EPF contributions for five years — a measure expected to provide significant relief to the MSME sector by lowering the cost of formal employment.

Q5. How quickly are sanctioned incentives now paid?

Under the 2026 framework, 50% of an approved incentive is released within seven working days and the balance within forty-five days. If the State delays payment beyond the prescribed period after 1 April 2026, it must pay interest at 8% per annum to the enterprise.

Q6. What are the revised MSME classification limits?

Effective 1 April 2025: Micro — investment up to Rs. 2.5 crore and turnover up to Rs. 10 crore; Small — investment up to Rs. 25 crore and turnover up to Rs. 100 crore; Medium — investment up to Rs. 125 crore and turnover up to Rs. 500 crore. Both criteria must be satisfied, and the same limits apply to manufacturing and service enterprises.

Q7. Are there special provisions for women entrepreneurs?

Yes. Women-led enterprises receive an additional subsidy over and above regular MSME benefits, support for women industrial parks and cooperatives, dedicated facilitation through Women Incubation and Training Centres, preference under Startup Haryana and the Haryana Gramin Udyogik Vikas Yojana, an enhanced employment subsidy of up to Rs. 1.20 lakh for women workers, and provisions permitting women's night shifts under the pharmaceuticals policy.

Q8. Which industries receive sector-specific benefits?

Thrust sectors include auto and light engineering; agro-processing and food; textiles and apparel; ESDM and semiconductors; defence, aerospace and aviation; pharmaceuticals and medical devices; chemicals and petrochemicals; renewable energy, green manufacturing and data centres; and IT, emerging technology, AVGC-XR and global capability centres. Nine sector-specific policies in the 2026 package deepen support for many of these areas.

Q9. What support is available for startups?

DPIIT-recognised startups can access Startup Haryana benefits — subsidised incubation space, seed funding and venture assistance, capital investment subsidy on fixed capital investment, Net SGST reimbursement, reimbursement of patent and IPR costs, liberalised tender criteria and mentoring — delivered through incubation centres at institutions such as IIM Rohtak, NIT Kurukshetra and Haryana Vishwakarma Skill University.

Q10. How does an enterprise apply, and through which portal?

All applications are processed online through the Haryana Enterprise Promotion Centre (HEPC) single-window system at investharyana.in, which provides registration, document upload and status tracking. Notified services carry deemed-approval timelines under the Haryana Right to Service Act, 2014.

Q11. Which department and agencies implement the policy?

The Department of Industries & Commerce, Government of Haryana, is the nodal department, with implementation support from HSIIDC and the District Industries Centres. MSME-specific matters are handled by the MSME Directorate and the Startup Haryana Cell, while the Haryana Enterprise Promotion Board sanctions special packages for mega projects.

Q12. What is the Saksham Fund?

The Saksham Fund is a proposed Rs. 500 crore fund to revamp ageing industrial estates — including those at Sonipat, Hisar, Ambala, Yamunanagar, Sirsa, Fatehabad, Nilokheri, Bahadurgarh, Barwala and Panipat — improving the common infrastructure on which existing MSME clusters depend.

15. Key Contacts and Resources

For the most current and authoritative position, enterprises and their advisors should rely on the official sources below.

15.1 Government of Haryana

Nodal Department	Directorate of Industries & Commerce, Haryana, Udyog Bhawan, Sector 6, Panchkula – 134109
Helpline	1800-180-2133
Email	diharyana@hry.nic.in
Single-Window Portal	investharyana.in (Haryana Enterprise Promotion Centre)
MSME Directorate	msme.haryana.gov.in haryanamsmes.gov.in
Industries Portal	haryanaindustries.gov.in

15.2 ICAI MSME & Startup Resources

Committee	Committee on MSME & Startup, ICAI, ICAI Bhawan, Indraprastha Marg, New Delhi – 110002
Phone	+91-011-30110569
Email	msme@icai.in msmeclinic@icai.in
MSME Portal	msme.icai.org
Startup Portal	startup.icai.org

Enterprises are encouraged to visit the ICAI MSME Clinic, hosted every Friday by ICAI branches, where the Business Support Desk and Institutional Support Desk provide pro-bono guidance on the matters covered in this handbook.

Annexure: Quick Reference — HEEP 2020 vs. Make in Haryana 2026

The table below summarises the principal differences between the two frameworks. It is a planning aid; the operative scheme guidelines prevail in case of any difference.

Parameter	HEEP 2020	Make in Haryana 2026
Status	Five-year term completed; extended as a bridge measure.	Cabinet-approved 18 May 2026; operative guidelines being notified.
Investment target	Rs. 1 lakh crore over five years.	Rs. 5 lakh crore over five years.
Employment target	Five lakh direct jobs.	Ten lakh direct jobs.
Area classification	Blocks A, B, C and D; incentives concentrated in C and D.	Core / Intermediate / Sub-Prime / Prime (Focus) Areas; incentives in every block.
Net SGST reimbursement	Up to 75% for MSMEs in C and D blocks.	30%-70%; horizon up to 7 / 10 / 12 years by project scale.
Employment subsidy	Local-worker subsidy at earlier rates (of the order of Rs. 48,000).	Rs. 1 lakh per worker per year (Rs. 1.20 lakh for priority categories), for 10 years.
EPF support	Not a headline feature.	100% EPF reimbursement for 5 years on Kaushal Rozgar Nigam hires.
Incentive disbursal	Scheme-specific; open-ended in practice.	50% within 7 working days, balance within 45 days; 8% p.a. interest for delay.
Land clarity	CLU / NOC process.	Land Feasibility Certificate within 45 working days.
Sector coverage	Thrust sectors within a single policy.	Umbrella policy plus nine sector-specific policies.
Estate renewal	Not a dedicated fund.	Rs. 500 crore Saksham Fund for ageing industrial estates.

Document Information

Title: Haryana State MSME Policy — Updated Edition 2026. Prepared under the ICAI MSME Clinic initiative by the Committee on MSME & Startup, ICAI. This edition incorporates the Make in Haryana Industrial Policy 2026 and accompanying ten-policy package (Cabinet-approved 18 May 2026), the revised MSME classification effective 1 April 2025, and other developments current as of May 2026. Readers should verify the operative position with official sources before acting.



The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

MSME & Startup Committee, ICAI

A-29, ICAI Bhawan, Admin Block, Sector-62, Noida,
Uttar Pradesh-201309, India | Phone: 0120-3045944
Email: msme@icai.in, msmeclinic@icai.in



Startup Portal:
startup.icai.org



MSME Portal:
msme.icai.org