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# MARC Insights IT and Startup Ecosystem in Mysuru

January 2024



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# Glossary

Term	Definition	Term	Definition
AI	<i>Artificial Intelligence</i>	ITES	<i>Information Technology Enabled Services</i>
AR/VR	<i>Augmented Reality/Virtual Reality</i>	KAN	<i>Karnataka Accelerator Network</i>
ATMP	<i>Assembly, Testing, Marking, And Packaging</i>	KDEM	<i>Karnataka Digital Economy Mission</i>
AVGC	<i>Animation, visual effects, gaming and comics</i>	KIADB	<i>Karnataka Industrial Areas Development Board</i>
BT	<i>Biotechnology</i>	KSIIDC	<i>Karnataka State Industrial &amp; Infrastructure Development Corporation</i>
DPIIT	<i>Department for Promotion of Industry and Internal Trade</i>	KSOU	<i>Karnataka State Open University</i>
EPF	<i>Employee Provident Fund</i>	K-Tech	<i>Brand of Karnataka Innovation and Technology Society</i>
ESDM	<i>Electronics System Design and Manufacturing</i>	LOI	<i>Letter of Intent</i>
FSDM	<i>Financial Services Data Management</i>	MCSF	<i>Mysuru Cluster Seed Fund</i>
GoK	<i>Government of Karnataka</i>	MGTC	<i>Mysuru Global Technology Centre</i>
GCC	<i>Global Capability Centre</i>	S&T	<i>Science and Technology</i>
IT	<i>Information Technology</i>	SEZ	<i>Special Economic Zone</i>
		SJCE-STEP	<i>Sri Jayachamarajendra College of Engineering – Science &amp; Technology Entrepreneurs Park</i>

# Industry Overview

# Industry Overview – India

## Startup Ecosystem - INDIA

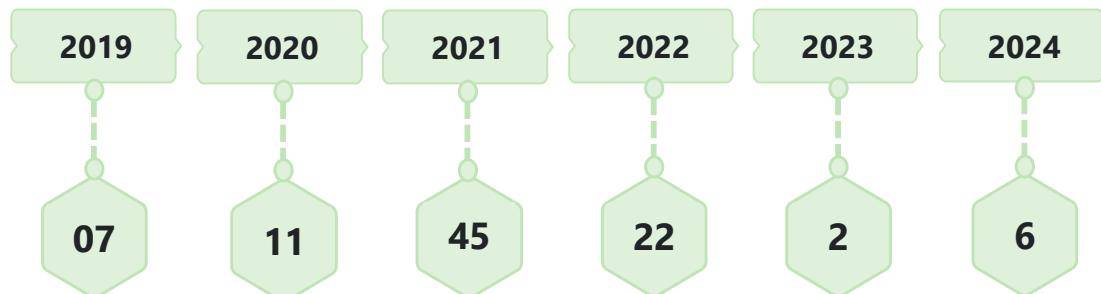
**1,580+**  
Total number of Global Capability Centres

**1,55,613**  
DPIIT-recognized startups as of Dec 2024

**3<sup>rd</sup>**  
India's rank globally with 112 Unicorns as of May 2024

- India has over **4 Lakh** startups, of which **112** have become Unicorns as of 2024, solidifying the country's leadership in global innovation.
- **Bengaluru** tops the list of Indian cities with **42 unicorns**, followed by **Delhi NCR** with **28**, and **Mumbai** with **22 unicorns** as of May 2024.

## Number of Indian Unicorns Added Each Year



Source: [Invest India, IBEF, Beyond Bengaluru Innovation report 24](#)

## IT/ITES Industry - INDIA

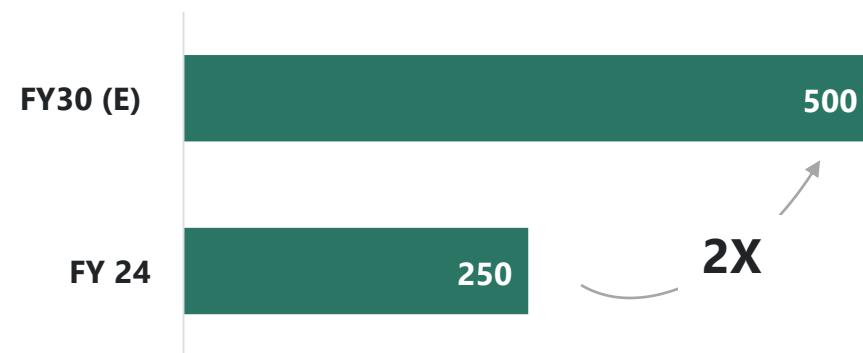
**US\$ 199 Billion** Exports from the Indian IT industry in FY24

**5.4 Million** People were directly employed in IT industry in FY23

**2,300+** new tech startups emerged as of Dec 2024.

**INR 10,300 crore (US\$ 1.2 billion)** allocated by Government for the India AI Mission, marking a significant step towards bolstering India's AI ecosystem in March 2024

## India's Technology Industry Revenue (USD Bn)



# Industry Overview – Karnataka

## Startup Ecosystem - Karnataka

**1<sup>st</sup>**

Bengaluru's world ranking for Unicorns to GDP per-capita ratio

**2<sup>nd</sup>**

Karnataka's rank in India with 15,383 DPIIT recognized startups as of Dec 2024

**500+**

Total number of Global Capability Centers in State

**138+**

Accelerators and Incubators



The state is ranked **1<sup>st</sup> in NITI Aayog's India Innovation Index** 2022 & was awarded the Best Performer in DPIIT state rankings.



Department of Electronics, IT, BT and S&T has **supported 983 startups with a committed fund of INR 224 crore** as seed funding.



With **45 tech unicorns**, Karnataka solidifies its position as a premier destination for technology and innovation in the country.

## IT & ITES Industry - Karnataka

**US\$ 50 Billion** Software & services export from Karnataka in FY24.

In Karnataka, approximately **1.2 Million** individuals are employed across **8,785 IT and ITES companies**.

**750+ multinational** companies operating in IT and ITES sectors.

**42%**

Karnataka's share of India's Total IT Exports **FY23**

**1.2 Million**

Direct Employment in IT/ITES sector **FY23**

**3.1 Million**

Indirect Employment in IT/ITES sector **FY23**



Karnataka's new GCC policy targets **500** new centers by 2029, creating **3.5 lakh jobs** and **US \$50 billion** in economic output. It offers property tax, rental reimbursements, EPF contributions, capital grants, and internship stipends for 100,000 interns, along with a five-year electricity duty exemption.

Source : [Invest India](#), [IBEF](#), [Tracxn](#), [TOI](#), [Yourstory](#), [Business Standard](#), [Times of India](#), [Economic Times](#), [The Hindu](#)

# **Overview of Mysuru IT & ITES Industry**

# The Startup Ecosystem of Mysuru

Mysuru's growing startup ecosystem, encompasses over **400 startups** across various sectors, is further strengthened by the inclusion of **120 startups in the Beyond Bengaluru Startup Grid.**



Mysuru's thriving startup ecosystem is home to **over 400 startups** across diverse industries, including technology, healthcare, education, tourism, electronics, and defence.



Mysuru is a growing cybersecurity hub, excelling in **research, development, and innovation**, with a thriving ecosystem that attracts companies and professionals.



Mysuru's startup ecosystem is thriving, with incubators **like SJCE-STEP, K-Tech, and Silicon Road** offering mentorship and funding. These platforms foster collaboration and help startups scale quickly, making growth in Mysuru easier than ever.



The Beyond Bengaluru Startup Grid has expanded to include **120 startups** from the Mysuru cluster, with nearly **15%** of these being led by women entrepreneurs.

## Notable Investors



Source: [StartupBlink](#), [X.com](#), [LinkedIn](#), [Star of Mysuru](#), [KDEM](#), [TOI](#), [Beyond Bengaluru Innovation report 24](#).

National Ranking  
**49<sup>th</sup>**

in India

(2024 Global Start-up Ecosystem Index)

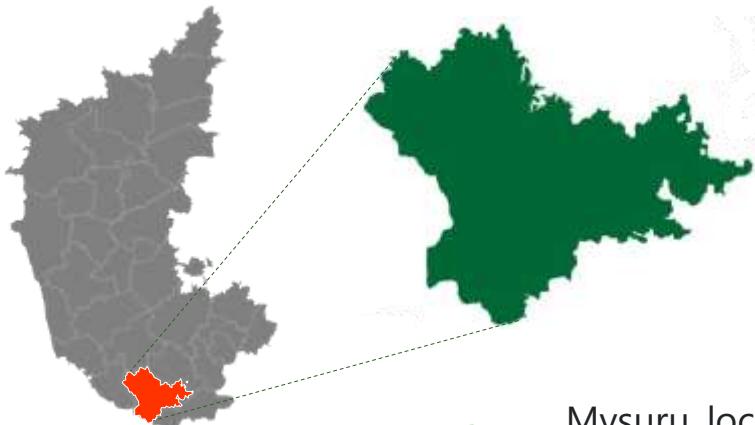
Regional Ranking  
**56<sup>th</sup>**

In South Asia

(2024 Global Start-up Ecosystem Index)

# Industry Overview Mysuru (1/2)

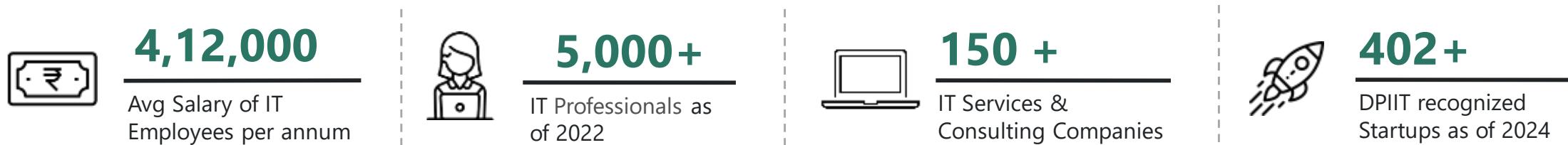
Mysuru ranks **second in the state for software exports**, with approximately **INR 5,700 crore** in IT exports for 2023-24. With **50+ IT companies** like **Infosys** and **Wipro**, and supported by **five industrial zones developed by KIADB**, Mysuru is emerging as a key tech hub.



- Mysuru, located about 140 km from Bengaluru, is the second-largest city in Karnataka and a **prominent IT hub**, ranking **2<sup>nd</sup> in the state for software exports** with approximately **INR 5,700 crore** in FY 2023-24.
- The city is home to around **50+ IT companies**, including **Infosys, L&T, Wipro, and Software Paradigms India**, attracting investors due to its skilled workforce and high-quality living conditions.
- KIADB has developed five industrial zones around Mysuru: **Belagola, Belavadi, Hebbal** (Electronic City), **Metagally**, and **Hootagalli**, supporting the city's growing IT and ITES sectors and strengthening its role as a key tech hub.

Source: [Per Capita Income, Mysuru, Economic Survey, Mysuru Population, thehindu.com](#)

# Industry Overview Mysuru (1/2)



- Mysuru is rapidly emerging as a significant hub for both Information Technology (IT) and Electronics System Design and Manufacturing (ESDM) sectors in Karnataka. Major players like **Infosys**, **Wipro**, and **HCL Technologies** have established a strong presence, leveraging the city's growing talent pool and conducive business environment.
- Key companies including **Flex**, **Wistron**, and **Salcomp** are driving growth in the ESDM sector with investments in manufacturing facilities.
- Mysuru offers cost advantages, a skilled workforce, strong government support, and a pleasant living environment, making it a **prime investment destination** for IT and ITES firms, with the added benefit of proximity to Bengaluru.



**15+**  
Renowned Engineering Colleges

**40,000**  
Engineering & Degree College students

**30,000**  
IT Talent Available



Source : [Payscale](#), [Datamine](#), [Ambitionbox](#), [KDEM](#), [ReadersTime](#), [Beyond Bengaluru Innovation report 24](#)

# Upcoming IT Parks

IT parks in Mysuru will support **GCCs** and **startups**, attracting tech companies and **boosting the local tech cluster**. They will **provide infrastructure** for global businesses, create jobs, and enhance Karnataka's digital economy under the "Beyond Bengaluru" initiative, **fostering international collaborations** and **investments**.



**Global Technology Centre**



**Renaissance IT Infra Park**



**Gopalan E-Park**

- **3,000-seater Plug & Play facility** at KSOU.
- Focus on innovation in **IT/ITES, FSDM, & AR/VR**.
- The facility is leased to KDEM for 30 years.
- It will **support startups** and **academia**.
- Governance will be sustained through rental revenue.

- **1.2 lakh sq ft** IGBC Green Pre-Certified building in Hebbal Industrial Area.
- Designed for **IT space leasing** with scalable infrastructure up to **300,000 sq ft**.
- Features dedicated parking and floor plates that support additional data center loads.

- **28-acre IT/ITES SEZ** project under construction by Gopalan Enterprises in Koorgalli.
- Strategically located, offering office spaces with modern amenities and a healthy environment.
- Provides **easy access to Mysuru's IT hubs and key infrastructure**.

Source : [Star of Mysuru](#), [Mysuru Infra Hub](#), [Renaissance Holdings](#), [99acres](#), [Gopalan](#), [MagicBricks](#)

# Government Initiatives (1/2)

## 1. Karnataka Digital Economy Mission (KDEM)



An initiative of the **Karnataka Government** which functions as a **knowledge bridge** between the GoK and Industry to **accelerate growth** and investments in the field of **Information Technology sector in Karnataka**.

### Beyond Bengaluru Initiative

Under **KDEM**, the **Beyond Bengaluru Cluster Seed Fund** supports startup growth in Tier-2 and Tier-3 cities, with ₹75 crore allocated across three clusters—**Mysuru**, **Hubballi-Dharwad-Belagavi**, and **Mangaluru** (₹25 crore each). The initiative aims to foster regional innovation and expand Karnataka's tech ecosystem beyond Bengaluru.

#### Mysuru Cluster Seed Fund (MCSF)

Seed fund of 25 Cr INR for Mysuru cluster, deployable to startups in focus sectors such as IT, Biotechnology, Electronic systems design & manufacturing & AVGC.

#### Mysuru Global Technology Centre (MGTC)

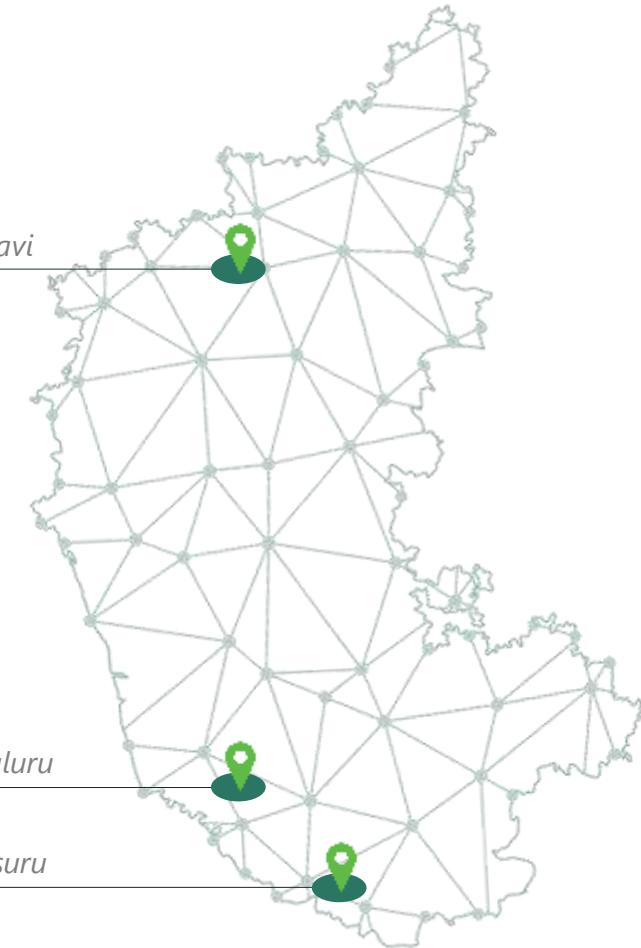
2 lakh sqf/3,000-seater plug-and-play office infrastructure that will drive cost savings, boost productivity, attract talent, and foster global collaboration and business growth.

Source: [Beyond Bengaluru Innovation report 24 , KDEM](#)

*Hubballi – Dharwad – Belagavi*

*Mangaluru*

*Mysuru*



#### Karnataka Accelerator Network (KAN)

Support to startups. This will address the challenges involved in the start-up journey and augmentation across various sectors that are critical to the start-up's growth.

# Government Initiatives (2/2)

## 2. ELEVATE Idea2POC (Idea to Proof Of Concept)

- Launched by the Karnataka Start Up Cell, Department of Electronics, IT, BT, and S&T, GoK.
- Seeks to offer grants **upto ₹ 50 Lakhs** to early stage startups in Karnataka for transforming innovative ideas/proof of concept to reality (Ideation to commercialization).
- Since launch in 2017, more than **983 startups** have benefitted from this fund with a total of **₹ 224 Cr capital committed**.
- 24%** of beneficiaries are **women led startups**.

## 3. KITVEN (Karnataka IT Venture Capital Fund)

- Promoted by the KSIIDC and managed by Karnataka Asset Management Private Limited, GoK.
- KITVEN provides **equity** and **equity-related funding** to early-stage and growth-stage companies in the emerging sectors including IT, AI, EV, ML, Robotics etc.
- The fund aims to encourage entrepreneurship, innovation, and investment in Karnataka's technology ecosystem.
- Having a **corpus of INR 100 Cr**, the fund provides **INR 2 Cr to INR 5 Cr** to eligible startups in Karnataka.

## 4. Karnataka Start Up Policy 2022 - 2027

- The Karnataka Government approved the **Karnataka Startup Policy (2022-2027)** to enhance the state's startup ecosystem by fostering innovation through funding, incubation, and infrastructure.
- The policy ultimately aims to achieve :-
  - ✓ Support to **25,000** startups by 2027
  - ✓ Balanced regional growth by creating innovation clusters outside Bengaluru
  - ✓ Strengthen Karnataka's position as a leader in India's startup ecosystem.

Source: [Karnataka startup policy](#), [Beyond Bengaluru Innovation report 24](#)

# Notable IT/ITES Startups in Mysuru



## MeetRecord

Empower revenue teams with AI-driven insights that transform customer conversations into actionable data, accelerating deals and automating coaching to enhance overall team performance and drive success.



## Mysoftlabs

Global digital IT solutions provider, specialized in Automation, Cloud, Mobility and Analytics. Helping businesses deploy AI-powered software bots and cognitive services.



## Shanno Corporate Solutions

Help organizations optimize their HR processes through innovative technology solutions. Streamline onboarding, improve communication, and enhance employee performance with tailored HR technologies.



## Tosko Technologies

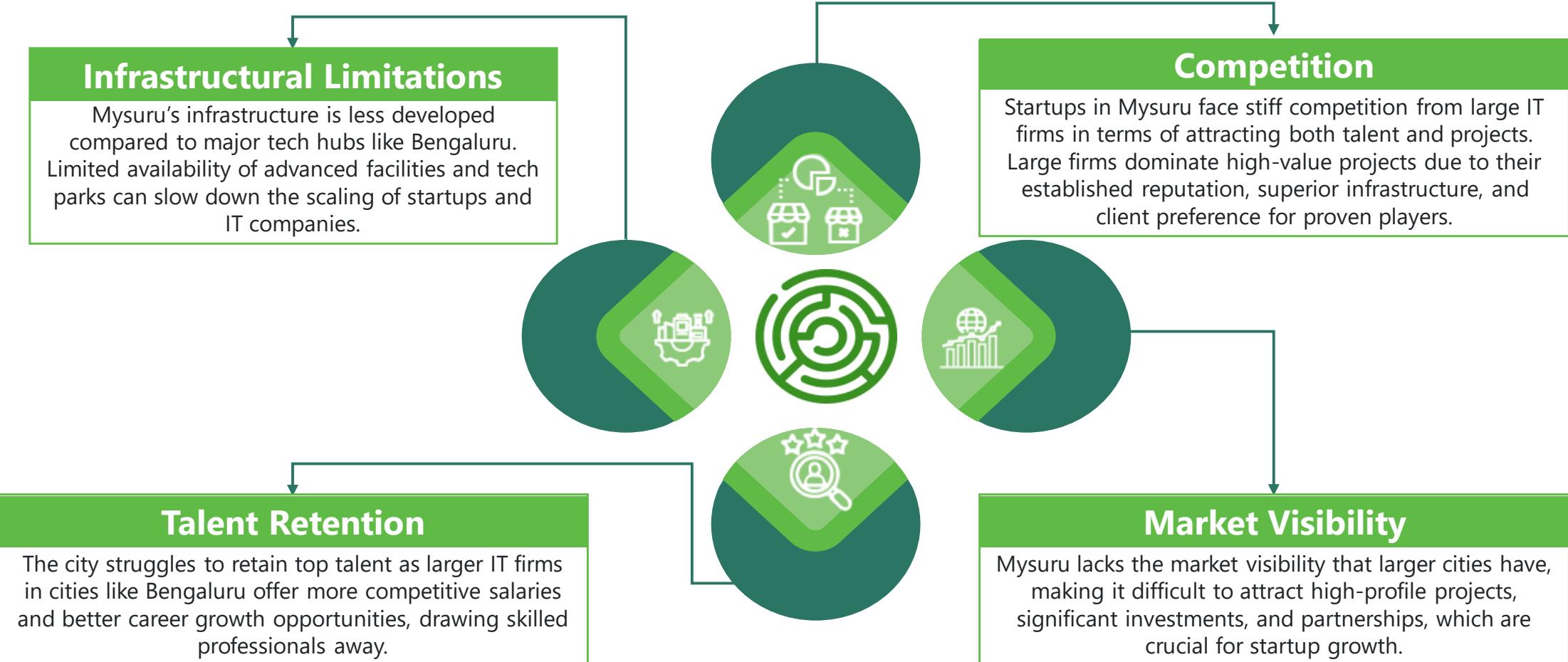
Offers software development, strategic digital marketing, and practical training with a placement guarantee to help businesses establish their brand and professionals enhance their skills in the IT sector.

Source : [Shanno](#), [excelife](#), [mysoftlabs](#), [tosko](#)

# **Challenges & Opportunities in Mysuru**

# Key Challenges

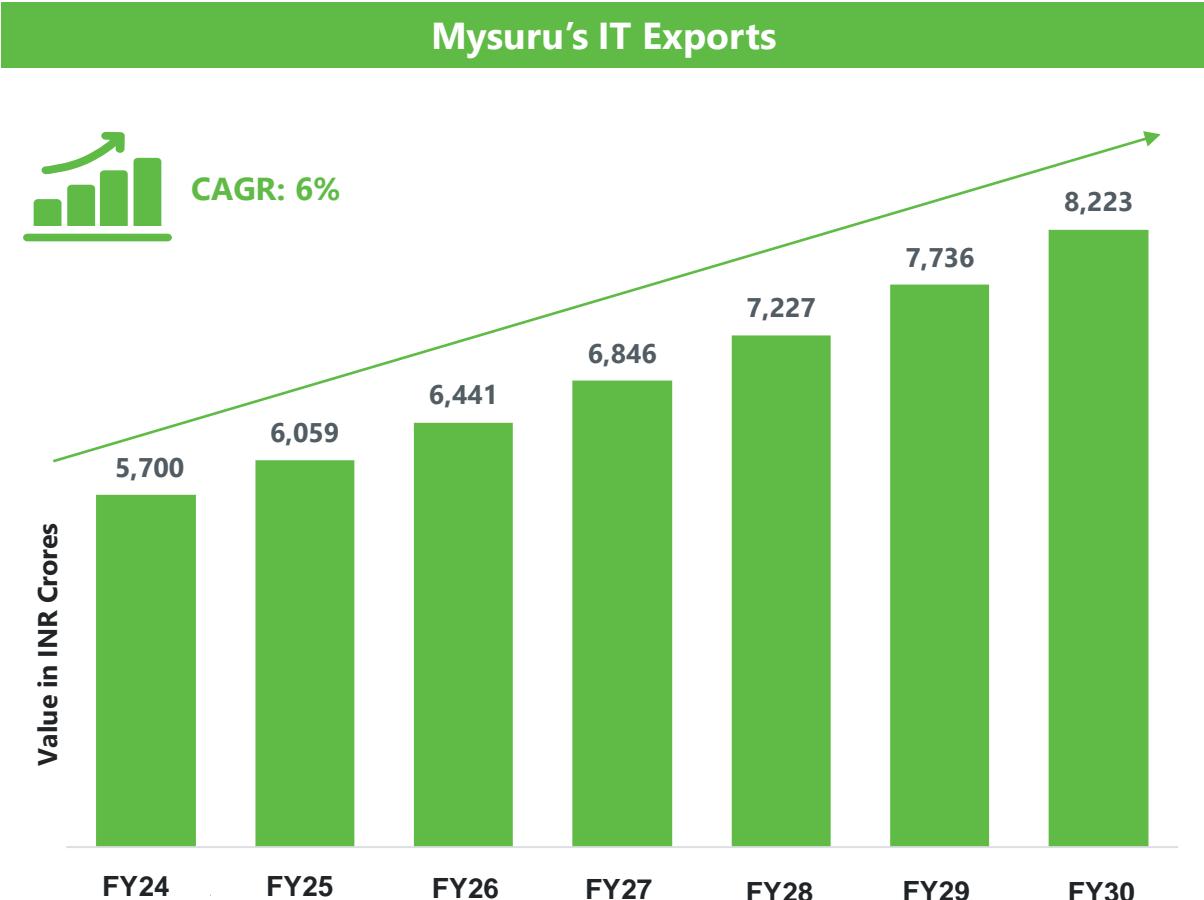
Mysuru's underdeveloped infrastructure, lack of market visibility, and inability to attract and retain top talent limits its potential to become a thriving startup hub.



Source: [Times of India](#)

# Conclusion (1/2)

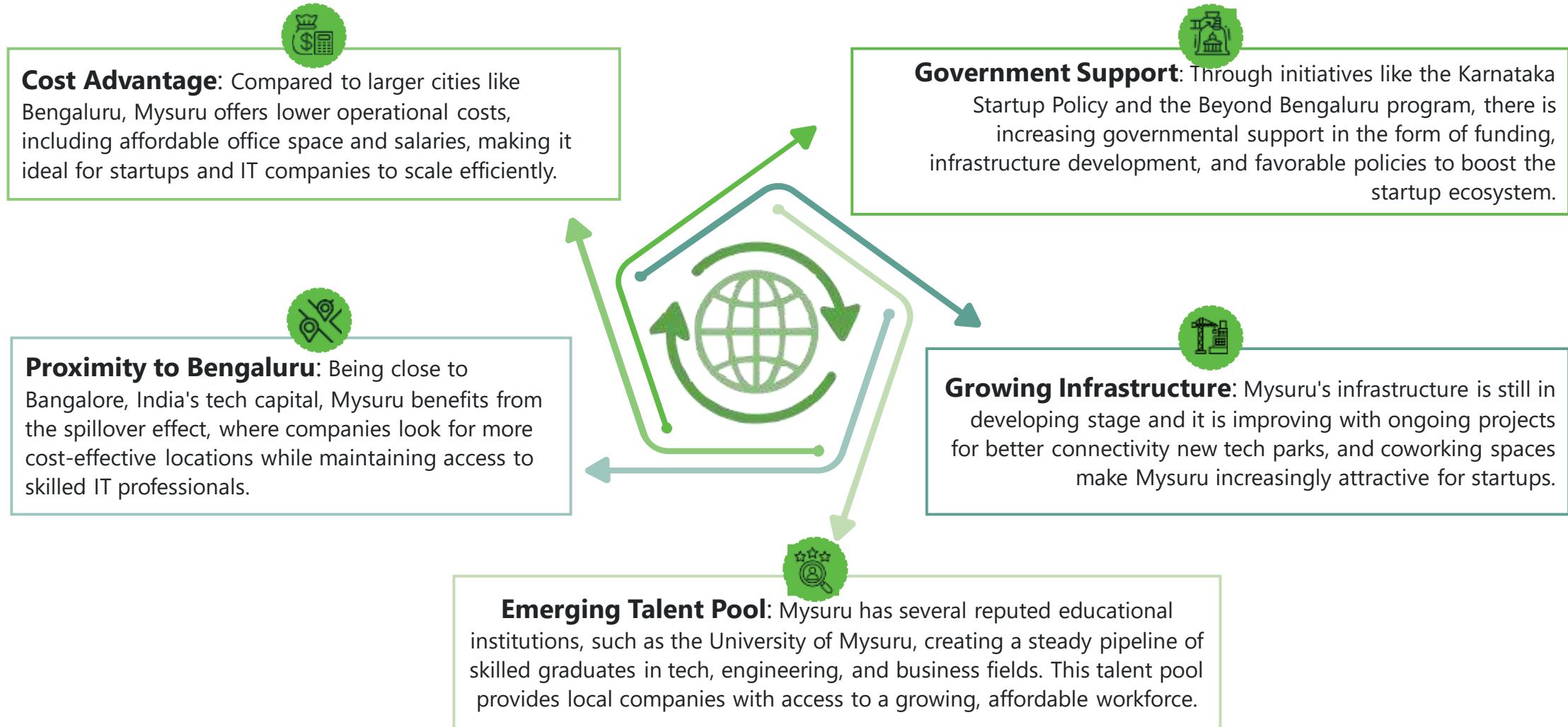
Mysuru's IT Export is expected to reach **INR 8,223 Crores** by FY30 from **INR 5,700 Crores** in FY24 growing at a **CAGR of 6%**.



- Mysuru, with its robust IT infrastructure, over **400+ startups** and supportive ecosystem, is poised to substantially increase its IT exports.
- The city's emerging startup ecosystem, stimulated by incubators like **SJCE-STEP, K-Tech, and Silicon Road** as well as government initiatives like **KDEM and Karnataka IT Venture Fund** will drive innovation and attract investment.
- **KIADB's development of five industrial zones (Belagola, Belavadi, Hebbal, Metagally, and Hootagalli)** around Mysuru will significantly boost the city's IT and ITES sectors, thereby facilitating increased IT exports.
- The presence of established IT giants and the development of IT parks such as **Global Technology Centre, Renaissance IT Infra Park & Gopalan E-park** will create a thriving tech hub, significantly enhancing Mysuru's IT export potential.
- Considering all the above factors, MARC predicts a **6% annual growth rate in Mysuru's IT exports.**

Source : MARC Analysis, [TheHindu](#)

## Conclusion (2/2)



Source : MARC Analysis



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