



GOVERNMENT OF KERALA

Abstract

Electronics & Information Technology Department – Framework for Creating Accelerators in Kerala - Approved - Orders issued.

ELECTRONICS & INFORMATION TECHNOLOGY (IT CELL) DEPARTMENT

G.O.(Rt)No.139/2018/ITD

Dated, Thiruvananthapuram, 24/05/2018

Read Letter No. KSUM/267/2018 dated 16.04.2018 from the Chief Executive Officer, Kerala Startup Mission.

ORDER

Kerala has several incubators being promoted by Government agencies like Kerala Startup Mission (KSUM), Kerala State Industrial Development Corporation (KSIDC) etc. as well as other autonomous Semi-Government agencies. In order to supplement these incubators, it is necessary to create accelerators who provide Product - Market Linkage, Early market connect and access to Venture funds. It is proposed that KSUM may actively scout for accelerators of global repute to start operation in Kerala to support development of the ecosystem. The 20th meeting of Executive Committee of KSUM held on 15.03.2018 approved the framework of Creating Accelerators in Kerala and the Chief Executive Officer as per letter read above has requested to issue necessary orders in this regard.

Government have examined the matter in detail and are pleased to approve following guidelines for selection and operation of accelerators and to ensure its quality and effectiveness.

Selection

a. Only accelerators with global presence will be supported under this scheme. Towards this the accelerator should meet one of the following criteria

i. It should be among top 25 accelerators as per the Forbes list of global accelerators.

OR

ii. It should have been in operation for at least three years, having operations in at least three countries and must have at least 10 successful cases of demonstrable exits with VC funding.

b. Accelerators are selected based on an EOI. The experience of the accelerator, their demonstrated expertise in specific functional domains, the availability of

Mentors/ specialized facility, association with VCs, proven access to international markets, amount of investment expected to be made by accelerator during the course of acceleration etc. are considered for evaluation of EOI. Accelerators who commit funds for acceleration will be given preference

Support Extended

Three types of support shall be extended to accelerators by KSUM:

- i. Capital (set up cost): This will be as per the benefits approved under GO 285/2017/ITD and limited to space lease charges, interior design and equipment/infrastructure development.
- ii. Operational Support as approved under the GO 285/2017/ITD. Any professional charges to accelerator also will be included in this operational support.
- iii. Support to accelerated startups as equity stake. Towards this the following investment is suggested:
 - a. Stage 1: 70% of fund requirement subject to a maximum of Rs 20 lakhs
 - b. Stage 2: 50% of fund requirement subject to a maximum of Rs 40 lakhs
 - c. Stage 3 or above: 20 % of fund requirement (across all the stages other than 1 and 2) subject to a maximum of 40 lakhs per startup.

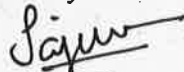
In all the above cases, the Startup should raise the remaining by its own or through the VC / early stage funds and or from the accelerators. The amount invested by KSUM will be converted to equity based on the first valuation at 20% premium. If investment doesn't happen within 24 months of commencement of acceleration, KSUM will engage reputed valuers to assess the value of the startup and the investment made along with charges, if any, for such valuation will be converted to equity as per the valuation.

(By order of the Governor)
SHYAM NADH R
UNDER SECRETARY

To:

✓ The Chief Executive Officer, Kerala Startup Mission, Technopark, Thiruvananthapuram
The Principal Accountant General (Audit) Kerala, Thiruvananthapuram.
The Accountant General (A & E) Kerala, Thiruvananthapuram.
The Web and new Media, I&PRD, Thiruvananthapuram.
Stock file /Office copy

Forwarded /By order


Section Officer

2