

Rajasthan Investment Policy 2003 (at a glance)

1. 100 percent exemption from Luxury-tax on new investments.
2. 50 percent exemption on stamp-duty and conversion-charges in case of all investments.
3. 50 percent exemption on Electricity-duty, Mandi-tax and Entertainment-tax for 7 years in case of all investments.
4. 5 percent interest subsidy would be made available. An additional interest subsidy of 1 percent to SC/ST (Scheduled Castes/Scheduled Tribes) entrepreneurs for 7 years. This interest subsidy would be available to the units having a minimum borrowing of Rs. 50 lakh or having an investment of at least Rs. 25 lakh in land and buildings. For purpose of calculating investment in land and buildings, the calculation for land would be made at DLC rate and for building at the rate of Rs. 300 per square ft.
5. Wage/employment subsidy of 25 percent of wages/salary with respect to such workers who are contributing towards PF and 30 percent on appraisal by Rajasthan State Industrial Development and Investment Corporation (RIICO)/Rajasthan Financial Corporation (RFC) when the investor is not availing interest subsidy. Wage/employment subsidy would be available for 7 years.
6. The sum total of interest and wage/employment subsidy would be subject to a maximum of 50 percent of sales tax, purchase tax, VAT and works contract tax.
7. Wage/employment subsidy would be available only if the unit provides direct employment to at least ten persons in case of new units.
8. Interest and employment subsidy would be available to new as well as existing units for modernization and expansion to the extent of additional employment generated or capital borrowed and additional taxes paid.
9. The payment of interest and wage subsidy would be made through a mechanism, which would be worked out within a period of one month.
10. Interest @ 5 percent per annum would be payable to investor in case the reimbursement is delayed for a period of more than 30 days.
11. Guarantee commission would be reduced to 0.5 percent in case of RIICO and RFC so as to reduce their lending rates.
12. A budgetary provision of Rs. 100 crore would be provided every year till 2007 for development of critical infrastructure for new investment.
 - ▶ For Industrial Policy please see <http://www.rajasthan.gov.in/rajgovresources/actnpolicies/industry.html>
 - ▶ For IT Policy please see http://www.rajasthan.gov.in/rajgovresources/actnpolicies/it_policy.pdf
 - ▶ For more information please see <http://www.investrajasthan.com/>
 - ▶ For more information please see <http://rajasthanfoundation.gov.in>

Investment Policy 2003 aims at providing investors an attractive opportunity to make Rajasthan their most preferred investment destination. It is hoped that this policy would further improve the investment climate and immensely benefit the investors.

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