***Rajasthan Investment Promotion Scheme - 2022***

**OPERATIVE PERIOD OF THE POLICY**

The Policy shall come into effect from the date of issuance of the order No. F.12(32)FD/Tax/2022-49 dated 07th October, 2022 and shall remain in force up to 31st March 2027. It may be revised time to time as needed.

**APPLICABILITY OF THE POLICY:**

The policy is applicable to below class of enterprises and investment made thereunder:

* For establishment of new unit by existing or new enterprises
* Existing enterprises investing for expansion
* Eligible existing enterprises
* Enterprises made investment and generate employment in Rajasthan state are eligible under this policy for the benefits.

**FOCUSED CATEGORIES:**

The RIPS 2022 policy has simplified architectural to enable easier in understanding with considering the FOCUS category classified under RIPS 2019 to ensure there should not be any exclusion in the new policy.

The eight identified priority category under RIPS 2022 as under:

* [Manufacturing](https://www.legalman.in/rips-2022#benefits-manufaturing-sector)
* Services
* Sunrise sectors
* MSMEs
* Startups
* Logistics Parks, Warehousing & Cold Chains
* R&D, GCC & Test Labs
* Renewable Energy Plants

**As, the Agro Food Industry falls under the thrust sector in Manufacturing enterprises and Cold Chain and Preservation Infrastructure falls under the service sector. Hence, here we are talking agro food related industry only.**

**INCENTIVE PACKAGES OR BENEFITS UNDER RIPS 2022:**

Government of Rajasthan assist all focused category to maximize favorable externalities in the state. Here, we are talking about the benefits to Agro Sector:

**A)**[**Incentive for Manufacturing Enterprises**](https://www.legalman.in/rips-2022#benefits-manufaturing-sector)

·     Standard Package

·     Additional or specific package for thrust sector

**B)**[**Incentive for Service Sector Enterprises**](https://www.legalman.in/rips-2022#benefits-service-sector)

·     Standard Package

·     Additional or specific package for thrust sector

**COMPLETE BENEFITS IN DETAIL UNDER RIPS, 2022:-**

**BENEFITS FOR MANUFACTURING SECTOR:**

The complete benefits under the RIPS 2022 for an eligible manufacturing enterprises is defined in three PART:

**PART-I: ASSETS CREATION INCENTIVES: (In this part investor may choose any of one benefit out of below three options of benefits):**

* Investment Subsidy (SGST Reimbursement)
* Capital Subsidy
* Turnover Linkage Incentives

**PART-II: SPECIAL INCENTIVES:**

* Employment Booster
* Green Incentives
* Cluster Incentive
* Freight Subsidy
* Training & Skilling Incentive

**PART-III: EXEMPTIONS:**

* Electricity Duty
* Stamp Duty
* Conversion Charges
* Land Tax
* Market Fee

**PART-I: ASSETS CREATION INCENTICES:-  One Option Can be chosen out of three options available**

* Investment Subsidy (SGST Reimbursement)
* Capital Subsidy
* Turnover Linkage Incentives

**OPTION-I: INVESTMENT SUBSIDY (SGST REIMBURSEMENT):**

Investment subsidy of 75% State tax due and deposited for a period of seven years with a ceiling amount INR 50 Crore per annum for first three years and INR 65 per annum for 4th to 7th year.

**OPTION-II: CAPITAL SUBSIDY:**The capital subsidy will be given to eligible manufacturing enterprises for investment made in eligible fixed assets as defined in the scheme, the capital subsidy is given @ of 13 to 28 percentage as per the investment size and area category/ Location which is as per below table:

|  |  |  |  |
| --- | --- | --- | --- |
| **Size of Investment** |  | **Employment Generation** | **Location or Area Category** |
| **Area Category 1** | **Area Category 2** | **Area Category 3** |
| Large 50-300 Crore |      OR | 100 with minimum investment of 50 Crore | 13% of EFCI to be disburse in 10 annual installments | 17% of EFCI to be disburse in 10 annual installments | 20% of EFCI to be disburse in 10 annual installments |
| Mega 300-1000 Crore | 250 with minimum investment of 150 Crore | 17% of EFCI to be disburse in 10 annual installments | 20% of EFCI to be disburse in 10 annual installments | 23% of EFCI to be disburse in 10 annual installments |
| Ultra Mega 1000 Crore and above | 750 with minimum investment of 500 Crore | 23% of EFCI to be disburse in 10 annual installments | 25% of EFCI to be disburse in 10 annual installments | 28% of EFCI to be disburse in 10 annual installments |

**The eligible capital subsidy will be disbursed in 10 years installment subject to annual ceiling limit as below:**

* **For First three years: – INR 50 Crore per annum**
* **For 4-7 years: – INR 65 Crore per annum**
* **For 8-10 Years: – INR 80 Crore per annum**

**OPTION-II TURNOVER LINKED INCENTIVE:**

In Rajasthan state the turnover linked incentives are first time introduced in RIPS 2022, to promote the manufacturing sectors. Enterprises are eligible to avail the turnover linked incentive after start the commercial production within the period of the scheme.

The turnover linked incentive will gives as per the investment category and location of the project, which is as below**:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Size of Investment** |  | **Employment Generation** | **Location or Area Category** |
| **Area Category 1** | **Area Category 2** | **Area Category 3** |
| **Large 50-300 Crore** | **OR** | **100 with minimum investment of 50 Crore** | **1.2% of net sales turnover for the period of 10 years.** | **1.4% of net sales turnover for the period of 10 years.** | **1.65% of net sales turnover for the period of 10 years.** |
| **Mega 300-1000 Crore** | **250 with minimum investment of 150 Crore** | **1.4% of net sales turnover for the period of 10 years.** | **1.65% of net sales turnover for the period of 10 years.** | **1.85% of net sales turnover for the period of 10 years.** |
| **Ultra Mega 1000 Crore and above** | **750 with minimum investment of 500 Crore** | **1.65% of net sales turnover for the period of 10 years.** | **1.85% of net sales turnover for the period of 10 years.** | **2% of net sales turnover for the period of 10 years.** |

**\*\*The state government will give a 1.2 to 2 precent of sales turnover for the period of 10 years with a annual ceiling amount as below:**

* **For First three years: – INR 50 Crore per annum**
* **For 4-7 years: – INR 65 Crore per annum**
* **For 8-10 Years: –  INR 80 Crore per annum**

**PART -II SPECIAL INCENTIVES:**

**All special incentives will be applicable if the investment is more than INR 50 Crore as per the policy, furthermore the total amount of all incentives, special incentives will not exceed the annual ceiling value as per the policy.**

**1. Employment booster special incentives:**If the enterprises provides the extra employment exceed minimum 1.5x will be gate the additional special incentive in chosen in standard package as Capital Subsidy, Turnover Linked incentive or State tax reimbursement.

**2. Green Incentives:**To achieve the sustainable development growth with environmental ethics Government of Rajasthan better understand to develop the industries with prevention of Air, Water pollution etc.

**3. Cluster Incentives:**If a group/cluster of enterprises are investing a minimum amount of INR 500 Crore in a particular area (within a radius of 50KM) shall be eligible for a Cluster incentive and get the same benefits as per the standard package defined under the scheme, RIPS -2022**.**

**4. Freight Subsidy:**An exporting unit registered within the state of Rajasthan will be eligible to gate a freight subsidy for transportation charges for export from state Inland Container Depot (ICD) to gateway ports.

The benefit will be INR 10,000 or INR 20,000 per TEU 20feet or 40 Feet Container respectively or 25% of total expenses of freight whichever is less, subject to maximum ceiling of INR 20 Lakh per annum.

**5. 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 given in Rajasthan

**PART- III EXEMTIONS:**

The eligible manufacturing enterprises will also gets the below mentioned exemption benefits under the RIPS-2022 Scheme:

* 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.

**ADDITIONAL BENEFITS FOR THURST SECTOR MANUFACTURING ENTERPRISES:**

To promote the special class of manufacturing sectors which are in mature stage with a significant market size and high job creation potential, leveraging and building a strong ecosystem advantage are special focused by the state of Rajasthan and providing additional “Thrust Sector Top Up” @ 10% over the assets creation incentive option chosen from Standard Package.

**The focused Thrust Sectors under RIPS 2022 are as below:**

* 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

**BENEFITS FOR SERVICE SECTOR:**

A service enterprise engaged in providing specified services below mentioned below as per the scheme RIPS 2022 will be eligible to get the offered benefits for Service Sector unit under RIPS 2022:-

* Amusement Park
* Cold Chain and Preservation Infrastructure
* Convention Centre
* Cluster/Electronic Manufacturing Cluster
* Healthcare
* 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 ELIGIBILITY CRITERIA FOR SERVICE SECTOR UNDER RIPS 2022 ARE AS FOLLOW:All service sector projects defined under RIPS 2022 investing minimum amount of INR 50 Crore will be eligible for the benefits of complete standard package as per the RIPS 2022.

**For more Information pls open the link;** https://invest.rajasthan.gov.in/policies/rajasthan-investment-promotion-scheme-rips-2022.pdf