



Rajasthan Investment
Promotion Scheme, 2014

Frequently Asked Questions

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सत्यमेव जयते

Government of Rajasthan



Q Which Scheme or Policy is available for investment promotion in Rajasthan?

Rajasthan Investment Promotion Scheme-2014.

Q Which is the Nodal Agency for sanctioning benefit on the investment made in the State under RIPS-2014?

For investment upto Rs.10 crore: District Level Screening Committee of the concerned District. For investment above Rs.10 crore: State Level Screening Committee.

Q What is the meaning of "Investment"?

"Investment" means the investment made by the enterprise in fixed assets which constitutes the cost of land, cost of factory and building, cost of plant and machinery or equipment, other investment made in fixed assets which is essential for production and fee involving technical know-how or drawing fee paid to service provider.

Q Does this Scheme apply to new enterprises only?

The Scheme also applies to investment made for revival of sick enterprises and expansion by existing enterprises.

Q How long shall this Scheme remain in force?

The operative period of the Scheme is from 8th October, 2014 to 31st March, 2019.



Q Can I also avail benefits under Government of India Scheme along with RIPS-2014?

Yes. However, in case the enterprise is availing any Investment Subsidy under any other Scheme of Government of Rajasthan in respect of investment made in fixed assets, the total subsidy payable under this Scheme shall be reduced to the extent of Investment Subsidy so received.

Q Does this Scheme necessitate the competent authority to deliver or grant benefits through electronic mode?

This Scheme encourages the competent authority to grant the benefits through electronic mode. It also encourages the competent authority to change any procedure mentioned under this Scheme to facilitate the electronic mode of delivery of benefit.

Q In what form incentives are given to the enterprises?

Subsidy: Reimbursement of VAT/CST/SGST and exemptions as mentioned under answer to Q. No. 9 below.

Q What are the benefits available for manufacturing enterprises?

For manufacturing enterprises benefits and incentives are as:



Investment Subsidy:

- Investment subsidy up to 30% of VAT and CST for seven years
- Employment Generation Subsidy up to 20% of VAT and CST for seven years

Exemptions:

- From payment of 50% of Electricity Duty for seven years
- From payment of 50% of Land Tax for seven years
- From payment of 50% of Mandi Fee for seven years
- From payment of 50% of Stamp Duty
- From payment of 50% of Conversion Charges
- From payment of 100% of Entry Tax, to the enterprise making investment more than Rs.750 crore



Does the Scheme also provide incentive/s to service based industry?

Yes.



What are the terms and conditions to avail benefits under this Scheme?

The terms and conditions for availing benefits are mentioned under clause 14 of the Scheme.



What are the benefits available to Service Enterprises?

For service enterprises following benefits and incentives are as:

- Reimbursement of 50% of amount of VAT paid on purchase of plant and machinery or equipment for 7 years
- Additional 10% reimbursement of VAT/CST paid, for men/ PwD/SC/ST

Exemptions:

- 50% from Electricity Duty for 7 years
- 50% in Entertainment Tax, Land Tax and Luxury Tax for 7 years
- 50% in Conversion Charges for change of land use
- 50% in Stamp Duty for purchase or lease of land
- 100% from payment of Entry Tax to the enterprise making investment more than Rs.750 crore on equipment required for rendering services



Are there additional benefits for large investments?

Any investment of more than Rs.500 crore and providing employment to more than 500 persons or; Enterprises investing more than Rs.100 crore and using minerals mentioned in Annexure-III appended to the Scheme, as raw material can avail customized incentive benefits under the Scheme.



What is the procedure to claim benefits under this Scheme?

The procedure for claiming exemptions i.e. 50% exemption in Stamp Duty, Conversion Charges, Electricity Duty, Entertainment Tax and Mandi Fee are mentioned under clause 11 of the Scheme.

In the same clause procedure for claiming Employment Generation Subsidy, Reimbursement of VAT on purchase of plant and machinery or equipment, claim of Capital Subsidy and determination of Zero Liquid Discharge based Effluent Treatment Plant and claim of Reimbursement of VAT for Textile sector have been detailed out.



Are there any forms prescribed for claiming benefits under the Scheme?

Yes. Different application forms for claiming benefits which are required to be duly completed and submitted are attached to the Scheme.



Are there any sectors which cannot claim benefits/incentives under this Scheme?

Yes. The list of ineligible investment proposals is at Annexure-I of the Scheme.



Q Are goods taxable @ upto 5% under RVAT, 2003 eligible for claiming benefits?

Yes. As per point no.5 of Annexure-I, investment made for manufacturing of goods taxable @ up to 5% under RVAT is not eligible under the Scheme only if such goods are specified by the State government. As on date, no such goods have been specified by State government.

Q Are there any special incentives offered to women entrepreneurs, or entrepreneurs belonging to schedule castes and schedule tribes under this Scheme?

Yes, additional incentives are offered to women entrepreneurs and entrepreneurs belonging to schedule castes and schedule tribes, which is mentioned at clause 6 of the Scheme.

Q Can MSME apply for any term loan facility under this Scheme?

No. However, MSMEs can avail term loan facility from any FIs, Banks and other Non Banking Financial Institutions, duly recognized by RBI.



Q Are there any other special incentives offered to specific region/zone in the State?

Yes. The additional benefits are:

Backward Region	Incentives/Benefits
Barmer	- For manufacturing enterprises – Additional Investment Subsidy of 20% of VAT/CST deposited by the enterprise for a period of seven years. - For service enterprises – Additional 10% reimbursement of VAT paid on P&M for a period of seven years
Dholpur	
Jaisalmer	
Karauli	

Most Backward Region	Incentives/Benefits
Tribal Sub Plan Area	- For manufacturing enterprises – Additional Investment Subsidy of 20% of VAT/CST deposited by the enterprise for a period of seven years. - For service enterprises – Additional 20% reimbursement of VAT paid on P&M for a period of seven years.
Baran District	
Jhalawar	
Karauli	

Q Can sick enterprises apply for any interest free loan?
No.



Q Does the State have any priority sectors to promote investment? If yes, what are these sectors?

Yes, the State has identified thrust sectors for investment which are:

- Ceramic & Glass
- Dairy
- ESDM
- Industrial Gases
- MSME
- Pharmaceutical
- Plastic to Oil
- Powerloom
- Textile
- Tourism

Q What is the procedure to claim customized benefits under this Scheme?

Eligible enterprise has to apply under Single Window Clearance Mechanism to BIP, the Nodal Agency for State Empowered Committee (SEC) constituted under the chairmanship of Chief Secretary. The SEC either rejects or recommends the proposal to the cabinet for approval.

Q Does this Scheme offer any additional benefit to enterprises which have established their own effluent treatment plant?

This Scheme offers capital subsidy to enterprises to



establish zero liquid discharge based effluent treatment plant. However, this benefit is limited to enterprises of Textile sector or for revival of sick industrial enterprises.

Q What is the penalty, if any unit/s violate/s the terms and conditions mentioned under the Scheme?

In case of breach of any of the condition/s mentioned anywhere in the Scheme, the benefits availed under this Scheme, is liable to be withdrawn by the appropriate Screening 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.

Q Are there any additional benefit provided to units fulfilling corporate social responsibility?

No, however it is mandatory for the enterprise to give an undertaking and spend the funds so earmarked for CSR as per clause 14.7 of the Scheme.

Q Which authority will implement the Scheme?

After the concerned Screening Committee has issued the Entitlement Certificate to the enterprise, all related competent authorities shall implement the part of benefits related with them.

The Rajasthan Investment Promotion Scheme 2014
document can be seen at and downloaded from
the Resurgent Rajasthan website.



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