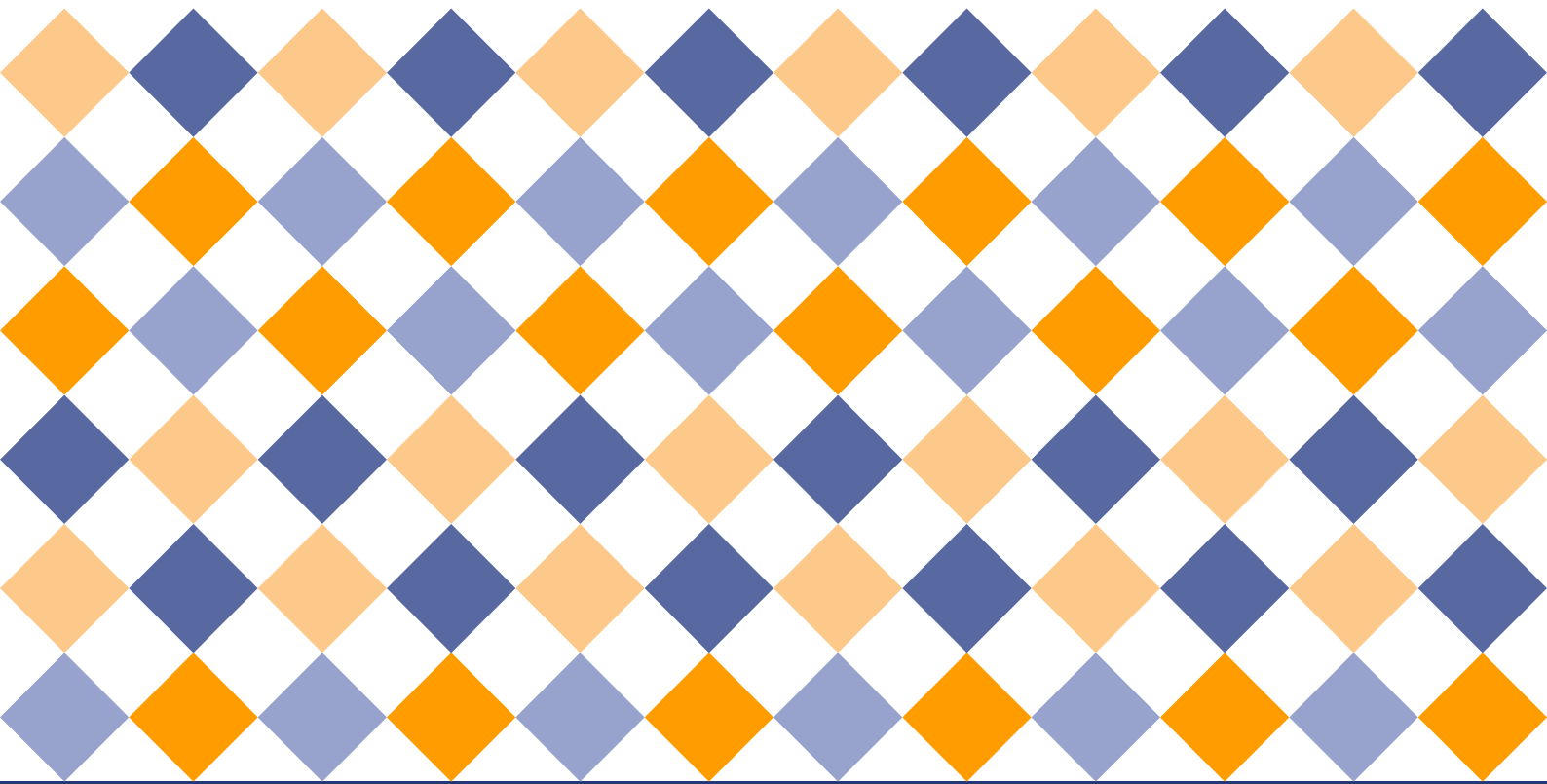




Government of Rajasthan

RAJASTHAN INVESTMENT PROMOTION SCHEME 2022



Driving Rajasthan's Economic
Growth through Accelerating Investments

Foreword



Government of Rajasthan

Our government started creating an ecosystem of employment and economic growth by launching RIPS 2019 which provided the necessary impetus and boost to the industrial environment of the State. Now, I am glad to present The Rajasthan Investment Promotion Scheme (RIPS) 2022-27 which will be a transformational investment policy.

RIPS 2022 will enable Rajasthan to deliver inclusive, balanced, and sustainable economic growth. This policy will further revitalize the manufacturing and services sectors to achieve scalable industrial growth through capital infusion, world-class infrastructure facilities, and technological advancements.

This is a progressive policy which aims to generate large scale employment opportunities. There is an additional impetus to promote our rural and backward areas to enable inclusive and distributed development across the State. RIPS 2022 will make Rajasthan's value proposition highly competitive and position the State as a preferred investment destination for global investors.

This policy will also help the State to take a quantum leap in its economic development trajectory by capitalizing on the opportunities offered by global mega trends. The Policy places particular emphasis in providing an enabling ecosystem for technology innovation by promoting Startups, R&D, Data Centers and IT Services. The policy also recognizes Thrust and Sunrise sectors to further augment the State's capability of developing a niche in new and upcoming areas. Rajasthan also aims at becoming a pioneer in climate and sustainability by incentivizing green initiatives.

This policy reflects a continued commitment of our Government to strengthen the State's economy in collaboration with the private sector and investors. RIPS 2022 will enable Rajasthan to create an inclusive ecosystem dedicated to the prosperity and overall development of its citizens.

ASHOK GEHLOT

Chief Minister, Rajasthan

Contents

01

Preamble	6
Need for a New Policy	13

02

Plan of Action	14
Vision & Mission	14
Objectives	15
Design Principles	15

03

Scope of the Policy	16
----------------------------	----

04

Focus Categories	20
-------------------------	----

05

Incentive Packages	24
---------------------------	----

06

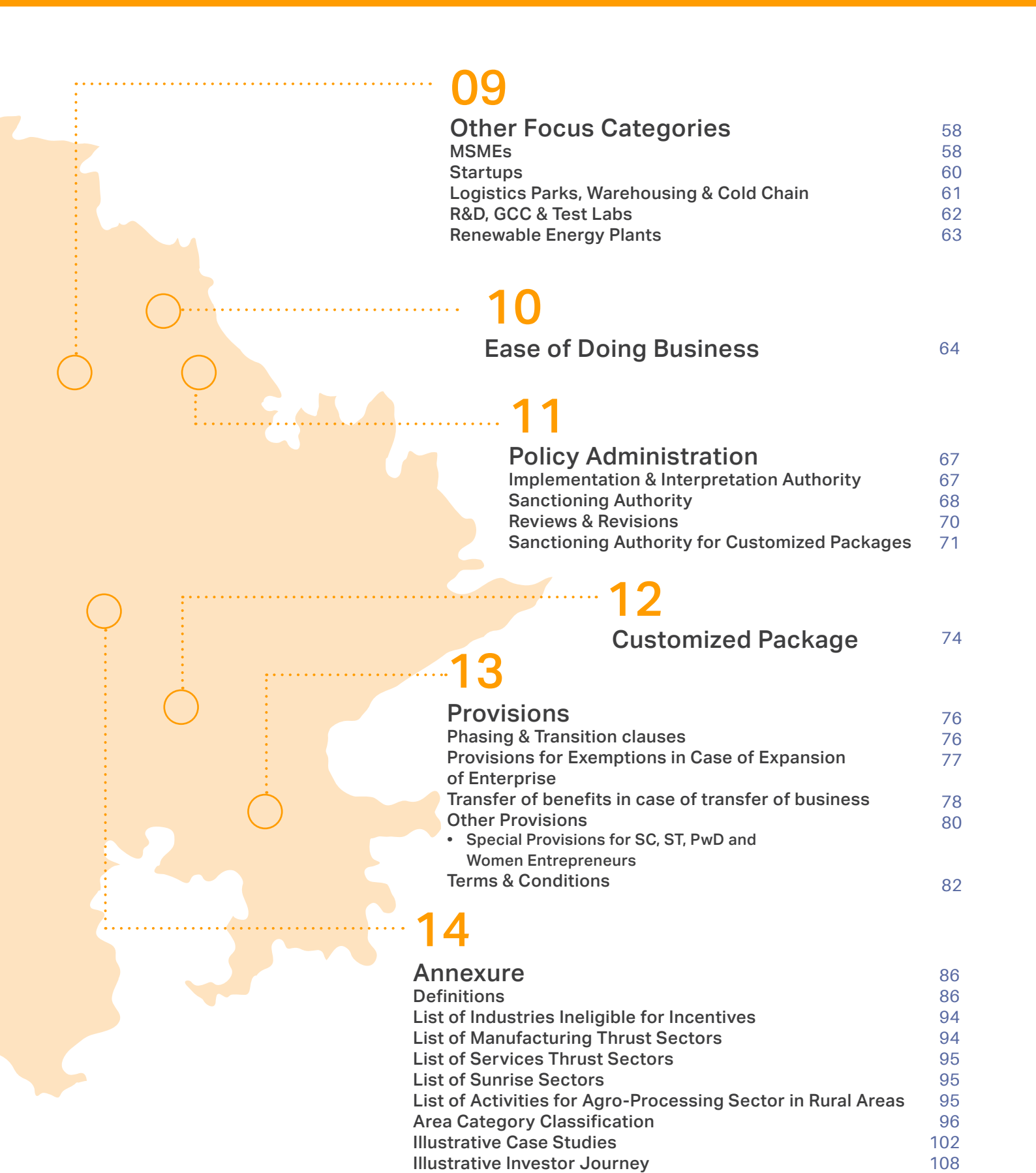
Manufacturing	25
Standard Package	26
Additional Package for Thrust Sectors	38
Anchor Investments	39
Maximum Extent of Incentives	40

07

Services	42
Standard Package	43
Additional Package for Thrust Sectors	52
Anchor Investments	53
Maximum Extent of Incentives	54

08

Sunrise Sectors	56
Standard Package	57



09

Other Focus Categories

MSMEs	58
Startups	60
Logistics Parks, Warehousing & Cold Chain	61
R&D, GCC & Test Labs	62
Renewable Energy Plants	63

10

Ease of Doing Business

64

11

Policy Administration

Implementation & Interpretation Authority	67
Sanctioning Authority	68
Reviews & Revisions	70
Sanctioning Authority for Customized Packages	71

12

Customized Package

74

13

Provisions

Phasing & Transition clauses	76
Provisions for Exemptions in Case of Expansion of Enterprise	77
Transfer of benefits in case of transfer of business	78
Other Provisions	80
• Special Provisions for SC, ST, PwD and Women Entrepreneurs	
Terms & Conditions	82

14

Annexure

Definitions	86
List of Industries Ineligible for Incentives	94
List of Manufacturing Thrust Sectors	94
List of Services Thrust Sectors	95
List of Sunrise Sectors	95
List of Activities for Agro-Processing Sector in Rural Areas	95
Area Category Classification	96
Illustrative Case Studies	102
Illustrative Investor Journey	108

Section 01

GOVERNMENT OF RAJASTHAN
FINANCE DEPARTMENT
(TAX DIVISION)

No. F.12(32)FD/Tax/2022-49

Date: 7 October, 2022

ORDER

Preamble



Occupying an area of 3.43 lakh square km¹ and covering 10.4% of the total landmass of the country¹, Rajasthan is inarguably the largest and perhaps one of the most vibrant States of India. It has an unusual diversity in its entire form – people, customs, culture, music, dialects, cuisines, and physiography. The State has not only meaningfully contributed to India's heritage and cultural identity but has also positioned itself as an attractive investment destination.

Rajasthan's Gross State Domestic Product (GSDP) is valued at INR 9.5 lakh crore in FY 21-22² with an average growth rate of

11%². It is the seventh largest contributor to India's GDP¹. Further, Rajasthan ranks fifth in the country in terms of industrial output which accounts for 26.8% of the State's GSDP³. The five major industries in the State from the perspective of industrial output are metals, minerals, food products, textiles and chemicals.

Industrial development and inflow of investments have gained momentum in Rajasthan. Apart from industry friendly policies, the State's prime focus has been to create world class industrial infrastructure. The State Government has been rapidly transforming the industrial landscape of Rajasthan with

Source: 1. Department of Industries & Commerce, Rajasthan. 2. Rajasthan Economic Review 2021-22 3. Department of Planning, Rajasthan.

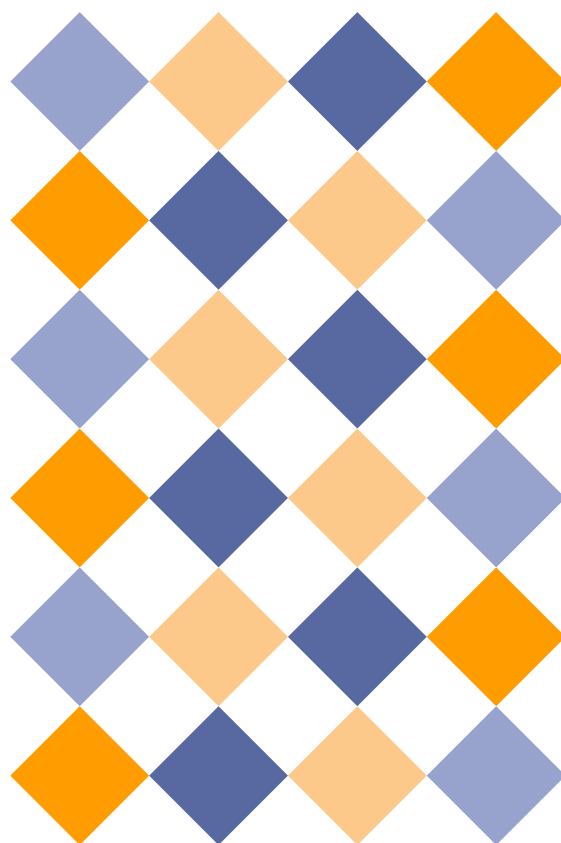
pro-business policy interventions to attract fresh investments.

Rajasthan is emerging as an investment powerhouse which is reflected in the 4000 plus Memoranda of Understanding (MoU) and Letters of Intent (LoI) that have been signed as part Rajasthan's recent investment drive¹. The new Rajasthan Investment Promotion Scheme 2022 aims at making Rajasthan a preferred investment destination through competitive incentive offerings and greater flexibility for investors.

Rajasthan's appeal as an investment destination stems from the State's abundant resources in terms of minerals, land, energy, and skilled manpower which are essential for industrial establishments. The State also provides excellent economic opportunities for industrial growth through its marquee economic corridors. The upcoming Rajasthan Petroleum, Chemical and Petrochemical Investment Region (Rajasthan - PCPIR), Barmer. Jodhpur-Pali-Marwar Industrial Area (JPMIA) and Khuskhera-Bhiwadi-Neemrana Investment Region (KBNIR) are some of the most promising infrastructure projects to facilitate mega investments and generate employment opportunities for the public at large.

These attributes make Rajasthan an ideal destination for investors from diverse business segments. There are certain key advantages that the State offers in terms of:

1. Strategic Location & Connectivity
2. Robust Infrastructure
3. Natural Resource Advantage
4. Skilled Manpower
5. Effective Governance
6. Law and Order



1.1

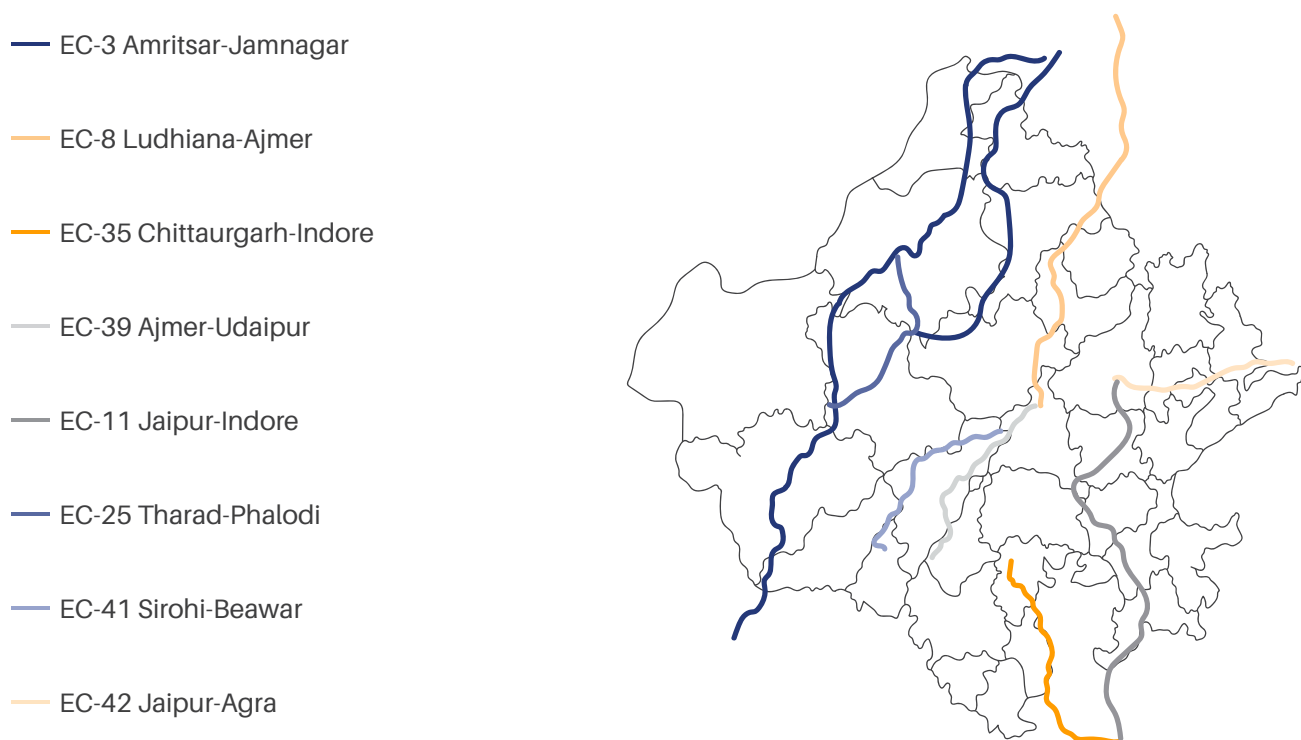
Strategic Location & Connectivity

Rajasthan shares its borders with the States of Haryana, Punjab, Gujarat, Madhya Pradesh, and Uttar Pradesh. This unique geographical advantage allows enterprises based in Rajasthan to directly access 40% of the markets in India⁴. Rajasthan also lies at the crossroads of multiple trade corridors and is thus well-positioned to garner a significant part of the country's trade. Nearly 39% of the Dedicated Freight Corridor (DFC), connecting Delhi to Mumbai, passes through the State⁴. Further, the Golden Quadrilateral and East West Corridor pass through Rajasthan. Additionally, the refineries in Rajasthan along

with the corresponding downstream projects have an excellent connectivity and locational advantage through access to the DMIC and the Western Dedicated Freight Corridor (WDFC). Rajasthan also enjoys access to the major ports of Kandla, Mundra, and JNPT and is easily accessible to other industrial areas.

Out of the 44 identified Bharatmala Economic Corridors in India, there are 8 industrial corridors which pass through Rajasthan⁵ (Exhibit 1). These inter-corridor feeder routes create a grid with more than 30 districts within the State⁵, ensuring both first and last mile connectivity.

Exhibit 1: Strategic Location – Bharatmala Economic Corridors passing within Rajasthan



Source: 4. India Brand Equity Foundation, Rajasthan. 5. Press Release

Rajasthan has a well-developed road network, with a total road length of more than 2.3 Lakh Kms. The State provides excellent connectivity to all major cities in the north, west, and central India with the second largest national highway network in the country - exceeding 7,000 Km⁶. Rajasthan also has the second largest rail network in India with a rail route of 6000 Km⁷. Further, the international airport at Jaipur has direct connectivity to major Indian and overseas cities such as Dubai, Muscat, Singapore, etc. There are six additional airports at Jodhpur, Ajmer, Udaipur, Kota, Jaisalmer, and Bikaner.

The State has one multimodal logistic park which is operational at Khatuwas in Alwar while 4 more are in the pipeline at Kisangarh (Ajmer), Kota, Jaipur, and Pali¹. The requirement of a port has been effectively covered by the development of 9 Inland Container Depots (ICDs) and 2 Container Freight Stations¹ at strategic places in the State along with an Air Cargo Complex.

be established in the State. Further, sector-specific parks like Electronic Manufacturing Cluster, Medical Devices Park, FinTech Park, Apparel Park, Solar Park, Auto Zone, Ceramic & Glass Zone, Electric Vehicle Zone, etc., are also available to enable cluster based development.

Besides this, there are IT parks at Jaipur, Jodhpur, Kota, and Udaipur. Agro Food Parks at Kota, Jodhpur, Sriganganagar, and Alwar. A Gems and Jewelry Zone at Jaipur, and a Cable Zone and Garment Zone at Bhiwadi. The State also has India's first country-specific zone, i.e., the Japanese Zone at Neemrana where 45+ units are currently in operation. Further, Rajasthan recently announced the opening of a FinTech Park at Jaipur which is expected to roll out in FY22.

1.2

Robust Infrastructure

As the largest State in India, Rajasthan offers land in abundance and at competitive prices. The Rajasthan State Industrial Development & Investment Corporation Limited (RIICO) has 390+ well-developed industrial areas with robust infrastructure and facilities for units to



Source: 1. Department of Industries & Commerce, Rajasthan. 6. Ministry of Road Transport and Highways.
7. Statista: Route length of railways across Rajasthan in India

1.3

Natural Resource Advantage

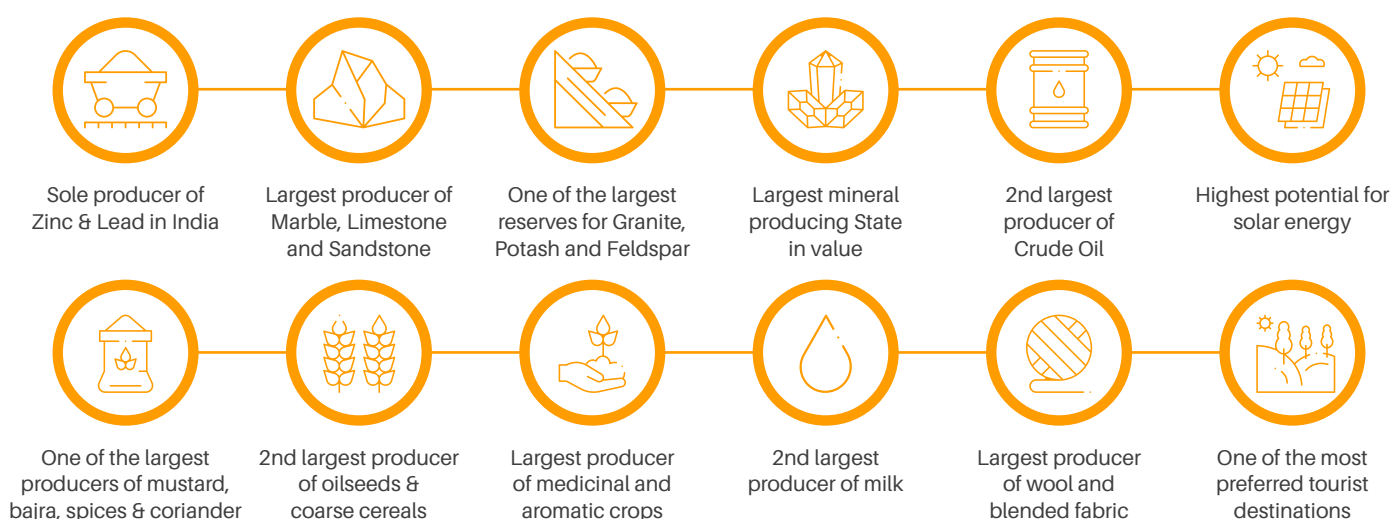
Rajasthan meets over one-third of its energy requirements through renewable energy. With about 325 clear sunny days per year and the highest solar radiation, at 5.72 kWh/sqm a day², in the country, the State offers great potential for the development of solar energy and its ancillary industries. Currently, the State has the largest solar power generation installed capacity of over 13,000 MW in the country² along with having one of the world's largest Solar Parks, situated in Jodhpur.

As far as mineral wealth is concerned, Rajasthan is the second largest mineral producing State of the country in terms of value. Producing 82

major and minor minerals⁸, the State offers rich opportunities in mining, extraction, and value addition. Rajasthan is the sole producer of Zinc and Lead in India and the largest producer of Limestone, Rock Phosphate, Selenite, Gypsum, Silver, Copper Ore, Potash, Sandstone, and Marble. Makrana region is a world-famous center for marble mining.

Separately, Rajasthan is the largest onshore producer of Crude Oil and second largest producer of Natural Gas, after Assam, in India. Besides mining and mineral extraction, opportunities exist in the manufacturing of ceramic tiles, sanitary-ware & insulators, porcelain and Bone China tableware, refractories, glass, bio-ceramics, industrial ceramics, etc. Specifically, the State has an exclusive Ceramic & Glass Industrial hub spread over 750+ acres at Neemrana.

Exhibit 2: Rajasthan has a huge advantage in terms of natural resources vs other peer States



Source: InvestIndia; Economic Review of Rajasthan 2021-22; Ministry of Petroleum & Natural Gas, 2021-22; Indian Minerals Yearbook 2021-22

Source: 2. Rajasthan Economic Review 2021-22. 8. Indian Minerals Yearbook 2021-22.

1.4 Skilled Manpower

Rajasthan has the advantage of qualified manpower as it is home to premier educational institutions like IIT Jodhpur, IIM Udaipur, BITS Pilani, MNIT, Jaipur, LNMIT, Jaipur, NLU, NIFT, IICD, FDDI, NIPER, etc. There are 100+ engineering colleges, 1,600+ ITIs, 220+ polytechnics, and dedicated Skill Universities⁹ which further augment its educational infrastructure. The State Government is committed to Human Resource development and has actively promoted private sector participation in setting up training and skilling institutes.

1.5 Effective Governance

To develop a conducive business environment for all investors, the Government of Rajasthan has taken multiple measures to create supportive infrastructure and progressive industrial policies. Rajasthan has also introduced the 'One Stop Shop' to provide various approvals and clearances under one roof to further facilitate Ease of Doing Business within the State. Under this policy, 14 departments have been brought under one roof and clear timelines have been laid down for various approvals and clearances required by new and existing enterprises.

Further, in a significant step towards facilitating aspiring Micro, Small, and Medium Enterprises (MSME) entrepreneurs, Rajasthan has become the first State in the country to exempt clearances and approvals, required under State Laws for establishment of new MSMEs, for an initial period of 3 years. The State has also established functioning bodies such as the Rajasthan State Industrial Development and Investment Corporation (RIICO) and the Bureau of Investment Promotion (BIP) to drive industrialization, facilitate new investments, and handhold existing and potential investors to successfully implement their projects.

1.6 Law & Order

Rajasthan's excellent law and order environment and harmony provides a sense of safety and well being that act as strong basis for enterprises to attract and retain competent talent. The state's peaceful labor relations provide an enabling condition for business stability and ensures continuous business productivity that make Rajasthan a globally competitive destination choice for setting up and running a business.



Source: 9. Education department, Rajasthan.

01. Strategic Location & Connectivity:

Rajasthan borders five major States in the northern, western and central parts of India, making it an important trade and commerce center. The State also has one of the largest road and rail network in the country providing excellent first and last mile connectivity.

02. Robust Infrastructure:

The State has developed sector specific infrastructure, such as special purpose industrial parks and special economic zones (SEZs) for exports of handicrafts, IT and electronic goods among others.

03. Natural Resource Advantage:

The State is one of the largest agro-based products and minerals producer in the country. Rajasthan also has immense potential for electricity generation through renewable energy sources and wind power.

04. Skilled Manpower:

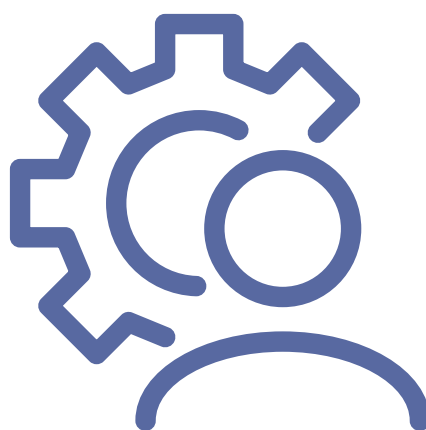
Rajasthan has significantly invested in capacity building and has renowned higher education institutions in various disciplines, producing thousands of skilled and proficient young individuals every year.

05. Effective Governance:

Rajasthan has introduced several progressive industrial policies along with strengthening institutional mechanisms such as the 'One Stop Shop' to facilitate Ease of Doing Business within the State.

06. Law & Order:

Rajasthan has a favorable industrial relations environment. In addition, the law & order situation in the State ensures a good working environment.



Need for a New Policy

For any State, an enabling policy environment is key to attracting investments. The Rajasthan Industrial Development Policy 2019 and the Rajasthan Investment Promotion Scheme (RIPS) 2019 have given a significant fillip to incoming investments while sector specific policies have also been introduced for individual sectors which hold priority for the State. Rajasthan Agro-Processing, the Agri-Business and Agri-Export Promotion Policy 2019, Rajasthan Solar Energy Policy 2019, the Rajasthan Wind and Hybrid Energy Policy 2019, the Rajasthan Ethanol Policy, and the Rajasthan Tourism Policy 2020 have been introduced to create a conducive business environment for enterprises to invest and thrive in the State.

Cognizant of the changing economic and technological landscape, especially in the post COVID era, Rajasthan has been proactively revising its investment policies to engender robust and enduring growth. RIPS 2022 is an organic and dynamic policy framework which has been designed to further propel Rajasthan as a preferred investment destination across all sectors. This policy has integrated and harmonized the priority sectors and categories to create an overarching policy framework for Rajasthan. The primary focus of the policy is to promote distributed development, create employment opportunities and drive economic

growth. This will also enable the State to augment its research & innovation capabilities and meet its climate and sustainability targets. Further, new incentives such as Turnover linked incentive, Capital Subsidy, and Cluster Incentive have been introduced to provide investors with greater choice and flexibility. Additionally, the State recognizes the need to strengthen its infrastructure offerings to promote a conducive business environment for all investors across the country.

State realizes the need for development of entrepreneurship amongst SC/ST enterprises, which is evident by various development interventions, especially, Dr. B R Ambedkar Special Incentive Package for SC/ST Enterprises.

This policy further offers special packages for investment in backward and tribal areas, in tune with state's commitment to promote inclusive and economic development.

With this policy, Rajasthan will reaffirm its commitments to generate more employment opportunities, foster inclusive development, encourage innovation, and achieve its climate and sustainability goals.

Section 02

Plan of Action

2.1

Vision

To promote Rajasthan as a **preferred investment and innovation destination for global investors** with a thriving ecosystem enabling economic growth and employment opportunities.



2.2

Mission

RIPS 2022 will be based on 3 pillars which will enable Rajasthan to become the preferred investment destination in India and across the world.

01. Economic Growth

Promote balanced and sustainable economic growth in the State through competitive incentives, enabling infrastructure and a conducive business environment.

02. Employment Opportunities

Maximise potential of human capital by creating avenues for employment generation across different sectors such as manufacturing, services and MSMEs.

03. Attractive Investment Destination

Enhance value propositions in comparison to peer States to position Rajasthan as a top investment choice for investors.

RIPS 2022 will further enable Rajasthan to promote innovation and global capability building, meet its climate and sustainability targets along with ensuring inclusive and distributed development across the State.

2.3 Objectives

To establish and implement a progressive investment policy for the period 2022-27, designed to enable the following:

- Achieve an annual growth rate of 15% for both manufacturing and services
- Foster balanced and inclusive regional development by uplifting industrially underdeveloped areas
- Create employment opportunities for 10 Lakh people by 2027
- Attain leadership in sunrise sectors such as green hydrogen, alternative energy, medical devices etc.
- Become a pioneer in climate & sustainability by incentivizing green initiatives.



2.4 Design Principles

Sector Harmonization: Identify focus categories and sectors to create an overarching investment Policy for Rajasthan.

Incentives Simplification: Provide a clear understanding of Policy benefits for all investors.

Incentives Phasing: Allow the phasing of investments without any loss in benefits to encourage more investments within the State.

Ease of Navigation: Create a well-defined architecture with illustrations to enable investors to seamlessly find the relevant incentives.

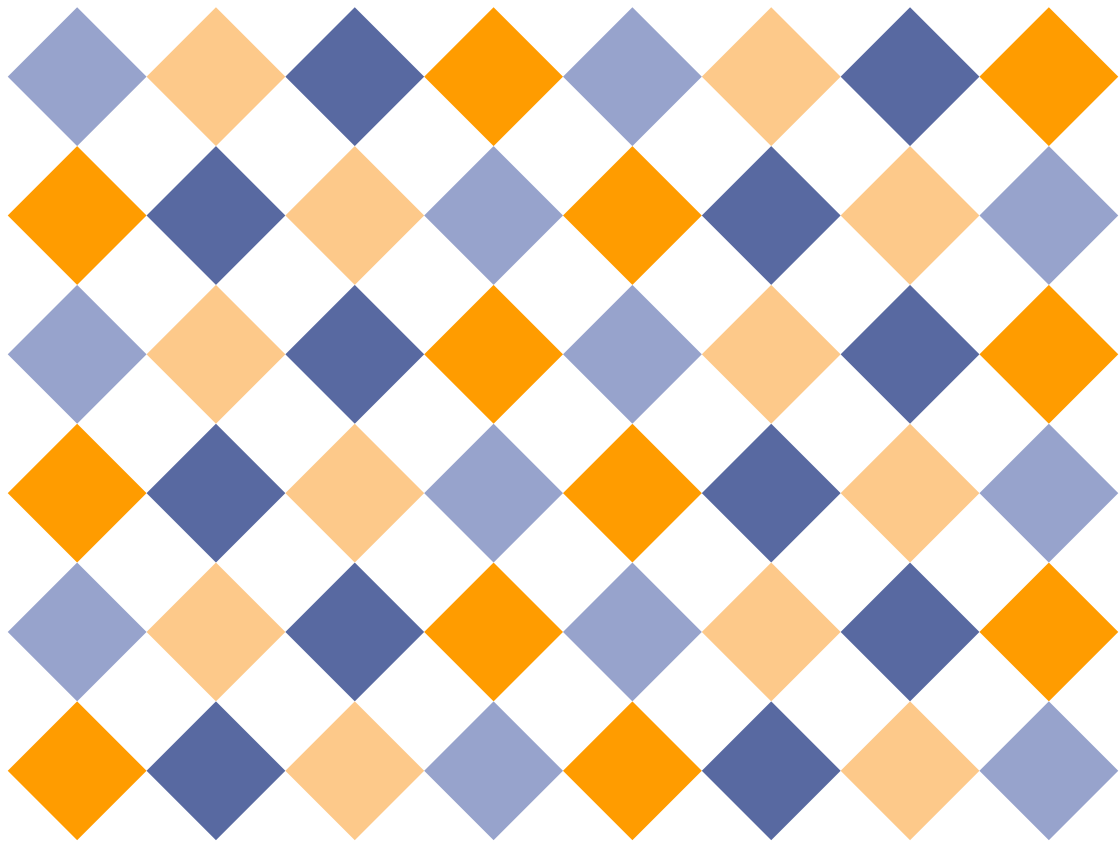
Efficient Disbursals: Setup the 'One Stop Shop' mechanism to ensure timely and efficient benefit transfer through Auto Disbursals.

Seamless Transition from RIPS 2019: Define processes clearly to ensure a smooth transition for any changes in existing incentives and addition of new incentives.

Empowering Investors: Investors can design their own benefits via customized packages.

Section 03

Scope of the Policy



3.1

Operative Period

The Policy shall come into effect from the date of issuance of this order and shall remain in force up to 31st March 2027. The policy may be periodically revised from time to time.

New enterprises / expansion related investments made after the launch of the RIPS 2022 and other eligible existing investors as notified by the government from time to time are eligible to apply for benefits only under this policy.

Incentives approved before commencement of this policy will continue to be governed by the investment policy prevailing at that time.

- The enterprise needs to commence commercial production or operation during the operative period of the Policy unless otherwise specified in the Policy. The detailed procedure has been laid out in the Annexure.
- If an enterprise or Agro Cooperative or Producer Organization or Special Purpose Vehicle has availed the applicable benefits in this Policy as a Logistic Park or Multi-Modal Logistics Hub and if any other individual enterprise further purchases a smaller part or take on lease/sub-lease of land and/or building in the park/hub, such individual enterprise shall be eligible for all the applicable benefits under this Policy as a new enterprise.
- Only investments made and employment generated by an enterprise in Rajasthan will be considered as eligible investment / employment for applicable incentives and boosters under this policy.

3.2

Eligibility of the Policy

The Policy shall be applicable to the following classes of enterprise(s) and investment, excluding investment mentioned in Appendix (List 02):

- New and existing enterprises investing and establishing new units
- Existing enterprises investing in expansions as defined in Annexure (14.1)
- Eligible existing enterprises as per clause 3.6

3.3

Focus Categories

RIPS 2022 has a simplified architecture to enable easier navigation whilst offering competitive incentives. The policy defines focus categories and also takes into consideration the different sector classifications under RIPS 2019 to ensure that there are no exclusions in the new Policy.

Identified and harmonized 8 priority categories under RIPS 2022:

- Manufacturing
- Services
- Sunrise sectors
- MSMEs
- Startups
- Logistics Parks, Warehousing & Cold Chains
- R&D, GCC & Test Labs
- Renewable Energy Plants

Enterprises can avail benefits under any one of these categories only.

A standard package of incentives has been declared for all 8 categories. Further, incentives for manufacturing and services have been defined basis the size of investments, employment generation, and investment region in Section 6.1 and 7.1 of the policy. There are defined select thrust sectors within manufacturing and services categories. Additional incentive package has been declared for these thrust sectors under Section 6.2 and 7.2.

Enterprises can also avail different boosters such as employment, thrust and anchor booster over and above the chosen Asset Creation Incentive (SGST Reimbursement, Capital Subsidy or Turnover Linked Incentive) as laid out in detail in Section 6 and 7 of the policy.



3.4 Anchor Investments

Regional Anchor

The first 3 units making a mega or ultra mega project category investment in Area Category 2 and Area Category 3 within districts which have atleast 60% tehsils in Area Category 2 and Area Category 3, as notified by the Government from time to time, irrespective of the sector shall be eligible for a 20% anchor booster on top of the chosen Asset Creation incentive, provided the cumulative number of units in mega/ultra mega category within the specified region does not exceed 3.

Sectoral Anchor

Alternatively, the first 3 units making a mega or ultra mega project category investment in the State of Rajasthan irrespective of area, in sectors as notified by the Government from time to time, will be eligible for 20% anchor booster, provided the cumulative number of units in mega/ultra mega category within the specified sector does not exceed 3.

An enterprise however, can avail only one of the anchor boosters (either Regional or Sectoral) such that the maximum anchor booster remains at 20%.

The booster for Anchor Enterprises will become ineligible if the enterprise does not initiate ground-breaking within 12 months of receiving the Entitlement Certificate.

Anchor enterprises will also be eligible to receive 100% banking, wheeling and transmission charges waived off/reimbursed for Captive Power Plants set up.

3.5

Customized Packages

Enterprises investing more than rupees five hundred crore under the RIPS 2022 policy term will be eligible to opt for a customized package.

Enterprises opting for the customized package in RIPS 2022, will get an option to redistribute their benefits among the 3 Asset Creation Incentive options available (Capital Subsidy, TLI & SGST Reimbursement). The detail guidelines for customized packages for both new and existing enterprises has been specified in Section 12 of the policy.

3.6

Transition Clauses for Existing Enterprises under RIPS 2019

Existing enterprises have the following choices:

- Existing enterprises under RIPS 2019 have the option to continue with the incentive regime of 2019 and avail eligible benefits under that policy till the end of the operative period of RIPS 2019
- Eligible enterprises who had invested and received benefits under RIPS 2019, will be provided the option to avail incentives

under RIPS 2022. This is provided the investment size is above INR 100 Cr. and is generating employment for at least 200 employees (as per the guidelines for customized packages in RIPS 2019). All incentives will now be applicable basis RIPS 2022 for the remaining applicable tenure approved under RIPS 2019.

- Eligible enterprises who had invested under RIPS 2019 and had applied for benefits but not availed the same, will be provided the option to avail incentives under RIPS 2022. This is provided the investment size is above INR 100 Cr. and is generating employment for at least 200 employees (as per the guidelines for customized packages in RIPS 2019). All incentives will now be applicable basis RIPS 2022 for the remaining applicable tenure approved under RIPS 2019.
- Any Enterprise which has not applied for benefits under RIPS 2019 shall not be eligible for benefits under RIPS 2022, except:
 - An enterprise which will start commercial production after the launch of RIPS 2022
 - An enterprise making expansion related investments after the launch of RIPS 2022



Section 04

Focus Categories

The policy highlights **8 focus categories for Rajasthan**. These focus categories enable Rajasthan to build on its competitive advantage for mature sectors and empower the State to capitalize on globally emerging megatrends.

They promote inclusive development, enhance entrepreneurship opportunities and support the development of a robust business support ecosystem for global and national investors.

Exhibit 3: RIPS 2022 - Prioritized sectors have been organized across 8 focus categories

8 FOCUS CATEGORIES

01

Manufacturing

02

Services

03

Sunrise Sectors

04

MSMEs

05

Startups

06

Logistic Parks,
Warehousing & Cold Chain

07

R&D, GCC & Test Labs

08

Renewable Energy Plants

4.1

Manufacturing

The manufacturing sector in Rajasthan contributes 10%² to the State's GDP and is also one of the largest employment generators in Rajasthan. The Government has prioritized manufacturing growth with several transformational programs which are poised to accelerate the manufacturing sector.

Building on Rajasthan's competitive advantage, the Policy identifies certain key sectors as manufacturing thrust sectors for the State. These thrust sectors are a natural focus for Rajasthan owing to its ecosystem offerings and offer the State a unique opportunity to leverage its existing competencies and attract investments. Further, the national and international markets for these sectors are sizable and expanding which provides Rajasthan with an unique opportunity to significantly capture the potential in these sectors.

4.2

Services

Rajasthan's services sector, valued at approximately INR 5 lakh crore², is the most significant contributor to the State's GDP. The services sector's representation in the Gross Value Added (GVA) has grown at a Compounded Annual Growth Rate (CAGR) of 9.38% over the past 4 years. The sector is

integral in driving skill development and rapid technological advancements, has tremendous export potential, and is a vital driver of foreign exchange inflows.

The State recognizes the sector's potential for driving inclusive growth and human capital formation. With the presence of premier national technology and management institutes, robust supporting infrastructure, and progressive schemes, Rajasthan acts as a lucrative investment destination for global and national players.

The policy identifies certain key sectors as Service thrust sectors. These thrust sectors command a large market size and have a promising future growth outlook. They present a significant opportunity for the State to attract investments and drive job creation. The Policy aims to encourage investments in these sectors by providing targeted incentives that elevate Rajasthan's competitive positioning in the investment landscape.

4.3

Sunrise Sectors

Sunrise sectors are areas of emerging economic potential. They are generational advancements in technology and aim for sustainable development. They cover a breadth of opportunities ranging from efficient manufacturing to areas that can potentially help solve the energy crisis by uncovering cleaner and sustainable ways to generate power.

Source: 2. Rajasthan Economic Review 2021-22.

Significant economic activity and investments in these sectors are expected in the future. Over the past 5 years, sunrise sectors have raised multi-billion dollars through private equity and venture capital investors. A conducive environment for the growth of sunrise sectors will contribute significantly to driving investments and aiding the State's overall economic development. The Policy envisions Rajasthan to be the front runner in securing investments in these emerging sectors and builds on Rajasthan's competitiveness by providing lucrative policy incentives to the State's focus areas.

4.4 MSMEs

MSMEs are a vital growth engine for Rajasthan. They are an integral part of fostering community level entrepreneurship and inclusive development. Rajasthan has the 9th largest MSME ecosystem in India. The Government has introduced Policy interventions that improve ease of doing business and stimulate growth of the MSME sector. The Policy recognizes the contribution of MSMEs to the State and provides incentives to leverage Rajasthan's structural advantages to create a vibrant MSME ecosystem. Entrepreneurs establishing and operating MSMEs require no prior approval under the State law. Further, MSMEs are also exempted from inspection under all State laws for a period of 3 years.

4.5 Startups

Startups are an integral part of Rajasthan's growth agenda. A conducive startup ecosystem fosters technological and product innovation, self-employment, and job creation. The startup ecosystem in India has advanced rapidly over the last decade. As of 2021, India's unicorns and other successful startups have successfully created millions of jobs and resulted in the growth of the gig economy.

Owing to its ease of doing business, presence of premier technological and management institutes like IIT Jodhpur, MNIT Jaipur, BITS & IIM Udaipur, etc. low cost of living, and state of the art urban infrastructure, Rajasthan offers entrepreneurs a compelling opportunity to start and scale their businesses.



4.6

Logistics Parks, Warehousing & Cold Chains

Rajasthan's vibrant and growing business ecosystem will increase the demand for strong critical business support systems like logistics parks and warehousing to reduce lead times and increase the State's competitiveness. A well-developed network of logistics parks will provide ecosystem advantages that will improve business efficiency.

4.7

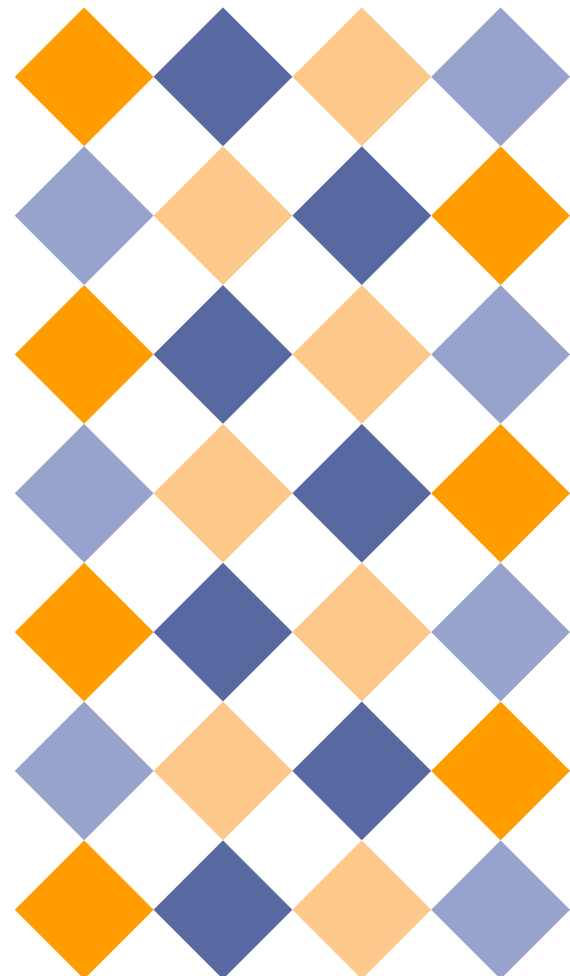
R&D, Global Capability Centre (GCC) & Test Labs

Global capacity building and innovation has been a strong focus of the Policy. The global perspective of India being a pure BPO / KPO center is undergoing a rapid shift. There is now an increasing focus to utilize India's talented labor pool for building specialized capabilities and innovation. The Policy aims to support the formation of R&D Institutes and Global Capability Centers, and Test Labs in the State.

4.8

Renewable Energy Plants

Rajasthan is the nationally leading renewable energy generation State. The State has a vast and untapped potential for renewable energy generation. It receives the highest number of sunny days in a year. Being the largest State in India, it also has large unutilized land parcels that can support large scale plants for renewable energy generation.



Section 05

Incentive Packages

Through the following Incentive Packages, the Government of Rajasthan seeks to assist all its focus categories with the potential to have favorable externalities in the State:

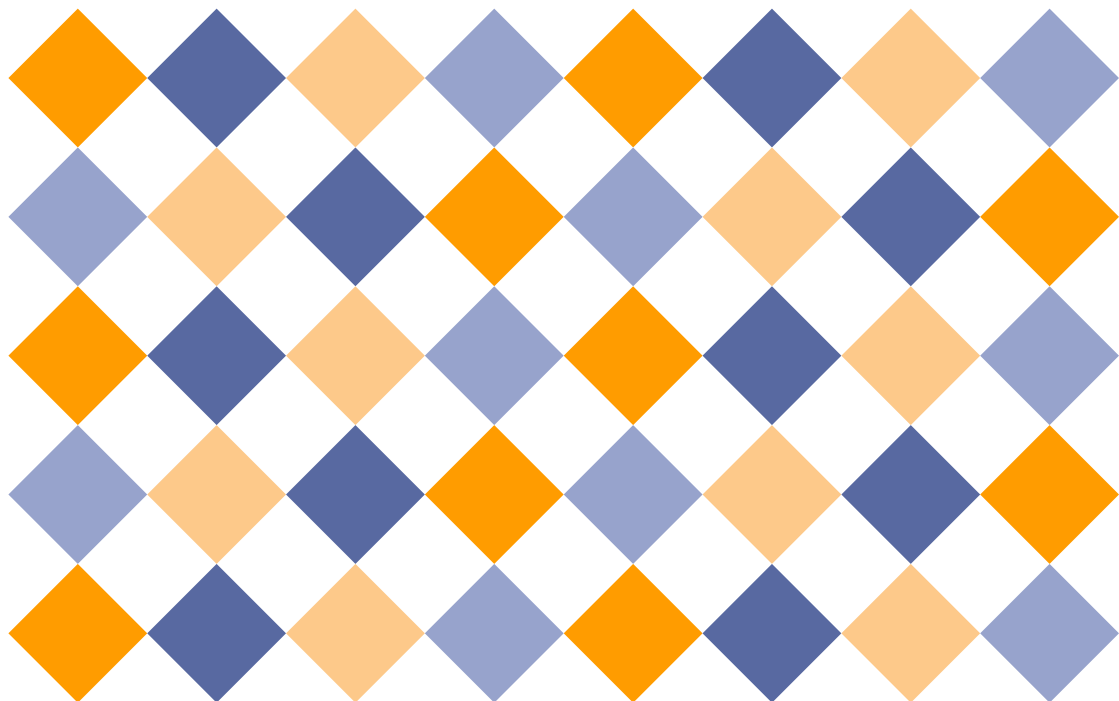
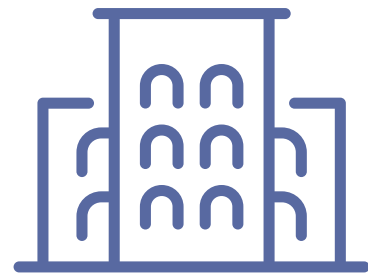
- Incentives for Manufacturing
 - Standard Package
 - Additional package for thrust sectors
- Incentives for Service Sectors
 - Standard Package
 - Additional package for thrust sectors
- Incentives for Sunrise Sectors
- Incentives for MSMEs
- Incentives for Startups
- Incentives for Logistic Parks, Warehousing & Cold chain
- Incentives for R&D, GCC & Test Labs
- Incentives for Renewable Energy Plants



Section 06

Manufacturing

“**Manufacturing Enterprise**” means an enterprise employing plant and machinery in processing of goods which brings into existence a commercially different and distinct commodity but shall not include such processing as may be excluded by the State Government as notified from time to time.



6.1

Manufacturing Standard Package



The Policy will offer the below defined incentive areas for sectors under the manufacturing sector basis eligibility conditions mentioned under 6.1.1.

Table 1: Snapshot of the incentives offered as part of the Manufacturing Standard Package

Asset Creation Incentives	Special Incentives	Exemptions Offered
Investment Subsidy (SGST Reimbursement) 75% of the State Tax due and deposited for a period of 7 years	Employment Booster 10% - 15% booster on chosen Asset Creation Incentive for generating more jobs	Electricity Duty 100% exemption of Electricity duty for 7 years
— OR —	Green Incentive Incentives defined for areas such as ZLD, captive generation, emissions control etc.	Land Tax & Conversion Charges 100% conversion charges benefits given in stages as notified by the State 100% exemption of land tax for 7 years
Capital Subsidy 13-28% of EFCI* to be disbursed in annual installments in 10 years	Cluster Incentives Encouraging principal and ancillaries basis total investment committed	Mandi Fee 100% exemption of mandi fee for 7 years
— OR —	Freight Subsidy Reimbursement of freight charges for exports through State ICDs upto gateway ports	Stamp Duty 100% Stamp Duty benefit given in stages as notified by the State
Turnover Linked Incentive 1.2-2% of Net Sales Turnover to be disbursed annually for 10 years	Training & Skilling Incentive Skilling support in form of a Training Subsidy of Rs. 4000 per worker per month for 6 months for training delivered in Rajasthan	

*EFCI refers to Eligible Fixed Capital Investment as defined in the Annexure

6.1.1

Eligibility & Definitions

The manufacturing standard package will be applicable to all manufacturing sectors meeting the Eligibility criteria defined under section 3.2 of the policy. This will exclude the sectors which have been declared as ineligible industries by the State Government as laid out in Annexure (List 02) as notified from time to time.

Qualifying criteria for manufacturing standard package: For projects to be applicable under the Manufacturing Standard Package, minimum investment required will be INR 50 Cr.

Additionally,

1. For Mega project category investments, enterprises can either bring in a minimum of INR 300 cr. investment or generate minimum employment of 250, provided the investment is more than INR 150 Cr. in order to be eligible for all incentives as part of their respective slab.

2. For Ultra Mega project category, enterprises can either bring in a minimum of INR 1000 cr. investment or generate minimum employment of 750, provided the investment is more than INR 500 Cr, in order to be eligible for all incentives as part of their respective slab.

- The Investment Range in Table 2 is inclusive of the Minimum Investment and up to but not including the Maximum Investment.

- Eligible Fixed Capital Investments are as defined in Annexure (14.1)
- Employment definition is as defined in Annexure (14.1)

This Policy will be applicable to new investments or investments for expansion of existing facility.

In case of expansion, there needs to be a minimum expansion investment of 25% of its existing investment and the expansion should generate incremental capacity of atleast 20%. The enterprises meeting these two requirements will be eligible for the standard package incentives as per the Large Project category (50-300 Cr.) defined in Table 2.

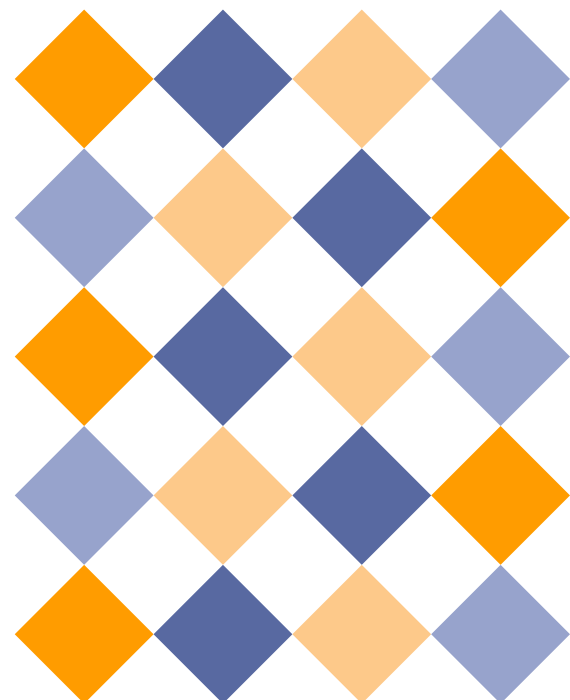


Table 2: Investment Commitment and Employment Range for Project Category

 Project Category	 Minimum Investment (In Cr.)	 Maximum Investment (In Cr.)	OR	 Employment Generation
Large	50	<300		100 (AND minimum investment required is INR 50 Cr.)
Mega	300	<1000		250 (AND minimum investment required is INR 150 Cr.)
Ultra Mega	1000	-		750 (AND minimum investment required is INR 500 Cr.)

6.1.2

Location Classification

Rajasthan recognizes the need to grow manufacturing capabilities across the State by promoting distributed development and industrial dispersion. The area category classification has been further enhanced by according higher priority to backward areas with challenges of industrialization. The State's tehsils are divided into 3 categories for the administration of the financial incentives as laid out in the Annexure (List 06).

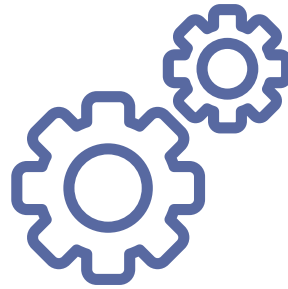
The State Government may revise the categorization of the tehsils from time to time as deemed fit.



6.1.3

Incentives offered as part of the Manufacturing Standard Package

The project categories defined in Table 02 basis investment commitment or employment numbers will be eligible for the following incentives:



A

Asset Creation Incentives (option to choose one subsidy among these 3 types of subsidies):

- a. Investment Subsidy (SGST Reimbursement)
- b. Capital Subsidy
- c. Turnover Linked Incentive

B

Special Incentives:

- a. Employment Booster
- b. Green Incentives
- c. Cluster Incentives
- d. Freight Subsidy
- e. Training & Skilling Incentive

C

Exemptions:

- a. Electricity Duty
- b. Stamp Duty
- c. Conversion Charges
- d. Land Tax
- e. Market Fee

A. Asset Creation Incentives

There are 3 options for availing Asset Creation Incentives. The enterprise can choose one of the following options:

- a. Investment Subsidy (SGST Reimbursement)
- b. Capital Subsidy
- c. Turnover linked incentive

These options are mutually exclusive, and a one-time choice has to be exercised at the beginning of the Project by the enterprise.

a. Investment Subsidy (SGST Reimbursement)

Investment Subsidy of 75% of State tax due and deposited for a period of seven years from the date of commencement of commercial production. The eligible investment subsidy shall be subject to an annual ceiling as per Table 3 below.

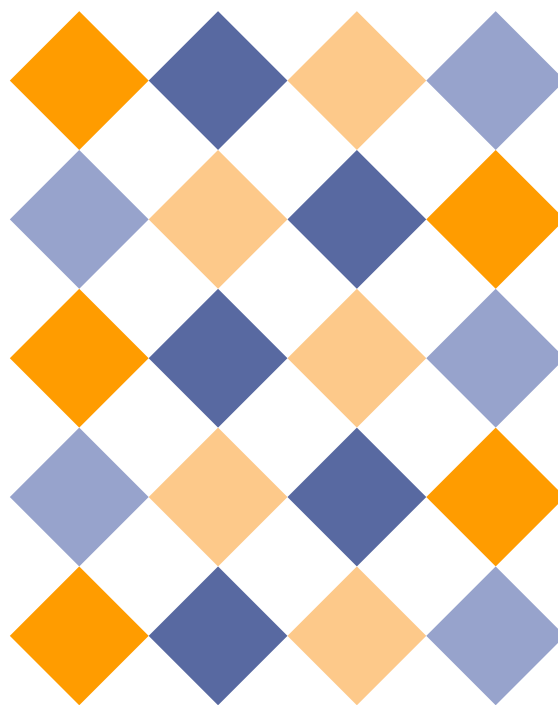


Table 3: Investment Subsidy Ceiling for Manufacturing Standard Package

Year of Payout	Annual Ceiling Amount (in INR Cr.)
Year 1-3	50
Year 4-7	65

b. Capital Subsidy

Sectors within manufacturing shall be eligible to avail capital subsidy as a fixed percentage of the investment made in Eligible Fixed Assets (as defined in Annexure). An enterprise can receive capital subsidy basis their investment commitment or employment numbers as given in Table 4.

An enterprise can choose to avail Capital Subsidy proportionately prior to the completion of the full investment or employment commitment. In this case, the Capital Subsidy shall be disbursed in tranches corresponding to the cumulative investment made until then basis the respective slab. The subsequent

tranches will also be disbursed for the actual annual incremental investment made. The State will also allow telescoping and upgrade the earlier set of incentives paid on a lower slab basis the total incentives applicable once the full investment is completed.

★ ILLUSTRATION

If an enterprise is investing INR 200 Cr. in Area Category 1 in phase-1 out of a total investment commitment of INR 500 Cr., capital subsidy will be disbursed basis the INR 200 Cr. slab (13% of EFCI) to the investor. Subsequently, when they put in the next 300 Cr. in phase-2, capital subsidy will be paid out on this INR 300 Cr. using the INR 500 Cr. slab (17% of EFCI). The State will also upgrade the earlier set of incentives (on the INR 200 Cr.) and on the INR 500 cr. slab (now that the entire INR 500 Cr. has come in).

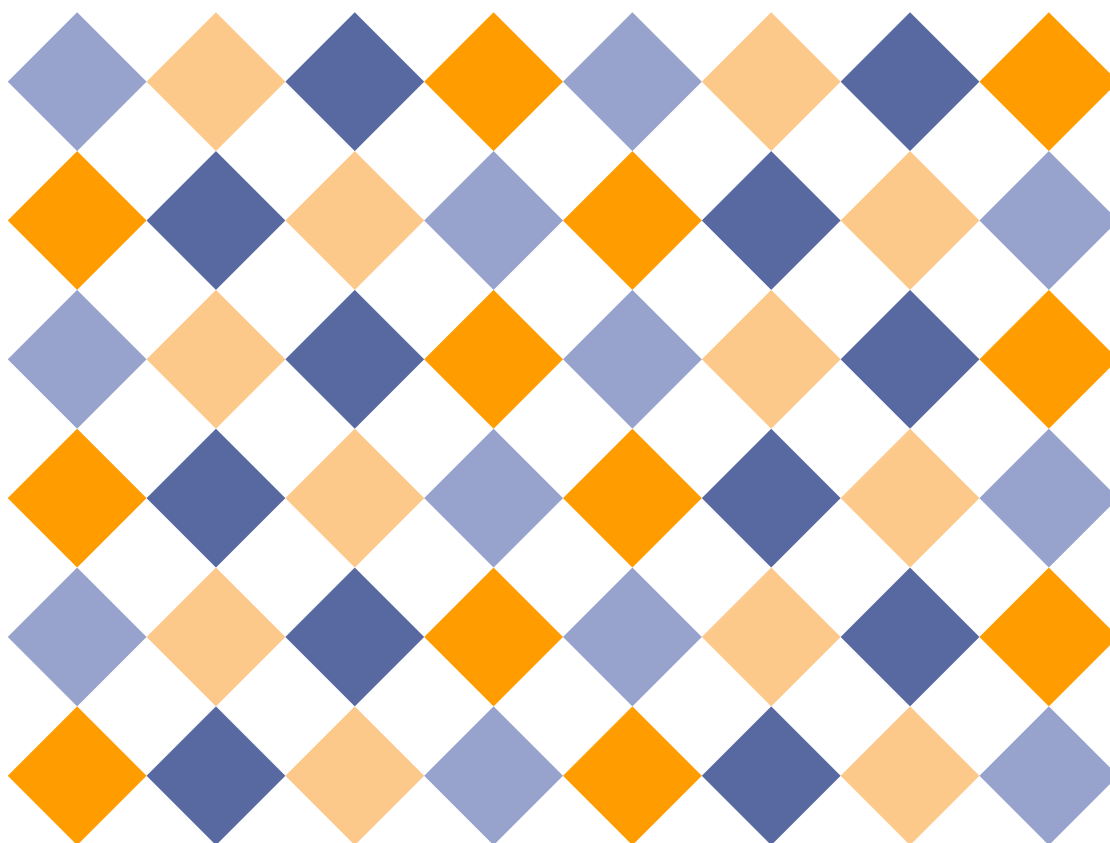
Table 4: Capital Subsidy offerings as part of Manufacturing Standard Package

 Size of Investment	OR  Employment Generation	 LOCATION		
		Area Category 1	Area Category 2	Area Category 3
Large: 50-300Cr.	100 (AND minimum investment required is INR 50 Cr.)	13% of EFCI to be disbursed in annual installments in 10 years	17% of EFCI to be disbursed in annual installments in 10 years	20% of EFCI to be disbursed in annual installments in 10 years
Mega: 300-1000Cr.	250 (AND minimum investment required is INR 150 Cr.)	17% of EFCI to be disbursed in annual installments in 10 years	20% of EFCI to be disbursed in annual installments in 10 years	23% of EFCI to be disbursed in annual installments in 10 years
Ultra Mega: 1000Cr.	750 (AND minimum investment required is INR 500 Cr.)	23% of EFCI to be disbursed in annual installments in 10 years	25% of EFCI to be disbursed in annual installments in 10 years	28% of EFCI to be disbursed in annual installments in 10 years

The eligible capital subsidy will be disbursed over a period of 10 years in annual installments subject to annual ceiling as defined in Table 4.1.

Table 4.1 : Capital Subsidy offerings as part of Manufacturing Standard Package

Year of Payout	Annual Ceiling Amount (in INR Cr.)
Year 1-3	50
Year 4-7	65
Year 8-10	80



c. Turnover Linked Incentive

Rajasthan has for the first time introduced Turnover/Production Linked Incentive as a part of RIPS 2022 to further promote sectors under manufacturing. Enterprises shall be eligible to avail turnover linked incentive after the commencement of commercial production within the policy period. An enterprise can avail Turnover Linked Incentive basis their investment commitment or employment numbers as given in Table 5:

An enterprise can choose to avail Turnover Linked Incentive proportionately prior to the completion of the full investment or employment commitment. In this case, Turnover Linked Incentive shall be disbursed in tranches corresponding to the cumulative investment made and as per the reported Net Sales Turnover until then basis the respective slab. The subsequent tranches will also be disbursed for the actual annual incremental investment made. The State will also allow

telescoping and upgrade the earlier set of incentives paid on a lower slab basis the total incentives applicable once the full investment is completed.



ILLUSTRATION

If an enterprise is investing INR 200 Cr. in Area Category 1 in phase-1 out of a total investment commitment of INR 500 Cr., Turnover Linked Incentive will be disbursed basis the INR 200 Cr. slab (1.2% of Net Sales Turnover) to the investor. Subsequently, when they put in the next 300 Cr. in phase-2, Turnover Linked Incentive will be paid out on this INR 300 Cr. using the INR 500 Cr. slab (1.4% of the Net Sales Turnover) and the state will also upgrade the earlier set of incentives (on the INR 200 Cr.) also on the INR 500 Cr. slab (now that the entire INR 500 Cr. has come in).

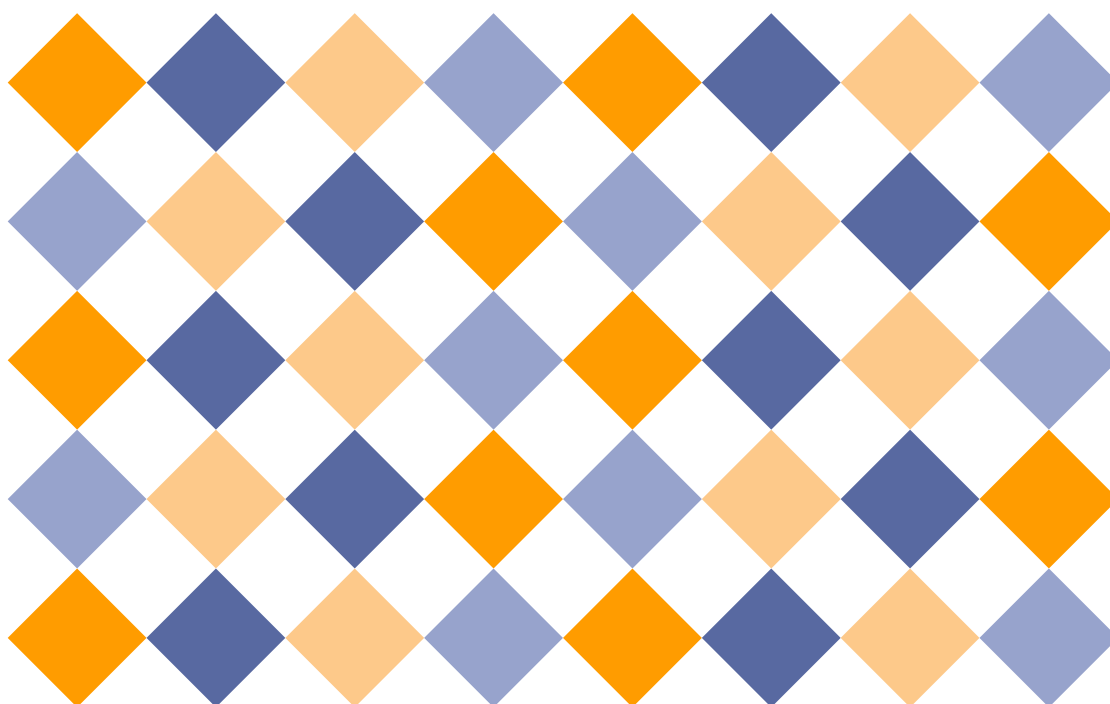
Table 5: Turnover Linked Incentive offerings as part of Manufacturing Standard Package

 Size of Investment	 Employment Generation	 LOCATION		
		Area Category 1	Area Category 2	Area Category 3
Large: 50-300Cr.	100 (AND minimum investment required is INR 50 Cr.)	1.20% of Net Sales Turnover for 10 years	1.40% of Net Sales Turnover for 10 years	1.65% of Net Sales Turnover for 10 years
Mega: 300-1000Cr.	250 (AND minimum investment required is INR 150 Cr.)	1.40% of Net Sales Turnover for 10 years	1.65% of Net Sales Turnover for 10 years	1.85% of Net Sales Turnover for 10 years
Ultra Mega: 1000Cr.	750 (AND minimum investment required is INR 500 Cr.)	1.65% of Net Sales Turnover for 10 years	1.85% of Net Sales Turnover for 10 years	2.00% of Net Sales Turnover for 10 years

The eligible turnover linked incentive will be disbursed for a period of 10 years in annual installments subject to annual ceiling of as defined in Table 5.1.

Table 5.1: Turnover Linked Incentive Ceiling for Manufacturing Standard Package

Year of Payout	Annual Ceiling Amount (in INR Cr.)
Year 1-3	50
Year 4-7	65
Year 8-10	80



B. Special Incentives

All special incentives will be applicable only for investments greater than INR 50 Cr. as laid out in Section 6.1.1 of the policy.

Additionally, the total amount of all special incentives combined shall not exceed the annual ceiling values as mentioned under 6.1.3 (A) of the policy.

a. Employment Booster

Enterprises providing extra employment shall be eligible for an additional Asset Creation Incentive linked booster. This shall be based on the slabs of additional employment generated vis-à-vis minimum employment threshold specified in the manufacturing standard package section 6.1.1 in RIPS 2022 as amended from time to time. The definition of employment will be the same as defined in Annexure of the policy.

The following 3 additional employment slabs and boosters are proposed for this as shown in Table 6. The booster will apply over and above the chosen incentive in standard package among Capital subsidy, Turnover Linked incentive or Investment Subsidy (SGST reimbursement). No booster incentives shall be provided for generating employment below 1.5 times the minimum employment threshold under this Policy.



ILLUSTRATION

If an enterprise invests INR 500 Cr. and generates 400 jobs in Area Category 3 and chooses Turnover Linked Incentive in the standard package then it is eligible for 1.85% TLI for 10 years. If the enterprise generates additional 200 jobs (1.5x) then as per the policy of TLI, the subsidy percentage will increase to 2.035% (10%) booster for 10 years.

Table 6: Additional Employment generation booster proposed for the below slabs

Additional incentive booster details			
	Slab 1	Slab 2	Slab 3
 Employment Slabs (Multiple of minimum threshold)	1.5x - 2x	2x - 2.5x	>2.5x
 Booster on incentive opted (Booster % on Standard Asset Creation Incentive-Capital, TLI, SGST reimbursement chosen)	10%	12.5%	15%

b. Green Incentives

To promote sustainable industrial development along with economic growth, the Government of Rajasthan has introduced green incentives as a core part of the RIPS 2022. The Policy will offer incentives for the following solution areas in order to promote greater adherence to environmental standards and support construction of cutting-edge sustainable industrial infrastructure to lessen air and water pollution.

A detailed list of all eligible solution areas within each green incentive theme has been defined in Annexure. These solution areas can be revised by the State from time to time.



Table 7: Green Incentives being offered under RIPS 2022

Green Incentive Themes	Incentives Offered
Environmental Infrastructure Facilities (such as ETPs, Waste Management Projects etc.)	One-time capital subsidy up to 50% of the cost of projects subject to a ceiling of Rs. 10 cr. per project
Zero Liquid Discharge	Enterprises practicing at least 50% waste recovery through Zero Liquid Discharge as certified by Rajasthan Pollution Control Board shall be provided upto 50% capital subsidy on cost of relevant equipment upto Rs 1 cr.
Air Pollution Control Measures	One-time capital subsidy up to 50% of the cost of projects subject to a ceiling of Rs. 1 cr. per project
Water Measures	50% cost of equipment subject to a max of Rs. 10 lakhs
Captive Renewable Energy Generation	100% electricity duty exemption for 7 years
Energy Efficiency Measures	Upto 50% consent fee waiver for industries under Rajasthan Green Rating System
Other Emerging Green Technology Areas	The State shall decide the appropriate incentive on a case-to-case basis

c. Cluster Incentives

If a group/cluster of enterprises within the same or nearby premises (within 50 km radius), come in with a consolidated investment proposal, then it shall be eligible for cluster incentives. The group/cluster will have to present an agreement stating that all enterprises applying for this benefit are a part of the group/cluster.

Basis the total combined size of investment, all enterprises within the cluster will be applicable for the respective standard package subsidy as defined in Table 02. of this section.

This incentive shall be applicable only for clusters with investment greater than INR 500 Cr. The definition of ancillaries will be the same as mentioned in Annexure (14.1).

In case the cluster is being developed in phases, then the telescoping incentives shall be applicable as in the case of an individual enterprise.

d. Freight Subsidy

To facilitate exports in the State, the Government of Rajasthan is offering assistance against expenses incurred on freight charges for sending goods for exports through State Inland Container Depots (ICDs) upto the gateway ports. Enterprises can avail a benefit of Rs. 10000/- per TEU (20 Feet equivalent unit) and 20,000/- per 40 feet container OR 25% of the total expenses on freight (Whichever is less) subject to a maximum limit of INR 20 lakhs per Exporting Unit per annum.

Exporter will be defined as mentioned in Annexure (14.1). Only exporting units registered within Rajasthan shall be eligible.

e. Training & Skilling Incentive

Skilling support can be availed in form of a Training Subsidy of INR 4,000 per worker per month for 6 months for training delivered in Rajasthan

C. Exemptions

The following exemptions shall be included as part of the manufacturing standard package:

- Exemption from payment of 100% of Electricity Duty for seven years
- Exemption from payment of 100% of Land Tax for seven years
- Exemption from payment of 100% of Market Fee (Mandi Fee) for seven years
- 100% Stamp Duty benefit will be given in stages as notified by the State
- 100% conversion charges benefits given in stages as notified by the State



6.2

Additional Incentives for Manufacturing Thrust Sectors

Rajasthan's Manufacturing Thrust Sectors are focus areas for the State. These are mature sectors with significant market size and high job creation potential, leveraging Rajasthan's strong ecosystem advantage. The Policy recognizes the following sectors as Manufacturing Thrust Sectors and any other sector as may be added from time to time:

- Agri & Food Processing
- Dairy
- Textiles
- Apparels
- Handicraft
- Leather, Footwear and Accessories
- Gems & Jewellery
- Automobile, Electric Vehicle (EV) & Auto-Component
- Petrochemicals & Petroleum Ancillary
- Chemicals
- Pharmaceuticals
- Minerals
- Ceramics
- Glass
- Biodegradable Plastic Substitutes
- Electronics System Design and Manufacturing (ESDM)
- Industrial Gases
- Renewables
- Defense

These Thrust Sectors will be provided the following additional incentives:

- “Thrust Sector Top Up” of 10% over the Asset Creation Incentives option chosen as part of the Standard package.

★ ILLUSTRATION

An investor can opt for any one of the following thrust boosters on top of the investment subsidy chosen in the following ways:

SGST cap increases by 10% (82.5% reimbursement against 75% in the base package)

OR

10% higher PLI over base incentive

OR

10% higher capital subsidy over base incentive

OR

- 5% Interest Subsidy on term loan taken by enterprise from Financial Institutions or State Financial Institutions or Banks recognized by Reserve Bank of India, for making an investment in plant & machinery, for a period of five years subject to a maximum of 2.5% per year of EFCI.

Subsidy ceilings as mentioned in table 3, 4.1 and 5.1 are inclusive of incentives under the additional package for manufacturing thrust sectors.

6.3

Anchor Investments

Regional Anchor

The first 3 units making a mega or ultra mega project category investment in Area Category 2 and Area Category 3 within districts which have atleast 60% tehsils in Area Category 2 and Area Category 3, as notified by the Government from time to time, irrespective of the sector shall be eligible for a 20% anchor booster on top of the chosen Asset Creation incentive, provided the cumulative number of units in mega/ultra mega category within the specified region does not exceed 3.

Sectoral Anchor

Alternatively, the first 3 units making a mega or ultra mega project category investment in the State of Rajasthan irrespective of area, in sectors as notified by the Government from time to time, will be eligible for 20% anchor booster, provided the cumulative number of units in mega/ultra mega category within the specified sector does not exceed 3.

- An enterprise however, can avail only one of the anchor boosters (either Regional or Sectoral) such that the maximum anchor booster remains at 20%.
- The booster for Anchor Enterprises will become inapplicable if the enterprise does not initiate ground-breaking within 12 months of receiving the Entitlement Certificate.

- The Anchor booster shall be a top up of 20% on the Asset Creation Incentive amount or ceilings defined for respective Asset Creation Incentive as chosen by the enterprise.
- Enterprises will get the choice to avail any one of the incentives out of the 3 defined in 6.2 and 6.3 sections - Thrust Booster OR Interest Subsidy OR Anchor Booster.

AND

Banking, Wheeling & Transmission Charges:

100% banking, wheeling and transmission charges waived off/reimbursed for Captive Power Plants set up by Anchor enterprises.

6.4

Maximum Extent of Incentives

- The total value of all incentives and boosters in case of Investment subsidy (SGST Reimbursement) chosen shall not exceed 100% of the State tax due and deposited per year for 7 years.
- In case of Capital Subsidy and Turnover Linked Incentives, the total value of incentives and boosters shall not exceed 100% of EFCI, except for categories mentioned in Table 20, for which the total value of incentives and boosters shall not exceed 125% of EFCI.





Section 07

Services

While the services sector itself serves as a pillar for all strong economies, it also facilitates growth of many primary and secondary industries. Hence the policy aims to incentivize and fuel the growth of service sectors in Rajasthan.

A “**Service Enterprise**” means an enterprise engaged in providing or rendering of services as specified in Annexure 14.1 of the policy. Incentives offered as part of the Services Standard Package are outlined in Table 8.



Table 8: Snapshot of the incentives offered as part of the Services Standard Package

Asset Creation Incentives	Special Incentives	Exemptions Offered
Investment Subsidy (SGST Reimbursement) 75% of the State tax due and deposited for a period of 7 years — OR — Capital Subsidy 10-20% of EFCI* to be disbursed in annual installments over 10 years — OR — Turnover Linked Incentive 1.00% - 1.40% of Net Sales Turnover to be disbursed annually for 10 years	Employment Booster 10% - 15% booster on chosen Asset Creation Incentive for generating more jobs Training & Skilling Incentive Skilling support in form of a Training Subsidy of Rs. 4000 per worker per month for 6 months for training delivered in Rajasthan	Electricity Duty 100% exemption of Electricity duty for 7 years Land Tax & Conversion Charges 100% conversion charges benefits given in stages as notified by the State 100% exemption of land tax for 7 years Mandi Fee 100% exemption of mandi fee for 7 years Stamp Duty 100% Stamp Duty benefit given in stages as notified by the State

*EFCI refers to Eligible Fixed Capital Investment as defined in the Annexure

7.1 Services Standard Package

7.1.1 Eligibility & Definitions

The service Standard Package incentives will be applicable to all service sectors as defined in Annexure of the Policy.

The following three investment commitment ranges and employment generation numbers have been determined for the purpose of administering the incentives:

Table 9: Investment Commitment and Employment Range for Project Category

 Project Category	 Minimum Investment (in Cr.)	 Maximum Investment (in Cr.)	OR  Employment Generation
Large	50	<100	500 (AND minimum investment required is INR 50 Cr.)
Mega	100	<250	2000 (AND minimum investment required is INR 75 Cr.)
Ultra Mega	250	-	4000 (AND minimum investment required is INR 150 Cr.)

Qualifying criteria for services standard package:

For all projects to be applicable under the Services Standard Package, minimum investment required will be INR 50 Cr.

Additionally:

1. For Mega project category investments, enterprises can either bring in a minimum of INR 100 Cr. investment or generate minimum employment of 2000 , provided the investment is more than INR 75 Cr, in order to be eligible for all incentives as part of their respective slab.
2. For Ultra Mega project category investments, enterprises can either bring in a minimum of INR 250 Cr. investment or generate minimum employment of 4000, provided the investment is more than INR 150 Cr, in order to be eligible for all

incentives as part of their respective slab

- The Investment Ranges in Table 9. is inclusive of the Minimum Investment and up to but not including the Maximum Investment.
- Eligible Fixed Capital Investments are as defined in Annexure 14.1
- Employment definition is as defined in Annexure 14.1

This Policy will be applicable to new investments or investments for expansion of existing facility. In case of expansion, there needs to be a minimum expansion investment of 25% of its existing investment and the expansion should generate incremental capacity of atleast 20%. The enterprises meeting these two requirements will be eligible for the standard package incentives as per the Large Project category (50-100 Cr.) defined in Table 9.

7.1.2

Incentives offered under Services Standard Package

A

Asset Creation Incentives (option to choose one subsidy among these 3 types of subsidies):

- a. Investment Subsidy (SGST Reimbursement)
- b. Capital Subsidy
- c. Turnover Linked Incentive

B

Special Incentives

- a. Employment Generation
- b. Training & Skilling Incentives

C

Exemptions:

- a. Electricity Duty
- b. Stamp Duty
- c. Conversion Charges
- d. Land Tax
- e. Market Fee

There are 3 options for availing Asset Creation Incentives. The enterprise can choose one of the following options:

- a. Investment Subsidy (SGST Reimbursement)
- b. Capital Subsidy
- c. Turnover linked incentive

These options are mutually exclusive, and a one-time choice has to be exercised at the beginning of the Project by the enterprise.

a. Investment Subsidy (SGST Reimbursement)

Investment Subsidy of 75% of State tax due and deposited for a period of seven years from the date of commencement of commercial production. The eligible investment subsidy shall be subjected to an annual ceiling as per Table 10 below.

b. Capital Subsidy

Sectors within services shall be eligible to avail capital subsidy as a fixed percentage of the investment made in Eligible Fixed Assets (as defined in Annexure). The enterprise can receive capital subsidy basis their investment commitment or employment numbers as given in Table 11.

Table 10: Investment Subsidy Ceiling for Services Standard Package

Year of Payout	Annual Ceiling Amount (in INR Cr.)
Year 1-3	10
Year 4-7	15

Table 11: Capital Subsidy offerings as part of Services Standard Package

 Size of Investment	OR  Employment Generation	 LOCATION		
		Area Category 1	Area Category 2	Area Category 3
Large: 50-100 Cr.	500 (AND minimum investment required is INR 50 Cr.)	10% of EFCI to be disbursed in annual installments in 10 years	12% of EFCI to be disbursed in annual installments in 10 years	14% of EFCI to be disbursed in annual installments in 10 years
Mega: 100-250 Cr.	2000 (AND minimum investment required is INR 75 Cr.)	12% of EFCI to be disbursed in annual installments in 10 years	14% of EFCI to be disbursed in annual installments in 10 years	16% of EFCI to be disbursed in annual installments in 10 years
Ultra Mega: 250 Cr.	4000 (AND minimum investment required is INR 150 Cr.)	16% of EFCI to be disbursed in annual installments in 10 years	18% of EFCI to be disbursed in annual installments in 10 years	20% of EFCI to be disbursed in annual installments in 10 years

The eligible capital subsidy will be disbursed over a period of 10 years in annual installments subject to annual ceiling as defined in Table 11.1.

Table 11.1: Capital Subsidy Ceiling for Services Standard Package

Year of Payout	Annual Ceiling Amount (in INR Cr.)
Year 1-3	10
Year 4-7	15
Year 8-10	20

An enterprise can choose to avail the Capital Subsidy proportionately prior to the completion of the full investment or employment commitment. In this case, the Capital Subsidy shall be disbursed in tranches corresponding to the cumulative investment made until then basis the respective slab. The subsequent tranches will also be disbursed for the actual annual incremental investment made. The State will also allow telescoping and upgrade the earlier set of incentives paid on a lower slab basis the total incentives applicable once the full investment is completed.



ILLUSTRATION

If an enterprise is investing INR 50 Cr. in Area Category 1 in phase-1 out of a total investment commitment of INR 200 Cr., capital subsidy will be disbursed basis the INR 50 Cr. slab (10% of EFCI) to the investor. Subsequently, when they put in the next 150 Cr. in phase-2, capital subsidy will be paid out on this INR 150 Cr. using the INR 200 Cr. slab (12% of EFCI). The State will also upgrade the earlier set of incentives (on the INR 50 Cr.) and on the INR 200 cr. slab (now that the entire INR 200 Cr. has come in).

c. Turnover Linked Incentive (TLI)

Rajasthan has for the first time introduced Turnover Linked Incentive as a part of RIPS to further promote service sectors. The enterprise can avail Turnover Linked Incentive basis their investment commitment or employment numbers as given in Table 12.



Table 12 Turnover Linked Incentive offerings as part of Services Standard Package

	OR				
			LOCATION		
Size of Investment		Employment Generation	Area Category 1	Area Category 2	Area Category 3
Large: 50-100 Cr.		500 (AND minimum investment required is INR 50 Cr.)	1.00% of Net Sales Turnover for 10 years	1.1% of Net Sales Turnover for 10 years	1.20% of Net Sales Turnover for 10 years
Mega: 100-250 Cr.		2000 (AND minimum investment required is INR 75 Cr.)	1.1% of Net Sales Turnover for 10 years	1.20% of Net Sales Turnover for 10 years	1.30% of Net Sales Turnover for 10 years
Ultra Mega: 250 Cr.		4000 (AND minimum investment required is INR 150 Cr.)	1.20% of Net Sales Turnover for 10 years	1.30% of Net Sales Turnover for 10 years	1.40% of Net Sales Turnover for 10 years

The eligible turnover linked incentive will be disbursed for a period of 10 years in annual installments subject to annual ceiling of as defined in Table 12.1.

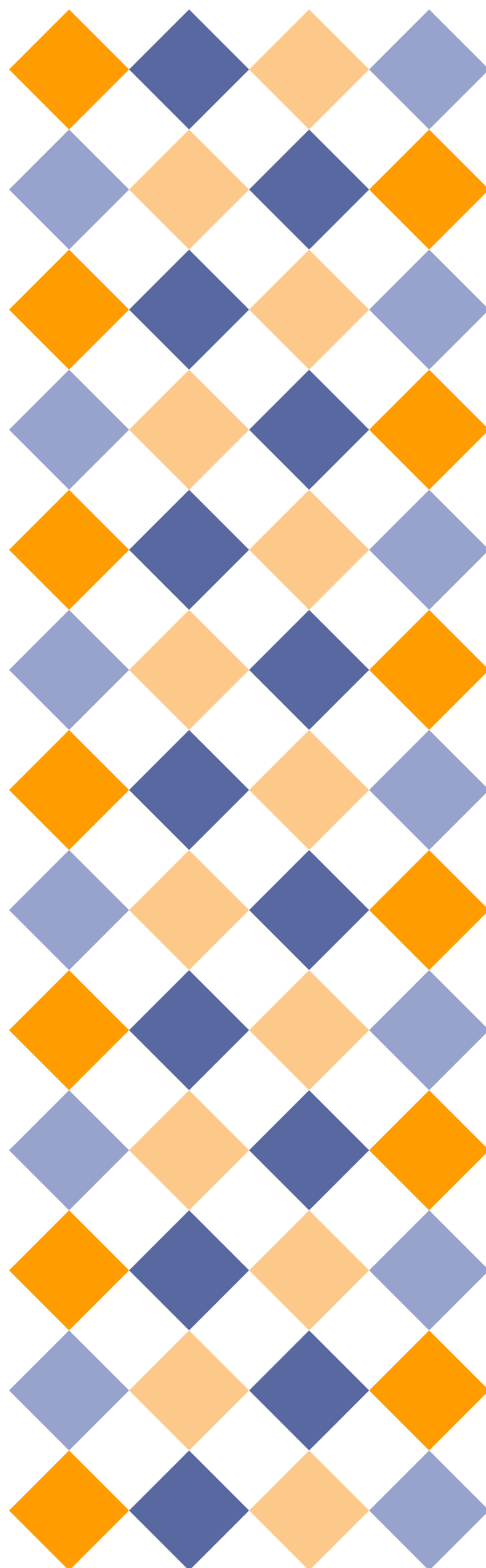
Table 12.1: Turnover Linked Incentive Ceiling for Services Standard Package

Year of Payout	Annual Ceiling Amount (in INR Cr.)
Year 1-3	10
Year 4-7	15
Year 8-10	20

An enterprise can choose to avail Turnover Linked Incentive proportionately prior to the completion of the full investment or employment commitment. In this case, the Turnover Linked Incentive shall be disbursed in tranches corresponding to the cumulative investment made and as per the reported Net Sales Turnover until then basis the respective slab. The subsequent tranches will also be disbursed for the actual annual incremental investment made. The State will also allow telescoping and upgrade the earlier set of incentives paid on a lower slab basis the total incentives applicable once the full investment is completed.

★ ILLUSTRATION

If an enterprise is investing INR 50 Cr. in Area Category 1 in phase-1 out of a total investment commitment of INR 200 Cr., TLI will be disbursed basis the INR 50 Cr. slab (1% of Net Sales Turnover) to the investor. Subsequently, when they put in the next 150 Cr. in phase-2, TLI will be paid out on this INR 150 Cr. using the INR 200 Cr. slab (1.1% of Net Sales Turnover). The State will also upgrade the earlier set of incentives (on the INR 50 Cr.) and on the INR 200 cr. slab (now that the entire INR 200 Cr. has come in).



7.1.3

Special Incentives

All special incentives will be applicable only to investments greater than INR 50 Cr. as laid out in Section 7.1.1 of the policy.

Additionally, the total amount of all special incentives combined shall not exceed the annual ceiling values as mentioned under 7.1.2 of the policy.

a. Employment Booster

Enterprises providing extra employment shall be eligible for an additional Asset Creation Incentives linked booster. This shall be based on the slabs of additional employment generated vis-à-vis minimum employment threshold specified in the services standard package section 7.1.1 in RIPS 2022 as amended from time to time. The definition of employment will be as defined in Annexure 14.1 of the Policy. The following 3 additional employment slabs and boosters are proposed for this incentive:

Table 13: Additional Employment generation booster proposed for the below slabs

Employment booster details			
	Slab 1	Slab 2	Slab 3
 Employment Slabs (Multiple of minimum threshold)	1.5x - 2x	2x - 2.5x	>2.5x
 Booster on incentive opted (Booster % on chosen Standard Asset Creation Incentive-Capital Subsidy or TLI or Investment Subsidy)	10%	12.5%	15%

The booster will apply over and above the Standard Package among Capital Subsidy, Turnover Linked Subsidy or Investment Subsidy (SGST reimbursement). No additional incentives shall be provided for providing employment below 1.5 times the minimum employment threshold under this policy.

★ ILLUSTRATION

If an enterprise invests INR 500 Cr. and generates 4000 employment in Area Category 3 and chooses Turnover Linked Incentive in the Standard Package then it is eligible for 1.4% TLI for 10 years. If the enterprise generates additional 2000 employment (1.5x) then as per the policy of TLI, the subsidy percentage will increase to 1.54% (10% booster) for 10 years.



b) Training & Skilling Incentive

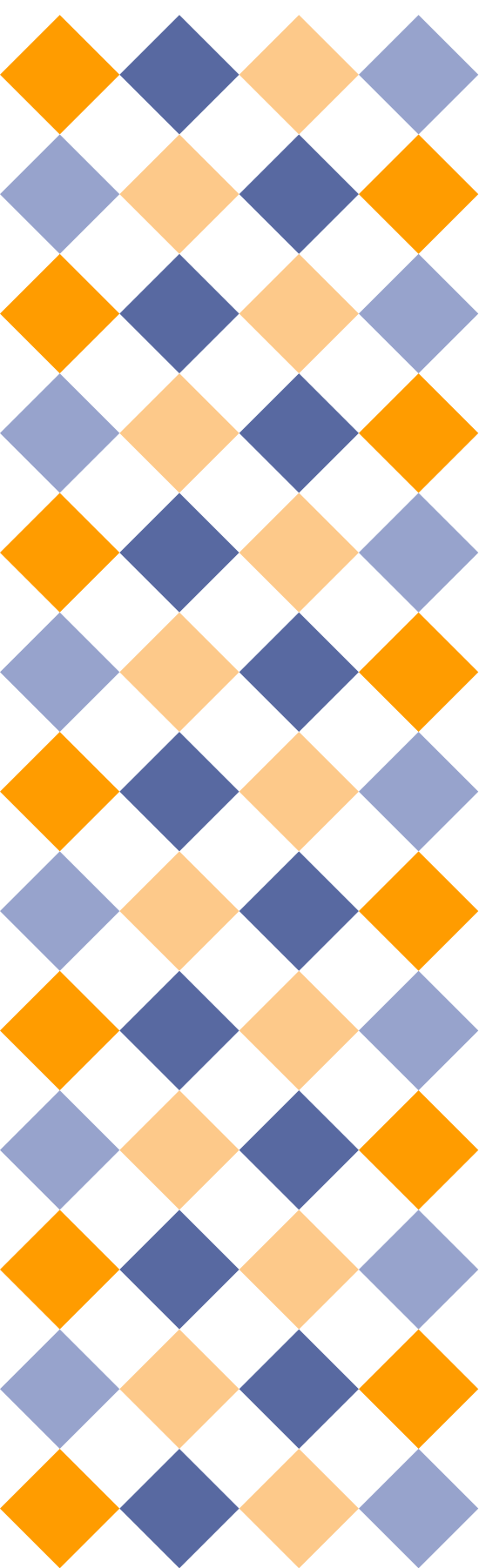
Skilling support can be availed in form of a Training Subsidy of Rs. 4000 per worker per month for 6 months for training delivered in Rajasthan.

7.1.4

Exemptions Offered

The following exemptions shall be included as part of the Services Standard Package:

- Exemption from payment of 100% of Electricity Duty for seven years
- Exemption from payment of 100% of Land Tax for seven years
- 100% conversion charges benefits given in stages as notified by the State
- Exemption from payment of 100% of Market Fee (Mandi Fee) for seven years
- 100% Stamp Duty benefit will be given in stages as notified by the State



7.2

Additional Incentives for Services Thrust Sectors

Rajasthan's Services Thrust Sectors show very high potential in attracting investments because of the state's natural ecosystem coupled with carefully articulated incentives offered in the policy to drive growth in the coming years. The Policy recognizes the following sectors as Services Thrust Sectors:

- IT & ITeS
- FinTech
- Hotel & Tourism
- Entertainment
- Film City
- Cold Chain in Pharmaceuticals
- Common Utility Centre
- Infrastructure for Value-Addition or Preservation of Agricultural Products
- Plug and Play Office Complex
- Social Infrastructure

The other Thrust Sectors defined under Services in RIPS 2019 are being featured in the various priority categories defined in RIPS 2022.

Taking into consideration the diverse needs of Thrust Sectors, the policy offers diverse set of incentives for each sector. Following additional incentives on top of base incentives will be provided for Thrust Sectors:

7.2.1

Thrust Sector Booster under Services Additional Package

Asset Creation Incentives

Thrust Sector Top-Up of 10% over the asset creation incentives option chosen as part of the Standard Package.

Subsidy ceilings as mentioned in table 10, 11.1 and 12.1 are inclusive of incentives under the additional package for manufacturing thrust sectors.

7.3 Anchor Investments

Regional Anchor

The first 3 units making a mega or ultra mega project category investment in Area Category 2 and Area Category 3 within districts which have atleast 60% tehsils in Area Category 2 and Area Category 3, as notified by the Government from time to time, irrespective of the sector shall be eligible for a 20% anchor booster on top of the chosen Asset Creation incentive, provided the cumulative number of units in mega/ultra mega category within the specified region does not exceed 3.

Sectoral Anchor

Alternatively, the first 3 units making a mega or ultra mega project category investment in the State of Rajasthan irrespective of area,

in sectors as notified by the Government from time to time, will be eligible for 20% anchor booster, provided the cumulative number of units in mega/ultra mega category within the specified sector does not exceed 3.

- An enterprise however, can avail only one of the anchor boosters (either Regional or Sectoral) such that the maximum anchor booster remains at 20%.
- The booster for Anchor Enterprises will become inapplicable if the enterprise does not initiate ground-breaking within 12 months of receiving the Entitlement Certificate.
- Enterprises will get the choice to avail any one of the incentives out of the 2 defined in this section - Thrust Booster OR Anchor Booster.
- The Anchor booster shall be a top up of 20% on the Asset Creation Incentive amount or ceilings defined for respective Asset Creation Incentive as chosen by the enterprise.

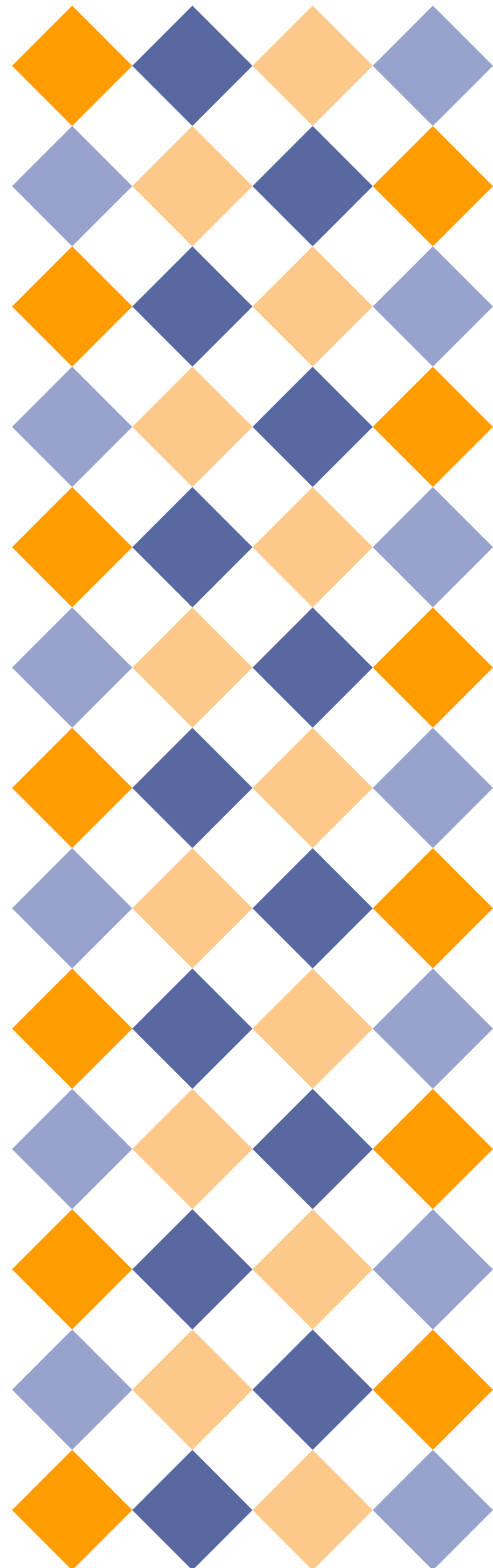
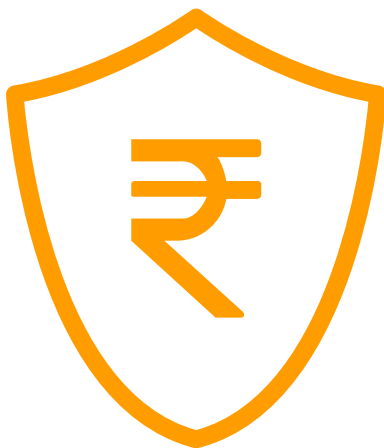
IT & ITeS

Additionally, in order to promote the development of IT/ ITeS sector in the State, the limit for capital subsidy after anchor booster of 20% will be increased to 100 Cr. for all 10 years for the first 3 units making a mega or ultra mega project category investment, provided the enterprise chooses capital subsidy in the Asset Creation Incentives otherwise the limit remains same for other Asset Creation Incentives.

7.4

Maximum Extent of Incentives

- The total value of all incentives and boosters in case of Investment subsidy (SGST Reimbursement) chosen shall not exceed 100% of the State tax due and deposited per year for 7 years.
- In case of Capital Subsidy and Turnover Linked Incentives, the total value of incentives and boosters shall not exceed 100% of EFCI, except for categories mentioned in Table 20, for which the total value of incentives and boosters shall not exceed 125% of EFCI.





Section 08

Sunrise Sectors

Rajasthan aims to be the first choice of investment destination for sunrise sectors that are poised for exponential future growth. These sectors will play a vital role in economic development, skill advancements & technological advancement for the State.

Eligibility Criteria: Minimum investment of INR 50 Cr. required. The total amount of all sunrise incentives combined shall not exceed the ceiling values as mentioned under 6.1.3 (A) of the policy. Additionally, Sunrise Sectors can avail either the Sunrise booster on Asset Creation Incentives or an Anchor Booster.



The scheme recognizes the following sectors as Sunrise Sectors:

- Green Hydrogen
- Ethanol
- Medical Devices & Equipment
- Biotechnology
- New Battery Technology
- Industry 4.0
- Data Centers
- Rare Earth Elements

These sectors will be provided incentives as outlined in Table 14.

Additionally, the total value of all incentives and boosters in case of Investment subsidy (SGST Reimbursement) chosen shall not exceed 100% of the State tax due and deposited per year for 7 years.

Table 14: Standard Package for all Sunrise Sectors mentioned above

Incentive	Description
Asset Creation Incentives	First 3 units belonging to the sunrise category and falling under Mega and Ultra Mega project category slabs (per Manufacturing project category slabs) to get a sunrise booster of 20% on the Asset Creation Incentives chosen (Capital Subsidy, TLI or SGST Reimbursement). Subsequent investments in that particular sunrise sector shall be treated as Manufacturing Thrust sector investments and shall receive benefits as per the Manufacturing Thrust section.
Banking, Wheeling & Transmission Charges	100% banking, wheeling and transmission charges waived off/ reimbursed for Captive Power Plants set up by the first 3 units belonging to each sunrise category and falling under Mega and Ultra Mega project category slabs (per Manufacturing project category slabs).
Green Incentives	As per standard green incentives applicable for the manufacturing sector, as defined under section 6.1.3 (B) of the policy
Exemptions	As per standard exemptions applicable for the manufacturing sector, as defined under section 6.1.3 (C) of the policy
Employment Booster	As per employment booster applicable for the manufacturing sector, as defined under section 6.1.3 (B) of the policy
Special Incentives	As per special incentives applicable for the manufacturing sector, as defined under section 6.1.3 (B) of the policy

Section 09

Other Focus Categories

9.1

Micro, Small & Medium Enterprises (MSMEs)

Entities can avail Interest Subsidy benefits under either Mukhyamantri Laghu Udyog Protsahan Yojana or RIPS 2022.

All incentives for MSMEs will be capped annually at INR 5 Cr.

Manufacturing MSMEs only engaged in manufacturing activities as described in list 02 will not be eligible to claim benefits under this policy.

Services MSMEs only engaged in services as defined in Annexure 14.1 shall be eligible to claim benefits under RIPS 2022.



Table 15: Incentive package applicable for MSMEs

Incentive	Description								
Asset Creation Incentives (Investment Subsidy + Interest Subsidy)	Investment Subsidy of 75% of State tax due and deposited for a period of seven years from the date of commencement of commercial production. Additionally, Interest subsidy for 5 years will be provided as per the following matrix: <table> <tr> <th>Loan Amount *</th><th>Interest Subsidy per year</th></tr> <tr> <td>1 Crore – 5 Crores</td><td>6%</td></tr> <tr> <td>5 Crores – 10 Crores</td><td>4%</td></tr> <tr> <td>10 Crores – 50 Crores</td><td>3%</td></tr> </table> Interest subsidy will be tele-scoped. For E.g., A 6 Crore loan for investments in plant and machinery will be provided 6% interest subsidy on 5 Crores [INR 30 Lakhs] and 4% interest subsidy on the additional INR 1 Crore [INR 4 Lakhs].	Loan Amount *	Interest Subsidy per year	1 Crore – 5 Crores	6%	5 Crores – 10 Crores	4%	10 Crores – 50 Crores	3%
Loan Amount *	Interest Subsidy per year								
1 Crore – 5 Crores	6%								
5 Crores – 10 Crores	4%								
10 Crores – 50 Crores	3%								
Exemptions	100% exemption of electricity duty, mandi fee & land taxes for 7 years 100% Stamp Duty benefit will be given in stages as notified by the State 100% conversion charges benefits given in stages as notified by the State								
Employment Generation Subsidy	Reimbursement of 50% of employers' contribution towards EPF and ESI, for seven years								
Green Incentives	Water Conservation Incentives - Reimbursement of 50% of cost incurred on water audit by any Government empanelled or Government approved agency subject to maximum of INR 2 lacs & reimbursement of 25% of the cost of equipment recommended by the auditing authority up to INR 20 lacs 50% of the cost of equipment purchased for waste water recycling & rain water harvesting up to INR 7.50 lacs Waste Management 50% of amount paid to the suppliers for the plant, excluding civil work, for establishing ZLD based ETP, adopting green building measures & establishing industrial reduce, reuse, recycle plant up to 1 crore								
Other Incentives	Quality Certification Incentive One-time reimbursement of 50% of cost incurred on obtaining quality certification for manufacturing or processes or certification related to export, issued by any Government agency or any agency authorized by Government of India or Government of Rajasthan, subject to maximum of INR twenty-five lakh IP Creation Incentive Subsidy up to 75% of the cost of acquiring patents up to INR 5 lacs to be provided. For obtaining geographical identification & trademark registration, the State will match the financial assistance provided by Government of India Fund Raising Incentive One-time financial assistance on raising funds (capital) through SME platform, to the extent of 50% of the investment made in process of raising funds (capital), subject to a maximum of five lakh								

*For investment in plant & machinery and/or equipment or apparatus.

9.2 Startups

A thriving startup ecosystem is crucial to improve technology & economic capabilities of the State. The policy encourages entrepreneurs to pursue their business vision & contribute to the State's economic development.

Eligibility Criteria: Startups need to meet the 'Bronze' or higher qualifying criteria under the Q-Rate program of the Government of Rajasthan. All incentives for Startups will be capped annually at INR 10 Cr.

Table 16: Incentives offered to Startups

Incentive	Description
Startup Booster Incentives	Asset Creation Incentives Investment Subsidy of 75% of State tax due and deposited for a period of seven years from the date of commencement of commercial production. Seed Support In sectors identified as "Sunrise Sectors", one-time financial assistance of 10% of external capital raised to be provided up to INR 30 Lacs
Exemptions	• 100% exemption of electricity duty, mandi fee & land taxes for 7 years • 100% Stamp Duty benefit will be given in stages as notified by the State • 100% conversion charges benefits given in stages as notified by the State
Other Incentives	Skill Development Incentives Reimbursements up to INR 1 lac per startup for training in management, entrepreneurship, or soft skills from a recognized institute IP Creation Incentive Reimbursement up to 75% of the costs of acquiring patents up to INR 5 lacs to be provided. For obtaining geographical identification & trademark registration, the State will match the financial assistance provided by Government of India Quality Certification Incentives One time reimbursement of 50% of the cost incurred in obtaining quality certification up to INR 25 lacs Business Incubation Centers The policy will provide support up to 2.5 Crore to Government institutes & 1.5 lacs to private institutes for setting up business incubation centers

9.3 Logistics Parks, Warehouses & Cold Chain

The State aims to augment the thriving business sectors in the State by providing a strong distribution support ecosystem by developing logistics warehouses, and cold chains.

Eligibility Criteria: Minimum investment required as per the following:

1. Logistics Parks: INR 50 Cr.
2. Warehouses: INR 2 Cr.
3. Cold Chain: INR 2 Cr.

The detailed eligibility criteria has been laid out in the Annexure (14.1)

Table 17: Incentives offered to Logistics Parks, Warehouses & Cold Chain

Incentive	Description												
Asset Creation Incentives	There are 2 options for availing Asset Creation Incentive . The enterprise can choose one of the following options: a) Capital Subsidy b) Interest Subsidy These options are mutually exclusive, and a one-time choice has to be exercised at the beginning of the Project by the enterprise a) Capital Subsidy Capital Subsidy equivalent to 25% of the investment made for specific purpose and ceiling based on sector as detailed below <table><tr><th>Sector</th><th>Purpose of investment</th><th>Ceiling</th></tr><tr><td>Logistic Infrastructure</td><td>Building Logistics Infrastructure hub and common associated infrastructure</td><td>INR 15 Crore</td></tr><tr><td>Warehouses</td><td>Buying of equipment</td><td>INR 1 Crore</td></tr><tr><td>Cold Chain</td><td>Buying plant, machinery and equipment</td><td>INR 1 Crore</td></tr></table>	Sector	Purpose of investment	Ceiling	Logistic Infrastructure	Building Logistics Infrastructure hub and common associated infrastructure	INR 15 Crore	Warehouses	Buying of equipment	INR 1 Crore	Cold Chain	Buying plant, machinery and equipment	INR 1 Crore
	Sector	Purpose of investment	Ceiling										
	Logistic Infrastructure	Building Logistics Infrastructure hub and common associated infrastructure	INR 15 Crore										
	Warehouses	Buying of equipment	INR 1 Crore										
Cold Chain	Buying plant, machinery and equipment	INR 1 Crore											
Green Industry Incentives	b) Interest Subsidy 7% Interest Subsidy on term loan taken by enterprise from Financial Institutions or State Financial Institutions or Banks recognized by Reserve Bank of India, for making an investment in logistics infrastructure, for a period of seven years subject to a maximum of INR 2.5 crore for Multi-Modal Logistics Hub and INR 1.5 crore for logistics park.												
	Enterprises undertaking green and sustainable initiatives such as EV for transport of goods and personnel within facility premise and adopting rainwater harvesting etc. shall be eligible for a 25% subsidy on cost of capital of setting up/undertaking such initiatives, subject to a limit of INR 50 lakh.												
Exemptions	• 100% exemption of electricity duty, mandi fee & land taxes for 7 years • 100% Stamp Duty benefit will be given in stages as notified by the State • 100% conversion charges benefits given in stages as notified by the State												

9.4

R&D, Global Capability Centre (GCC), Test Labs

Rajasthan has a strong & globally competitive workforce that can help develop the technology & research ecosystem in the State.

The Policy aims to promote the development of a robust research ecosystem by promoting

R&D Centers, Global Capability Centers & Test Labs.

Eligibility Criteria: Minimum investment required is INR 5 Cr.

Table 18: Incentives offered to R&D, GCC and Test Labs

Incentive	Description
Asset Creation Incentives	The Government would provide assistance in setting up of R&D centers, Global Capability Centers and Test labs upto 50% of the project cost, excluding the cost of land and buildings, for centers setup by Industries Association and upto 30% for centers setup by private enterprises, subject to a maximum of INR 5 crore
Training Assistance	R&D Training Incentive of INR 10,000 per person per month can be availed for 12 months. This incentive is intended for employees engaged in core R&D, as defined in Annexure 13.1
Quality Assistance	Projects obtaining certifications such as ISO, ISI, BIS, FPO, BEE, AGMARK, and ECOMARK, as well as any other national or international certification, are eligible for a 50% reimbursement of the total cost of obtaining the certification, as attested by the Chartered Accountant, up to a maximum of Rs. 1 crore for the investment period, provided the certificate is valid for at least 3 years
Land Cost Incentive	Reimbursement of 50% of cost of purchase of land or lease of floor area upto a maximum of INR 50 lakhs for setting up of R&D centers, Global Capability centers and Test labs
Patents and IP Support	For in-house R&D, the government will pay 50% of the cost incurred upto a maximum of INR 1 Crore for patent, copyright, trademark, and registration of geographic indicators and INR 5 Crore for standalone R&D assets.
Contract Research Assistance	The Government will contribute 50% of the project cost, excluding the cost of land and buildings, to recognised R&D institutions and technical colleges certified by AICTE for contract or sponsored research activity, up to a maximum of INR 50 lakhs.
Exemptions	100% of land tax for seven years

9.5 Renewable Energy Plants

Rajasthan is a natural choice for renewable energy generation, especially solar because of its climatic conditions making it ideal for capturing solar rays efficiently. These climatic conditions make it suitable to receive almost 300-325 sunny days in a year. The policy aims to promote the development of multiple renewable energy plants across the State.



Table 19: Incentives offered to Renewable Energy Plants

Incentive	Description
Asset Creation Incentives	Investment Subsidy of 75% of State tax due and deposited for a period of seven years from the date of commencement of commercial production
Exemptions	- Exemption from 100% of electricity duty for 7 years. 100% conversion charges benefits given in stages as notified by the State
Other Incentives	The State will promote development of Solar Plants in Joint Venture with private developers by investing up to 50% equity or any other percentage of equity participation as decided by the State Government. The cost of land allocated by State Government would be part of its equity participation in the joint venture enterprise, as proposed in Rajasthan Solar Energy Policy, 2019

Section 10

Ease of Doing Business

The State Government is committed to facilitate accelerated investments in the State by promoting Ease of Doing Business (EODB). EODB and accelerated disbursements make Rajasthan a nationally competitive investment destination. The Government also aspires to undertake novel initiatives to improve EODB in the State and facilitate accelerated investments.

The State passed the Rajasthan Enterprises Single Window Enabling and Clearance (Amendment) Act, 2020 for enhancing the existing single window clearance system. A 'One Stop Shop' (OSS) facility was established in the Bureau of Investment Promotion (BIP) to facilitate investments above INR 10 Crore. This facility provides all clearances / approvals under one roof and enables the enterprise to receive expedited approval.

Rajasthan has also introduced the RajNivesh portal to provide a one stop digital portal and time bound clearances for the investors. A

prospective investor can avail all investment related information, view vacant industrial land / plot through a RIICO online portal and view information on all approvals amongst other things at a single point.

Rajasthan also provides exemptions from all registrations, licenses, approvals, and inspections under any State law for a period of 3 years. MSME investment and facilitation center has been established to facilitate MSMEs from inception to operation.

Ease of Doing Business is a crucial pillar in the Government's plan to improve Rajasthan's structural investment attractiveness. To stimulate a thriving investment climate, the Government is considering a variety of steps which include implementation of a mechanism for automatic disbursement of subsidies and an affidavit-based approval system to provide a seamless experience in starting a business and claiming Government subsidies.

01. Rajasthan Single Window Enabling and Clearance (Amendment) Act, 2020 has enhanced the existing single window clearance system

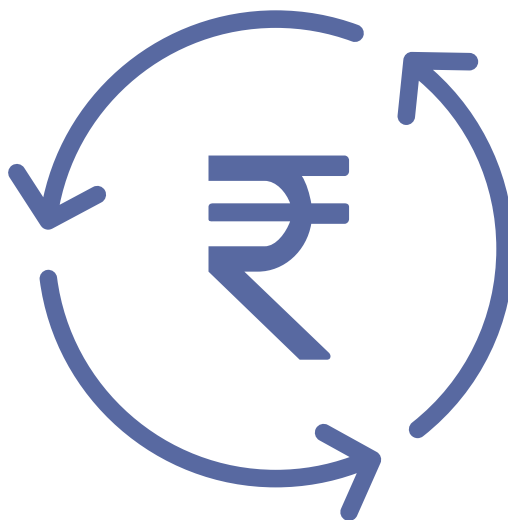
02. One Stop Shop (OSS) Facility is established within BIP to facilitate investments over 10 Crore, to provide all approvals under one roof

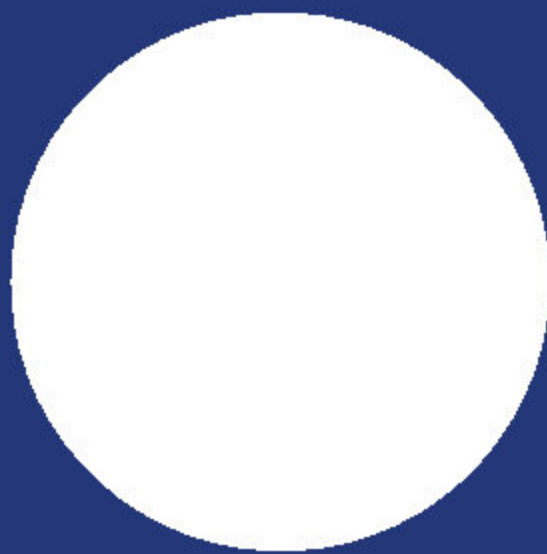
03. RajNivesh portal provides a single point digital interface along with time bound clearances

04. All information related to investments, clearances, approvals, industrial land and plot availability, etc is presented on the RajNivesh portal

05. All MSMEs are exempted from registration, approval, inspection under any State law for 3 years

06. An Automated system will take care of the clearances to a large extent.





Section 11

Policy Administration

Rajasthan has defined regulations and frameworks to ensure strong implementation of the RIPS 2022 policy among all stakeholders while ensuring the right checks and balances for the State.



11.1 Implementation & Interpretation Authority

All the related Departments shall implement the policy. The Industries Department shall act as the nodal coordinating, monitoring, and implementing Department. Any matter pertaining to interpretation of any clause of the Policy shall be referred to Finance Department, Government of Rajasthan. The decision of the Finance Department in such matters shall be final.

11.2

Sanctioning Authority

11.2.1

The State Level Sanctioning Committee (SLSC) shall have jurisdiction over all enterprises investing more than INR 50 Cr. and enterprise(s) making investments in more than one district. In cases requiring review by the State Level Sanctioning Committee, the decision of the State Level Sanctioning Committee shall be final. Detailed guidelines regarding this provision to be separately notified.

The constitution of State Level Sanctioning Committee (SLSC) shall be as follows:



State Level Sanctioning Committee

(a) ACS/Principal Secretary, Industries	Chairman
(b) Secretary, Finance (Revenue)/ Any nominee of Finance Department not below the rank of Joint Secretary	Member
(c) Commissioner, Investment & NRIs (BIP)	Member
(d) MD, RIICO	Member
(e) Commissioner, Industries	Member Secretary

11.2.2

District Level Sanctioning Committee (DLSC)

The District Level Sanctioning Committee (DLSC) shall have jurisdiction over all Micro, Small and Medium Enterprises (MSME).

The constitution of District Level Sanctioning Committee (DLSC), shall be as follows:

District Level Sanctioning Committee

(a) District Collector	Chairman
(b) Nominee Member from Finance Department	Member
(c) General Manager DIC	Member Secretary



11.2.3

Quorum

Majority of the total number of members of the Sanctioning Committee shall constitute the quorum at its meetings.

11.3

Review & Revision of the Scheme by the State Government

11.3.1

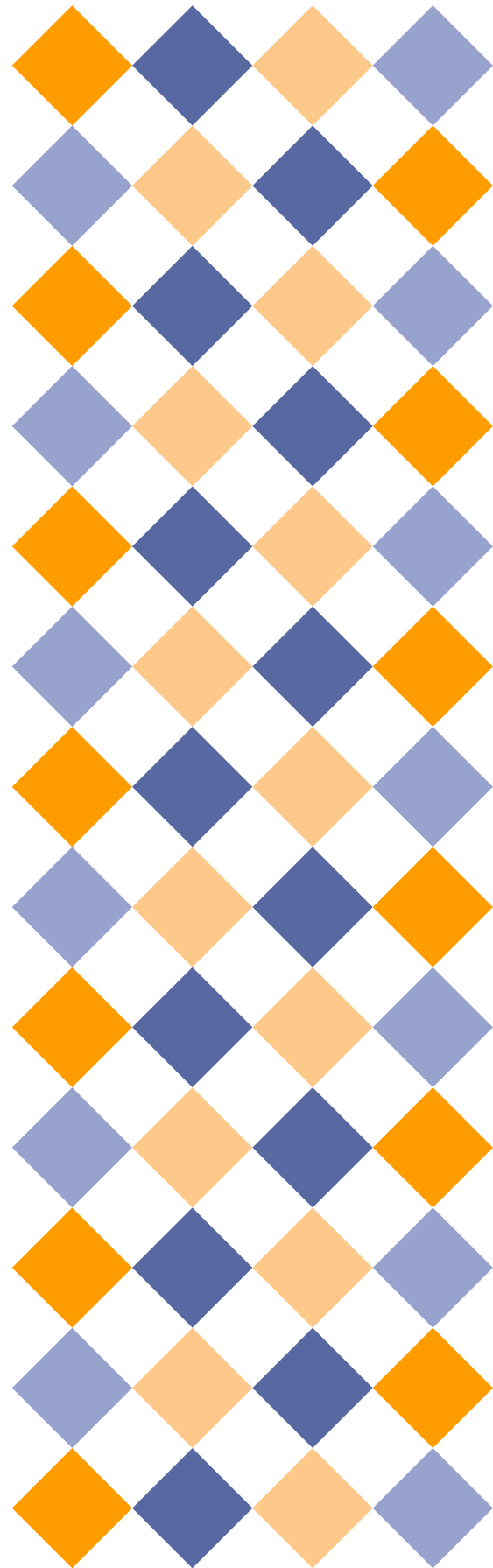
Review or Modification of the Policy

The State Government, reserves the right to review or modify the Policy as and when needed in public interest. However, Forms released as part of the Policy may be modified, changed, added, or deleted by the Finance Department as and when needed for the sake of convenience in implementation of the Policy.

11.3.2

Revision of the Scheme by the State Government

The Government may revise the Policy, in full or in part, prospectively or retrospectively, to keep harmony with the provisions of the State Goods and Services Tax Act and Rules made there under.



11.4

Sanctioning Authority for Customized Packages

11.4.1

The composition of State Empowered Committee is as follows:

State Empowered Committee

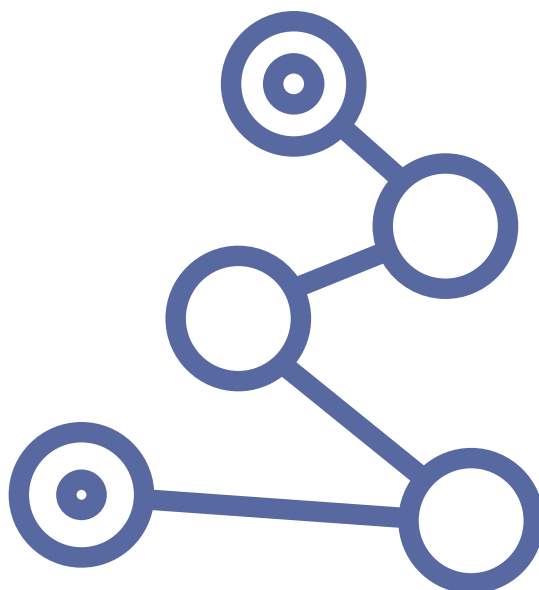
Chief Secretary	Chairman
Additional Chief Secretary (Finance) or an officer nominated by them, not below the rank of Secretary	Member
Principal Secretary, Environment and Forest Department	Member
Principal Secretary, Urban Development and Housing Department	Member
Principal Secretary, Industries Department	Member
Commissioner, Industries	Member
Principal Secretary, Labour and Employment Department	Member
Principal Secretary, Mines and Petroleum Department	Member
Principal Secretary to Chief Minister	Member
Principal Secretary, Revenue Department	Member
Managing Director, RIICO	Member
Secretary, Energy Department	Member
Commissioner, Investments and NRIs (BIP)	Member Secretary

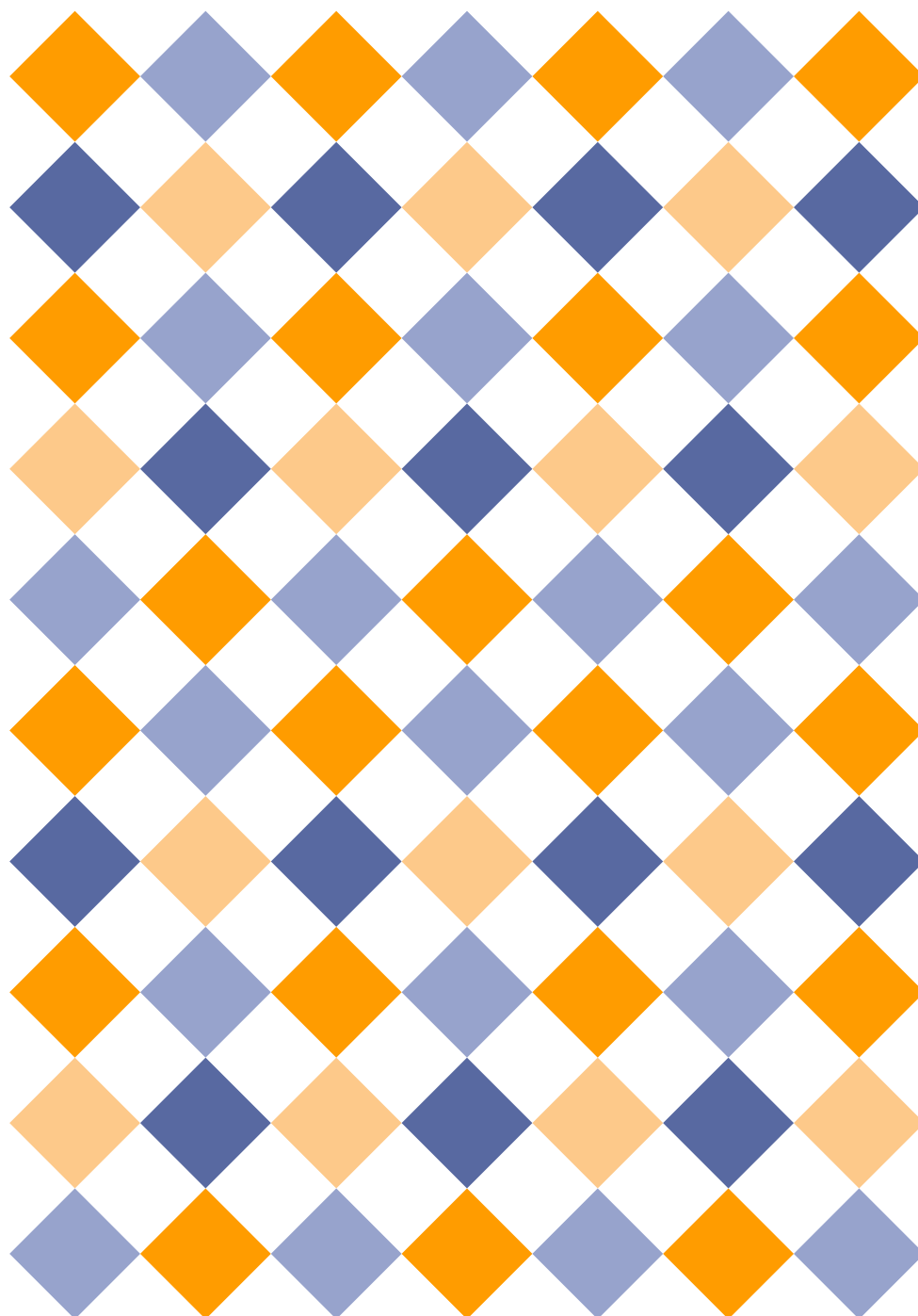
11.4.2

The composition of Board of Investment is as follows:

Board of Investment

Chief Minister	Chairman
Minister in-charge of Industry Department	Vice-Chairperson
Minister in-charge of Finance Department	Member
Chief Secretary	Member
Secretary in-charge of Industry Department	Member
Secretary in-charge of Finance Department	Member
Commissioner, Investment & NRI	Member Secretary





Section 12

Customized Package

12.1 Eligibility for Customized Packages

Enterprises investing more than rupees five hundred Crores under the RIPS 2022 policy term are eligible to opt for a customized package as detailed in this section.

i) The total benefits, i.e. the Net Present Value (NPV) of the Asset Creation Incentive remains the same as it was in the original investment subsidy chosen as part of the standard package (with applicable boosters).

The NPV will be as per certain financial assumptions prescribed by the State Government. The State shall reserve the right to revise these assumptions from time to time as deemed fit.

12.2 Benefits in certain cases of Customized Packages

ii) The redistribution of the Asset Creation Incentives can be made in a way such that a minimum of 40% of the Asset Creation Incentive chosen under standard package with applicable boosters has to be availed. The remainder of the incentive value can be redistributed among other applicable Asset Creation Incentive options as deemed suitable by the business.

12.2.1

Enterprises opting for the customized package in RIPS 2022, will have this option to redistribute their benefits among the 3 Asset Creation Incentive options available (Capital Subsidy, TLI & SGST Reimbursement) provided that:

12.2.2

Once the enterprise completes the investments committed as a part of the customized package, it will receive the benefits as outlined in the customized package. Such benefits will

also accrue to the investments made before achieving the investment threshold as part of the customized package, and, the differential benefit will be paid to it as per the timelines agreed with the State Empowered Committee.

12.2.3

Enterprises which availed the benefits of the customized package as part of RIPS 2019, will have a choice to avail customization as part of RIPS 2022. These enterprises shall not be limited to the minimum investment criteria of INR 500 Cr. Such enterprises will get a choice to redistribute their benefits among the 3 Asset Creation Incentive options available (Capital Subsidy, TLI & Investment Subsidy) provided that the total benefits, i.e. the Net Present Value (NPV) of the Asset Creation Incentives remains the same as it was in RIPS 2019, basis the remaining applicable tenure approved under RIPS 2019.

The NPV will be as per financial assumptions made by the State Government in this regard. The State shall reserve the right to revise these assumptions from time to time as deemed fit.

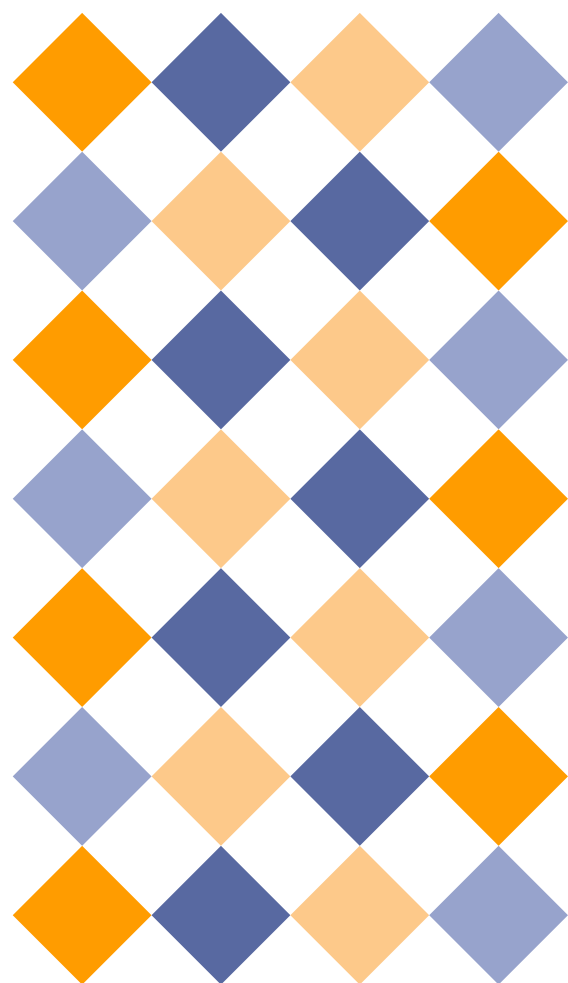
12.2.4

Enterprises shall make the committed investment within the operative period of the Policy, in case any reference of time period regarding investment is not mentioned in the customized package, otherwise within such time as mentioned in the customized package.

12.2.5

In case of investments greater than INR 1000 Cr. and greater than 800 employment generation,

the State reserves the right to grant customization on a higher NPV of the Asset Creation Incentive upto upto 20% of the NPV of the chosen Asset Creation Incentive as part of the manufacturing/ services standard package on a case to case basis. For such investments, all other incentives can also be revised on a case to case basis.



Section 13

Provisions

The policy clearly lays out different provisions for transition, phasing and customization of benefits package. Also, there are provisions for different sections of the society to ensure distributed development.

13.1 Phasing & Transition Clauses

13.1.1

Phasing

If an enterprise is investing phase-1 out of a total investment commitment made for the operative period of the Policy, incentives will be disbursed basis the slab prescribed under Manufacturing Standard Package & Services Standard Package for the phase-1 investment amount. Subsequently, when the enterprise invests the remaining part of the investment commitment, it shall receive benefits as per the upgraded slab for the remaining operative period of the Policy. The benefits under the updated slab will also accrue to the investments made

prior to meeting the eligibility criteria for the updated slab. This will be applicable to all investments (new and expansion) made under the operative period of RIPS 2022.

Any phased investment beyond the operative period of the Policy shall be eligible for benefits under RIPS 2022 only for an additional 2 years post the scheme's operative period. This is provided that at least 50% of the total investment was made during the operative period of RIPS 2022.



ILLUSTRATION

If a total investment of INR 1000 Cr was made over 7 years starting in 2023 (i.e. between 2023-2030), then the investor shall only be eligible to avail relevant benefits under RIPS 2022 until 2029, provided the enterprise invested at least INR 500 Cr. before 2027.

13.1.2

Transition

- Existing enterprises have the option to continue with the old regime of 2019 and avail eligible benefits under that policy till the end of the operative period of RIPS 2019
- Eligible enterprises who had invested and received benefits under RIPS 2019, will be provided the option to avail incentives under RIPS 2022. This is provided the investment size is above INR 100 Cr. and is generating employment for at least 200 employees (as per the guidelines for customized packages in RIPS 2019). All incentives will now be applicable basis RIPS 2022 for the remaining applicable tenure approved under RIPS 2019.
- Eligible enterprises who had invested under RIPS 2019 and had applied for benefits but not availed the same, will be provided the option to avail incentives under RIPS 2022. This is provided the investment size is above INR 100 Cr. and is generating employment for at least 200 employees (as per the guidelines for customized packages in RIPS 2019). All incentives will now be applicable basis RIPS 2022 for the remaining applicable tenure approved under RIPS 2019.
- Any enterprise which has not applied for any benefits under RIPS 2019 shall not be eligible for any benefits under RIPS 2022 except:
 - An enterprise which will start commercial production after the launch of RIPS 2022.

- An enterprise making expansion related investments after the launch of RIPS 2022.

- All new enterprises will be eligible for incentives as per the new regime of RIPS 2022.

13.2 Provisions for Exemptions in Case of Expansion of Enterprise

13.2.1

Electricity Duty Exemption

Exemption will be allowed on additional consumption of electricity beyond the maximum consumption of electricity in any of the 3 years immediately preceding the year of commencement of commercial production through expansion related investments for the applicable incentive period.

13.2.2

Mandi Fee Exemption

Exemption of Mandi Fee will be applicable on additional volume of turnover achieved by the enterprise beyond the maximum annual turnover in any of the 3 years immediately preceding the year of commencement of commercial production through expansion related investments for the applicable incentive period.

13.2.3

Land Tax and Conversion Charges Exemption

The exemption from land tax and conversion charges will be provided on additional land tax and/or conversion charges payable post expansion for the applicable incentive period.

13.3

Transfer of benefits in case of transfer of business

13.3.1

When the ownership of a unit of an enterprise availing benefit of the Policy is entirely transferred in any manner, then the remaining benefits of such unit under the Policy, if any, shall be transferred to the transferee enterprise on fulfillment of any statutory levy.

13.3.2

For availing such remaining benefits, the transferee enterprise shall submit a duly completed application as part of the attached forms and manner as may be prescribed, to the Member Secretary of the appropriate Sanctioning Committee along with proof of transfer of ownership of unit and original Entitlement Certificate(s) issued to the transferor enterprise, within ninety days of such transfer.

13.3.3

The Member Secretary of the appropriate Sanctioning Committee shall register the application and place the completed application before the appropriate Sanctioning Committee within forty-five days from the receipt of the application unless specifically extended for reasons to be recorded in writing.

13.3.4

Where the application has been filed beyond the time period as provided in clause 13.3.2, the appropriate Sanctioning Committee having been satisfied with the genuineness of cause of delay may condone the delay in filing of the application from the prescribed date of application.

13.3.5

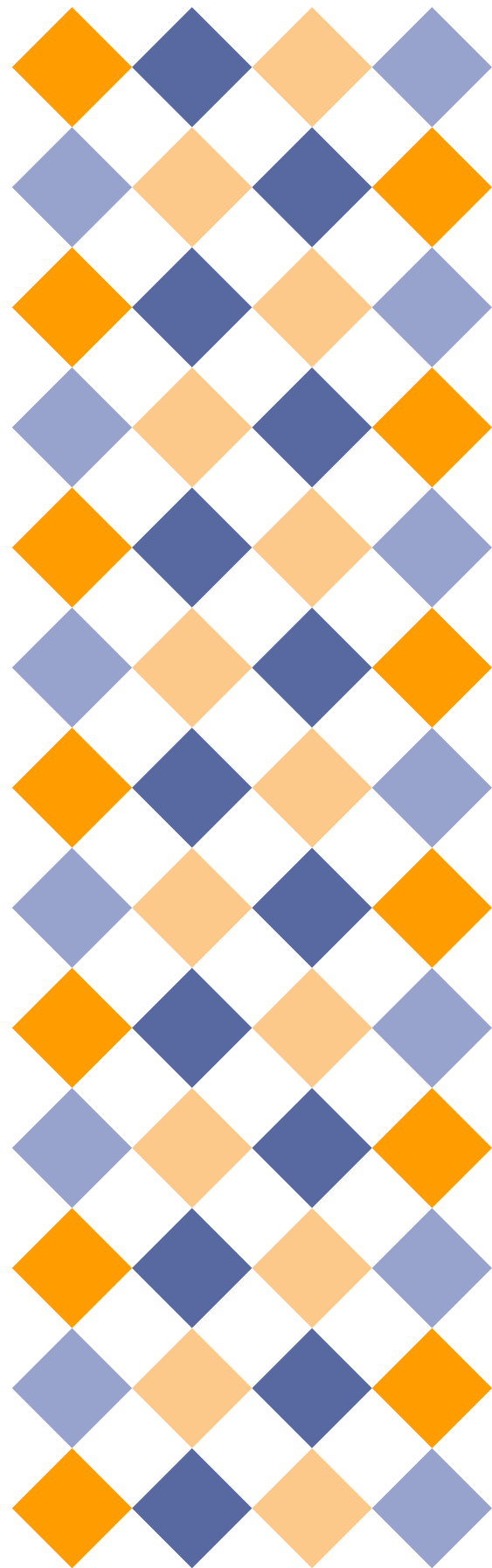
In case the committee approves the transfer of ownership, the Member Secretary shall amend the entitlement certificate(s) by making an endorsement in the said certificate(s) as under; "The benefit under this certificate is hereby transferred to M/s, and the said enterprise is entitled to avail the benefits mentioned in this certificate for a period from to".

13.3.6

After such endorsement, the Member Secretary shall forward it to all concerned immediately but not later than fifteen days from the date of the decision taken by the committee in its meeting, unless specifically extended for reasons to be recorded in writing.

13.3.7

Where the committee is of the opinion that the transferee enterprise is not eligible to avail the remaining benefits of the Policy, it shall provide an opportunity of being heard to such enterprise and shall record the reasons of rejection. The decision of the committee shall be communicated by the Member Secretary of the appropriate Sanctioning Committee to the enterprise and all concerned immediately but not later than thirty days from the date of decision taken by the committee in its meeting, unless specifically extended for reasons to be recorded in writing.



13.4

Other Provisions

13.4.1

Provisions related to extent and period of benefits

Period of Benefit:

The period of benefit wherever applicable, shall be counted from the date of the issuance of the Entitlement Certificate (EC) for that particular incentive, unless otherwise specified in the Policy. The period of validity of that EC will be 10 years in case of Capital Subsidy and Turnover Linked Incentive and 7 years in case of Investment Subsidy.

Maximum Extent of Exemption:

The total extent of exemption from payment of tax/ fee in any case for any period shall not exceed 100% of exemption from payment of such tax/fee. Moreover, the total amount of exemption of Market Fee (Mandi Fee) shall not exceed the Eligible Fixed Capital Investment (EFCI) as approved by the appropriate Sanctioning Committee.

13.4.2

Extent of Interest Subsidy

The interest Subsidy shall be in addition to any other incentive available under any other Scheme of Government of India. The enterprise availing the incentives or subsidy under any other Scheme/package of State Government

shall not be eligible for availing benefit under the Policy.

- The interest subsidy shall be allowed on the term loan taken from State Financial Institutions/Financial Institution/Bank recognized by Reserve Bank of India for making investment in plant & machinery and/or equipment or apparatus.
- The interest subsidy shall be available only for interest levied by the Financial Institution/Bank. Penal interest or other charges shall not be reimbursed.
- The interest subsidy shall be allowed for a period as mentioned in eligibility certificate or up to the period of repayment of the loan. However, in case of transfer of such loan to other State Financial Institutions/Financial Institution/Bank recognized by Reserve Bank of India, the benefit may be allowed for the remaining period after the approval of appropriate Sanctioning Committee.
- The interest subsidy shall be given to the enterprise which pays regular installments and interest to the Financial Institution/Bank. If the enterprise becomes a defaulter, it will not get interest subsidy for the default period and such defaulting period will be deducted from five years period as mentioned in the eligibility certificate.
- The interest subsidy shall be allowed only in a case where the enterprise is engaged

in manufacturing or service rendering as the case may be in the period in which interest subsidy is claimed except where it is engaged in manufacturing of seasonal goods or rendering of service activity.

13.4.3

Special Provisions for SC, ST, PwD and Women Entrepreneurs

The State is committed to promote SC/ST and backwards areas in line with the Dr B R Ambedkar Special Incentives Package.

13.4.3.1

Maximum extent of subsidy

The total amount of subsidy for the total period of benefit shall not exceed the EFCl as approved by the appropriate Sanctioning Committee. However, the categories of enterprises mentioned in Table 20, shall be eligible for the total amount of subsidy for the total period of benefit, exceeding the EFCl as approved by the appropriate Sanctioning Committee, to the maximum extent as specified in Table 20.

13.4.3.2

Employment Generation Subsidy

The Employment Generation Subsidy in the form of reimbursement of 75% of employers' contribution towards EPF and ESI shall be granted:

- For women employees, employees belonging to Schedule Caste (SC), Schedule Tribe (ST), Person with disability (PwD); and
- For all employees if the enterprise is providing more than 75% direct employment to persons domiciled in Rajasthan.

Provided further that the Employment Generation Subsidy shall not be granted for those employees for which employer is receiving reimbursement under any other Policy of Government of India or Government of Rajasthan. This shall only be granted to applicable categories as laid out in Section 9 of the Policy.

Table 20: Maximum Eligibility of Subsidies

Sr.No.	Category of Enterprises	Maximum extent to which enterprise is eligible for subsidy
A	Enterprises included in "thrust" sectors list under manufacturing & services category, enterprises included in Sunrise category, Anchor Enterprises & MSME sector	125% of eligible fixed capital investment as approved by the appropriate Sanctioning Committee
B	Women/ Schedule Caste (SC)/ Schedule Tribe (ST) / Person with disability (PwD) enterprise and TSP enterprise	125% of eligible fixed capital investment as approved by the appropriate Sanctioning Committee

13.5

Terms & Conditions

13.5.1

The enterprise availing benefits under the Policy shall comply with all statutory laws and regulations of the State of Rajasthan applicable to the enterprise. Non-compliance may entail cancellation/ withdrawal of the benefits under the Policy.

13.5.2

The enterprise availing benefits under the Policy shall be subject to the conditions, procedures, instructions, clarifications or amendments issued from time to time under the Policy.

13.5.3

In case the enterprise is availing any Subsidy,

- Under any other Policy of Government of Rajasthan; or
- Under any Policy of any undertaking, corporation or enterprise-owned or controlled by the State Government; or
- Under any law of the State

In respect of investment made in fixed assets, the total subsidy payable under this Policy shall be reduced to the extent of Investment Subsidy so received. The enterprise availing any such subsidy shall inform the authority disbursing subsidy under the Policy regarding the details of subsidy so availed.

13.5.4

Where on scrutiny or inspection by the officers of the Commercial Taxes Department or Industries Department, it is found that the enterprise, which has availed the benefits under the Policy is not eligible for such benefits or in order to get higher subsidy under the Policy, is effecting inter-state supply as intra-state supply through its subsidiaries/ intermediary/ marketing network/dealers or any other middle man, either directly or indirectly controlled by it, a reference shall be made to the appropriate Sanctioning Committee. The appropriate Sanctioning Committee shall provide an opportunity of being heard to the enterprise. On being satisfied that the enterprise is not entitled to such benefits, the Sanctioning Committee may, for reasons to be recorded in writing, withdraw the benefits. The decision of the appropriate Sanctioning Committee shall be communicated by the Member Secretary of the appropriate Sanctioning Committee to all concerned. In case of withdrawal of benefits, the appropriate Sanctioning Committee may direct for recovery of the benefits already availed with interest @ 18% per annum.



13.5.5

The enterprise availing the benefit of subsidy may, from the date of issuance of notification by the State Government, maintain the record of sale, purchase and inventory of goods on the electronic media in digital form (on line in computer) or in the manner as may be specified by an order by the State Government and shall provide online access of such record to the assessing authority as prescribed in the Rajasthan Goods and Service Tax Act, 2017 (Act No. 9 of 2017) and Rajasthan Value Added Tax Act, 2003 and the Central Sales Tax Act, 1956 or any rules made there under, to the officer authorized by the Commissioner, Commercial Taxes, Rajasthan, in this behalf.

13.5.6

Benefits under the Policy can only be availed if, and as long as there is, and for the period/s, consent to establish and consent to operate, wherever applicable, from Central/Rajasthan State Pollution Control Board is effective.

13.5.7

Where for any reasons, it is found that the enterprise has wrongly availed the benefits or has availed excess benefits under this Policy or under Rajasthan Investment Promotion Policy-2003 or under Rajasthan Investment Promotion Policy-2010 or under Rajasthan Investment Promotion Policy-2014, or under Rajasthan Investment Promotion Policy-2019, the benefits under the Policy shall not be allowed to the enterprise and any other unit/branch of the enterprise, unless it has deposited such wrongly availed or excess benefits along with interest at the rate of 18% per annum.

13.5.8

Breach of Condition

In case of breach of any of the condition mentioned anywhere in the Policy, the benefits availed under the Policy, shall be withdrawn by the appropriate Sanctioning Committee and on its recommendation the concerned Department shall recover the benefits availed by the enterprise along with interest @ 18% per annum from the date from which the benefits have been availed.

Rectification by authority competent to disburse subsidy

Rectification by authority competent to disburse subsidy can claw back any wrongly disbursed subsidy with an interest of 9% per annum. However, no order for such claw back shall be passed without providing the enterprise an opportunity to be heard. No order for such claw back shall be passed after completion of 3 years from end of entitlement period.

13.5.9

Rectification of mistake by State Level Sanctioning Committee or District Level Sanctioning Committee

13.5.9.1

With a view to rectify any mistake apparent on record, the State Level Sanctioning Committee may either Suo-moto or on an application in this behalf, may rectify any order passed by it or the District Level Sanctioning Committee.

A mistake shall include an order which was valid when it was made and is subsequently rendered invalid by an amendment of the Policy having retrospective operation or by a judgment of the Supreme Court, or the Rajasthan High Court.

13.5.9.2

No application for rectification shall be filed under clause 13.5.9.1 after the expiry of a period of three years from the date of the order sought to be rectified.

13.5.9.3

An application under clause 13.5.9.1 shall be presented to the Member Secretary of the State Level Sanctioning Committee. The Member Secretary shall place such application before the State Level Sanctioning Committee and the State Level Sanctioning Committee shall dispose of such application.

13.5.9.4

No order of rectification shall be made after the expiry of four years from the date of the order

13.5.10

Appeal

13.5.10.1

The State Level Sanctioning Committee shall be empowered to hear and decide appeals against the orders of the District Level Sanctioning Committee.

13.5.10.2

The State Empowered Committee constituted under section 3 of the Rajasthan Enterprises Single Window Enabling and Clearance Act,

2011 shall be empowered to hear and decide appeals against the order of State Level Sanctioning Committee.

13.5.10.3

The application for appeal shall be filed within a period of 90 days from the date of communication of the decision.

13.5.11

Revision by the State Government

13.5.11.1

The Finance Department may Suo-motu or otherwise revise an order passed by any Sanctioning Committee if it is found to be erroneous and prejudicial to the interest of the State, after affording an opportunity of being heard to the beneficiary enterprise.

13.5.11.2

No order under sub-clause 13.5.11.1 shall be passed by the State Government after the expiry of a period of three years after the date

13.5.12

Penal Clause

New investments / expansion related investments must achieve commercial production within 36 months of availing stamp duty exemption. In case an entity fails to reach commercial production within 36 months from availing stamp duty exemption, the following actions will apply:

- a) Claw back of 50% of applicable stamp duty exemption
- b) A deflator of 0.98 per year will be applicable for all incentives under the policy.

Entitlement Certificate for Stamp Duty Exemption will be valid for 1 year or till the expiry of the policy's operative period whichever is earlier



ILLUSTRATION

An investor avails stamp duty exemption worth INR 2 Crores in Jan 2022 but begins commercial production post Jan 2027. They choose to avail 1.2% TLI as asset creation incentive. In such a scenario, the investor will have to pay INR 1 Cr. to the State. Post such payment, the investor will be eligible for claiming a TLI of 1.1525% $[0.98 * 0.98 * 1.2\%]$

13.5.13

Provisions for e-governance

To enable electronic delivery of services under the Policy, notwithstanding anything contrary contained anywhere in the Policy, the Government Department responsible for grant of benefit or issuance of Entitlement Certificate (EC), require an application or any communication or order or certificate or disbursement of payment relating to benefit under the Policy shall be made or

issued in electronic form. Further, to facilitate e-governance as above, the Government Department may change the procedure mentioned in the Policy to such extent that it is not inconsistent or incompatible with electronic forms of communication and payment and such change shall not invalidate any action for the mere reason that it is repugnant to the procedural provisions of the Policy.

13.5.14

State Tax Due and Deposited

The term "State tax due and deposited" by an enterprise does not include the amount of state tax due and deposited against the supplies made by it to its extended arms (subsidiaries and/or marketing wings and/or dealers and/or distributors or any other middle man, either directly or indirectly controlled by it), where such extended arms are subsequently making inter-state supplies of goods so received and utilizing the credit of State Tax suffered on such goods for making payment towards the output tax under the Integrated Goods and Services Tax Act, 2017 in terms of sub-section (4) of section 49 of the Rajasthan Goods and Services Tax Act, 2017.

By Order of the Governor,

(Namrata Vrishni)

Joint Secretary to Government

Section 14

Annexure

14.1 Definitions

(i)

“Ancillaries” means an enterprise which uses products and its byproducts in manufacturing of distinct and different commodities other than products of the mother unit and is located within 50 km radius of the mother unit.

(ii)

“New Age Battery Technology” means technology which enables the storage of chemical energy and conversion to electrical energy; as defined in any policy or order by any department of State Government.

(iii)

“Bio-Technology” means enterprises engaged in manufacturing of such drugs, which involves the manipulation of micro-organism or biological substances to perform a specific process, essentially by use of those microorganisms or highly complex proteins

from genetically-modified living cells as components in medications to treat various diseases and conditions and shall include:

- Enterprises engaged in the development of a product or rendering service related to ‘living systems’.
- Enterprises engaged in the research & development beginning with the discovery of novel compounds, which then get ushered into the clinic for further testing which are used or derived by using specific living system and information or material derived there from; and
- Enterprises engaged in bio-informatics and bio-technology product. Explanation: Living System means plants, animals including humans and microbes and parts thereof, their genetic material and by-products and bio- informatics means construction of database on genomes, protein sequences; modelling complex biological processes, including systems biology

(iv)

“Data Centre” mean a dedicated secure space

within a building / centralized location where computing and networking equipment is concentrated for the purpose of collecting, storing, processing, distributing or allowing access to large amounts of data.

(v)

“Enterprise” means an industrial undertaking or a business concern or any other establishment, by whatever name called, engaged in manufacturing of goods, in any manner, or engaged in providing or rendering of service or services.

(vi)

‘Entertainment Sector’ means an enterprise making an investment equal to or above rupees two crore in providing entertainment through exhibition of films in cinema hall or multiplex or miniplex.

(vii)

“Ethanol” means ethanol producing units as defined as per the “Rajasthan Ethanol Production Promotion Policy 2021”

(viii)

“Existing Enterprise” means a manufacturing or service enterprise that is engaged in commercial production or operation before or during the operative period of the Policy.

(ix)

‘Exporter’ means the unit bearing Import-Export Code & RCMC with concerned EPC/ Board/Authority/Organization. Also, these units will have to ensure 50% of their annual sales is exported to be classified as an exporter.

(x)

“Green Hydrogen” means the plants generating Hydrogen through electrolysis of water/brine water or any suitable technology as defined by Government of India by using renewable means or through banking of renewable energy.

(xi)

“Industry 4.0” means the enterprise engaged in big data & analytics, Artificial Intelligence, Nano Technology, Quantum computing, fifth generation wireless technologies, simulations, horizontal & vertical system integration, cyber security, cloud, additive manufacturing and augmented reality across the business value chain.

(xii)

“Infrastructure for Value-addition or Preservation of Agricultural Products” means an enterprise making an investment in List 06.

(xiii)

“Inland Container Depot (ICD)” means an off seaport (or Port) facility having such fixed installation or otherwise, equipment, machinery etc. providing services for handling / clearance of laden import, export containers for home use, warehousing, temporary admissions, re-export etc. under custom control and with storage facility for customs bonded or non-bonded cargo.

(xiv)

“Large Enterprise” means an enterprise other than Micro, Small and Medium Enterprise.

(xv)

“Logistics Park” means an estate which is developed in minimum area of ten acres for establishment of minimum five enterprises engaged in or propose to be engaged in logistic services like cargo aggregation/ segregation, distribution, open storage, closed storage, ambient condition storage for transit period, container freight station, material handling equipment and have infrastructure like internal roads, power line, water distribution, sewage and drainage lines.

(xvi)

“Medical Devices & Equipment Sector” means implants, instruments and equipment intended for therapeutics, monitoring and diagnostics. These include reconstructive devices such as hip and knee replacements, implantable monitors for cardiac and diabetic care, etc.

(xvii)

“Micro, Small and Medium Enterprise (MSME)” is defined as follows:

Micro Enterprise: where the investment in Plant and Machinery or Equipment does not exceed one crore rupees

Small Enterprise: where the investment in Plant and Machinery or Equipment does not exceed ten crore rupees

Medium Enterprise: where the investment in Plant and Machinery or Equipment does not exceed fifty crore rupees

(xviii)

“Multi-Modal Logistics Hub” means logistics infrastructure serving as or proposed to be serving as logistics facility with access to more

than one mode of transport comprising of mechanized warehouses, specialized storage solutions including cold storage, facilities for mechanized material handling and inter-modal transfer container terminals, bulk or break-bulk cargo terminals developed in minimum area of fifty acres.

(xix)

“New Unit” means a new manufacturing or service enterprise and includes a unit set up by an existing enterprise for manufacturing products or providing services, having separately identifiable books of accounts and depositing the taxes and duties leviable under any State Act including Provident Fund separately.

(xx)

“Service Enterprise” means an enterprise engaged in providing or rendering of services in either Services Thrust Sectors as defined in List 04 or in:

- Amusement Park
- Cold Chain and Preservation Infrastructure
- Convention Center
- Cluster/Electronic Manufacturing Cluster
- Healthcare

(xxi)

“Start-Up” means an enterprises eligible for such categorization as defined in Start-up policy of Government of India which is as follows:

- Enterprise Age: Period of existence and operations should not be exceeding 10 years from the Date of Incorporation
- Enterprise Type: Incorporated as a Private

Limited Company, a Registered Partnership Firm or a Limited Liability Partnership

- Annual Turnover: Should have an annual turnover not exceeding Rs. 100 crore for any of the financial years since its Incorporation
- Original Entity: Entity should not have been formed by splitting up or reconstructing an already existing business
- Innovative & Scalable: Should work towards development or improvement of a product, process or service and/or have scalable business model with high potential for creation of wealth & employment

Additionally, Startups need to meet the 'Bronze' or higher Qualifying criteria under the Q-Rate program of the Government of Rajasthan to be eligible for benefits under RIPS 2022.

(xii)

"Sunrise Sectors" means an industry which is new or relatively new, is growing fast and is expected to become important in the future. In RIPS 2022, the first 3 units mentioned in the list of sunrise sectors will be called as sunrise sectors.

(xxiii)

"Technical Textile Sector" means sector comprising enterprises engaged in manufacturing of textile materials and products which are manufactured primarily for their technical performance and functional properties rather than their aesthetic or decorative characteristics. Based on the

application point of view technical textiles may fall in any of the following groups:

- Agro Tech (Agriculture, Horticulture and Forestry);
- Build Tech (Building and Construction);
- Cloth Tech (Technical Components of Shoes and Clothing);
- Geo Tech (Geo Textiles, Civil Engineering);
- Home Tech (Components of Furniture, Household Textiles and Floor Coverings);
- Indu Tech (Filtration, Cleaning and Other Industrial);
- Med Tech (Hygiene and Medical);
- Mobil Tech (Automobiles, Shipping, Railways and Aerospace);
- Pack Tech (Packaging);
- Pro Tech (Personal and Property Protection);
- Sport Tech (Sport and Leisure)

(xxiv)

"Warehouse" means any standalone building structure or other protected enclosure which is or may be used for the purpose of storing goods on behalf of depositors, but does not include the premises of public carriers or of a commission agent.

14.1.1

Incentive related Definitions

(i)

“Commencement of Commercial Production/ Operation” means:

- For a new enterprise, the date on which the enterprise issues the first bill of supply/invoice/tax invoice of the goods manufactured and/or of services rendered related to the investment made under the Policy.
- For an existing enterprise making investment for expansion, the date on which the enterprise issues the first bill of supply/invoice/tax invoice of the goods manufactured and/or of services rendered after completion of expansion.
- Provided that in case of an industrial park, Electronic Manufacturing Cluster, Logistic Park, Multi-Modal Logistics Hub, Plug and Play Office Complex & IT Park, it shall mean the date of handing over of possession to the first unit sold or leased out in the park.

(ii)

“Employment” shall mean employees who are on the permanent payroll of the respective enterprises, i.e., receive wages or salary directly from the enterprise and which will include contract labor engaged in production line for at least 6 months of the year. The percentage of contract labor engaged should not exceed 40% of total labor force.

(iii)

“Expansion” means the creation of additional capacity for production of goods or

operational capacity for service in the same line of production/operation or through a new product line or a new line of services by an existing enterprise at an existing site or any other site with additional investment.

(iv)

“Green Solution Areas” as defined below:

For all green solution areas defined below, the State reserves the right to add or exclude specific activities within any area, sector or product from time to time as deemed fit.

(a) Environmental Infrastructure Facilities:

- Effluent Treatment Plant & Common Effluent Treatment Plant;
- Establishing “Reuse and Recycling of Industrial Waste, electronic waste & plastic waste Plant”;
- Augmentation and technology upgradation of existing ETPs & CETPs;
- Common spray dryer, common multiple effect evaporator;
- Common Boiler Project by SPV;
- Implementation of cleaner production technology in place of existing process such as substitution & optimization of raw material, reduction in water consumption or energy consumption or waste generation;
- For environment management project with use of clean, Efficient and Innovative Pollution Control Equipment;
- Installation of online Continuous Stack Emission Monitoring Systems (CEMS);
- Setting Up of Environment Management System including setting up of Environment Management Laboratory;

- Purchase of new equipment/system related to safety, occupational health or for environment compliances for common use of enterprise located in cluster;
- Development of Green Estate & Green Buildings for set up/ relocation / retrofitting of existing polluting industrial units into Green Industrial Estates;
- Green Buildings which obtain green rating under the Indian Green Building Council (IGBC/LEED Certification)
- Cost for preparation of site master plan for relocation and retrofitting of existing pollution industrial units into Green Industrial Estates.

(b) “Zero Defect and Zero Effect (ZED) Rating” means Zero Defect and Zero Effect rating or certification or approval granted by Quality Council of India (QCI) under ZED certification Policy of Government of India.

(c) “Zero Liquid Discharge Based Treatment Plant” means an effluent treatment plant in which the effluent water is either used or fully evaporated and no effluent is discharged out of factory premises, as certified by the Rajasthan State Pollution Control Board.

(d) Water Conservation Solutions

- Wastewater treatment and recycling systems using technologies such as Activated Sludge Process (ASP), Membrane Bio-Reactors (MBR), Reverse Osmosis (RO), etc. to increase supply and use of treated water.
- Smart Solutions/IoT for Water and Wastewater to reduce dependency on

manpower, enhance business continuity and remote operations using smart meters/ pumps/ sensors, data analytics, and cloud solutions.

- Adopting rainwater harvesting; restoring water bodies by de-silting defunct water bodies within the premises
- Zero Liquid Discharge Solutions

(e) Energy Efficiency Solutions

Industries falling under the Rajasthan Green Rating system by meeting the eligibility criteria defined in the Green Rating of Industries in Rajasthan Policy.

(f) Air Quality/Emission Reduction measures will be applicable for those green interventions which the State deems fit.

(v)

“Investment” or “Eligible Fixed Capital Investment (EFCI)” means investment made by an enterprise in fixed assets, in the following, up to the date of commencement of commercial production:

- Price paid for the land
- Cost of new factory sheds and other new industrial buildings
- Price paid for new plant and machinery
- Other investment made in new fixed assets essential for the production of the unit as approved by the appropriate Sanctioning Committee
- In case of eligible Service Enterprises- the price paid for new air conditioning, servers, computers, printers, IT infrastructure, essential furniture & fixtures, equipments, office equipments and audio-visual

equipments; and other investment made in new fixed assets essential for the rendering of services as approved by the appropriate Sanctioning Committee.

Provided that investment made in:-

- Land in excess of 30% of the total investment/EFCL made; and
- Purchase of existing factory sheds, industrial buildings; and
- Old plant and machinery; and
- Plant and machinery transferred from other locations by the Enterprise, shall not be included in investment/EFCL; and
- Provided further that investment made, in purchase of a manufacturing enterprise, which has been taken over before the commencement or during the operative period of this Policy, and sold during the operative period of the Policy by RIICO/ RFC/ Central Financial Institutions/ Banks, shall be allowed for computation of EFCL.

(vi)

“Net Sales Turnover” means the aggregate value of the realisation of amount made from the sale of manufactured goods by the enterprise during a financial year. Income from other sources (non-operating activities) like interest received, grants or subsidies, trading activity, resale of products / goods will not be counted under turnover.

(vii)

“Net Sales Turnover for Services” means operating revenue generated in return for completing a service. It includes any service that the business provides, whether or not the

customer submits payment. Service revenue doesn't include things like a shipment of goods or interest. It focuses primarily on the services of the business. Revenue from other non-operating sources such as dividend income, investments, foreign exchange write-offs or any write-downs from business assets will not be eligible for calculating turnover linked incentives for service enterprises.

(viii)

Policy means ‘Rajasthan Investment Promotion Scheme 2022’.

(ix)

“Present Value” means the current value of a future sum of money or stream of cash flows given a specified discount rate.

(x)

“State Tax due and deposited” means:

- The amount of State Tax (SGST) paid through debit in the electronic cash ledger account maintained by the enterprise in terms of sub-section (1) of section 49 of the Rajasthan Goods and Service Tax Act, 2017 (Act No. 9 of 2017) after utilization of the available amount of input tax credit of the State tax (SGST) and Integrated tax (IGST); and/or
- The amount of VAT and CST which have become due and have been deposited by the enterprise, as applicable, related to the period for which benefits under the Policy has been claimed.

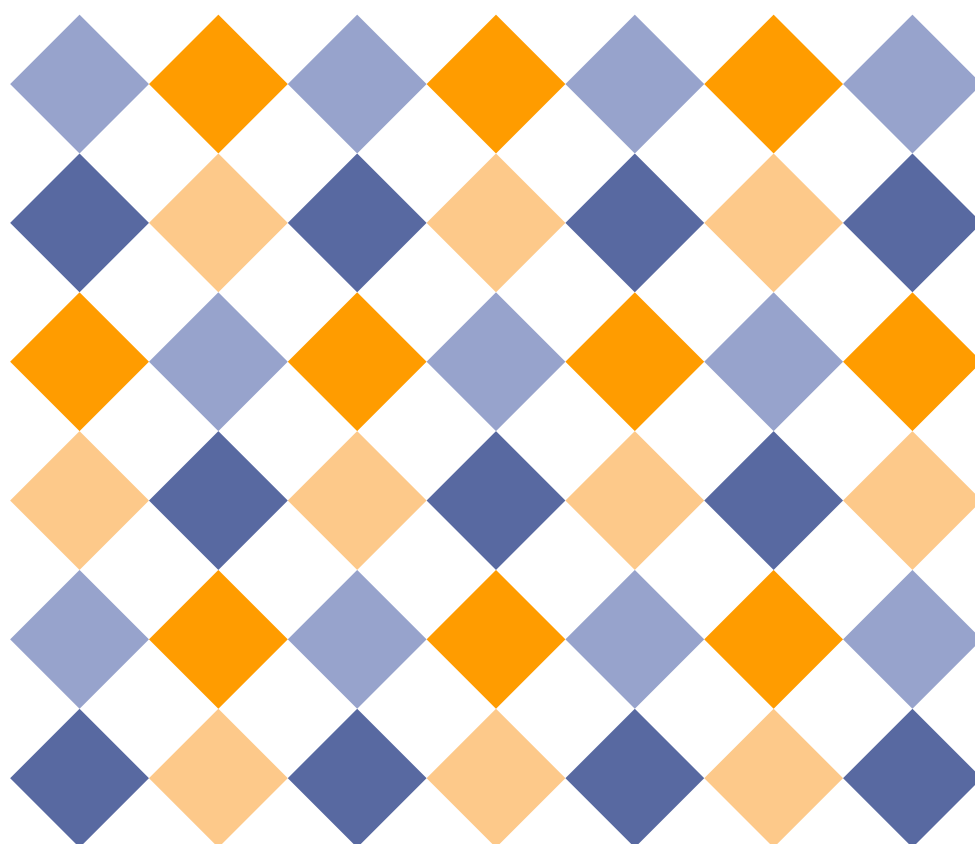
(xi)

“Term Loan” means term loan taken by

enterprise from Financial Institutions or State
Financial Institutions or Banks recognized by
Reserve Bank of India.

(xii)

“Year” means financial year (From 1st April
to 31st March) and quarter means the period
of three months ending on 30th June, 30th
September, 31st December and 31st March.



List 01:

List Of Minerals As Referred in Annexure of the Policy

- Jasper
- Calcite
- Selenite
- Ochre
- Phosphorite (rock Phosphate)
- Lead & Zinc
- Wollastonite
- Gypsum
- Silver
- Talc/Soapstone/Steatite
- Quartzite
- Manganese
- Natural Gas utilized
- Felspar
- Copper Concentrate
- Barytes
- Iron Ore

List 02:

List of Ineligible Industries

Investments not eligible for benefits of subsidies and/or exemptions under the Rajasthan Investment Promotion Scheme 2022. The State shall reserve the right to include or exclude any sectors from this list from time to time.

- Investment for manufacturing tobacco, tobacco products and pan masala.
- Investment made in cow beef processing units.
- Investment made in retail / trading activities.
- Any activity which is prohibited by Central/ State laws.
- Aerated Water Plants

List 03:

List of Manufacturing Thrust Sectors

The State shall reserve the right to include or exclude any sectors from this list from time to time.

- Agri & Food Processing
- Dairy
- Textiles
- Apparels
- Handicraft
- Leather, Footwear and Accessories
- Gems & Jewellery
- Automobile, Electric Vehicle (EV) & Auto-Component
- Petrochemicals & Petroleum Ancillary
- Chemicals
- Pharmaceuticals
- Minerals
- Ceramics
- Glass
- Biodegradable Plastic Substitutes
- Electronics System Design and Manufacturing (ESDM)
- Industrial Gases
- Renewables
- Defense

List 04: List of Services Thrust Sectors

The State shall reserve the right to include or exclude any sectors from this list from time to time.

- IT & ITeS
- Fintech
- Hotel & Tourism
- Entertainment
- Film City
- Cold Chain in Pharmaceuticals
- Common Utility Centre
- Infrastructure for Value-Addition or Preservation of Agricultural Products
- Plug and Play Office Complex
- Social Infrastructure

List 05: List of Sunrise Sectors

The State shall reserve the right to include or exclude any sectors from this list from time to time.

- Green Hydrogen
- Ethanol
- Medical Devices & Equipment
- Biotechnology
- New Age Battery Technology
- Industry 4.0
- Data Centers
- Rare Earth Elements

List 06: List of Activities for Agro-Processing Sector in Rural Areas

- Integrated Pack-house including washing, electronic or mechanized sorting, grading line, packaging line, waxing line and cold rooms/cold storage;
- Ripening Chamber;
- Cold Storage Unit;
- Controlled Atmosphere (CA) Storage;
- Frozen Storage;
- Vacuum Freeze Drying Unit;
- Milk Chilling Unit;
- Poultry or Meat or Fishery Processing Unit;
- Food Irradiation Unit;
- Refrigerated or Insulated Transport;
- Mobile Pre-Coolers;
- Reefer Vans;
- Refrigerated Containers Including Multi-Modal Container Units;
- Modified Atmospheric Packaging (MAP);
- Value Addition House having Machinery & Equipment for minimal processing including cutting, dicing, slicing, pickling, drying, pulping, canning, waxing; and
- Machinery & equipment for packing and packaging.
- Cold Chain and Preservation Infrastructure



List 07:

Area Category Classification

District	Area Category 1	Area Category 2	Area Category 3
Ajmer	Ajmer Beawar Kishangarh Pushkar Roopangarh	Bhinay Arain Bijaynagar Kekri Masuda Nasirabad Peesangan Sarwar	Tantoti Todagarh
Alwar	Alwar Behror Neemrana Tijara Tapukda Tehla	Bansur Govindgarh Kishangarh Bas Kotkasim Lachhmangarh Mala Khera Nongawa Ramgarh Rajgarh Thanagazi Kharithal Harsauli	Mundawar Kathumar Narayanpur Reni
Banswara		Gadhi Banswara	Abapura Anandpuri Bagidora Chhoti Sarwan Gangar Talai Ganoda Arthuna Ghatol Kushalgarh Sajjangarh
Baran		Antah Baran Chhabra	Atru Chhipabarod Kishanganj Mangrol Shahabad
Barmer		Nokhda Kalyanpur Barmer Rural Dhanau Barmer Gudha Malani Samdari Sindhari Baytu Chohtan Pachpadra Siwana	Dhorimana Gadra Road Gira Ramsar Serwa Sheo
Bharatpur	Bharatpur	Bayana Bhusawar Deeg Kaman Pahadi Kumher Nadbai	Uchchain Nagar Sikri Rupbas Weir

District	Area Category 1	Area Category 2	Area Category 3
Bhilwara	Bhilwara Hameergarh Banera Hurda Mandal Shahpura	Karera Asind Beejoliya Jahazpur Kotri Mandalgarh Raipur Sahra	Badnor Phooliyan Kalan
Bikaner		Bikaner Lunkaransar Kolayat Sri Dungargarh Nokha	Chhatargarh Bajju Pungal Khajuwala
Bundi	Bundi Talera	Indragarh Keshoraipatan Hindoli	Nainwa
Chittorgarh	Begun Chittorgarh Nimbahera Kapasana Rawatbhatia	Bassi Bhadesar Dungla Gangrar Rashmi Badi Sadri Bhoopal Sagar	Badi Sadri
Churu		Sidhmukh Rajgarh Churu Ratangarh Sardarshahar Sujargarh Taranagar	Bidasar Bhanipura
Dausa	Dausa Sikrai	Mandawar Bahravanda Bajjuwada Senthil Rahuvas Lalsot Lawaan Mahwa Baswa Nangal Rajwatan Nirjharna Bandikui Ramgarh Pachwara	
Dholpur	Dholpur Badi Sarmathura	Maniya Rajakhera	Baseri Sepau
Dungarpur		Dungarpur Dovda Gamdi Ahada	Aspur Bichchiwara Cheekhil Galiyakot Jhonthari Sabla Sagwara Simalwara Pal Deval
Hanumangarh	Hanumangarh Pilibanga	Bhadra Nohar Rawatsar Sangaria Pallu Tibbi	

District	Area Category 1	Area Category 2	Area Category 3
Jaipur	Jaipur Kotputli Sanganer Shahpura Amber Bassi Chaksu Chomu Dudu Aandhi Kalwar Jobner	Jamwa Ramgarh Kishangarh renwal Mauzamabad Phagi Phulera (HQ Sambhar) Viratnagar Pavta Madhorajpura	Kotkhawada Tunga
Jaisalmer		Jaisalmer Sam	Bhaniyana Fatehgarh Mohangarh Nachna Ramgarh Phalsund Pokhran
Jalore	Bhingmal Jalore Sanchoe	Ahore Jaswantpura Raniwara	Sayla Bagora Bhadrajun Chitalwana
Jhalawar		Khanpur Aklera Sunel Dug Raipur Jhalarpatan Panch Pahad	Asnawar Gangdhar Manohar Thana Pidawa Bakani
Jhunjhunu	Jhunjhunu Mandawa Khetri	Chirawa Nawalgarh Surajgarh Buhana Malsisar Udaipurwati Gudha Gaud Ji Bisau	
Jodhpur	Jodhpur Phalodi Bilada Jhawar Kudi Bhagtasani	Baori Bhopalgarh Luni Osian Balesar Bap Lohawat Pipar City Tinwari Bapini Dechu Aau Shekhala	Shergarh Setrava Ghantiyali
Karauli		Hindaun Karauli Suroth Shri Mahavari Ji	Mandrail Masalpur Nadoti Sapotara Todabhim
Kota	Ladpura Ramganj Mandi	Sangod Digod	Kanwas Pipalda

District	Area Category 1	Area Category 2	Area Category 3
Nagaur	Makrana Nagaur	Degana Didwana Jayal Khimsar Kuchaman City Ladnu Merta Mundwa Parbatsar Riyanbari Nava Sanju	Maulasar Deh
Pali	Pali Jaitaran Sojat Sumerpur Rani Rohat	Desuri Marwar Jn Raipur	Bali
Pratapgarh		Dalot Suhagpura Chchoti Sadri Pratapgarh	Arnod Dhariyawad Peepalkhoont
Rajsamand		Delwada Bhim Kunwariya Railmagra Rajasmand Amet Kumbhalgarh Nathdwara Deogarh	Garhbor Khamnor
Sawai Madhopur	Sawai Madhopur Gangapur	Malana Doongar Mitrapura Barnala Talawada	Chauth Ka Barwara Khandar Wazeerpur Bonli Bamanwas
Sikar	Sikar Rigus	Khandela Ramgarh Shekhawati Danta Ramgarh Dhod Fatehpur Lachchmangarh Neem Ka Thana Sri Madhpur Nechwa	Sikar (Rural) Patan
Sirohi		Deldar Sheoganj Sirohi Pindwara	Reodar Abu Road
Sri Ganganagar	Ganganagar Suratgarh	Anupgarh Gharsana Karanpur Padampur Raisinghnagar Sadulshahar Vijainagar Sri Karapur	Rawala
Tonk	Deoli Tonk Malpura Niwai	Dooni Todraisingh Uniara Nagar Fort	Peeplu

District	Area Category 1	Area Category 2	Area Category 3
Udaipur		Gogunda Kherwara Mavli Rishabdeo Salumbar Vallabhnagar Bhindar Kanor Naigaon Kuravad Jhallara Girwa Badgaon	Jhadol Kotra Sarada Lasadiya Semari
Grand Total	75	214	105



Illustrative Case Studies

This section highlights the incremental benefits provided under this policy compared to the RIPS 2019. Case studies are illustrative.

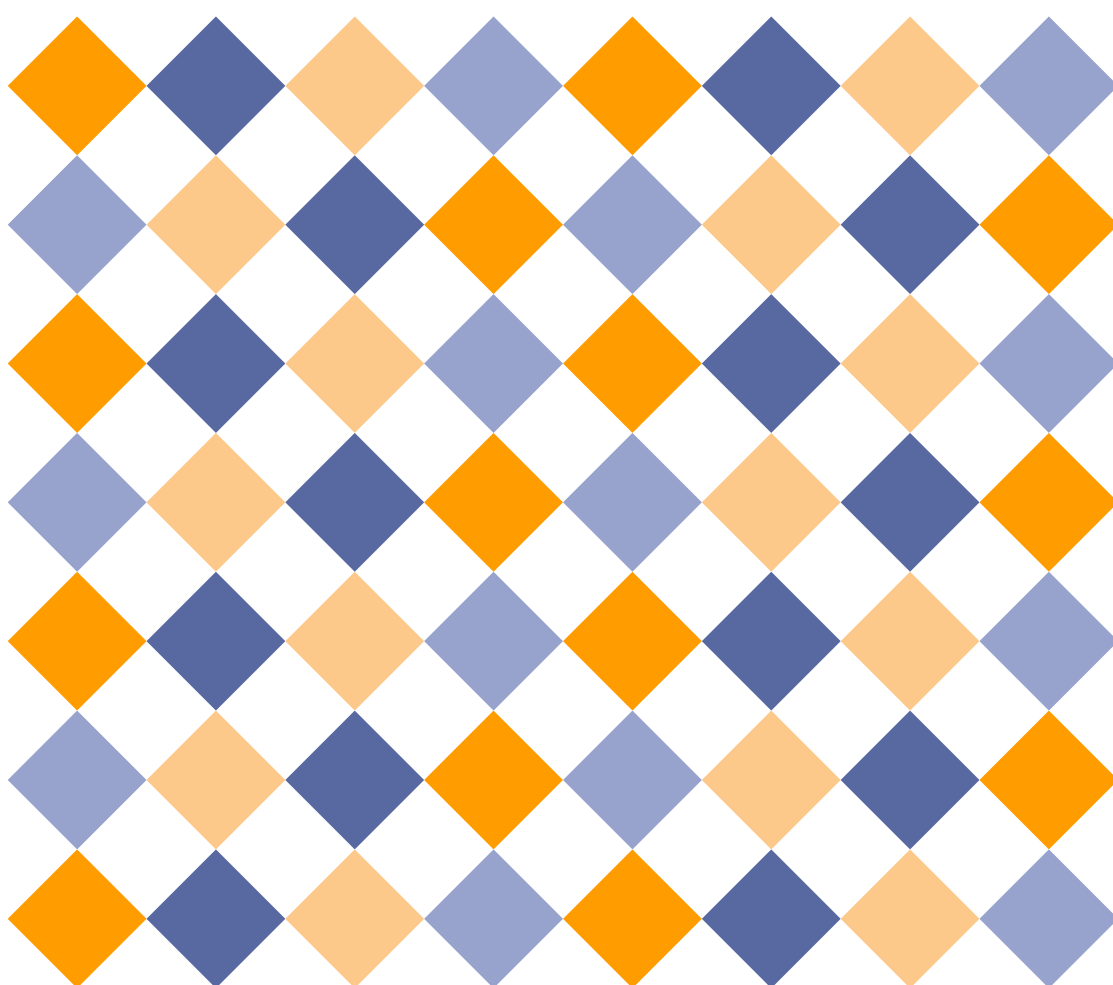


Illustration 1:

Category:

MSME

Sector:

Pharma.

Investment:

40 Cr.

Loan Amount:

10.5 Cr.

Employment:

190+

Tehsil:

Anupgarh

Area Category:

02

This illustration highlights incentives for a pharmaceuticals company investing INR 40 Cr. (10.5 Cr. through debt) in Anupgarh tehsil which falls in Area Category 02.

Under RIPS 2022, the NPV of incentives is ~18% higher

Amount represented as Present Value				
Incentive Area	RIPS 2019		RIPS 2022	
	%	₹ (in Cr.)	%	₹ (in Cr.)
Capital Subsidy	25% (Up to 50L)	0.45	-	-
	OR			
Interest Subsidy	5% (Up to 25L p.a.)	1	3% - 6% (Telescoped)	2
Investment Subsidy	75%	4.7	75%	4.7
Total		5.7		6.7

Illustration 2:

Category:	Manufacturing	This illustration highlights incentives for a textile company investing INR 70 Cr. (30 Cr. through debt) in Jaipur tehsil which falls in Area Category 01. The company belongs to a "Thrust" sector and falls under the "Large" category of investment slabs. The company has also set up an ETP which is eligible for the relevant green incentive.
Sector:	Textile	
Investment:	70 Cr.	
Loan Amount:	30 Cr.	
Employment:	200+	
Tehsil:	Jaipur	
Area Category:	01	

Under RIPS 2022, the NPV of incentives is ~55% higher

Incentive Area	Amount represented as Present Value			
	RIPS 2019		RIPS 2022	
	%	₹ (in Cr.)	%	₹ (in Cr.)
Investment Subsidy	75%	5.5	75%	5.5
Turnover Linked Incentive	-		1.2%	10
Capital Subsidy	25% (Up to 50L)	0.45	13%	6
Interest Subsidy	7%	8	5%	6
Thrust Booster	-	-	10%	1
Green Incentive (ETP Plant)		1		5
Total	-	13.5	-	21

Illustration 3:

Category:	Manufacturing	This illustration highlights incentives for a cement company investing INR 600 Crores in Jaipur tehsil which falls in Area Category 01. The company does not belong to a "Thrust" sector and falls under the "Mega" category of investment slabs.
Sector:	Cement	
Investment:	600 Cr.	
Loan Amount:	-	
Employment:	1600	
Tehsil:	Ajmer	
Area Category:	01	

Under RIPS 2022, the NPV of incentives is 15% higher

Incentive Area	Amount represented as Present Value			
	RIPS 2019		RIPS 2022	
	%	₹ (in Cr.)	%	₹ (in Cr.)
Investment Subsidy	75%	110	75%	110
Turnover Linked Incentive	-		1.4%	100
Capital Subsidy	-		17%	70
Employment Booster	-		15%	16.5
Total		110		126.5

Illustration 4:

Category:	Manufacturing	This illustration highlights incentives for an Auto / EV company investing INR 1200 Cr. in Kotri tehsil which falls in Area Category 02. The company belongs to a "Thrust" sector and falls under the "Ultra Mega" category of investment slabs. It is also an anchor investor in its tehsil and eligible for Anchor booster.
Sector:	Auto & EV	
Investment:	1200 Cr.	
Loan Amount:	-	
Employment:	400	
Tehsil:	Kotri	
Area Category:	02	

Under RIPS 2022, the NPV of incentives is ~75% higher

Amount represented as Present Value

Incentive Area	RIPS 2019		RIPS 2022	
	%	₹ (in Cr.)	%	₹ (in Cr.)
Investment Subsidy	75%	180	75%	180
Turnover Linked Incentive	-		1.85%	260
Capital Subsidy	25% (Up to 50L)	0.5	25%	200
Interest Subsidy	5% (Up to 25L p.a.)	-	5%	-
Thrust Booster	-		10%	26
Anchor Investments Booster	-		20%	52
Total	-	180.5	-	312

Illustration 5:

Category:	Services
Sector:	IT / ITes
Investment:	70 Cr.
Loan Amount:	10 Cr.
Employment:	200+
Tehsil:	Jaipur
Area Category:	01

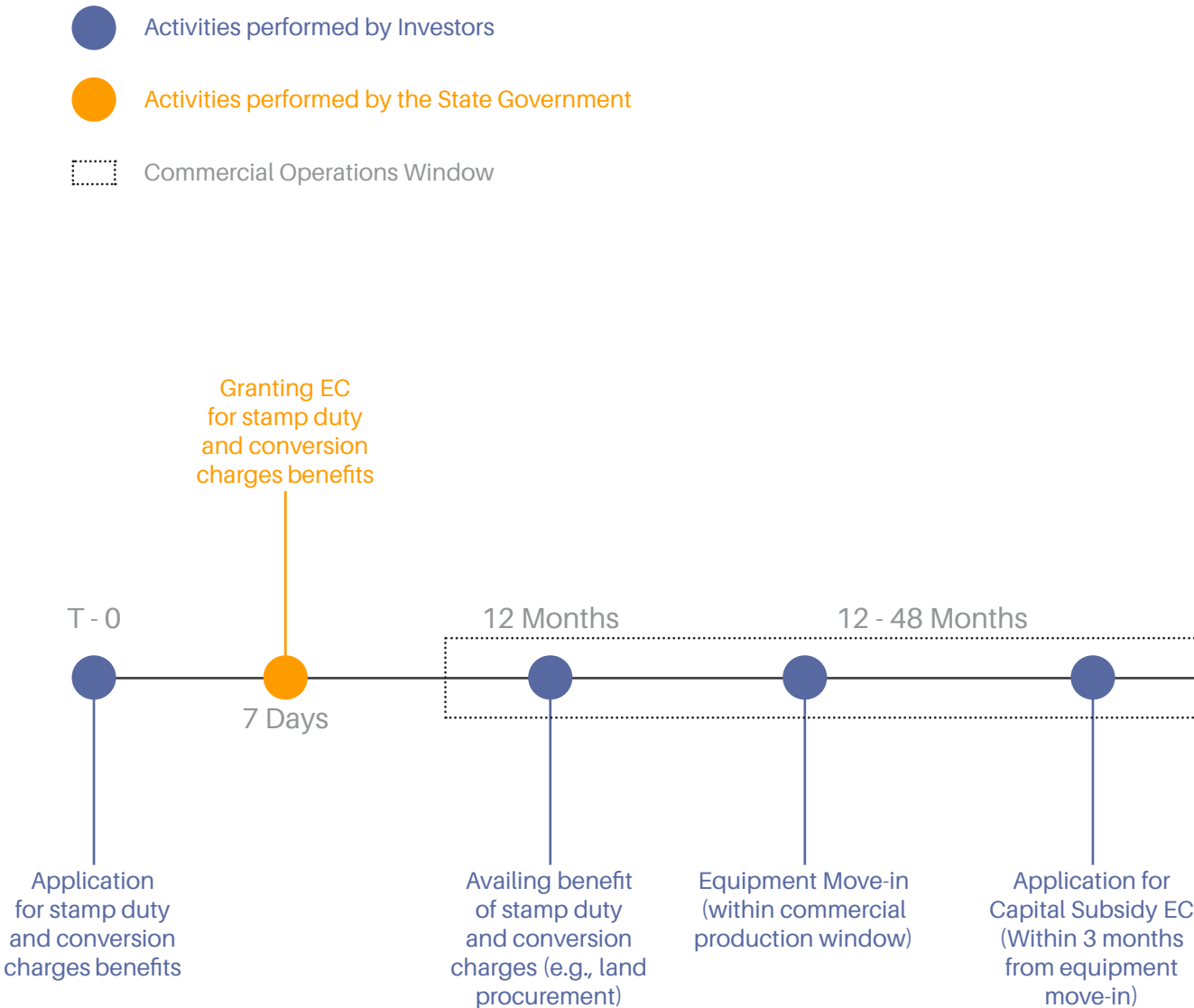
This illustration highlights incentives for an IT / ITes company investing INR 70 Cr. (10 Cr. through debt) in Jaipur tehsil which falls in Area Category 01. The company belongs to a "Thrust" sector and falls under the "Large" category of investment slabs.

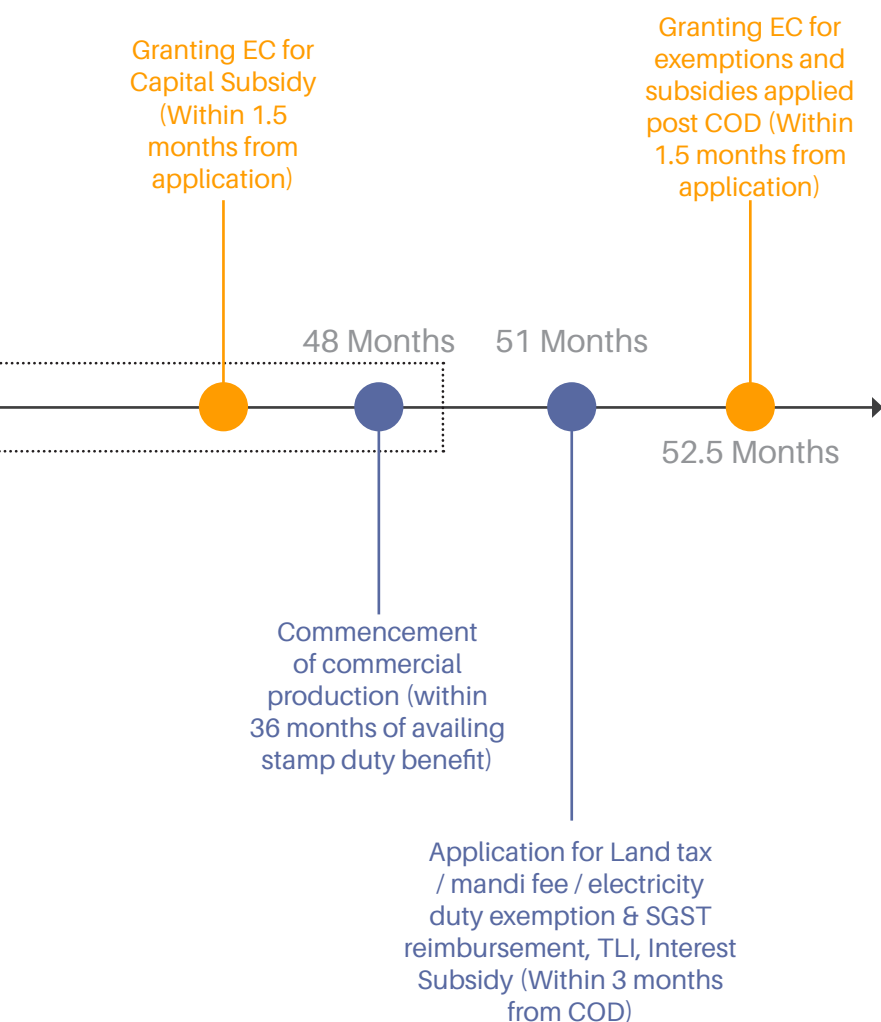
Under RIPS 2022, the NPV of incentives is ~10% higher

Amount represented as Present Value

Incentive Area	RIPS 2019		RIPS 2022	
	%	₹ (in Cr.)	%	₹ (in Cr.)
Investment Subsidy	75%	45	75%	45
Turnover Linked Incentive			OR	
			1%	44
Capital Subsidy	-	-	OR	
			10%	5
Interest Subsidy	5%	1		
Thrust Sector Boost	-		20%	4.5
Total	-	46	-	49.5

Illustrative Investor Journey





Entities can apply for employment booster when they meet the minimum employment criteria that makes them eligible for employment booster.

The EC for employment booster shall be granted within 1.5 months of the application

COD = Commercial Operations Data



Government of Rajasthan



Bureau of
Investment
Promotion
Rajasthan

Udyog Bhawan, Tilak Marg,
Jaipur 302 005, Rajasthan, India.
Tel. +91 141 2227274, 2227812, 2227713.
bip.raj@nic.in | industries.rajasthan.gov.in

Scan to view
RIPS 2022



	Rajasthan Investment Promotion Scheme 2022 Proposed Incentives												
Manufacturing Standard Package Min. Investment requirement to avail any incentive = INR 50 Cr. Investor can choose any one of the Asset Creation Incentives: Capital OR TLI OR Investment Subsidy (SGST Reimbursement) In case of expansion, there needs to be a minimum expansion investment of 25% of its existing investment and the expansion should generate incremental capacity of atleast 20%. The enterprises meeting these two requirements will be eligible for the standard package incentives as per the Large Project category (50-300 Cr.) The Total cap of all incentives under Mfg. Std. package will be basis the caps specified under the different Asset Creation Incentives	Asset Creation Incentives				Interest Subsidy	Employment Subsidy			Green Incentives		Exemptions	Special Incentives	
	1. Capital Subsidy - annual cap in INR Cr. is a) Year 1-3: 50 Cr, b) Year 4-7: 65 Cr, c) Year 8-10: 80 Cr					Additional incentive booster details			1. Environmental Infrastructure Facilities (such as ETPs, Waste Management Projects etc.)		One-time capital subsidy up to 50% of the cost of projects subject to a ceiling of Rs. 10 cr. per project		1. Cluster Incentives: If an investor comes in as a group/cluster investor through its ancillary industries within the same or nearby premises (within 50 km radius), then it shall be eligible for cluster incentives. Basis the total size of investment, both the principal & ancillary industries will be eligible for the respective standard package subsidy. Only applicable for investments more than 500 Cr.
	Size of Investment	Employment Generation	Location			Employment Slabs (multiple of minimum threshold)	Slab 1	Slab 2	Slab 3	2. Zero Liquid Discharge	Industries practicing at least 50% waste recovery through Zero Liquid Discharge as certified by RICI shall be provided upto 50% of capital subsidy on cost of relevant equipment upto Rs. 1 cr.	1. Exemption from payment of 100% of Electricity Duty for 7 years 2. Exemption from payment of 100% of Land Tax for 7 years 3. 100% conversion charges benefits given in stages as notified by the State 4. Exemption from payment of 100% of Mandi Fee for 7 years 5. 100% Stamp Duty benefit will be given in stages as notified by the State	
			Area Category 1	Area Category 2	Area Category 3								
			Area Category 1	Area Category 2	Area Category 3								
	Large: 50-300 cr.	100 AND Min Inv. Reqd: 50 cr.	13% of EFCI to be disbursed in annual installments in 10 years.	17% of EFCI to be disbursed in annual installments in 10 years.	20% of EFCI to be disbursed in annual installments in 10 years.	15x2x	2-2.5x	>2.5x	3. Air quality/emission reduction measures	50% cost of equipment subject to a max of Rs. 10 lakhs			
	Mega: 300-1000 cr.	250 AND Min Inv. Reqd: 100 cr.	17% of EFCI to be disbursed in annual installments in 10 years.	20% of EFCI to be disbursed in annual installments in 10 years.	23% of EFCI to be disbursed in annual installments in 10 years.	10x	12-50%	15%	4. Water Measures				
	Ultra Mega: 1000 cr.	750 AND Min Inv. Reqd: 500 cr.	23% of EFCI to be disbursed in annual installments in 10 years.	25% of EFCI to be disbursed in annual installments in 10 years.	28% of EFCI to be disbursed in annual installments in 10 years.				5. Captive Renewable Energy Generation	100% electricity duty exemption for 7 years			
	OR				NA				6. Energy Efficiency Measures	Upto 50% consent fee waiver for industries under Rajasthan Green rating System			
	2. Turnover Linked Incentive - annual cap in INR Cr. is a) Year 1-3: 50 Cr, b) Year 4-7: 65 Cr, c) Year 8-10: 80 Cr								7. Other emerging green technology areas	The state shall decide the appropriate incentive on a case-to-case basis			
Size of Investment	Employment Generation	Location											
Large: 50-300 cr.	100 AND Min Inv. Reqd: 50 cr.	1.20% of Net Sales Turnover for 10 years	1.40% of Net Sales Turnover for 10 years	1.65% of Net Sales Turnover for 10 years									
Mega: 300-1000 cr.	250 AND Min Inv. Reqd: 100 cr.	1.40% of Net Sales Turnover for 10 years	1.65% of Net Sales Turnover for 10 years	1.85% of Net Sales Turnover for 10 years									
Ultra Mega: 1000 cr.	750 AND Min Inv. Reqd: 500 cr.	1.65% of Net Sales Turnover for 10 years	1.85% of Net Sales Turnover for 10 years	2.00% of Net Sales Turnover for 10 years									
OR													
3. Investment Subsidy (SGST Reimbursement) - annual cap in INR Cr. is a) Year 1-3: 50 Cr, b) Year 4-7: 65 Cr													
Investment Subsidy of 75% of State tax due and deposited for a period of seven years from the date of commencement of commercial production.													
SGST cap increases by 10% (82.5% reimbursement against 75% in the standard package)													
OR													
10% Higher TLI over standard incentive													
OR													
The total value of all Incentives and boosters in case of investment subsidy (SGST Reimbursement) chosen shall not exceed 100% of the State GST due and deposited for 7 years.													
The total incentives paid out under the additional package for manufacturing thrust sectors shall be capped as per the ceilings defined upon the type of asset creation incentive chosen													
10% higher capital subsidy over standard incentive													