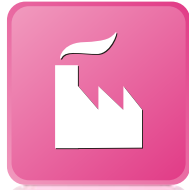
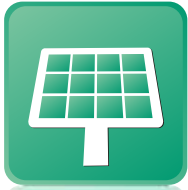


राजस्थान उद्योग एवं निवेश संवर्धन नीति - 2010

Rajasthan Industrial and Investment Promotion Policy - 2010



सत्यमेव जयते

उद्योग विभाग, राजस्थान सरकार

Department of Industries, Government of Rajasthan



अशोक गहलोत
मुख्य मंत्री



सत्यमेव जयते

राजस्थान सरकार

मुझे आशा है राजस्थान की नई औद्योगिक और निवेश संवर्धन नीति औद्योगिक निवेश के साथ ही सेवा क्षेत्र में निवेश को भी प्रोत्साहित करने हेतु एक महत्वपूर्ण भूमिका निभायेगी।

इस नीति में बुनियादी ढांचे और कौशल विकास पर विशेष बल दिया गया है। इसके प्रभावी कार्यान्वयन को सुनिश्चित करने के लिये आवश्यक संसाधन उपलब्ध कराये जायेंगे। समय-समय पर क्रियान्वयन की प्रगति की निगरानी हेतु मुख्य सचिव की अध्यक्षता में एक समिति भी गठित की जायेगी।

मुझे विश्वास है कि यह नीति निजी क्षेत्र में निवेश को आकृष्ट करेगी एवं राज्य द्वारा जनता की समृद्धि एवं सर्वांगीण विकास के लिये किये जा रहे प्रयासों में निजी क्षेत्र की सहभागिता बढ़ाएगी।

Rajasthan's new Industrial & Investment Promotion Policy is comprehensive in its approach and reach. It intends to promote not only industrial investments, but also service sector enterprises.

It lays special emphasis on infrastructure and skill development in the State. To ensure its effective implementation, necessary funds will be provided. A committee headed by Chief Secretary will periodically review its implementation.

I am confident that private sector would find it attractive and shall join us in our efforts for all round development of the State and prosperity of its people.

Rajasthan Industrial and Investment Promotion Policy - 2010



सत्यमेव जयते

Department of Industries
Government of Rajasthan

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INTRODUCTION

Rajasthan is the largest State in India. Situated between the northern and western growth hubs of India, with 40% of the Delhi-Mumbai Industrial Corridor (DMIC) falling within the State, its location is truly strategic. Rajasthan, besides being, a prime tourist destination, a remarkably peaceful and politically stable state, offers a set of unique advantages and opportunities for profitable investment in many sectors.

The business environment of Rajasthan is nurtured by an enterprise-friendly government, rich mineral and agro resources, good infrastructure which is being continuously upgraded, a tradition of entrepreneurship and availability of skilled manpower. Important minerals of the state are silver, limestone, phosphorite, rock phosphate, copper ore, zinc, gypsum, clay, granite, marble, sandstone, dolomite, calcite, etc. The State has also been taking increasingly progressive measures in public private partnership, especially in infrastructure and social sectors.

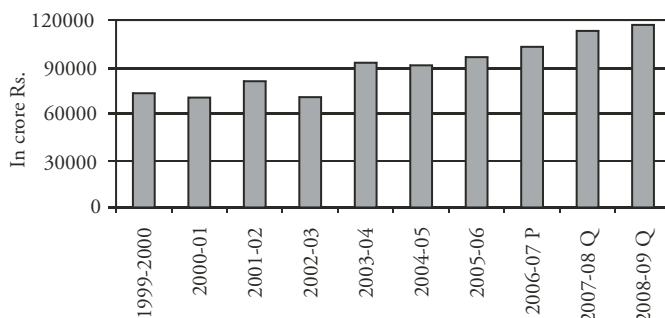
Like most of India, Rajasthan was primarily an agrarian state wherein 50% of its GDP was accounted for by agriculture and allied sectors. In the recent years, the secondary as well as tertiary sectors have registered rapid growth.

The average growth rate of GDP (at constant prices) of Indian economy between 2007 to 2009 has been 7.5%. In the same period, manufacturing sector was growing at an average 5.2% per annum (Economic Survey 2008-2009, Govt. of India). On the other hand, during the corresponding period, overall GDP of State has grown at 6.2% per annum with manufacturing at 6.34%, agriculture at 6.55% and services at 7.54%.

CAGR of India/Rajasthan over 2007-2009

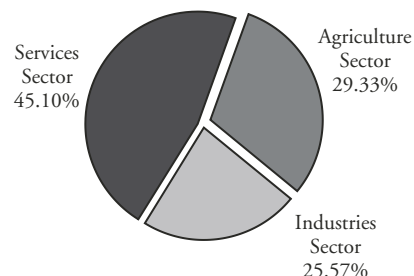
	GDP Growth (constant prices)	Manufacturing Sector Growth
Rajasthan	6.3%	6.3%
India	7.5%	5.2%

Net State Domestic Product



(Source: Department of Planning, Rajasthan)

Sectoral Distribution of NSDP 2007-08A



Small scale industry plays a crucial role in industrial activity and employment generation in Rajasthan. The medium and large scale units also have substantial presence. Rajasthan is the largest producer of cement in the country. Other sectors attracting large and medium scale investment include the automotive sector. Honda Sael and M/s Ashok Leyland are major players in this sector. MICO Bosch, Federal Mogul, and group of Japanese ancillaries are other significant auto-component manufacturers in the State.

Rajasthan is an important manufacturing base for a wide range of products, ranging from gems & jewellery, handicrafts, synthetic and cotton textile yarn, wool, marble and granite slabs, edible oils, chemicals, rubber to plastic based items, fertilizers, electrical and electronic goods, ceramic and glass, etc. Information Technology (IT) and IT enabled Services (ITeS), oil & gas and power generation are the emerging sectors.

Jaipur is emerging as a preferred Tier II city for ITeS industry with the presence of well known players like GENPACT and Infosys BPO. The sheer diversity and richness of tourist attractions and its products e.g. forts, palaces, old and architecturally rich havelies, wild life sanctuaries, a vast expanse of desert as well as a wide array of handicrafts and folk traditions, all have made Rajasthan, one of the most attractive tourist destinations, with all leading hotel chains registering their presence in a significant way.

Rajasthan's development road-map is deeply rooted in the conviction that sound infrastructure drives investment and economic growth. Significant and sustained efforts and investments in strengthening transportation, communication and industrial infrastructure have resulted in a strong physical infrastructure backbone in the State.

Rajasthan is set to emerge as a power surplus state. Major investments in the state sector are in pipeline. The advantage of especially strong surface winds and plenty of sunshine offer huge scope for generation of power. Discovery of oil & gas in Barmer/Jaisalmer areas would spur major developments. The Thar Desert in its underbelly contains millions of tonnes of oil and natural gas and in a few years from now, the desert districts of the State are expected to witness hitherto unexpected all-round development.

Rajasthan is one the few states, which has successfully implemented a number of projects through private sector participation on BOT basis. Private investors can take up road development projects in the form of up-gradation of State Highways, construction of bridges, bypasses, rail over-bridges, and development of wayside facilities.

Jaipur has a fully operational international airport with regular flights to Dubai and Sharjah. Domestic airports are located at Jodhpur and Udaipur with regular scheduled flights to major metros and cities. An air cargo complex is located at Jaipur. Inland container depots (ICD) at Jaipur, Jodhpur, Bhilwara, and Bhiwadi facilitate trade within and outside India.

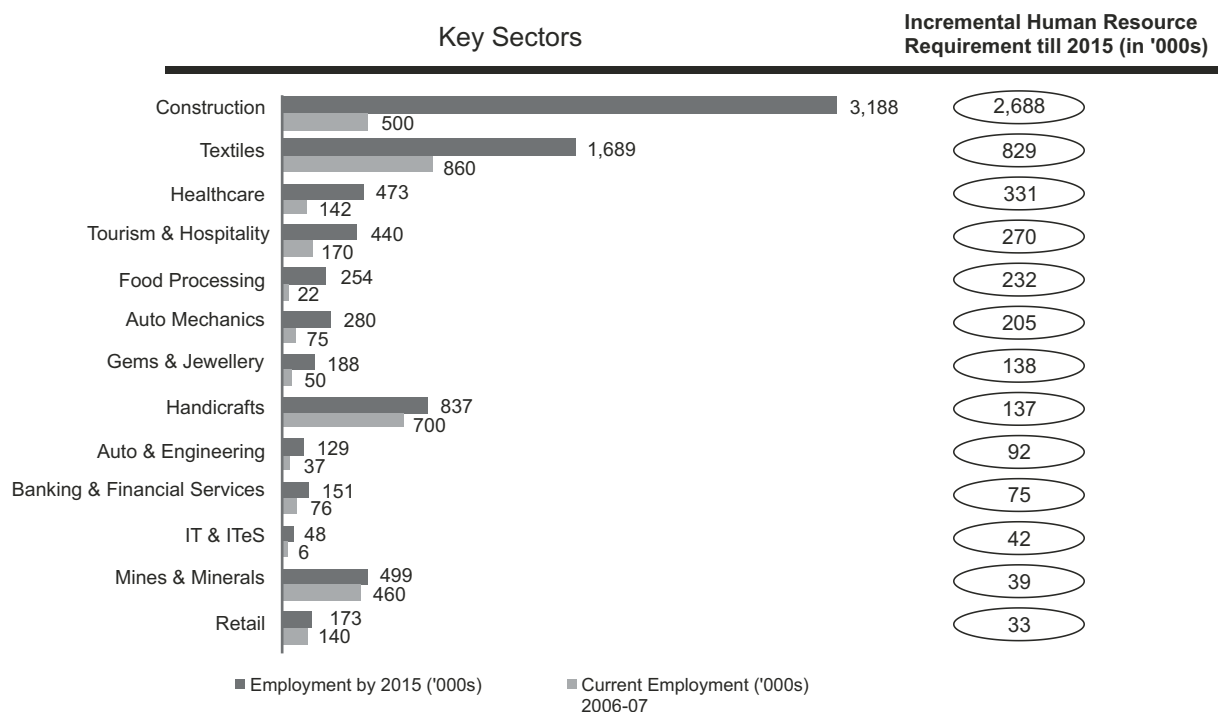
State Government has already taken a series of steps to develop a strong institutional network for technical and professional education in the state. There are over 20 universities, around 100 Engineering colleges, 94 Management institutes and 1,042 colleges. Moreover, there are polytechnic institutes capable of enrolling 11,610 students per annum and 666 Industrial Training Institutes enhancing the skills of around 66,906 people every year. Almost all districts of Rajasthan have an engineering college.

Some of the premier institutes being established in the State are:

All India Institute of Medical Sciences (AIIMS), National Institute of Fashion Technology (NIFT)

and Indian Institute of Technology (IIT). An Indian Institute of Management (IIM) is also being set in the State. Other notable premier institutes are LNMIIT, NIIT University, Manipal University, National Law University at Jodhpur, Amity University at Jaipur, Vanasthali Vidyapeeth and Indian Institute of Hospital Management and Research, etc. BITS at Pilani is one of the oldest and most reputed national level engineering institutions in the country.

According to a survey carried out by the Department of Labor, Government of Rajasthan, it was estimated that Rajasthan will have an incremental human resource requirement of 5 to 5.2 million persons till 2015. Maximum incremental requirement will be in the construction industry, followed by textiles, healthcare, tourism and hospitality, food processing, auto mechanics, gems and jewellery, handicrafts, auto and engineering, banking and financial services, IT/ITeS, mines and minerals, and retail.



Total Incremental Demand 5 to 5.2 million

Private sector is increasingly being involved in the development of social infrastructure sector and many investment avenues are opening up for them in the education and health sectors.

Existing Investment Promotion Regime

Recognizing the needs of investors, Government of Rajasthan had announced investment promotion policies from time to time Government has also come up with many sector specific policies. Most specific sector policies have been for the service sector.

The last comprehensive industrial investment promotion policy was announced in the state in 1998. This was replaced by Rajasthan Investment Promotion Scheme (RIPS) 2003. Several sector specific policies and schemes have also been announced by the State Government from time to time. Such as:

Investment Promotion Policies Currently Operating Are

- Rajasthan Investment Promotion Scheme (RIPS) 2003
- Rajasthan Micro, Small and Medium Enterprises Development Assistance Scheme, 2008
- IT and ITES Policy, 2007
- Tourism Units Policy, 2007
- Policy for Promoting Generation of Electricity through Non-Conventional Energy Sources, 2004
- Policy for setting up of Power Generation Projects in the State of Rajasthan, 2005
- Scheme for establishing Technical Institutes in lagging areas
- Rajasthan Social Sector Viability Gap Funding Scheme (RSS-VGF)
- Udyog Sansthan Sahabagita Yojana for private parties to run second shifts in existing government ITIs
- Scheme for establishing engineering college under PPP mode in districts where facility of engineering college is not available
- Rajasthan Special Economic Zone Policy, 2003
- A Single Window Clearance mechanism exists to expedite clearances of industrial and investment projects. (Now being replaced by a comprehensive Single Window Act having statutory backing)

Need for a New Policy

Eleventh Five Year Plan (2007-2012) of the country has targeted average inclusive growth rate of 9% along with 12% growth of the manufacturing sector. Raising the rate of growth of the manufacturing sector to 12% p.a. by the end of plan period is also stated as a priority in the 11th Five Year Plan of Rajasthan.

Economic Growth Targets

Economic Growth Target	Unit	CAGR (2001-02 to 2004-05)		Target for Eleventh Plan	
		India	Rajasthan	India	Rajasthan
Agriculture	%	1.03	1.76	4.10	3.50
Industries	%	6.96	7.43	10.50	8.00
Services	%	8.64	7.08	9.90	8.90
Total Growth Rate	%	6.45	5.68	9.00	7.40

CAGR – Compound Annual Growth Rate (Source: Eleventh Plan Document)

The endeavor of the government is to create sustainable economic growth with increasing participation of the private sector and promote a conducive climate that enables private sector to flourish. Rajasthan has factor advantages in a number of sectors backed by favourable policies and support. However, infrastructure and skills must keep pace with the growth momentum. The rate of job creation

has to be increased so that new job seekers can be absorbed. The new highly knowledge intensive global paradigm presents fresh challenges and opportunities, to remain competitive and secure high economic growth, both sustainable and inclusive.

It is, therefore, crucial to pursue a set of policies that will raise growth rate of Rajasthan in the years ahead, foster competitiveness and build long-term investor confidence. Government has to increasingly redefine its role to being an effective facilitator to minimize the potential barriers, obstacles and restrictions in the growth of private sector.

Present Industrial and Investment Promotion Policy 2010 takes a holistic approach to promote private investment by addressing all the variables that substantially affect the attractiveness of a location as an investment destination. It seeks to achieve a quantum improvement in the numerous, critical components — land, infrastructure, skill-pool, policy environment, investor experience — that constitute the core of the industrial and investment ecosystem.

1

Vision, Objectives, Strategy and Implementation of the Policy

1.1 Vision

Government of Rajasthan is committed to catalyzing investments, accelerating inclusive economic growth and creating large scale employment opportunities for its people.

1.2 Objectives

The main objectives of the Rajasthan Industrial And Investment Promotion Policy 2010 are:

1.2.1 To achieve higher and sustainable economic growth through greater private investment in manufacturing as well as service sectors

1.2.2 To promote environmentally sustainable industrial growth and balanced regional development

1.2.3 To create a supportive policy and institutional environment as well as infrastructure that facilitates and fosters private sector investment and enterprise

1.2.4 To encourage rapid growth of sectors in which Rajasthan has natural or strategic advantages

1.2.5 To achieve optimal development of human capital and promote a knowledge led growth

1.2.6 Enhance employment opportunities for the growing youth population.

1.3 Strategy

The policy interventions are aimed at enhancing enterprise and sector competitiveness while stimulating a substantial increase in the flow of investment from within India and from abroad. The key measures are aimed at:

1. Improving the Business Climate
2. Developing High Quality Infrastructure
3. Enhancing Skills Levels and Employability
4. Ensuring Easy Availability of Land for Projects
5. Encouraging MSME

6. Promoting Identified Thrust Areas

1.4 Implementation

1.4.1 Rajasthan Investment Promotion Scheme (RIPS 2010)

Package of Financial Incentives and Subsidies as available in the Rajasthan Investment Promotion Scheme-2003 shall continue till a new Investment Promotion Scheme is announced by the Government.

1.4.2 Similarly, a rehabilitation scheme for sick / closed industrial units is also being formulated and will be promulgated separately.

1.4.3 The various schemes incorporating provisions of the Policy would be issued separately. Bureau of Investment Promotion will circulate available inputs / the draft schemes to related departments (See **Annexure**).

1.4.4 Necessary administrative orders, notifications and schemes shall be issued by the concerned departments shortly, but not later than six months of the issue of this policy.

1.4.5 A high level Committee headed by the Chief Secretary will be set up to monitor the implementation of the Policy. The Committee will meet at least once in three months.

1.4.6 Appropriate budgetary provision shall also be made to give effect to the various provisions and schemes envisaged in this Policy.

2 Improving the Business Climate

Government would continue its ongoing efforts to improve the business climate, to streamline business entry and operational procedures, and to reduce delays as well as costs of doing business. Effective action would be taken for re-engineering the entire gamut of business regulatory processes and strengthening the supportive institutional framework.

2.1 The key interventions for improving business climate would be:

2.1.1 Strengthening of the Single Window System

- a. Special Packages by Council of Ministers (Cabinet)
- b. Rajasthan Enterprises Single Point Enabling and Clearance Act (RESPECT)
- c. Single Point Electronic Clearance and Monitoring System

2.1.2 Simplification and Rationalization of Regulatory Mechanisms

2.1.3 Setting up of “Udyogik Salahakar Samiti” (Industrial Advisory Council)

2.2 Strengthening of the Single Window System

State Government will bring in legislation to provide for a statutory mechanism to provide single point services to businesses in the State, explicitly stating time limits for providing these services and for transfer of jurisdiction to a single point clearance authority in case permissions are not provided by the competent authorities within the prescribed time limits. The Single Window Act and the Electronic Clearance System will make the Single Window Clearance system more effective and reduce average time required for fructifying investment in the State.

2.2.1 Special Packages by Council of Ministers (Cabinet)

Whenever any special concessions/packages are considered over and above the existing scheme, the matter will be considered by the Council of Ministers (Cabinet). The decisions will be binding on all the departments of the Government to expedite decision making.

2.2.2 Rajasthan Enterprises Single Point Enabling and Clearance Act (RESPECT)

State and District Empowered Committee (SEC/DEC) will be constituted under Rajasthan Enterprises Single Point Enabling and Clearance Act. (RESPECT), for providing single point services to Investment and Business proposals in the State by transferring jurisdiction to a single point clearance authority in case permission are not provided by the Competent Authorities within the prescribed time limits. Such permissions issued by SEC/DEC will have the same force as if they have been issued by the competent authority.

2.2.3 Single Point Electronic Monitoring and Clearance System

An information dissemination portal will be set up as a part of single point service to provide all information relating to rules, regulations and orders that affect investment decisions or investment implementation in the State.

A computerised and transparent system for submission of application forms for various clearances, monitoring of their time bound disposal and facilitating speedy clearances will be set up. This will also have the facility of online tracking of the status of application by the applicant

2.3 Simplification and Rationalization of Regulatory Mechanisms

The process of reviewing regulatory mechanisms prevailing in the State for making the investment climate more business-friendly has already been started. Wherever necessary, simplification and rationalization shall be done in consultation with experts and trade bodies. Some of the measures to be taken are as follows:

2.3.1 The government is compiling an inventory of legal and procedural requirements of various departments or agencies for doing business in the state.

2.3.2 The licences, permissions, approvals etc. and procedures thereof, which are redundant or burdensome, would be rationalized.

2.3.3 Mechanisms will be devised to enforce regulatory measures without harassment. Measures like voluntary compliance, self certification, third-party inspections, etc. will be introduced, wherever feasible.

2.3.4 Provisions relating to Factories and Labour laws, Mining licences and Municipal licences will be reviewed and rationalized on priority as these are expected to provide immediate and substantial relief.

2.3.5 Review of existing mechanism shall be periodically undertaken by a committee headed by Chief Secretary and comprising concerned Administrative Secretaries and representatives of trade bodies.

2.4 Setting up of Udyogik Salahakar Samiti (Industrial Advisory Council)

To establish and strengthen public private dialogue, Government has set up “Udyogik Salahakar Samiti” (Industrial Advisory Council) under Chairmanship of the Minister of Industries. Members of the Council are Principal Secretaries of various departments including Industries, Finance, Tourism, Urban Development and also major trade bodies and industrial associations like Confederation of Indian Industry, Rajasthan Chambers of Commerce and Industry, PHDCCI and Federation of Indian Chambers of Commerce and Industry. The main functions of the Council would be to provide advice on matters relevant for promoting investment and economic development of the state including policy formulation, employment generation, human resource development, skill enhancement and also suggest changes in existing schemes and new initiatives.

Developing High Quality Infrastructure

The quality, accessibility and affordability of physical and social infrastructures are major determinants of growth. They complement a good policy environment and institutional framework, to create necessary ambient conditions which are an important pre requisite for attracting investment, sustaining growth of business & industry and creation of employment opportunities.

It is therefore, proposed to enhance the competitiveness of enterprises in Rajasthan by providing quality network of roads, uninterrupted power availability, adequate water, high speed data transfer connectivity, efficient logistics facilities, etc.

3.1

The key interventions for improving infrastructure would be:

- a) Encouraging Public Private Partnership for Infrastructure Development
- b) Creating a Fund for Meeting Critical Infrastructure Needs
- c) Augmenting Industrial Infrastructure
- d) Developing a Gas Grid
- e) Ensuring Water Availability for Investment Projects
- f) Developing Logistics Parks
- g) Making Available Abundant Power Supply
- h) Leveraging Delhi-Mumbai Industrial Corridor (DMIC)
- i) Developing Special Investment Regions
- j) Developing Industrial Townships and Urban Infrastructure
- k) Ensuring Pollution Control and Environmental Protection Mechanisms.

3.2

Encouraging Public Private Partnership for Infrastructure Development

The state envisions mega investments in the infrastructure sector for its economic growth. Requirement of funds to meet all the infrastructural needs of the state cannot solely be met by budgetary resources of the government. To attract private investment and to leverage its efficiency, to provide quality infrastructure and services at an optimal cost, an enabling policy and institutional mechanism would be developed. The focus sectors where PPP may be contemplated include Power Generation, Transmission and Distribution Projects, Roads Bridges and Bypasses, Water Supply Treatment and Distribution, Airports and Heliports, Inland Container Depots and Logistics Hubs, Information Technology, Land Reclamation,, Industrial/Knowledge Parks and Townships, Urban Utility Services, Tourism, Education, Healthcare, Trade Fair ground, Convention Centres and Urban Transport Systems, etc.

3.2.1

Infrastructure Development Act

An Infrastructure Development Act would be enacted to delineate a legal framework and roadmap for private participation. The Act would create a fair, transparent and clearly

articulated mechanism for private investment in infrastructure sector. It would also facilitate speedy decision, making and attempt to reduce the risk to the developers and financiers in such projects.

The Act would, inter alia, provide for

- a) Adequate legislative and administrative framework for private sector participation in financing, construction, operation and maintenance of infrastructure projects in the State;
- b) A comprehensive legislation for reducing administrative and procedural delays, decision making and identifying generic project risks;
- c) Detailing various incentives, project delivery process and procedures for resolution of disputes when arise;
- d) Other ancillary and incidental matters thereto with a view to presenting bankable projects to the private sector and improving level of infrastructure in the state.

3.2.2 Infrastructure Development Board

To facilitate higher flow of funds into infrastructure sector and to ensure coordination among various government agencies in the State, a Board with statutory powers will be set up. It would be a single point mechanism for expeditious clearance of infrastructure development projects with private participation in PPP mode. Bureau of Investment Promotion (BIP) would function as the secretariat of the Board and shall coordinate and process projects in the State to be considered by the above Board. Resources of BIP would be suitably augmented including hiring services of professional manpower agencies. Functions of BIP for this purpose would include:

- a) Conceiving infrastructure projects
- b) Developing project appraisal guidelines with acceptance/ rejection criteria
- c) Appraising PPP project proposals from technical, financial, risk management and overall policy aspects through conducting techno-commercial and financial feasibility studies
- d) Preparation of Terms of Reference, pre qualification and bid evaluation criteria, Request for Proposals and Concession Agreements.
- e) Coordination with sectoral agencies and departments
- f) Managing the bid process and selection of a private participant through a transparent process
- g) Drafting of model concession agreement
- h) Capacity building among government agencies and their staff
- i) Taking help of outside experts agencies
- j) Administering viability gap funding proposals on behalf of the government
- k) Develop and maintain a program monitoring system for PPP projects in the State by putting in place appropriate framework
- l) Ensure financial and physical monitoring of individual projects, track deviations and identify key action areas for correction.

3.2.3 Viability Gap Funding

Government of India provides Viability Gap support for PPP projects to the extent of 20% of project cost. State would also provide additional viability gap funding up to 20% of project cost, wherever so necessary and critical. State would provide required budgetary support for the purpose.

3.3 Fund for Critical Infrastructure Needs

The State would set up Critical Infrastructure Fund. The Critical Infrastructure Fund will provide funds for projects that are designed to improve critical infrastructure requirements of industrial areas or specialized parks or zones, or for a group of units or any cluster or large projects of significance for the State. The funds for this will be provided primarily by Government of Rajasthan as per need. State would provide the required budgetary support for the fund. Detailed guidelines for operation of the fund will be issued separately.

3.4 Augmenting Industrial Infrastructure

The Rajasthan State Industrial Development & Investment Corporation Ltd. (RIICO) has so far developed 321 Industrial Areas by acquiring about 59,000 acres of land. It is continuously acquiring and developing more land. Each industrial area is provided with power, street light, water supply, road linkages and also with basic social infrastructure. RIICO has also embarked upon creation of special purpose industrial parks with excellent infrastructure facilities for a particular type of industry, like Agro processing, Textile, IT, etc. RIICO had also developed 3 SEZs, two in Jaipur for Gem & Jewellery and one for Handicraft in Jodhpur. To strengthen industrial infrastructure, the following interventions are proposed:

- a) Development of New Industrial Areas
- b) Upgrading of exiting Areas by RIICO
- c) RIICO to provide common infrastructure services

3.4.1 New Industrial Areas

A. RIICO

- i. RIICO would develop additional 20,000 acres of land for industrial purposes in the next five years
- ii. RIICO, while developing new industrial areas, would also endeavor to:
 - a) earmark at least 30% % of the land for MSME sector;
 - b) provide land for vendor development and ancillary support to the large projects;
 - c) provide land portion for social infrastructure such as housing areas, schools, hospitals, etc.
 - d) allot land after proper infrastructure development of the area.

B. Development of Private Industrial Parks

- i. The State Government will encourage participation of private sector for setting up Industrial Parks/Estates.

- ii. The State Government shall facilitate setting up of such parks by providing road, water supply, and power transmission lines (up to such areas) at the same terms as are applicable to the RIICO areas.
- iii. Promoters of such private industrial park may submit their proposal to BIP availing above benefits.
- iv. However to ensure systematic and planned development of industrial parks, the layout plan would be finalized in concurrence with RIICO or as per norms prescribed for this purpose.
- v. RIICO shall also provide undeveloped land for development of sector specific industrial areas.

C. Specialized Industrial Parks

Product specific parks/clusters will be developed as per needs of each sector. The following new product specific industrial areas and investment hubs will be set up:

- i. Glass and Ceramic Complex in DMIC region
- ii. Automotive-zone in DMIC region
- iii. Leather Complex /Park
- iv. Knowledge City catering to the education, entertainment, health, recreation, research and information technology sectors.
- v. Educational institutions Hub

3.4.2 Upgrading of Existing Areas by RIICO

- i. RIICO would undertake a drive to improve the infrastructure in its existing Industrial areas over the next five years. Works would include the upgrading of service infrastructure and common facilities. Works may entail road resurfacing, improvement of rainwater harvesting systems, service trenching and upgrading of service networks, paving, landscaping and signage, etc.
- ii. RIICO would take up at least 5 flagship or major Industrial areas every year for state of art upgrading. The Government may subsidize up to 25% of the cost of upgrading industrial areas of RIICO, if required.

3.4.3 RIICO as a Provider of Common Infrastructure Services

To upgrade the infrastructure in industrial areas, RIICO may expand its scope of services to include effluent treatment plants, provision of power, water and quality access roads for a select number of large industrial areas, on its own or in PPP mode.

3.4.4 Promotion of SEZs

- i. State already has an SEZ Promotion Policy. The provisions in the Policy are aimed at providing an enabling environment and assuring the State's commitment for promoting SEZs. Apart from the existing three SEZs in the government sector and one mega-SEZ, Mahindra World City, in the joint sector, there are 8 approved SEZs and 7 of them are notified.
- ii. A new SEZ Act is being enacted under which a number of concessions are to be provided for SEZs to be developed in the State, including exemptions in luxury tax,

electricity duty, lease and registry fee. The new legislation would accord an identical status to the developer and co-developer of SEZ and levy only a token amount as land conversion fee.

3.5 Development of Gas Grid

Major gas pipelines, both existing and proposed, pass through Rajasthan. Some projects in the State, like fertilizer manufacturing units, use natural gas as raw material. Gas based power plants are also in the offing at Dholpur, Mathania and Ramgarh. Gas pipeline is being laid to supply gas to industries in Bhiwadi-Neemrana region. However, the State has yet to develop proper Gas Grid to tap natural gas as a cheaper, abundant and cleaner source of energy for its development. The pipeline network can play a pivotal role for development of Gas Grid in Rajasthan to cater to the demand of Natural Gas in industrial and domestic sectors of the State.

Feasibility Report for creation of a Gas Grid in Rajasthan has been prepared by the Indian School of Petroleum by the Mines and Petroleum Department. Major initiatives shall be taken for development of State-wide gas grid for tapping the energy resource with private sector participation

The role of Rajasthan State Petroleum Corporation would be enhanced to include activities like oil refining, pipeline transport, gas retailing, city gas distribution, oil exploration and oil field support services. RSMML would contribute Rs25 crore to strengthen the financial base of this Corporation.

3.6 Water Availability for Investment Projects

Water, besides other infrastructure components, is vital for a healthy investment climate.

3.6.1 While designing and formulating new dams and irrigation projects, 10% of water would be reserved for industrial and service sector use.

3.6.2 There is a scarcity of water in the state. Therefore, industries would be encouraged to reduce, reuse and recycle water. For setting up treatment plants, benefit could be availed from existing schemes of GOI and GOR.

3.6.3 Feasibility of sourcing water from reliable and perennial sources would be explored. Suitable projects for making water available to major industrial and investment regions would be undertaken, preferably on PPP mode.

3.7 Development of Logistics Parks

3.7.1 Government recognizes the importance of logistics as a strategic variable. The activities within the sphere of logistics involve inland freight transportation, warehousing, material handling, protective packaging, inventory control, order processing, and marketing, forecasting and customer service.

3.7.2 In the railway sector, construction of the Dedicated Freight Corridors (DFC), connecting the eastern and western quadrilaterals and future of development of DFC for other legs of the quadrilateral and diagonals of the IR network will usher in a 'new age' in freight

transportation in terms of improved transit, assured availability of rolling stock, reliability of service and, most importantly, reduction in unit cost of transportation.

3.7.3 Currently, there are three CONCOR rail head ICDs in Rajasthan — Kanakpura (Jaipur), Jodhpur and Kota. With burgeoning in the State, one more ICD is being set up in Khemli near Udaipur where business potential is quite high owing to strong stone exports.

3.7.4 Multimodal logistic parks will be developed in at least three regions in DMIC at Neemrana-Bhiwadi region, Bhilwara-Chittorgarh region and Jaipur region. The Government would support private sector for development of logistic parks in the state in PPP mode and by private sector.

3.8 Making Available Abundant Power Supply

3.8.1 Present installed capacity in Rajasthan is 7716 MW (as on 1.12.2009). A capacity addition of around 10,000 MW is planned by FY 2013-14. Present installed capacity of renewable sources is 883 MW which includes 852 MW from wind energy. The capacity addition programme is in line with National Electricity Policy and guidelines issued by Government of India.

3.8.2 Significant improvements have been made in this area by Rajasthan in the recent past (Feeder Renovation Program). Proactive monitoring and proper project management would be essential to ensure that the progress made so far continues to go forward.

3.8.3 To meet the future goals and the growing demand in the state, the Government of Rajasthan would encourage private participation in generation of power from conventional as well as non-conventional sources.

Specific initiatives to be taken up in the power sector are:

3.8.4 Green Energy Drive

- a) Rajasthan can be the powerhouse of grid connected renewable energy because of its huge potential, particularly in solar energy. On January 11, 2010, “National Solar Mission”(NSM) has been launched. The NSM aims to promote the development and use of solar energy for power generation with the ultimate objective of making solar energy competitive with fossil-based energy options.
- b) Rajasthan has huge solar power potential and vast stretches of barren land are available. The state can lead in this sector if adequate incentives/rebates/exemptions are provided.
- c) Rajasthan Renewable Energy Corporation Limited is working as a nodal agency for promotion of generation of electricity from renewable/non-conventional energy sources. The State Government has issued a comprehensive Policy for Promoting Generation of Electricity through Non-Conventional Energy Sources, 2004 which is presently in force.
- d) The existing policy provides various incentives to the investors/power producers for promoting generation of electricity from non-conventional sources. Land is made available for setting up of such power projects on concessional rate (@ 10% of DLC

rate), besides various other incentives. Generation of electricity from renewable energy sources is treated as eligible industry under the schemes administered by the government.

- e) The State Government is in the process of issuing separate policies for generation of electricity from Biomass, Wind & Solar sources of energy respectively. Bureau of Investment Promotion shall facilitate execution of investment projects in Green Energy sector in co-ordination with Rajasthan Renewable Energy Corporation Limited.

3.8.5 SPV for 24x7 Power Supply to Industrial Clusters/Parks

- a) As per existing provisions of Indian Electricity Act, an SPV can be set up for captive power distribution to industrial areas or industrial user groups.
- b) The State Government will encourage setting up of such captive electricity distribution companies in SPV mode to ensure continuous and uninterrupted power supply. Industrial units in a particular area can enter into a long term agreement with the SPV for providing power. Required space for the generating plant shall be provided in the industrial area. The SPV will be responsible for co-ordination with concerned authorities for eliciting required approvals.

3.9 Leveraging Delhi-Mumbai Industrial Corridor

3.9.1

As a part of key initiatives to achieve sustainable growth of economy and to overcome the bottlenecks for freight movement between the industrial regions and major ports of the country, Government of India plans to develop Dedicated Multi-modal High Axle Load Freight Corridors along the Golden Quadrilateral and its diagonals linking Delhi, Mumbai, Kolkata and Chennai.

3.9.2

In addition to development of the Delhi-Mumbai Freight Corridor (referred as the Western Dedicated Freight Corridor), a “Delhi Mumbai Industrial Corridor (DMIC)” is also being set up. The purpose of DMIC is to create strong economic base in the bandwidth of 150 km on both sides of the DFC and provide globally competitive environment with state-of-the-art infrastructure to promote local commerce, enhance foreign investments and attain sustainable development. In addition to the influence region, DMIC would also include development of requisite feeder rail/road connectivity to hinterland/markets and select ports along the western coast.

3.9.3

State of Rajasthan is very strategically located with regards to Delhi-Mumbai Freight Corridor. Nearly 39% of the total length of this corridor passes through Rajasthan and 46% of the total DMIC Project Influence Area (PIA) falls in Rajasthan. Some of the major districts of the state falling under DMIC include Alwar, Ajmer, Bhilwara, Chittaurgarh, Dausa, Jaipur, Jodhpur, Jhunjhunu, Kota Nagaur, Pali, Sikar and Sirohi.

3.9.4

DMIC presents a major development opportunity for the State. Development of appropriate infrastructure along the DMIC would be key to driving industrial development and growth in the region.

3.9.5

Some Early Bird projects identified for development along the DMIC in Rajasthan are:

i. **Shahjahanpur-Neemrana-Behror (SNB) Knowledge City**

State Government proposes to develop a Knowledge City which would be an integrated education-based Township housing a conglomeration of academic institutions/branch campuses imparting education in a variety of technical and vocational trades.

ii. **Central Spine Connecting Global City with Bhiwadi-Tapukara Industrial Complex via Ajarka**

The area falling between proposed Global City and Bhiwadi-Tapukara complex within Rajasthan border is strategically located for future industrial and non-industrial development. Accordingly, a central spine project connecting Global City with Bhiwadi-Tapukara complex is envisaged.

iii. **Greenfield Airport Project**

A Greenfield Airport is proposed to be set up in the DMIC region. This would include an airport, business park, logistics park, industrial park, cargo warehousing park, distribution centres, information technology complexes, wholesale merchandise marts, tourism and educational park, residential and other infrastructure(s) located in and around the airport.

3.10

Development of Special Investment Regions

3.10.1

Industrial development in the State would be moved to the next stage of evolution from present approach of developing clusters, specialised parks, industrial areas and estates to development of Special Investment Regions (SIR) as a new model. These investment regions are expected to bring in large investments, economies of scale, and world class infrastructure arrangements. Large chunks of area, 100 sq km or more, will be set aside for development with their own industrial, social and urban infrastructure benchmarked to global standards, to attract global as well as domestic investments. These SIRs are expected to synergise with upcoming DMIC and DFC projects.

3.10.2

To enable developing such large scale industrial areas, SIR Act shall be enacted. The purpose of the Act may be:

- i. To enable the Government to establish, develop, operate and regulate the Special Investment Regions in the State.
- ii. The State Government would be empowered to declare Investment Region or Industrial Area and designate them as Special Investment Region (SIR) by notification in order to quicken the process of land acquisition.
- iii. The Act would also allow the Government to set up regional development authorities for each SIR.
- iv. The regional authority will help acquire land by negotiating with private land owners. It will have power to transfer government land for activities to take place in the SIR. And, it will give right to the developer of the township in an SIR with powers to convert land

meant for agricultural purpose into non-agricultural land.

3.10.3 The first SIR may be set up in the Shahjhapur-Neemrana-Behror (SNB) area to house one million people with world class infrastructure for industrial and non-industrial investment.

3.10.4 National Manufacturing and Investment Zone

National Manufacturing and Investment Zone will be set up in the DMIC region to attract investments and provide quality infrastructure and support.

3.11 Developing Industrial Townships and Urban Infrastructure

3.11.1 Industrial development and urban development are complementary to each other.

3.11.2 Integrated Industrial Areas/Townships

To check unplanned growth around industrially developed hubs, government would promote setting up of Integrated Industrial areas/townships with housing and other urban facilities. Private sector would be encouraged for this.

Upto 30% to 40% of area of large sized integrated industrial areas/townships would be earmarked for activities like housing and related social infrastructure. Infrastructure like water supply, street lighting and other municipal services would be ensured by the competent agency responsible for integrated industrial area/townships development.

3.11.3 Town & Country Planning Act for planned urban development and investment in urban areas is under formulation and shall be enacted shortly.

3.11.4 Efforts shall be made to develop facilities like Trade and Finance Centres, Corporate Headquarters, Exhibition Centres, Convention Centres and other facilities in and around major urban Centres for smooth and rapid execution trade and business.

3.11.5 Jaipur shall be developed as a world class global city. Towards this end the following projects will be set up in Jaipur, preferably on PPP mode:

- a) World Class International Trade Fair Complex
- b) World Class Convention Centre.
- c) International Gems Bourse
- d) Education Township

3.12 Ensuring Pollution Control and Environmental Protection

3.12.1 Imperatives of industrial development have to be juxtaposed with the need to protect and preserve environment. The State would take suitable policy measures to encourage environment friendly, low polluting and water efficient industries.

3.12.2 Department of Industries in close co-ordination with Department of Environment and Rajasthan Pollution Control Board (RPCB) will build awareness, educate and engage the industry in reducing our environmental footprint.

3.12.3 Industries Department would also facilitate along with RPCB to review and rationalize some of the existing list of green, red and orange categories of industries to reduce avoidable

renewable burdens without compromising on environmental protection needs.

- 3.12.4** Emphasis would be placed on developing green industrial parks/estates with a vision for next 20 years. Green “environmental standards” would guide their planning and execution.
- 3.12.5** RIICO would encourage water harvesting and recycling in all its industrial areas existing and new.
- 3.12.6** State would encourage and incentivise recycling of electronic waste and setting up of e-waste recycling units. Waste electrical and electronic equipment or e-waste, comprises electronic and electrical devices which are surplus, obsolete or broken.
- 3.12.7** Information Technology (IT) and IT enabled Services units would not ordinarily require air and water clearances. Pollution Control Board may issue suitable guidelines for this.
- 3.12.8** To encourage environment friendly technologies, the State would continue its support for setting up of common effluent treatment plants and recycling and reuse of waste water in industrial areas or by individual units as detailed in MSME policy.

4 Enhancing Skill Levels and Employability

All sectors of the economy increasingly rely on knowledge and skills of its people. Therefore, skill development for improving employability of the people of Rajasthan is a major priority area of the State Government.

The Policy aims at building industry and market driven specialized skills and thereby enhancing employability of the workforce in the State. This would be done primarily with involvement and participation of the industry and other stakeholders.

Efforts will be made to promote not only setting up of technical and vocational training institutes in the State but also to equip the existing ITIs, Polytechnic, Engineering and Degree Colleges with training capacities to raise work force productivity and employability. The new employment opportunities not only call for enhanced functional skills, sector-specific competencies across levels, and also several “soft” skills. The idea is to create a ready talent pool for sectors such as Auto & Engineering, Healthcare, Textiles, Mines & Minerals, Oil & Gas, Food processing, Tourism & Hospitality, Handloom & Handicraft, Construction, and IT/ITES. The key interventions would be:

4.1 Upgrade Industrial Training Centres into Centres of Excellence

- I. Since the existing ITIs are not producing enough trained manpower as required by the industry, a new scheme in PPP mode was conceived by the Government of India (Scheme to Upgrade Industrial Training Centres into Centres of Excellence) to improve the training for producing multi-skilled workforce, thereby leading to better employability.
- II. Rajasthan would motivate industry to adopt more such ITIs on the basis of a new scheme on similar lines as the Government of India Scheme. Institute Management Committee would be empowered and given more authority in the State Scheme.

4.2 “Train to Gain Scheme” for On-the-job Training

- I. To enhance the employability of our workforce and help employers to get skilled manpower suitable for their work, Government would support companies which provide on-the-job training at their premises to convert the raw recruits to skilled manpower.. For this a new scheme called “Train to Gain Scheme” would be introduced.
- II. Employers would be provided subsidy upto 50% of the salary or stipend paid to such trainees limited to Rs2,000 per trainee/per month. Employers benefiting under the Scheme are expected to provide employment to 50% of the trainees.

4.3 Skill Mapping and Survey

- I. A designated agency would carry out ongoing research on kinds of emerging opportunities for skill/employment in various sectors/trades in the Indian market with special focus on services, self employment and entrepreneurship, in addition to the

manufacturing sector.

- II. The informal sector contributes significantly to employment in Rajasthan; there are an estimated 1.84 million enterprises in the informal sector in the State, generating employment for 2.9 million workers. Also, over 70% of the enterprises in the informal sector are currently involved in activities related to manufacturing, trade, and repair activities. (Source: Department of Labour, Government of Rajasthan website)

A separate survey of informal sector workers to identify these workers, and map their skill levels would be undertaken. Based on the findings of the survey, an intervention package will be worked out.

4.4 Skill Development for Service Sectors

Highly skilled, English speaking manpower is a key prerequisite for attracting companies in IT, ITeS and other service sectors like hospitality. It is important that state has manpower that is proficient in English. For this, a training program for augmenting basic English speaking and writing ability in the state would be implemented.

In order to institutionalize the training program and maximize its reach, the state will take the following steps:

- I. Develop certification for the program together with leading educational institutions in the world.
- II. To ensure widespread implementation of such courses, the extensive network of colleges and private training providers throughout the state would administer the diploma programme.
- III. The existing English curriculum in schools, colleges and polytechnics would also be redesigned to ensure higher standards of spoken and written English.
- IV. A comprehensive curriculum for teacher training would be developed to ensure adequate number of trainers to conduct the courses.

4.5 Utilising Existing Training Infrastructure

Government would make available a list of existing educational institutes, existing classroom facilities at ITIs, schools and colleges which can be utilized for conducting training programs. Private training provider may use these premises for running their training programs.

4.6 Entrepreneurship Development

- I. In order to encourage micro enterprises in rural and backward areas the Government will continue its support for establishing Rural Development and Self-Employment Training Institutes (RUDSETI's) in all districts of the State. Over the next five years, the Government of Rajasthan will endeavor to establish one RUDSETI in each district of the State. The management of these institutions will be largely through private initiative.

4.7 Benefit from National Skill Development Initiative

National Skill Development Initiative of the Government of India aims to empower all

individuals through improved skills, knowledge and nationally and internationally recognized qualifications to gain access to decent employment and ensure India's competitiveness in the global market. Special efforts will be made to take maximum advantage of existing Government of India schemes and dovetail them with State Government initiatives. Labour and Employment department would coordinate and continuously monitor progress of these.

4.8 Implementation of New Schemes

Public Private Partnership between the Government and Industry will be promoted to enable development of skills as per Industry and market demands.

I. Scheme for Industrial Area/Cluster Based Training Centres

To develop training infrastructure at the doorstep of industrial areas or clusters, a new scheme to promote skilled manpower to manufacturing and service sector units in the Industrial estates/Industrial Parks/Industrial Clusters and SEZs, etc. shall be launched. Under the scheme, financial assistance will be provided for land, building plant and machinery, etc subject to maximum limit of Rs1 crore.

II. Schemes for New Industry Linked Courses in Existing Institutes

There is need for improving curriculum and quality of training by the existing training and educational institutes to improve their employability as per requirement of the job market. Specialized courses in partnership with industry would be introduced at select educational institutes with necessary infrastructure and faculty through following measures:

a. Lead Institutes for Developing New Training Courses

- i) Lead Institutes which can be any university or reputed technical or professional institution or body operating in Rajasthan would be selected for developing new training courses, benchmarking the existing courses against international curriculum, conducting the new courses in specific focus sectors such as tourism, agro processing, construction, IT/ITES, auto & engineering and textile.
- ii) The existing ITIs/ Polytechnics/ Engineering colleges /Degree Colleges would run the new courses.
- iii) Such institutions will be provided financial assistance including capital and operating expenditure reimbursement.

b. Short-term Bridge Courses by Industry Partner

- i. Any industrial house/industries association/institutes can conduct need-based specific training courses for a definite period in the existing ITIs/ polytechnics/ engineering colleges /degree colleges.
- ii. The industry partner would be responsible for providing training material, equipment and technical support, mentoring, training the faculty of the host institution for smooth conduct of the course and building the required capacities within the host institute. The cost of machinery & equipment of up

to 75%, limited up to Rs100 lakh would be subsidized by the Government.

III. Schemes for Establishment of New Training Facilities

To incentivise the private sector to set up new training institutes, the following new schemes are proposed to be introduced:

a. Scheme for Skill Training Institutes in Private Sector

- i. The State Government will launch a scheme to support setting up of Skill Training Institutes in private sector by reputed institutes, bodies, industry associations that can impart vocational and technical skills, primarily based on employment opportunities.
- ii. Under the scheme, any institution promoted by private sector will be provided assistance upto 75%, with a ceiling of maximum Rs2 crore of the project cost to cover fixed capital investment excluding land cost.

b. Rajiv Gandhi Skill Schools

- i. To provide vocational training to youth, primarily the poor, school drop-outs, etc. and to make them “employable” in organized sectors, GoR would support leading players in education and training field, to set up state-of-the-art Rajiv Gandhi Skill Schools (RGSS). These Schools shall provide high quality, market driven, placement linked training in specific areas to the targeted youth and would have infrastructure facilities like institutional buildings, class rooms, tool room, laboratories, workshops, hostels, canteen, etc., with a capacity to train at least 1000 students every year.
- ii. These schools would be set up under a tripartite arrangement between the State Government, the training agency and an industry partner.
- iii. The trainer will develop course material and content, mobilize the required infrastructure with faculty, and even be responsible for raising resources by dovetailing various schemes of the central and state governments.
- iv. After establishing the School, the trainer would be responsible for the entire operation and maintenance of the School.
- v. Government Support would be the provision of initial infrastructure and capital.
- vi. Government would normally partner with an industry association or industrial house to share the cost of initial capital and operating costs. The pass-outs from these schools would normally be absorbed by the industry partner or members of the association.
- vii. A detailed scheme would be worked out for setting up of the RGSS.

c. Establishment of Technical Institutions

To encourage establishment of Technical Institutions like Engineering, MBA, MCA, B.Pharm etc, in rural areas, land would be converted for such purpose without any conversion charges. Where investment of Rs50 crore or more is obtained for establishing such institutions, the promoter may be offered land at 50% of reserve price of land for industrial use.

Ensuring Easy Availability of Land

Prompt and easy availability of land for investment projects at a reasonable price is one of the main concerns of most investors. Being the largest state in India with large tracts of waste and less fertile land, land would be leveraged as a resource to attract and facilitate investments in the State.

- 5.1** The key interventions for easing availability of land would be:
- I. Easing Procedures for land use change/conversion of land/approvals of layout plan/building plans etc.
 - II. Simplifying land acquisition process
 - III. Creating a land bank
 - IV. Formulating New Policy guidelines to leverage land for investments.

5.2 Easing Procedures for Land Use Change/Conversion/Approvals of Layout/Building plans

5.2.1 Wherever a particular use of land is specified in the master plans of the towns and cities such land can be used for such specific purposes without any permission for change of land use. For example, if any area is shown for industrial or commercial use, such areas can be used for such industrial or commercial purposes without any permission for change of land use.

5.2.2 The existing provisions of the Rajasthan Land Revenue (Conversion of Agricultural land for Non-Agricultural purposes in rural areas) Rules, 2007, provide that application complete in all respects shall be disposed off within 30 days of the receipt of application.

5.2.3 Conversion is often delayed due to NOCs required by the concerned competent authority from some departments or agencies e.g. Forest, Environment, Town planning, Panchyat, etc. To expedite conversion, henceforth, a maximum time of only 15 days will be allowed to such departments and agencies to respond. If no comments are received within 15 days, it will be deemed that there is no objection to such conversion by such department or agency. Competent authorities shall dispose off the application for conversion as per rules without waiting for any formal NOC from such department or agency. In case an application is found incomplete in any respect, as per provision of rules, concerned authority shall inform the applicant within 15 days of receipt of application, with details of all reasons why the application is found so incomplete.

5.3 Simplifying Land Acquisition Process

5.3.1 A clear policy to ensure fair and transparent acquisition of land will be framed which would protect farmers' interests as well as facilitate speedy availability of land for infrastructure and

other investment projects. For projects envisaging investment Rs100 crore and above if 25% of land is purchased by the developer on his own, the Government may facilitate acquisition of the remaining 75% land.

5.3.2 To ensure fair compensation to the land owners and avoid dispute and litigation as to compensation amount as far as possible, a committee with representatives of Revenue, Finance and Industries departments, may be constituted which would assess and suggest the fair market price of the land under acquisition to the land acquisition officer to help him determine the award objectively.

5.3.3 Except in cases of acquisition of land for Single Unit Complex and infrastructural projects, an option to the land owners may be made available to get part of the developed land in lieu of specified monetary compensation. Such land owners would be free to use such land for the purpose for which these lands are offered i.e. its use may be for industrial, commercial or residential as may be deemed fit in each particular case.

5.4 Creating Land Bank

5.4.1 Jamabandis (land records) have been extensively computerized in the state. The Government plans to make available this information on-line in due course.

5.4.2 Efforts will be made to identify and utilize government waste lands in different parts of the State for employment generating industrial and investment activities. Inventory of surplus and unused land available with PSUs, State Govt., Urban Local Bodies (ULBs) will be made to create a Land Bank. This will enable the State to offer ready to use land to investors.

5.4.3 It is planned to undertake an advance valuation of such parcels of land which would subsequently be allotted to investors on the recommendation of Industries Department or the Bureau of Investment Promotion. This will enable the State to offer ready to use land to investors.

5.5 Formulating New Policy Guidelines for Investments

A set of policy guidelines will be formulated to clearly delineate provisions relating to concessional allotment of land for various purposes and norms thereof. Provisions for increased FAR in certain cases, time bound allotment by designated authorities, option of annual lease rent in place of upfront full payment, etc. will be included in the guidelines.

6

Focus on MSMEs Growth

A vibrant MSME sector is critical for investment, growth, employment creation and poverty reduction. By its less capital intensive and high labour absorption nature, the MSME sector can make significant contributions to employment generation and also to rural industrialization. MSMEs are facing tremendous challenges to survive and sustain. Required interventions have been made in the MSME Policy to address basic problems of access to finance, R&D investment, access to technology, product innovation, marketing & e-marketing support, etc.

6.1 Incentives to MSME under MSME Policy launched in 2008 would continue.

6.2 Cluster Development

The state will continue to accord priority to cluster development of MSMEs in the entire state.

6.2.1 New Initiatives

- I. Government accords highest priority to promotion of clusters in the state. Strengthening of existing clusters and identification of new clusters would be undertaken.
- II. In addition to existing provisions in MSME Policy 2008 for supporting cluster development, following new measures are contemplated:
 - a. **A Scheme for Financial Assistance for Cluster Development in SPV Mode** would be introduced with following features:
 - i. Government will encourage MSME entrepreneur associations to set up MSME clusters by floating SPVs for undertaking infrastructure development and for providing common services like common effluent plant, design development and other services for common benefit.
 - ii. Anchor units, nodal institutions and/or industry associations developing a cluster having critical mass of minimum 20 units would get financial assistance for taking up activities for developing common facilities that lead to improvement of productivity and cost efficiency among member units in the cluster. Such activities include R&D laboratory/testing laboratory, creating information/data bank for market intelligence, creating common branding and market development activities, display of products and common processing facilities etc.
 - iii. Government will convert private land for establishing MSME clusters without any conversion charge.

- iv. Government land will be allotted at 50% of DLC rates if such clusters are planned on Government land. Government will also undertake access road provision at its cost for such clusters.
 - v. Government shall provide financial assistance upto 10% of the total project cost of cluster Development Plan, within a ceiling of Rs1.50 crore. This financial assistance would be provided for the project approved by Government of India under their Cluster Development Programme and shall be apart from the assistance provided by Government of India.
- b. Last Mile Connectivity
- I. Cluster are also eligible for assistance under the Critical Infrastructure Program for getting last mile connectivity for creation of infrastructure of power supply, water supply and approach road at the doorstep of such parks.
 - II. The cost of the internal infrastructure of the park such as roads, water supply, power supply, effluent treatment, common facility centre shall be borne by the developers.

6.3 Leveraging Government of India Schemes and Funds

6.3.1 Relevant schemes like ASIDE, Credit Guarantee Fund Trust Scheme, Cluster Development Programme for MSMEs, Credit Linked Capital Subsidy Scheme, and Technology Upgradation Scheme being operated by Government of India and various Promotional Schemes of different Ministries of Government of India will be suitably dovetailed for the benefit of MSME Enterprises.

6.3.2 A dedicated fund of Rs5 crore per annum will be set up for contribution of State's share in such Government of India's Schemes. A nodal officer will be designated to co-ordinate and monitor implementation of these schemes in the Office of the Commissioner of Industries.

6.4 State Government would support measures to revitalise RHDC (Rajasthan Handloom Development Corporation). RHDC shall take up projects for the training of weaver groups under SGSY (Swarna Jayanti Swarojgar Yojna) and DPIP (The District Poverty Initiatives Project, The World Bank)

6.5 To encourage women entrepreneurs in micro and cottage industry, Rajasthan Financial Corporation will launch a special scheme of providing loan at subsidised rates.

7 Promotion of Thrust Areas

Employment quotient per unit of capital is comparatively higher in certain sectors. Rajasthan has a competitive advantage in some sectors like agro processing, textile, mineral products, handicraft, handloom, gems and jewellery which have a major share in the industrial output. The state also has a strong raw material base for many of these sectors. Special encouragement shall be given to all these sectors as thrust areas.

7.1 The State Government would make special endeavor to promote investment in the following thrust areas:

- i. Knowledge sector including IT and ITES
- ii. Tourism
- iii. Mining and Mineral Processing
- iv. Gems and Jewellery
- v. Agri-business
- vi. Textiles and Apparel
- vii. Mega Investments
- viii. FDI/NRI Investments
- ix. Handicrafts and Handloom
- x. Exports
- xi. Development of Backward Areas
- xii. Green Industries
- xiii. Other labor intensive sectors

7.2 The State Government already has sector specific policies for many of these sectors e.g. tourism, mining, ITES, etc. These policies will continue to remain in place.

7.3 The existing policies shall be reviewed on need basis to make them more investment and business friendly. In addition to provisions in the existing policies, following further interventions are stipulated in these thrust areas:

7.3.1 Knowledge Sector

I. The government would promote expansion of knowledge and high skill based activities like information technology, knowledge and business processing outsourcing. Government has already reserved 3% of its annual budget to ensure growth of e-Governance and create a citizen-centric and business-centric environment for governance.

II. District BPO SCHEME 2010

- a) A scheme would be formulated to encourage private players to set up BPO Centres in Tier III towns like Ajmer, Jodhpur, Kota, Bikaner, Udaipur, etc. to take ITES

industry into the hinterland of the State. This would create huge employment opportunities for those living in these areas.

- b) As a part of the District BPO Scheme 2010, the Government will provide various financial benefits such as capital investment subsidy of 50% of capital cost up to Rs20 lakh for development of training infrastructure / facilities. The scheme would also provide for subsidizing the operational cost of training upto 50% of such cost not exceeding Rs10,000 per trainee. The companies, in turn, have to guarantee that a certain number of the trainees will be employed on their rolls. The candidates will also have to agree to work in the company for at least a year.

7.3.2

Tourism

I. Land for Tourism Sector

- a. Allotment of land for Tourism units would be as per rates provided in Tourism unit Policy 2007. Conversion of agricultural land in urban and rural areas is fully exempt from conversion and development fees. The existing provisions for auctioning land for tourism units will be reviewed.
- b. Since tourism has been declared an industry, RIICO would provide land in its industrial areas to tourism units at industrial rates.

II. Padharo Sa: Wayside Facility Scheme

- a. 'Padharo Sa' is an innovative intervention strategy to create more employment opportunity in Tourism sector through development of quality wayside facilities with private sector participation, to provide the following benefits:
 - i. Easy access for quality food, toilet facilities, souvenirs.
 - ii. Efficient and quality services
 - iii. Large scale employment
 - iv. Investment from small scale entrepreneurs in tourism
- b. 'Padharo Sa' units will have typical designs and will be branded. Type of units includes restaurants, souvenir shops. Public telephones, and coffee shops.
- c. The approved units will also be provided with 25% of the cost of construction/renovation as incentive subject to a maximum of Rs5 lakh.
- d. The State Government plans to develop 100 such wayside units in the State over a period of two years.

7.3.3

Mining & Mineral Processing

7.3.3.1

Priority for allocation of mining leases, to applicants on value addition basis, under section 11 (5) of Mines & Minerals Development Act, 1957 (or the corresponding section in the new act) shall be decided on the basis of following criteria in the order listed below:

- a. Quantum of investment (minimum Rs100 crore as certified by Bureau of Investment Promotion)
- b. Value addition at ore stage
- c. Induction of new technologies

- d. Creation of Infrastructure
- e. Mechanization, automation and computerization, Sustainable development and R&R practices.

7.3.3.2

To encourage value addition of natural resource, government would consider requests for a grant of mining of minerals such as gypsum, lignite, silica, etc. for captive use of industry set up in the state on a priority basis. For this appropriate provisions will be made, if necessary.

7.3.4

Gems and Jewellery

Rajasthan has a long tradition of gems and jewellery industry employing lakhs of artisans. Enterprise and skills of our businessmen and artisans has helped the state to make a mark internationally. To further strengthen this industry, following supporting measures will be taken:

- a. Government will provide support for setting up of national/international level Gems & Jewellery training centres. Land will be allotted at 50% applicable reserve or DLC rate to accredited institutes or upto 10% of coupon rate.
- b. Industry associations will be provided interest subsidy to set up Hallmark Certification Centres and Gems Testing Centres, if established as a separate legal entity with non-profit objective.
- c. **Gem Bourse:** Government shall promote setting up of a Gem Bourse of international standards. Land will be provided at a centrally located place in the city, at a concessional rate. This project would have to be established as a separate legal entity with non-profit objective.

7.3.5

Agri Business

- I. To ensure that the farmers get good value for their produce, a new policy, The Policy for Promotion of Agri-Business and Agro-processing Industries, will be announced. The policy would encourage setting up of agri-business and agro-processing units in the state, promote and develop the entire value chain of agro-processing and marketing, including development of supply chain, market development and diversification.
- II. A spice park is being set up in Jodhpur.

7.3.6

Textiles & Apparel

To ensure that garment industry flourishes in Rajasthan and a large number of people get employment in the industry, the Government would support such garment companies which provide on-the-job training to convert the raw recruits to skilled manpower. A detailed scheme would be formulated that would include provision for capital subsidy for installing training equipment and facilities. Part of the trainers' cost and stipend to the trainees would also be subsidized

7.3.7

Attracting Mega Investments

- I. To ensure that the state transforms into a global investment destination, development by way of establishment of several mega projects is considered necessary. The State Government intends to promote and facilitate mega projects in a few critical sectors

which would have multiplier effect, provide impetus to the employment generation initiatives and inclusive development in the state. Large and Mega projects also promote ancillary and auxiliary industries in the SME sector.

II. Thus facilitating development of mega projects is being envisaged as key strategy to trigger large scale economic activity in related sectors. A special package of financial benefits /incentive to the Mega Projects may be considered on merit of each case.

In the eventuality of mega projects requiring support of ancillary units then for setting up such units will be facilitated as part of this package.

III. The facilitation for promotion of mega projects in the State would be largely applicable under the following framework:

Promotion of mega projects in focus sectors which may include auto and auto components, Maintenance Repairing Operation (MRO) hub for aircraft and such other projects as may be decided by the Government will be encouraged. It will also include the Projects in the core infrastructure sectors like Metro Rail Line, Logistic Parks, High Speed Trains and such other category of Projects as decided by the Government. In addition, it may also include innovative projects as may be decided by the Government. A set of criteria for definition of innovative projects would be developed.

7.3.8 Foreign Investment

The State Government will welcome foreign investment particularly in high-tech and high priority industries. The State Government will promote foreign investment and foreign technology tie-ups. In addition, foreign direct investments will be encouraged for infrastructure projects, especially for power generation, port development, construction of roads and bridges as well as social infrastructure such as education facilities, healthcare facilities and tourism projects. FDI investors would be treated at par with domestic investors.

7.3.9 Non-Resident Indians

A large number of expatriate Rajasthanis are settled in various countries across the world. These NRIs have, through their enterprise and hard work, established themselves in trade and industry in their adopted countries. They not only have investible resources but also have high level of skills and managerial capabilities, which can be utilised in setting up world class enterprises in this country. The State had pioneered the concept of promoting NRI investment through the Rajasthan Foundation. The NRI investors would be treated at par with domestic investors.

7.3.10 Handicrafts/Handloom/Khadi/Village/Cottage Industry

The handloom and handicraft sectors including craftsmen, artisans, cottage, khadi and village industries has tremendous potential to offer livelihood. This strategy would be to provide an overarching framework for guiding necessary action to promote the growth of handicrafts, handloom and cottage industries as a mechanism to reduce poverty, and create long lasting income generation.

7.3.10.1 Marketing Support

- i. Newly constructed building of Rajasthali at MI Road, Jaipur would be made into a handicrafts mall to facilitate selling of handicrafts of the state to the visiting tourists.
- ii. TA/DA will be provided to artisans/their associations, SPVs for attending the market-related programs like Crafts Bazaars, Expos, other Exhibitions, study tours, etc.
- iii. Urban and Rural haats will be set up in all major handicraft and handloom potential districts to facilitate their marketing.
- iv. Rajasthan Small Industries Corporation (RSIC) will also provide e-marketing platform for handicrafts of the state through a specially developed website. The website would inform the public and potential tourists, about Rajasthan handloom and handicrafts. Information on the site would include products, where to find them, who produces them, as well as the unique stories of the artisans and producers. It would also provide a facility for small artisans to register and display a small showcase of their merchandise in the form of a standard directory listing.
- v. Setting up of “Shilpangan” will be further promoted to provide avenues of direct marketing by artisans.

7.3.10.2 Skill Dissemination by Master Artisans in Major Traditional and Dying Crafts

For certain identified traditional and dying crafts, training will be imparted to incumbents and children of craftsmen through master craftsmen in those crafts. These trained district level artisans will further visit the clusters and disseminate their newly acquired skills to the local artisans. It will result in skill up-gradation of local artisans and revival of the crafts.

7.3.10.3 Self Employment Training

In order to provide employment to the traditional/non traditional artisans, non-farm labour, unemployed youth, etc., training in different types crafts. Since the objective would also be to generate self employment, training in basic business skills like costing, pricing, marketing, basic accounting, business management, research, etc. would be included.

7.3.10.4 Integration with Other State Departments

The State government would explore the possibility of establishing a partnership with other state departments like Social Welfare Department, Tourism Department, and Industries Department for the promotion of handicraft in the state. For example, State Tourism Development Corporation in the state would be actively engaged for the promotion and sales of Handicrafts.

7.3.10.5 Common Branding

Creation of a common brand for Rajasthan handicrafts is essential for the development of this sector. Rajasthan crafts would be themed under one specific brand that reflects the heritage and traditions of the State. A “**Made in Rajasthan**” stamp or logo would be designed that characterizes all the products made in Rajasthan.

7.3.10.6 **Handicraft and Handloom Development Board**

A Handicraft and Handloom Development Board would be established with NGOs, producers, artisans, associations and exporters as its members including senior officers of the Government. The Board would advise the Government on specific interventions to promote assist and develop the sector.

7.3.10.7 New Scheme for Handloom and Handicraft sector for promoting significant value addition would be launched.

7.3.10.8 The Khadi Sector is facing the crisis of declining number of quality weavers. A promotional package will be devised for ensuring medical benefits and development of community assets for this set of weavers. The spinners and weavers will be encouraged to adopt the Self-help Group Scheme of NABARD.

7.3.11 **Exports**

The main thrust would be in providing infrastructural facilities such as setting up of container depots near major industrial growth Centres, facilities for product testing and development, particularly for small scale units, encouragement of quality up-gradation by adoption of total quality management and ISO series certification, etc. Inland Container Depots and Air Cargo Complex managed by RSIC will be revamped to make them exporters friendly and business like.

7.3.11.1 **Concessions**

Export units, wherever necessary, will be given a 30% grant for ground rent for participation in the approved international trade fairs subject to a maximum limit of 9 sqm.

The Government will promote setting up a state-of-the-art external information centre in collaboration with local chamber of commerce and associations like the CII, FIEO, etc. and with the assistance of reputed National/International organizations for dissemination of information and assistance to export fraternity of the State.

7.3.11.2 Investors would also be encouraged to gain from The objective of the scheme is to involve the states in the export effort by providing assistances to the State Government for creating appropriate infrastructure for the development and growth of export.

7.3.12 **Green Industries**

7.3.12.1 **Government Shall Encourage Promotion of Green Industry**

For this purpose a Green or clean activity or service that performs at least one of the following shall be considered:

- a) **Generating and Storing Renewable Energy:** Includes alternative energy generated by, but not limited to Wind, Solar, Water, Biofuels, Biomass.
- b) **Recycling Existing Materials:** Companies involved in the collection and processing of recyclable materials and waste including those running a recycling or wastewater plant. Includes environmental clean-up (does not include companies that recycle paper,

glass, and cans in a bin).

- c) **Energy Efficient Product Manufacturing, Distribution, Construction, Installation, and Maintenance:** This includes companies involved in the research, development, and manufacturing of products such as solar panels, energy efficient light bulbs, and vehicles. It also includes construction companies that install and repair these products in new or existing residential or commercial real estate, as well as real estate planning and land development.
- d) **Education, Compliance, and Awareness:** This sector includes Training providers for curricula such as solar panel installation, energy auditing, sustainability management, and environmental careers. Environmental consulting, Trading and offsets.
- e) **Natural and Sustainable Product Manufacturing:** Includes companies that create products using natural materials. Also includes businesses that produce safe, nontoxic products; handicraft and handloom; products out of previously-recycled materials and waste.

7.3.12.1 Government would encourage reduction, reuse or recycle of waste. Units which use waste as raw material or create business out of recycling waste would be provided special incentives.

7.3.12.2 Increasing FAR for Clean Industries

To promote clean and employment intensive industries additional FAR would be provided in RIICO industrial areas for example electronic industry, garments, IT and IT enabled services.

7.3.13 Backward Areas

Several districts of the State are backward in terms of the domestic product originating from secondary and tertiary sectors. Cost of establishing industrial and services enterprises along with the cost of infrastructure development in such districts is relatively higher. Special incentives would be provided to promote investment and employment generation in such areas.

ANNEXURE

Schemes of New Industrial and Investment Promotion Policy 2010

S. No.	Chapter	Para Number	Scheme	Related Department
1.	Developing High Quality Infrastructure	3.3	Assistance to Critical Infrastructure Projects	Industries
2.	Developing High Quality Infrastructure	3.4.1	New Industrial Areas	Industries
3.	Developing High Quality Infrastructure	3.8.5	SPV for 24x7 Power supply to industrial clusters/parks	Energy/Industry
4.	Enhancing Skill Levels and Employability	4.1	State Scheme to Upgrade Industrial Training Centres into Centres of Excellence	Technical Education/ Labour & Employment
5.	Enhancing Skill Levels and Employability	4.2	Train to Gain Scheme	Industries
6.	Enhancing Skill Levels and Employability	4.4	Training for augmenting English	Higher Education
7.	Enhancing Skill Levels and Employability	4.8 - I	Assistance for Industrial Area Training Centres	Industries
8.	Enhancing Skill Levels and Employability	4.8- II (a)	Financial assistance for setting up Lead Institutes	Higher / Technical Education
9.	Enhancing Skill Levels and Employability	4.8-II (b)	Assistance for Short Term Bridge Courses	Higher / Technical Education
10.	Enhancing Skill Levels and Employability	4.8-III (a)	Assistance for Skill Training Institutes in Private Sector	Industries
11.	Enhancing Skill Levels and Employability	4.8-III(b)	Assistance for Rajiv Gandhi Skill Schools in PPP Mode	Industries / Labour and employment
12.	Enhancing Skill Levels and Employability	4.8-III (c)	Establishment of Technical Institutes	Technical Education
13.	Focus on MSMEs Growth	6.2.1 (a)	Financial Assistance for Cluster Development in SPV mode	Industries
14.	Promotion of Thrust Areas	7.3.1-II	District BPO SCHEME 2010	Industries/IT
15.	Promotion of Thrust Areas	7.3.2- II	“Padharo Sa’ Scheme	Tourism
16.	Promotion of Thrust Areas	7.3.6	Scheme to support training in Apparel sector	Small Scale Industries
17.	Promotion of Thrust Areas	7.3.10.2 7.3.10.3	Three New Schemes for Craft sector	Small Scale Industries
18.	Promotion of Thrust Areas	7.3.10.7	Rajasthan Handloom and Handicraft Development Finance Scheme	Small Scale Industries

www.investrajasthan.com



Bureau of Investment Promotion
(a Government of Rajasthan Organisation)

Udyog Bhawan, Tilak Marg, Jaipur 302 005, Rajasthan, India
Tel: +91 141 222 72 74, 222 78 12. Fax: +91 141 222 7506. E-mail: bip.raj@nic.in