

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

ITE&C Department – AP Innovation Society (APIS)– Providing Preferential Market Access (PMA) to DPIIT recognised Startups registered in Andhra Pradesh with the relaxation of norms in Public Procurement that are up to Rs.50.00 Lakh in value – Orders – Issued.

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS (TECH) DEPARTMENT

G.O.MS.No.2

Dated:24.02.2025

Read the following:-

- Ref:- 1. G.O.Ms.No.22, ITE&C Department, dated:28.11.2015
2. G.O.Rt.No.103 Industries & Commerce (P&I) Department,
dated: 15.05.2020

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ORDER:

Government of Andhra Pradesh is committed to fostering a robust ecosystem that nurtures innovation and promotes startups in the state. In furtherance of this objective, the Government endeavours to provide market access opportunities to DPIIT-recognized startups that are registered in Andhra Pradesh, thereby enabling them to scale operations and compete effectively with established enterprises.

2. It has been observed that startups encounter significant challenges in accessing markets due to restrictive tender conditions such as prior turnover requirements, prior experience criteria, and Earnest Money Deposit (EMD) mandates. Given that Government procurement plays a pivotal role in the economy, providing preferential access to the startups will facilitate their growth while enabling the Government to leverage innovative solutions to enhance governance and public service delivery.

3. Several states, including Kerala, Karnataka, Tamil Nadu, Odisha, and Telangana, have already implemented measures to ease market access for startups by relaxing procurement norms. Taking cognizance of this, the Government of Andhra Pradesh, after careful consideration, has decided to introduce relaxations in public procurement norms for DPIIT-recognized startups registered in Andhra Pradesh.

4. To ensure that preferential market access is granted to capable and competitive startups, only those meeting the following eligibility criteria shall be considered:

1. The DPIIT-recognized startup should have a registered office in Andhra Pradesh and should have an existing product or service already available in the market by the time of tender issuance.
2. The DPIIT-recognized startup must have achieved any one of the following milestones: **(A.)** Secured winner/runner-up status in any International, National, or State-level innovation challenges or hackathons. **(B.)** Secured grants or funding of Rs. 25 Lakh and above under any National or state-supported schemes or programs **(C.)** Possess a patented technology or product that is currently available in the market.

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5. Accordingly, for public procurements up to a value of **Rs.50.00 Lakh (Rupees Fifty Lakh)**, the following relaxations shall apply to innovative and eligible startups, subject to compliance with all quality and technical specifications prescribed in the procurement guidelines:

- i. Exemption from the requirement of Earnest Money Deposit (EMD).
- ii. Exemption from the prior turnover requirement.
- iii. Exemption from the prior experience requirement.
- iv. Full waiver of tender document cost.

6. These relaxations shall be applicable to all Government Departments, Autonomous Organizations, Universities, Development Authorities, Bodies constituted through Executive Orders, Companies, Corporations, Special Purpose Vehicles (SPVs), Societies, Trusts, and other Public Sector Undertakings in the State of Andhra Pradesh.

7. All concerned authorities shall ensure the implementation of these relaxations in letter and spirit. These provisions shall apply to all tenders floated or invited subsequent to the issuance of this order.

8. The relevant authorities are directed to take necessary steps for the dissemination of this order and ensure strict compliance with the prescribed relaxations.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**BHASKAR KATAMNENI
SECRETARY TO GOVERNMENT**

To:

1. All the Departments of Secretariat.
2. All the Heads of Departments in the State.
3. All the District Collectors and Magistrates, Andhra Pradesh.
4. All the Municipal Commissioners, Andhra Pradesh.
5. The CEO, AP Innovation Society (APIS)

Copy to:

1. The P.S. to Principal Secretary to Hon'ble C.M.
2. The P.S. to Chief Secretary to Government.

// FORWARDED::BY ORDER //

SECTION OFFICER