



Tax alert: Make in Haryana Industrial Policy 2026: Catalysing Investment and Industrial Growth

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The Government of Haryana has formally notified the **Make in Haryana Industrial Policy, 2026** through the Haryana Government Gazette Extraordinary No. 80-2026/Ext. dated 26 May 2026. Building on the state's industrial growth trajectory, the policy aims to attract investment exceeding INR 5 lakh crore and create more than 10 lakh employment opportunities during the policy period. This policy vision's is to establish Haryana as a globally competitive and favoured industrial hub with balanced, inclusive, sustainable and resilient economic development.

In a nutshell



Competitiveness

(Reduced cost of doing business)

Fiscal incentives

- Net SGST reimbursement
- Capital subsidy
- Electricity duty reimbursement
- Stamp duty reimbursement
- Employment generation subsidy
- Export booster incentives
- Green and R&D incentives
- Relocation grant

Top-up on Gol schemes

- 50% top-up on PLI & related Gol benefits



Agility

(Ease and speed of doing business)

One unified government approach

- Invest Haryana single window system
- Deemed approvals mechanism
- Land feasibility certificate
- Timely processing of incentive application
- Compliance reduction and deregulation

Industrial infrastructure

- Transformational projects such as development of 10 new world-class IMTs, global city, EMC etc.
- Support to Mega private industrial parks
- Land on Lease Policy
- Plug-and-play ready infrastructure



Sustainability

(Future proof growth)

Talent ecosystem

- Skill census & ITI modernisation
- Industry-academia linkage
- Modernisation of training infrastructure

Green and R&D

- Carbon credit incentives
- ZLD and solar renewable energy support
- Waste to wealth technologies
- Support for R&D activity

Export competitiveness

- Global Intelligence and Market Facilitation team and export certifications
- Incentives for exports from Haryana
- Product line diversification grant

Background:

Industrial landscape in Haryana

Haryana has evolved into one of India's most dynamic and industrially advanced states. The state's Gross State Domestic Product (GSDP) grew at a compound annual growth rate of 6.8% (real term) over the last decade. Despite occupying only 1.3% of India's geographical area, Haryana contributes 3.6% to the national GDP and accounts for 7.1% of India's overall GST collections. The state also boasts of one of the highest per capita incomes among major Indian states and hosts 19 of India's approximately 117 unicorns.

Haryana's industrial landscape is anchored by its strategic location, with proximity to the Delhi-Mumbai Industrial Corridor (DMIC) and the Amritsar-Kolkata Industrial Corridor (AKIC). The state hosts several established industrial clusters including Faridabad (engineering goods), Gurugram (IT, start-ups, and electronics hub), Panipat (textiles, handloom, and carpets), Karnal (agro-processing and food technology), and Sonipat (plastics and packaging). Aligned with Haryana's Vision 2047, the new policy seeks to further strengthen Haryana's position as a leading investment hub and bring a paradigm shift from being a regulator to a facilitator

Key considerations

Area/ location classification:

For promoting geographic dispersal of industry, Haryana has been divided into four area categories, each carrying different levels of fiscal incentives:

Area category	Descriptions
Prime/ Focus areas	Any area within the boundary of Industrial Investment Promotion zones notified by the Department of Industries and Commerce, Government of Haryana
Sub-Prime areas	Conforming Industrial Zones in any city development plan; all vacant and unallotted HSIIDC plots; all vacant and unallotted plots in Private Industrial Parks; land/area granted an industrial colony license; areas outside Controlled Area limits (excluding Prime/Focus areas)
Intermediate areas	All allotted plots in Industrial Model Townships (IMTs) / Industrial Estates; allotted plots in Private Industrial Parks or Industrial Colonies; areas between municipal limits and Controlled Area limits (excluding Prime/Focus or Sub-Prime areas)
Core areas	Any area falling within municipal limits notified by Urban Local Bodies Department, Government of Haryana (excluding all above area categories)

Fixed Capital Investment: FCI covers new investments made inside project premises for:

- Land, infrastructure and associated utilities
- Buildings (including R&D facilities, storage, testing, hostel/dormitories for workers, office space, etc.)
- Plant, machinery, equipment, hardware and software
- Power backup arrangements
- Construction of captive renewable energy plants
- Effluent treatment and waste management plants
- Air pollution controls systems and zero liquid discharge equipment

Key exclusions from FCI include:

- Working capital, goodwill, preliminary and pre-operative expenses, and capitalised interest
- Costs for acquiring technology or technical know-how (including consultancy fees, royalties, design and drawings, patents, licences and other intellectual property rights) - whether capitalised or not
- Transfer of plant, machinery or equipment from another unit (whether from the same company or a different unit)

Expansion and diversification – eligibility for incentives:

Existing units that expand or diversify at the same location will be eligible for incentives if they meet any one of three conditions as of the date the expansion/diversification starts:

- Additional FCI is at least 50% of the project’s current FCI; or
- Additional FCI is at least 25% of the project’s current FCI with a minimum expansion investment of INR 125 crore; or
- Additional FCI exceeds the Policy’s minimum Mega/Ultra Mega unit threshold as defined for that location.

Note: Eligible units may avail incentives for expansion/diversification only once during the policy period. Units undertaking expansion/diversification at different locations will be treated as new units.

Eligibility criteria:

Category	Core areas	Intermediate areas	Sub-Prime areas	Prime/Focus areas
Ultra Mega project	FCI ≥ INR 6,000 Cr	FCI ≥ INR 4,500 Cr	FCI ≥ INR 3,000 Cr	FCI ≥ INR 1,500 Cr
Mega project*	FCI ≥ INR 700 Cr	FCI ≥ INR 600 Cr	FCI ≥ INR 500 Cr	FCI ≥ INR 400 Cr
Large project	Minimum FCI - INR 125 crores; or Minimum FCI - INR 50 crores and minimum direct employment - 500 persons			

**A Mega project may also be one with direct employment of ≥1,250 persons (with FCI ≥ INR 125 Cr) irrespective of location.*

Policy coverage:

Category	Eligible for incentives
Manufacturing / processing	All sectors except those listed in the restrictive list, which includes high-pollution industries, tobacco, certain food & beverage units in Dark Zones, among others
Service sectors	Healthcare, Education, Tourism & Hospitality, Research & Development
Thrust sectors	Agro & Food Processing; Textiles & Apparels; Auto & Auto Components; Electric Vehicles; Electronics System Design & Manufacturing (including Electronic Component Manufacturing); Semiconductors; Pharmaceuticals & Medical Devices; Chemicals & Petrochemicals; Leather & Footwear; Toys & Sports Equipment; Defence & Aerospace; Electronic Waste Recycling; Renewable Energy; Green Hydrogen; Rare Earth & Critical Materials

Other considerations

- Fixed Capital Investment (FCI) and Eligible Capital Expenditure (ECE) made during the policy period and up to 1 year (Large units) or 3 years (Mega/Ultra Mega units) after the date of commencement of production (DoCP) are eligible for incentives.
- FCI made in the one-year period prior to policy notification also qualifies if DoCP falls within the policy period.
- Overall ceiling on cumulative incentives: 100% of Fixed Capital Investment (FCI), including any Gol scheme benefits for the same project.
- Eligible units must apply for incentives prior to the DoCP.
- Mega and Ultra-mega units would be eligible for customised package of incentives over and above the standard package of incentives

Key fiscal incentives

Incentive 1: Net SGST Reimbursement Subsidy (Intra-State Sales)

Case 1: Where $\geq 50\%$ of annual intra-state sales are B2C sales

Area	Large units	Mega units (standard)	Customised package – Mega & Ultra Mega*
Core area	30% for 7 years	30% for 10 years	30% for up to 12 years
Intermediate areas	50% for 7 years	50% for 10 years	50% for up to 12 years
Sub-Prime areas	60% for 7 years	60% for 10 years	60% for up to 12 years
Prime/Focus areas	70% for 7 years	70% for 10 years	70% for up to 12 years

Case 2: Where $< 50\%$ of annual intra-state sales are B2C sales

Area	Large units	Mega units (standard)	Customised package – Mega & Ultra Mega*
Core area	20% for 7 years	20% for 10 years	20% for up to 12 years
Intermediate areas	40% for 7 years	40% for 10 years	40% for up to 12 years
Sub-Prime areas	50% for 7 years	50% for 10 years	50% for up to 12 years
Prime/Focus areas	60% for 7 years	60% for 10 years	60% for up to 12 years

*Customised package for Mega and Ultra Mega units is over and above the standard package, subject to approved cost-benefit model by concerned authority.

Incentive 2: Incentive for fast-track commencement of operations

- **Capital subsidy** (in 10 annual instalments)

Size of enterprise	Quantum of incentives
Large units	2.5% to 20% of ECE
Mega units (standard)	2.5% to 20% of ECE
Customised package – Mega & Ultra Mega	15% to 30% of ECE

* ECE includes building, fit-outs, P&M, etc.

- **Electricity duty reimbursement-** 100%
- **Stamp duty reimbursement-** 30% to 100%

Incentive 3: Incentives for local employment generation

- **Incentive for local employment generation subsidy**

Reimbursement of percentage of average gross monthly salary of eligible on-roll/contractual local employees with valid ESI/ PF number having continuous employment of at least 1 year for a period of 10 years

% of local employment	General category	Women/SC/Divyang/ Agniveer/Ex-servicemen category
<15%	NA	120%; capped at INR 1 lakh per employee p.a.
≥ 15%	100% + 20% * (% of local employment – 15%); capped at INR 1 lakh per employee p.a.	120% + 20% * (% of local employment – 15%); capped at INR 1.2 lakh per employee p.a.

Floor subsidy- Where average gross monthly salary < INR 48,000 — minimum subsidy of INR 48,000 p.a. per such employee

- **Booster for recruitment through Haryana Kaushal Rozgar Nigam (HKRN)**
 - For employer - 100% employer’s EPF reimbursement for 5 years (subject to a maximum of INR 25,000/employee/year).
 - For employee - 100% reimbursement of the employee's statutory EPF contribution for 5 years (via Direct Benefit Transfer), subject to the same ceilings.

Incentive 4: Incentives for Development of Industries in Industrially Backward / Undeveloped Areas

- 100% infrastructure assistance to Ultra-Mega projects in Sub-Prime and Prime/Focus area

Incentive 5: Incentives for R&D Infrastructure Creation and Research Outcomes

- **Capital Subsidy for DSIR/CSIR Recognised Research Laboratories** - 50% of total project cost capped at INR 10 to 50 crores (in 5 equal instalments)

Note - Standalone R&D units may choose to avail incentive between incentive under this scheme or capital subsidy under fast-track commencement programme

- **Incentive for successful commercialization of Patents generated by the unit**
 - **Domestic Patent:** INR 50 lakhs/Patent capped at INR 5 crore/unit
 - **International Patent:** INR 1 crore/Patent capped at INR 10 crore/unit

Incentive 6: Incentives for exports from Haryana

Eligible units may opt for one of the following two export incentive options:

- **Option 1 - Capital subsidy linked export booster:** Export Booster Incentive (%) = 5% × [(Proportion of Exports in Total Sales in %) – 10%]

Note: This incentive shall be disbursed for first three years from the date of commencement of commercial production/operations

- **Option 2 - Annual export turnover linked incentive:** 3% of annual export value for 5 years

Incentive 7: Incentives for undertaking greening initiatives

Sustainability-linked incentives have been embedded to encourage eco-friendly practices that reduce pollution, carbon footprints, and improve resource efficiency

Incentive type	Large units	Mega/Ultra Mega units
Carbon credits generated in the State	INR 100/carbon credit unit capped at INR 1 crore/unit	
Captive Renewable Energy Projects (\geq 100 kW)	INR 50 lakhs/MW capped at INR 2.5 crore	INR 50 lakhs/MW capped at INR 10 crore
Zero Liquid Discharge (ZLD)	50% of actual cost capped at INR 5 crore/unit	50% of actual cost capped at INR 10 crore/unit
Green Certification (GRIHA, LEED, etc.)	2% of the cost of building capped at INR 5 crore/unit	

Note- Capital expenditure incurred for greening initiatives shall not be included for estimation of ECE when availing other incentives under the policy

Incentive 8: One-Time support for Shifting / Relocating manufacturing facilities to Haryana

Eligible units relocating manufacturing operations to Haryana from an existing facility outside Haryana shall receive a one-time relocation grant of 50% of eligible cost:

- INR 5 crore/unit for domestic relocation
- INR 10 crore/unit for international relocation

Incentive 9: Special Fiscal Package for Thrust Sectors, Essential Sector Products & Import Substitution Products

- Additional top up of 5% on the capital Subsidy for Fast Track Commencement of Operations; or
- Obtain incentives under dedicated policies (if any)

Option to Avail Top-Up Support Under Government of India Schemes

Eligible units availing incentives under any Government of India's schemes shall have the option to avail the following:

- Additional 50% top up incentive on the benefits disbursed by Government of India during the policy period; or
- Incentive as per this policy

Way forward:

The Make in Haryana Industrial Policy, 2026 gives a clear roadmap to strengthen state's industrial ecosystem through fiscal incentives, infrastructure development, easier business procedures and sector-specific measures. As the policy is implemented, businesses should review their investment and expansion plans against the policy's priority sectors, identified import-substitution products and location based incentives. The policy offers a strong opportunity for new investments and expansions in Haryana because of the wide range of fiscal incentives and support measures across sectors. Notably, investment made during the one-year period preceding the notification of the policy also qualifies for incentives, provided the Date of Commencement of Production falls within the policy period. Since several states are competing for industrial projects, businesses should compare locations to see which best matches their strategic goals, workforce needs and long-term growth plans before finalising investment decisions.

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