



PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Subject: Establishment of 'Karnataka Acceleration Network' for startups-
Implementation of Budget Para 285 of FY 2022-23- reg.

Read: 1. Government Order No. ITBT 37 ADM 2022, dated:16.04.2022.
2. Proposal of Managing Director, KITS in letter No.
KITS/IT/GEN/3/2022 (Comp:749030)/225,Dated:21.09.2022.

PREAMBLE:

In the budget of FY 2022-23, the following announcement was made:-

"285. 'Karnataka Acceleration Network' will be established at a cost of Rs.50 crore in collaboration with Central Government and the entrepreneurs. For this, Rs.20 crore will be provided by State Government."

2] Accordingly, Government, vide Order read at (1) above, has accorded approval for establishment of 'Karnataka Acceleration Network' at an estimated cost of Rs.50 crores, with the State Government contribution of Rs.20 crores over a period of 03 years, Government of India to be requested to contribute Rs.20 crores and Accelerators from across the State to contribute Rs.10 crores. KDEM will be the implementing partner for KITS to set up the Network.

3] The Managing Director, KITS, in letter read at (2) above, while referring to the Government Order dated:16.04.2022, has mentioned that a formal request was made to MeitY, Government of India, seeking their contribution of Rs.20 crores to the said program and to partner the initiative, vide Letter No: ITD 28 ACS 2022, dated:16.06.2022 of Additional Chief Secretary, Dept. of Electronics, IT, Bt and S&T, Govt. of Karnataka. However, as mentioned in the revised proposal submitted by MD-KITS in letter read at (2) above, the formal concurrence from MeitY, GoI is still awaited. In order to expedite the program for the benefit of startups, KITS has revised the proposal by considering the contribution from only 2 stakeholders viz., Government of Karnataka and Industry. The Accelerator -Network would be set up by KITS in association with Karnataka Digital Economy Mission [KDEM] and Accelerators from across the State at an estimated cost of Rs.25.00 crores only.

4] KDEM will be the implementation partner for KITS to set up the Accelerator Network. KDEM, through Expression of Interest, will identify three not-for-profit Accelerators in Bengaluru, and one organization each in Mysuru, Mangaluru and Hubballi-Belagavi clusters. The network intends to support and nurture about 306 startups over a period of 3 years.

5] There will be a Governing Committee chaired by Additional Chief Secretary/Principal Secretary/Secretary to Government, Department of Electronics, IT, Bt and S&T, Govt. of Karnataka, with Managing Director, Karnataka Innovation & Technology Society [KITS], CEO - KDEM and industry leaders as members.

6] The Accelerator -Network will be funded by Government of Karnataka and other accelerators for 3 years after which it shall become self-sustainable. The total project cost, inclusive of capex and opex, is estimated to be Rs.25 crores, out of which Rs.20 crores will be provided by the State Government as grant-in-aid over a period of 3 years. The balance of Rs.5 crores will be raised from Accelerators.

7] The budget breakdown for 3 years is as follows:-

(Rs. in Crore)				
Sl. No.	Source	Year 1	Year 2	Year 3
1	Grant-in-aid from Govt. of Karnataka	7	7	6
2	Contribution from Industry	1.7	1.7	1.6
	Total	8.7	8.7	7.6

8] Proposal of MD-KITS has been examined and hence the Order.

GOVERNMENT ORDER No. ITBT 37 ADM 2022,

Bengaluru, Dated: 25.11.2022

In view of the details explained in the preamble, Government is pleased to accord approval to the revised proposal for establishment of 'Karnataka Acceleration Network' at an estimated cost of Rs.25 crores only, inclusive of capex and opex. The State Government will contribute Rs.20 crores over a period of 3 years and Accelerators (Industry Partners) from across the State will contribute Rs.5 crores.

2] The Karnataka Acceleration - Network will be set up by KITS in association with Karnataka Digital Economy Mission(KDEM) as implementing partner and the Accelerators. The State Government contribution would be under the Startup Policy Head of Account. A sum of Rs.7 crores has been provided for this purpose under the Head of Account No: 3451-00-090-2-38-Startup Policy - 059 -Other expenses in FY 2022-23.

3] This program has the concurrence of Finance Department vide endorsement No. FD 53 Exp-2/2022, Dt:12.04.2022 and the budget advice of Finance Department vide U.O. Note No. FD 25 Exp-2/2022, Dt:04.04.2022. The concurrence of Planning Department is given in endorsement No:PDS/10/PFR/2022, dated:12.04.2022.

4] This Government Order supersedes the G.O. No. ITBT 37 ADM 2022, Dated:16.04.2022.

By Order and in the name of
Governor of Karnataka

Shalini K Hegde
(Shalini K Hegde)

Under Secretary to Government,
Department of Electronics, Information Technology,
Biotechnology and Science & Technology

To:

1. The Accountant General (A&E), Karnataka, Bengaluru.

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2. The Additional Chief Secretary to Government, Finance Department, Vidhanasoudha.
3. The Additional Chief Secretary to Government, Planning Department, Vidhanasoudha.
4. Chief Executive Officer, Karnataka Digital Economy Mission, Bengaluru.
5. The Director, Directorate of Electronics, IT and Bt, Shantinagar, Bengaluru -560027
6. The Managing Director, KITS, Shantinagar, Bengaluru - 560027
7. PS to Additional Chief Secretary to Government, Dept. of Electronics, IT, Bt and S&T.
8. Guard File / Section copies.

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