



Government of Rajasthan

## Rajasthan Electronics Manufacturing Policy 2021



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# 1 Preamble

Electronics industry is the world's largest and fastest-growing industry and has been increasingly finding applications in all sectors of the economy. The global electronics market is estimated to be over \$2 trillion. India's share in global electronics manufacturing has grown from 1.3% in 2012 to 3.6% in 2019 and in India, electronics manufacturing has grown rapidly with a CAGR of around 25% during the last 4 years. The domestic production of electronics hardware has increased substantially from INR 1,90,366 Crores (USD 29 billion) in 2014-15 to INR 4,58,006 Crores (USD 70 billion) in 2018-19. With the domestic demand for electronics hardware expected to rise rapidly to approximately INR 26,00,000 Crores (USD 400 billion) by 2025, India cannot afford to bear the rapidly increasing foreign exchange outgo on account of the import of electronics.

Besides the economic imperatives, focus on electronics hardware manufacturing up to the integrated circuit or chip level is required due to the growing security concerns and therefore ESDM industry is of strategic importance as well. Building India's capacity in core technology development (Design and Intellectual Property (IP)) requires deeper consideration. It is noteworthy that standards development, product design or IP development (semiconductor/ systems) and semiconductor manufacturing are increasingly becoming important and improving India's participation in this league must be a major priority for the country, at least from the national security angle.

In the case of building Design and IP based technology companies, large investments are needed where difficulty in competing with established Multinational Corporations (MNCs) is a significant barrier. Building semiconductor fabrication capabilities in India is essential to break into this segment.

As per industry estimates (ICEA and ELCINA), the electronics manufacturing sector suffers from a disability of around 8.5% to 11% in terms of infrastructure, domestic supply chain and logistics, high cost of finance, inadequate availability of quality power, limited design capabilities and focus on R&D by the industry and inadequacies in skill development.

Rajasthan is one of those few States in India which has adequate resources to address the pain points of the electronics industry. Availability of state-of-the-art Industrial infrastructure, which is supported by a strong logistics network, provides an upper edge to the State for establishment of the electronics industry. With its surplus power and strong educational network, Rajasthan also offers reliability in terms of meeting the power demand of electronics industry and ensuring the availability quality work force.

With the given advantages and recognizing the electronics sector's unique dynamics, significant opportunities, and structural challenges, the Government of Rajasthan has considered ESDM as thrust sector in "Rajasthan Industrial Development Policy-2019" and "Rajasthan Investment Promotion Scheme-2019", which provided a road map for the development of the electronics sector

in the State. The Policy is holistic, investor-friendly and market-driven, and focused on upgradation of infrastructure, providing incentives to offset disabilities, promoting innovation and human resource development.

To enable the sustainable and supportive eco system, RIICO has developed Electronics Manufacturing Clusters (EMCs). As a result, the ESDM industry has witnessed significant growth in Rajasthan and has the potential to become a vehicle of economic growth and development for the State.

This policy aims at supporting the ESDM sector establishments and provide support for the industry to have a sustainable and long-term engagement with the State.

## 2 Title and Commencement

2.1. This policy shall be known as the Rajasthan Electronics Manufacturing Policy, 2021 (hereinafter referred to as 'Policy') and shall come into force from the date of its notification.

2.2. Amendment in The Rajasthan Investment Promotion Scheme, 2019 along with Electronics Manufacturing Schemes 2021 (hereinafter referred as 'Incentive Scheme') and various Government orders / circulars for implementation of this policy shall be notified separately.

## 3 Vision

To make Rajasthan the most preferred investment destination for electronics manufacturing in India with the most conducive eco-system for inclusive, balanced, and sustainable industrial development.

## 4 Operative Period of Policy

The Policy shall come into effect from the date of its notification in the Official Gazette and shall remain in force until it is amended or superseded by the State Government.

## 5 Objectives

The Policy shall act as a catalyst in achieving the following objectives:

- **Providing Adequate Industrial Infrastructure:** To develop and maintain industrial infrastructure for facilitating electronics goods manufacturing in the State
- **Support for ESDM Ecosystem:** To promote manufacturing of the entire value-chain of electronics goods manufacturing to increase the domestic value addition and reduce dependency on import of electronic goods in a sustainable and green manner.
- **Support for Skilling and Research & Development:** To provide industry specific training and skilling support to the local population to make them industry ready work force. To support technological up gradation of Industry, usher in the new era of Industry 4.0, promote R&D for

electronic products prototyping, including associated design and creation of Intellectual Properties for domestic as well as global markets.

- **Promoting Global Trade:** To strengthen Rajasthan's linkages with global trade, integrate with global value chain and build facilitative Programmes and incentive framework to boost Rajasthan electronics goods exports.
- **Providing Fiscal and Non-Fiscal Assistance:** To provide Fiscal and Non-Fiscal support to large electronics goods manufacturing eco-system

## 6 Industrial Infrastructure Development

The ESDM ecosystem requires a structured development for its infrastructure. The State Government shall work towards systematic development of State-of-the-art infrastructure for ESDM sector. This policy shall cater to the modern requirements of ESDM sector such as manufacturing clusters, employee welfare services, common infrastructures etc.

- 6.1 Policy aims to establish EMCs focusing primarily on mobile manufacturing, consumer durables, telecom, IT hardware, medical equipment, defense etc.
- 6.2 Electronics System Design and Manufacturing (ESDM) Parks shall be established at adequate locations in the State by RIICO.
- 6.3 Policy envisages to create world class infrastructure in the form of Centre of Excellence (CoE) to promote research, innovation, and entrepreneurship in the ESDM industry. The State Government shall establish **at least three (3) CoEs** in collaboration with Government of India / Research Institutions / Industry Associations / large scale manufacturer by providing fiscal support of up to 50% of the cost of establishment by government institutions **(as one time grant with a cumulative outlay of INR 30 Crores)**.
- 6.4 To facilitate the industries with robust ecosystem for the electronics goods manufacturing and to provide cost effective manufacturing environment, common facility centres with testing, skilling and incubation facilities shall be established at the State's EMCs and ESDM parks. The State Government shall provide one-time grant / contribution of 30% of the cost incurred in establishment the of common facility centres subject to a ceiling of INR 5 Crores.
- 6.5 RIICO shall develop plug & play facilities / flatted factories for electronics manufacturers with provision for allotment of industrial land / space on short term lease basis.
- 6.6 Provision for developing social infrastructures such as Schools, Hospitals, Entertainment shall be made in industrial areas as per requirement.
- 6.7 State government shall encourage the development of Employee's hostel / dormitories within / near EMCs / ESDM Parks / Industrial Areas. Private players shall also be allowed to build Employee's hostel / dormitories in EMCs / ESDM parks / Industrial Areas to facilitate electronics

manufacturing units and provide them dormitories on a rental basis.

- 6.8 The State Government shall support in the development of Multimodal Logistics Hubs (MMLH), Logistics Parks, and Inland Container Depots (ICDs) to strengthen the logistics infrastructure of EMCs and ESDM Parks in accordance with the assistance available Under RIPS-2019.

## **7 Enabling Ease of Doing Business**

The State Government shall provide investor friendly environment to ESDM sector entities for a smooth transition from establishment to the commercial production phase. The State Government has taken various initiatives by notifying several rules / regulations / acts which are favorable for the ESDM sector. This policy shall aim at implementing these initiatives in an effective and efficient manner to benefit the ESDM sector entities.

- 7.1 The policy aims to reduce timelines for statutory approvals for starting, operating & expanding business. Government of Rajasthan shall reduce timelines for statutory approvals by minimum 50% through process reengineering and simplifying the regulatory regime by the departments.
- 7.2 Total number of inspections shall be reduced and the inspection process shall be rationalized across departments concerned with industrial operations.
- 7.3 The existing acts rules & concerned statutory processes shall be pro-actively evaluated and requisite amendments shall be undertaken.
- 7.4 The State Government has established one stop shop facility with IT application 'RAJNIVESH' for all investment related matters such as business information to investor, investor queries, expediting regulatory approvals, facilitating meetings with relevant Government departments, hand-holding support for matters related to fiscal incentives and investor's feedback.
- 7.5 All departments at State and district level shall work with a common goal of attracting industry, easing compliance processes, giving services in time bound manner, and providing support throughout the investment life cycle.
- 7.6 The State Government shall provide hand-holding support for matters related to fiscal incentives and investors' feedback. A continuous investor feedback exercise shall be undertaken to measure the development and impact of hand-holding support.
- 7.7 ESDM sector shall be given permission to operate 24 x 7 and provision shall be provided for women to work during the night shifts, provided that adequate arrangements are made by the unit. The relaxation on FAR shall be provided to ESDM sector to support its growth in due course.

## 8 Promotion of ESDM Eco System

The State Government shall provide favorable environment for development of a sustainable ESDM ecosystem. The State Government shall also promote use of various green measures for ESDM industries to minimize environmental impact.

- 8.1 The State Government shall encourage reuse and recycling of industrial waste and e-waste. For this purpose, the State Government shall provide adequate land on annual lease basis, incentives and necessary regulatory support to units engaged in the business of e-waste recycling. E-waste product coverage will be as per the e-waste policy of Government of India.
- 8.2 The State Government shall encourage the adoption of water re-cycling, energy conservation, waste management methodology and technologies. The State Government shall also organize an awareness programme for the same.
- 8.3 The State Government shall facilitate the formation of a Special Purpose Vehicle (SPV) with participation of stakeholders of industrial areas for promoting green development.
- 8.4 The State Government shall explore opportunities for developing a Start-up arena in proximity to major cities. The arena shall consist of co-working spaces, specialized incubators, fabrication labs, offices of angel investors & their associations and venture capitalists & their associations.
- 8.5 The State Government shall promote development of incubators / accelerators and co-working spaces by the private sector by providing fiscal and non-fiscal incentives.
- 8.6 The State Government shall collaborate with international institutions and companies to develop and promote the Start-up ecosystem in the State.
- 8.7 The State Government shall support State incubators for upgrading facilities with new age technologies such as Internet of Things (IoT), FinTech, Clean Energy, Climate Engineering, Clean Transportation, Social Media, Mobility, Analytics, Cloud Computing, Robotics, Artificial Intelligence as well as in other technology and electronics related sub-sectors.

## 9 Support for Skilling and Research & Development:

The State Government shall promote technology acquisition, skill development and R&D with increasing industrial engagement in development of electronics goods and enabling industry specific skill sets for the benefit of the local population as well as Industry.

- 9.1 R&D centres, focusing on electronics goods manufacturing, shall be established in collaboration with universities / technical institutions / research organizations in the State for bringing together researchers, industry, and academia. New skilling programmes shall be introduced in emerging sub sectors such as Medical Electronics, Industrial Automation / Robotics, Automotive Electronics, Nano Electronics, Consumer Electronics, etc.
- 9.2 Industry shall be encouraged to set up in-factory skilling centers in collaboration with leading

universities, government approved / affiliated / recognized educational institutions and ITIs.

- 9.3 The State Government shall collaborate with leading national / international institutions and companies of electronics sector to develop and promote Start-up ecosystem in the State.
- 9.4 To encourage Research & Development (R&D) and Innovation across the sub sectors, an innovation award shall be introduced by the State Government.
- 9.5 Support shall be provided to educational institutes to promote entrepreneurship by providing access to labs and State of the art machinery.

## 10 Fiscal and Non-Fiscal Assistance

To promote the investment in Rajasthan, State Government has notified Rajasthan Investment Promotion Scheme 2019 (RIPS 2019) which offers attractive benefits to all categories of investors. ESDM has been identified as a thrust sector under RIPS-2019 and special incentives are offered for investment in this sector (Refer Annexure 1).

Additional benefits for ESDM sector units shall be as under:

- 10.1 The State Government shall simplify the process of availing incentives, provide transparency and time bound for approval, sanction, and disbursement.
- 10.2 To attract large investments, the State Government shall propose an incentive package namely **“Special Incentive Package for Electronics Manufacturing Enterprises 2021”** which shall be applicable for the first 20 **units coming into production after issuance of the Policy**. Details of the proposed incentive package are attached at annexure 3.
- 10.3 **Skill Development Subsidy:** Electronics manufacturing industry units shall receive INR 5000 per month per candidate for 3 months for providing On Job Training (OJT) to ITI / Diploma pass out fresher students in their respective units. The maximum number of candidates considered for OJT should not be higher than 10% to total fulltime employees of the unit or 200 whichever is lower. The enterprises shall be required to submit a self-certification mentioning the number of employees being provided OJT.

## 11 Rajasthan Electronics Manufacturing Policy Monitoring Committee

Rajasthan Electronics Manufacturing Policy Monitoring Committee shall be constituted under the Chairmanship of Secretary- Industries & Commerce, Government of Rajasthan to periodically review (at least once in every quarter) implementation and assess the impact of the policy. The structure of the committee shall be as follows:

Secretary, Industries & Commerce	Chairperson
Commissioner, Industries & Commerce	Member Secretary
Advisor (Infrastructure), RIICO	Member



Additional Director, Industries & Commerce	Member
Joint Director, Industries & Commerce	Member
CEO, REPC	Member

The committee shall be empowered to take all necessary decisions for the smooth implementation of policy such as:

- a. To monitor the progress of all institutions involved in the process
- b. To assign roles and targets to institutions involved and monitoring of work being performed
- c. To interpret and / or relax any provision of the policy
- d. To frame and / or amend any guidelines or schemes under the Policy
- e. To review various measures for the favorable business environment in the State for electronics industry

## 12 Policy Implementation

The **Department of Industries and Commerce** 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 the Department of Industries & Commerce, Government of Rajasthan and the decision of the Department of Industries & Commerce, Government of Rajasthan shall be considered final in this regard.

# Annexure 1 Incentives Available to MSMEs under Rajasthan Investment Promotion Scheme 2019

**Scheme Effective Date:** 17.12.2019

**Scheme Validity:** 31.03.2026

**Applicable for:**

The Scheme shall be applicable to the following classes of enterprise(s) and investment:

- (i) New and existing enterprises making investments for setting up new units.
- (ii) Existing enterprises making investments for expansion:

Provided that the enterprise shall commence commercial production or operation during the operative period of the Scheme.

## **Benefits for Manufacturing Enterprises**

An eligible manufacturing enterprise shall be granted benefits and incentives as given below: -

- (i) Investment Subsidy of 75% of State tax due and deposited, for seven years.
- (ii) Employment Generation Subsidy in the form of reimbursement of 50% of employer's contribution towards employees EPF and ESI, for seven years:

Provided that the Employment Generation Subsidy in the form of reimbursement of 75% of the employer's contribution towards EPF and ESI shall be granted

- (a) For employees belonging to Women, Schedule Caste (SC), Schedule Tribe (ST), Person with disability (PwD); and
- (b) 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 scheme of Government of India or Government of Rajasthan.

- (iii) Exemption from payment of 100% of Electricity Duty for seven years.
- (iv) Exemption from payment of 100% of Land Tax for seven years.
- (v) Exemption from payment of 100% of Market Fee (Mandi Fee) for seven years.
- (vi) Exemption from payment of 100% of Stamp Duty:

(a) On purchase or lease/sub-lease of land and construction or improvement on such land;  
and

(b) On purchase or lease/sub-lease of floor area/space in any constructed commercial building for setting up of enterprise in: -

- (i) IT Sector; or
- (ii) Apparel Sector; or
- (iii) Industry 4.0; and

(vii) Exemption from payment of 100% of conversion charges payable for change of land use and conversion of land.

### **Benefits for MSMEs**

Under RIPS-2019, MSME has been given below mentioned additional benefits for Water Conservation and Green Measures in the form of Reimbursement of

- 50% of the cost incurred on water audit by any Government empaneled or Government approved agency subject to a maximum of INR 2 lakh.
  - 50% of the amount paid to the suppliers for the plant, excluding civil work, for establishing zero liquid discharge based effluent treatment plant.
  - 50% of the amount paid to the suppliers for the plant, excluding civil work, for adopting Green Building Measures for the building having a minimum floor space of 2000 sq mtrs. and
  - 50% of amount paid to the suppliers for the plant, excluding civil work, for establishing “Reuse and Recycling of Industrial Waste Plant”, subject to maximum of INR 50 lakh and shall be one-time assistance. Provided that maximum total amount of subsidy including (5.13.1), (5.13.2) and (5.13.3) shall be subject to a maximum of INR 50 lakh and shall be one-time assistance.
- RIPS 2019 also provides One-time reimbursement of 50% of investment made on plant and machinery and testing equipment for obtaining Silver or Gold or Diamond or Platinum rating under Zero Defect and Zero Effect Certification Scheme of Government of India, subject to a maximum of rupees five lakh.
  - MSME enterprise are also eligible for one-time reimbursement of 50% the cost incurred to acquire advanced technology from premier national institutes – Indian Institute of Science (IISc), Indian Institute of Technology (IITs), National Institute of Technology (NITs), National Institute of Design (NIDs), The Council of Scientific and Industrial Research (CSIR) or any other institute set up by Government of India, subject to a maximum of INR 10 lakh.
  - Government offers an enhanced package of incentives for manufacturing and services enterprises comprising of investment support on SGST, employment subsidy, electricity duty exemption, rebate in power tariff, stamp duty exemption, mandi fee exemption, rebate in land conversion charges and support for water conservation/green measures are envisaged under the incentive scheme.

## **Benefits for ESDM Sector**

Enterprises making an investment equal to or above rupees ten Crores in the Electronic System Design Manufacturing (ESDM) Sector shall be granted the following benefits: -

- 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: or
- Capital Subsidy is equivalent to 25% of the investment made on the plant & machinery, subject to a maximum of rupees fifty lakh.

**The conditions and incentives mentioned above are subject to change and shall be as per the amendments in the said policy by the Government of Rajasthan from time to time.**

**For detailed terms and conditions for applicable incentive/s, please refer complete scheme document [here](#)**

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## Annexure 2 Incentives Available to MSMEs under Mukhyamantri Laghu Udyog Protsahan Yojana

**Scheme Effective Date:** 17.12.2019

**Scheme Validity:** 31.03.2024

### **Applicable for:**

The Scheme shall be applicable for new and pre-established enterprises (Manufacturing, Service and Business) for expansion / diversification / modernization projects. Under the scheme Individual applicants as well as institutional applicants (self-help groups / societies / partnership firms / LLP firms / companies) will also be eligible. The establishment of the enterprise under the scheme shall be in Rajasthan State. The minimum age of the individual applicant shall be 18 years or more.

### **Benefits for Manufacturing and Service Enterprises**

Under the scheme, loan shall be made available for land, Plant & machinery, Building / shed, Furniture, equipment, and raw material as per below mentioned categories

- (i) For New Enterprises (Manufacturing / Service), loan of up to INR 10 Crores; for business enterprises INR 1 Crore
- (ii) For existing enterprises, loan of up to INR 1 Crore.

For projects where land is considered as a part of project costing, 25% of the total sanctioned loan will be eligible for interest subsidy.

The loan shall be granted in form of composite loan / term loan / working capital (including CC Limit) through Nationalized banks / Private Sector Scheduled Commercial Banks / Scheduled Small Finance Banks authorized by the Reserve Bank of India / Regional Rural banks / Rajasthan Finance Corporation / SIDBI / Urban Cooperative Banks. As per RBI guidelines, collateral security will not be needed for loans up to Rs. 10 lakhs.

### **Categories of Loan and Interest Subsidy:**

<b>S. No.</b>	<b>Max. Loan Amount (INR)</b>	<b>Interest Subsidy</b>
<b>1</b>	<b>Up to 25 Lakhs</b>	<b>8%</b>
<b>2</b>	<b>25 Lakhs – 05 Crore</b>	<b>6%</b>
<b>3</b>	<b>5 Crore – 10 Crore</b>	<b>5%</b>

The conditions and incentives mentioned above are subject to change and shall be as per the amendments in the said policy by Government of Rajasthan from time to time.

**For detailed terms and conditions for applicable incentive/s, please refer complete scheme document [here](#)**

\*\*\*\*\*End of Document\*\*\*\*\*

## Annexure 3 Special Incentive Package for Electronics Manufacturing Enterprises 2021

Recognizing the electronics sector's unique dynamics, significant opportunities, and structural challenges, the Government of Rajasthan has considered ESDM as a thrust sector in "Rajasthan Industrial Development Policy-2019" and "Rajasthan Investment Promotion Scheme-2019".

To promote the sector further in the State and to augment and facilitate the establishment of electronics manufacturing units in the State, the State Government of Rajasthan, in public interest, hereby issues "The Special Incentive Package for Electronics Manufacturing enterprises 2021" (hereinafter referred to as "Package") to provide benefits to the eligible Electronics Manufacturing enterprises.

### 1. OPERATIVE PERIOD:

The Package shall come into effect from the date of official notification of the prevailing State policy for electronics manufacturing.

### 2. DEFINITIONS

For the purpose of the package, the expressions mentioned hereunder shall have the meaning as explained against them: -

- (i) "**Enterprise**" means an industrial undertaking or a business concern or any other establishment, by whatever name called, engaged in the manufacturing of goods, in any manner.
- (ii) "**Commencement of Commercial Production/ Operation**" means, the date on which the enterprise issues the first bill of supply/invoice/tax invoice, of the Electronics goods manufactured related to the investment made under the Package.
- (iii) "**Electronics Manufacturing enterprises**" means enterprise engaged in electronic hardware design and manufacturing (which shall include embedded software) for information technology, telecommunications, defense, medical devices, industrial automotive, electric vehicles, consumer products, applications and components, part and accessories required for the aforesaid product or applications.
- (iv) "**Government**" means Government of Rajasthan

(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:

- a) Price paid for the land
- b) Cost of new factory sheds and other new industrial buildings
- c) Price paid for new plant and machinery
- d) Other investment made in new fixed assets essential for the production of the unit as approved by the appropriate Screening Committee
- e) Cost of Refurbished plant and machinery and Plant and machinery transferred from other locations by the Enterprise shall be consider as per its valuation by government empaneled valuer and permitted up to 10% of EFCI subject to approval of Screening Committee

Provided that investment made in: -

- a) Land in excess of 30% of the total investment / Eligible Fixed Capital Investment (EFCI) made, shall not be included in investment / EFCI.

Provided further that investment made, in the purchase of a manufacturing enterprise, which has been taken over before the commencement ob4r during the operative period of this Scheme, and sold during the operative period of the Scheme by RIICO/ RFC/ Central Financial Institutions/ Banks, shall be allowed for computation of EFCI

(vi) "Screening Committee" means State level Screening Committee (SLSC) as mentioned in clause-9 of the Rajasthan Investment Promotion Scheme- 2019.

### 3. APPLICABILITY OF THE PACKAGE

The Package shall be applicable to the New and existing enterprises making investment equal to or more than rupees ten Crores for setting up new Electronics manufacturing units / facilities in Rajasthan.

Provided that the enterprise shall commence commercial production or operation of Electronics manufacturing unit / facility before 31<sup>st</sup> December 2024.

Provided further that the Package shall not be applicable to the Electronics manufacturing unit / facility if its commercial production or operation has commenced before the issuance of this order.

### 4. BENEFITS TO ELIGIBLE ENTERPRISES

The eligible enterprises shall be granted following benefits under this Package:

## A. Fast Track Regulatory Approvals

Fast track regulatory approvals shall be facilitated to the eligible enterprises. Department of Industries & Commerce shall coordinate with the concerned Departments for the FastTrack processing of required approvals.

- (i) Exemption from all State approvals and inspections for three years as per 'The Rajasthan Micro, Small and Medium Enterprises (Facilitation Of Establishment And Operation) Act, 2019' including Building Plan approval, Fire NOC, Land Conversion, Change in Land use, Sub-division, reconstitution and improvement of plots, Layout Plan Approval, Factory and Boiler Registration etc.
- (ii) The permissions related to the State Government Department/ Board/ Authority/ Organization will be facilitated on fast-track mode by the Government.
- (iii) Facilitation through 'Online Single Window System' for electricity connection, water connection.

## B. Fiscal Incentives

The enterprises eligible under this Package shall be granted the following benefits.

### 1. Interest subsidy/ Capital subsidy

- a) **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; or
- b) **Capital Subsidy:**
  - (i) Investment **up to INR 100 Crore**: Capital Subsidy equivalent to **30% of investment made** on the plant & machinery, subject to a maximum of **INR 10 Crores.**
  - (ii) Investment **more than INR 100 Crore and up to INR 500 Crore**: Capital Subsidy equivalent to **20% of** the investment made on the plant & machinery, subject to a maximum of **INR 30 Crores.**
  - (iii) Investment **more than INR 500 Crore**: Capital Subsidy equivalent to **15% of investment made** on the plant & machinery, subject to a maximum of **INR 50 Crores.**



## **2. Special Investment Subsidy**

- a) Investment Subsidy of **75 % of State tax due and deposited, for 7 years** for enterprises making an investment equal to or above **INR 10 crore but less than INR 100 Crore.**
- b) Investment Subsidy of **75 % of State tax due and deposited, for 10 years** for enterprises making an investment equal to or above **INR 100 crore but less than INR 500 Crore.**
- c) Investment Subsidy of **75 % of State tax due and deposited, for 12 years** for enterprises making an investment equal to or above INR 500 Crore in the Electronics goods manufacturing

**The benefit availed by the eligible enterprise under this package shall not be counted for limiting the maximum extent of benefits prescribed in clause 11 of RIPS-2019**

**The eligible enterprise availing the benefit of this special package shall not be eligible for the Investment subsidy, Interest subsidy and Capital subsidy under RIPS-2019. However eligible enterprises will be eligible for other incentives and exemptions available under the RIPS-2019.**

## **5. PROCEDURE FOR DISBURSEMENT OF SUBSIDY**

The applicant enterprise shall apply in the FORM-A, as notified in Rajasthan Investment Promotion Scheme-2019, mentioning the expression " Special Incentive Package for Electronics Manufacturing enterprises" on the top of the Form, to the Member Secretary, State level Screening Committee **before 30<sup>th</sup> June 2022** for availing benefits under the Package. The Member Secretary, State level Screening Committee shall register the application and shall issue the Acknowledgement Receipt under the Package.

The capital subsidy shall be disbursed in **three (3) installments.**

- (i) The first installment, 30% of eligible capital subsidy, shall be disbursed to the enterprise on submission of copies of
  - a. land purchase/lease deed,
  - b. at least 50% of the investment made as per the proposed EFCI
- (ii) The second installment, 30% of eligible capital subsidy, shall be disbursed on submission of proof of commencement of commercial operation and proof of investment made in plant & machinery and equipment.

(iii) The third installment 40% of eligible capital subsidy shall be disbursed after completion of two years of continuous running of such enterprise.

To avail interest subsidy and special investment subsidy, eligible enterprise needs to follow clause No. 15.4 and 16.1 of RIPS-2019 respectively.

Member Secretary shall place the application before the State level Screening Committee within 30 days from the receipt of the application. After approval from the State level Screening Committee, the Member Secretary shall issue and pass an order for sanction of subsidy. Subsidy will be disbursed to the enterprise through demand draft/pay order/cheque/by remittance into the bank account of the enterprise.

## **6. AUTHORITY FOR IMPLEMENTATION / INTERPRETATION**

The Department of Industries and Commerce shall act as the nodal coordinating, monitoring, and implementing Department. Any matter pertaining to interpretation of any clause of the package shall be referred to the Department of Industries & Commerce, Government of Rajasthan and the decision of the Department of Industries & Commerce, Government of Rajasthan shall be considered final in this regard.