



सत्यमेव जयते

Government of Rajasthan



RAJASTHAN
MICRO, SMALL & MEDIUM
ENTERPRISES POLICY
2022



राजस्थान सरकार



अशोक गहलोत
मुख्यमंत्री, राजस्थान

संदेश

राज्य में सूक्ष्म, लघु और मध्यम उद्यमों के विकास की अपार संभावनाएं विद्यमान हैं। इनकी स्थापना और प्रोत्साहन की दृष्टि से वर्ष 2022-23 में उद्यमियों के हितार्थ एक वृहद “राजस्थान सूक्ष्म, लघु एवं मध्यम उद्यम नीति-2022” लागू करने का निर्णय लिया गया।

राजस्थान के सभी श्रेणी के उद्योगों के विकास, निवेश प्रोत्साहन और रोजगार के अवसर बढ़ाने की दृष्टि से सूक्ष्म, लघु और मध्यम उद्यम नीति-2022 जारी करना अपने आप में महत्वपूर्ण है।

इस नीति में उद्योगों के लिए भूमि, बुनियादी सुविधाओं का विकास, स्मार्ट इंडस्ट्रीयल एरिया, एम.एस.एम.ई कलस्टर्स का विकास, उत्पादों की गुणवत्ता में सुधार, विपणन व्यवसाय विकास में सहायता, निर्यात प्रोत्साहन, महिला उद्यमियों, अनुसूचित जाति, जनजाति और निशक्तजन श्रेणियों के लिए विशेष प्रावधान के साथ सर्वश्रेष्ठ प्रदर्शन करने वाले उद्यमों को प्रोत्साहन/पुरस्कार देने के प्रावधान शामिल किए गए हैं।

आशा है “राजस्थान सूक्ष्म, लघु एवं मध्यम उद्यम नीति-2022” प्रदेश में विभिन्न श्रेणियों के औद्योगिक विकास, सभी वर्गों के उद्यमियों को प्रोत्साहन और रोजगार के अवसर बढ़ाने की दिशा में प्रभावी सिद्ध होगी।

मैं प्रदेश के उद्यमियों के उज्ज्वल भविष्य की कामना करते हुए “राजस्थान सूक्ष्म, लघु एवं मध्यम उद्यम नीति-2022” के प्रकाशन की सफलता के लिए अपनी शुभकामनाएं देता हूं।

(अशोक गहलोत)



सत्यमेव जयते
राजस्थान सरकार



शकुन्तला रावत

मंत्री, राजस्थान

उद्योग, वाणिज्य, राजकीय
उपक्रम एवं देवस्थान विभाग,
राजस्थान सरकार

संदेश

मुझे यह जानकर अत्यन्त प्रसन्नता है कि राजस्थान सूक्ष्म, लघु एवं मध्यम उद्यम नीति-2022 जारी की जा रही है। सूक्ष्म, लघु और मध्यम उद्यम (एमएसएमई) की भारतीय अर्थव्यवस्था में महती भूमिका है। एमएसएमई तुलनात्मक रूप से बड़े उद्योगों से कम पूंजी लागत पर अधिक रोजगार के अवसर प्रदान करने के साथ-साथ क्षेत्रीय असंतुलन कम करने में भी सहायक है। राजस्थान सूक्ष्म, लघु एवं मध्यम उद्यम नीति-2022 का मुख्य उद्देश्य सूक्ष्म, लघु एवं मध्यम उद्योगों की राज्य में स्थापना को प्रोत्साहित करना है।

राजस्थान सूक्ष्म, लघु एवं मध्यम उद्यम नीति-2022 में सूक्ष्म, लघु एवं मध्यम उद्यमों से संबंधित विभिन्न बिन्दुओं यथा उद्योगों हेतु भूमि एवं बुयादि ढांचे का विकास, स्मार्ट इण्डस्ट्रीयल एरिया का विकास, एमएसएमई क्लस्टर का विकास, गुणवत्ता सुधार, विपणन एवं व्यवसाय विकास हेतु सहायता, निर्यात प्रोत्साहन हेतु सहायता, व्यवसाय एवं सेवाओं को बढ़ावा, महिला उद्यमियों का सशक्तिकरण एवं अनुसूचित जाति, अनुसूचित जन जाति और निशुद्ध जन श्रेणियों हेतु विशेष प्रावधान, पर्यावरण संरक्षण में सहायता, सर्वश्रेष्ठ प्रदर्शन करने वाले उद्यमों को प्रोत्साहन/पुरस्कार प्रदान करने के प्रावधान रखे गये हैं।

मुझे आशा है कि यह नीति सूक्ष्म, लघु एवं मध्यम उद्यमों के राज्य में विकास के साथ-साथ राज्य में निवेश की संभावनाओं में वृद्धि करने में सहायक सिद्ध होगी।

मैं इस नई नीति की सफलता हेतु अपनी शुभकामनाएँ प्रेषित करती हूँ।

(शकुन्तला रावत)



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Definitions

“**Central Government**” means Government of India

“**Cluster**” means a group of at least ten enterprises located within an identifiable and as far as practicable, contiguous area having vertical or horizontal space and producing same or similar or complimentary products or rendering same or similar or complimentary services;

“**Common Facility Center**” means creation of tangible assets in a cluster in the form of Common Production or Processing Centre for balancing or correcting or improving production line that cannot be undertaken by individual units. It may include Design Centre, Testing Facilities, Training Centre, R&D Centre, Market Display, Common Logistic Center, Auction Platform, FPO & FVC, Effluent Treatment Plant, Common Raw Material Bank and Sales Depot;

“**Conversion Charges**” means the conversion charges payable to the Government or its any instrumentality on account of allowing change in land use or one permitted use to another permitted use under the prevailing laws;

“**DMIC Area**” means an area which is notified or decided by the NICDC and / or Government of Rajasthan from time to time by a notification or order, as the case may be.

“**Employee**” means a person who is provided employment by an enterprise;

“**Employer**” means an enterprise which is providing employment to the Employee;

“**Employment by an Enterprise**” means employing any person, other than the directors, promoters, owners, honorary office bearers and partners, for wages or salary to do any manual, unskilled, skilled, technical or operational work, in or in connection with the work of an enterprise and who works in the premises of the enterprise and gets his / her wages or salary either directly from the enterprise or whose wages or salary is reimbursed by the enterprise;

“**Enterprise**” means an industrial undertaking or a business concern or any other establishment, by whatever name called, engaged in manufacturing of goods, in any manner, or engaged in providing or rendering of service or services;

“**Existing Enterprise**” means a manufacturing or service enterprise that is engaged in commercial production or operation before or during the operative period of the Scheme;

“**Expansion**” means the creation of additional capacity for production of goods or operational capacity for service in the same line of production/operation or through a new product line or



a new line of services by an existing enterprise at an existing site or any other site with additional investment which is more than:

(i) (a) 25% of its existing investment (as per the Gross Block) at the beginning of the year in which the project for expansion has been initiated at that site; or

(b) Rupees ten crore;

Whichever is lower; and

(ii) There should be 10% increase in employment;

“**Government / State Government**” means Government of Rajasthan

“**Handloom & Handicraft Sector**” means a sector comprising enterprises engaged in such manufacturing of items or products in which products are produced predominantly by hand with or without mechanical or electrical or other assistance and graced with visual appeal in the nature of ornamentation or in-lay work or some similar work lending it an element of artistic improvement. Such ornamentation must be of a substantial nature and not a mere pretense;

“**Industrial Area**” means an area which is developed in minimum area of twenty-five acres for establishment of minimum ten enterprises engaged in or proposed to be engaged in manufacturing or service activities and having basic infrastructure facilities such as developed plot, industrial sheds, internal roads, water distribution infrastructure, sewage and drainage, streetlights, power distribution, communication facilities and such other facilities/services as may be required.

“**Large Enterprise**” means an enterprise other than Micro, Small and Medium Enterprise;

“**Manufacturing Enterprise**” means an enterprise employing plant and machinery in processing of goods which brings into existence a commercially different and distinct commodity but shall not include such processing as may be specified by the State Government by an order;

“**MSME**” means enterprises as defined vide Gazette notification No.: [F. No. 2/1(5)/2019-P&G/Policy (Pt.-IV) dated 1st June 2020 issued by Ministry of Micro, Small and Medium Enterprises, Government of India

“**New Unit**” means a new manufacturing or service enterprise and includes a unit set up by an existing enterprise for manufacturing products or providing services, and having separately identifiable books of accounts and depositing the taxes and duties leviable under any State Act including Provident Fund separately;

“**Person with benchmark disability**” means a person with not less than forty per cent. of a specified disability where specified disability has not been defined in measurable terms and



includes a person with disability where specified disability has been defined in measurable terms, as certified by the certifying authority; as notified by the State Government under the relevant rules made under the Rights of Person with Disability Act, 2016 or by a notification in this regard.

“Person with disability” means a person with long term physical, mental, intellectual or sensory impairment which, in interaction with barriers, hinders his full and effective participation in society equally with others;

Research and Development Centre or Laboratory: Enterprise or Industry Association or Special Purpose Vehicle, making an investment equal to or above rupees ten crore for setting up of Research and Development Centre or Research and Development Laboratory, shall be granted Capital Subsidy equivalent to 30% of investment made on the plant & machinery or equipment, subject to a maximum of rupees two crore.

“Screening Committee” means State / District level Screening Committee (SLSC/DLSC) as mentioned in clause 9 of RIPS 2019;

“SME Platform” means Bombay Stock Exchange-SME platform or National Stock Exchange-Emerge platform which is dedicated for trading the shares of small and medium enterprises (SMEs);

“Special Purpose Vehicle (SPV)” means any Association or Association of Industries, or Association of individual artisans or enterprise constituted in the form of a registered Cooperative Society, Partnership Firm under Indian Partnership Act or a Trust or a company registered under Companies Act or a limited liability partnership firm established under Limited Liability Partnership Act for any specific special purpose. Provided that the State Level Screening Committee may approve any different structure of association to be covered under this definition;

“Tribal Area” means an area as the State Government may so notify by an order;

“Women/ Schedule Caste (SC)/ Schedule Tribe (ST) / Person with disability (PwD) enterprise” means an enterprise other than a Company constituted under the Companies Act, 1956 and other association of persons by whatsoever name it may be called, having:

(a) Women/ Schedule Caste (SC)/ Schedule Tribe (ST)/ Person with disability (PwD) as proprietor, in case of proprietorship enterprise; or

(b) majority of partners who are Women/ Schedule Caste (SC)/ Schedule Tribe (ST)/ Person with disability (PwD) and such partners are working partner(s) having more than 50% investment in the capital of the enterprise, in case of partnership including limited liability partnerships;



“**Year**” means financial year (From 1st April to 31st March) and quarter means the period of three months ending on 30th June, 30th September, 31st December and 31st March;

“**ZED Certification**” means the certification of manufacturing process under “Zero Defect Zero Effect” policy of Government of India for units in MSME sector.



1 Preamble

Micro, Small and Medium Enterprise (MSME) is a highly vibrant and dynamic sector of the Indian economy. MSME sector not only plays a crucial role in providing greater employment opportunities at comparatively lower capital cost but also helps in industrialization of rural & backward areas. After Agriculture, MSME sector holds the second largest share in terms of employment generation in the country. Measured in terms of numbers, MSMEs also contribute enormously to the socio-economic development of country by acting as the backbone of the industrial ecosystem.

The MSMEs support economic activities by providing backward linkages to large enterprises along with providing goods and services directly to the consumers. As per the Annual Report (2020-21) of the Ministry of MSME, Government of India, MSMEs contribute nearly 30.27% to the National Gross Domestic Product (GDP), 33% to the manufacturing output and 48.1% to the total exports.

Rajasthan is the largest State in India, strategically located between the northern and western growth hubs of India. It has 38% of the land falling within the ambit of the Delhi-Mumbai Industrial Corridor (DMIC). Rajasthan is a remarkably peaceful and politically stable State, offering a set of unique opportunities for profitable investment in many sectors. Approximately 98% of the total existing enterprises in the State fall under MSME category. These MSMEs are spread across sectors like Textiles, Handicraft, Mining, Agro & Food Processing, Metal Craft, Footwear etc.

Rajasthan also has adequate natural resources and a pool of skilled human capital which are essential for industrial establishments. The State also provides excellent opportunities for industrial growth through its marquee economic corridors such as Bharatmala Economic Corridors, DMIC and East-West Corridor. The upcoming Rajasthan Petroleum, Chemical and Petrochemical Investment Region (Rajasthan- PCPIR), Barmer, Jodhpur-Pali-Marwar Industrial Area (JPMIA) and Khuskhera -Bhiwadi - Neemrana Investment Region (KBNIR) are some of the most promising infrastructure projects which have the potential to attract MSMEs as well as mega investments and generate employment opportunities for public at large especially skilled people.

To harness the potential of MSMEs, the Government of Rajasthan has undertaken various measures during the past few years. Through this Policy, the State Government desires to usher in a new era of growth for its MSMEs.



2 Classification of MSMEs

In India, the enterprises are classified broadly into two categories:

- (i) Manufacturing
- (ii) Services

These categories of enterprises have been further classified into Micro, Small and Medium enterprises based on the following composite criteria defined vide amendment made in the MSME Act 2006 ([Gazette notification No.: IF. No. 2/1\(5\)/2019-P&G/Policy \(Pt.-IV\) dated 1st June 2020](#)) issued by Ministry of Micro, Small and Medium Enterprises, Government of India).

Enterprise Category	Investment in Plant & Machinery Not Exceeding	Annual Turnover Not Exceeding
Micro	INR 1 Crore	INR 5 Crore
Small	INR 10 Crore	INR 50 Crore
Medium	INR 50 Crore	INR 250 Crore

3 Vision

To enhance the contribution of MSMEs in the State's Gross Domestic Product (GSDP) as well as exports by ensuring a conducive ecosystem which provides financial & technical assistance along with favorable regulatory environment.

4 Policy Objectives

- 4.1** The policy envisages to establish 20,000 new MSME units with a cumulative investment of INR 10,000 crores and employment generation for 1,00,000 persons.
- 4.2** The policy also envisages to facilitate 9,000 MSMEs for obtaining Zero Defect Zero Effect (ZED) certification.

5 Strategic Initiatives

Following are the strategic initiatives which would help in realizing the policy vision and objectives:

- 5.1 Regulatory Ease:** Providing ease of doing business through timebound approvals & permissions and rationalization of MSME related Acts / Rules / Guidelines / Processes.
- 5.2 Financial Assistance:** Providing credit assistance and fiscal support
- 5.3 Technological Upgradation:** Providing technical assistance to the MSMEs via industry specific skilling, training and technology upgradation.



- 5.4 Entrepreneurship Development:** Capacity building of young entrepreneurs and development of facilities such as Centres of Excellence (CoE).
- 5.5 Export Linkages:** Handholding support to prospect exporters and development of adequate infrastructure for ease of exports.
- 5.6 Social Cohesion:** Fiscal / Non-fiscal support to socially weaker sections.

6 Operative Period and Eligibility

- 6.1** This Policy shall come into effect from the date of its notification in the Official Gazette and shall remain in force for a period of 5 years from the date of its notification.
- 6.2** The Incentives, concessions and assistance under this policy shall be applicable only for whose MSMEs which are set up in Rajasthan as defined under clause 2 of this policy.

7 Ease of Doing Business

The Government of Rajasthan (GoR) has undertaken various initiatives to boost the business environment in the State by bringing regulatory reforms. The State Government envisages to undertake new initiatives to improve the ease of doing business for MSMEs in the State. Following are some of the existing / proposed initiatives for further improving ease of doing business initiatives for MSMEs in the State:

- 7.1 Rajasthan Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Act 2019** provides exemptions from all approvals and inspections such as permission, NOC, clearance, consent, approvals, registration, license etc. under any state law in connection with establishment or operation of enterprise for a period of 3 years. This Act also empowers the State Government departments to exempt any enterprises from any approval or inspection under any Central law that allows the State Government to exercise such powers.
- 7.2** To facilitate / support MSMEs, the office of Commissioner, Industries & Commerce has constituted **MSME Investment and Facilitation Centre (MIFC)**. The primary role of MIFC is to facilitate MSMEs from their inception to operation. Officers / Experts have been deputed across all District Industries & Commerce Centres (DICC) of the State to extend handholding support to the MSMEs.
- 7.3** The Department of Industries & Commerce (DICC) has undertaken following digital interventions to improve the business climate for MSMEs in the State:
 - 7.3.1** The process for obtaining Incentives and subsidies has been completely digitized.
 - 7.3.2** Through Rajasthan Industrial Development and investment Corporation Limited



(RIICO), the process of industrial land allotment has been completely digitized.

- 7.3.3** The State Government has developed a **Single Window Clearance System and a One Stop Shop facility “RAJNIVESH”** to provide support to MSME investors for obtaining regulatory approvals and fiscal incentives.
- 7.4** To provide safety and security to industrial units, the State Government has proposed to set up **Rajasthan Industrial Security Force (RISF)**. The RISF shall be established on similar lines of Central Industrial Security Force (CISF).
- 7.5** The State Government envisages to develop a dedicated **online portal** to provide easy and updated information to MSMEs.
- 7.6** The State Government envisages to **rationalize the process of inspections / verifications** related to industries under various State Departments.

8 Ease in Access to Finance

The policy envisages to ensure the availability of adequate financial resources and assistance to MSMEs for their smooth operations. Some of the existing / proposed interventions of the State Government to ease the finance for MSMEs are as follows:

- 8.1** The State Government has introduced an Interest Subsidy scheme, namely, **‘Mukhyamantri Laghu Udhog Protsahan Yojana (MMLUPY)’** to facilitate the establishment of Micro and Small Enterprises (MSEs) in the State and to generate new employment opportunities. This scheme is applicable for all kind of enterprises i.e., manufacturing, servicing and trading. The scheme covers new as well as existing enterprises undergoing expansion / diversification. This Scheme provides interest subsidy ranging from 5% to 8% per annum for loan up to INR 10 crore.
- 8.2** The policy envisages to facilitate **Small and Medium Enterprises (SMEs) for raising funds (Capital)** through SME platforms. This shall enable them in expansion and achieving their objectives.
- 8.3** The State Government envisages to collaborate with banks and financial institutions to set up more **specialized MSME branches** in industrial areas / estates for the benefit of MSMEs. This shall enable MSME entrepreneurs to access specialized banking services.
- 8.4** Covering the **accidental risk and safeguarding the MSMEs** from casualties shall be accorded topmost priority. The State Government envisages to formulate scheme for reducing the risk of the MSMEs namely **“Mukhyamantri MSME Suraksha Yojana”**. This scheme shall aim at providing free of cost risk coverage for Micro Units established in the State. Additionally, this scheme shall also be extended to Small and Medium



Enterprises by providing competitive insurance premium rates. The scheme also envisages to provide additional concessions against insurance premium for SMEs having valid Zero Defect and Zero Effect (ZED) Certification (Silver / Gold / Platinum rating) granted by Quality council of India (QCI).

9 Land & Infrastructural Development for MSME

RIICO is primarily engaged in ensuring the availability of affordable industrial land and other support infrastructure for the industries. It has developed several Industrial areas including sector specific parks which are strategically located and provide well equipped Industrial Infrastructure as per requirement of the sector. Some of the existing / proposed initiatives of Department of Industries & Commerce (DICC) and RIICO to provide land and infrastructure support to the MSMEs of the State are as follows:

- 9.1 The State Government has proposed to set up 147 new industrial areas across the state which will give boost to the establishment of MSMEs in the State.
- 9.2 To promote technology driven industries, the State Government has proposed to setup Multi Storied Industrial Complexes at Salarpur, Greater Bhiwadi and Boranada, Jodhpur. The State Government will provide an outlay of INR 500 Crores for setting up of these complexes which shall offer plug & play facility for the establishment of IT / ITeS, Readymade Garments, Gems & Jewellery and service sector units.
- 9.3 To promote the establishment of industries in the rural areas, the State Government has undertaken following initiatives:
 - 9.3.1 Exemption from conversion charges for converting private khatedari agricultural land for setting up white category MSMEs and Large industries.
 - 9.3.2 No conversion charges are leviable on conversion of agricultural land upto one acre, in case the tenant khatedars desires to establish micro / small scale industry on his own khatedari land.
 - 9.3.3 No conversion charges are applicable if food processing unit is set up on agriculture land upto 10 acres in rural areas.
- 9.4 The State Government, through RIICO, envisages to establish Micro and Small Enterprise Industrial Areas (MSE-IAs). These MSE-IAs shall be developed at the district / block level with an area upto 50 hectares per IA with plots sizes in accordance with the requirement of MSEs.
- 9.5 The State Government, though RIICO, envisages to provide suitable land for **Skill Development Centres (SDCs)** in proposed MSE-IAs. RIICO shall construct the



premises for proposed SDCs and handover the building to Rajasthan Skill & Livelihood Development Corporation (RSLDC) or Industry Association or reputed skill development institution recognized by Government of India / Rajasthan at token lease rent of INR 1/- annum.

- 9.6** The State Government envisages to identify new **land banks for industrial purpose** and also ensure availability of their details on RIICO Geographic Information System (GIS) “RAJDHARA”.
- 9.7** The State Government envisages to facilitate **logistic support and connectivity for MSME Parks / Clusters**.
- 9.8** The State Government envisages to **promote establishment of Industrial Parks through Private players / Public Private Partnership** for Micro sector units engaged in Handloom, Handicraft and Food Processing.
- 9.9** The State Government envisages to follow a **strategic approach for infrastructure development** in the form of Urban and Rural Haats to extend marketing support to MSMEs engaged in Handloom and Handicraft Sector.
- 9.10** The State Government envisages to facilitate establishment of MSME ancillary units in the vicinity of large-scale industries. These MSME ancillary units shall help in improving the lead time as well as reducing logistics cost.

10 Smart Industrial Areas

To leverage the technological advancements and address the ever-changing requirements of the industrial infrastructure, the State Government envisages to develop Smart Industrial Areas (SIAs) in the State. These Smart Industrial areas shall be equipped with state-of-the-art infrastructure to facilitate industries with all their modern needs.

The State Government envisage to provide following features / facilities which shall boost industrial development in the State:

- Connectivity to major National Highways, Railway Junctions, Airports, Air cargo complexes, ICDs and MMLHs.
- Layout planning as per modern infrastructure requirements accommodating all categories of industry.
- Wide roads with provision of dividers, footpaths, drainages, cable ducts, solar streetlights, high mast, green landscaping etc.
- 24X7 security personnel at all entry and exit points with provision of smart entry cards for the occupants



- 24x7 CCTV surveillance for all common areas
- Smart parking areas with facilities of drivers rest areas, washrooms, canteen, vehicle servicing stations etc.
- Smart fire and safety services across all common areas
- Real time monitoring of Air quality, temperature, humidity, noise pollution etc. with LED displays at entry and exit points
- Backup power plants for common areas
- Power substation with underground electric distribution lines.
- Waste Disposal / treatment units along with provision for CETP on need basis.
- Employee Housing / Hostel facility along with canteens
- Social infrastructure such as educational institutes, creche, banking & financial services, commercial shops, recreational facilities, Hospitals etc.
- Common Facility Centres
- Centre of Excellence (R&D, Incubation etc.)
- Tool Room facility
- Testing and certification facility
- Convention Centre with Auditoriums, conference, exhibition facility
- Skill development & trainings centres

11 MSME - Cluster Development

This policy aims at developing MSME sector in a cluster-based approach to bring together MSMEs engaged in similar nature of business to work at a common location. This approach shall facilitate MSMEs with common facility centres, robust infrastructure, improved availability of raw materials and skilled manpower for the sector. The State Government shall also dovetail / leverage the benefits available under various cluster development program / schemes of Ministry of MSME, Minister of Textiles, Ministry of Food Processing Industries, Ministry of Electronics and Information Technology, Ministry of Chemicals and fertilizers, Ministry of Industries and Commerce etc. of Government of India.

The State Government envisages to introduce an Integrated Cluster Development (ICD) scheme / program where the State Government shall identify MSMEs, manufacturing / assembling similar kind of products and line of operations, for **cluster-based development** of industries. Through this scheme / program, the State Government envisages to develop MSME clusters in every district of the state. This ICD scheme / program shall also facilitate in bridging the linkages / shortcomings of various cluster development schemes / programs of Government of India. Under this Scheme / program the State Government envisages to carry out following activities:



- 11.1** Identification of potential clusters and strengthening of **upstream and downstream linkages**.
- 11.2** Promote **awareness, capacity building and skill upgradation** programs / workshops at cluster level.
- 11.3** Encourage establishment of **skill and entrepreneurship development centres** at cluster level.
- 11.4** Promote cluster marketing, buyer-seller meets, vendor upgradation programs and trainings for PSU contracting.
- 11.5** Support optimization of Cluster product cost, quality, design & development and variety, through **adoption of latest technologies and innovations**.
- 11.6** Develop new potential clusters with state-of-the-art infrastructure facilities and provide **handholding support** to obtain Central and State Government incentives.
- 11.7** Encourage **green and sustainable manufacturing methodologies** and promote **adoption of waste to wealth techniques**. The State Government shall also promote environment friendly handling / recycling and reuse of e-waste and hazardous waste.
- 11.8** Facilitate the State's MSME clusters to **access global markets**.

12 Capacity Building - Skilling & Training

To ensure availability of skilled manpower to the industries, this Policy aims at providing interventions as listed below:

- 12.1** The State Government envisages to promote **skill upgradation** by training of the existing industrial workers with support from educational Institutions / R&D organizations / Centre of Excellence (COEs) using their labs / tool rooms etc.
- 12.2** The State Government, through Rajasthan Skill and Livelihoods Development Corporation (RSLDC) envisages to **promote skill upgradation**.
- 12.3** The State Government envisages to provide training Programs pertaining to **specialized skill and entrepreneurship development** through Centre for Entrepreneurship Development (CED) under MIFC.
- 12.4** The State Government, through CED, aims at creating a **trainer's pool** for conducting advanced training programs at district level. These advanced training programs shall cover aspects such as export documentation, **e-marketing / online portal usage**, patents, trademark, lean manufacturing, ZED certification, 6 sigma certification etc.



13 Support to Achieve Global Competitiveness

The ever-changing technology needs across sectors have led businesses to keep themselves updated with the current market needs and improve their operations by introducing cutting edge technology solutions. The State Government envisages to support MSMEs of the State by means of following interventions to achieve global competitiveness:

- 13.1 To upgrade the existing technology and encourage the use of new technologies** in MSMEs, the State Government, through its Rajasthan Investment Promotion Scheme (RIPS) 2019, provides one-time reimbursement of 50% of the cost incurred for acquiring advanced technology from premier national institutes – Indian Institute of Science (IISc), Indian Institute of Technology (IITs), National Institute of Technology (NITs), National Institute of Design (NIDs), The Council of Scientific and Industrial Research (CSIR) or any other institute set up by Government of India, subject to a maximum of INR 10 Lakhs per enterprise.
- 13.2** The State Government envisages to **promote industrial automation** in the MSME sector. The State Government envisages to establish sector-focused testing laboratories, tool rooms and Research & Development (R&D) Centres for MSMEs.
- 13.3** The State Government envisages to **establish product specific Centres of Excellence** (CoEs) in collaboration with National Premier Institutions / Research Institutions / Universities / Industry Associations / Industries.
- 13.4** The State Government envisages to encourage SMEs to set up **Skilling Centres** in collaboration with leading universities, Government Approved / Affiliated / Recognized skilling institutions and ITIs.
- 13.5** The State Government shall strive to increase the **awareness of Central Government schemes** for adoption of cutting-edge technology by MSMEs such as Credit Linked Capital Subsidy Scheme (CLCSS), Scheme for Technology and Quality Upgradation (TEQUP) support to MSMEs, Lean manufacturing competitiveness scheme, Quality Management Standards and Quality Technology Tools (QMS and QTT).
- 13.6** The State Government envisages to provide financial grant towards capital expenditure incurred for setting up **R&D Centres and Testing laboratories**, established by MSME associations, having accreditation from a national level Accreditation Board / Authority.
- 13.7** The State Government shall strive to promote **ZED certification** amongst local MSMEs to enable them to manufacture high quality products with minimal impact on environment. Through ZED, the MSMEs shall substantially reduce industrial wastages,



increase productivity, enhance environmental consciousness, save energy, optimally use natural resources and expand their markets. The ZED shall also enable MSMEs in adopting best practices in work culture, standardization of products, processes and systems to enhance their global competitiveness and sustainability. The State Government shall also support MSMEs of the state in availing benefits / incentives under the ZED scheme of Ministry of MSME, Government of India.

13.8 The State Government envisages to create awareness and also facilitate MSMEs for getting **quality certifications**, such as Geographical Indication (GI) / Patents / national or international certifications, to ensure a level playing field and enable them to compete effectively with their peers in domestic as well as global markets.

13.9 The State Government envisages to promote **cluster level Competitiveness Development Programs and techniques** such as reducing waste, increasing productivity, introducing innovative practices for improving overall competitiveness index, inculcating good management systems, imbuing a culture of continuous improvement etc. To promote cluster level competitiveness, the State Government shall promote utilization of Lean Manufacturing Competitiveness Scheme (LMCS) of Central Government.

13.10 The State Government envisages to provide enhanced financial assistance through MLUPY 2019 and RIPS 2019 to MSMEs having valid Zero Defect and Zero Effect (ZED) Certification (Silver / Gold / Platinum Rating) granted by Quality council of India (QCI).

14 Marketing & Business Development Support to MSME's

The Policy aims at improving brand value of various products and services offered by the MSMEs of the State. It shall also help MSMEs to display their capabilities at national as well as international level. Following are some of the existing / proposed interventions for market & business development support to MSMEs:

14.1 The State Government provides rental subsidy upto 30% of rental space subject to a maximum ceiling of INR 2 Lakhs, for setting up a stall at national and international fairs / trade events.

14.2 The State Government envisages to organize as well as promote participation of MSMEs in various national / international fairs and exhibitions, Technical Seminars, marketing campaigns etc. to aggressively increase the **outreach of regional products**.

14.2.1 To **create more business opportunities for MSMEs** and to facilitate market linkages,



the State Government envisages to organize marketing events for MSMEs such as Buyer-Seller Meets, trade fairs & expositions, etc.

14.2.2 The State Government shall strive to support MSMEs to **participate in trade events** at national and international level.

14.3 Support to MSMEs in Government / Public Sector Unit (PSU) Supplies

14.3.1 To equip SMEs to cater to the requirements of the Government Departments / PSUs, the State Government envisages to facilitate awareness programs and trainings.

14.3.2 The State Government envisages to create awareness amongst MSEs, regarding **purchase or price preference in state procurement policy**, in collaboration with other departments, State Public Sector Units (SPSUs) and autonomous bodies.

14.4 The State Government envisages support in the upgradation, development and promotion of the e-Bazaar portal for facilitating sales of products offered by state MSMEs.

14.5 The State Government envisages providing e-marketing Support to MSME entrepreneurs through training sessions highlighting the importance of packaging in the supply of goods in e-marketing, online import-export policies and procedures, latest developments in international / national trade, bar codes, digital marketing etc.

14.6 The State Government shall strive to make concerted efforts for the **development of the sectors** like Khadi, Handloom and such other Crafts which shall focus on employment generation and increased earning opportunities for the artisans & weavers. The interventions may include design development, innovations, product development, skill development, technological upgradation, quality improvement, branding, e-marketing support, Branding / Promotion / Brand Development, Ground Marketing support, Linkages with e-commerce portals and various other means for popularizing these handlooms and handicrafts for contemporary use.

14.7 To attract global buyers and promote local products, the State Government envisages to organize an annual summit for weavers, Handloom and Khadi sector.

15 Export Promotion Assistance

Rajasthan, 7th largest economy of India, depends largely on agriculture, Industries, tourism and mining activities. These activities provide major employment opportunities for the local people and also contribute towards the revenues of the State. Rajasthan has several products and services with great potential for exports. With appropriate guidance & support, these



products & services can help the State in generating substantial foreign trade and export earnings. This policy aims to support MSMEs for exports through the following measures:

- 15.1** The State Government envisages to promote **export of diversified commodities** to provide boost to the exports from the State.
 - 15.1.1** The State Government envisages to develop **export infrastructure** through private players / Public-private Partnerships (PPP).
 - 15.1.2** The State Government envisages to develop export guidance portal to facilitate the MSMEs with information on various acts / rules / regulations / scheme / programs / international best practices etc.
 - 15.1.3** The State Government, through Department of Industries & Commerce, envisages to organize specialized export training workshops for district level government officers as well as aspiring MSME exporters.
 - 15.1.4** The State Government envisages promoting ‘**One District One Product**’ and ‘**District Export Hub**’ programs.
- 15.2** The State Government aims at achieving incremental exports at 10% per annum with special focus on MSME exports. The State Government envisages to achieve exports of INR 1,00,000 crore during the tenure of this policy.

16 Promoting Trade & Services

Trade and Services is one of the leading sectors which contributes to employment generation, entrepreneurship and requires lesser capital investment as compared to manufacturing. Following are some of the existing / proposed initiatives for promoting trade and services in the State:

- 16.1** To avoid delayed payments from Suppliers / Traders to MSMEs, the State Government envisages to organize awareness program for effective utilization of the Trade Receivables Discounting System (TReDS).
- 16.2** The State Government envisages to promote utilization of **Mukhyamantri Laghu Udhog Protsahan Yojana (MLUPY)** among rural traders for enabling them to avail subsidized interest loans for their business.



17 Empowerment of Entrepreneurs from Women, Schedule Cast (SC), Schedule Tribe (ST) and Person with Disability (PwD) Categories

The State Government envisages to promote entrepreneurship among Women, Scheduled Castes (SCs), Scheduled Tribes (STs) and Persons with Disability (PwD) and also extend fiscal and non-fiscal support. The Policy shall aim to ensure availability of resources for such entrepreneurs as listed below:

- 17.1** The State Government, under RIPS 2019, provides Dr. B.R Ambedkar special package for SC/ST enterprises. Details of the same are given at annexure- 1.
- 17.2** To **support entrepreneurship and to provide industrial infrastructure** at suitable locations, the State Government envisages to reserve plots in RIICO Industrial Areas for Women, Schedule Caste (SC), Schedule Tribe (ST) and Person with Disability (PwD) category entrepreneurs.
- 17.3** The State Government envisages to **encourage trainings & skill development for Women, Schedule Caste (SC) and Schedule Tribe (ST) entrepreneurs** in collaboration with MSME Technology centres & their extension centres, educational institutes etc. The State Government envisages to dedicate one CoE for providing free of cost trainings to women, SC, ST and PwD entrepreneurs.
- 17.4** The State Government shall facilitate the **linkage of SC & ST Entrepreneurs** with institutions such as National Scheduled Castes Finance and Development Corporation (NSCFDC), National Scheduled Tribes Finance and Development Corporation (NSTFDC), Rajasthan State Co-Operative Scheduled Castes Finance and Development Corporation Limited (Raj Anuja Nigam), etc. which are working for assisting, financing and welfare of SCs & STs.
- 17.5** The State Government envisages the **development of MSME in Tribal areas** by supporting the marketing and branding of products made by Tribal Artisans and Self-Help Groups (SHGs) of Rajivika.

18 Support in Environmental Conservation

- 18.1** To ensure minimal impact on the environment, the State Government envisages to focus on sustainable and green development measures for industries.
- 18.2** The State Government also envisages to promote advance production techniques for minimizing industrial waste generation as well as effective and efficient waste recycling.



18.3 The State Government also envisages to achieve zero / minimizing polluting Industry to ensure healthy and safe environment.

19 Awards to Best Performing Enterprises

The State Government, through its “**Udyam Award**” Scheme, provides recognition to MSMEs under the categories of Outstanding Entrepreneurship manufacturing, Outstanding Entrepreneurship Service, Outstanding process / product innovation, Introduction of lean manufacturing techniques, Best Women Entrepreneur, ST / SC Entrepreneur and Best District Award.

20 Rajasthan MSME Policy Monitoring Committee

A State Level Screening Committee (SLSC) has been constituted as per clause no. 9 of RIPS 2019. This SLSC shall act as Rajasthan MSME Policy Monitoring Committee. The SLSC may nominate members from technical Institutions of the sector and Industry as a special invitee for the Rajasthan MSME Policy Monitoring Committee. This committee shall periodically review (at least once in every quarter) implementation and assess the impact of the policy.

The committee shall be empowered to take all necessary decisions for the smooth implementation of policy such as:

- a. To monitor the progress of all institutions involved in the process
- b. To assign roles and targets to institutions involved and monitoring of work being performed
- c. To interpret and / or relax any provision of the policy
- d. To frame and / or amend any guidelines or schemes under the Policy
- e. To review various measures for the favorable business environment in the State for MSME Sector

21 Implementation of the Policy

The **Department of Industries and Commerce, Government of Rajasthan** shall act as the nodal coordinating, monitoring and implementing Department. Any matter pertaining to interpretation of any clause of the policy shall be referred to the Department of Industries & Commerce and the decision of the Department of Industries & Commerce shall be considered final in this regard.



Annexure 1 Incentives Available for MSMEs under Rajasthan Investment Promotion Scheme 2019

Scheme Effective Date: 17.12.2019

Scheme Validity: 31.03.2026

Applicable for:

The Scheme shall be applicable to the following classes of enterprise(s) and investment:

- (i) New and existing enterprises making investment for setting up new units.
- (ii) Existing enterprise making investment for expansion:

Provided that the enterprise shall commence commercial production or operation during the operative period of the Scheme.

“Benefits for Manufacturing and Service Enterprises”

An eligible manufacturing enterprise shall be granted benefits and incentives as given below:

-

- (i) Investment Subsidy of 75% of State tax due and deposited, for seven years.
- (ii) Employment Generation Subsidy in the form of reimbursement of 50% of employer's contribution towards employees EPF and ESI, for seven years:

Provided that the Employment Generation Subsidy in the form of reimbursement of 75% of employer's contribution towards EPF and ESI shall be granted

- (a) For employees belonging to Women, Schedule Caste (SC), Schedule Tribe (ST), Person with disability (PwD); and
- (b) For all employees if the enterprise is providing more than 75% direct employment to persons domiciled in Rajasthan.

Provided further that the Employment Generation Subsidy shall not be granted for those employees for which employer is receiving reimbursement under any other scheme of Government of India or Government of Rajasthan.

- (iii) Exemption from payment of 100% of Electricity Duty for seven years.
- (iv) Exemption from payment of 100% of Land Tax for seven years.
- (v) Exemption from payment of 100% of Market Fee (Mandi Fee) for seven years.
- (vi) Exemption from payment of 75% of Stamp Duty and reimbursement of 25% of Stamp Duty:



(a) On purchase or lease/sub-lease of land and construction or improvement on such land; and

(b) On purchase or lease/sub-lease of floor area/space in any constructed commercial building for setting up of enterprise in: -

- (i) IT Sector; or
- (ii) Apparel Sector; or
- (iii) Industry 4.0; and

(vii) Exemption from payment of 100% of conversion charges payable for change of land use and conversion of land.

“Additional benefits for MSMEs as a Thrust Sector under RIPS 2019”

The below-mentioned incentives are applicable for the MSME Sector as thrust sector as per provisions of RIPS 2019.

Enterprises of MSME sector shall, in addition to benefits mentioned in above, if applicable, be granted the following benefits:

(a) Water Conservation and Green Measures Subsidy in the form of Reimbursement of

- (i) 50% of cost incurred on water audit by any Government empaneled or Government approved agency subject to maximum of rupees two lakh.
- (ii) 50% of amount paid to the suppliers for the plant, excluding civil work, for establishing zero liquid discharge based effluent treatment plant.
- (iii) 50% of amount paid to the suppliers for the plant, excluding civil work, for adopting Green Building Measures for the building having a minimum floor space of 2000 sq. mtrs; and
- (iv) 50% of amount paid to the suppliers for the plant, excluding civil work, for establishing “Reuse and Recycling of Industrial Waste Plant”, subject to maximum of rupees fifty lakh and shall be one-time assistance.

Provided that maximum total amount of subsidy including (i), (ii) and (iii) shall be subject to maximum of rupees fifty lakh and shall be one-time assistance.

(b) One-time reimbursement of 50% of cost incurred on obtaining quality certification for manufacturing or processes or certification related to export, issued by any Government agency or any agency authorized by Government of India or Government of Rajasthan, subject to maximum of rupees twenty-five lakh.

(c) One-time reimbursement of 50% cost incurred to acquire advanced technology from premier national institutes – Indian Institute of Science (IISc), Indian Institute of Technology



(IITs), National Institute of Technology (NITs), National Institute of Design (NIDs), The Council of Scientific and Industrial Research (CSIR) or any other institute set up by Government of India, subject to maximum of rupees ten lakh.

(d) One-time financial assistance equivalent to the assistance provided by Government of India for obtaining Patents, Geographical Indication (GI) Tagging and Trademark Registration.

(e) One-time reimbursement of 50% of investment made on plant and machinery and testing equipment for obtaining Silver or Gold or Diamond or Platinum rating under Zero Defect and Zero Effect Certification Scheme of Government of India, subject to maximum of rupees five lakh: and

(f) One-time financial assistance on raising funds (capital) through SME platform, to the extent of 50% of the investment made in process of raising funds (capital), subject to a maximum of rupees five lakh.

“BENEFITS TO ENTERPRISES IN MOST BACKWARD & BACKWARD AREAS”

(As per Amendments in RIPS 2019 Dated 04-09-2020 and 30-03-2021)

An eligible enterprise, other than a cement manufacturing enterprise, making investment in Most Backward and Backward Areas shall be granted the following additional benefits, in addition to the other benefits mentioned in other clauses of the RIPS 2019 Scheme:

- (i) Applicable Investment Subsidy for an additional three years, subject to the maximum of ten years;
- (ii) Applicable Employment Generation Subsidy for an additional three years, subject to the maximum of ten years;
- (iii) Applicable Exemption from payment of Electricity Duty for an additional three years, subject to the maximum of ten years; and
- (iv) 1% Additional interest subsidy, if an enterprise is eligible for interest subsidy under the scheme.

Enterprises set up in Most Backward and Backward Areas, shall be eligible for the total amount of subsidy (Investment Subsidy + Employment Generation Subsidy + Additional Investment Subsidy + Additional Employment Generation Subsidy + Interest Subsidy + Additional Interest Subsidy + Capital Subsidy) for the total period of benefit, exceeding the eligible fixed capital investment as approved by the appropriate Screening Committee, but not more than 200% of eligible fixed capital investment as approved by the appropriate Screening Committee.

Provided that the provisions mentioned in (a), (b) and (c) of Dr. B. R. Ambedkar Special Package for Promotion of SC/ST Enterprises shall be applicable to all the eligible enterprises, making an investment in Most Backward & Backward Areas, other than a cement manufacturing enterprise.



**“DR. B.R. AMBEDKAR SPECIAL PACKAGE FOR PROMOTION OF SC/ST
ENTREPRISES”**

(As per Amendments in RIPS 2019 Dated 30-03-2021)

An eligible SC/ST enterprise as defined in clause 2 (ixiv-a) of RIPS 2019, shall be granted the following additional benefits, in addition to the other benefits mentioned in other clauses of the Scheme: -

- a) investment limit shall be reduced to 50% as prescribed in the relevant clauses.
- b) maximum extent of subsidy shall be 200% of the EFCI under Clause-11; and
- c) the benefit of interest subsidy or capital subsidy shall be as follows, if the same is not applicable and has not been availed under any other clause of the Scheme-
 - (i) 5% Interest Subsidy on term loan taken by an enterprise from financial institutions or State Financial Institutions or Banks recognized by Reserve Bank of India for making an investment in plant & machinery or equipment for a period of five years, subject to a maximum of rupees twenty-five Lakh per year:
or
 - (ii) Capital Subsidy equivalent to 15% of investment made on plant & machinery or equipment, subject to a maximum of rupees two Crores."

**DR. BHIMRAO AMBEDKAR RAJASTHAN DALIT, ADIWASI UDYAM PROTSAHAN
YOJNA 2022**

The State Government has proposed this scheme with provisions of following benefits:

- a) With the cost of INR 100 Crores, Incubation cum Training Centre shall be established with cooperation of Confederation of Indian Industries (CII) and Dalit Indian Chamber of Commerce and Industry (DICCI) for helping deprived section of society to establish industries.
- b) Provision for 10% (Max. 25 Lakhs) partnership with RIICO / Rajasthan Venture Capital Fund (RVCF) which shall facilitate the enterprises with technical support and obtaining various approvals.
- c) In RIICO industrial areas, allotment of plot size upto the limit of 4000 sq. mtr. in place of present provision for 2000 sq. mtr. limit and increase in reservation from 5% to 6%.
- d) 100% exemption from Interest on installments of land cost
- e) 75% rebate on land use conversion charges.
- f) 100% exemption on Stamp Duty for Purchase, Lease and mortgage of land.
- g) 1% additional interest subsidy under Mukhyamantri Laghu Udyog Protsahan Yojna (MLUPY).
- h) 25% (Max. 25 lakhs) Subsidy against Margin Money



- i) 100% reimbursement of SGST for 7 years.

To promote investment in identified Thrust / Sunrise Sectors, Government of Rajasthan provides additional Subsidies as per provisions of RIPS-2019.

The Incentives / subsidies available under RIPS 2019 shall be subject to provisions and conditions laid in the scheme. These incentives / subsidies and conditions mentioned above are subject to change and shall be as per the amendments in the scheme by Finance Department, Government of Rajasthan from time to time.



Annexure 2 Incentives Available for MSMEs under Mukhyamantri Laghu Udyog Protsahan Yojana

Scheme Effective Date: 17.12.2019

Scheme Validity: 31.03.2024

The Scheme shall be applicable for new and pre-established enterprises (Manufacturing, Service and Business) for expansion / diversification / modernization projects. Under the scheme Individual applicants as well as institutional applicants (self-help groups / societies / partnership firms / LLP firms / companies) shall also be eligible. The establishment of the enterprise under the scheme shall be in Rajasthan State. The minimum age of the individual applicant shall be 18 years or more.

“Benefits for Manufacturing and Service Enterprises”

Under the scheme, loan shall be made available for land, Plant & machinery, Building / shed, Furniture, equipment and raw material as per below mentioned categories

- (i) For New Enterprises (Manufacturing / Service), loan of up to INR 10 Crores; for business enterprises INR 1 Crore
- (ii) For existing enterprises, loan of up to INR 1 Crore.

For projects where land is considered as a part of project costing, 25% of the total sanctioned loan will be eligible for interest subsidy.

The loan shall be granted in form of composite loan / term loan / working capital (including CC Limit) through Nationalized banks / Private Sector Scheduled Commercial Banks / Scheduled Small Finance Banks authorized by the Reserve Bank of India / Regional Rural banks / Rajasthan Finance Corporation / SIDBI / Urban Cooperative Banks. As per RBI guidelines, collateral security will not be needed for loans up to Rs. 10 lakhs.

Categories of Loan and Interest Subsidy:

S. No.	Max. Loan Amount (INR)	Interest Subsidy
1	Up to 25 Lakhs	8%
2	25 Lakhs – 05 Crore	6%
3	5 Crore – 10 Crore	5%

Proposed Provisions under State Budget announcement 2022-23:

- For establishment / expansion of agriculture based MSMEs, the State Government has proposed to provide enhanced interest subsidy of 9% as against 8% under MLUPY.
- To encourage investors availing loan of upto INR 10 Lakhs, the provisions of the scheme such as maintaining ratio of term loan and working capital and submission of application within 90 days from the date of disbursement of loan from financial institution shall be omitted. This shall promote establishment of MSMEs in the State,
- To promote tourism in the rural areas, the State Government has proposed to provide enhanced interest subsidy of 9% as against 8% for availing loan of upto INR 25 Lakhs.

The conditions and incentives mentioned above are subject to change and shall be as per the amendments made in the said policy or other relevant policy and/or rules and/or scheme by the Government of Rajasthan from time to time. The State Government shall have the full right in this regard and in case of any change/amendment made therein, no contractual obligation shall be arisen on the State Government or its any officer.

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