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HARYANA GOVERNMENT

CIVIL AVIATION DEPARTMENT

Notification

The 31st October, 2022

No. 2/9/2021-1CA.— The Governor of Haryana is pleased to notify the '**Haryana Aerospace & Defence Policy- 2022**' attached as Annexure-'A', which will be effective from 1st November, 2022 for a period of five years.

The policy has been concurred by the Finance Department *vide* their U.O. No. 01/46/2020-3SS/15944 dated 06.10.2022 and approved by the Council of Ministers in its meeting held on 06.05.2022.

Chandigarh:
The 31st October, 2022.

ANAND MOHAN SHARAN,
Additional Chief Secretary to Government Haryana,
Civil Aviation Department.

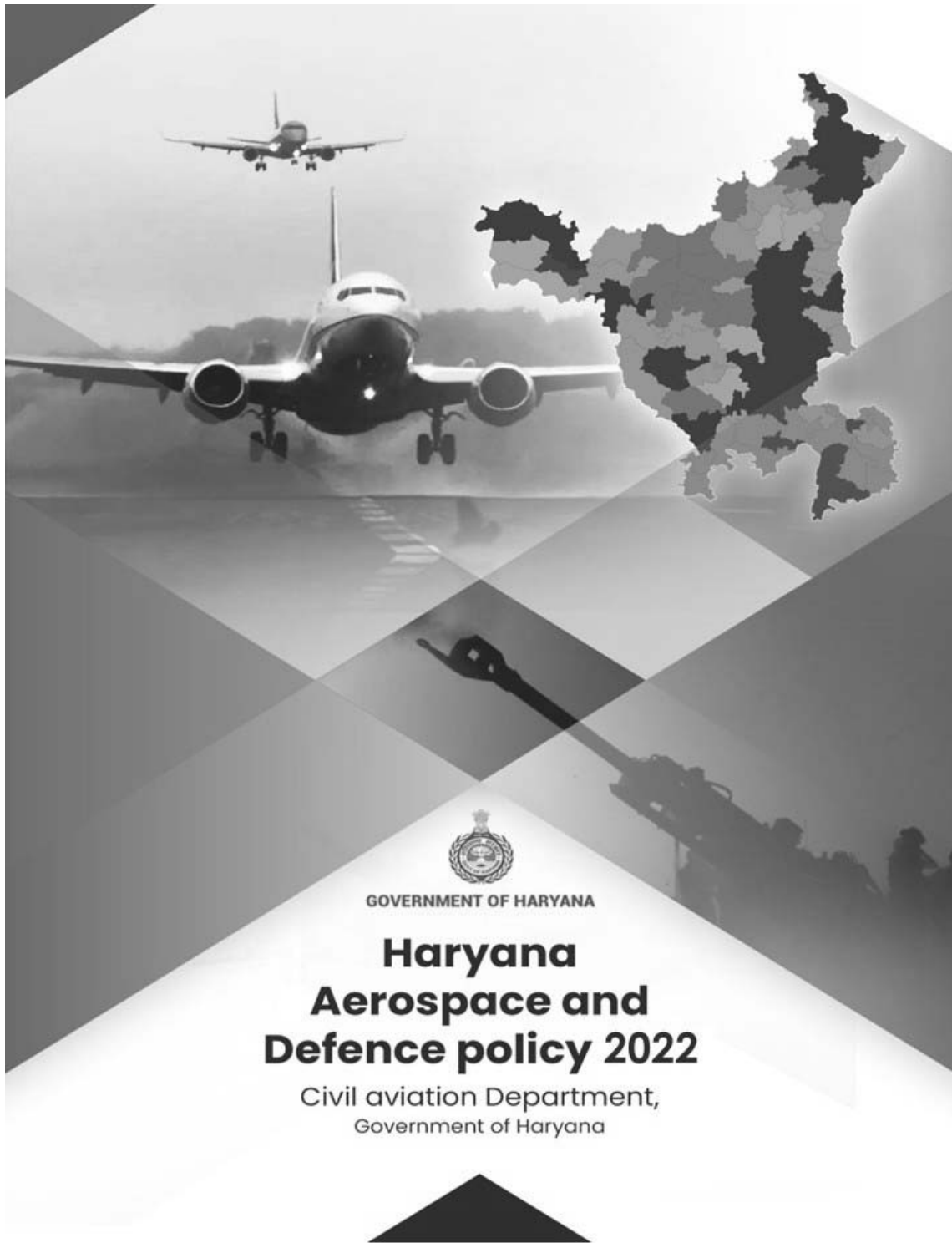


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1. Abbreviations

AAI	Airports Authority of India
ADP	Aerospace Development Parks
AHU	Air Handling Units
AIZ	Aerospace Industrial Zone
AKIC	Amritsar Kolkata Industrial Corridor
AME	Aeronautical Maintenance Engineer
ATF	Aviation Turbine Fuel
ATO	Aviation Training Organisation
BMS	Building Management System
CAD	Civil Aviation Department, Haryana
CARs	Civil Aviation Requirements
CLU	Change of Land Use
DGCA	Director General of Civil Aviation
DHBVN	Dakshin Haryana Bijli Vitran Nigam
DIC	District Industries Centres
DMIC	Delhi Mumbai Industrial Corridor
EAG	Enterprise Assistance Group
EDC	External Development Charges
EoI	Expression of Interest
FBO	Fixed Base Operations
FCI	Fixed Capital Investment
FDI	Foreign Direct Investment
GoH	Govt. of Haryana
GoI	Govt. of India
HEPB	Haryana Enterprises Promotion Board
HPC	High Power Committee
ICAO	International Civil Aviation Org
IMC	Instrument Meteorological Condition
MRO	Maintenance Repair & Overhaul
RPAS	Remotely Piloted Aircraft System
TBRL	Terminal Ballistic Research Laboratory
UDAN	Ude Desh Ka Aam Nagrik
VFR	Visual Flight Rules

2. Preamble

2.1 Globally Aerospace & Defence sector has market size of US\$ 706 billion, having employed 2 million people. However, Indian Aerospace & Defence manufacturing could not ensure its fair share in catering to the global demand. India as an emerging manufacturing hub presents an attractive and significant opportunities for domestic & foreign companies across the value chain. The Indian aviation market has grown at an annual rate of 10.2% from 2008–09 to 2018–19. India has 91 international carriers comprising of 5 Indian carriers and 86 foreign carriers, which ensure that India is well connected with most major countries. Revenue passenger kilometer (RPK) in domestic airline demand growth of 18.6% in 2018 was three times the global RPK growth of 6.5%. Aviation is the key growth driver for aerospace sector, India is the fastest-growing aviation market and is expected to cater to 520 Mn passengers by 2037. Further, demand for the aircrafts is expected to reach 1750 by 2037.

2.2 In Defence, India has the third largest armed forces by strength and the third highest Defence expenditure in the world, spending approximately 3% of its GDP (est. USD 73 Billion) in 2020. India spends about 40% of its Defence budget on capital acquisitions with 70% of the spending on imports. Today India is the second largest importer of Defence equipment in the world as per the data released by Stockholm International Peace Research Institute (SIPRI) Arms Transfer Database with a share of 9.5% of the total global defence equipment imports.

2.3 To indigenize the Aerospace and Defence production GOI has come up with new Defence Procurement Policy wherein, the offset policy mandates offset requirement of a minimum 30% for capital purchase agreements made with foreign Defence players. It will help in building domestic eco-system for aerospace and Defence industry and for that Government of India has taken slew of other initiatives as well. To attract new investments in this sector "Make in India" program has been launched which focus on all the dimension's prerequisite for investors. Specifically, to promote A&D sector, GOI has increased the Foreign Direct Investment (FDI) limits for the Defence sector to 100% through government approval route in cases where it is likely to result in access to modern technology. The licensing regime for defence products has been relaxed which makes it easier for private sector manufacturers to enter into the aerospace and Defence supply chain. Very recently, reform in aviation sector has also been announced to give boost to MRO/FBO/Cargo industries.

2.4 Possessing a strong industrial base, Haryana ranks among the front-runners of industrial development in India with 57% of its area falling within the National Capital Region along with access to international airport and network of national highways passing through the State. Automotive sector occupies a prominent place in industrial scenario of Haryana. As a result of its forward and backward linkages with several key segments of the economy, the automotive industry has a strong multiplier effect and is capable of being a driver of economic growth. However, with the state aggressively focusing on developing the EV segment, there is a potential risk to the Automobile and Auto Components companies. This policy should strongly focus towards moving the auto and auto component manufacturers towards aerospace and defence components manufacturing industry. Moreover, the entire State is covered by at least one major industrial corridor (DMIC & AKIC). So, Haryana is well poised to take advantage of the surge in investments in Aerospace & Defence in India and attract not only the world's largest A&D companies, but also proactively promote the SME sector.

3. Vision and Objectives

Haryana is committed to position itself as the country's leading Aerospace & Defence Manufacturing hub. The State's well-recognized manufacturing proficiency and state-of-the-art infrastructure can help in meeting India's critical need to be self-reliant in the sector. Thus, the Aerospace & Defence Manufacturing Policy of the Government of Haryana has been framed to achieve the following objectives:

- 3.1 To attract an investment of at least 1 billion USD in 5 years in the Aerospace and defence sector;
- 3.2 To generate direct and indirect employment opportunities to around 25000 persons in 5 years;
- 3.3 To create a global workforce for high-end manufacturing by establishing Centre of Excellence, R & D and skill development institutions;
- 3.4 To become one of the leading MRO hubs of A&D sector in North India;
- 3.5 To attract global OEMs and Tier-1 suppliers and Indian majors as anchor units in the State by providing required facilitation and support; and
- 3.6 To develop state of the art infrastructure for A&D sector by facilitating development of private sector led Aerospace and Defence Parks in the state.

4. Scope and Tenure of the Policy

The policy would provide incentives and exemptions in conjunction with any other applicable existing policy of the State and Government of India.

The policy shall remain for a period of five (5) years from the date of its notification.

5. Advantage Haryana

5.1 Conducive Manufacturing Ecosystem

Haryana provides a conducive environment for businesses to grow and prosper. World class infrastructural facilities like land, roads, internet, and power are available for an investor. The state shall leverage manufacturing prowess in auto-components, light engineering and textiles to become an ideal destination for aerospace and defence components manufacturing.

5.2 Terminal Ballistics Research Laboratory (TBRL)

TBRL is an important DRDO lab at Ramgarh Test Range is an out-door testing and evaluating facility spreading over an area of 5500 acre of land and is located at village Ramgarh, District Panchkula, Haryana.

It is actively involved in development, production, processing and characterisation of different high explosive compositions, Blast, Lethality and Fragmentation studies of warheads, shells and other ammunitions, Captive flight testing of Bombs, Missiles and Airborne systems, Ballistics evaluation of various protective system like body armour, vehicle armour and helmets against small arm ammunition etc.

5.3 Airports/Airstrips under GoH

In view of the impending supply-demand gap for airport connectivity and services like MRO & FBO in India and significant ramp-up in passenger traffic across the country, the state of Haryana is well positioned to provide the necessary environment required to create the demand for the development of Aviation sector in the State. Moreover, the state has levelled ground and is unaffected from various terrain concerns that poses challenges for development of an airport infrastructures. The State Govt. of Haryana owns 01 Domestic Aerodrome and 04 Minor Airstrips controlled by the Civil Aviation Department under the Government of Haryana, as per the following details:

Name of Airport/Airstrip	Hisar	Karnal	Pinjore	Narnaul	Bhiwani
Co-ordinates	29° 10' 42.27" N 75° 45' 17.07" E	29.7143° N, 77.0342° E	30.8242° N, 76.8829° E	28.0866260N 76.1977539E	28° 50' 21.76" N 76° 10' 26.66" E
Runway (in feet)	4200x150	3000x150	3000x115	3000x75	3500x75
Runway Direction	12/30	13/31	16/34	09/27	12/30
Surface Type	Flexible	Flexible	Flexible	Flexible	Flexible
Security Wall	Yes (Std)	Yes (Non-Std)	Yes (Non-Std)	Fenced	Yes (Non-Std)
Landscape (in acres)	7200	104	96	98	128
Aerospace Industrial Zone (AIZ in Sqm)	3000 Acres (Assigned for IMCs (AKIC))	22,000 Sqm	16,500 Sqm	22,000 Sqm	27,500 Sqm
Terminal Building	Yes, 50 PAX	No	No	No	No

5.4 Infrastructure Augmentation

In view of the impending supply-demand gap for airport connectivity and aviation activities like MRO & FBO in India and significant ramp-up in passenger traffic across the country, the state of Haryana is well positioned to provide the necessary environment required to create the demand for the development of Aviation sector in the State. Moreover, the state has levelled ground unaffected from terrain concerns which poses challenges for development of an airport infrastructures. Hence, the Government shall endeavour to create world class infrastructure to provide an enabling ecosystem for the upcoming units.

5.5 Aerospace and Defence as a Thrust Sector

With a pre-established ecosystem comprising of a strong ancillary base, abundant land banks, proximity to international airports and availability of technically skilled workforce, the State of Haryana is poised to become a leader in D&A manufacturing. Based upon an in-depth analysis, the State has identified Defence & Aerospace manufacturing as a thrust sector in its Haryana Enterprises and Employment Policy 2020.

5.6 Aerospace Development Park (ADP)

Aviation market is extremely dynamic and price sensitive and the existing RFP policy is time consuming and rigid. The Large Government mechanism is required to be enabled to oversee operations of concessionaire. Thus, to effectively utilize available spaces at the existing Airstrips and to utilize the infra by multiple users' commercials by leasing spaces on recommended Rate Card by Civil Aviation Department, Haryana (based on

AAI mechanism) is proposed. In case of amalgamation of concessionaires and Joint Venture is limited cost of Fire and Medical services, can be shared by multiple users. Approx. 20,000 to 27,000 Sqm area (AIZ) has been identified at the four minor Airstrips to be made available to impart aviation related activities mentioned as under:

- (i) Manufacturing and Assembly of smaller aircraft.
- (ii) Part MRO & Workshops for Rotables.
- (iii) Small scale Flying Training Organisations (3-6 Trainer Aircraft).
- (iv) RPAS (Drone) Assembly Manufacturing Research & Training (Narnaul & Karnal).
- (v) Aero adventure/ Aero Sports activities.
- (vi) Sub-base parking of helicopters & smaller aircrafts.

6. Definition

6.1 For the purpose of availing the benefits under this Policy, the eligible Aerospace & Defence Industrial units are defined as those which are designing, engineering, manufacturing, servicing, supplying such material/components/sub-assemblies, etc. to the Foreign or Indian OEMs/Tier I/Tier II/Tier III companies of Aerospace/Defence Industrial majors including HAL, ISRO, all Defence PSUs of GoI, Indian offset partners (IOPs), all defence & security forces viz. Army, Navy, Air force, Coast Guard, CRPF, State Police Department, etc. Construction of MRO Aircraft Hangers will also be considered as Aerospace/Defence Industry.

6.2 All the industrial units which have got the **AS9100 certification** are considered as Aerospace/Defence related industrial/service units. Any clarification in the case of interpretation on the definition of aerospace/defence industries unit may be given by Government as and when required.

6.3 **Aerospace and Defence Park** is defined as an industrial Park promoted by Private/Govt./PPP proponents with land developed with all related infrastructure with a minimum area of 50 acres and where at least 50% of the units located is Aerospace & Defence related.

6.4 **Ultra-Mega, Mega, Large, Medium, Small, Micro Enterprises** have been defined as per the Haryana Enterprises and Employment Policy 2020.

6.4.1 **Defining Mega Projects in 'A' Block** - The projects in 'A' Block having minimum Fixed Capital Investment (FCI) of INR 250 crore will be considered as Mega Projects. The project undertaking expansion/ diversification and identified service enterprises with same criteria of investment shall also be treated as Mega Project.

7. Eligibility

7.1 This policy shall come into effect on the date of its notification in the Government of Haryana official gazette and will remain in force till it is amended or superseded by the Government.

7.2 Units for which incentives has already been availed under Haryana Enterprise and Employment Policy 2020, shall not be eligible to avail benefits under this policy.

7.3 Units which will commence commercial production / operations post the date of notification of this policy will be eligible for availing incentives under this Policy.

7.4 This policy is applicable to new units coming up anywhere in A, B, C, and D blocks on land parcels with valid CLU permission or in Govt approved Industrial Estates / IMTs.

7.5 This policy is also applicable to existing Aerospace and Defence manufacturing units in Haryana undertaking an expansion / diversification, however, complying with the following:

- (a) Units undertaking expansion / diversification anywhere in A, B, C, and D blocks on land parcels with valid CLU permission or in Govt approved Industrial Estates / IMTs; and
- (b) Units undertaking an expansion / diversification, with an additional investment of at least 50% of FCI in gross block or as per the guidelines for Mega Project in HEEP 2020 in Aerospace and Defence Sector shall be eligible to avail incentives under this policy; or
- (c) Existing MSME units with at least an additional investment of 25% of original fixed capital investments and solely dedicated to Aerospace and Defence Sector shall be eligible to avail the incentives under this policy.

8. Policy Contours

The Haryana Aerospace & Defence Policy 2022 focuses on seven aspects of A&D sector:

8.1 Infrastructure Augmentation

- 8.2 Fiscal Incentives to reduce cost of business.
- 8.3 Human Capital development
- 8.4 Strengthening Connectivity
- 8.5 Development of MRO's
- 8.6 Development of MSME's willing to shift to A&D sector
- 8.7 Haryana Aerospace & Defence Investment Vehicle

This policy places a special emphasis on the creation of end-to-end ecosystem for Aerospace and Defence sector development. It envisages harnessing Haryana's inherent strength in automotive manufacturing sector for exploring opportunities in Aerospace and Defence manufacturing.

8.1 Infrastructure Augmentation

The Government shall endeavour to create world class infrastructure to provide an enabling ecosystem for the upcoming units.

8.1.1 Integrated Aviation Hub at Hisar

The Integrated Aviation Hub is being developed at Hisar, wherein 7200 acres of land have been earmarked for this purpose. It is proposed to set up a world class MRO as part of Hisar Aviation Hub, this will be a state-of-the-art facility which will provide full aircraft base maintenance services and will cater to the maintenance needs of regional and global airline customers. The state shall incentivize the units setting up operations in the earmarked A&D Cluster/Hub. The salient features of the Aviation Hub are as under:

- Existing runway to be extended to 4000m X 60m.
- Parallel runway of 4000mx60m.
- Aircraft Parking - 50 aircrafts in the Terminal & 50 aircrafts remote.
- Projected Traffic: 2.1 million passengers a year (70% international).
- Build MRO, FBO in upcoming aerospace park in Hisar facility on PPP model where players with expertise in MRO, FBO & Warehousing would be invited to participate.
- Type of connectivity - Multi-Modal Airport, Railway Terminal for Passengers & Goods, Truck Terminal, MRTS Terminal all in one Project.
- IAHH to be declared as a Special Economic Zone.
- 10 parking bays are being constructed for cargo and passenger aircrafts.

8.1.2 Aerospace Defence Park Development

8.1.2.1 Contribution of 50% of the project cost (excluding land) up to Rs. 50 crores for setting up of Aerospace Defence Park by any developer on minimum 50 acres of land.

8.1.3 Freight and Air Cargo Facilities

The air cargo movement has grown nearly by 19% as compared to 10% & 9% of growth in shipping and railways. Haryana is amongst the leading industrialized states in India, government wishes to encourage private players to utilize the air-cargo route and include suitable provisions for making a world class Cargo Hub in Haryana. Air cargo hubs are the engines of growth for aviation industry. The State Government is committed towards the growth of aviation sector with a focus on employment generation and industrial development. Concessions and incentives on investment will be admissible, as per eligibility, for investment to develop air Cargo Hubs and related facility development and logistics infrastructure in Haryana.

The State government will provide enabling infrastructure, support in development of fulfilment centres and support to attract new trending e-commerce businesses etc. and special facilitation centres with single window clearance facility for promotion of air cargo and logistics businesses.

8.1.3 (a) The Govt. of Haryana shall facilitate in developing cold storage chains and facilities to handle perishable goods, durables, and non-perishable commodities at the State airports, as per demand.

8.1.3 (b) Government of Haryana shall explore the requirement and possibilities for developing a Cargo Hub at newly planned Airports.

8.1.4 Upgradation of Airports/ Airstrips/ Heliport/ Helipads

Existing airstrip with runway length less than 5000ft will be upgraded by 9000 – 10000ft & all airstrip <5000ft will be upgraded by 6000ft by 2024. All new airstrip runway length will be 3500ft x 75ft.

8.1.4 (a) Airport Infrastructural Development

Master plans shall be prepared for modernization and expansion of existing airports and to construct new airports/heliports, regardless of their size or functional role.

- (i) Private participation shall be the preferred mode for majority of projects so as to bring in expertise in the most optimal manner.
- (ii) When required, the State Government may be requested to fund the project.
- (iii) Most of this future Greenfield airport projects within the State may be developed as needed with a joint venture company, which would become a subsidiary of CAD under PPP framework.
- (iv) The possibility of developing select district airports/heliports/helipads through wholly owned subsidiaries of CAD shall also be explored.

8.1.4(b) Ongoing & Futuristic Airport Development Schemes

The overall development plan for all existing and forthcoming Civil Strips and Aviation Hubs across Haryana State are as under:

Airport/ Airstrip	Details of Activities being undertaken/ Proposed Activities	
Hisar	Development of Integrated Aviation Hub at Hisar	
	(i)	Transfer of 7200 acres' land for Integrated Aviation Hub, of which 4200 acres have been transferred.
	(ii)	Extension of Runway from 4000 ft. to 9000 ft. with Taxiway & Apron.
	(iii)	Development of Airport Infrastructure like Terminal Building, Aeronautical Ground Lighting.
	(iv)	Augmentation of Navigational Aids to upgrade VFR to IFR Aerodrome
Karnal	Development of Karnal Domestic Airport Project	
	(i)	Acquiring of 54 acres' land for extension of runway for large aircrafts.
	(ii)	Extension of Runway from 3000 feet to 6000 feet
	(iii)	Development of Airport Infrastructure like Terminal Building, ATC and Airport Fire Station
Bhiwani	Extension of Runway length	
	(i)	Extension of runway from 3000 ft. to 4500 ft. for large aircraft operations
	(ii)	Development of Airport Infrastructure for RCS Operations
Narnaul	Enhancement in operational capability of Airstrip & Conduct of Aero Sports/ Aero Adventure activities	
	(i)	Construction of Boundary wall
	(ii)	Development of Airport Infrastructure for RCS Operations
Pinjore	Development of Heliport	
	(i)	Aerodrome Licensing and development of Heliport for RCS operations

8.2 Fiscal Incentives Offered by the State**8.2.1 NET SGST Reimbursement**

100% of Net SGST for 10 Years in D Category blocks with cap of 125% FCI

75% of Net SGST for 8 Years in C Category blocks with cap of 125% FCI

50% of Net SGST for 7 Years in B Category blocks with cap of 100% of FCI

8.2.2 Capital Subsidy

- 5% of Fixed Capital Investment (FCI) in B, C, D block with maximum Cap of INR 10 crores.
- 5% of Fixed Capital Investment (FCI) in Integrated Manufacturing Cluster, Hisar with maximum Cap of INR 20 crores.
- 5% of Fixed Capital Investment (FCI) in radius of 25 kms of Maharaja Agrasen Airport, Hisar with maximum Cap of INR 20 crores.
- 5% of Fixed Capital Investment (FCI) in category of B, C & D blocks and in radius of 10 kms of all airstrips in Haryana (except Hisar Airport) with maximum Cap of INR 10 crores.

8.2.3 Employment Generation Subsidy

A subsidy of Rs 48000 per year shall be provided for all categories of employees with a salary of not more than Rs 40000 per month in B, C & D category Blocks. The subsidy would be provided for 7 years for direct employment on pay roll or contract with valid ESI / PF number, having Haryana Resident Certificate.

8.2.4 Stamp Duty

A&D units in B, C & D Blocks shall be eligible for reimbursement of 100% stamp duty on sale / lease deeds after commencement of commercial production within 5 years from the date of purchase of land.

8.2.5 Electricity Duty Exemption

100% electricity duty exemption for a period of 10 years for units in B, C, D Block. In case of the expansion / diversification of the existing units, a mechanism will be made to exempt electricity duty in lieu of incremental consumption of Power.

8.2.6 Land Concession

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.

8.2.7 Research & Development Assistance

Financial assistance @50% of project cost, subject to maximum of INR 20 crores, shall be given to units registered with Department of Scientific and Industrial Research to facilitate research and innovation, throughout the State.

8.2.8 Freight Subsidy

Export Freight subsidy shall be as per policy of Government for export promotion from time to time.

8.2.9 Subsidy for Setting Up ETP

One-time capital subsidy up to 60% of cost of ETP subject to ceiling of INR 50 lakhs would be provided to units in all blocks.

8.2.10 Awards

Awards would be given to units for new ventures, innovation for their outstanding contribution to the sector and for this a corpus of INR 1 crores would be created for policy period.

8.3 Human Resources Development**8.3.1 Human Capital Development**

The progress of the A&D Manufacturing industry is highly dependent on the availability of high-quality manpower. While Haryana is home to more than 160 Engineering Colleges and more than 190 polytechnic colleges, many of these technical institutes offer specialized courses in Aeronautics. Further, Haryana is privileged to have a reputed aviation institute like Haryana Institute of Civil Aviation. The state will facilitate the augmentation of the quality and quantity of talent in the state through Skill development programs and identify the university/institution in the State to forge a tripartite collaboration with International University such as Embry-Riddle Aeronautical University.

Government of Haryana is committed to take various steps to support Human capital development in the State such as:

(i) **Curriculum development**

Introduce Aerospace Specific Content in ITI & Polytechnic and preparing specialized curriculum with the consultation of industry expert & international university. In this process, Polytechnics would be identified in suitable locations and begin courses pertaining to the Aerospace & Defence sector.

A grant – in aid of INR 50 Lakhs shall be provided by the Government of Haryana to the Private / State Universities for starting the technical Courses / Curriculum pertaining to Aerospace and Defence. However, these courses must be developed in consultation with the Department of Civil Aviation so that the Courses are aligned to the industry need.

(ii) **Research & Innovation Student Loan Guarantee program**

The Government of Haryana shall offer loan guarantee on the lines of credit guarantee scheme offered to students of Higher education under the Credit Guarantee Scheme of Finance Department, Government of Haryana.

8.3.2 Setting Up Aerospace & Defence University & Flying School

To Leverage the Government of Haryana Aviation Training Centres at Karnal & Pinjore and for the development of a Large Flying Training Organisation established at Hisar, an Aerospace University would be set up near to these premises. An 'Incubation Fund' is proposed to be set up, to extend seed capital support to cutting edge technology incubation / start-ups engaged in the development of aerospace, defence, surveillance and cyber security related solutions.

8.3.3 Development of Human Resources for Civil Aviation

Growth in Civil aviation will require trained work force like Pilots, Aircraft Maintenance Engineers, Ground Handling Professionals, Cabin Crew, IT and Support service professionals, airport related professionals etc. State government will promote aviation related courses in premier institutes / universities in Haryana e.g., IITs, NIT and Universities at Jhajjar, Rohtak, Hisar, Kurukshetra, Sonapat, Panipat to generate skilled work force and professionals for Civil Aviation Sector. At present, in Haryana, flying training academies (at Karnal and Pinjore) are functional and conducting Commercial Pilot License (CPL) courses approved by DGCA. Aeronautical Training Institute (ATI) at Gurugram owned by Private entities are being engaged in providing diploma courses for AME in Airframe & Engine, avionics, helicopter operations and Power Plant. State government will encourage to provide support to facilitate the training of aviation professionals as follows:

(i) State government will extend the scholarship scheme available for diploma and graduate courses to the courses related to AME, Cabin Crew and other civil aviation professionals.

(ii) A special cell will be made at directorate level to engage with airlines to support placement services to graduating and aspiring civil aviation professionals of Haryana State.

8.3.4 Aviation Training Organisation (ATOs)

Growth in civil aviation will require trained work force like Pilots, Aircraft Maintenance Engineers, Ground Handling Professionals, Cabin Crew, IT and Support service professionals, airport related professionals etc. State government will promote aviation related courses in premier institutes / universities in Haryana. ATOs includes all Flying Training Institutes/Schools/Organisation/Centre/Club which imparts flying training to aspirant Pilots and also include hospitality, Airhostess Training Academy, Flight Simulator Training, Airport Management Institute, AME Schools/Colleges, Aviation Universities/Colleges. Government has taken opinions from the existing private players in aviation training activities and plans to provide necessary assistance for promoting Aviation Training Organization.

(i) State government will extend the scholarship scheme available for diploma and graduate courses to the courses related to AME, Cabin Crew and other civil aviation professionals. A special cell will be made at directorate level to engage with airlines to support placement services to graduating and aspiring Civil Aviation professionals of the State.

(ii) Tuition Fees Subsidy: The Government of Haryana shall also grant a subsidy of INR 5 lakhs per student to Flight Training Institutes who are training students on various skills such as Cabin Crew, Pilots, etc.

(iii) CAD shall support existing and upcoming institutes through specific cooperative and supportive measures. CAD would issue accreditation certificate to training institutes on basis of which they would be able to claim benefits under this policy such as wavier of Municipal Tax, VAT on ATF, request for 'Right of Use' of State Government Airfields. CAD would be allowed to form a PPP /Open Bid/ Lease and special package depending on investment with private partners to establish a world class

aeronautical institute in Haryana through bid processes or first come first serve basis, which may impart training in all division of Aviation from the State.

8.3.5 Right to Usage Policy for Aviation Education & Training

Certain airstrips may also be allowed to be utilized for the purpose of promoting Training & Educational activities (ATOs) in the field of aviation. For this purpose, the State Government airfields shall be categorized in three categories.

- (i) **Cat 'A'**: shall be the airfield within 100 K.M. of metro City/Tourist & religious destination/Education hub/industrial hub provided the minimum investment will be decided by HPC.
- (ii) **Cat 'B'**: shall be the airfield within Backwards areas like Narnaul, and Bhiwani etc. provided the minimum investment will be decided by HPC.
- (iii) **Cat 'C'**: rest shall be Cat 'C'. provided the minimum investment will be decided by HPC.

8.3.6 The State Government airfields would be allowed to be utilized under 'Right to Use' model for a maximum period 30 years. The 'Agreement for Right to Use' shall be also renewable for another period of further 20 years on mutually agreed terms if there has been no breach Private participation through public call for Expression of Interest (EoI) or through Memorandum of Understanding (MoU) shall be followed.

8.3.7 The annually charges for 'Right to Use' for airfield would be based on GoH stipulated Non-Aeronautical Charges. The rates shall be revised every 5 years upwardly. The State Government will provide following for state owned airstrip:

- (i) Runway re-carpeting full length (Every 5 years)
- (ii) Boundary wall construction /Maintenance (Every 5 years)
- (iii) Construction /Maintenance VIP lounge (if exists)
- (iv) Electricity and concessional rates
- (v) Free Water
- (vi) Road Connectivity
- (vii) New Construction & Maintenance of Runway/Taxiway/Apron.

8.3.8 The airfield location shall be allowed to utilize airstrips and available connected facilities for flying-training and tourism-purposes only. The design layout details of the proposed institute/complex for the given airfield shall be finalized by the selected private operator with due approval of the Govt. of Haryana. The built-up structures such as space or hangers for aircraft repairs and maintenance, hostel/ hotel/ resort/ classrooms/ office space shall be operated by the Private Operators and shall not exceed 5% of the total area.

8.3.9 The Govt. of Haryana may grant 'Right to Use' of the existing or future State Government airfields to selected private operators through public procurement (either EoI or MoU process), for using the airstrip for aviation and tourism purpose for a maximum period of 30/40 years. The airfield on record shall be continued to be owned by CAD on behalf of the State Government.

8.3.10 The successful operators shall enter into an agreement with the CAD which shall set out the mutual rights and responsibilities of the parties, operational framework and arrangement of the concession, containing inter alia, the procedure to be adopted in the event of breach of the terms of the Agreement.

8.3.11 The department shall allow the use of the airfield and other available connected facilities for the agreed period of operation subject to terms and conditions stipulated in the Agreement signed between Govt. of Haryana and the Operator.

8.3.12 The department shall have the right to inspect the buildings/facilities/ plant and machinery of the operator – owned or leased – at any time.

8.3.13 A committee whose final composition would be decided by the department would consist of at least one representative each from the Govt. of Haryana and the concessionaire(s) for a given airfield would meet once every six months or earlier, if needed, for operation and other discussions.

8.3.14 The operator would not be allowed to utilize the airfield for unauthorized activities other than tourism, aviation purpose (MRO/Aviation training school), construction of hostel/ classrooms /office space etc.

8.3.15 The infrastructure created by concessionaire/operator, at the end of term shall stand transferred to the Government on as is where basis on zero book value.

8.3.16 The concessionaire/ operator would be allowed to undertake beautification work of the airfield and plantation within the guideline as laid down by DGCA.

8.3.17 All the maintenance and general repair for airstrip and surrounding facilities may be undertaken by operator. The Govt. of Haryana would be authorized to give instructions for major maintenance. The maintenance would include work like resurfacing, boundary wall, repairs to building and all such works those would be felt necessary to keep the airfield operational as per DGCA guidelines.

8.3.18 The agreements can be cancelled anytime for breach of any condition, for failing to maintain the facilities or failure to pay charges, after a notice of 06 months from the Govt. of Haryana.

8.3.19 Government can utilize the airstrips for landing or flying its own or authorized aircrafts or utilize any other aviation infrastructure in an airfield which has been given partly to a concessionaire/ operator, anytime without any charges.

8.3.20 The airstrip developer/ operator shall need to incorporate usage of renewable energy sources like solar power, rainwater harvesting in designs and subsequently implement them.

8.4 Strengthening Connectivity

8.4.1 Regional Connectivity Scheme-UDAN

8.4.1.1 Government of India's Regional Connectivity Scheme- UDAN

For RCS, Airstrip Airport Authority of India will be developing the airstrips into no-frills airports with the financial assistance of Government of India, once successful RCS bidding covers that airport. The state government has the option to form an SPV/company on its own or with Airport Authority of India for developing airports, upgrading airstrips to no- frill civil airports and managing these airports. State government may explore the possibilities of development or up-gradation of airports on PPP mode. The No- Frills Airports will be later upgraded on requirement basis. The cost of up-gradation of airstrips to No-Frills airports cost will be borne by Government of India at an indicative cost of Rs 50 Cr to Rs 100 Cr without insisting on financial viability as indicated in Para 4.d of National Civil Aviation Policy 2016.

For RCS MoU Between State Government, MoCA and AAI: The State Government will provide the following for RCS operations from the State, according to the provision of MoU and NACP 2016.

- (i) Security arrangements from the State at RCS airports.
- (ii) Fire, Medical and Ambulance services from the State at free of cost at State RCS airports.
- (iii) Electricity at substantially subsidized rates and Water service at free of cost.
- (iv) Provision of ATF fuelling facilities at RCS airports in coordination with Oil Marketing Companies
- (v) Connectivity with the nearby main city.

8.4.2 Enabling Eco-System

The government will facilitate the air travel by allowing the following categories of officers and employees to travel on RCS Plus Intra/Inter State flights for all official purposes or for LTC travel purpose.

- (i) Class I & II officers on official tours.
- (ii) All Govt. officers for air travel on LTC.
- (iii) Any other officer / employee (who is not entitled for air travel) with the approval of competent authority on all RCS flights with origin and destination of Haryana.
- (iv) Publicity support for RCS routes will be provided by the state government through Information and Tourism department
- (v) Ambulance services and medical facilities at the airports will be provided by Department of Medical and Health of state govt. free of cost.
- (vi) Dedicated bus service 'to & fro' from airport will be provided by Haryana State Transport Corporation.
- (vii) Road connectivity of all RCS airports will be ensured and maintained by PWD department on priority.

- (viii) To promote medical tourism in Haryana the Department of Tourism and Department of Medical and Health of State government will facilitate airlines to collaborate with reputed medical institutions and hospitals.

8.4.3 Intra/Inter-State Air Connectivity/Air Shuttle Services – connecting Haryana better.

Intra-state aviation encompasses Airline and General Aviation activities within the state of Haryana. A flight from one airport within Haryana to another airport in Haryana and neighbouring states would be termed intra/inter-state aviation. To provide alternative and sustainable transportation option to local and visiting populace alike, intra-state air connectivity shall be an appropriate solution. Therefore, Government intends to formulate suitable policy framework to promote intra-state air connectivity to connect more locations within State and to Neighbouring States.

- (i) Improving Connectivity at Intra/Inter-State airport: The state Government intends to improve air connectivity on existing Intra/Inter- state airports also by providing certain incentives for short term. Incentives or provisions for Intra/Inter-state airports will be valid initially for one to three years and will only be applicable to single flight per route to the first bidder/proposer. In case of multiple bidders in the same bidding process, the one with proposal of least incentives in monetary terms will be considered. Only airlines/air operators fulfilling DGCA norms and standards shall be covered under this.
- (ii) Provisions for connecting Intra/Inter-State Airports in Haryana with airport in or outside Haryana

All new flights connecting a Intra/Inter-state airport in Haryana. to Intra/Inter- state airport in or outside Haryana. (Wherein origin and destination were not connected through a direct flight.) Will be eligible for the following incentives/concessions:

- **VAT on ATF** for all such new routes will be waived off for one to three years (as per the approval of the authorities) from date of operation.
- **State VGF** based on the guidelines of Government of India Regional Connectivity Scheme, UDAN (*Ude Desh Ka Aam Nagrik*)
- **Reimbursement of S-GST** on sale of air tickets on new flights: The airlines will be reimbursed S-GST received by State Government on account of sale of air tickets on new flights on monthly basis for one year from the date of operation.

8.5 Development of Maintenance, Repair and Overhaul Organisation (MROs)

Presently there are various MROs operational in India. Out of main Six MROs, 03 are in Mumbai while 01 each in Hyderabad, Nagpur, and Bangalore. This policy shall address to the need of creating one world class MRO in Haryana. Growth in aviation sector necessitates the development of adequate Maintenance, Repair and Overhaul (MRO) facilities for the aircrafts operating in the Country. The state government will facilitate and incentivize the proposals for setting up of new MRO facilities at existing airports or at new locations in Haryana.

8.5.1. Incentives and Concessions:

Government of Haryana (GoH) shall promote at least one world class MRO facility in the State through Bid Process or PPP or Viability Gap Funding (VGF) mode. CAD shall institute the study to prepare a profile of the market in MRO segment in aviation sector. GoH and CAD shall extend all possible cooperation toward development of such projects, which shall help increase the aviation activity in the State. GoH intends to give specific incentives and concessions towards achieving this goal. The Government through CAD will make available:

- (i) CAT – ‘A’ for large size MRO’s (for Airbus, Boeing, Embraer etc.)
- (ii) CAT – ‘B’ for Mid-size MRO’s (for Falcon, ATR, Q-400, Citation etc.)
- (iii) CAT – ‘C’ for Turbo prop/ Piston MRO’s (like B200/ C-90/ Cessna/ Diamond etc.)
- (iv) CAT – ‘D’ for Aviation Shop/ Aircraft Parts Manufacturing/ Engine Manufacturing etc.

8.5.2 MRO setups in Haryana will be given 100% reimbursement of Net SGST levied on MRO job contracts from domestic or international airlines. Also, 50% of Net SGST levied will be reimbursed on the purchase of aircraft parts or other accessories used for aircraft maintenance. These incentives will be provided for ten years and will be put up for Govt. approval of case-to-case basis.

8.5.3 As per New Aviation Policy, Airport royalty and additional charges will not be levied on MRO service providers for a period of 5 years.

8.5.4 To enable economy of scale, GOI has provided the window of 3 years for the utilization of duty (custom) free parts, Haryana Government will widen this window to 5 years and will bear the additional cost on this account.

8.6 Development of Micro – Small and Medium Enterprises (MSME)

The State has around 90,000 MSMEs with total investment exceeding INR 15,000 Crore and employing more than 8.90 Lacs persons. Today, almost all the districts of the State have witnessed industrial development in varying degrees. Local manufacturers produce various engineering goods including auto components, switch gears, refrigerators telecommunication equipment, electrical goods, rubber products, light engineering goods etc. With unemployment rate at 4.8%, it is imperative to focus on the MSMEs for creation of employment opportunities and to revitalize economic growth.

With a view to providing focused attention on the MSMEs, slew of steps would be taken which include formation of Incubation cell to encourage the R&D in this sector and MSMEs be the beneficiary of technological innovation conceived out of this program. Mentoring program for MSMEs shall be facilitated to help them to diversify/upgrade, getting certification as per the requirements of OEMs. The need of inclusion of a specialized package incentive on MSMEs has also become imperative.

Players who aspire to become suppliers in Aerospace & Defence sector shall be given following additional incentives:

8.6.1 Patent Fee Reimbursement:

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.

8.6.2 Interest Subsidy:

5% Interest Subsidy for Micro, Small and Medium Enterprises on term loan subject to maximum of INR 20.00 lakh per year for 5 years.

For Mega and Large A&D enterprises, 5% Interest Subsidy on term loan subject to maximum of INR 1.00 Crore per year for 5 years.

8.6.3 Trademark Registration:

100% of the cost of the application for trademark registration or ₹25,000, whichever is less.

8.6.4 Quality Certification Fee Reimbursement:

MSMEs shall be financially supported for obtaining certifications like AS-9100 series and NADCP etc.; reimbursement would be up to 100% of fee limited to INR 5 lakh for each certification.

8.6.5 Market Development Assistance:

- (i) **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.
- (ii) **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.

8.6.6 MSME Diversification/Modernization Program:

A Corpus fund of INR 50 crores would be created with aim of modernization and diversification of ancillary units in Haryana in order to align/upgrade their capability to meet the components & quality requirements of aerospace & defence manufacturing anchor unit.

- i. The unit would be given financial assistance of up to INR 25 lakh to upgrade/enhance capability to cater to the need of anchor units in A&D manufacturing sector. Only such unit would be covered under this scheme which would be supplying components to anchor unit, worth of double of financial assistance.

- ii. A Handshaking Conference shall be organized by the State Government in order to facilitate a dialogue between foreign Defence Contractor to India and local MSME units with a potential to become vendor of these contractor to fulfill their offset obligation.
- iii. Industrial visits shall be organized for select MSME units to give them exposure of leading manufacturing practices in Aerospace and Defence sector
- iv. Capacity Development Program would be conducted, under which local units would be attached with key anchor, to understand the modern technologies and accordingly enhance their capability.

8.6.7 Awards

Awards would be given to MSME units for new ventures, innovation for their outstanding contribution to the sector.

8.6.8 Other Incentives

Apart from the incentives mentioned in this policy, all other incentives not covered in the aforesaid incentive heads but applicable for MSME in HEEP 2020 would be also available for MSME in A&D Manufacturing sector.