

Ease of Doing Business : **Telangana**

With a special focus on Lifesciences sector

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This report aims to provide a comprehensive view of the business-friendly environment prevalent in the State, with a focus on Lifesciences sector. It aspires to help new businesses understand and evaluate their choice of business location in India.

In June 2014, Telangana became the 29th state of India, with Hyderabad as its capital. Since its inception, it became the fastest growing state in the country. Telangana has established itself as preferred investment destination for businesses and currently ranks 3rd in Ease of Doing Business rankings as per NITI Aayog EoDB rankings 2021. This is credited primarily to the investor friendly Government policies, especially the single window clearance system for industrial approvals established in 2015, as well as other fiscal measures.

Telangana is dominated by its services sector, which constitutes 64% of its economy, driven by IT and pharmaceuticals. Telangana outperformed all southern States with an annual average growth rate of 11.7% between 2015-2016 and 2020-2021 and achieved top rank amongst all southern states in terms of average growth rate of GSDP. This is credited to its robust growth and infrastructure, including uninterrupted power, water and road network

Section 1

Telangana Overview

1

- 1.1 Telangana economic profile: Fastest growing state in India
- 1.2 Business environment: Ranking
- 1.3 Key districts in Telangana for economic activity
- 1.4 Lifesciences sector overview: Continues to spearhead growth of the state
- 1.5 Investments during pandemic in Hyderabad

1.1 Telangana economic profile: Fastest growing state in India

Since its inception in 2014, Telangana has been on the forefront of development with innovative policy initiatives to encourage establishment of new businesses. The presence of some of the biggest companies of the world can be attributed to Telangana’s investment friendly policies.



Map 1 : Location- Telangana

Strong Growth Trajectory

- 1st**
 in terms of Per Capita Net State Domestic Product (NSDP) at current prices for 2021-22 ^[1]
- 2nd**
 highest in Gross State Domestic Product (GSDP) growth rate (at current prices) 2021-2022 ^[2]
- 5th**
 rank in export preparedness among landlocked states ^[3]
- 94%**
 growth in GSDP between 2014- 2021 ^[4]
- 31.12%**
 growth in Gross Domestic Product (GDP) in past decade (highest jumps for any state in the country) ^[5]
- 8.3 Mn**
 estimated working population in 2019*
- Major Urban Centers**
 Hyderabad, Warangal, Karimnagar, Nizamabad ^[6]
- Prominent Thrust areas**
 Lifesciences, Electronics, IT, Automobiles and EV, Aerospace and defense ^[6]

1.2 Business environment : Rankings

According to Niti Aayog’s Export Preparedness Index Report Telangana is ranked **1st** in business environment due to its innovation index performance and low power cost. The states are ranked based on indicators such as labour reforms, innovation capacity, single-window facilitation, power availability, industrial power costs and the investments attracted in the last three investor summits.

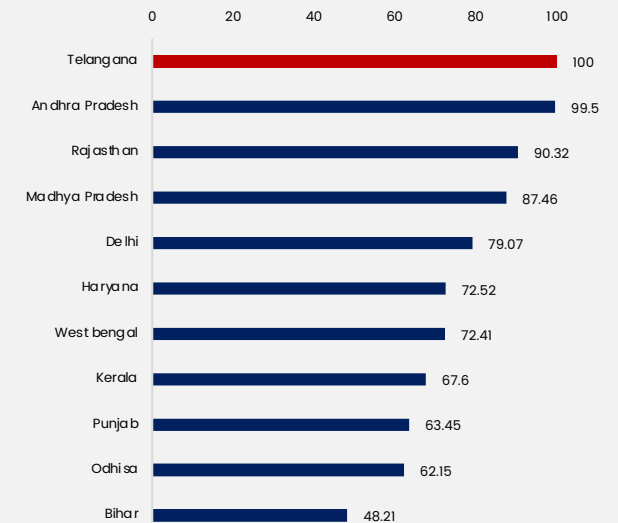
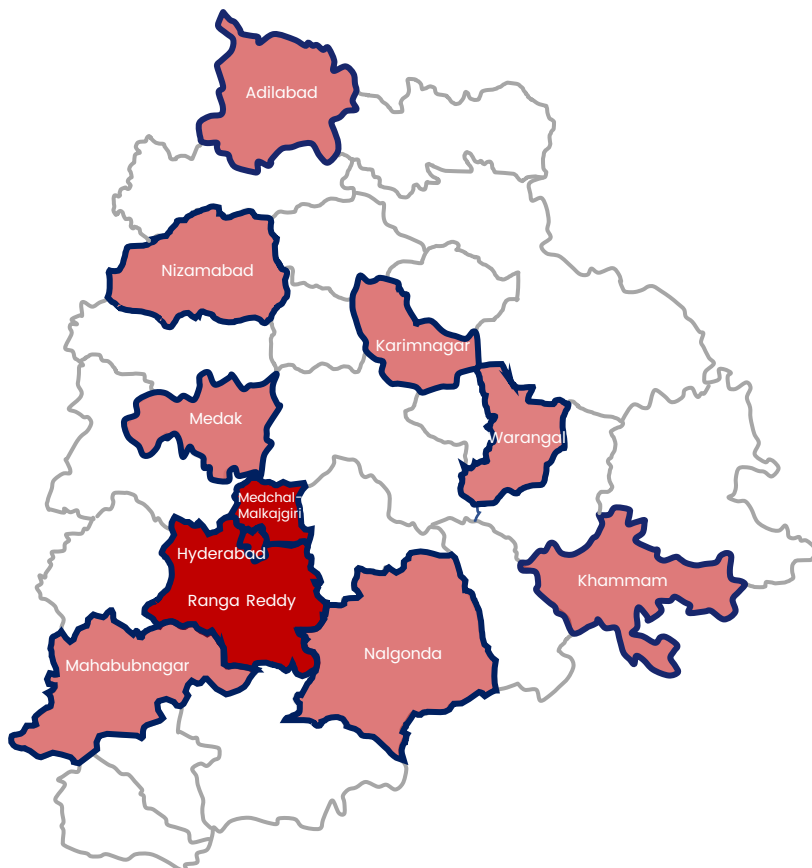


Fig. 1 : Business environment rankings^[7]

*Scores are relative to 10 states/ UTs with similar GDP. Anhra Pradesh, Delhi, Rajasthan, Madhya Pradesh, Kerala, Haryana, West Bengal, Punjab, Odisha, Bihar^[7]

1.3 Key districts in Telangana for economic activity



Map 2 : District map of Telangana

Legend

- Major districts with economic activity and high presence of Lifesciences companies

*Medchal-Malkajiri is part of Greater Hyderabad

| Major Districts | Major Industry classification | Industry concentration | Operations |
|----------------------------------|--|------------------------|---------------------------------------|
| Ranga Reddy ^[8] | IT , Lifesciences, Food Processing, Defense and Aerospace ^[8] | 4,387 ^[16] | R&D and Manufacturing ^[16] |
| Hyderabad ^[8] | IT, Lifesciences , Textile ^[8] | 4,260 ^[17] | R&D and Manufacturing ^[17] |
| Medchal-Malkajiri ^[8] | Lifesciences , Automobile, Construction based industries ^[8] | 7,397 ^[18] | R&D and Manufacturing ^[18] |
| Mahabubnagar ^[8] | Minerals, Lifesciences , Leather, Textiles ^[8] | 380 ^[19] | Manufacturing ^[19] |
| Adilabad ^[8] | Cement, Paper, Textiles ^[8] | 113 ^[9] | Manufacturing ^[9] |
| Nizamabad ^[8] | Cement, Mineral, Food Processing ^[8] | 689 ^[10] | Manufacturing ^[10] |
| Karimnagar ^[8] | Fertilizers, Power, Cement Textiles ^[8] | 986 ^[11] | Manufacturing ^[11] |
| Warangal ^[8] | Mineral, Food Processing, Leather, Textiles ^[8] | 719 ^[12] | Manufacturing ^[12] |
| Medak ^[8] | Chemical, Engineering, Automobile, Lifesciences ^[8] | 341 ^[13] | Manufacturing ^[13] |
| Nalgonda ^[8] | Cement, Lifesciences ^[8] | 562 ^[14] | Manufacturing ^[14] |
| Khammam ^[8] | Granite, Paper, Power, Metallurgy ^[8] | 2,082 ^[15] | Manufacturing ^[15] |

Table 1: Major districts for economic activity in Telangana

“Telangana under its Lifesciences grid strategy has set a target of doubling the value of the Lifesciences ecosystem to about USD 100 Bn by 2030 from the current USD 50 Mn with creation of about 400,000 new jobs [20]”

KT Rama Rao
IT E&C, MA&UD, Industries and Commerce Departments of Telangana

1.4 Lifesciences sector overview: Continues to spearhead growth of the state

Telangana Lifesciences industry has made significant contributions during the pandemic, through development and manufacture of its life saving and affordable vaccines and continues to strengthen its position as a leading global Lifesciences destination.

Leading Lifesciences hub



13 Bn USD

revenue generated by Telangana Lifesciences sector in 2020^[21]



~1/3rd

of global vaccine output contribution^[22]



50%

of bulk drug exports from India in 2019-2020^[23]



~40%

Contribution to total Indian API production^[23]



> 35%

India's pharmaceutical production^[22]



10%

contribution to State's GDP by Telangana's Lifesciences sector^[22]



60%

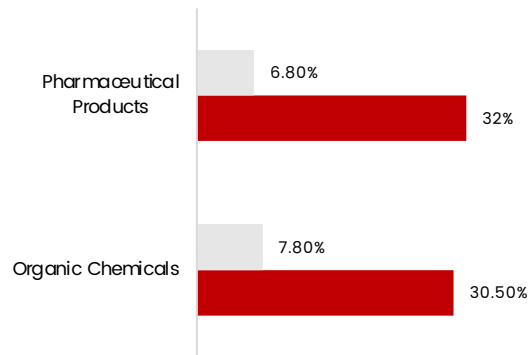
of the state's merchandise export accounted by Telangana's Lifesciences sector^[22]



800+

Pharma and Biotech companies^[24]

Pharmaceutical and Chemicals contributes the most to the State's export performance^[6]



■ Share in total merchandise export (2019-20)
 ■ Export CAGR from 2015-16 to 2019-20

Lifesciences sector in the state has attracted investments worth USD 2 Bn and generated employment for more than 84,000 people over the last five years.^[25]

NDTV, July 2022

“The State has attracted USD 800 Mn investments in Lifesciences in 2021-22, a 200% increase in Lifesciences investments from previous year^[26]”

KT Rama Rao
 IT E&C, MA&UD, Industries and Commerce
 Departments of Telangana



1.5 Investments during pandemic in Hyderabad

Despite the widespread health and economic distress caused by Covid-19 pandemic, the Lifesciences sector in Telangana has responded with resilience and Hyderabad has even managed to secure major investment during this time.



“We are an example of what is possible in Hyderabad’s rich Lifesciences ecosystem. Today, as we build world class R&D capabilities and invest in nurturing talent with deep domain expertise, I can unhesitatingly say, Hyderabad is truly a city where pharma dreams are made.” [39]

Krishna Kanumuri
 CEO & MD of Sai Lifesciences

Section 2

Enabling Infrastructure

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- 2.1 Networking environment
- 2.2 Transport infrastructure
- 2.3 Logistic support infrastructure
- 2.4 Air connectivity
- 2.5 Port connectivity

2.1 Networking environment

Industry and Government partnerships towards promoting a collaborative environment in the State have led to the creation of strong networking platforms.

RICH |  | Established in 2014

Research and Innovation Circle of Hyderabad is an initiative by Government of Telangana. RICH acts as a facilitator and fosters industry-academia and industry-institutional collaborations.

Impact of RICH

200+

Start-ups supported ^[40]

30+

Research/ Academic institutions collaboration fostered ^[40]

20+

Incubators onboarded ^[40]

15+

Associations/ Foundations/ Development Agency/ Partnerships fostered ^[40]

FABA |  | Established in 2005

Federation of Asian Biotech Associations (FABA), is a non-profit organization created to provide a global platform for the development of biotechnology across the globe, particularly in Asian countries.

FABA provides a common platform for the academy, industry, and government bodies in Asia for networking, knowledge-sharing and promoting academic & industrial collaborations. ^[41]

BioAsia |  | Established in 2004

BioAsia is the annual global conference organized by FABA and Government of Telangana, acts as a catalyst for Lifesciences industry, providing a common platform to all stakeholders to discuss the current status of the sector, new opportunities, and possibilities of collaboration.

Achievement of BioAsia since its inception

USD 2.6 Bn

Investment attracted in Lifesciences ^[42]

70+

Countries participated in 2022 ^[42]

250+

Letters of Intent, bilateral co-operation agreements and MoUs have been signed ^[42]

20+

New initiatives and projects announced ^[42]


Lifesciences Grid |  | Established in 2019


Lifesciences Grid is an initiative by Government of Telangana to create a network of infrastructure, skilled workforce, stakeholders and efficient processes. ^[43]


The Grid will provide necessary support to the Lifesciences Industry including Pharma, Biotechnology, Healthcare and other related Lifesciences sector. ^[43]

The Grid will connect entire Lifesciences ecosystem in Telangana to leverage and collaborate with each other. ^[43]


Offerings

 Access to existing industry ^[43]

 Access to scientific community ^[43]


 Access to land and state-of-the art infrastructure ^[43]

 Industry-Academia collaboration ^[43]

 Access to skilled manpower ^[43]

 Support to R&D ^[43]

 Fast track approvals ^[43]

 Platform to showcase innovative ideas ^[43]

GV Connect |  | Established in 2020


GV Connect with its genesis in Genome Valley is a first-of-its-kind cluster development platform that aims to promote the growth of Lifesciences clusters in India. ^[44]


GV Connect assist in development of self-sustaining ecosystem that can offer tangible benefits to the businesses located within clusters. ^[44]

Offerings

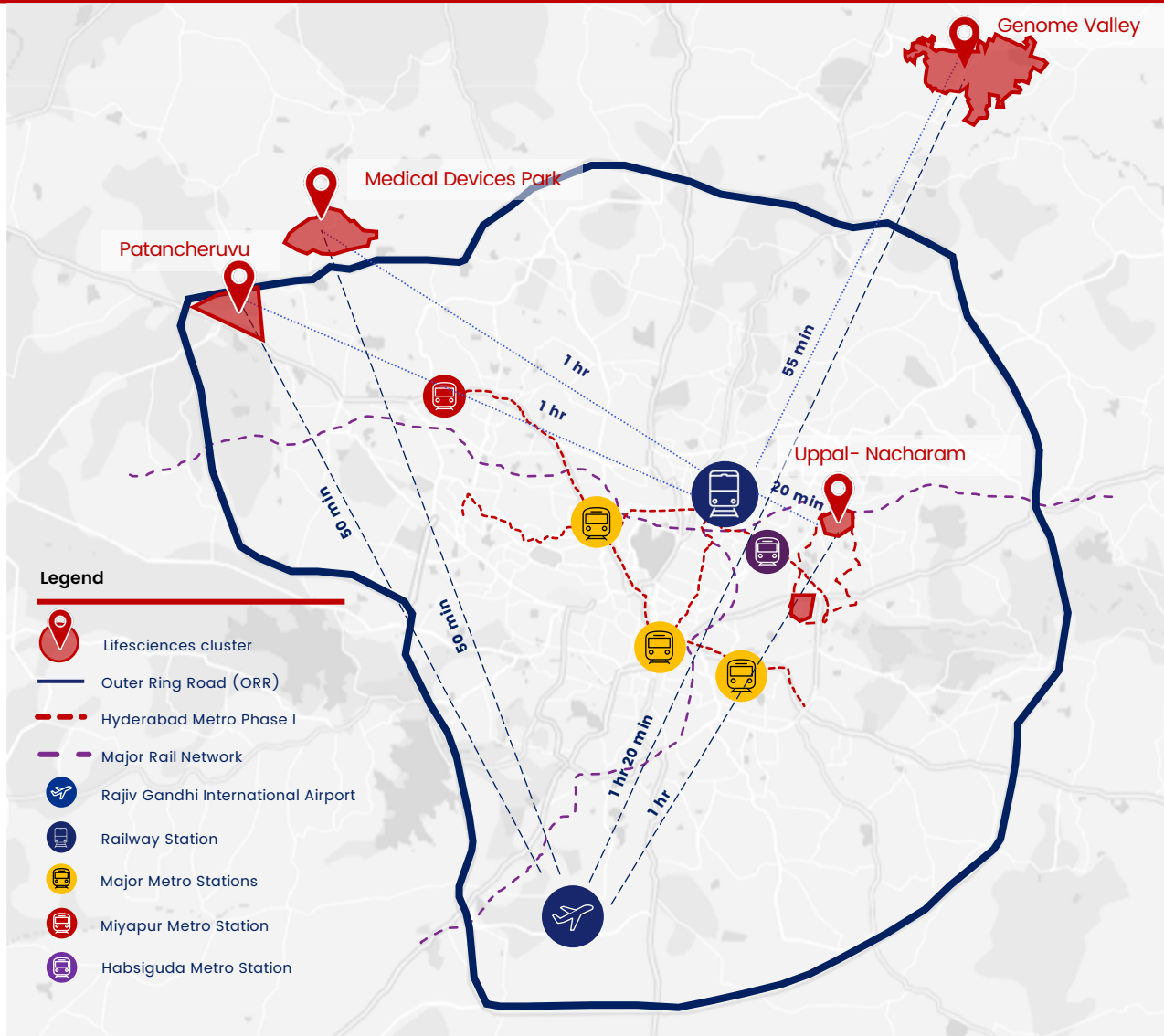
 Networking platform

 Undertaking initiatives with social impact

 Conducting webinar and seminar

 Initiative to strengthen the cluster

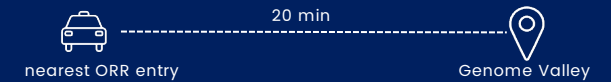
2.2 Transport infrastructure



Robust road and metro rail connectivity

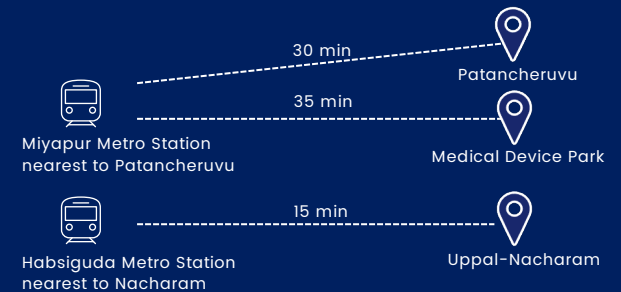
Nehru Outer Ring Road

158 KMs long, 8 lane expressway encircling Hyderabad, connecting all major industrial clusters with International Airport and residential clusters. ORR has eased out the connectivity with the suburban locations, airport and rest of the city. [6]



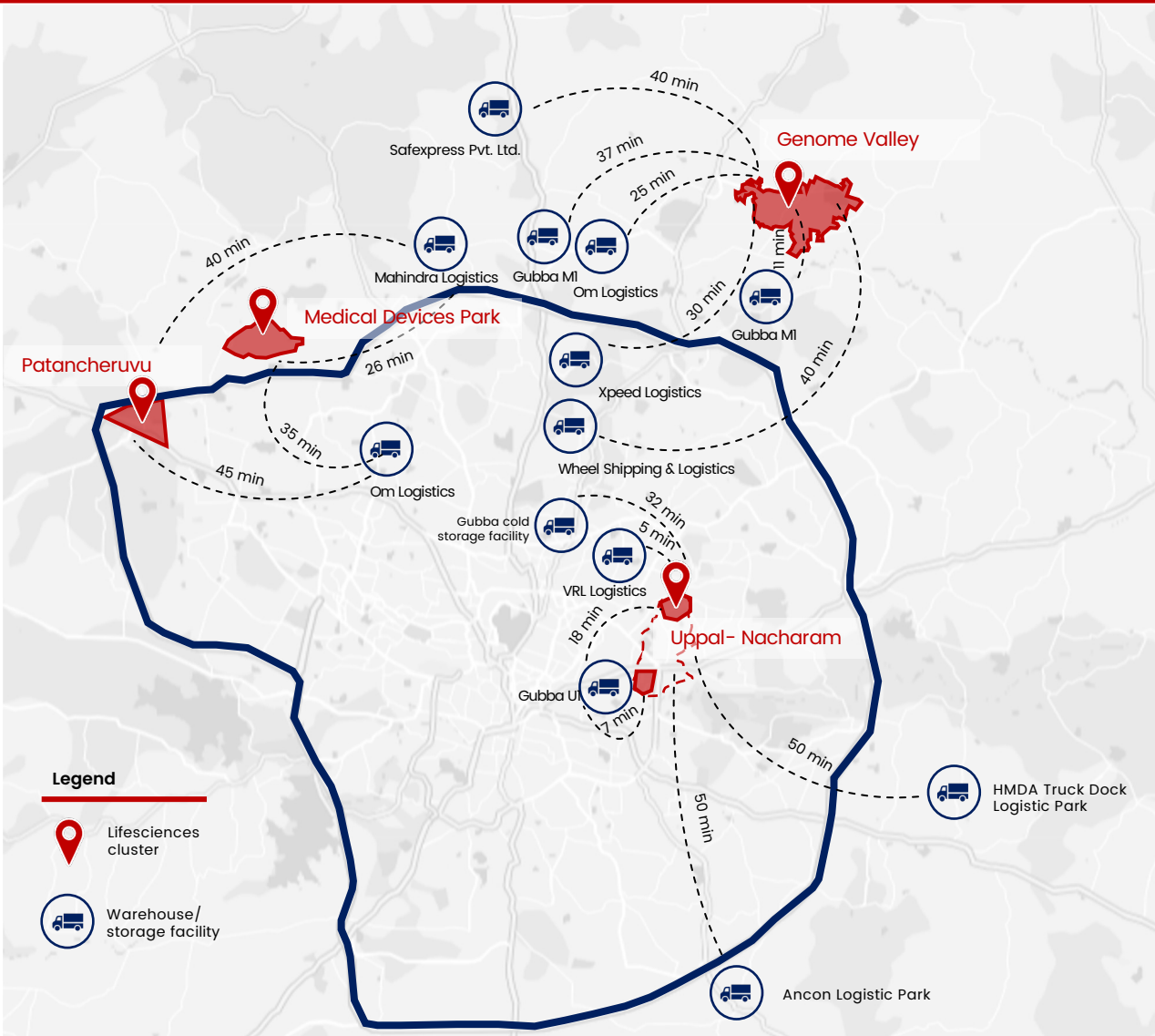
Hyderabad Metro Rail Network

Hyderabad Metro Rail Network is the world's largest PPP metro rail project covering a total distance of around 72 kilometers across three corridors. Another 58 KMs is being taken up under Phase II. [6]



Map 3 : Hyderabad Transport Infrastructure

2.3 Logistic support infrastructure



Existing Logistic Parks in PPP model

Spread across 22 acres, ANCON Logistic Park is 1st of the 10 logistic parks planned around ORR developed by ANCON group and HMDA group. The facility has 120,000 sft Grade-A warehouse and parking for 250 trucks in phase I. [45]

HMDA Truck Dock Logistic Park is jointly developed by HMDA and Truck Dock at an investment of INR 40 cr (USD 5 Mn). The 40-acre facility has 200,000 sft warehouse, dormitory facility for 200 persons and parking for 500 trucks. [46]

Upcoming Logistic park/warehouse

Mahindra Logistics 3PL to develop Grade-A warehouse in Zaheerabad to cater to captive and contract manufacturing sector needs and will be operational in 2022. 1 lakh will be developed in Phase I followed by further capacity expansion in next two phases. [47]

Pharma dedicated logistic facilities

Hyderabad is home to India's first airport-based dedicated pharmaceutical zone with temperature-controlled Lifesciences cargo storage and handling facilities [48]

| | |
|--|--|
| | GDP compliant warehouse at Hyderabad airport cargo satellite building exclusively for pharma logistics [49] |
| | Spread across 6000 sft., temperature-controlled Lifesciences storage and handling facility to cater to drug makers in Hyderabad, Goa, Pune, Vizag and Bengaluru [50] |
| | The new service station will be able to house up to 100 specialized, temperature-controlled containers at a time [51] |

Map 4 : Logistic Infrastructure in Hyderabad

2.4 Air connectivity

Hyderabad is strategically located to offer excellent connectivity to major international and domestic business hubs of the world.



73
Destinations are directly connected to RGIA, 55 domestic and 18 international^[6]



#1
Best airport in the pacific region for 2020^[6]



150,000 MT
Cargo handling capacity per annum with dedicated Pharma zone^[6]



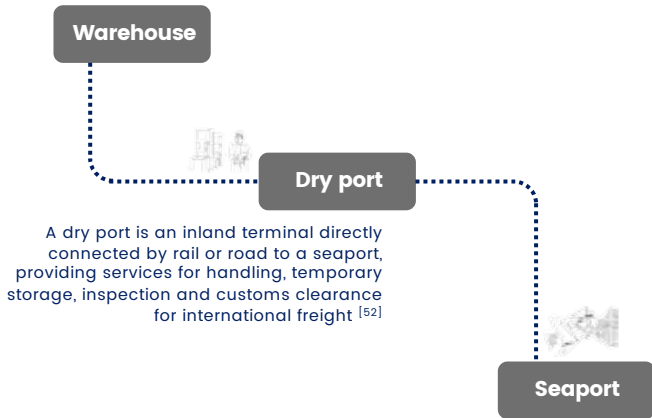
Rajiv Gandhi International Airport



2.5 Seaport Connectivity

Telangana is directly connected with major seaports through Inland Container Depot (dry port) which operates as a centre for trans-shipment.

Movement of export cargo in landlocked states



A dry port is an inland terminal directly connected by rail or road to a seaport, providing services for handling, temporary storage, inspection and customs clearance for international freight [52]

ICD Sanathnagar is the largest container terminal under the south-central zone of Container Corporation of India (CONCOR). It is well connected by rail and road network to the hinterlands of Telangana, Andhra Pradesh, Karnataka and Odisha.[53]



2100
sq. m for export cargo [53]



4200
sq. m for import cargo [53]



4000
sq. m for domestic cargo [53]



Legend

- ICD Sanathnagar, Hyderabad
- Major ports for Pharmaceutical exports

Upcoming dry ports in India

Spread across 1400 acres, a dry port with multi-modal logistic park will be developed in PPP mode. [54]

Two new Integrated Container Depots (ICDs) will be established on the lines of CONCOR ICD at Sanathnagar, in collaboration with the Customs department to further promote exports. [54]

Map 7 : Major seaports in India



Section 3

Policy and Business Environment

3

- 3.1 Policy environment
- 3.2 Time saver incentives
- 3.3 Average time taken for approvals
- 3.4 Cost saver incentives to promote new industrial enterprises
- 3.5 Environmental incentives
- 3.6 Lifesciences incentives
- 3.7 Cost of doing business in Lifesciences industry
- 3.8 Key contacts for doing business in Telangana

MEET OR BEAT APPROACH











“Mention what others are offering, we will meet or beat their offer.”^[55]

KT Rama Rao
IT E&C, MA&UD, Industries and Commerce Departments of Telangana

“Meet or Beat” Policy is one of the proactive steps taken to achieve the goal of making Telangana the best investment destination in India. As part of the policy, Telangana government is ready to offer opportunities that will either match or supersede any package offered anywhere in the world for industries.^[55]

3.1 Policy environment

The Telangana State Government unveiled new industrial policy in 2014 to stabilize and make existing industries more competitive and to attract investments from domestic and international players. Significant benefits and incentives can be summarized as below:

| Time Saver Incentives | | Cost Saver Incentives | |
|--|----------------------------------|---|-----------------------------------|
| <p>The government of Telangana has created the Telangana State Industrial Project Approval And Self-certification System (TS-iPASS) for quick processing of applications and to provide clearance from various departments through a single-window mechanism.</p> | | <p>Telangana State Industrial Development And Entrepreneur Advancement (T-idea), set up by Telangana aims at providing sustainable industrial development and to create gainful employment opportunities in the state of Telangana</p> | |
|  | Save time |  | Conserve finances |
|  | Reduce hassle |  | Streamline investments |
|  | Graft free approval process |  | Boost production |
|  | Grant citizen right to clearance |  | Strengthening existing industries |
|  | Simplify system |  | Generate employment |

“With policies like TS-iPass, which offers speedy processing of applications for issue of various clearances required for setting up of industries at a single point, our State has become best in South India for investments.”^[56]

Jayesh Ranjan, Principal Secretary, Industries & Commerce and IT Departments of Telangana




“The TS-iPass has given a major boost to setting up industries which also attracted several industrialists to invest in the city.”^[57]

Gummy Ram Reddy
 Vice President, CREDAI National



3.2 Time saver incentives

The Telangana Government has enacted the "**Telangana State Industrial Project Approval and Self-Certification System (TS-iPASS) Act, 2014**" as an online portal for speedy processing of applications.

-  15-day clearance for mega projects and 30-day clearance for other projects- **shortest in the country**^[58]
-  Automatic approvals based on self-certification. No need to wait for a prior permission even for a day to get your operations running^[58]
-  Penalty will be levied on the government official causing the delay^[58]

TS-iPASS is rated amongst the best incentive schemes in the country.^[6]

Impact of TS-iPASS on investments and employment

Despite COVID-19 in 2020, there were 3005 TS-iPass units which attracted INR 30,667 cr (USD 3.8 Bn) in investments and employed 1.79 lakh people.^[6]

Investment committed by firms using TS-iPASS has increased by over 33% and there is a nearly three-fold increase in the number of units, and in employment in firms using TS-iPASS since 2015.^[6]

24% of the state's investments are repeat commitments from satisfied investors, an indicator of a successful industrial policy.^[6]

Case in Point

6 months turnaround time for a mobile manufacturing unit to become operational in Telangana; land allotment to setting up a fully operational plant and commencing production.^[6]

2.5 years turnaround time to become fully functional for similar operations in another State.^[6]

Salient features

01 Single window clearance for hassle free clearance

Single window for obtaining approvals from all the departments for establishment and commencement of operations for an enterprise.^[6]

02 Time bound clearance

Time limits set for each approval varying from **1** day to a maximum of **30** days depending upon the complexity of the approval.^[6]

03 Pre-scrutiny for clarification and easy application

Pre-scrutiny of the applications at State Level and District Level to assist the entrepreneurs in proper submission of applications and to avoid delay in processing the files by the departments.^[6]

04 Seeking shortfall for fast tracking of the process

Making it mandatory for the competent authorities to seek shortfall/additional information required, if any, only once, within three days from receipt of the application.^[6]

05 Empowering entrepreneurs for transparency in approvals

Empowering the entrepreneurs with right to clearances under TS-iPASS, to know the reasons for delay if any, in getting the clearance within time limits.

A penalty of **INR 1000 per day** is levied on the officer(s) who is accountable for any delay.^[6]

TS-iPass so far has cleared about 18,000 applications worth INR 2.3 lakh crore investments and is in the process of creating employment for about 1.6 Mn people.^[59]

Telangana Today, March 2022

Other features



Getting approvals made easy

Attachments (supporting information) required for approval reduced from **114 to 12**^[6]



Inspections made easy

Now only **1** inspection^[6]



Hassle free inspections

Randomly picked inspections & Inspectors to avoid subjectivity^[6]



Joint inspections

All inspections on the **same day** instead of different days^[6]



Single online register

10 physical registers now reduced to **1** online register^[6]



Lower cost of doing business

3.3 Average time taken for approvals (1 of 2)

Telangana is one of the states with fastest approvals for all sanctions. Some common approvals are summarized below:

| Pre-establishment approvals ^[60] | | | |
|---|---|---|---|
| I Land & Building approvals | | | |
| 1 | Area of approvals | Department | Average time taken (in days) |
| | | | 0 5 10 15 20 25 30 |
| 1 | Change of Land use | CCLA - under NALA Act | 14 |
| 2 | Change of Land use | HMDA, KUDA and DTCP | 30 |
| 3 | Mutation of Land or Property | Revenue (LA), MA&UD, I&C, PR&RD | 15 |
| 4 | Certificate of Land Use | CCLA,HMDA,CDMA, DTCP | 14 |
| 5 | Certificate of Non-Forest land | Principal Chief Conservator of Forests (PCCF) | 15 |
| 6 | NOC for Change of Land Use | The District Collector | 7 |
| 7 | NOC for Change of Land Use | Irrigation Department | 7 |
| 8 | Land Alienation | CCLA | 30 |
| 9 | Plot Allotment | TSIIC | 7 |
| 10 | Consent for Establishment (CFE) | TSPCB | 7 Green 14 Red 21 Orange |
| 11 | Permission for felling Non-exempted trees under AP WALTA Act. | DT&CP/IALA/HMDA/ KUDA | 7 DT & CP 7 HMDA/KUDA/IALA 14 Pre-scrutiny (for issuing letter) 7 Approval- 7 Days (for issuing proceedings and approved drawings) |
| 12 | Provisional Fire NOC | Fire Department | 14 For building more than 15 m |



Telangana approved 3,938 projects with investments totaling INR 17,867 cr/ USD 2.24 Bn under its flagship TS-iPASS initiative for industries during FY-2022.^[61]

Annual report 2021-22 of Telangana's Industries and Commerce Department

✓ 36 of the most important approvals spread across 15+ categories are provided through a single window^[61]

✓ Deemed approvals after 15 days^[6]

✓ Self- certification, start construction from day 1^[6]

3.3 Average time taken for approvals (2 of 2)

| Pre-establishment approvals ^[60] | | | |
|---|---|---|--------------------------------|
| II | Utilities | | |
| | Area of approvals | Department | Average time taken (in days) |
| | | | 0 5 10 15 20 25 30 |
| 1 | Power Feasibility & Estimate (above 33kVA connection) | TSTRANSCO | 25 |
| 2 | Power Feasibility & Estimate (up to 33kVA connection) | DISCOMs (TSSPDCL or TSNPDCL) | 10 Estimate 2 Feasibility |
| 3 | Feasibility of Water Supply | HMWS&SB, Irrigation & CAD Department, CDMA, PR&RD, I&C, RWS, GHMC | 14 |
| 4 | Permission to draw water (Borewell Permission) | Ground Water Department | 14 |
| Pre-operation approvals ^[60] | | | |
| 1 | Inspections during construction stage of buildings | MA&UD,I&C | 7 |
| 2 | Fire Occupancy Certificate | Fire Service Department | 14 For buildings above 15 m |
| 3 | Boiler Registration | Boilers Department | 14 |
| 4 | Consent for Operation | TSPCB | 7 Green 14 Red 21 Orange |
| 5 | Electrical Installation Certificate | CEIG | 6 |
| 6 | Final Completion/ Occupancy Certificate | DT&CP/ HMDA/ KUDA/ IALA/ UDAs | 8 |
| Renewals ^[60] | | | |
| 1 | Renewal of Consent for Operation (CFO) | TSPCB (CFO) | 7 Green 14 Red 21 Orange |
| 2 | Renewal of Boilers Certificate | Boilers Department | 14 |
| 3 | Renewal of Factory License | Factories Department | 3 |

“In Ease of Doing Business (EODB), Telangana State is placed among the top three States. World- famous companies are opening their offices in Hyderabad due to simple, speedy and transparent clearances [62]”

Dr. Tamilsai Soundarajan
Governor of Telangana

3.4 Cost saver incentives to promote new industrial enterprises

Telangana State Industrial Development And Entrepreneur Advancement (T-IDEA) scheme of 2014 focuses on providing incentives to industries and entrepreneurs to attract higher investments.

| Setup incentives^[63] | | | | |
|---|---|---|---|--|
| Incentive | Micro and Small Enterprises < 5 cr | Medium Enterprises < 10 cr | Large Enterprises > 10 cr | T-Pride SC/ST Entrepreneur (communities supported by Government) |
| Stamp duty and transfer duty reimbursement on purchase or lease of industrial land | 100% | 100% | 100% | 100% |
| Land cost rebate in industrial rebate/ industrial parks | 25% (max INR 1,000,000/ USD 12,540) | 25% (max INR 1,000,000/ USD 12,540) | 25% (max INR 1,000,000/ USD 12,540) | 33.3% (max INR 1,000,000/ USD 12,540) |
| Land conversion cost for industrial use | 25% (max INR 1,000,000/ USD 12,540) | 25% (max INR 1,000,000/ USD 12,540) | 25% (max INR 1,000,000/ USD 12,540) | 25% (max INR 1,000,000/ USD 12,540) |
| Investment subsidy | 15% investment subsidy on fixed capital investment (max INR 2,000,000/ USD 25,087) | NA | NA | 35% of investment (max INR 7,500,000 / USD 94,080 and additional 5% in scheduled areas) |
| Interest subsidy on the term loan taken on the fixed capital taken by new MSE | In excess of 3% per annum subjected to maximum reimbursement of 9% per annum for a period of 5 years from the date of commencement of commercial production | NA | NA | NA |
| Tax incentives^[63] | | | | |
| VAT/CST or SGST reimbursement | 100% for 5 years | 75% for 7 years (max value of capital investment) | 50% for 7 years (max value of capital investment) | As applicable for micro/ small/ medium/ large enterprises |
| Production and skill development incentives^[63] | | | | |
| Training and skill development cost reimbursement for skill-upgradation and training the local manpower | 50% (max INR 2,000/ person, USD 25/ person) | 50% (max INR 2,000/ person, USD 25/ person) | 50% (max INR 2,000/ person, USD 25/ person) | 50% (max INR 2,000/ person, USD 25/ person) |
| Quality/Patent support | 50% subsidy on the expenses incurred (max INR 200,000/ USD 2500) | 50% subsidy on the expenses incurred (max INR 200,000/ USD 2500) | NA | 100% subsidy on the expenses incurred (INR 300,000/ USD 3763) |
| Cleaner production measures | 25% subsidy (INR 500,000/ USD 6270) | 25% subsidy (INR 500,000/ USD 6270) | 25% subsidy (INR 500,000/ USD 6270) | 25% subsidy (INR 500,000/ USD 6270) |
| Additional incentives^[63] | | | | |
| Seed capital assistance for first generation entrepreneurs | 10% of machinery cost will be paid and same will be deducted from the eligible investment subsidy | NA | NA | 20% of machinery cost will be paid and same will be deducted from the eligible investment subsidy |
| Reimbursement of infrastructure development cost like roads, water and power | NA | 50% (subject to INR 10,000,000/ USD 125,500 or 15% of capital investment) | 50% (subject to INR 10,000,000/ USD 125,500 or 15% of capital investment) | 50% (subject to INR 10,000,000/ USD 125,500 or 15% of capital investment) Additional 0.5 % for ST's in scheduled areas |
| Fixed power cost reimbursement | INR 1 per unit for 5 years | INR 1 per unit for 5 years | INR 1 per unit for 5 years | INR 1 per unit for 5 years |

3.5 Environmental incentives

Solar Power Policy, 2015: The Telangana Solar Power Policy 2015 was launched by giving suitable incentives and benefits to the developers to encourage solar power generation



2nd

in terms of solar power capacity ^[64]



4th

ranked state in country in terms of solar power production ^[64]



6th

ranked state in India with 106 LEED certified green building projects in 2019 with 44 Mn sft of built-up area ^[65]



3953.13 MW

solar power project has been commissioned as of September 2021 ^[6]



9.2%

of per capita electricity consumption in the country, Telangana has the highest growth rate ^[6]



10.5%

of India's solar power capacity is accounted by Telangana, while being 3.5% of India's land area ^[66]

Telangana is a power surplus state with a contracted capacity of 17, 218 MW ^[6]

Fiscal incentives



Exemption of wheeling and transmission charges, cross subsidy charges, electricity duty in case of captive use / third party sale ^[67]



VAT for all inputs required for solar power projects will be refunded by Commercial Tax Department ^[67]



Refund of stamp duty and registration charges for purchase of land for setting up of solar power projects ^[67]

Telangana is an 'Achiever' in SDG 7 goal, ensuring access to clean, modern and affordable energy for all. ^[68]

Niti Aayog
SDG Index 3.0, 2020-21


The total contracted capacity of the private sector is 5,453 Mw, of which 64% is solar energy. ^[69]


Telangana Today, March 2022




3.6 Lifesciences incentives


Lifesciences Policy, 2015: The Telangana Lifesciences policy was launched in 2015 by Government of Telangana to attract investments and ensure growth in research and innovation across Lifesciences sector.


 **20%** of **capex plus reimbursement** of excise/ CVD on capital equipment for **electronic product manufacture**^[6]

 **100%** **skilling costs** for skill-upgradation or training of local manpower to be borne by the Government^[70]


 **25%** subsidy on **lease rentals for Plug and Play lab space** up to **5000 sqft**, leased by Lifesciences start-ups limited to INR 5 Lakh per annum for a period of **3 years**^[71]

 **INR 2,500,000 / USD 31,375** per project per year for research carried out by Telangana based research institutes will be financed by Government with funding from private sector companies^[71]

 **INR 2,500,000 / USD 31,375** per project per year towards covering scientist and technician cost for accelerating collaborative research for market driven product development between scientists from 2 or more Telangana based research institutes and/ or academic institutions^[71]

 **INR 500,000/ USD 6,275** for a period of 6 months, scholarships will be handed out by Government to incentivize the joint research program of a local institution with researchers pursuing post doctoral India specific Lifesciences research in top 100 global institutes/universities^[71]

Benefits for Mega Projects (> USD 35 Mn)

 **Tailor-made** benefits to suit to particular investment requirements on a case-to-case basis^[6]

 **Transport subsidies**^[6]

 **Preferential status** in state procurement contracts^[6]

“The Lifesciences sector in Telangana has a role to play in the tremendous growth of Dr. Reddy’s. The ecosystem is blessed with great institutions that provide tremendous talent for the company. The state also has a strong leadership, business-friendly policies, and a very strong support from the Government; which is a blessing for the Lifesciences industry to blossom in Telangana state.”^[39]

Satish Reddy
Chairman, Dr. Reddy’s Laboratories

“Telangana has created a wonderful ecosystem which is required for any Lifesciences / biotech hub in any part of the country.”^[39]

Kiran Majumdar Shaw
Executive Chairman, Biocon



3.7 Cost of doing business in Lifesciences industry

| Product Type | Inclusions | Cost/ sft as per Building usage | | | | | |
|---------------------|-------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|---------------------------------|-------------------------|-----------------------------------|
| | | Biology lab | Biology lab (clean rooms) | Chemistry lab | Pilot plant | Vivarium | Stability chamber |
| Warm Shell | Building core and shell | USD26-32.67 (INR 2000-2500) | | | | | |
| Enhanced Warm Shell | Building Core and Shell | USD 52.28- 58.81 (INR 4000-4500) | | | | | |
| | High side HVAC system | | | | | | |
| | Electrical system | | | | | | |
| | FAS & Campus surveillance | | | | | | |
| | Effluent pre-treatment plant | | | | | | |
| | Sewage Treatment Plant | | | | | | |
| | High side Gas Distribution | | | | | | |
| | Passenger & Freight Elevators | | | | | | |
| Fit-Out | Enhanced warm-shell | USD 39.21- 63.35 (INR 3000-5000) | USD 63.35- 104.56 (INR 5000-8000) | USD 91.49- 130.70 (INR 7000-10000) | Up to USD 130.70 (INR 10000) | USD 39.21 (INR 3000) | Up to USD 65.35 (INR 5000 sft) |
| | Low side HVAC | | | | | | |
| | Low side MEP | | | | | | |
| | False ceiling and flooring | | | | | | |
| | Fume hoods | | | | | | |
| | Fire alarms and sprinklers | | | | | | |
| | CCTV and access control | | | | | | |
| | Low side gas distribution | | | | | | |

Note:

- Cost per sft indicated are exclusive of taxes
- This is an approximate estimate based on ongoing trends and is subject to change based on a number of factors including design parameters, location, market cost fluctuations, etc.
- Exclusions* Any investment on loose furniture including tables and chairs; telecom equipment and services; work-support infrastructure such as personal computer, laptop, projector, television, UPS, audio or video conferencing facility; signage within tenant premises, fire extinguishers within tenant premises, window blinds, special category gas detectors, UPS system

3.8 Key contacts for doing business in Telangana

| Department/ Sector | Sectoral Head/ HOD | Website | Email |
|---|---|---|---------------------------------|
| Boilers Department | Director of Boilers, Shivam Road, Hyderabad, Telangana 500007 | tsboilers.cgq.gov.in | dob_boilers@telangana.gov.in |
| Chief Commissioner of Land Administration (LA) | CCLA, Nampally Station Road Abids, Hyderabad, Telangana 500001. Phone: 040 23200027 | ccla.telangana.gov.in | ccla@telangana.gov.in |
| Chief Electrical Inspector to Govt. (CEIG) | CEIG, Khairatabad, Hyderabad, Telangana 500004. Phone: 040-23450367 | https://tsceig.cgq.gov.in/ | ceig-energy@telangana.gov.in |
| Directorate of Town & Country Planning | DTCP, 3rd to 5th Floors, 640, AC Guards, Opp: PTI Building, Hyderabad - 500004. Ph: 040 23314622 | dtcp.telangana.gov.in | dtcp@ telangana.gov.in |
| Hyderabad Metropolitan Development Authority (HMDA) | Metropolitan Commissioner, Block A, District commercial complex, Tarnaka, Hyderabad, Telangana 500007. Ph: 040 27003313 | hmda.gov.in | mc@hmda.gov.in |
| Hyderabad Metropolotal Water Supply & Sewerage Board (HMWSSB) | HMWSSB, Khairatabad, Hyderabad - 500004. Phone: 040 23442844,100 / 101 | hyderabadwater.gov.in | mdhmwssb@ hyderabadwater.gov.in |
| Telangana State Disaster Response & Fire Services Department | TS Disaster Response & Fire Services, BRKR bhavan, 1st Floor, 'B' Block, Tank Bund, Near GHMC, Hyderabad-500063. Ph: 040 23442944 / 23442955 | fire.telangana.gov.in | ts_firechief@yahoo.com |
| Telangana State Industrial Infrastructure Corporation Limited | Telangana State Industrial Infrastructure Corporation Limited 6th Floor, Parisrama Bhavan, Fateh Maidan Road, Basheerbagh Hyderabad - 500 004. Ph: 040 23230234 | tsiic.telangana.gov.in | vcmd@tsiic.telangana.gov.in |
| Telangana State Pollution Control Board | Telangana State Pollution Control Board Member Secretary, A-3, Paryavaran Bhavan, Sanath Nagar Rd, Hyderabad, Telangana 500018. Ph: 040 23887500 | tspcb.cgq.gov.in | ms-tspcb@ telangana.gov.in |
| Telangana State Northern Power Distribution Company Limited (TSNPDCL) | Managing Director, TSNPDCL, H.No: 2-5-31/2, Corporate Office, Vidyut Bhavan, Nakkalgutta, Hanamkonda, Warangal-506001. Ph: 0870-2461501, | tsnpdcl.in | cmd@tsnpdcl.in |
| Telangana State Southern Power Distribution Company Limited | Managing Director, TSSPDCL Corporate Office : # 6-1-50, Mint Compound, HYDERABAD-500 063. Ph: 040 23431018 | tssouthernpower.com | cmd@tssouthernpower.com |

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**Building cohesive ecosystems that
foster science and innovation**





ABOUT US

Rx Propellant is an Actis platform focused on Lifesciences Real Estate, created with a vision to build world-class Lifesciences clusters in India. The projects are designed with best-in-class specifications to integrate diverse operations from concept to commercialisation. The platform is uniquely positioned to induct companies of all sizes and scales in cohesive ecosystems that enable collaboration and access to a vast talent pool to nurture the science of tomorrow.

Rx Propellant has a current development portfolio of ~6.5 Mn sft with multiple projects in Genome Valley (Hyderabad) and one in Bengaluru. The projects are designed to be single or multi-tenanted, with an opportunity of providing built-to-suit accommodations for future expansion of tenants within the same premises.

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|-------------------------------------|---|
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