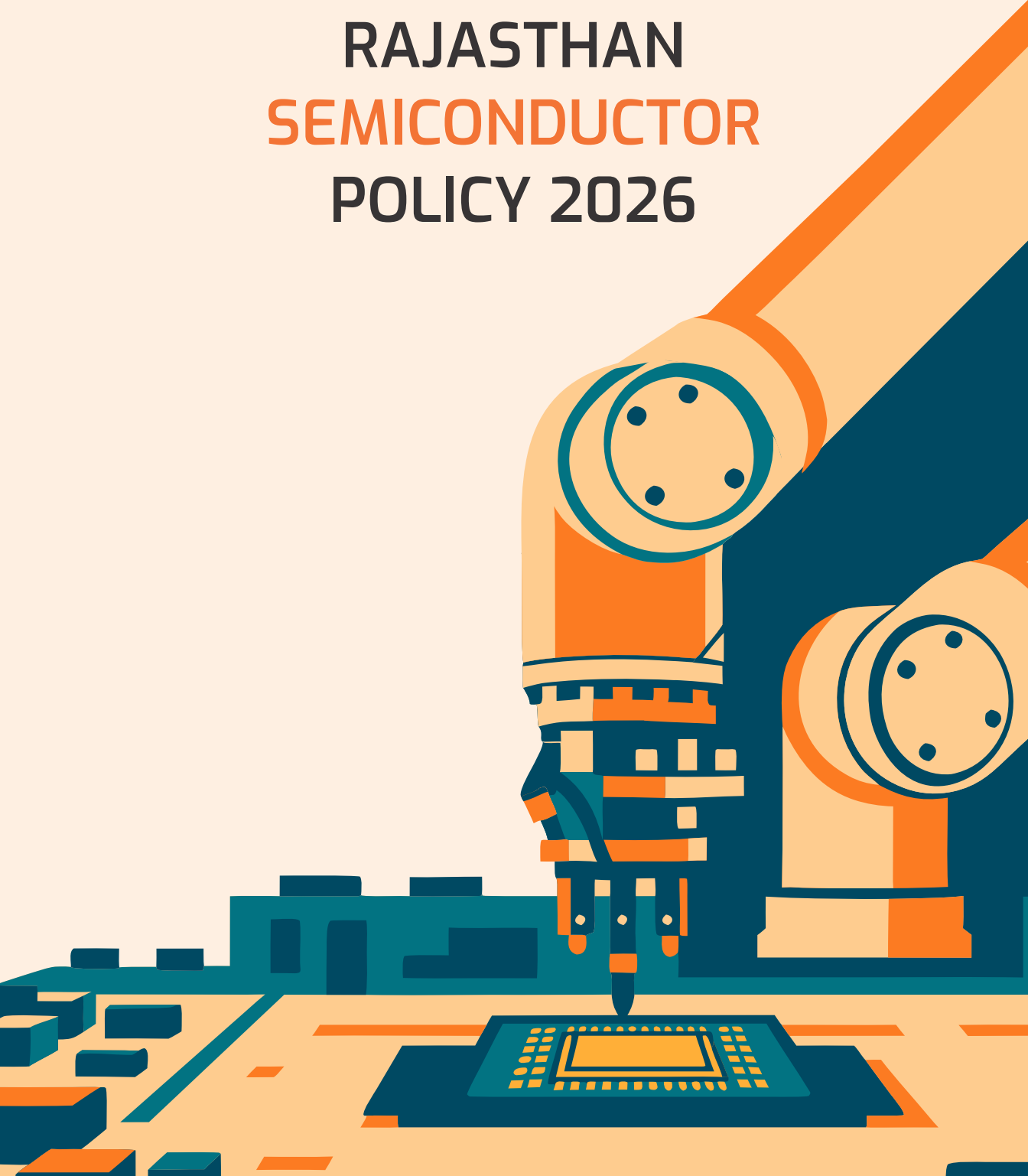




सत्यमेव जयते

Government of Rajasthan

RAJASTHAN SEMICONDUCTOR POLICY 2026





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RAJASTHAN SEMICONDUCTOR POLICY 2026



India is at a defining moment in its journey toward technological self-reliance and the semiconductor sector stands at the heart of this transformation. It gives me immense pride to present the **Rajasthan Semiconductor Policy 2026**, a dedicated and future-ready framework aimed at building a secure, resilient, and globally competitive semiconductor ecosystem in Rajasthan. With its strategic location along India's industrial corridors, rapidly expanding multi-modal connectivity, reliable utilities, and one of the country's strongest renewable energy bases, Rajasthan is uniquely positioned to support high-value semiconductor manufacturing and advanced packaging operations. The State's growing capabilities in electronics manufacturing, supported by mature clusters across Alwar, Bhiwadi, Jaipur and Udaipur, further strengthen its readiness for semiconductor-scale investments.

Aligned with national missions such as the Semicon India Programme, the Design Linked Incentive (DLI) Scheme, and the broader vision of Atmanirbhar Bharat, this policy focuses on front-end fabrication, ATMP/OSAT, compound and power semiconductors, sensors, silicon photonics, and fabless design ecosystems. It emphasises **high-quality infrastructure, Centres of Excellence, clean-room readiness, skill development, predictable facilitation, and critical elements for establishing global-standard semiconductor operations.**

We invite global technology leaders, innovators and semiconductor manufacturers to leverage Rajasthan's advantages and partner with us in building India's next semiconductor hub. Together, we will create high-quality jobs, enhance domestic value addition, and strengthen the nation's supply-chain security while positioning Rajasthan at the forefront of this strategic industry and thus realise vision set up for **Viksit Rajasthan@2047.**

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BHAJAN LAL SHARMA
Chief Minister, Rajasthan



The **Rajasthan Semiconductor Policy 2026** reflects the State's vision to develop an advanced manufacturing and electronics ecosystem under the leadership of Hon'ble Prime Minister Shri Narendra Modi Ji and Hon'ble Chief Minister Shri Bhajanlal Sharma Ji.

Rajasthan's strategic location on DMIC and AKIC corridors, deep logistics connectivity through DFCs, 35+ GW of renewable energy capacity and expanding industrial base create strong fundamentals for semiconductor fabs, ATMP/OSAT facilities, compound semiconductors, sensors and fabless design.

The policy provides fiscal support, cleanroom-ready infrastructure, Centres of Excellence with EDA and MPW access, failure-analysis labs and aftercare based on investment milestones. It further promotes sustainability through renewable energy, water efficiency, ZLD systems and circular manufacturing. Skill development and industry-academia collaboration will strengthen semiconductor talent across design, testing and manufacturing.

With risk-based inspections, dedicated facilitation and a transparent regulatory framework through Raj Nivesh, Rajasthan offers a predictable environment for long-term investment. Enterprises are invited to participate in shaping Rajasthan as a leading hub for India's semiconductor and electronics sector.

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COL. RAJYAVARDHAN RATHORE
Industries & Commerce Minister
Rajasthan

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01. PREAMBLE

No. F5 (63) उद्योग / मुप-1/2025

Date: 13/03/2026

Government of Rajasthan
Department of Industries and Commerce
Notification

India has articulated a national ambition to build a secure, resilient and globally competitive semiconductor ecosystem. The Government of India's mission-mode instruments particularly the Semicon India Programme for fabrication and advanced packaging and the Design Linked Incentive (DLI) for semiconductor design—provide the central architecture for catalysing investments, deepening domestic value addition and advancing technological self-reliance.

Rajasthan recognises that these national programmes deliver maximum impact when complemented by state-level policy certainty, land-ready sites, reliable utilities, specialised talent and predictable facilitation. Strategically located along the North-West manufacturing corridor contiguous to the National Capital Region and served by the Western Dedicated Freight Corridor and an expanding expressway network, the State also benefits from a rapidly growing renewable-power base—a critical enabler for cleanroom-grade, continuous operations.

Building on these structural advantages, this Policy focuses exclusively on semiconductor value-chain activities: front-end wafer fabrication; advanced packaging (ATMP/OSAT); compound and power semiconductors, silicon photonics and sensors; fabless design and prototyping; qualification, reliability and failure analysis; and enabling inputs such as ultrapure utilities, specialty gases/chemicals and precision equipment services. It provides a coherent framework of eligibility, fiscal and non-fiscal support, quality-infrastructure, Centres of Excellence (EDA access and MPW shuttles), and milestone-linked aftercare.



This Preamble affirms Rajasthan’s commitment to establishing a globally competitive, innovation- driven and sustainable semiconductor hub that creates high-quality employment, expands domestic value addition, and strengthens national supply-chain security. The provisions of this Policy shall be read in alignment with applicable Government of India schemes and with Government Orders issued from time to time during the notified policy period.

02. INTRODUCTION

Rajasthan enters the semiconductor and electronics era with clear structural advantages: a central location on India’s industrial corridors, deep and growing infrastructure, disciplined governance, and a broad, skilled talent base. Together, these factors de-risk time-to-ground for ATMP/ OSAT, power and sensor devices, and EMS/ PCBA scale-up while supporting long- term competitiveness.

2.1 Strategic location

Spanning 3.42 lakh sq. km and bordering five states, Rajasthan sits at the confluence of DMIC and AKIC with the Western/Eastern Dedicated Freight Corridors. Proximity to western ports and northern consumption hubs compresses logistics cycles and makes export operations practical for high-value electronics.

2.2 Multi-modal infrastructure

Roads exceed 3.17 lakh km with 10,790 km of National Highways and new greenfield expressways (Amritsar–Jamnagar, Delhi–Vadodara) under Bharatmala and Gati Shakti improving speed and reliability. The North-Western Railway network (5,800+ km) alongside DFC alignments through Alwar, Jaipur, and Ajmer supports high-volume shipments and lower turnaround times. Seven operational airports, including international gateways at Jaipur and Udaipur, handled ~54 lakh domestic and 3.2 lakh international passengers in 2024—useful for executive mobility, air freight of high-value components, and service support.

2.3 Energy advantage

Rajasthan leads India in renewables with ~29.5 GW solar and ~5.2 GW wind (35 GW+ RE total) and ~51 GW overall installed capacity (June 2025). The Rajasthan Integrated Clean Energy Policy, 2024 targets 125 GW RE by FY 2029-30 (90 GW solar, 25 GW wind/hybrid, 10 GW hydro/PSP/BESS). This ensures competitive, scalable, and greener power—vital for clean

rooms, reliability labs, and continuous EMS operations.

2.4 Digital & logistics backbone

Planned MMLPs at Jaipur, Bhiwadi, and Udaipur, plus ICDs/CFS facilities near key RIICO areas, fortify export readiness. RajNET, 10,000+ Wi-Fi hotspots, and wide e-governance coverage enable digital workflow, vendor integration, and remote monitoring—practical for Industry 4.0 electronics plants.

2.5 Strategic projects pipeline

The 9 MMTPA Barmer Refinery & Petrochem complex, three DMIC nodes (Khushkheda–Bhiwadi–Neemrana, Ajmer–Kishangarh, Jodhpur–Pali–Marwar), AMRUT 2.0/Smart Cities, and large water security programs (Jal Jeevan Mission, ERCP/Ramjal Setu) expand urban services, utilities resilience, and industry-grade infrastructure across districts.

2.6 Economic base with manufacturing depth

Industry contributes 27.16% to GVA (2024-25), with manufacturing at 42.62% of industry; IIP reached 157.31 in 2024. Beyond cement, ceramics, and auto-components, the state is adding defence, ESDM, and green hydrogen. RIICO's 424+ industrial areas and SEZs host diversified supply chains especially in **Alwar/ Bhiwadi (ESDM, automotive)**—that matter for electronics and semiconductor-adjacent growth.

2.7 Industrial ecosystem and investment

Mineral-rich districts (Udaipur, Kota, Bhilwara) support materials industries; Bhiwadi and Alwar already function as ESDM/auto clusters; Ganganagar and Kota are scaling agro-processing. Gross Fixed Capital Formation of ~ INR 4.48 lakh crore (2024) signals strong investor confidence, while sectoral policies and incentives lower entry friction.

2.8 Talent pipeline

With 4,600+ higher-education institutions, 74 engineering colleges, 116 polytechnics, 48 MBA institutes, and 3,000+ ITIs, Rajasthan produces over

1 million graduates annually. Flagship skilling (Rajasthan Future Skills Mission) and top institutions (IIT Jodhpur, IIM Udaipur, MNIT Jaipur, IIT Kota) create a continuous funnel for electronics design, production, testing, and maintenance roles.

2.9 Governance as an enabler

Digital platforms—Jan Aadhaar (INR 78,300 crore DBT), RajSSO (175+ services), Rajasthan Sampark, Jan Soochna, and the Right to Guaranteed Delivery of Public Services—embed time-bound delivery and transparency. GIS-based planning, AI-enabled dashboards, and a three-tier Jansunwai mechanism (2.4 lakh grievances processed in 2024) reinforce accountability. This governance stack directly supports EoDB, faster clearances, and predictable operations for semiconductor and electronics investors.

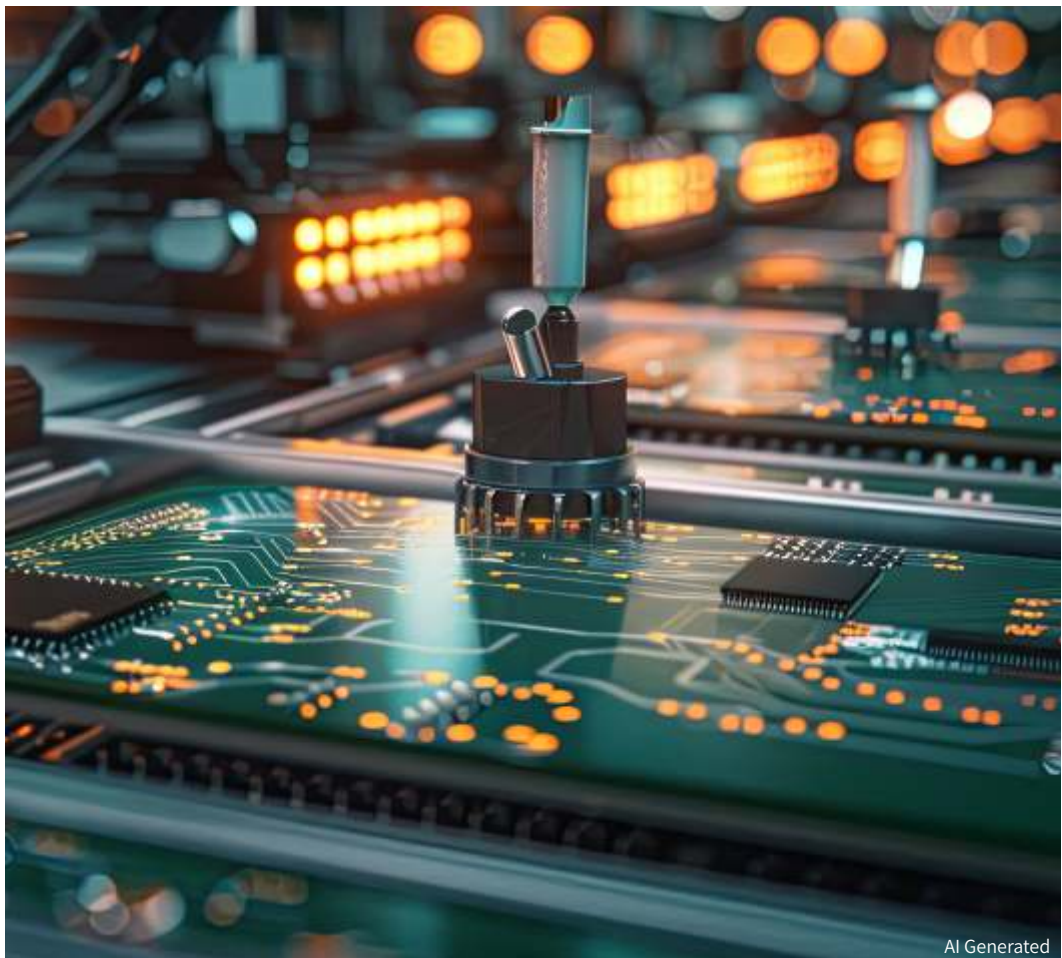
2.10 Rajasthan's Readiness for Semiconductor-Adjacent Manufacturing

Rajasthan's semiconductor-readiness rests on four proven corridors that generate device demand, embed quality discipline, and offer serviced sites for rapid ATMP/OSAT scale-up.

- In **Neemrana–Ghiloth (Alwar)**, Japanese anchors (Daikin, Nidec, Tokai Rika Minda) and white-goods scale (Lloyd) create stable pull for power, control and sensing ICs while institutionalising lean/ QMS—ideal conditions for yield-sensitive packaging and final test.
- **Bhiwadi–Khushkhera–Chopanki–Pathredi** hosts the ELCINA EMC (100 acres) and a live ATMP precedent via Sahasra, proving Rajasthan can run cleanrooms, encapsulation and reliability/test; neighbouring manufacturers widen local bill-of-materials linkages that de-risk device localisation.
- **Jaipur (Sitapura–EPIP/ Kanakpura/ VKI)** combines smart-metering and power-electronics demand with **REIL's** PSU-led pilots, enabling early adoption and justifying RF/EMC, calibration and qualification infrastructure for semiconductor devices.

- **Udaipur (Kaladwas/ Madri/ Pratap Nagar)** contributes a reliability culture through metering, industrial controls and thermal sensing—natural complements to device qualification and failure analysis.

Together, these electronics manufacturing strengths support the semiconductor industry by supplying skilled operations talent and providing cluster utilities that can be adapted to cleanroom shells. Policy priorities: packaging/test parks in EMCs, CoEs with EDA/ MPW and FA labs, JEDEC/ AEC qualification facilities, and time-bound facilitation to convert today's demand and process depth into scalable semiconductor capacity.



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03. SCOPE OF POLICY

This Policy covers the semiconductor value chain in Rajasthan—front-end wafer fabrication; ATMP/ OSAT; compound/ power, sensors and silicon-photonics; fabless design, prototyping and qualification; enabling utilities, gases/ chemicals and reliability/ EMI-EMC labs. Applies to new and E/M/D projects by companies/consortia/JVs/SPVs in notified industrial areas. Instruments include fiscal/non-fiscal incentives, land/ infra facilitation, CoEs and aftercare, aligned to ISM guidelines

3.1 Vision

The vision of the Rajasthan Semiconductor Policy 2026 is to position the state as India's premier destination for semiconductor manufacturing, design and allied electronics. The policy seeks a competitive ecosystem attracting investors, enabling self-reliance through indigenous production, and leveraging Rajasthan's strategic location, infrastructure and talent to integrate with global chains.

The State will notify Jodhpur Pali Marwar Industrial Area (JPMIA), Kankani Industrial Area (Jodhpur) and similar other suitable clusters as Priority Semiconductor Corridors for fast-track land allotment, utilities co-ordination and single window facilitation.

3.2 Policy Period

The Rajasthan Semiconductor Policy 2026 shall come into force on the date of its notification and shall remain in force for a period of five (5) years from that date, or until a new or revised policy is notified by the Government, whichever is earlier.

3.3 Nodal Department

The office of the Commissioner of Industries and Commerce, Government of Rajasthan, shall be the nodal department for the implementation of the Rajasthan Semiconductor Policy 2026. It shall be responsible for processing applications for incentives, as prescribed

under the policy, and for coordinating with relevant State Government departments and agencies to facilitate the extension of other benefits envisaged herein. RIICO will be the supporting agency for implementation of this policy.

3.4 Policy Objectives

This policy aims to build a competitive semiconductor ecosystem spanning manufacturing, packaging, design and research, leveraging strategic location, infrastructure and talent to drive self-reliance, exports, technology leadership and sustainable growth.

- 3.4.1** Attract anchor investments in fabs, ATMP/OSAT, compound/power and sensors; develop world-class parks with clean-room-ready sites, reliable utilities and shared test labs.
- 3.4.2** Develop a robust fabless design ecosystem via EDA access, MPW shuttles, prototyping support and IP enablement.
- 3.4.3** Build an industry-academia talent pipeline via updated curricula, apprenticeships and specialised training aligned to semiconductor processes and qualifications.
- 3.4.4** Catalyse R&D, technology transfer and co-development with global and domestic partners, focused on manufacturable, high-reliability devices.
- 3.4.5** Ensure green manufacturing through renewable power integration, water efficiency, recycling/ZLD and circular practices across parks.
- 3.4.6** Guarantee time-bound approvals and compliance ease through single-window facilitation, risk-based/third-party inspections and predictable aftercare.
- 3.4.7** Strengthen quality/market access via certification, metrology and EMI/EMC; deepen value chains; and prepare a pathway for wafer/display fabs through land banking and project development.

04. DEFINITIONS

The underlying definitions will provide the clarity and understanding to all the stakeholder and set uniformity, for proper interpretation and implementation.

General Definitions

“The definitions provided under Points 4.1 to 4.5, for the purpose of this Policy, shall be governed by Section 9.1.1 (General Definitions) of RIPS 2024, or by the corresponding provisions of the prevailing RIPS, as applicable. The definitions in effect at the time of publication of this Policy are as follows:”

4.1 Ancillaries

Ancillaries means an enterprise which uses products and its byproducts in manufacturing of distinct and different commodities other than products of the mother unit, is located within 50 km radius of the mother unit and supplies greater than 50% of their total production to the mother unit annually.

4.2 Enterprise

Enterprise means an industrial undertaking or a business concern or any other establishment by whatever name called, engaged in manufacturing of India Semiconductor Mission (ISM) Aligned Project as defined in Sec 5.1 in any manner.

4.3 Existing Enterprise

Existing Enterprise means a manufacturing enterprise that is engaged in commercial production or operation before or during the operative period of the Policy.

4.4 Exporter

Exporter means the unit bearing Import - Export Code & RCMC with the concerned EPC/ Board/ Authority/ Organisation.

4.5 New Unit

New unit means a new manufacturing enterprise and includes a unit set

up by an existing enterprise for manufacturing of products as defined in India Semiconductor Mission Aligned Project as defined in Sec 5.1, having separately identifiable books of accounts and depositing the taxes and duties leviable under any State Act including Provident Fund separately.

4.6 Policy

Policy means Rajasthan Semiconductor Policy 2026.

4.7 Government/ State

The Government or the State means the Government of Rajasthan..

4.8 Year

Year means financial year (From 1st April to 31st March).

Incentives Related Definitions

The definitions provided under Points 4.9 to 4.12, for the purpose of this Policy, shall be governed by Section 9.1.2 (Incentive Related Definitions) of RIPS 2024, or by the corresponding provisions of the prevailing RIPS, as applicable. The definitions in effect at the time of publication of this Policy are as follows:

4.9 Employment

Employment means employees are on the permanent payroll of the respective enterprises, i.e., receive wages or salary directly from the enterprise and which will include contract labour engaged for at least 6 months of the year. The percentage of contract labour engaged should not exceed 40% of total labour force.

4.10 Expansion

Expansion means the creation of additional capacity for production of goods, either in the same line of production or through a new product line, by an existing enterprise at the same or a different site, involving additional investment.

Such expansion shall involve a minimum investment of INR 50 crore for Manufacturing Enterprises and shall further constitute at least 25% of the existing investment of the enterprise while resulting in an incremental capacity of not less than 20%.

4.11 Environmental Projects

Environmental projects shall mean:

4.11.1 Environmental Infrastructure Facilities

- a. Effluent Treatment Plant & Common Effluent Treatment Plant
- b. Establishing "Reuse and Recycling of Industrial Waste, electronic waste & plastic waste Plant"
- c. Augmentation and technology upgradation of existing ETPs & CETPs
- d. Common spray dryer, common multiple effect evaporator
- e. Implementation of cleaner production technology in place of existing process such as substitution & optimization of raw material, reduction in water consumption or energy consumption or waste generation
- f. For environment management project with use of clean, Efficient and Innovative Pollution Control Equipment
- g. Installation of online Continuous Stack Emission Monitoring Systems (CEMS)
- h. Setting Up of Environment Management System including setting up of Environment Management Laboratory
- i. Purchase of new equipment/ system related to safety, occupational health or for environment compliances for common use of enterprise located in cluster
- j. Development of Green Estate & Green Buildings for set up/ relocation/ retrofitting of existing polluting industrial units into Green Industrial Estates
- k. Green Buildings which obtain green rating under the Indian Green Building Council (IGBC/ LEED Certification)

4.11.2 Zero Liquid Discharge

Zero Liquid Discharge Based Treatment Plant means an effluent

treatment plant in which the effluent water is either used or fully evaporated and no effluent is discharged out of factory premises, as certified by the Rajasthan State Pollution Control Board.

4.11.3 Air Pollution Control Measures

Air Pollution Control Measures will be applicable for those green interventions which the State deems fit.

4.11.4 Water Conservation Solutions

- a.** Wastewater treatment and recycling systems using technologies such as Activated Sludge Process (ASP), Membrane Bioreactors (MBR), Reverse Osmosis (RO), etc. to increase supply and use of treated water.
- b.** Smart Solutions/IoT for Water and Wastewater to reduce dependency on manpower, enhance business continuity and remote operations using smart meters/ pumps/ sensors, data analytics, and cloud solutions.
- c.** Adopting rainwater harvesting; restoring water bodies by de-silting defunct water bodies within the premises.
- d.** Zero Liquid Discharge Solutions.

4.11.5 Energy Efficiency Solutions

Energy Efficiency Solutions means industries falling under the Rajasthan Green Rating system by meeting the eligibility criteria defined in the Green Rating of Industries in Rajasthan Policy.

4.11.6 Air Quality/ Emission Reduction Measures

Air Quality/ Emission Reduction Measures will be applicable for those green interventions which the State deems fit.

4.12 Term Loan

Term Loan means term loan taken by enterprise from Financial Institutions or State Financial Institutions or Banks recognised by Reserve Bank of India.

4.13 Pari-Passu Payment

The pro rata payment by Nodal Agency to be released after the corresponding share to be mobilised by applicant/ Project Company along with other sources in the No-Lien Account (NLA). The deposits in the No-Lien Account (NLA) shall be utilised only for authorised expenditure for the approved project.



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05. SEMICONDUCTOR MANUFACTURING PACKAGE

5.1 Eligibility for Semiconductor Manufacturing Package

Companies incorporated in India (including subsidiaries/ JVs/ SPVs of global firms), Indian consortia, and project-specific SPVs are eligible. Applicants must demonstrate technical competence, financial capacity, and access to proven process technology (including via ToT/ licensing).

ISM-aligned projects: Projects that have been approved by Government of India schemes for:

5.1.1 Semiconductor Fabs (any wafer size, any node)

5.1.2 Display Fabs (TFT-LCD Gen-8 and above; AMOLED Gen-6 and above)

5.1.3 Compound Semiconductor/ Silicon Photonics/ Sensor Fabs/ Discrete Semiconductors

5.1.4 Semiconductor Packaging: ATMP/OSAT

5.1.5 Any successor scheme notified by GoI/ ISM State incentives will mirror/ stack over GoI support and will be activation-linked to GoI sanction (pari passu disbursement).

5.2 General Eligibility Criteria

5.2.1 New Units

All new units under Semiconductor Manufacturing Package are eligible for benefits under this Policy unless expressly excluded in specific provisions.

5.2.2 Existing Units (E/M/D)

Existing industrial units undertaking Expansion/ Modernisation/ Diversification (E/M/D) under Semiconductor Manufacturing Package are also eligible.

5.3 Eligible Fixed Capital Expenditure (EFCI)

5.3.1 Semiconductor Fabs (Si CMOS and other wafer fabs)

State fiscal support shall be computed on the Project Cost as defined in Section 2.12 of the Government of India file ‘Guidelines for Modified Scheme for setting up of Semiconductor Fabs in India,’ No. W-38/21/2022-IPHW dated 29.05.2023, as amended from time to time (including any successor guidelines/notifications). The State will adopt all inclusions/exclusions contained therein.

5.3.2 Display Fabs (TFT-LCD Gen-8+; AMOLED Gen-6+)

State fiscal support shall be computed on the Project Cost as defined in Section 2.12 of the GoI file “Guidelines for Modified Scheme for setting up of Display Fabs in India,” No. W-38/21/2022-IPHW dated 29.05.2023, as amended from time to time (including any successor guidelines/ notifications). The State will adopt all inclusions/exclusions contained therein.

5.3.3 Compound/ Silicon Photonics/ Sensors/ Discrete & ATMP/OSAT.

State fiscal support shall be computed on Capital Expenditure (Capex) as defined in Section 2.11 of the GoI file “Revised Guidelines for effective functioning of the Modified Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab / Discrete Semiconductors Fab and Semiconductor ATMP/OSAT facilities in India,” No. W-38/21/2022-IPHW dated 30.06.2023, as amended from time to time (including any successor guidelines/notifications). The State will adopt all inclusions/exclusions contained therein.

5.3.4 Alignment and Verification

- a.** Definitions in Clauses 5.3.1 to 5.3.3 shall auto-align with any future GoI amendments/successor schemes;

- b.** State support will be milestone-linked and, where applicable, activation-linked to Gol sanction and released pari passu with verified capitalisation;
- c.** The period for computing eligible capital expenditure shall commence from the issuance of EC however the total computation period shall be as per the relevant India Semiconductor Mission (ISM) guidelines, as amended from time to time. For projects evaluated directly by the State when the Gol window is closed or not availed, the computation period shall be as per RIPS 2024 or as approved by the Appropriate Sanctioning Committee.
- d.** State Empowered Committee may evaluate proposals and issue an in-principle State Activation Note to enable preliminary facilitation, pending sanction by Government of India. Final Financial support would however remain contingent upon sanction by Government of India
- e.** For projects evaluated directly by the State, the same Gol definitions of Project Cost/ Capex shall apply.

Incentives under Semiconductor Manufacturing Package

5.4 Exemptions and Reimbursements

- 5.4.1** Exemption from payment of 100% electricity duty for 7 years.
- 5.4.2** Exemption from payment of 75% stamp duty and reimbursement of 25% stamp duty.
- 5.4.3** Exemption from payment of 75% conversion charge and reimbursement of 25% conversion charge.

5.5 Capital Subsidy

The State shall provide a capital subsidy equivalent to 60% of the capital subsidy sanctioned by the Government of India under the relevant India Semiconductor Mission scheme, calculated on the same eligible cost base and subject to Gol ceilings; disbursal shall be linked to Gol approval

and released pari passu with GoI tranches against verified milestones and capitalisation with subject to the following ceiling:

5.5.1 Semiconductor Fabs: As per the decision of State Empowered Committee (SEC) under customised incentive packages.

5.5.2 Display Fabs/ Compound Semiconductor/ Silicon Photonics/ Sensor Fabs/ Discrete Semiconductors/ Semiconductor Packaging: INR100 Cr.

5.6 Interest Subvention

5% Interest Subvention on term loan taken from Financial Institutions or State Financial Institutions or Banks recognised by the Reserve Bank of India, for making an investment in plant & machinery or equipment/ plant related apparatus (constituting a part of the EFCI), for a period of 5 years subject to 2.5% of the EFCI distributed equally over 5 years.

Special Incentives

The Special Incentives aim to boost large-scale manufacturing investments and integrated supply chains by offering flexible land payment terms for eligible projects and rewarding mother-ancillary ecosystems, fostering collaboration, reducing operational costs, and strengthening industrial linkages to create competitive, self-sustaining manufacturing hubs within the state.

5.7 Flexible Land Payment

Eligible enterprises shall be eligible to avail land basis following payment schedule:

Particulars	Payment Schedule
25% of land cost + Bank Guarantee of an amount equivalent to 75% of the land cost for 3 years	Upfront
75% of land cost	Distributed equally over 10 annual instalments at an interest rate of 8%

Land cost support shall only be available:

- 5.7.1** Once per eligible Manufacturing Enterprise making a new investment; and
- 5.7.2** Only on land leased from RIICO; and
- 5.7.3** Only if the land is purchased specifically for the purpose of establishing manufacturing project in respect of which the enterprise is seeking incentives under this Policy.

Add-On Incentives Driven by State Priorities

The Add-On Incentives driven by State priorities shall be provided to promote sustainable growth, competitiveness, and innovation by offering targeted benefits for green initiatives, freight support, skill development, and intellectual property creation, thereby encouraging enterprises to align operations with environmental goals, export growth, workforce upskilling, and innovation.

5.8 Add-On Green Incentives

Eligible Enterprises availing Asset Creation Incentive can avail the following up to a maximum of INR 12.5 crores:

- 5.8.1** Reimbursement of 50% of the cost of Environmental Projects.
- 5.8.2** 100% electricity duty exemption for captive renewable energy generation for 7 years.
- 5.8.3** 50% consent fee waiver for industries under the Rajasthan Green Rating System.

5.9 Add-On Skill and Training Incentives

Eligible Enterprises shall be eligible for reimbursement of 50% of the total cost of employee training, up to a maximum of INR 10,000 per worker per month, for a maximum of 6 months, as a one-time incentive.

OR

Reimbursement of 50% of the total cost of employee training, up to INR 100,000 per employee per annum, for a maximum of 20 employees per Enterprise, as a one-time incentive.

5.10 Add-On IP Creation Incentive

An Intellectual Property (IP) creation incentive of 50% of the expenditure incurred towards obtaining patents, copyrights, trademarks, and registration of geographical indications shall be provided, subject to an overall ceiling of INR 1 crore. This incentive shall be applicable only for granted patents and can be availed within 3 years of the commencement of business.

Other Incentives

5.11 Inclusion of Group Captive Investment in EFCI

Eligible Enterprises investing in captive renewable power plants shall be eligible to include 51% of the said investment in their EFCI.

OR

Eligible Enterprises entering into group captive power agreements (12+ years) will be eligible to Include 100% of their said investment in their EFCI.

5.12 Quality Certification Incentive

To drive operational excellence and global market access in semiconductor fabs, ATMP/ OSAT, compound/ power devices, sensors, fabless and EMS units, the State will reimburse 50% of eligible costs for quality, safety, environmental, information-security, product and supply-chain certifications/ qualifications, capped at INR 1 crore per unit within five years from COD. Eligible heads include first-time and surveillance audits, certification/registration, lab accreditation and mandated testing/qualification (e.g., ISO 9001/14001/45001/50001, IATF 16949, ISO/IEC 27001, IEC 62443, ANSI/ESD S20.20, ISO/IEC 17025, BIS-CRS, IECEE CB, CE, UL, FCC, RoHS/REACH, AEC-Q100/101, JEDEC). Certifications must be issued by accredited bodies (NABCB/NABL, IAF-MLA, CB Scheme NCBs).

5.13 Employment Generation Incentive

The Employment Generation Subsidy in the form of reimbursement of

50% of employers' contribution towards EPF and ESI shall be granted for a period of 3 years with annual incentive ceiling of INR 2 Cr:

5.13.1 For women employees, employees belonging to Scheduled Caste (SC), Scheduled Tribe (ST), Person with disability (PwD); and

5.13.2 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 Policy of Government of India or Government of Rajasthan. This shall only be granted to applicable categories as laid out in the policy.

5.14 Maximum Extent of Subsidy

The aggregate of all fiscal incentives/ subsidies/ reimbursements from the Government of India and the Government of Rajasthan over the entire benefit period, shall not exceed one hundred and twenty-five percent (125%) of the Eligible Fixed Capital Investment (EFCI) as defined in this Policy, unless otherwise approved by the Appropriate Sanctioning Committee.

Non-Fiscal Incentives

5.15 Mission-Critical Infrastructure (Essential Service)

Semiconductor manufacturing and allied clean-room utilities shall be notified as 'Essential Services' under the State ESMA, subject to orders of the competent authority, to safeguard uninterrupted operations, maintenance and logistics.

5.16 Water Supply

The State shall endeavour for reliable water supply at the project site, including facilitation for treated/ ultra-pure water, recycling/ ZLD options and requisite permissions through the nodal agencies.

5.17 Open Access Power

Eligible units may procure power through Open Access in accordance with the Electricity Act, applicable rules and RERC regulations, including green/open access.

5.18 Power Banking for RE/ Green Power

Power banking shall be permitted as per RERC guidelines and relevant DISCOM procedures, enabling scheduling flexibility for renewable/ green energy.

5.19 Grid Redundancy & Reliability

The Government shall coordinate with transmission/ distribution utilities to build N-1/N-2 redundancy and ensure high-reliability supply adequate for FAB/ ATMP facilities, including dual feeds where feasible.

5.20 24×7/ Three-Shift Operations & Women's Employment

Units may operate 24×7 with three shifts, including employment of women in all shifts, subject to compliance with applicable central/ state labour laws and mandatory safety, transport and security measures.

5.21 Self-Certification & Risk-Based/ Third-Party Inspection

Eligible units shall be covered under a self-certification regime to the extent permissible under law, in lieu of routine inspections under the Factories Act, Maternity Benefit Act, Shops & Establishments Act, Contract Labour (R&A) Act, Payment of Wages Act, Minimum Wages Act, and Employment Exchanges (CNV) Act. Inspections may be undertaken upon specific complaint, accident, court/competent authority direction, or as required by statute.

06. ADMINISTRATION

The State shall formulate and notify the necessary procedural guidelines to facilitate the effective implementation of the Rajasthan Semiconductor Policy 2026 across all relevant departments, agencies, and institutional mechanisms.

6.1 Implementation and Interpretation Authority

All the related Departments shall implement the policy. The Department of Industries and Commerce shall act as the nodal coordinating, monitoring, and implementing department. Any matter pertaining to interpretation of any clause/ section of the policy shall be referred to Department of Industries and Commerce, Government of Rajasthan. The decision of the Department of Industries and Commerce in such matters shall be final.

6.2 Review or Modification of the Policy

The State Government reserves the right to review or modify the Policy as and when needed in public interest. However, Forms released as part of the Policy may be modified, changed, added, or deleted by the Department of Industries and Commerce as and when needed for the sake of convenience in implementation of the Policy.

6.3 Revision of the Policy by the State Government

The Government may revise the Policy, in full or in part, prospectively or retrospectively, to keep harmony with the provisions of the State Goods and Services Tax Act and Rules made there under

6.4 Application Process for Incentives and Benefits

The RajNivesh portal, managed by the Bureau of Investment Promotion (BIP), shall serve as the single-point digital interface for facilitating all investment-related applications under this Policy. The portal enables end-to-end, time-bound processing of clearances, approvals, and submissions, ensuring transparency, efficiency, and ease of doing business.

Steps will be taken for issuance of Entitlement Certificates within 30 days, and disbursal of approved incentives within 60 days of achievement of milestones

6.5 Institutional Mechanism

The following institutional framework outlines the mechanism for effective implementation of the Rajasthan Semiconductor Policy 2026 across all concerned stakeholders

6.5.1 State Level Sanctioning Committee

The State Level Sanctioning Committee (SLSC) shall have jurisdiction over all Enterprises investing more than INR 25 crores and Enterprise(s) making investments in more than one district. In cases requiring review by the State Level Sanctioning Committee, the decision of the State Level Sanctioning Committee shall be final. Detailed guidelines regarding this provision to be separately notified. The constitution of State Level Sanctioning Committee (SLSC) shall be as follows:

State Level Sanctioning Committee (SLSC)	
Secretary-in-charge Department of Industries and Commerce	Chairman
Secretary-in-charge Finance (Revenue) or nominee of Finance Department not below the rank of Joint Secretary	Member
Commissioner Commercial Taxes Department	Member
Managing Director RIICO	Member
Commissioner Investments and NRIs (BIP)	Member
Commissioner Department of Industries and Commerce	Member Secretary

6.5.2 State Empowered Committee (SEC)

State Empowered Committee (SEC) is authorised, to consider and approve customised incentive packages for eligible enterprises.

State Empowered Committee	
Chief Secretary	Chairman
Additional Chief Secretary (Finance) or an officer nominated by them, not below the rank of Secretary Member	Member
Secretary-in-charge Environment and Forest Department Member	Member
Secretary-in-charge Urban Development and Housing Department Member	Member
Secretary-in-charge Department of Industries and Commerce	Member
Commissioner Department of Industries and Commerce	Member
Secretary-in-charge Labour and Employment Department	Member
Secretary-in-charge Mines and Petroleum Department	Member

State Empowered Committee

Additional Chief Secretary Principal Secretary to Chief Minister	Member
Secretary-in-charge Revenue Department	Member
Managing Director RIICO	Member
Secretary-in-charge Energy Department	Member
Secretary-in-charge Tourism Department	Member
Commissioner Investments and NRIs (BIP)	Member Secretary

07. TERMS AND CONDITIONS

This policy clearly sets out the provisions, terms, and conditions to be followed, and outlines the rights, responsibilities, and limitations of all parties involved.

7.1 Transfer of Benefits in Case of Transfer of Business

- 7.1.1** When the ownership of a unit of an Enterprise availing benefit of the Policy is entirely transferred in any manner, then the remaining benefits of such unit under the Policy, if any, shall be transferred to the transferee Enterprise on fulfilment of any statutory levy.
- 7.1.2** For availing such remaining benefits, the transferee Enterprise shall submit a duly completed application as part of the attached forms and manner as may be prescribed, to the Member Secretary of the appropriate Sanctioning Committee along with proof of transfer of ownership of unit and original Entitlement Certificate(s) issued to the transferor Enterprise, within ninety days of such transfer.
- 7.1.3** The Member Secretary of the appropriate Sanctioning Committee shall register the application and place the completed application before the appropriate Sanctioning Committee within forty-five days from the receipt of the application unless specifically extended for reasons to be recorded in writing.
- 7.1.4** Where the application has been filed beyond the time period as provided in Section 7.1.2 the appropriate Sanctioning Committee having been satisfied with the genuineness of cause of delay may condone the delay in filing of the application from the prescribed date of application.
- 7.1.5** In case the committee approves the transfer of ownership, the Member Secretary shall amend the entitlement certificate(s) by

making an endorsement in the said certificate(s) as under; “The benefit under this certificate is hereby transferred to M/s..... , and the said Enterprise is entitled to avail the benefits mentioned in this certificate for a period from to ”

7.1.6 After such endorsement, the Member Secretary shall forward it to all concerned immediately but not later than fifteen days from the date of the decision taken by the committee in its meeting, unless specifically extended for reasons to be recorded in writing.

7.1.7 Where the committee is of the opinion that the transferee Enterprise is not eligible to avail the remaining benefits of the Policy, it shall provide an opportunity of being heard to such Enterprise and shall record the reasons of rejection. The decision of the Committee shall be communicated by the Member Secretary of the appropriate Sanctioning Committee to the Enterprise, and all concerned immediately but not later than thirty days from the date of decision taken by the committee in its meeting, unless specifically extended for reasons to be recorded in writing.

7.2 Extent and Period of Benefits

7.2.1 Period of Benefit: The period of benefit wherever applicable, shall be counted from the date of the issuance of the concerned Entitlement Certificate (EC) for that incentive, unless otherwise specified in the Policy. The period of validity of that EC will be 10 years in case of Capital Subsidy

7.2.2 Extent of Interest Subvention: The Interest Subvention shall be in addition to any other incentive available under any other Scheme of Government of India. The Enterprise availing Interest Subvention under any other Scheme/ package of State Government shall not be eligible for availing benefit under the Policy.

- 7.2.3** The Interest Subvention shall be allowed on the term loan taken from State Financial Institutions/ Financial Institution/ Bank recognised by Reserve Bank of India for making investment in plant & machinery and/ or equipment or apparatus. Provided that the total benefit availed under Interest Subvention shall not exceed the total interest liability from such term loan on the Enterprise.
- 7.2.4** The Interest Subvention shall be available only for interest levied by the Financial Institution/ Bank. Penal interest or other charges shall not be reimbursed.
- 7.2.5** Interest Subvention shall be granted for the duration specified in the eligibility certificate or until the loan is fully repaid, whichever is earlier. In the event of the loan being transferred to another State Financial Institution, Financial Institution, or Bank recognised by the Reserve Bank of India, the Subvention may continue for the remaining period, subject to the approval of the appropriate Sanctioning Committee.
- 7.2.6** In cases of transfer of loan, principal amount needs to remain the same between one bank recognised by RBI/ FI/ SFI to other.
- 7.2.7** The Interest Subvention shall be given to the Enterprise which pays regular instalments and interest to the Financial Institution/Bank. If the Enterprise becomes a defaulter, it will not get interest subvention for the default period and such defaulting period will be deducted from five years period as mentioned in the eligibility certificate.
- 7.2.8** The Interest Subvention shall be allowed only in a case where the Enterprise is engaged in manufacturing in which interest subvention is claimed except where it is engaged in manufacturing of seasonal goods.
- 7.2.9** In cases where the eligible loan amount for interest subsidy

approved by the appropriate sanctioning committee is less than total term loan disbursed by the bank(s)/ FI(s), the amount of interest subsidy shall be calculated proportionately based on repayment of the eligible amount vis-a-vis total sanctioned loan amount.

7.2.10 An Enterprise availing benefits under this Policy shall comply with all statutory laws and regulations of the State of Rajasthan applicable to the Enterprise. Non-compliance may entail cancellation/ withdrawal of the benefits under the Policy.

7.3 Appeal

7.3.1 The State Level Sanctioning Committee shall be empowered to hear and decide appeals against the orders of the District Level Sanctioning Committee.

7.3.2 The State Empowered Committee constituted under Section 3 of the Rajasthan Enterprises Single Window Enabling and Clearance Act 2011 shall be empowered to hear and decide appeals against the order of State Level Sanctioning Committee.

7.3.3 The application for appeal shall be filed within a period of 90 days from the date of communication of the decision.

7.4 Revision by the State Government:

7.4.1 The Department of Industries and Commerce may suo motu or otherwise revise an order passed by any Sanctioning Committee if it is found to be erroneous and prejudicial to the interest of the State, after affording an opportunity of being heard to the beneficiary enterprise.

7.4.2 No order under this Section shall be passed by the State Government after the expiry of a period of three years after the date by which the benefits under the Policy are fully availed of.

7.5 Penal Clause

7.5.1 New investments must achieve commercial production within 36

months of availing stamp duty exemption. In case an entity fails to reach commercial production within 36 months from availing stamp duty exemption, the following actions will apply:

- a. Claw back of 50% of applicable stamp duty exemption.
- b. A deflator of 0.98 per year will be applicable for all incentives under the policy.

7.6 Other Terms and Conditions

7.6.1 An Enterprise availing benefits under this Policy shall comply with all statutory laws and regulations of the State of Rajasthan applicable to the Enterprise. Non-compliance may entail cancellation/withdrawal of the benefits under the Policy.

7.6.2 An Enterprise availing benefits under the Policy shall be subject to the conditions, procedures, instructions, clarifications, or amendments issued from time to time under the Policy.

7.6.3 Benefits under the Policy can only be availed if, and as long as there is, and for the period/ s, consent to establish and consent to operate, wherever applicable, from the Central/ Rajasthan State Pollution Control Board is effective.

7.6.4 In case of breach of any of the conditions mentioned anywhere in the Policy, the benefits availed under the Policy shall be withdrawn by the appropriate Sanctioning Committee and, on its recommendation, the concerned Department shall recover the benefits availed by the Enterprise along with interest @ 18% per annum from the date from which the benefits have been availed.

7.6.5 Rectification by authority competent to disburse subsidy: Authority competent to disburse subsidy can claw back any wrongly disbursed subsidy with an interest of 9% per annum. However, no order for such claw back shall be passed without providing the Enterprise an opportunity to be heard. No order for such claw back shall be passed after the completion of 3 years


from the end of the entitlement period.

7.6.6 Rectification of mistake by State Level Sanctioning Committee or District Level Sanctioning Committee:

- a. With a view to rectify any mistake apparent on record, the State Level Sanctioning Committee may either suo moto or on an application in this behalf, rectify any order passed by it or the District Level Sanctioning Committee.
- b. A mistake shall include an order which was valid when it was made and is subsequently rendered invalid by an amendment of the Policy having retrospective operation or by a judgment of the Supreme Court, or the Rajasthan High Court.
- c. No application for rectification shall be filed under this Section after the expiry of a period of three years from the date of the order sought to be rectified.
- d. An application under this Section shall be presented to the Member Secretary of the State Level Sanctioning Committee. The Member Secretary shall place such application before the State Level Sanctioning Committee and the State Level Sanctioning Committee shall dispose of such application.
- e. No order of rectification shall be made after the expiry of four years from the date of the order.

7.6.7 Entitlement Certificate for Stamp Duty Exemption will be valid for 2 years or till the expiry of the Policy's operative period

7.6.8 Provisions for e-governance: To enable electronic delivery of services under the Policy, notwithstanding anything contrary contained anywhere in the Policy, the Government Department responsible for the grant of benefit or issuance of Entitlement Certificate (EC), requires that an application or any communication, order, certificate, or disbursement of payment



relating to benefits under the Policy shall be made or issued in electronic form. Further, to facilitate e-governance, the Government Department may change the procedure mentioned in the Policy to such extent that it is not inconsistent or incompatible with electronic forms of communication and payment, and such change shall not invalidate any action for the mere reason that it is repugnant to the procedural provisions of the Policy.

08. ABBREVIATIONS

Abbreviation	Expansion	Brief context
AEC	Automotive Electronics Council	Automotive device qualification (e.g., Q100/ Q101)
AKIC	Amritsar–Kolkata Industrial Corridor	National industrial corridor
ATMP	Assembly, Testing, Marking & Packaging	Semiconductor back-end manufacturing
BESS	Battery Energy Storage System	Electrical energy storage
CoE	Centre of Excellence	Shared labs/ design/ qualification platform
DFC	Dedicated Freight Corridor	High-capacity rail freight routes
DISCOM	Distribution Company	Electricity distribution utility
DMIC	Delhi–Mumbai Industrial Corridor	National industrial corridor
EC	Entitlement Certificate	State approval for availing incentives
EDA	Electronic Design Automation	Design tool suites for chips
EHS	Environment, Health & Safety	Operational compliance domain

Abbreviation	Expansion	Brief context
EMI/EMC	Electromagnetic Interference/ Compatibility	Product/ lab conformity scope
EMS	Electronics Manufacturing Services	Contract manufacturing (boards/modules)
ESMA	Essential Services Maintenance Act	Essential services notification basis
FA	Failure Analysis	Device/ package defect analysis
IP	Intellectual Property	Patents/designs/ trademarks
ISM	India Semiconductor Mission	Govt mission administering semiconductor schemes
JEDEC	JEDEC Solid State Technology Assoc.	Device/ test/ reliability standards
LRN	Loan Registration Number	Banking/term-loan reference
MPW	Multi-Project Wafer	Shared shuttle for prototyping
NLA	No-Lien Account	Dedicated account for pari-passu disbursements
OSAT	Outsourced Semiconductor Assembly & Test	Third-party packaging/test services
PCBA	Printed Circuit Board Assembly	SMT/through-hole board build

Abbreviation	Expansion	Brief context
PSU	Public Sector Undertaking	Government-owned enterprise
PwD	Persons with Disabilities	Inclusion category
R&A	Regulation & Abolition	Contract Labour Act context
RajNivesh	Single-Window System (Rajasthan)	Time-bound clearances & approvals
RE	Renewable Energy	Green power sources
RERC	Rajasthan Electricity Regulatory Commission	State power regulator
RIPS-2024	Rajasthan Investment Promotion Scheme 2024	State umbrella incentives framework
VKI	Vishwakarma Industrial Area	Jaipur industrial area
ZLD	Zero Liquid Discharge	Water/wastewater compliance regime



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