Manufacturing Opportunity in Rajasthan

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Government of Rajasthan

State has undertaken interventions to make its ecosystem attractive for manufacturing units

1

Push to further spur mfg. ecosystem via flexible land payment, expedited approvals

2

Dedicated RIICO parks in key locations with reliable power & water availability

3

Capital subsidies up to ~40% of investment under RIPS 2024 for manufacturing projects in RJ

4

State-of-the-art investor journey incl. single application form, incentive calculator, GenAI investor chatbot

Manufacturing Units investing in RJ can avail benefits amounting to up to 40% of Investment

Preliminary

Eligible Fixed Capital Investment - INR Cr	100 Cr	500 Cr
Fixed Asset Turnover Ratio (FATR)	2x	
Operating Revenue	200	1000
Total Cost	~180	~900
Profit Before Tax (PBT) - Base Case	~10%	
RIPS Incentives (Turnover Linked Incentives - annual)	45-55	~160
Profit Before Tax (PBT) - RIPS Case	11-12%	11-12%
RIPS Incentives (cumulative - 10 years)	**~35** (35%)	**~200** (40%)

The values for FATR and Profit Before Tax are based on standard assumptions applicable to manufacturing units of this scale. Incentive values are derived from turnover-linked incentives offered under RIPS 2024.

40%

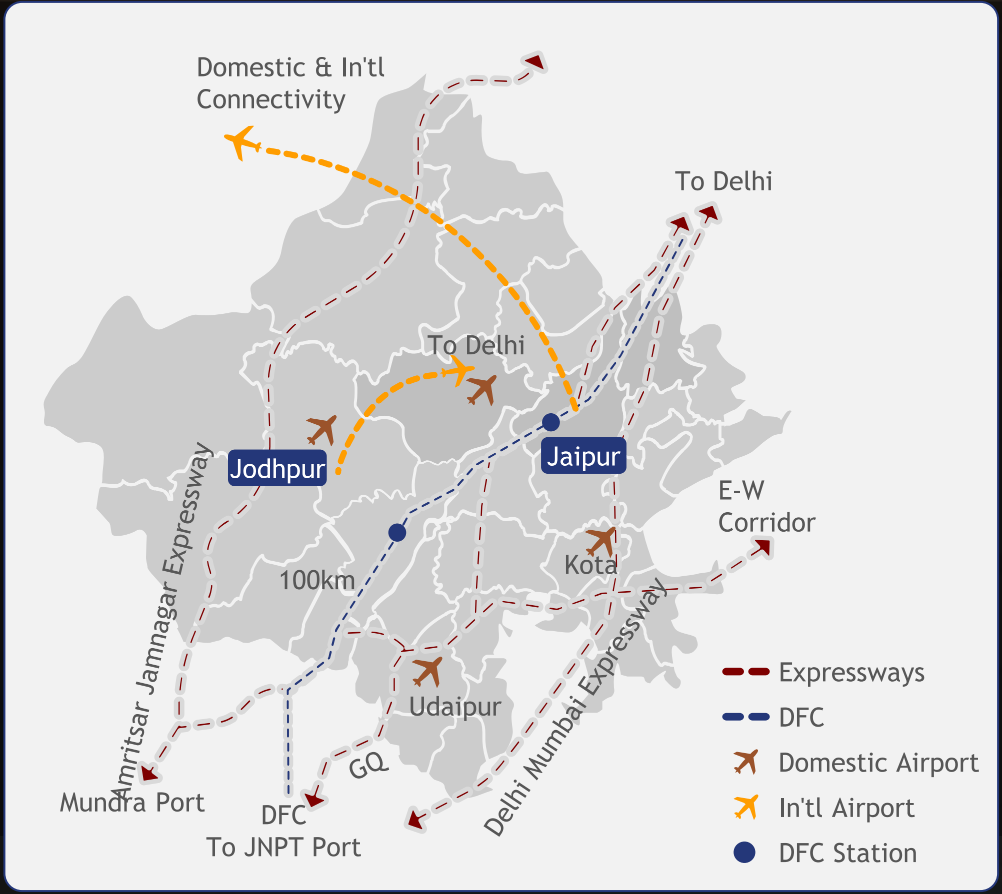
Subsidies up to 40% of investment vs. lower for key peers

100-200 bps

Increase in Operating Margin due to RIPS Benefits in first 10 years

Mother-Anciliary Ecosystem Benefits for large units moving to Rajasthan with supplier ecosystem

Locations in States are well connected to domestic & export markets…



- Served by 20 major National Highways; 3rd Largest network of national highways
- 3rd largest rail network in India; Easy access to major ports such as Mundra Port and JNPT
- 1 International airport and 6 Domestic airports Direct connectivity to Dubai, Muscat, Singapore, etc.
- 8 ICDs (Inland Container Depots), 1 Air Cargo Complex and 4 MMLP established/proposed
- Over 58% of State's area within Delhi Mumbai Industrial Corridor (DMIC); Forms 25% of the total NCR
- Delhi-Jaipur expressway provides excellent connectivity with the Delhi-NCR region

… complemented by a well-developed ecosystem & talent availability

Peaceful labor relations and law and order situation, creating a conducive business environment

Presence of premier institutes like IIM, IIT, BITS with significant no. of skilled labor available

410+ industrial areas; 17 Industrial parks awarded highest rating for excellence[2] in infra, utilities, etc.

Shared land border with 5 major Indian states representing 40% of domestic market

3rd largest network of national highways[1] and 2nd largest rail network[2] in India

Over 10K hectares of industrial land available along with suitable land aggregation and allotment policies

1. Ministry of Road Transport & Highways, Government of India; 2. Ministry of Railways, Government of India; 3. RIICO; 4. Press Release

Rajasthan Investment Promotion Scheme (RIPS) 2024 launched by Hon'be CM as a comprehensive package for incentives for new investments in RJ

Hon'ble CM emphasizing GoR's ongoing policy overhaul aimed at supporting investors and driving economic growth in Rajasthan

Sh. Bhajan Lal Sharma
Hon'ble Chief Minister of Rajasthan

"State of Rajasthan takes great pride in launching RIPS 2024, which makes significant strides to improve the ease of doing business and reduce the cost of doing business in the State for investors

Through this policy, we are committed to fostering a business environment that promotes balanced development, job creation, and long-term sustainable economic prosperity for all."

RIPS 2024: RIPS 2024 offers incentives across 3 tiers driven by sector, state priorities, and investor flexibility

Tier 1: Standard Incentive Packages (1)

- Manufacturing
- Services
- Sunrise
- MSMEs
- Start-ups
- Industrial Infrastructure
- R&D, GCC and Test Labs

Tier 2: Add-On Incentives Driven by State Priorities (2)

- Green Growth (including RE Generation & Storage, M-Sand)
- Export Promotion
- Capability Development

Tier 3: Customized Incentive Packages (for 500 Cr+ investments) (3)

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RIPS 2024: Rajasthan offers India's most comprehensive package of financial incentives for Manufacturing Units (1/3)

Asset Creation Incentives (ACI) and Boosters

Capital Subsidy (13-28% of EFCI) OR Turnover Linked Incentives (1.2-2.0% of Eligible Turnover) OR Investment Subsidy (75% of State Tax)

Employment Booster (10-15% on top of ACI, basis additional employment generation)

The investor can choose one of the following ACI Boosters

Sunrise Booster (25% on ACI; first 3 units in Sunrise Sector) OR Anchor Booster (20% on ACI; first 3 in backward regions or Anchor Sector) OR Thrust Booster (10% on ACI for Thrust Sector) OR Interest Subvention (5% for 5 years)

Special Incentives

Special incentives for Power Intensive Sectors

- Inclusion of RE CPP investment in EFCI[1]
- Additional 5% SGST reimbursement OR 5% VAT reimbursement on PNG[1]
- Flexible land payment option on RIICO land

RIPS 2024: Rajasthan offers India's most comprehensive package of financial incentives for Manufacturing Units (2/3)

Project Category for Manufacturing Enterprises

Project Category	EFCI	Employment Generation
Large	INR 50 Cr. to < INR 300 Cr.	100 (with minimum EFCI: INR 50 Cr.)
Mega	INR 300 Cr. to < INR 1000 Cr.	250 (with minimum EFCI: INR 150 Cr.)
Ultra Mega	INR 1000 Cr.+	750 (with minimum EFCI: INR 500 Cr.)

Applicable Capital Subsidy Basis Project and Area Category

Project Category	Area Category 1	Area Category 2	Area Category 3
Large	13% of EFCI	17% of EFCI	20% of EFCI
Mega	17% of EFCI	20% of EFCI	23% of EFCI
Ultra Mega	23% of EFCI	25% of EFCI	28% of EFCI

Applicable TLI Basis Project and Area Category

Project Category	Area Category 1	Area Category 2	Area Category 3
Large	1.20% of Net Sales Turnover	1.40% of Net Sales Turnover	1.65% of Net Sales Turnover
Mega	1.40% of Net Sales Turnover	1.65% of Net Sales Turnover	1.85% of Net Sales Turnover
Ultra-Mega	1.65% of Net Sales Turnover	1.85% of Net Sales Turnover	2.00% of Net Sales Turnover

RIPS 2024: Rajasthan offers India's most comprehensive package of financial incentives for Manufacturing Units (3/3)

Tier 1 Incentives

Exemptions

- 75% exemption and 25% reimbursement for stamp duty & conversion charges
- 100% exemption from electricity duty, mandi fee & land taxes for 7 years

Tier 2 Incentives

- Green Growth Incentives
  50% subsidy on green project (e.g., ETP/WTP etc.)
- Export Promotion Inventive
  Reimbursement of freight charges spent during exports
- Capability Development Incentives
  Incentives on patents / IP creation and initiatives for upskilling the workforce

Tier 3 Incentives

Option to opt for customized package with tailor-made incentives for investment of Rs. 500 Cr and above

Thank You

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