



**Karnataka Digital
Economy Mission**

KARNATAKA DIGITAL ECONOMY MISSION

DIGITAL KARNATAKA - YOUR PARTNER FOR THE WORLD

PROMOTED BY



nasscom



Taking India to ESDM Leadership



info@karnatakadigital.in

DIGITAL KARNATAKA - KARNATAKA FOSTERING THE DIGITAL WORLD

PROMOTING INCLUSIVE &
SUSTAINABLE INDUSTRIALIZATION
THROUGH INNOVATION

JOIN THE DIGITAL REVOLUTION,
POWERED BY KARNATAKA.



INDIA: 75 YEARS OF DEMOCRACY - KEY ACHIEVEMENTS

100X

rise in GDP;
currently at USD 3.5 Tn



Growth rate
8.7% (FY21-22)



5th largest economy;
jumped 6 positions since 2012

500X

rise in per capita income;
currently at USD 2,300



2nd largest working population of 522
Mn with a median age of 29 years



Annual FDI doubled in last 8 years
(launch of Make in India in 2014); USD
35 Bn to USD 84 Bn in a decade








500X

rise in total exports;
highest ever exports of
USD 660 Bn in 2021-22



During the pandemic, India witnessed a
V-shaped recovery; GDP contracted 24%
in the first quarter of the year before
bouncing back to 20% in 4th quarter

AMRIT KAAL: VISION 2047

	Economy	2nd largest	USD 32Tn
	Per Capita Income	10X	USD 20,000
	Manufacturing GDP	15X	USD 6.2Tn
	Services GDP	13X	USD 20Tn
	FDI	12X	USD 1Tn
	Exports	12X	USD 8Tn
	Human Capital	Largest and Youngest working population	Median age of 29 years

“India is making policies keeping in mind the goals of next 25 years. In this time period, the country has kept the goals of high growth and saturation of welfare and wellness.”

**‘State of World’ address
World Economic Forum, 2022**

TECHNOLOGY: DIGITALLY EMPOWERING INDIAN SOCIETY



1.3 Bn people with unique digital identity



#2 in Mobile phone users (1.2 Bn); Smartphone users (750 Mn)



#1 Fintech adoption rate



74 Bn digital transactions worth USD 1.6 Tn in CY 2022



74 Bn digital transactions worth USD 1.6 Tn in CY 2022



1.3 Bn Internet Users by 2030



61% internet penetration

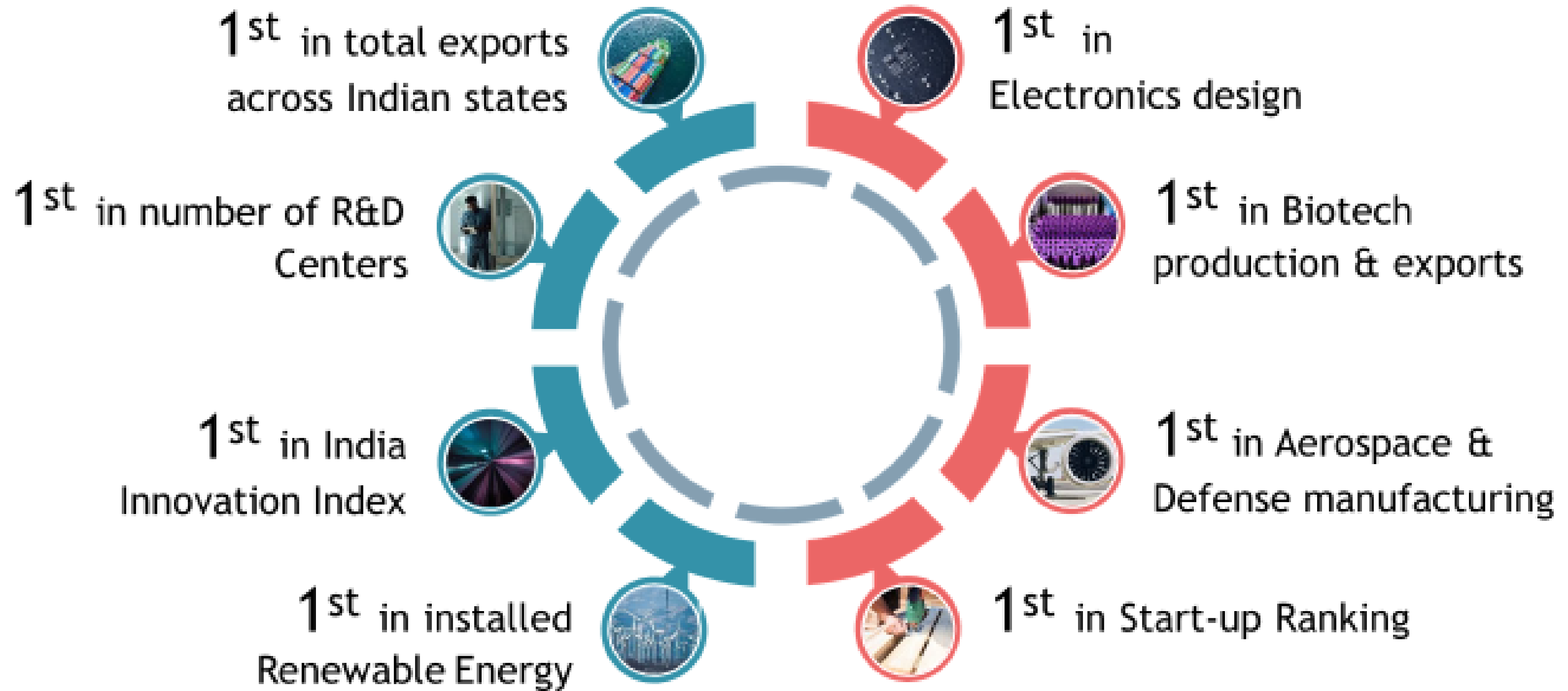


30x reduction in data cost; amongst lowest globally \$0.68 per GB



373 Mn Estimated Rural Internet Users

Karnataka – India Landscape

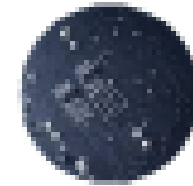


Where are we today – Numero Uno

1st in



Total exports across the Indian states



Electronics design



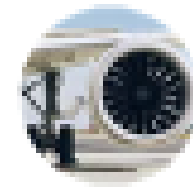
Number of R&D Centers



Biotech production & exports



India Innovation Index



Aerospace & Defense manufacturing



Installed Renewable Energy



Machine Tools manufacturing

KARNATAKA - GLOBAL LANDSCAPE

The global start-up economy remains large, creating nearly \$3 trillion in value, a figure on par with the GDP of a G7 economy

Karnataka's ranking in the global startup ecosystem is 10th in the world

Bengaluru is home to 400 Fortune 500 Companies

Karnataka is home to 85+ Chip Design companies

Highest talent supply

Bengaluru is the 4th largest technology cluster in the world

Presence of largest AI skills

Karnataka has the presence of 41 Unicorns

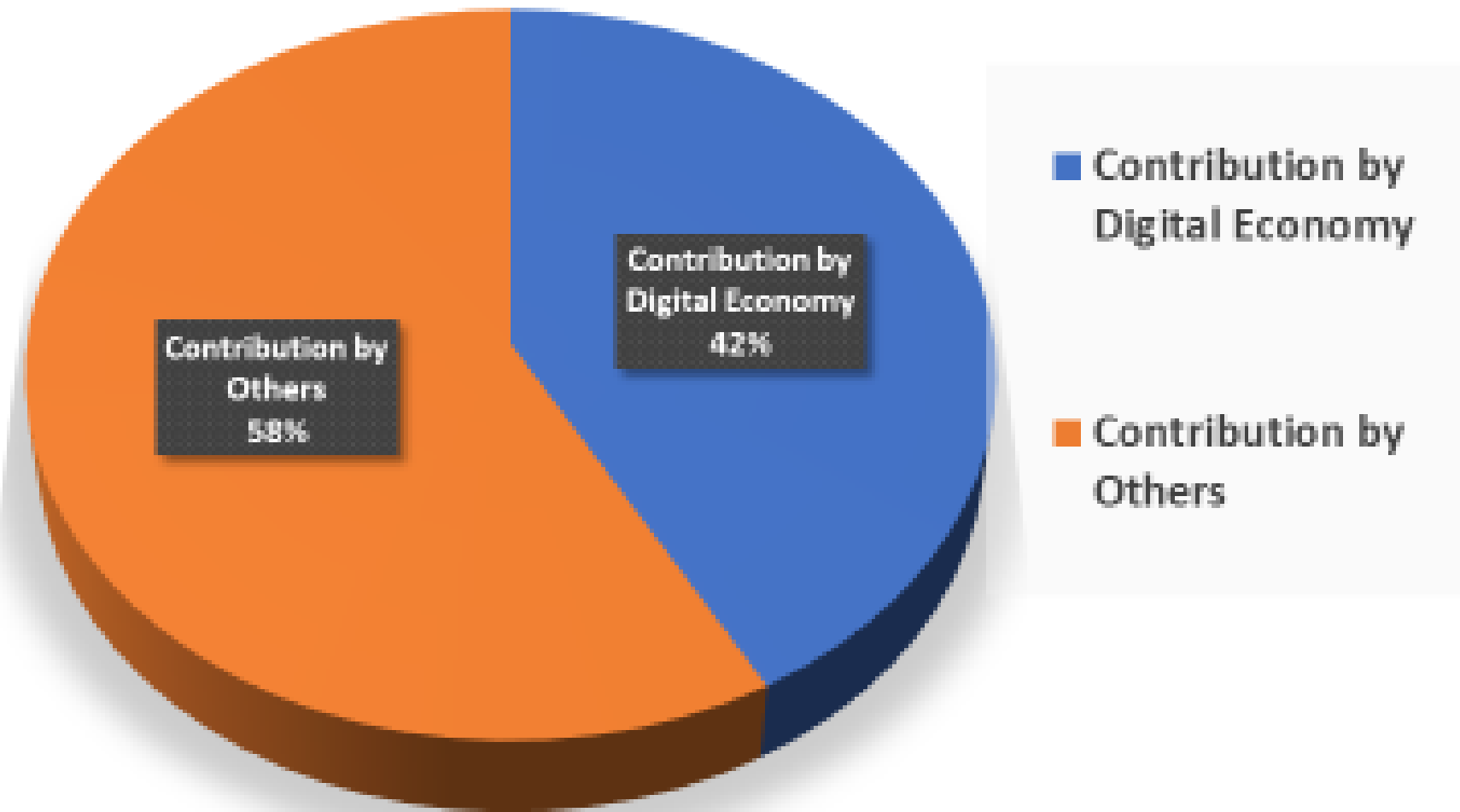
Largest UPI transactions

Bengaluru houses 36% of GCC's in India

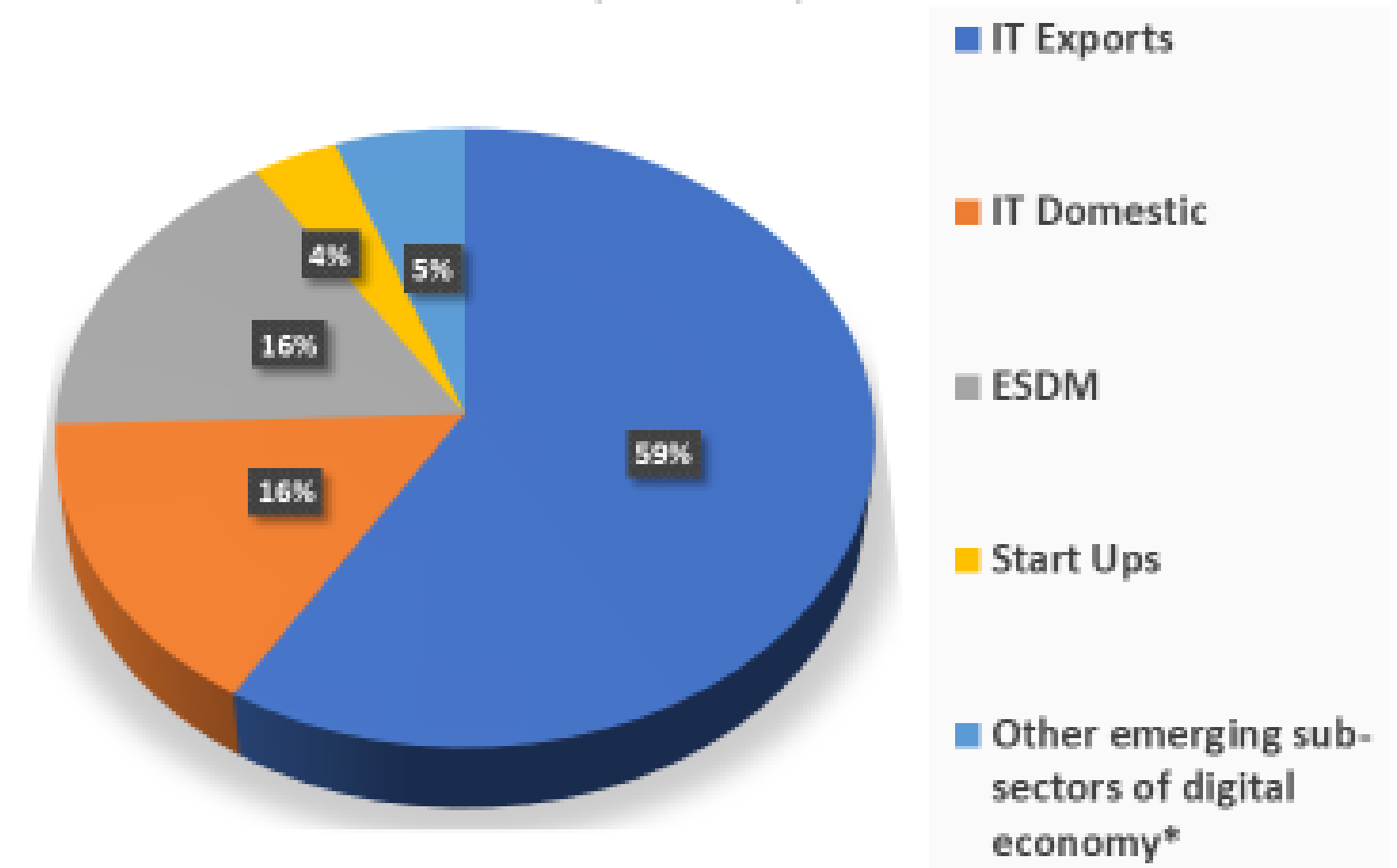
Karnataka Ranked No 1 for 2019, 2020 and 2022 (As per NITI Aayog for Innovation Index)

Karnataka Digital Economy – Today

Karnataka Digital Economy as a % of Karnataka
GDP (2021-22)

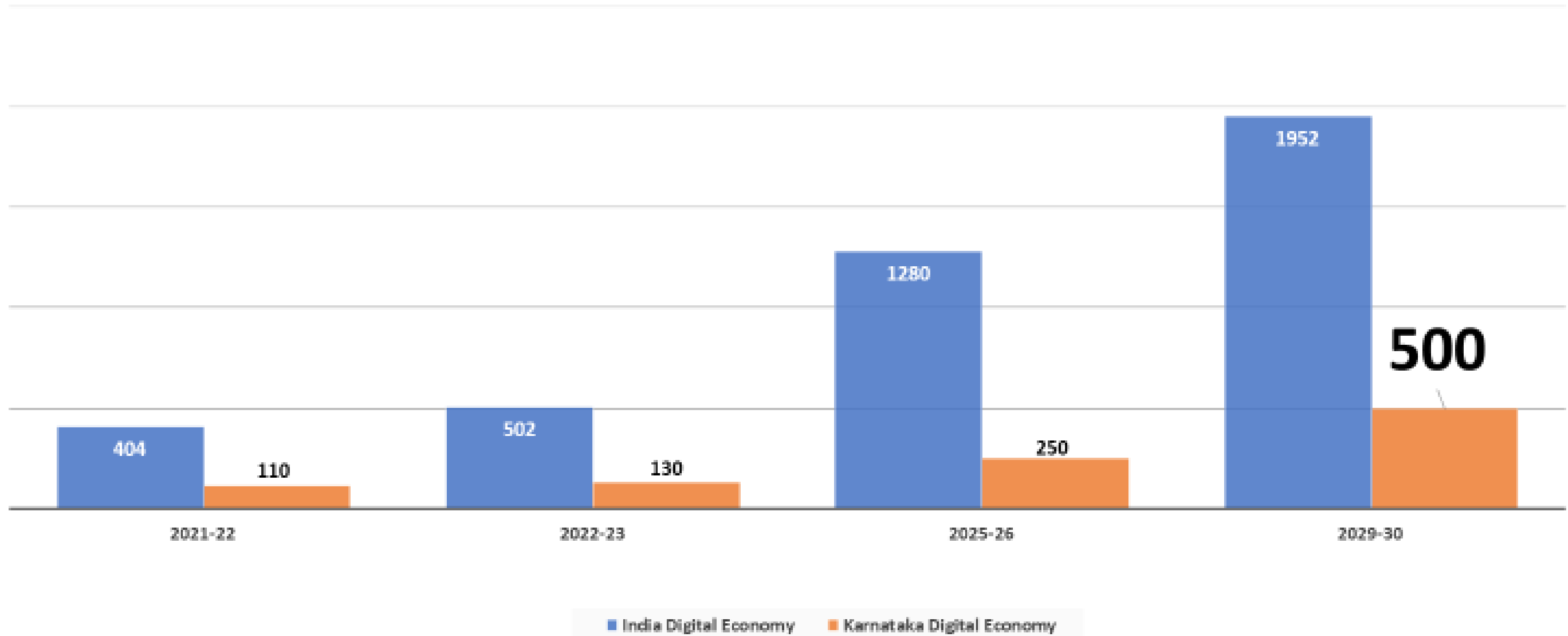


Karnataka Digital Economy
(2021-22)



Karnataka Vs India Digital Economy 2030

India Digital Economy Vs Karnataka Digital Economy (In USD Bn)



DIGITAL ECONOMY OF INDIA - IN NUMBERS

- 01** India's Digital Economy- size of USD 222.5 billion in 2019; grew 2.4X faster than overall economy in 2014-19; 3% increase in GVA witnessed- 5.4% in 2014 to 8.5 per cent in 2019
- 02** India's consumer digital economy which was pegged at \$85-90 billion in 2020, is expected to become a \$800 billion market by 2030
- 03** India had 692.0 million internet users at the start of 2023, and internet penetration stood at 48.7 percent**.
- 04** India can create over \$1 trillion of economic value from the digital economy in 2025, (value equivalent to 18-23 per cent of the country's nominal GDP)

GDP

\$355-435 Billion*

By 2025

JOBS

60-65 million*

By 2025

JOBS

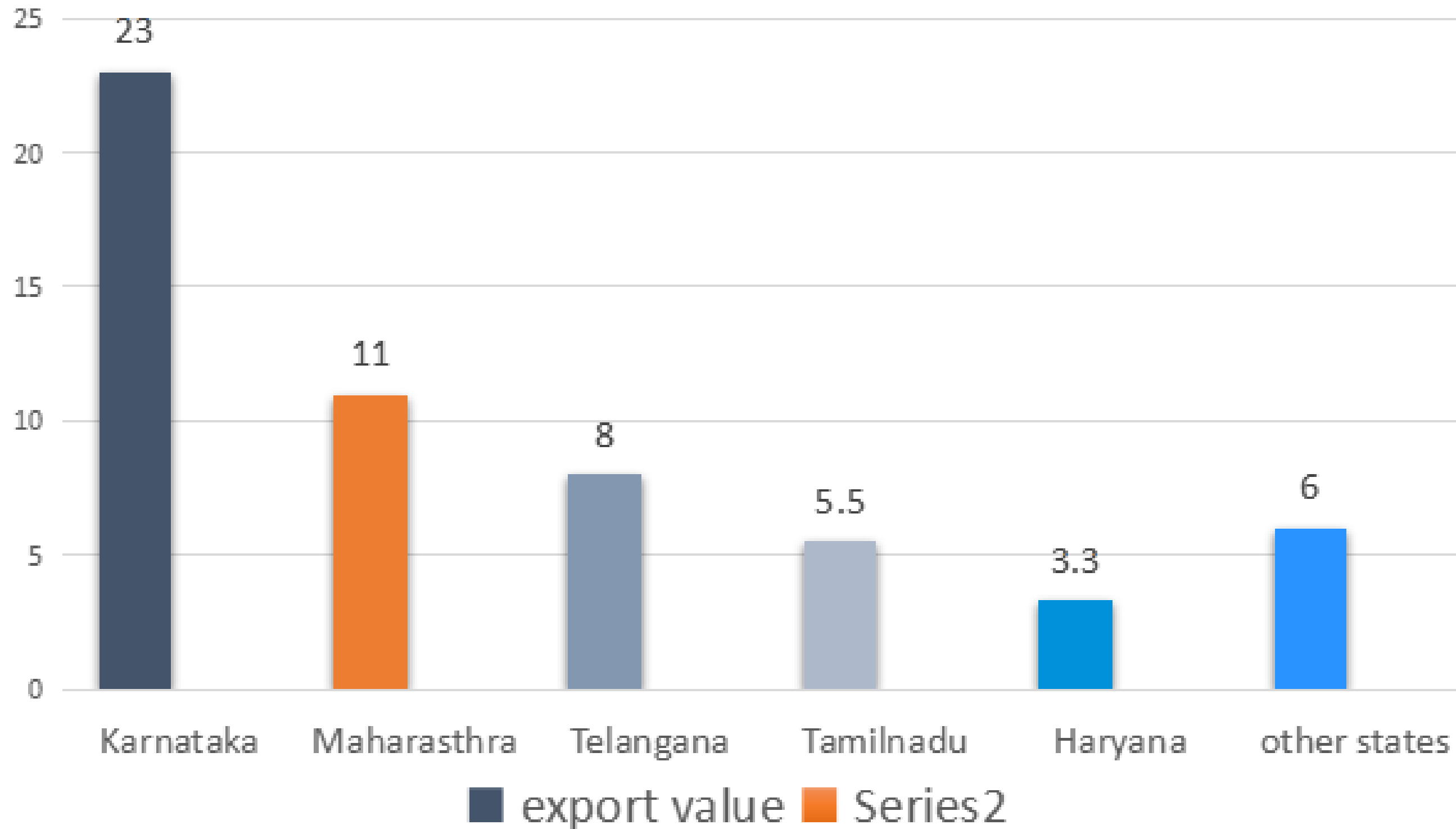
60-65 million*

By 2025

*Source :Mckinsey
Global institute report
,2019 Measuring India's
Digital Economy, RBI
India's Trillion-Dollar
Digital economy
Digital 2023 *With
2019-20 as base year

INDIA-STATES SHARE IN IT AND ITES EXPORTS

States share in software exports through STPI registered units
(in Bn. USD)



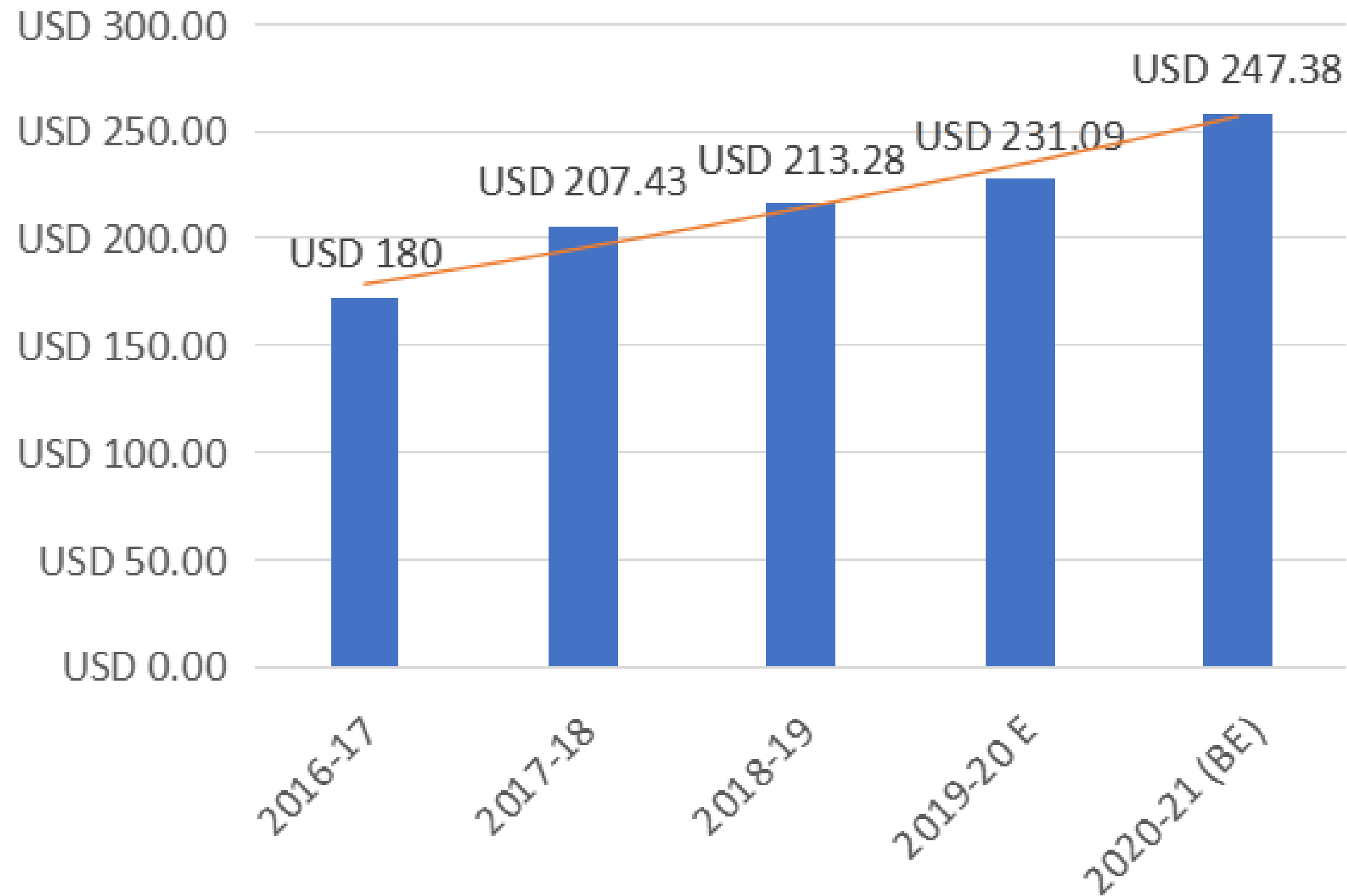
Source: STPI data

STATES SHARE

- Exports of IT & ITES-state wise is highly concentrated with 5 states occupying 90% of the total export volume
- Karnataka constitutes nearly 40% of the total IT & ITES exports from India

FACTSHEET - STATE OF KARNATAKA

GDP GROWTH OF KARNATAKA



All figures are in billions

GDP & ECONOMY

- GDP of Karnataka is estimated to be at 247.38 billion USD
- CAGR: 8.47% over the period 2016-21
- The growth statistics for Karnataka is greater than India's average growth rate of 6.95%

“India is making **policies keeping in mind the goals of next 25 years**. In this time period, the country has kept the goals of high growth and saturation of welfare and wellness”.

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KDEM – A unique PPP model (In Asia) to grow the Digital Economy of the State and the Country.

A Section 8 company with **51% equity with Industry** and **49% equity with the Government**, with all OpEx supported by the Government.

Organization designed as
**BY THE INDUSTRY
FOR THE INDUSTRY**

To function to accelerate growth and investments of the IT, BT and S&T (Digital Economy) sectors in Karnataka.

To harness the unlimited potential of the digital economy of Karnataka to transform the lives of the people in the State.



“Karnataka will contribute \$1.5 trillion to Indian economy by 2025”.

Vision of Karnataka 2025’
Conclave: March 2022

Vision for New Karnataka: \$ 300 Bn Digital Economy by 2027

CORE OBJECTIVES

1. Knowledge bridge
2. Promote digital industry
3. Suggesting Policy initiatives
4. Attract investments
5. Increase the contribution of Digital Economy

ASPIRATIONS

- 40% GSDP from Digital Economy
- 10x Investment
- #1 Rural Innovation Hub of India

- 2Mn Skilling Support
- 5% States GDP from Startup

FOCUS AREAS



IT Products & Services
/BPM and GCC
Promotion



Innovation &
Startups



Electronics System
Design & Manufacturing
(ESDM)



Talent
Accelerator



Beyond
Bengaluru

KDEM USP

01

**Board of Directors
comprises of Industry
Champions and
Government**

02

**Each Vertical is led
by Industry anchors**

03

**Cluster Aspirations &
Vision designed by
Industry Leaders**

ADVANTAGE KARNATAKA



6 KEY OFFERINGS THAT MAKE KARNATAKA THE MOST ATTRACTIVE INVESTMENT DESTINATION IN INDIA

Investor-friendly policies with multiple financial incentives to create favorable cost economics

01

Highly skilled & trained labor workforce, along with a robust skill infrastructure and subsidies

03

Revamped processes to facilitate Ease of doing business

05

02

Readily available industrial eco-system including land

04

Well connected to demand centers and gateways with an efficient logistics network

06

Industrial ecosystem well supported by World Class Social Infrastructure

FUTURISTIC KARNATAKA – WHERE FUTURE IS MADE – GCC

Digital Transformation to Become Mainstream Across Verticals

The GCC Mirroring the Enterprise

Mirroring the GCC to be a true microcosm of the enterprise is an opportunity global organizations are building upon into the DNA of the GCCs

Global Leaders with Business Accountability

More local GCC leaders will assume the role of global leaders. These global leaders will manage business-critical efforts, participate in planning & strategy, and interact with customers, thereby diminishing the distance between the GCC and the enterprise

Move Away From Cost Arbitrage to Actual Value Accrued

As the GCC's role evolves, companies will measure both tangible and intangible benefits contributed by the GCC as opposed to the traditional lens of cost reduction

FUTURE OF THE GCC INDUSTRY

Karnataka to Remain Global Talent Hub

Bengaluru is estimated to have **800K-900K** digital talent pool by 2026. The city has emerged as the top hotspots for Artificial Intelligence (AI) globally and has the second-largest AI talent pool in the world

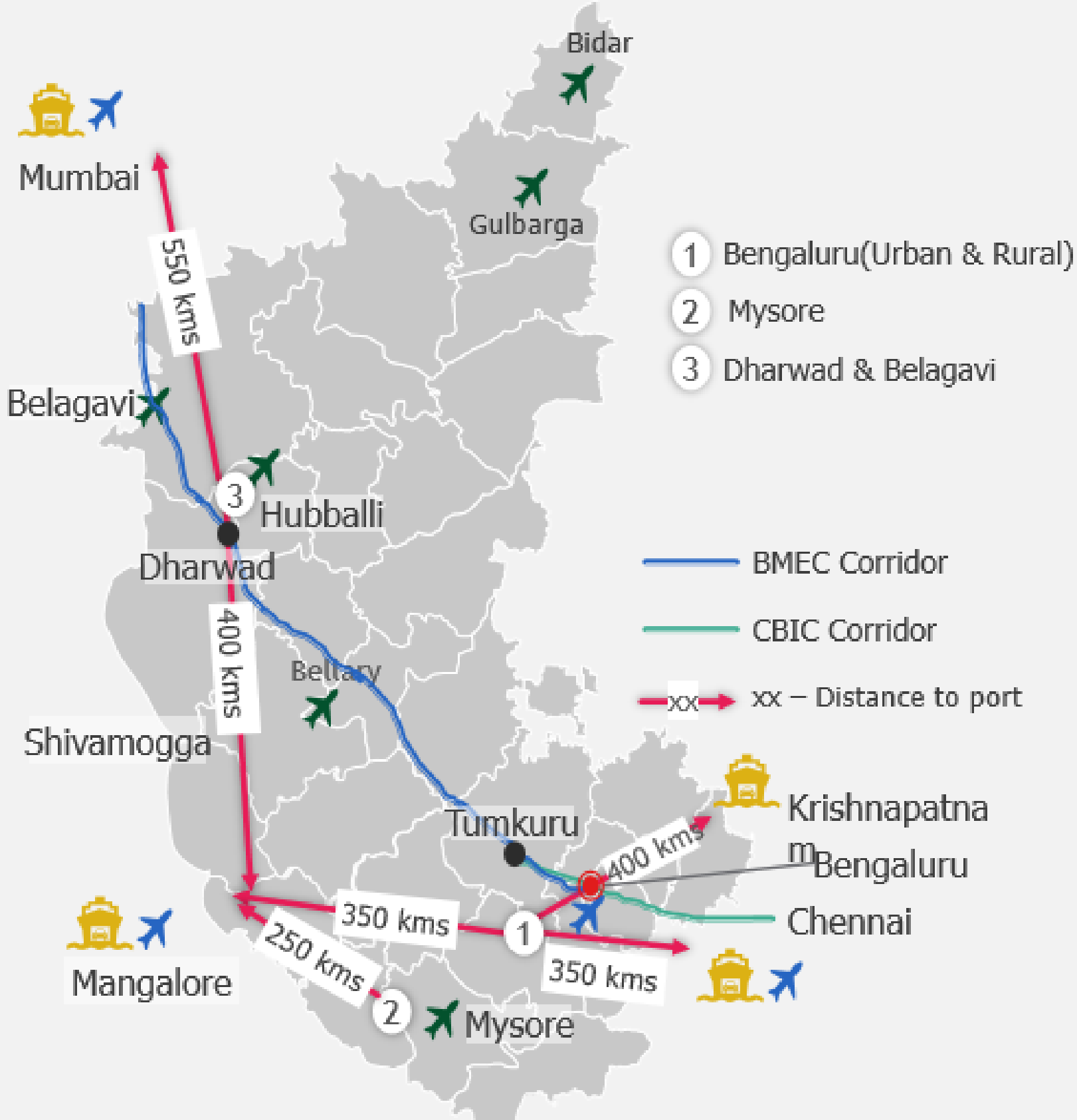
Digital Platforms to Act as Growth Engines

GCCs will increasingly operate in an agile & distributed model to focus on digital transformation and will build digital products/platforms touching the entire value chain of the enterprise

Reskilling / Cross-skilling to Gain Momentum


The war for talent has increased the talent cost for niche and next-gen tech skills. GCCs will significantly invest in reskilling/cross-skilling workforce in key emerging digital technologies – AI/ML, NLP, cloud, data analytics, etc.


DEVELOPED INDUSTRIAL LAND AVAILABLE AT STRATEGIC LOCATIONS - WELL CONNECTED TO KEY DEMAND CENTERS AND LOGISTIC GATEWAYS



 2 International airports and 6 Domestic airports Bengaluru Airport – 3rd Largest in India

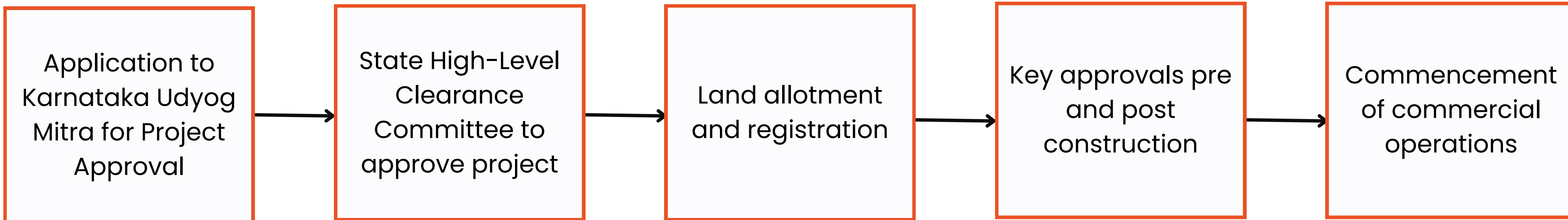
 Major port at Mangalore + 9 minor ports; 300-400 km access to Chennai, JNPT and Krishnapatnam ports

 6 ICDs (Inland Container Depots) with direct rail connectivity to ports & 5 CFs (Container Freight Station) incl. 2nd largest ICD2 in India

 Power Surplus State with the highest installed capacity of renewable energy (18.8 GW) in the country; 63% of installed capacity is renewable

 Bengaluru-Chennai expressway being implemented

KARNATAKA HAS SIMPLIFIED THE APPLICATION AND APPROVALS PROCESSES TO ENSURE HASSLE-FREE INVESTMENT



Affidavit-based Clearance System (ABC) implemented for improving EODB

15

Approvals were relaxed by introducing a moratorium

3

Years long moratorium period

7

Departments covered

MORATORIUM PROVIDED FOR KEY TIME-CONSUMING MANDATORY APPROVALS

- Building Plan approval
- Factory Plan approval
- Registration under the Contract labor act
- Provisional NOC from Fire Dept.
- Tree Felling and Tree Transit permission

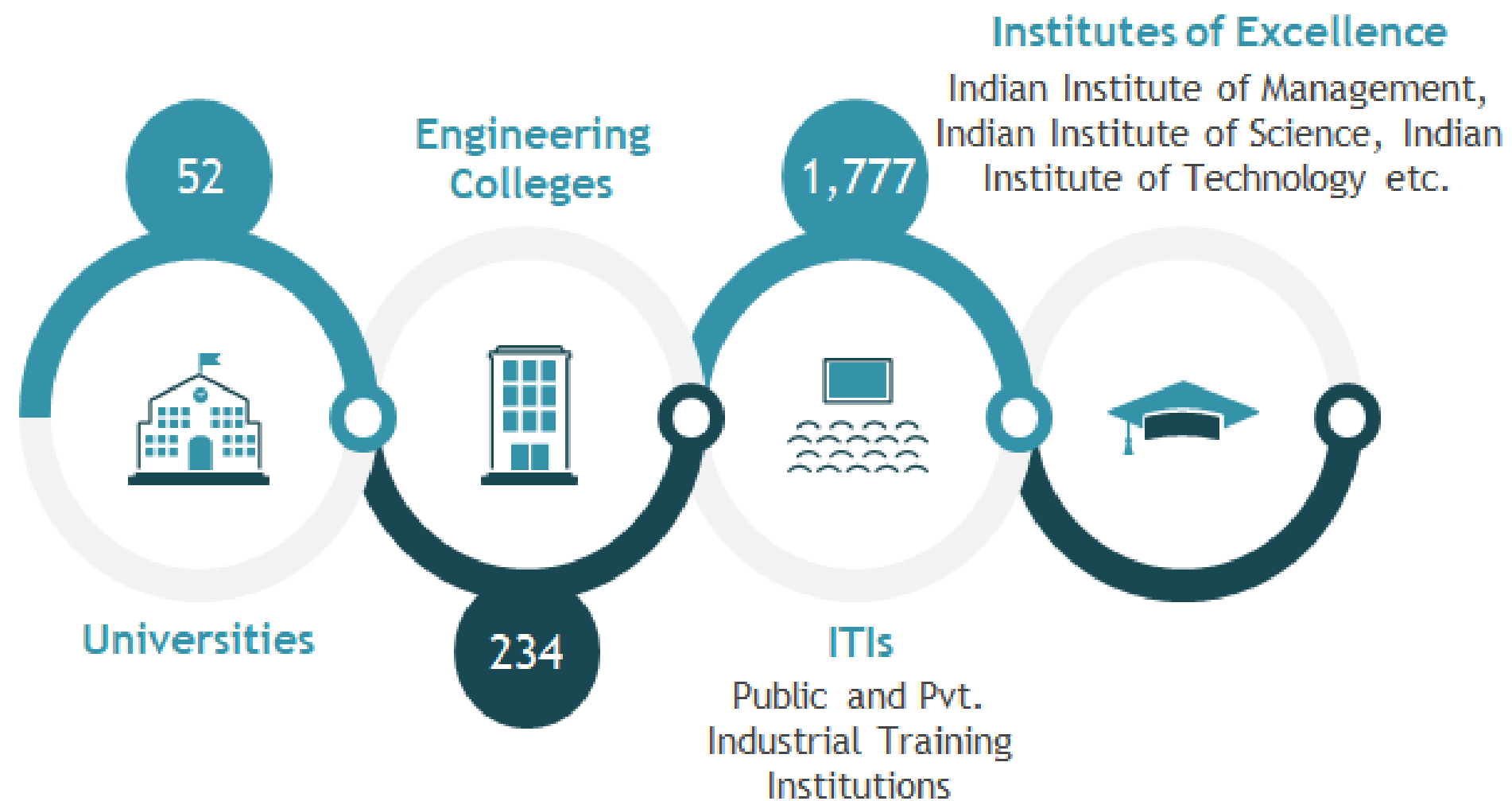
SINGLE WINDOW CLEARANCE FOR THE REMAINING KEY APPROVALS

- Land Allotment and Possession Certificate
- Consent for Establishment
- Consent for Operations
- Power and water connections

Karnataka, the knowledge capital of the country, provides highly skilled & trained labor force; along with relaxed labor laws

Large skilled & trained talent pool in Karnataka

Largest workforce at the intersection of advanced mfg. building blocks (AI, IoT) and skilled mfg. craftsmanship



20 Mn in age group of **16-35 years** creating a favourable demographic dividend

...along with relaxed labor laws

- Provision to avail '**Fixed term employment**' to optimize labor capacity to cater to seasonality
- Recent amendments made to facilitate **women's work timings in night shifts**, between 7 PM to 6 AM
- **Overtime limit** per quarter increased from 75 to 125 hours with the amendments to the Factories Act
- Among the first few Indian states to introduce and implement labor reforms, ensuring **convenience for both employees and employers**

...along with relaxed labor laws

- **Partnership with Govt. training institutes** can be provided, to tailor curriculum as per requirement
- **Skilling subsidies** can also be considered

TALENT: HOW WE ARE PROGRESSING...

Promote sustained & sustainable economic growth, full & productive employment & decent work for all

52

UNIVERSITIES

234

**ENGINEERING
COLLEGES**

1,777

ITI's

100,000

Ph.D.'s

100,000+

**CHIP
DESIGNERS**

20,000+

**AUTOMOTIVE
ENGINEERS**

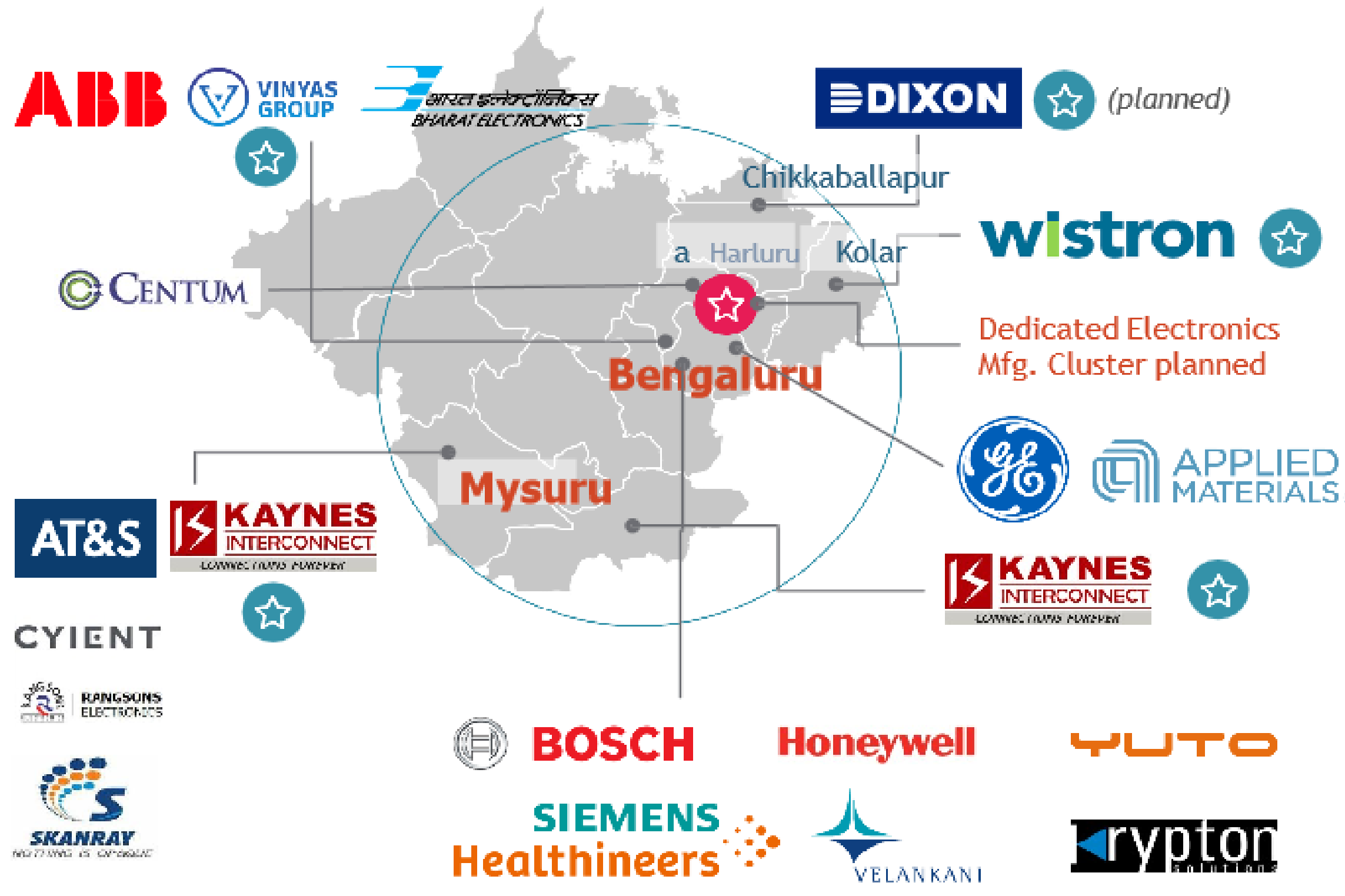
10,000+

**AERONAUTICAL
ENGINEERS**

Large talent pool for the global industry

KARNATAKA: HOME TO LEADING GLOBAL & INDIAN ELECTRONICS MANUFACTURERS

Mix of Electronics manufacturers, EMS providers, and component manufacturers in & around Bengaluru



KARNATAKA HAS A STRONG ECOSYSTEM OF AEROSPACE AND DEFENCE INDUSTRIES; ACTIVE SUPPORT FROM STATE GOVT

Karnataka is a leader in Aerospace & Defence industry

25%

A quarter of India's aircraft and spacecraft industry is based in Karnataka

67%

Of all Aircraft and Helicopters manufacturing for Defence services is done in Karnataka

65%

Karnataka's contribution to the country's aerospace related exports from India

The government of Karnataka has supported the industry's development at critical times

1st

Karnataka is the first state in the country to formulate a dedicated Aerospace policy

Karnataka is the first and only state to exempt A&D from lockdown rules and allowing manufacturing

Presence of global leaders & India's major PSUs

Leading global players with presence in Karnataka



Foundation for A&D ecosystem laid by major PSUs



KARNATAKA IS HOME TO MANY PROMISING STARTUPS IN THE EV SEGMENT WHICH ARE AT THE FOREFRONT OF INNOVATION

Ather Energy



- Electric scooter manufacturer with an electric vehicle charging network – "Ather Grid"
- Key Models - S 340, S 450
- Features: Fast charging up to 80% at 1 km/min
- Intelligent and interactive touchscreen dashboard

Ultraviolette



- EV motorcycle manufacturer with plans to set up charging network
- Key Model – F77
- Features: Acceleration from 0 to 60kmph in 2.9s
- Modular battery with 10th Gen Battery system
- Top speed of 140 Kmph

Yulu



- Technology-driven mobility platform making use of micro-mobility vehicles
- Key Models – Miracle & Move
- Features: Smart dockless electrical vehicle powered by state-of-the-art IoT technology
- Lightweight and designed for urban traffic conditions

Altgreen



- Road ready EV solutions for 2W, 3W & small commercial 4W vehicles
- Key Products – Offers complete technology stack along with customized design to launch own EV
- Features : Motors optimized for high traffic
- BMS which can work with different battery types

INDUSTRIAL ECOSYSTEM WELL SUPPORTED BY WORLD CLASS SOCIAL INFRASTRUCTURE IN KARNATAKA



8 of top 10 international schools of India present in Karnataka



40+ five-star hotels in the state, such as Taj Group of Hotels, Hyatt, etc.



8 of top 10 international schools of India present in Karnataka



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INDUSTRIAL ECOSYSTEM WELL SUPPORTED BY WORLD CLASS SOCIAL INFRASTRUCTURE IN KARNATAKA



Bengaluru consistently ranked amongst the best cities to live in India for expats – Mercers quality of living report 2019

Bengaluru ranked most dynamic city in India – JLL report 2020



Expatriate-friendly ecosystem and lowest crime rate in South India

Over 16 International Schools



BENGALURU

SILICON VALLEY OF INDIA





IT PARKS IN BENGALURU

1. **Electronic City**
2. **ITPL**
3. **ITBP**
4. **Bagmane Tech Park**
5. **Embassy Tech Village**
6. **Prestige Tech Park**
7. **RMZ Ecoworld**
8. **Global Technology Village**

SOCIAL INFRASTRUCTURE AT BENGALURU

Schools

- The International School Bangalore (TISB)
- Mallya Aditi International School
- Greenwood High International School
- Inventure Academy
- Indus International School

Malls

- Phoenix Market city Bengaluru
- Orion Mall
- Forum Mall, Koramangala
- Mantri Square Mall
- UB City

Transportation

- Roadways
- Railways
- Metro
- Taxis and cabs
- Airport

Hospitals

- Manipal Hospital (Old Airport Road)
- Apollo Hospital (Bannerghatta Road)
- HCG Cancer Centre
- Fortis Hospital
- Sakra World Hospital
- Hosmat Hospital
- Aster Hospital
- Narayana Hrudayalaya
- Jayadeva Hospital
- KIMSc



BENGALURU- SILICON VALLEY OF INDIA AND FASTEST GROWING CITY

#1

Among the South Asian cities

150+

Startups have benefited through K-tech innovation hubs

#8

Among Global Startup Ecosystem Index (GSEI) 2022

200+

Active startup mentors in the ecosystem

\$6.2Mn

Support in aid given to over 200 startups by the state government

\$6.2Mn

Exemption in prior experience, turnover, and earnest money deposit (EMD) to encourage startup participation in public procurement

1,500

State's total incubation capacity for startups

47%

Highest share of Karnataka based tech startups in total \$136 Bn raised by Indian startups between 2014 & 2022

300+

Startups incubated under government-supported facilities

4th

World's largest tech cluster being home to 400 Fortune 500 companies

Bengaluru is also the Leading IT exporter of India

KARNATAKA'S STARTUP STORY IN NUMBERS

10K

DPIIT registered
startups

\$64 Bn

As of 2022 (Venture Capital
raised by Bengaluru-based
start-ups)

4K+

active tech startup
investors

40

Tech
unicorns

44

tech
sooniconns

1.7K

funded tech startups- the
highest number in our
country

138+

accelerators and
incubators

47

Innovation
hubs

304

mergers and
acquisitions as of 2022

8

Centres of
excellence

SECTOR-WISE LANDSCAPE OF UNICORNS AND SOONICORNS IN BENGALURU

FINTECH



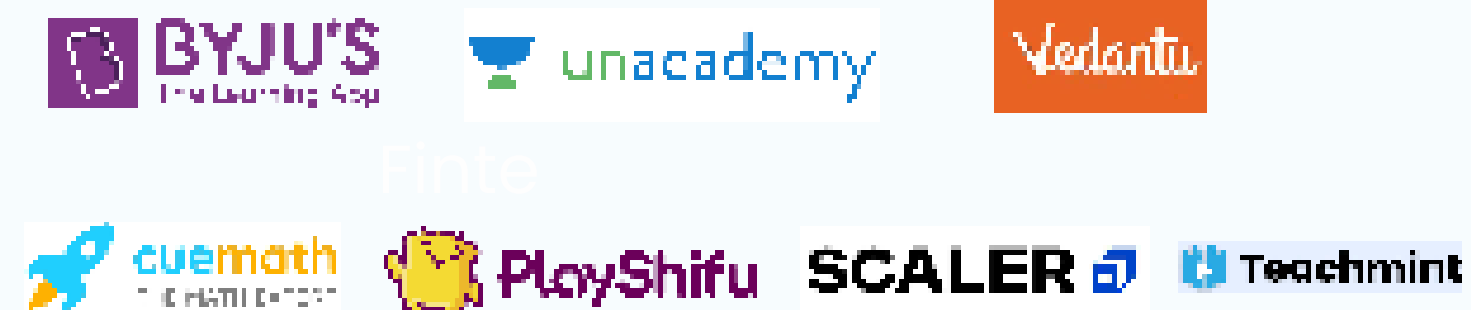
ENTERPRISE TECH



E-COMMERCE



EDTECH



EDTECH



SECTOR-WISE LANDSCAPE OF UNICORNS AND SOONICORNS IN BENGALURU

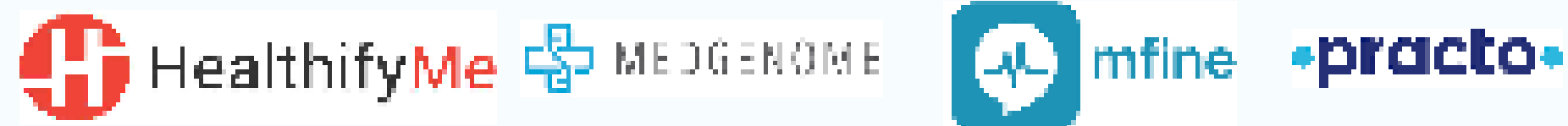
OTHERS



MEDIA & ENTERTAINMENT



HEALTH TECH



Unicorns (40 in number)

Top-Sectors

- 10 Fintech
- 8 Enterprise tech
- 7 E-commerce

\$170 Bn+ combined valuation

\$49 Bn+ combined capital raised

Soonicorns (44 in number)

Top-Sectors

- 15 Fintech
- 7 Enterprisetech
- 4 Ecommerce

\$16 Bn+ combined valuation

\$7 Bn+ combined capital raised



**Mission
Beyond Bengaluru**

BEYOND BENGALURU



Mysuru Cluster
ESDM & Cybersecurity



Mangalore Cluster
FinTech



HDB Cluster
Edu & AgriTech

FOCUS AREAS

EXISTING ECOSYSTEM OF COMPANIES



Recently Announced Investments (Post launch of latest Karnataka Industrial Policy):





Fintech, IT/ITES, AVGC, ESDM, Cyber Security, Agritech, AI/ML, Manufacturing, Food processing, Chemical, Banking, Electronics, BioTechnology, HR, EdTech

SPOKE-SHORE STRATEGY

Any metro city within India or outside India can be as the hub location and clusters can become the spokes.

Spoke defines the product of each clusters:

- Talent
- Shared services
- Infrastructure
- Full-fledged IT services

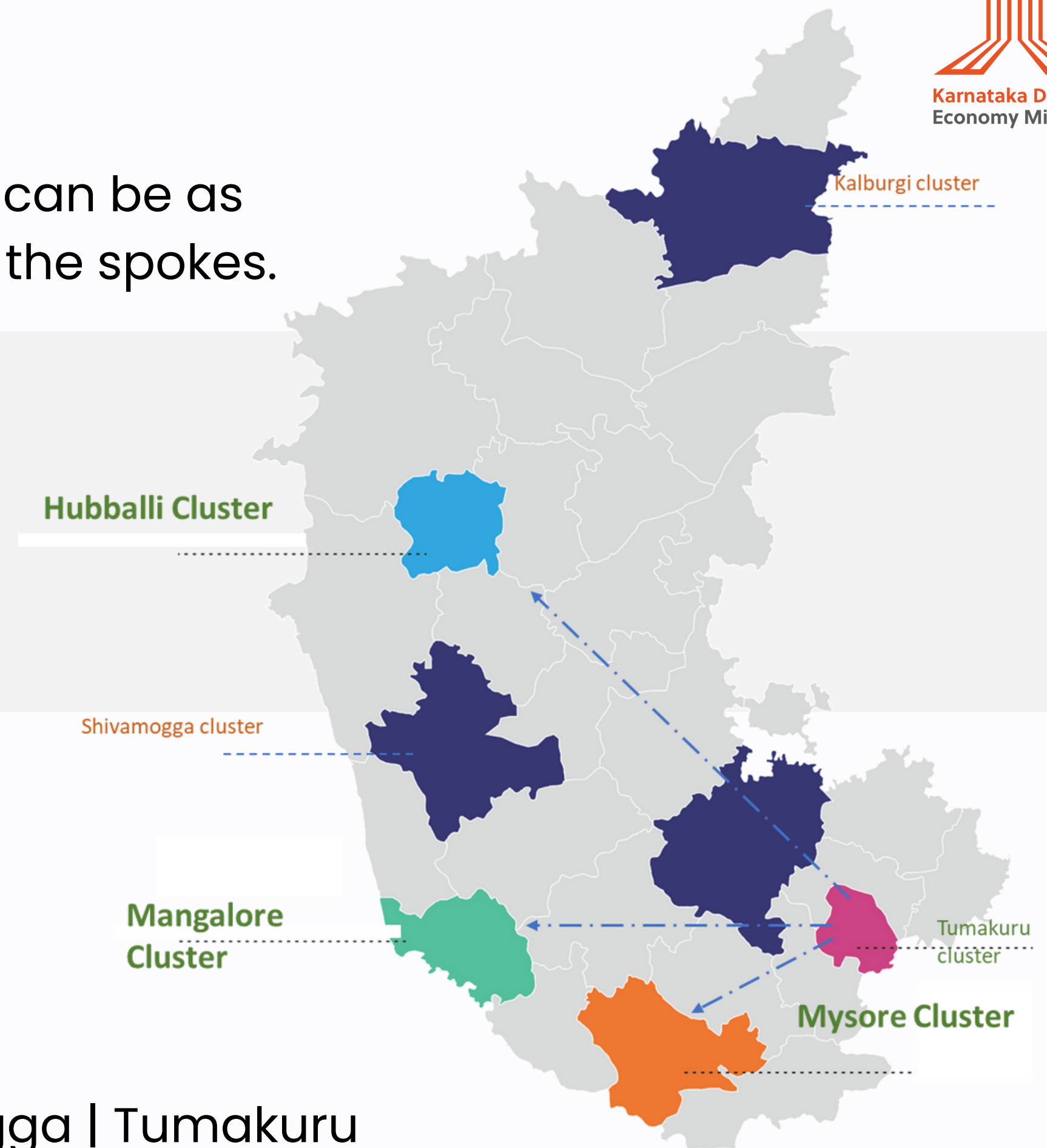
Clusters

Mysuru

Mangaluru

Hubballi-Dharwad-Belagavi

Upcoming Clusters: Kalaburagi | Shimogga | Tumakuru



BEYOND BENGALURU MISSION – A SUCCESS STORY



Hubballi-Dharwad- Belagavi

Mangaluru

Mysuru

Accomp- lishments

400+ Startups;
80+ Funded startups;
65+ Trademarks registered;
4,500+ Jobs added;
90+ IPs file;
30%+ Women entrepreneurs;
5+ acquisitions worth INR 1,500 Cr

200+ Startups;
3,000 Top skills-Finance & Accounting;
5,000 HR & Knowledge Services;
6,000 QA, Testing & IMS
10,000 Application Development &
Maintenance (IT);
7,000 Software Products

240+ Startups
8,000 in Finance & Accounting skills;
11,000 HR & Knowledge Services;
11000 QA, Testing & IMS;
19,000 Application Development &
Maintenance (IT);
13,000 Software Products

Notable Investors

Stakeboat Capital, Y Combinator, Sandbox
Startups, Rebel Foods, Prime Venture
Partners, Indian Angel Network

CIIE.CO, Riidl.org, IndiaRF.com

Ascent Capital, Startup India,
JITO Angel Network

Primary Sectors

Foundry, Automobile, SaaS, Edtech, Agritech,
AI/Data Science

Fintech, IT

ESDM, Cybersecurity,
Enterprise Services,

Notable Startups

Docketrun, Labinapp, Careerboat,
Vayavyalabs, Ecomjetco, Cautomate

DiyaSystems, Novigo Solutions, Semnox
Solutions, Codecraft Technologies

Skarray, Sportiwe,
S3V vascular Technologies

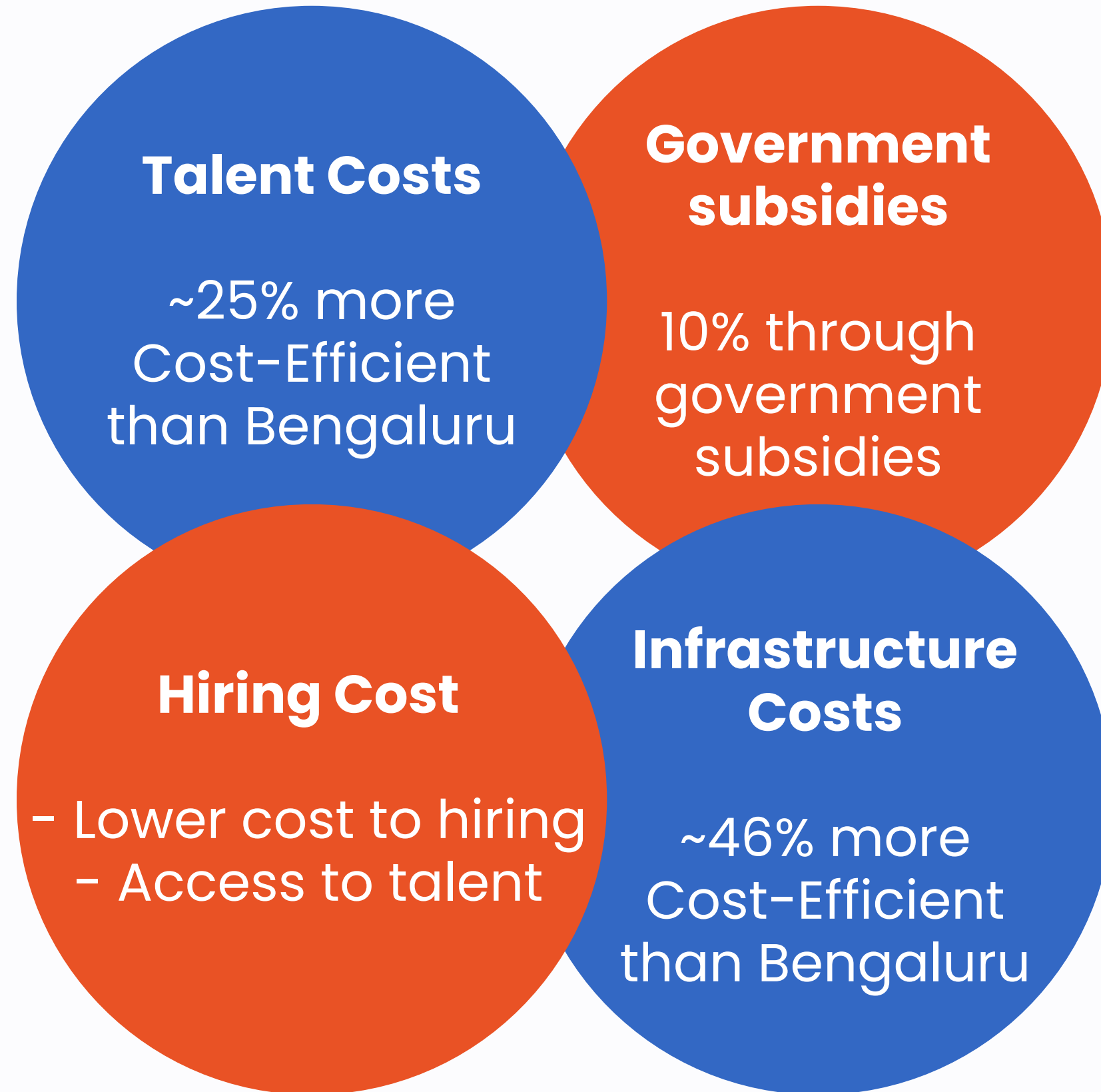
Other Initiatives

Cluster seed fund: INR 25 Cr Acceleration
Network
Kalyana Karnataka: EDP
Women Elevate | Elevate
Beyond Bengaluru Startup Grid

End-to-end support for setting up
an IT/ITeS entity |
Government subsidies: 10% through
government subsidies

INR 223,305 Revenue (2019-20)
15 industry sectors
10+ renowned academic institutions
88,000 total available talent pool
30%+ women entrepreneurs
120+ startups onboarded
230 ESDM companies

PRODUCT FOR EACH CLUSTER



Overall Impact
on P&L : **25-30%**

Thank you

**BE A PART OF
THIS GROWTH**



Karnataka Digital
Economy Mission



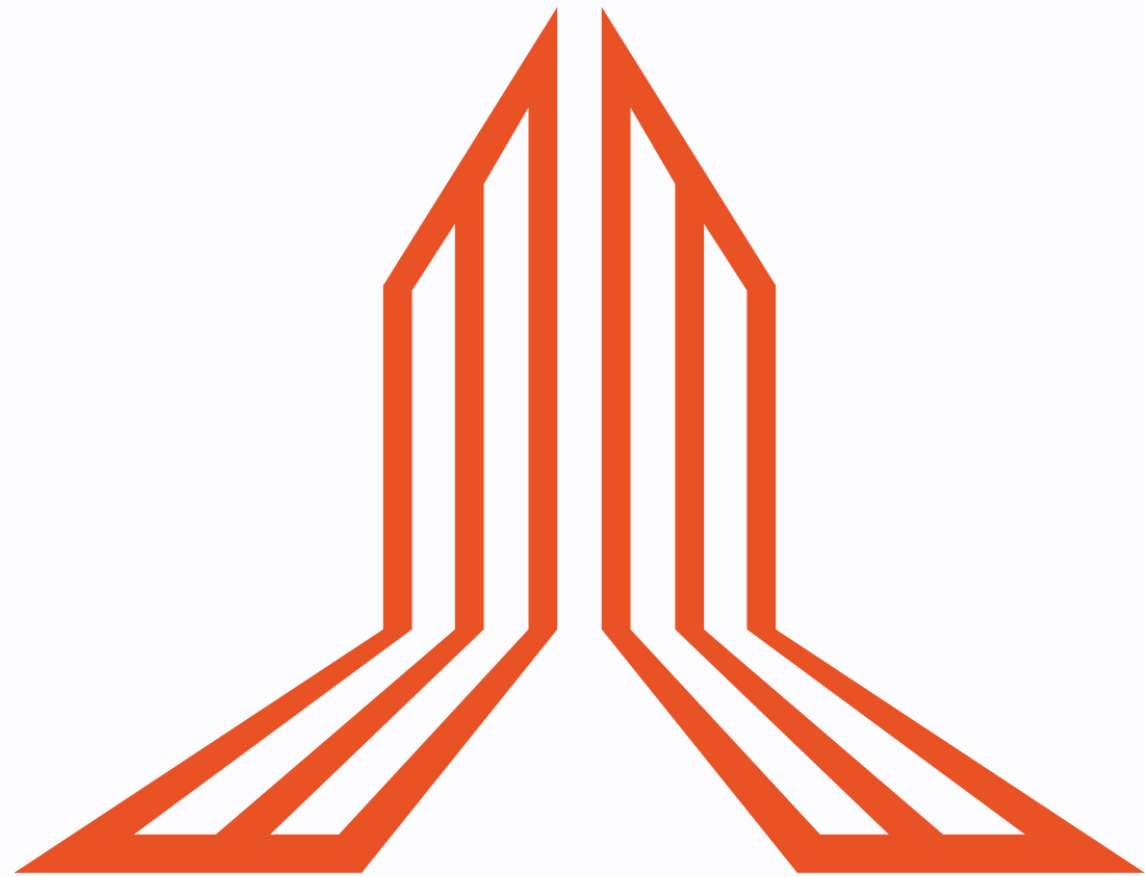
KEONICS – K-WINGS,
27th Main Rd, 1st Sector, HSR Layout
(behind HSR Police Station), Bengaluru



Sanjeev Kumar Gupta
CEO

sanjeev.gupta@karnatakadigital.in

ABOUT US



**Karnataka Digital
Economy Mission**

The government of Karnataka has established **Karnataka Digital Economy Mission (KDEM)**, a Section 8 company to function as the knowledge bridge between the Government of Karnataka (GoK) and industry with a view of accelerating the growth and investments of the IT, BT, and S&T sectors in Karnataka.

KDEM's vision is to develop select identified clusters in the state by developing a product and facilitating an entire ecosystem around it.

KDEM LEADERSHIP



B. V. Naidu | Chairman, KDEM

Mr. BV Naidu brings in 30 years of experience as an entrepreneur, mentor, and Indian IT growth facilitator. He played a seminal role in the growth of the IT Industry of India in his capacity as Director of Software Technology Parks of India (STPI).

He has facilitated the growth of software exports from less than \$8 million with 13 companies in 1991 to \$12.0 billion from more than 1800 companies in Bangalore by 2007. Apart from StartupXseed, he is also an IC member of the KITVEN Fund. He has founded and/or helmed many organizations as well as Policy groups like IESA, Vision Group, Invest Karnataka, Karnataka Knowledge Commission, Karnataka ICT group, and many others to catalyze the growth of Industry in India



Sanjeev Gupta | CEO, KDEM

Mr. Sanjeev Gupta is the MD & CEO of Lahari, promoted by GOI, GoK, and the Indian Industry to provide world-class design validation and testing facility for the entire Electronics Industry.

He has led and transformed large organizations during his career. Starting his career as an Asst Professor at the University of Delhi, he later joined GOI as a bureaucrat (1998 ISS topper) and served for more than a decade. He served as a senior executive at IBM and transition its leadership into Indian Business. He was MD of Accenture handling India & South Asia business covering consulting, technology, operations, and digital for Health and Public Service. He also served as the Country General Manager for Microsoft India to grow India's public sector business.

**OUR
PARTNERS**

nasscom



**REACH
US**

Karnataka Digital Economy Mission

KEONICS – K-WINGS, 27th Main Rd, 1st Sector, HSR Layout (behind HSR Police Station), Bengaluru 560102
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Our Website: <https://karnatakadigital.in>