

TANSEED 3.0

Guidelines for Grant up to INR 10 Lakhs

1. About TANSEED

TANSEED, aims to support early-stage financing requirements of the Startups in the form of grants up to 10 Lakhs to fill the gap in fund requirement for research & innovations, anything from an idea to the marketplace.

TANSEED would cater to early-stage funding for indigenous ideas and technologies requiring up-scaling and related work.

2. About Villgro

Villgro is India's oldest and one of the world's largest social enterprise incubators. Our belief in the ability of market-based models to alleviate poverty has enabled us to champion our mission of creating impactful, innovative and successful enterprises in Agritech, Cleantech, Medtech and Employability. Since our inception in 2001, we have incubated over 315 social enterprises that have generated 4500+ jobs and secured INR 4,164 million in follow-on funding to impact over 20 million lives. Apart from India, Villgro also supports enterprises in Vietnam, Kenya and the Philippines.

2. Eligibility Criteria

1. The entity should be a Startup registered with TANSIM and STARTUP INDIA. It shall be located and headquartered in Tamil Nadu.
2. The entity should be registered as a Private Limited Company (under Companies Act 2013), or a Limited Liability Partnership (Under Limited Liability Partnership Act 2008) or a registered Partnership firm (under Partnership Act 1932).
3. The average profit of the entity (as per income tax return) for the last 3 years (or lesser in case it's a newly registered entity) shall be less than Rs.5 Lakh.
4. Working towards innovation, development or improvement of products or processes with a high potential of employment generation, social impact or wealth creation.
5. The entity should not have been formed by splitting up, reconstruction of a business already in existence or as a Subsidiary/Joint Venture/Associate of another Company.

6. The startup should have cleared all / not have any other pending dues with any of the Government agencies and shall not be blacklisted by any Government agency in India.
7. The applicant may be incubated in an incubator for at least six months at the time of application.
8. Applicant has to be an Indian start-up. This support is not meant for Indian Subsidiaries of MNCs/Foreign Companies. Persons holding Overseas Citizenship of India (OCI) and Persons of Indian Origin (PIO) would be considered as Indian citizens for the purpose of this scheme. The shareholding by Indian promoters in the incubated Startup should be at least 51%.
9. The Seed Grant is not generally given for service Startups working in Trade and Commerce.
10. The seed fund shall be funding the development of the prototype or a product which is market ready / of small level pilot production only and shall not be for regular research which any University or College can foster.

3. Shortlisting Criteria:

1. The startup must be working on an innovative product or technology and not involved in pure service delivery.
2. Problem Identification and impact of the solution.
3. Potential for scaling up and employment creation.
4. Commitment, expertise & pedigree of the team.
5. The depth of research done on the identified problem.
6. If the startup has any dues with TANSIM, that needs to be cleared before availing the fund.
7. Business plan and usage of Fund – Clear deliverables and outcomes have to be mentioned by startups in their application. The shortlisting will be based on the quality of the business plan provided. Product-market fit, early customer feedback, technological capability of startup team to execute the project are some of the factors considered for shortlisting.
8. Funds received by the applicant like grants, prize money and other financial modes will also be taken into consideration before sanction. Priority will be given to those startups who have not received any fund.

9. The shortlisted Startups will be asked to submit a 2-Minute video introduction of the product along with the pitch deck.
10. The shortlisted Startups will then pitch to the TANSEED Expert / High Level Committee, who will recommend if the Startups are worth funding.

4. Areas covered under the Grant

The Startups would be supported primarily on the following:

- 1) Procurement of inputs to develop a prototype or working model to demonstrate the proposed technology solution and equipment rental.
- 2) Hiring technical mentors to aid and assist in prototype creation.
- 3) Manpower for product development. (Not more than 30% of Grant).
- 4) Test Marketing
- 5) Testing, certification, and trials.
- 6) Any other expenses deemed fit by the TANSEED Expert Committee.

Following expenditures will not be supported by the grant

- 1) Remuneration of the founding team. [Founding team includes anyone with beneficial ownership of more than 10% during the grant program]
- 2) Any administrative expenses such as office rent, daily travel, and conveyance, personal use equipment such as mobile phones, laptops etc.
- 3) Repay any loans or investments made by the founding team or any other person in the venture to date.
- 4) Pure research projects that intends to demonstrate scientific principles/techniques etc.
- 5) Ideas with no intention of commercialization i.e. to convert into marketable technology/products/services.
- 6) Innovations with serious ethical and safety risks deemed infeasible by experts and have serious pollution and health implications
- 7) Funding cannot be used to support student /faculty research or any other academic research.