



ABSTRACT

Micro, Small and Medium Enterprises Department – Tamil Nadu Startup and Innovation Mission (TANSIM) – Concessions to the registered Startups for procurements by a Procuring Entity – Procurements that are below Rs.20 lakh in value – Orders – Issued.

MICRO, SMALL AND MEDIUM ENTERPRISES (A) DEPARTMENT

G.O. (Ms.) No. 40

Dated:22.07.2021

**திருவள்ளூர் ஆண்டு 2052
பிலை வருடம், ஆடி 6**

Read:

- 1) G.O.(Ms) No.7, Micro, Small and Medium Enterprises (D2) Department, dated 22.01.2019.
- 2) From the Mission Director, Tamil Nadu Startup and Innovation Mission (TANSIM) Letter No.44/2021-EDII-TANSIM, dated 15.06.2021.

ORDER:

In the Government order first read above, orders have been issued approving the "State Startup and Innovation Policy 2018-2023".

2. In the reference second read above, the Mission Director, Tamil Nadu Startup and Innovation Mission (TANSIM) has stated that Startups in Tamil Nadu are technically capable of providing solutions to various governance and other issues faced by departments in implementing various schemes. Providing procurement preference to Startups will also help them to scaleup rapidly and create enormous employment and wealth in the State.

3. Many Startups struggle in the early stages because of lack of market for their products. Government is a major purchaser in the economy and Government patronage can solve the marketing problem of Startups to a great extent. Moreover, purchases by Government is a great source of recognition to the Startups. However, it is seen that Startups face many entry barriers because Departments and Public Sector Undertakings (PSUs) impose restrictions like Earnest Money Deposit (EMD), prior turnover condition, prior experience condition, etc. Many State Governments have recognised this problem and have issued orders dispensing with such entry barriers for Startups. Government of Kerala, Karnataka and Telangana have already made such provisions by issuing necessary orders in this regard.

4. It was therefore proposed to provide support to the Startups registered with Tamil Nadu Startup and Innovation Mission (TANSIM) through StartupTN portal.

5. The Government after careful examination has decided to provide the following concessions to the registered Startups for public procurements by a Procuring Entity (as defined in Transparency in Tenders Act, 1998) for procurements that are below Rs.20 lakh in value to improve the Startup ecosystem in the State:

- (i) Exemption from payment of Earnest Money Deposit.
- (ii) Exemption from the condition of prior turnover.
- (iii) Exemption from the condition of prior experience.
- (iv) Waiver of tender cost.

Procurement Entity shall mean the following:

- (i) Government Departments.
- (ii) Public Sector Undertakings of the Government.
- (iii) Statutory Board formed by the Government.
- (iv) Local Bodies in the State.
- (v) Co-operative Institutions in the State.
- (vi) Universities.
- (vii) Societies formed by the Government.

6. The above concessions are given subject to the following conditions:

- (i) The Startup should be registered on the portal of Department for Promotion of Industry and Internal Trade (DPIIT) or Tamil Nadu Startup and Innovation Mission (TANSIM).
- (ii) The Startup should have registered office in Tamil Nadu.
- (iii) Eligibility shall be restricted to Startups as defined in the Tamil Nadu Startup and Innovation Policy.

7. This order issues with the concurrence of Finance Department vide its U.O.No.124/SS(PK)/2021, dated 05.07.2021.

(BY ORDER OF THE GOVERNOR)

**V. ARUN ROY
SECRETARY TO GOVERNMENT**

To
All Secretaries to Government,
Secretariat, Chennai - 9.
The Mission Director,
Tamil Nadu Startup and
Innovation Mission (TANSIM),
D3-10, IIT Madras Research Park,
D Block, Third Floor, 32, Kanagam,
Tharamani, Chennai 600113.

The Additional Chief Secretary / Director,
Entrepreneurship Development and
Innovation Institute - Tamil Nadu,
Guindy, Chennai - 32.

The Industries Commissioner and
Director of Industries and Commerce,
Chennai-32.

The Managing Director,
Small Industries Development
Corporation Limited,
Guindy, Chennai-32.

The Managing Director,
Tamil Nadu Small Industries
Corporation Limited,
Guindy, Chennai-32.

Copy to:-

The Senior Personal Assistant to
Minister (Rural Industries), Chennai -9.

The Finance Department, Chennai -9.

SF/SC

CC: C.No.5792/A/2021

//FORWARDED BY ORDER//

 22/7/2021

SECTION OFFICER