

GOVERNMENT OF TELANGANA

ABSTRACT

ITE&C Department – Rural Technology Policy of the Government of Telangana – Orders – Issued.

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS (Promotions)
DEPARTMENT

G.O.Ms.No.06

Dated:10.05.2017

* * * *

ORDER:

1. Preamble

Information Technology and its allied sectors have been one of the main reasons for India’s emergence as an economic powerhouse. Apart from contributing to about 10% of the country’s GDP, this sector also provides employment to over 3.5 million professionals, of which a majority of them come from rural areas of the country. Realizing the importance of this availability of large talent pool in rural areas, the Government of Telangana aims to develop the rural areas of the state into emerging Technology Centres, which in turn aid wealth and job creation. Additionally, rural areas offer significant advantage, in terms of cost of living, operations cost, availability of skilled human resources at low cost, low commuting time, etc. These locations account for over 25% saving, as compared to large cities.

Past experiences and pilot projects from other regions show that these Rural IT Centres are capable of contributing to a wide array of industry needs. Following are some of these areas:

1. Data processing, data entry, data management and document digitization etc.
2. Voice related services that offer inbound call support such as customer service, inquiry handling, technical support services etc. and outbound call support such as product promotions, market research, customer feedback etc.
3. HR related services, financial accounting, legal support, web-marketing etc.

As the Information Technology sector is transforming rapidly with the growth of sub-sectors such as Data Analytics, Gaming & Animation, Social Media etc, it is just a matter of time before these rural centres become centres of development and support for these technologies. Given the gamut of tasks that could be performed, the Government of Telangana intends to call these centres as Rural Technology Centres (RTCs).For an IT centre to qualify as a Rural Technology Centre, it has to meet the following criteria:

- The centre should be setup either in a Mandal or Village Panchayat level
- The population of the Mandal or Village that the centre is in must have a population less than 50,000
- The location of the IT centre should be at a distance of atleast 50 km from the nearest city

Accordingly, the Government has identified the following goals that it would like to achieve in the next 3 years:

• Develop one Rural Technology Centre in each of the 31 Districts of the State
• Provide employment to at least 2,500 people through Rural Technology Centres
• Train 10,000 rural youth through TASK with the skills required by Rural Technology Centres

However, since the penetration of Information Technology in rural areas is still in a nascent stage in the country, setting up and operating a business comes with its own risks. The Government of Telangana has come up with a comprehensive set of incentives that mitigate the risks associated with this business:

2. Incentives

The ITE&C Department proposes the following categories of incentives for the promotion of Rural Technology Centres:-

2.1 Fiscal Incentives

- a. Reimbursement of panchayat taxes for first three years of operation for first 5 IT Companies in each town.
- b. Promotions Support
 - i. For promotion of IT events (by trade association) in rural locations, the Government would provide reimbursement/sponsorship for the event up to a maximum of Rs. 5 Lakhs or 50% of the event cost, whichever is lower.
 - ii. 50% Exhibition stall rental cost or Rs. 50,000, whichever is lower, will be reimbursed for participating in the notified national/international exhibitions limited to 9 sq.mts. of space.
- c. IT companies setting up operations in rural locations will be permitted to avail renewable energy under open access system from within the state after paying cost component to DISCOMs as fixed by ERC (subject to a maximum of one third of their total power requirements)
- d. 50% investment subsidy on fixed capital Investment, with a maximum limit per unit of Rs. 40 Lakhs limited to the first 3 companies. Thereafter, investment subsidy shall be fixed at 10%, with a maximum limit per unit of Rs. 8 Lakhs.
- e. Rental subsidy of 25% per square feet for three years for the first 3 companies. Thereafter, rental subsidy shall be fixed at 10% per square feet for three years.
- f. 25% reimbursement on Internet and Telephone charges for the first 3 years of operations.
- g. 100% exemption from payment of SD/EMD and cost of tender document.
- h. Workforce Development
 - i. As a part of Telangana Academy for Skills and Knowledge (TASK), the Government of Telangana will create skill development centres and Faculty Development programs for colleges and training institutions in rural areas
 - ii. Training subsidy of Rs. 2,500/month/person for 6 months.
 - iii. Recruitment Assistance at the rate of Rs. 20,000 per employee for a minimum annual recruitment of 50 new IT professionals from the colleges located in Telangana. This assistance will be managed and disbursed by TASK.
 - iv. Rs. 10 Lakhs subsidy to bridge the viability gap for first year for first 3 anchor units across all locations

2.2 Non-Fiscal Incentives

- a. The Rural Technology Centres are exempt from the purview of the Telangana Pollution Control Act
- b. IT Industry is exempt from inspections under the following Acts and the Rules framed thereunder, barring inspections arising out of specific complaints. The IT units are permitted to file self-certificates, in the prescribed formats.
 - The Factories Act 1948.
 - The Maternity Benefit Act 1961.
 - The Telangana Shops & Establishments Act 1988.
 - The Contract Labour (Regulation & Abolition) Act 1970.
 - The Payment of Wages Act 1936.
 - The Minimum Wages Act 1948.
 - The Employment Exchanges (Compulsory Notification of Vacancies) Act 1959.
- c. General permission for three shift operations with women working in the night for IT/ITES units/ companies
- d. Fibre based connectivity support with two Internet Service Providers

3. Appropriate Operational Guidelines for administration of incentives and initiatives mentioned in this Policy, indicating eligibility criteria and procedures thereon, is incorporated as a supplement to this Government Order.
4. The Policy will be in force for a period of 5 years from the date of issue of the Government Order.
5. This Order is issued with the concurrence of the Finance Department.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

**JAYESH RANJAN
PRINCIPAL SECRETARY TO GOVERNMENT**

To

All the Departments of Secretariat
The Metropolitan Commissioner, HMDA, Hyderabad
The Commissioner, Greater Hyderabad Municipal Corporation, Hyderabad
The Commissioner and I.G., Stamps and Registration, Hyderabad
The Vice Chairman and Managing Director, TSIIC, Hyderabad
The Commissioner of Industries, Hyderabad
The Commissioner, Information and Public Relations, Hyderabad
The Member Secretary, TS Pollution Control Board, Hyderabad
The Chairman & MD, TSTRANSCO, Hyderabad
The Chairman & MD, TSSPDCL/TSNPDCL/ TNREDCL
The Commissioner of Labour, Hyderabad
The Development Commissioner, VSEZ, Hyderabad
The Director, STPI, Hyderabad
The President, HYSEA, Hyderabad
The Regional Director, NASSCOM, Hyderabad
The President, FTAPCCI, Hyderabad
All the District Collectors

Copy to:

The Secretary to GoI, DeitY, Ministry of Communications & IT, New Delhi
The Hon'ble Chief Minister's Office/PRO to C.M.
The PS to Hon'ble Minister for IT, MA&UD, Industries, Hyderabad
The PS to Hon'ble Minister for Finance, Hyderabad
The PS to Hon'ble Minister for Revenue, Hyderabad
The PS to Hon'ble Minister for Energy, Hyderabad
The PS to Hon'ble Minister for Labour, Hyderabad
The PS to Chief Secretary
SF/SC

// FORWARDED : : BY ORDER //

SECTION OFFICER

Operational Guidelines for Administration of Incentives and Initiatives as per Rural Technology Policy

1. In order to achieve the objective of promotion of Rural Technology Centres as a key growth engine for employment generation and overall Economic development of the State of Telangana, Government after due consideration, issued orders putting in place the Rural Technology Policy, for a period of 5 years. The Policy document can be found in <http://www.it.telangana.gov.in/telangana-rural-technology-centres-policy/>

2. Further to enable Rural Technology Centres to set up, sustain, function and grow their operations in an investment-friendly, proactive, conducive and hassle free environment in the State, while identifying specific Focus Areas, Government has also announced certain incentives, subsidies and initiatives in the said Rural Technology Policy.

3. In continuation of the orders, Government hereby issues the following Operational Guidelines and Application Proforma for transparent administration and operationalization of the initiatives and incentives mentioned in the Rural Technology Policy to the eligible Rural Technology Centres as is applicable.

4. Applying for Incentives

4.1 A Common Application Form (as at **Annexure-I**) for claiming all the applicable incentives & subsidies that are available as per Rural Technology Policy for the Rural Technology Centres, as per their eligibility, has been designed keeping in view the statutory/audit/legal requirements of the Government.

4.2 The Application Form is available at www.it.telangana.gov.in; which can be downloaded and filled in with relevant columns. The filled in application can be emailed to cciti@telangana.gov.in with a copy to secy_ite@telangana.gov.in along with the all the required documents. The application form will not be considered unless submitted along with all the necessary documents. All the submitted documents are to be signed and sealed by a competent authority from the company applying for incentives.

4.3 Applicants should check the eligibility for claiming any specific incentive before filing the Application form.

4.4 The applicant is welcome to make personal enquiries/ clarifications on the eligibility criteria/filling & filing of Application form, process of the request, to avoid delays. Facilities for email enquiries are also available and shall be replied at the shortest possible time.

4.5 The request for any specific incentive is processed basing on the recommendations of the Consultative Committee on IT Industry (CCITI). The Composition and terms & conditions of CCITI is at **Annexure-II** which meets periodically and is competent body to solely accept or reject any claim or request for any eligible & applicable incentive to the Rural Technology Centres.

4.6 Best efforts shall be made for processing the requests for eligible and applicable incentives at the least possible time, subject to availability of budget/resources. The sanctioned amount of the financial incentive, if need be, are released on installment basis.

4.7 The Rural Technology Centres are required to follow and adhere to certain terms & conditions, as is prescribed in such sanction/release Order of the Government, with respect to the said/respective claim of incentive.

4.8 The eligibility criteria, procedure, and documents for reimbursement of panchayat taxes, provision of promotions support, availing renewable energy under open access system, subsidy on capital investments, subsidy on lease rentals, reimbursement of internet and telephone charges, availing recruitment assistance and training subsidy, viability gap funding,

exemption from payment of SD/EMD, and cost of tender document are detailed out in **Annexures III-X** respectively.

4.9 Processing and release of incentives are subject to verification of authenticity of information furnished on turnover, investment, employment and continuity in operations of business, from the statutory agencies.

4.10 In case it is found at any point of time that any incentive is claimed by any Rural Technology Centre through misrepresentation of facts/furnishing of false information and in case it is found that the respective company is not eligible for the incentive so sanctioned or claimed, Government can seek the refund of the same from the company and initiate any other penal action as is deemed fit.

4.11 The interpretation and decisions of the CCITI is final with regard to applications made by the Rural Technology Centres for any of the incentives available as per Rural Technology Policy.

4.12 All the incentives mentioned in the Rural Technology Policy would be applicable to Rural Technology Centres prospective to the date of issue of the orders on release of Rural Technology Policy.

5. In the current Rural Technology Policy, under section 2.1(h), Workforce Development, it has been mentioned that Telangana Academy for Skills and Knowledge (TASK), the Government of Telangana will create skill development centres and Faculty Development programs for colleges and training institutions in rural areas.

5.1 TASK is already associated with colleges and training institutes in all 31 districts of the State. TASK shall continue to extend its reach to remote areas of the State.

5.2 Any Rural Technology Centre requiring assistance from TASK can submit an application containing details of the workforce requirements and the location of the centre to ceo_task@telangana.gov.in. TASK shall then assist the centre in sourcing local talent and help develop the required skillset.

6. Government Orders declaring IT activity as an Essential Service under TS Essential Services Maintenance Act are currently under issue. Rural Technology Centres will be treated under ESMA at par/equivalent to IT Industry.

7. Projects meeting the TS-iPASS eligible conditions will be given single window status. Please visit <https://ipass.telangana.gov.in/> for eligibility criteria and further details.

8. Government Orders indicating the working conditions in IT sector, are currently under issue.

9. The Operational Guidelines issued for administration of Incentives available under Rural Technology Policy to the eligible Rural Technology Centres as mentioned above shall be in force within the validity period of the Rural Technology Policy.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

**JAYESH RANJAN
PRINCIPAL SECRETARY TO GOVERNMENT**

To
All the Departments of Secretariat
The Metropolitan Commissioner, HMDA, Hyderabad
The Commissioner, Greater Hyderabad Municipal Corporation, Hyderabad
The Commissioner and I.G., Stamps and Registration, Hyderabad

The Vice Chairman and Managing Director, TSIIC, Hyderabad
The Commissioner of Industries, Hyderabad
The Commissioner, Information and Public Relations, Hyderabad
The Member Secretary, TS Pollution Control Board, Hyderabad
The Chairman & MD, TSTRANSCO, Hyderabad
The Chairman & MD, TSSPDCL/TSNPDCL/ TNREDCL
The Commissioner of Labour, Hyderabad
The Development Commissioner, VSEZ, Hyderabad
The Director, STPI, Hyderabad
The President, HYSEA, Hyderabad
The Regional Director, NASSCOM, Hyderabad
The President, FTAPCCI, Hyderabad
All the District Collectors

Copy to:

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The Hon'ble Chief Minister's Office/PRO to C.M.
The PS to Hon'ble Minister for IT, MA&UD, Industries, Hyderabad
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The PS to Hon'ble Minister for Revenue, Hyderabad
The PS to Hon'ble Minister for Energy, Hyderabad
The PS to Hon'ble Minister for Labour, Hyderabad
The PS to Chief Secretary
SF/SC

// FORWARDED : : BY ORDER //

SECTION OFFICER

Annexure-I

(to G.O.Ms.No:06, ITE&C Dept, dated: 10.05.2017)

COMMON APPLICATION FORM FOR GRANT OF INCENTIVES TO RURAL TECHNOLOGY CENTRES LISTED IN THE RURAL TECHNOLOGY POLICY*

*** Note:**

1. Fulfillment of eligibility criteria for any request/claim/incentive mentioned hereunder, does not confer any right on the said claim, or entitle the applicant for suo-moto sanction/release of the same nor is it obligatory for sanction of such claim/request/release of incentive on the part of the Sanctioning Authority. The sanction/release of any incentive is based on justification, merits of each case and subject of availability of budget/resources with the Government. No correspondence, whatsoever, in this regard, will be entertained.
2. Please fill all the columns and enclose the relevant documentation to avoid rejection.
3. Please apply only for eligible & entitled benefit/incentive to avoid rejection.
4. The veracity on information/figures furnished in the application by the Rural Technology Centre, on investment/employment/turnover is subject to scrutiny and verification by the competent statutory authority such as STPI etc.
5. If any information/figures furnished in the application are found to be false at any point of time either during the process of the application or during the applicability of the respective incentive/benefit, or if the applicant obtained such incentive/benefit by misrepresentation of facts, the said incentive/benefit so sanctioned/released is subject to withdrawal and will attract penal clauses as is deemed appropriate/levied by the Government.
6. The filled application form should be mailed to cciti@telangana.gov.in with a copy to secy_itc@telangana.gov.in along with all the necessary documents.

APPLICATION FOR GRANT OF INCENTIVS TO RURAL TECHNOLOGY CENTRES

To

The Principal Secretary to Government
Information Technology, Electronics & Communications Department
Government of Telangana
D Block, 2nd Floor,
Telangana Secretariat
Hyderabad-500022

I. Details of Rural Technology Centre:

1. Name of the Company:

2. Name of the Managing Director:

3. Name(s) of the Director(s):

II. Address of Applicant:

Address:

Contact Person: Email:

Mobile: Telephone:

III. Nature and activities:

a. Constitution of the Organization: (Pl. tick one or more as is applicable)

Proprietary Partnership Pvt., Ltd., Ltd., Co.

b.1. Line of Activity/Core competency/nature/type of the Organization (Pl. mark):

- 1. Animation, Gaming & Digital Entertainment
- 2. VFX, Comics
- 3. IT/ITES/Communications/IT Infrastructure Developer/IT Park/IT SEZ
- 4. Product/R&D Companies
- 5. Engineering services
- 6. Training Institutions
- 7. Creation of IT Incubation Facilities

b.2.- In case your organization is engaged in multiple activities, please indicate your core competency & line of activity from which maximum revenues are generated:

b.3.- In case your core competency is in Product/R&D activity, please give details on Patents/Copy Right/Trade Mark obtained/registered/applied for on the date of application:

c. Date of incorporation of the Company/Firm

d. Date of commencement of commercial operations:
(Date on which the first invoice is raised by you on your client/customer)

e. Performance: last three years (in lakhs of Rupees):

Year	Export turnover	Domestic turnover	Total turnover

f. Total number of Employees employed at present:

IV. Incentive applied for (Please mark):

1.	Reimbursement of Panchayat Taxes	
2.	Reimbursement/Sponsorship for IT Event	
3.	Reimbursement of Exhibition Stall Rental Cost	
4.	Availing Renewable Energy under Open Access System	
5.	Subsidy on Capital Investments	
6.	Subsidy on Lease Rentals	
7.	Reimbursement of Internet and Telephone Charges	
8.	Recruitment Assistance	
9.	Training Subsidy	
10.	Viability Gap Funding	
11.	Reimbursement of SD and Cost of Tender Document	
12.	Exemption from Payment of EMD	

[1] Reimbursement of Panchayat Tax:

a. Date of commencement of operations:

b. Amount paid as Panchayat Tax:

c. Total Amount Requested as Reimbursement:

*** Enclose copy of invoice/receipt of the panchayat tax paid from the competent authority**

[2] Reimbursement/Sponsorship for IT Event:

a. Name and Location of the IT Event:

b. Total Cost of Conducting the Event:

c. Date of Event:

d. Total Amount Requested as Reimbursement/Sponsorship:

(50% of event cost or INR 5,00,000/-, whichever is lower)

***Enclose a Proposal including number of delegates, confirmed speakers and any other information supporting your case and a detailed statement of expected expenses for the event**

[3] Reimbursement of Exhibition Stall Rental Cost:

- a. Name and Location of the Exhibition:
- b. Stall Area (in sq. mts.):
- c. Cost of Stall Rental:
- d. Date of Event:
- e. Total Amount Requested as Reimbursement:

(50% of stall rental or INR 50,000/-, whichever is lower)

***Enclose copy of invoices/receipts from Exhibition organizers**

[4] Availing Renewable Energy under Open Access System:

The Rural Technology Centre may place a special representation with a project proposal justifying the total power requirement and sources of renewable energy, to avail this incentive under the aforesaid incentive scheme.

[5] Subsidy on Capital Investment:

- a. Total Capital Investment made (after April 2016):
- b. Amount of Capital Subsidy applied for:
(50% of Capital Investment or INR 40,00,000, whichever is lower, for first 3 companies; thereafter, 10% of Capital Investment or INR 8,00,000, whichever is lower)

*** Enclose Detailed Statement on Capital Investment made along with invoices, Bank Guarantee, as per proforma (Annexure - XI) for an equal amount of the claim for a period of 3 years from the date of commencement of operations.**

[6] Subsidy on Lease Rentals

- a. Name and location of leased premises/Rented premises:
- b. Extent of built up space taken (sft):
- c. Total lease rentals per annum:
- d. Amount Requested as Subsidy:
(25% of lease rentals for the first 3 companies for first 3 years of operation; thereafter, 10% of lease rentals for the first 3 years of operation. This incentive is capped at Rs 5 Lakh/Annum)

***Enclose receipts/invoices of payments made to the Landlord**

[7] Reimbursement of Internet and Telephone Charges

- a. Date of commencement of operations:
- b. Number of Months (mention dates):
- c. Amount paid for Internet Services:

- d. Amount paid for Telephone Services:
- e. Total Amount Requested as Reimbursement:
 (25% of total cost / Rs 2 Lakh/Annum,
 whichever is lower, for the first 3 years of operations)

***Enclose copies of invoices from the service providers**

[8] Reimbursement of Recruitment Assistance:

- a. Date of commencement of operations:
- b. Number of employees recruited from colleges
 in Telangana:
 (should be greater than 50)
- c. Total Amount Requested as Reimbursement:
 (INR 20,000 per employee)

***Enclose Certificate from Provident Fund/Bank/Profession Tax/Income Tax/any other competent authority office confirming the no. of the employees and proof of graduating from colleges in Telangana from Competent Authority for all the relevant employees**

[9] Training Subsidy

- a. Number of employees trained:
- b. Course Name and Duration (mention dates):
- c. Total Amount Requested as Reimbursement:
 (subject to a maximum of
 INR 2,500/employee/month for six months)

***Enclose Certificate from Provident Fund/Bank/Profession Tax/Income Tax/any other competent authority office confirming the names and no. of the employees and a certificate from TASK confirming the number of people, quality, and nature of training.**

[10]. Viability Gap Funding:

- a. Total Amount Requested as Viability Gap Funding:
 (subject to a maximum of INR 10,00,000 for
 first 3 anchor units)

***Enclose Business plan document, Justification letter, Forecasted financial statements for the first three years of operation, and a Bank Guarantee, as per proforma (Annexure - XI) for an amount of the claim for a period of 3 years from the date of commencement of operations**

[11] Reimbursement of SD and Cost of Tender Document:

- a. Date of Registration:
- b. Amount of Stamp duty:
- c. Cost of Tender Document:
- d. Total Amount Requested as Reimbursement:
 (100% reimbursement)

*** Enclose copies of the payment challans**

[12]. Exemption from Payment of EMD:

Please submit the filled application form along with a cover letter requesting for exemption from payment of EMD. Once approved, a signed letter will be given which can be used to avail the exemption for any Government Tender.

DECLARATION

We hereby declare that the particulars as given in the application are correct to the best of our knowledge and belief and agree to the terms & conditions of Sanction of our request/incentive claimed /applied through this application.

Place:

Date:

Signature:

Name of the Authorized signatory:

Designation:

Mandatory Documents for all applications:

- PAN Number and self-attested copy of PAN Card
- TAN/Service Tax/VAT Registration Number of the Corporate entity along with self-attested copies, if available
- ROC Copy/Partnership Deed/Trade License Copy
- Audited Financial Statements for a minimum of 3 years or since incorporation of company
- Memorandum of Association and Articles of Association documents

Annexure – II

(to G.O.Ms.No:06, ITE&C Dept, dated: 10.05.2017)

CONSULTATIVE COMMITTEE ON IT INDUSTRY (CCITI)

- 1) For administering the incentives to the Rural Technology Centres Industry in a smooth manner, a high level co-ordination between the various Departments of the Government and the Industry is required. For effectively resolving the problems, overcoming the impediments and ensuring growth of the IT Industry in the State, a Consultative Committee on IT Industry (CCITI) with the following composition has been constituted in the ICT Policy. The same shall administer over the Rural Technology Policy.
- 2) All applications shall be prima facie scrutinized by the ITE&C Dept (Promotion wing) on the eligibility, veracity of technical/financial and other information, etc., furnished by the applicant, which shall place its recommendations thereon, before the Consultative Committee on IT Industry (CCITI) for its consideration.
- 3) The CCITI shall act as a single window for recommending & granting all the incentives/subsidies announced through the Rural Technology Policy.
- 4) The CCITI shall meet periodically.
- 5) The terms of reference of CCITI are indicated below:
 - a. To grant various incentives available in the ICT Policy 2016, to ICT industry on examination of applications made by them including approving allotment of lands to the ICT Industry.
 - b. To resolve the problems in implementation of the ICT Policy for speedy realization of the goals set forth.
 - c. To prescribe the procedures and to issue guidelines and clarifications in implementation of the ICT Policy 2016.
- 6) By extension, the terms of reference of CCITI would extend to Rural Technology Policy in addition to the ICT Policy 2016.
- 7) The CCITI can recommend/approve/reject/defer any application for incentives based on its logical discretion.
- 8) The term of the members of CCITI shall be decided by the Government as per ICT Policy 2016.

Annexure-III

(to G.O.Ms.No:06, ITE&C Dept, dated: 10.05.2017)

REIMBURSEMENT OF PANCHAYAT TAXES

Rural Technology Centres will be reimbursed panchayat taxes paid for the first three years of operation. This incentive is offered to the first 5 IT centres in each town (subject to location constraints set in the Rural Technology Policy)

1. Eligibility:

- a. Any Rural Technology Centre

2. Procedure:

The Rural Technology Centre should submit duly filled up common application form to the ITE&C Department along with the required documents as stated below for placing before the CCITI for approval.

3. Documents Required:

- Copy of invoice/receipt of the Panchayat Tax paid from the competent authority.

Annexure-IV

(to G.O.Ms.No:06, ITE&C Dept, dated:10.05.2017)

PROVISION OF PROMOTIONS SUPPORT

- a. Trade associations can request for reimbursement of the amount spent towards conducting IT Events in rural locations. The Government would provide up to a maximum of INR 5 Lakhs or 50% of the event cost, whichever is lower, based on the impact expected out of it as decided by CCITI.
- b. Rural Technology Centres can avail up to 50% of the cost or Rs. 50,000, whichever is lower, spent for exhibition stall rentals limited to 9 sq. mts. of space.

1. Eligibility:

For reimbursement/sponsorship of IT Event:

- a. Any trade association that has a minimum membership of 50 companies is eligible to apply
- b. The event must have (expected) footfall of over 50

For reimbursement of stall rental:

- a. Any Rural Technology Centre which participated in the notified technology conferences/exhibitions listed out by the ITE&C Department in a separate Memo. The CCITI shall take a final call as per the mentioned Memo.

2. Procedure:

The Rural Technology Centre/Trade Association should submit duly filled up common application form to the ITE&C Department along with the required documents as stated below for placing before the CCITI for approval.

3. Documents Required:

For reimbursement of IT Event:

- Prior permission to conduct such an event should be taken for reimbursement by submitting the following:
 - Proposal including number of delegates, confirmed speakers and any other information supporting your case
 - Detailed statement of expected expenses for the event
- Detailed audited statement of expenses towards the Event along with copies of invoices to be submitted within a month of the event

For reimbursement of stall rental:

- Copy of invoice/receipt from the organizer clearly stating the name of the participating company and the event and the area of the stall along with the total cost paid by the company

Annexure-V

(to G.O.Ms.No:06, ITE&C Dept, dated: 10.05.2017)

SUBSIDY ON CAPITAL INVESTMENTS

Rural Technology Centres can avail a subsidy on fixed capital investment made to set up operations. This subsidy is limited to 50% of investment or INR 40 Lakhs, whichever is lower for the first 3 companies across the State; thereafter a maximum subsidy of 10% of investment or INR 8 Lakh will be applicable.

1. Eligibility:

Any Rural Technology Centre which makes a minimum capital investment of 20 Lakhs is eligible to apply for this incentive investment. However, this incentive is subject to a minimum of 3 years of operation by the Rural Technology Centre. CCITI shall deem whether the company is among the first 3 companies or not.

2. Procedure:

The Rural Technology Centre should submit duly filled up common application form to the ITE&C Department along with the required documents as stated below for placing before the CCITI for approval.

3. Documents Required:

- Detailed Statement of the Capital Investments made along with invoices
- Bank Guarantee, as per proforma (**Annexure - XI**) for an equal amount of their claim for a period of 3 years from the date of commencement of operations.

Annexure-VI

(to G.O.Ms.No:06, ITE&C Dept, dated: 10.05.2017)

SUBSIDY ON LEASE RENTALS

Rural Technology Centres can avail a subsidy on lease rentals for the first 3 years of operations. 25% subsidies of lease rentals shall be applicable. The subsidy can be availed as reimbursement on a yearly basis or higher. The subsidy will be 10% of lease rentals after the first 3 companies have availed this reimbursement. This is subject to a maximum cap of Rs 5 Lakh/Annum.

1. Eligibility:

Any rural technology centre is eligible to avail subsidy on lease rentals for the first 3 years of operation. CCITI shall deem whether the company is among the first 3 companies or not.

2. Procedure:

The Rural Technology Centre should submit duly filled up common application form to the ITE&C Department along with the required documents as stated below for placing before the CCITI for approval.

3. Documents Required:

- Copy of receipts/invoices of payment made to the Landlord

Annexure-VII

(to G.O.Ms.No:06, ITE&C Dept, dated: 10.05.2017)

REIMBURSEMENT OF INTERNET AND TELEPHONE CHARGES

Rural Technology Centres can avail a reimbursement of 25% of the Internet and Telephone charges for the first 3 years of operations. This is subject to a maximum cap of Rs 2 Lakh/Annum.

1. Eligibility:

Any rural technology centre is eligible to avail this reimbursement during the first 3 years of operation. This is subject to continuous operation of the centre during the period applied for.

2. Procedure:

The Rural Technology Centre should submit duly filled up common application form to the ITE&C Department along with the required documents as stated below for placing before the CCITI for approval.

3. Documents Required:

- Copy of receipts/invoices from the service providers for the period applied for

Annexure-VIII

(to G.O.Ms.No:06, ITE&C Dept, dated: 10.05.2017)

AVAILING RECRUITMENT ASSISTANCE AND TRAINING SUBSIDY

Rural Technology Centres would be eligible for reimbursement towards recruitment assistance for an amount of Rs.20,000 per employee for employing a minimum of 50 IT professionals from the colleges located in Telangana within one year of commencement of commercial operations. This is subject to the 50 professionals working here for 1 year from their date of appointment.

Further, Rural Technology Centres can avail a training subsidy of Rs. 2,500/month/person for a maximum of six months to develop those skills for which courses are not offered through TASK.

1. Eligibility:

For Recruitment Assistance:

- a. The rural technology centre would have to employ 50 IT professionals from colleges located in Telangana through TASK within 1 year of commencement of operations
- b. The employees for whom recruitment assistance is availed for should work for the centre for a minimum period of 1 year from their date of appointment.
- c. In case the number of professionals employed is greater than 50, but the number of these employees retained by the company for 1 year is less than 50, the recruitment assistance will be applicable for only the retained set.

For Training Subsidy:

- a. Training subsidy can be availed to develop those skillsets that are not offered as courses by TASK
- b. The employees for whom training subsidy is availed for should work for the centre for a minimum period of 1 year from their date of completion of training.
- c. In case some of the employees are not retained by the centre for 1 year, the subsidy will be applicable for only the retained set.

2. Procedure:

The Rural Technology Centre should submit duly filled up common application form to the ITE&C Department along with the required documents as stated below for placing before the CCITI for approval.

3. Documents Required:

For Recruitment Assistance:

- Certificate from Provident Fund/Bank/Profession Tax/Income Tax/any other competent authority office confirming the no. of the employees.
- Proof of graduating from colleges in Telangana from Competent Authority for all the employees for which this incentive is being applied.

For Training Subsidy:

- Certificate from Provident Fund/Bank/Profession Tax/Income Tax/any other competent authority office confirming the names and no. of the employees.
- A certificate from TASK confirming the number of people, quality, and nature of training

Annexure-IX

(to G.O.Ms.No:06, ITE&C Dept, dated:10.05.2017)

VIABILITY GAP FUNDING

Large Rural Technology Centres can avail a subsidy of INR 10 Lakh to bridge the viability gap for first year. This will be applicable for the first 3 anchor units across all locations.

1. Eligibility:

Rural Technology Firms that promise to employ more than 100 people, put in a capital investment of more than INR 1 Cr excluding any capital investment subsidies availed, and operate for a minimum period of 3 years are eligible to apply

2. Procedure:

The Rural Technology Centre should submit duly filled up common application form to the ITE&C Department along with the required documents as stated below for placing before the CCITI for approval.

3. Documents Required:

- Business plan document
- Justification letter
- Forecasted financial statements for the first three years of operation
- Within three months of completion of three years of operation, financial statements of the said years are to be submitted
- Bank Guarantee, as per proforma (**Annexure - XI**) for an equal amount of their claim for a period of 3 years from the date of commencement of operations

Annexure-X

(to G.O.Ms.No:06, ITE&C Dept, dated: 10.05.2017)

**EXEMPTION FROM PAYMENT OF STAMP DUTY/EARNEST MONEY DEPOSIT
AND COST OF TENDER DOCUMENT**

Rural Technology Centres can avail 100% reimbursement of Stamp Duty and the Cost of Tender Document. Moreover, they can be exempted from Earnest Money Deposit.

1. Eligibility:

Any Rural Technology Centre can avail this exemption/reimbursement.

2. Procedure:

The Rural Technology Centre should submit duly filled up common application form to the ITE&C Department along with the required documents as stated below for placing before the CCITI for approval.

3. Documents Required:

For Stamp Duty/Cost of Tender Document Reimbursement:

- Copies of Payment Challans

For Exemption of Earnest Money Deposit

- The application form can be filled along with a cover letter seeking exemption from payment of EMD

SAMPLE CERTIFICATE FOR EXEMPTION FROM PAYMENT OF EMD

This is to certify that the company M/s _____ has been recognized as a Rural Technology Centre as per the Rural Technology Policy and has been exempted from payment of EMD for any Government Tender pertaining to IT/ITeS procurement.

Signature and Seal
Principal Secretary to Govt,
ITE&C Department

ANNEXURE - XI

(to G.O.Ms.No:06, ITE&C Dept, dated: 10.05.2017)

PERFORMANCE GUARANTEE
(BANK GUARANTEE)

This performance Bank Guarantee made thisday ofmonth
.....year by M/s....., having its registered office at
.....

- A) Whereas M/s a company incorporated under the Companies Act 1956 and having its corporate office at requested for the incentive of
- B) Whereas on consideration of the said request, the Government of Telangana based on Rural Technology Policy, issued vide G.O.Ms.No. ..., ITE&C Department, dt: .04.2017, read with G.O.Ms.No....., dt:..... on the Operational Guidelines thereon, has sanctioned an amount of Rs..... and released an amount of Rs..... as installment in this regard.
- C) Further as per the G.O.Ms.No. ..., ITE&C Department, dt: .04.2017, read with G.O.Ms.No....., dt:..... on the Operational Guidelines. ITE&C Department, Government of Telangana and M/s..... have agreed that in the event M/s.....fail to fulfill the conditions, in full or in part, then in such an event, Rs..... (Rupees.....) is to be refunded to the ITE&C Department, Government of Telangana.
- D) In order to secure the performance of M/s.....to pay the claim amount basing on the terms and conditions contained in the G.O.Ms.No..., ITE&C Department, dt: .04.2017, read with G.O.Ms.No....., dt:..... on the Operational Guidelines thereon, by Government of Telangana, as required, M/s.....has requested the Bank to provide a Guarantee and the Bank hereby guarantee the payment of the claim amount subject to the following terms and conditions.

NOW THIS BANK GUARANTEE WITNESSETH FOLLOWS:

- 1) All capitalized terms used herein and in G.O.Ms.No..., ITE&C Department, dt: .04.2017, read with G.O.Ms.No....., dt:..... on the Operational Guidelines, hereto if not specifically defined shall have the same meaning assigned to.
- 2) The Bank hereby irrevocably guarantee and undertake to pay to ITE&C Department, Government of Telangana, on written demand, without demur, reservation, contest, recourse or protest, to the ITE&C Department, Government of Telangana the claim amount in full.
- 3) Notwithstanding anything contained herein above, the Bank's maximum liability under this guarantee is strictly restricted to Rs..... (Rupees.....only).
- 4) This Guarantee will come into force with immediate effect and shall remain in force and valid for a period of three years.
- 5) This unconditional and irrevocable Bank Guarantee shall be available for invocation and payment at the bank counters in Hyderabad or Secunderabad. Any demand under the guarantee must be made in writing and must be dispatched at the Bank's address atwhilst the guarantee remains in force as above. On receipt of such demand, the guarantor shall pay to the ITE&C Department, Government of Telangana the amount of the demand within 15 business days following the invocation of the guarantee by the ITE&C Department, in writing as aforesaid.

The courts located in the twin cities of Hyderabad and Secunderabad shall have jurisdiction over any dispute arising out of this guarantee.

Notwithstanding anything contained herein:

1. Our liability under this Bank Guarantee shall not exceed Rs.....
(Rupees.....only).
2. This Bank Guarantee shall be valid upto 3 years and
3. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if ITE&C Department serve upon us a written claim or demand on or before(Date of expiry of Guarantee).

In witness whereof the guarantee is executed by Sri..... on behalf of the Bank who as Principal Officer of the bank are authorised and competent to execute such like guarantees including the present one.