

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Setting up of Rural Business Process Outsourcing [BPO] units – Issue of Guidelines.

Read: 1] G.O. No. ITD 39 MDA 2008, dated 19-1-2009.  
2] G.O. No. ITD 39 MDA 2008[1], dated 4-2-2009.  
3] Corrigendum for the G.O. No. ITD 39 MDA 2008, dated 4-2-2009.

**PREAMBLE:**

In the Government Order read above, Government were pleased to announce the Rural BPO Scheme in Taluka / Hobli headquarters having a population of less than one lakh along with details of incentivisation of Rural BPO units.

In the Government Order read at [2] above, Government were pleased to issue the guidelines for implementation of Rural BPO Project and prescribed the application format for submission of proposals for establishment Rural BPO Centers from the entrepreneurs.

Now, the Government has felt that in order to implement the scheme effectively, it has been necessitated to issue revised guidelines in super-session of the earlier guidelines issued in Government Order dated 4-2-2009. Hence the order.

**GOVERNMENT ORDER NO. ITD 39 MDA 2008 [1], BANGALORE,  
DATED 11-03-2010**

In super-session of the Government Order read at [2] above, Government are pleased to issue the revised guidelines for implementation of the Rural BPO Projects as follows:-

**Guidelines for Rural BPO Project:**

1. Capital Investment Subsidy and financial support will be released in 3 stages as follows:
  - a) Towards Infrastructure: 50% of Capital Investment Subsidy i.e. Rs.10 lakhs after installation of the equipment / capital goods
  - b) Towards Training: 50% on submission of proof of employment to 100 persons.  
50% on completion of training.
  - c) Towards Internet connectivity/rentals/telephone connectivity: 50% on the activation of Internet / Telephone connectivity

- d) Balance amount of Capital Investment Subsidy shall be released after commencement of operation and inspection by the Chairman or officer authorized by Chairman of the Screening Committee and submission of proof of business carried out.

2. Evaluation matrix (marks):

| Sl. No. | Criterion   | Max Marks       |
|---------|---|-----------------|
| 1       | SC / ST/Physically Handicapped  | 5               |
| 2       | Local Entrepreneur  | 5               |
| 3       | Located in the Backward / Most Backward Talukas mentioned in Dr. Nanjundappa Report on Regional Imbalances. | 5               |
| 4       | Technically Qualified (BE/ Diploma/MBA/MBBS/BDS)  | 5               |
| 5       | Woman Entrepreneur  | 5               |
| 6       | Financial Capability / Investment   | 5               |
| 7       | Technical Evaluation  | 10              |
| 8       | Proof of business commitment from Companies for the proposed Rural BPO                                      | 10              |
|         | <b>TOTAL</b>  | <b>50 Marks</b> |

3. KBITS will be the Nodal Agency for implementation of the Scheme.
4. The Unit shall start its operations with minimum 100 employees within 3 months from the date of signing of agreement, failing which the order will be cancelled.
5. The following conditions shall be adhered to towards implementation of the project:-
1. A new firm/company should be opened within one month by the entrepreneur after sanction of the Rural BPO unit to carry out the activities under the scheme. Units will not be permitted to implement the scheme under existing business nomenclature.
  2. Once the Screening Committee approves a Rural BPO unit, no change of place for setting up the unit would be considered. A unit can apply for one place only.

3. Once the sanction is given by Government for a Rural BPO unit, agreement shall be signed within 15 days from the date of issue of sanction letter for the new firm / company.
4. For the first batch of 100 employees, necessary training by the sanctioned unit shall be completed within four months from the date of signing of agreement.
5. The first salary of the 100 employees shall be paid by the unit before the end of 5<sup>th</sup> month from the date of signing of agreement.
6. As per the Government Order, State support would be only for two years or up to such extended period until the limit of sanction of financial support towards building/rentals, internet etc., is exhausted, not exceeding a total period of three years.
7. Government shall extend financial support under the scheme only for a maximum period of three years from the date of agreement.
8. Financial support of the State Government shall be subject to the condition that a minimum of 100 persons are employed by the unit for a continuous period of three years of operation from inception, on a monthly basis.
9. There will be no financial support to a sanctioned unit beyond 100 employees. In other words, if the unit employs more than 100 persons, the financial support extended by Government shall be limited to only 100 employees.
10. Each unit shall install biometric systems for recording the attendance of employees working in the unit, before commencement of operations without fail.
11. Before releasing payment to a sanctioned unit, the Director IT and BT shall cause inspection by a team of minimum of two officers. A check list shall be provided to the team of officers for conducting inspection. Further random check of the BPO units should be done by the Director, IT and BT from time to time.

12. Director IT and BT shall nominate a senior officer of KBITS to scrutinize, sanction and release payment to the Rural BPO unit subject to condition that sanction and release papers shall be signed jointly by the senior officer [nominated by Director IT and BT] with the Accounts Officer of KBITS / DIT, after proper verification with regard to all financial documents.

**BY ORDER AND IN THE NAME OF THE  
GOVERNOR OF KARNATAKA,**

*M.V. Krishnamurthy*  
[M.V. Krishnamurthy]

Under Secretary to Government,  
Department of Information Technology,  
Biotechnology and Science & Technology

Copy to:

1. The Accountant General, [Audit/Accounts] in Karnataka, Bangalore,
2. The Director, Department of Information Technology, Bio Technology, Bangalore,
3. The Managing Director, Karnataka Bio Technology and Information Technology Services, UNI Bulilding, , Bangalore.
4. The Joint Director, State Huzur Treasury, Nrupathunga Road, Bangalore.
5. The Under Secretary to Government, Finance Department, [Exp-2], Vidhana Soudha, Bangalore,
6. The Deputy Director, TNMC, Khanija Bhavan, Race Course Road, Bangalore,
7. All the Deputy Commissioners of the district,
8. Officer on Special Duty, IT, BT and S& T Department,
9. The Deputy Secretary to Govt, [IT & BT],
10. The P.S. to the Principal Secretary to Government, IT, BT & S&T Department,
11. Weekly Gazette/Guard File/Spare Copies.