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GOVERNMENT OF TELANGANA
ABSTRACT

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ITE&C Department – Schemes to promote the Startups with Grassroot/Rural Impact – Orders – Issued.

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Information Technology, Electronics & Communications Department
(Schemes for Startups with Grassroot/Rural Impact)

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G.O.Ms.No. 8   **Dated: 27-07-2021**
                                                                        Read the following:-

> **1.**G.O.Ms.No.10, ITE&C (Promotions) Department, Govt. of Telangana, Dated: 25.07.2017.
> **2.**G.O.Ms.No.8, ITE&C (Promotions) Department, Govt. of Telangana, Dated: 25.07.2017.
> **3.** G.O.Ms.No.6, ITE&C Department, Govt. of Telangana, Dated:10.05.2017.

ORDER:

21 Million people out of the total population of 35 Million of Telangana lives in rural areas. The problems of this population are fundamentally quite different from the problems of the urban populace of Telangana. Old-age agricultural practices, lack of access to technological advances, and financial illiteracy are few rural problems to mention. It is critical that we involve the rural citizenry and startups with grassroot/rural impact predominantly to solve these problems through incentives and enablement.

2.   The State of Telangana aims to support the Startups with grassroot/rural impact.

3.   The definition of Grassroot Innovation, Startups with grassroot/rural impact are defined as below:

Definition of Grassroot Innovation:
Grassroot Innovation is a term that has gained recent popularity in India and other developing nations. While the term "Grassroot Innovation" can be understood by alloying the meaning of the word "Grassroot" and "Innovation" together; its ambit can hardly be contained in the definition. But for the sake of clarity, we would define "Innovation", "Grassroot" and "Grassroot Innovation" to make the initial contours of this policy.

Innovation: An idea/product which is unprecedented/novel manifested through its usage of either one or multiple of the undermentioned:

1. Method
2. Material
3. Application
4. Business System

Grassroot: Grassroot is a collective term to represent the economically marginalized, bottom most pyramid of the society. For clarification, this economically marginalized section of society is not to be taken as marginalized in other capitals like: skill, intellectual, and ethical. This is a collective mass of people who could be termed as "Last Mile" "The last beneficiary", "Antyodaya".

Grassroot Innovation: Grassroot Innovation by simple amalgamation of the definition of its parts becomes: Innovation with direct implication for the people at Grassroots.

4.   Grassroot innovation has traditionally been done by grassroot innovators but increasingly startups too have ventured into the space of grassroot innovation.

To define the Startups with Grassroot/rural Impact:

Definition of "Startups with Grassroot/Rural Impact":
A registered entity (Private Limited Company, Registered Partnership Firm, Limited Liability Partnership, Sole Proprietorship, or One Person Company) that uses technology or innovative methodologies to improve livelihoods, processes, lifestyles, health, education or the general welfare of the people at **grassroots** as defined in the definition above will be called as Startups with grassroot/rural impact.

<div align="right">(PTO)</div>

TSIC will be the nodal agency to provide recognition for a startup to belong to the category of "Startup with Grassroot/Rural Impact".

5. The Government of Telangana has decided to implement the following schemes for Startups with Grassroot/Rural impact as defined above.

5.a) Incentives to provide grant support to startups with Grassroot/Rural Impact:
The incentive is designed to provide early monetary support in the form of grants to innovative solutions that have potential to solve the local/social problems, innovated by startups with grassroot/rural impact.

The innovations must have a rural population as their focus and must be novel, experimental and demonstrative in nature, leading to transfer of technology and commercially viable solutions.

5.a.1) Objectives:
- To enable an innovative idea into a working prototype.
- To provide a platform for faster experimentation and modify approaches in the idea to market journey.
- To provide financial assistance to conduct pilot study of the innovative product/service.
- To provide financial assistance to the startup for proof of concept, product trials, market entry and commercialisation.

5.a.2) Grant Details:
Total corpus - Rs. 20,00,000/- per year
Overall Ticket Size: ₹ 5,000 - ₹ 2,00,000
Applications are open round the year
First Cycle May-June-July

S.No.	Type of Support	Extent of Support
1	Prototype	Max of ₹ 1 lakhs
2	Pilot Grant	Max of ₹ 2 lakhs
3	Seed Grant	₹ 50,000 - 2,00,000

5.a.3) Telangana recognized startups can apply for the incentives in the incentives section of the Startup Telangana website (https://startup.telangana.gov.in/). Annexure-3 of the G.O. will detail the application form for the reference.

5.a.4) The eligibility, process of applying and monitory & evaluation of the incentive can be found in Annexure-1 of the G.O.

5.b) Incentives to promote public procurement for startups with Grassroot/Rural impact:

5.b.1) Objective:
To promote public procurement from startups with Grassroot/Rural Impact. This incentive has been envisaged to release purchase and work orders to eligible startups with grassroot/rural impact which have worked with Telangana government departments at the state level or with district administrations, and have reached a stage where the corresponding two latter entities are ready to either procure the goods and services, or pilot the solutions of the entity in their particular departments/jurisdiction.

5.b.2) Details of the Grants:
Total corpus - ₹ 10,00,000/- per year
PO order amount: ₹ 50,000 - ₹ 1,00,000
Applications are open round the year
First Cycle May-June-July

5.b.3) Telangana recognized startups can apply for the incentives in the incentives section of the Startup Telangana website (https://startup.telangana.gov.in/). Annexure-4 of the G.O. will detail the application form for the reference.

5.b.4) The eligibility, process of applying and monitory & evaluation of the incentive can be found in Annexure-2 of the G.O.

5.c) <u>Incubation Support to "Startups with Grassroot/Rural Impact":</u>
TSIC has undertaken to develop the social impact ecosystem of Telangana through dedicated efforts like TSSN, Social Cafes, and Impact Network (Directory) over the past one year. Thus, in order to further support promising startups with grassroot/rural impact to solve pertinent problems of Telangana, TSIC will every year evaluate startups with grassroot/rural impact looking for incubation support. The evaluated startups will be presented before the Grassroot Advisory Committee, and based on the decision of the committee, the recommended startups will be nominated to one of the state-supported incubators. The entire cost of such an incubation support will be entirely borne by TSIC for such startups.

5.d) <u>Mentorship & Capacity Development Workshops:</u>
TSIC will conduct dedicated training, capacity building workshops, and provide access to highly qualified mentors for startups with grassroot/rural impact. The training, capacity building, mentorship will be free of cost to the startups.

6.   The Grassroot Advisory Committee in Annexure-5 of the G.O. to play a consultative role to advise on the vision, goals and approach/strategy for the grassroot and social innovation ecosystem in Telangana. The committee will advise on the criteria of recognizing the innovators and will provide recommendations on various schemes, grants, to be provided to the Innovators and the startups with grassroot/rural impact. The Grassroot Advisory Committee shall be composed of members from the Government, Academia and the Industry. The CIO will be the Convener of the Committee.

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

JAYESH RANJAN
PRINCIPAL SECRETARY TO GOVERNMENT

To
CIO, TSIC Foundation.
All the Departments of Secretariat.
<u>Copy to</u>:
The CEOs of THUB/WE Hub/TASK/TSAT/RICH.
The Director Digital Media, I T E&C Dept.
The PS to Hon'ble Minister for ITE&C, I&C.
The PS to the Chief Secretary to Government.
The PS to All Special Chief Secretaries / Principal Secretaries /
      Secretaries of all Departments of Secretariat.

//FORWARDED :: BY ORDER//

SECTION OFFICER

(G.O.Ms.No:8 , ITE&C Department, Dated:27.07.2021)

Incentives to provide grant support to startups with Grassroot/Rural Impact:

1. The **3 support types** provided under this incentive are:
   - Prototype Grant
   - Pilot Grant
   - Seed Grant

2. **The Grant details are as below:**

   Total corpus - Rs. 20,00,000/- per year
   Overall Ticket Size: ₹ 5,000 - ₹ 2,00,000
   Applications are open round the year
   First Cycle May-June-July

S.No.	Type of Support	Extent of Support
1	Prototype	Max of ₹ 1 lakhs
2	Pilot Grant	Max of ₹ 2 lakhs
3	Seed Grant	₹ 50,000 - 2,00,000

3. **Who can apply? Eligibility:**
   - Recognized as a startup by Government of Telangana **AND**
   - Recognized as a "Startup with Grassroot/Rural Impact" as per the definition above. (The grassroot impact/rural impact will be verified by Telangana State Innovation Cell through an online application on Startup Telangana portal).

4. **Terms of using the Grant:**
   - All applications will be made online.
   - Applications can be made to receive support under only one of the support-types in each cycle. (Support-Types: Prototype, Pilot Grant, Seed Grant).
   - Support can be availed only once under each of the support-types for each startup.
   - The grants will be disbursed on a milestone basis, which will be different for each of the selected applicants.
   - A utilisation certificate has to be submitted upon using the grants.
   - A detailed project report has to be submitted upon the completion of the project.
   - Any pilot should not exceed more than 12 months.

5. **Process:**
   - Telangana recognized startups can apply for the incentives in the incentives section of the Startup Telangana website (https://startup.telangana.gov.in/).
   - The first filtration of applications will be done by the Sustainability office of TSIC.
   - A demo day will be called for the shortlisted candidates.
   - The Grassroot Advisory committee will evaluate the applications and advise on the final list.
   - A milestone-based activity plan will be prepared by the TSIC's Sustainability Office in discussion with the grantee (Seed Grant, Prototype, Pilot Grant) and the same will be mutually agreed between the grantee and the grantor.
   - Final list of the startups will be prepared and sanction letters with grant allocation will be issued.
   - Post the acknowledgement of sanction letters from the grantee, the grant money transfer will take place.
   - Upon achieving the agreed milestones, further grants will be released.

6. **Monitoring and Evaluation:**
   - Project Progress Report to be submitted by the grantee on a monthly basis - (format will be given).
   - Once a month, M&E team will have to conduct an online/offline session with the grantees to understand the roadblocks/support required to grantees.
   - Upon completion of the project a detailed project completion report along with pictures, utilisation certificate from the authorised CA will have to be submitted.

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(G.O.Ms.No: 8, ITE&C Department, Dated:27.07.2021)

Incentives to promote public procurement for startups with Grassroot/Rural impact:

1. Details of the Grants:
>   Total corpus - ₹ 10,00,000/- per year
>   Purchase Order amount: ₹ 50,000 - ₹ 1,00,000
>   Applications are open round the year
>   First Cycle May-June-July

2. Who can apply? Eligibility:
   For Startups with grassroot innovation or innovation with rural impact
   - Recognized as a startup by Government of Telangana **AND**
   - Recognized as a "Startup with Grassroot/Rural Impact" as per the definition above. (The grassroot impact/rural impact will be verified by Telangana State Innovation Cell through an online application on Startup Telangana portal).
   - The concerned state departments/district administrations need to express their intent of buying/piloting with the startup. A **letter of intent** must be issued to this end by the competent authorities of the concerned government departments or district administrations. The startup may directly work with TSIC to source this letter of intent, if all other eligibility criteria are fulfilled.

3. Terms of using the Grant:
   - All applications will be made online.
   - A utilisation certificate has to be submitted upon the execution of the Purchase Order/Work Order for the amount issued by the government.
   - A detailed project report has to be submitted upon the completion of the project signed by the concerned department/district administration.

4. Process:
   - Telangana recognized startups can apply for the incentives in the incentives section of the Startup Telangana website (https://startup.telangana.gov.in/).
   - The first filtration of applications will be done by the Sustainability office of TSIC.
   - The Grassroot Advisory committee will evaluate the applications and advise on the final list.
   - A milestone-based activity plan will be prepared by the TSIC's Sustainability Office in discussion with the grantee and the concerned government department; and the same will be mutually agreed between the grantee, grantor, and the government department/ district administration.

5. Monitoring and Evaluation:
Upon completion of the PO/WO, a detailed project completion report along with pictures, utilisation certificate from the authorised CA, and a letter of completion from the Government Department/ District Administration will have to be submitted.

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(G.O.Ms.No: 8, ITE&C Department, Dated: 27.07.2021)

APPLICATION FOR GRANT OF INCENTIVES TO STARTUPS WITH GRASSROOT/ RURAL IMPACT

SECTION-1

- Name of the Startup (As mentioned in Incorporation Certificate / Registration Certificate) * : _____
- Nature of the Startup (5 Types of the entities)
    1. Private Limited Company
    2. Registered Partnership Firm
    3. Limited Liability Partnership
    4. Sole Proprietorship
    5. One Person Company
  Choose One from above: _____
- Telangana Startup ID: _____
- Registered Email Address *
  (As provided during Startup Registration)
- Phone Number *
- Does your startup have a grassroot/rural impact as per the definition mentioned above?
    1. Yes
    2. No
- What is the problem the startup is solving?
- How does your startup solve this problem?
- How is your solution unique/novel?
- How is your startup impacting the grassroot/rural population?
- What is the impact that the startup has already created/plans to create in the future?

SECTION-2

- Stage of the Startup Choose from the dropdown: (Ideation/Prototype/MVP/Growth/Early Traction/Scaling)
- Please describe the innovation that your startup is involved with and its current status.
      Textbox to describe the innovation and its status
- Choose the type of grant that you are applying for:
    1. Prototype Grant
        - What is the most promising use-case for this technology? Choose ONE use case and be specific about the problems experienced by users or machines in it, and the benefits of your solution.
        - What is the size of the target market for your use-case? (rough estimate)
        - What other solutions or products are currently available to address this use-case/problem?
        - What is the status of any Intellectual Property (IP) you currently have or might claim in the future related to your technology for the stated use-case?
        - How will you spend the grant funds? What are the major milestones, with details on activities.

            NOTE: Funds cannot be used to pay employee or team member salaries. 3rd party services (such as engineering works or 3D printing services) or specialty programming support will be considered.

        - Who is involved in this project and what are their qualifications in terms of designing and building the prototype? (Format: Name of the team member - qualification - role in building the prototype)
        - Provide some type of illustration or graphical construct of your prototype.
        - Provide the detailing of your proposed expenditures (an itemized list of materials in the format: Sl. No. - Item Name - Quantity - Amount)
        - Provide the names of any key Mentor or Faculty that have been helping you in your planning.

b. Pilot Grant
- o Briefly mention the background of your pilot project; objectives; Methodology;
- o Mention the project Duration : _____ Months/Days
- o Start date _____ End Date _____
- o What is the Sample type and Sample size considered for the pilot project?
- o Who is involved in this project and what are their qualifications and role in the pilot project? (Format: Name of the team member - qualification - role in the pilot project)
- o How will you spend the grant funds? What are the major milestones, with details on activities. (Milestones - Activities)
- o Provide the detailing of your proposed expenditures (details of the cost items in the format: Sl. No. - Item Description - Amount)
- o Mention briefly the impact that the pilot project would create
- o Detail the projected outcomes of the pilot project
- o Provide the names of any key mentor that have been helping you in your pilot project: Name: Contact mail ID:

c. Seed Grant
- Briefly mention the background of your project; objectives;
- Who are your target customers/beneficiaries?
- What is the size of the target market (rough estimate)?
- Have you raised any funding already? YES/NO
  - If YES: Mention the Fund size; Source of the funding;
- Mention the team members names and their qualifications and Designation? (Format: Name of the team member - qualification - Designation)
- Please mention the expected amount of funding support. Mention amount in Rs. _____
- How will you spend the grant funds? What are the major milestones, with details on activities. (Milestones - Activities)
- Provide the detailing of your proposed expenditures (details of the cost items in the format: Sl. No. - Item Description - Amount)
- Mention briefly the impact this project would create
- Detail the projected outcomes of the project

- List of documents to be submitted to avail this incentive.
  a. Bank account details or the copy of the cancelled cheque.

DECLARATION
- I / We hereby confirm that to the best of our knowledge and belief, information given herein before and other papers enclosed are true and correct in all respects. We further undertake to substantiate the particulars about promoter(s) and other details with documentary evidence as and when called for.
- I/We hereby also confirm that we have not availed of any procurement incentive offered by any other state agency under existing schemes from any state governments.
- I agree that my company is eligible for startup registration in Telangana state as per the guidelines mentioned here

Save Submit

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APPLICATION FOR INCENTIVES TO PROMOTE PUBLIC PROCUREMENT FOR STARTUPS WITH GRASSROOT/RURAL IMPACT

SECTION-1

- Name of the Startup (As mentioned in Incorporation Certificate / Registration Certificate)* : _____
- Nature of the Startup (5 Types of the entities)
    1. Private Limited Company
    2. Registered Partnership Firm
    3. Limited Liability Partnership
    4. Sole Proprietorship
    5. One Person Company

  Choose One from above: _____
- Telangana Startup ID: _____
- Registered Email Address *

  (As provided during Startup Registration)
- Phone Number *
- Does your startup have a grassroot/rural impact as per the definition mentioned above?
    1. Yes
    2. No
- What is the problem the startup is solving?
- How does your startup solve this problem?
- How is your solution unique/novel?
- How is your startup impacting the grassroot/rural population?
- What is the impact that the startup has already created/plans to create in the future?

SECTION-2

- Are you presently engaged with any of the government department or district administration with a purpose of piloting/selling your goods/services?
    1. Yes
    2. No
- Indented procurement
    o Goods
    o Services
    o Pilot

- Have you received/or are expecting any Letter of interest from the Government department or district administration for piloting/buying the goods/services?
    1. Yes
        ▪ Upload the letter of intent
    2. No
        ▪ Do you expect to receive the letter of intent in 2-3 weeks from the Government department or district administration?
- Name the department or district administration that you plan to work with.
- Please mention the Name; Contact No; and Mail ID of the POC
- Please explain the Goods/Services/Pilot that you plan to sell to the Govt. Dept./Dist.Administration.
- What is the expected amount of the Purchase/Work Order Amount
- List of documents to be submitted to avail this incentive.

  a) Bank account details or the copy of the cancelled cheque.

  b) Project Proposal (To include the below):
    ▪ Name of the project
    ▪ Objectives of the project
    ▪ Project duration
    ▪ Location of the project
    ▪ Name the Target Beneficiaries
    ▪ Details of the project funding
    ▪ Expected outcomes/deliverables of the proposed project
    ▪ Describe the impact of the project
    ▪ Existing/proposed revenue model
    ▪ List out all the activities and milestones for the project

DECLARATION

- I / We hereby confirm that to the best of our knowledge and belief, information given herein before and other papers enclosed are true and correct in all respects. We further undertake to substantiate the particulars about promoter(s) and other details with documentary evidence as and when called for.
- I/We hereby also confirm that we have not availed of any procurement incentive offered by any other state agency under existing schemes from any state governments.
- I agree that my company is eligible for startup registration in Telangana state as per the guidelines mentioned here

Save Submit

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(G.O.Ms.No: 8, ITE&C Department, Dated: 27.07.2021)

Grassroot Advisory Committee

1. The Grassroot Advisory Committee shall act as a single window for recommending innovators and start-ups with grassroot/rural impact.

2. The committee will consist of Chief Innovation Officer with 6 other advisors who hail from government, academia and industry.

3. The Advisory Committee shall meet quarterly to recommend on the criteria of recognizing grassroot innovators, providing incentives to grassroot innovators and start-ups with grassroot/rural impact, recommend grassroot innovators and start-ups with grassroot/rural impact to various incubation programs and mentoring programs.

4. The Advisory Committee consists of the following members and the tenure of the members will be for a period of 2 years.

   a. CIO, TSIC
   b. Representative from CII
   c. Representative from GIAN – Dr. Anamika Dey, CEO – GIAN
   d. Representative from HYSEA
   e. Three representatives from Startup Ecosystem of Telangana. (RICH, T-Hub, T Works, WE Hub and TASK)

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