

# **IT & ITeS in Rajasthan**

This sector provides large scale employment to educated and skilled youths. Rajasthan is a late starter in this field in comparison in southern states but now this sector has got momentum from last few years. State Government & RIICO has taken all the required initiatives to promote and develop this sector by way of creating infrastructure in terms of IT Parks, Communication Infrastructures (Earth Stations & Optical Fibre based Networks), availability of skilled and trained manpower through institutional set ups and also customized packages of incentives to this sector.

## **1. IT Infrastructure**

1. RIICO developed IT Parks at Jaipur (Sitapura and Ramchandra Pura), Jodhpur, Udaipur & Kota.
2. In order to promote entrepreneurship, an incubation Centre has been set up at IT Park, Sitapura, Jaipur where ready to move ( built up space ) and plug & play facility is available on rent to interested persons/companies for setting up of IT unit.
3. RIICO in association with Software Technology Parks of India (STPI- Govt of India) established STP Centre at Jaipur, Jodhpur and Bhiwadi ( under development) to provide high speed data communication facility and regulation of STP Scheme.
4. Rajasthan Venture Capital Fund has been created by RIICO with SIDBI to provide venture capital to IT Industries.
5. One of the largest IT SEZ on land area of 750 acres at Jaipur by Mahindra World City ( Jaipur) Ltd. (MWCJL) in joint venture with RIICO is being set up. IT SEZ ( Phase-I) on land area of 383 acre has already become operational and companies like Infosys Ltd., Infosys BPO Ltd.,

Deutsche Bank, Genpact, EXL Services, Nucleus software etc have established units.

## **2. IT Policy initiatives by State Govt**

- Rajasthan Government is making all out efforts to promote and develop IT Sector (including Electronics) and launched IT Policy in 2007 and Industrial and Investment Promotion Policy in 2010.
- These policies are aimed at giving thrust to the IT/ITeS sector including Electronic Hardware.
- Rajasthan Industrial & Investment Promotion Policy, 2010 aims at developing Knowledge City catering to education, entertainment, health, recreation, research and information Technology sectors.

## **3. Incentives to IT/ITES Industry**

### **i. Exemption/Incentives**

- ✓ 50% exemption from Stamp duty
- ✓ 50% exemption from Conversion charges
- ✓ 50% exemption from electricity duty for 7 years
- ✓ 50% exemption from Mandi tax
- ✓ 50% exemption from Land tax
- ✓ 50% exemption from entertainment tax
- ✓ Employment and investment subsidy.
- ✓ The captive power unit set up by eligible IT & ITES units will be exempted from payment of ED.
- ✓ To encourage establishment of IT SMEs , a subsidy up to Rs. 25 Lacs at the rate of Rs. 10,000 per employee would be given to the first five IT/ITES companies investing in the State and directly employing more than 50 employees in IT or 100 employees in ITES sector.
- ✓ Projects creating direct employment of more than 500 people in the case of IT industry or 1000 people in ITES industries shall be defined as Mega Projects. Such projects

shall be entitled to a special package of incentive of Rs. 10,000 per employee.

**ii. FAR upto 2.5 is allowed**

**iii. Rebate in land**

- (i) For Urban notified area by Department of UDH, Land shall be granted subject to the availability in desired location. On such land allotted for IT and ITES companies by the State Government rebate upto 50% allowed shall be linked to investment.
- (ii) For agricultural government land outside the urban notified area, 25% rebate on DLCC rates will be granted.
- (iii) In RIICO IT Parks, land rebate upto 60% , depending on type and quantum of investment is being made available.

**iv. Relaxation in Labour laws**

- Permission to work on a 24x7 model. The units stand exempted from the certain provisions of the Shops and Establishment Act.
- Self-certification for IT & ITES companies under various Acts.
- Public Utility Services status to IT and ITES units under the provisions of the Industrial Disputes Act, 1947.
- Inspection by Labour Department would be waived off for IT/ITES Industry.
- IT and ITES industry is allowed to run a three-shift operation.

**v. Training Incentives**

Incentive of Rs. 2,000/- per candidate will be provided to training centres whose candidates find placement in IT & ITES companies after successful training on communication/soft skills.

## **vi. Rebate for patent**

The State Government would reimburse the ICT patent filing costs (upto a limit of Rs. 50000/-) of individuals and non-profit organizations subject to the condition that the patent right stays with the State.

## **4. Rajasthan -Educational hub**

During last ten years, Education sector has emerged as one of the main investment destination in the State of Rajasthan. Around 130 Engineering Colleges, 39 University ,128 MBA Institutes, 34 MCA , 71 Poly Technique colleges and 846 ITIs. Around a dozen Dental Colleges and 3 Medical Colleges have been set up in the State of Rajasthan. Prominent Educational Institutes in the State are IIT, IIM, MNIT, BITS-Pilani, LNM Institute of IT, Central University, National Law University, NIIT University, AMITY, AIIMS, NIFT, IIIT ( proposed) etc

## **5. Major IT Players**

The major players in the IT Sector at present in the State are Genpact, Infosys Ltd., Infosys BPO, Deutsche Bank, Nucleus Software, Teleperformance, Compucom, EXL Services, Pratham Softwares, Metacube, V.G.L. Softwares, Cyberfuturistics, Back Office solution, e-Connect, A-3 Logics etc. Besides major players, large numbers of small software units are also working in various IT Parks referred above in the State.

The software exports from the State have reached the level of Rs 1100 crore and it will be about Rs. 2000 crores in next 2-3 years. Around 150 units are operational in various parts of the State.

## **6. Why Rajasthan is a right place for investment in IT Sector**

- a) Availability of skilled manpower
- b) Close proximity to markets i.e Delhi, Mumbai, Ahmadabad
- c) A large part of DMIC is passing through the State.
- d) Infrastructure is in place.

- e) Proactive Government support
- f) Policies are in place
- g) Time bound approvals/permissions clearances mechanism though Single Window Act.
- h) Presence of prestigious IT companies i.e. Infosys Ltd., Infosys BPO Ltd., Genpact, Deutsche Bank etc

For further details, contact:

**Dinesh Pahadia, Sr. Dy. General Manager ( SEZ &IT)**

Rajasthan State Industrial Development & Investment Corporation Ltd.  
Udyog Bhawan, Tilak Marg, Jaipur -302005  
Rajasthan, India

Phone: 91-0141-5113234/5113214/ 5113201-04 (239)

Fax: (91)(141) 5104804

Email- alokkumar@riico.co.in or dpahadia@riico.co.in