



Karnataka Digital
Economy Mission



Digital Karnataka

Karnataka fostering the DIGITAL WORLD

JOIN THE DIGITAL REVOLUTION,
POWERED BY KARNATAKA.



nasscom



India: 75 years of democracy - Key achievements

100x rise in GDP; currently at USD 3.5 Tn

500x rise in per capita income; currently at USD 2,300

500x rise in total exports; highest ever exports of USD 660 Bn in 2021-22



Growth rate 8.7%
(FY21-22)



5th largest economy;
jumped 6 positions since 2012



2nd largest working
population of 522 Mn with
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



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

Amrit Kaal : Vision 2047

	Economy	2 nd 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



Shri Narendra Modi
Hon'ble Prime Minister of India

“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

India's Scale and Speed



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



USD 1Tn digital economy by FY 2025



1.3 Bn Internet Users
by 2030



61% internet
penetration

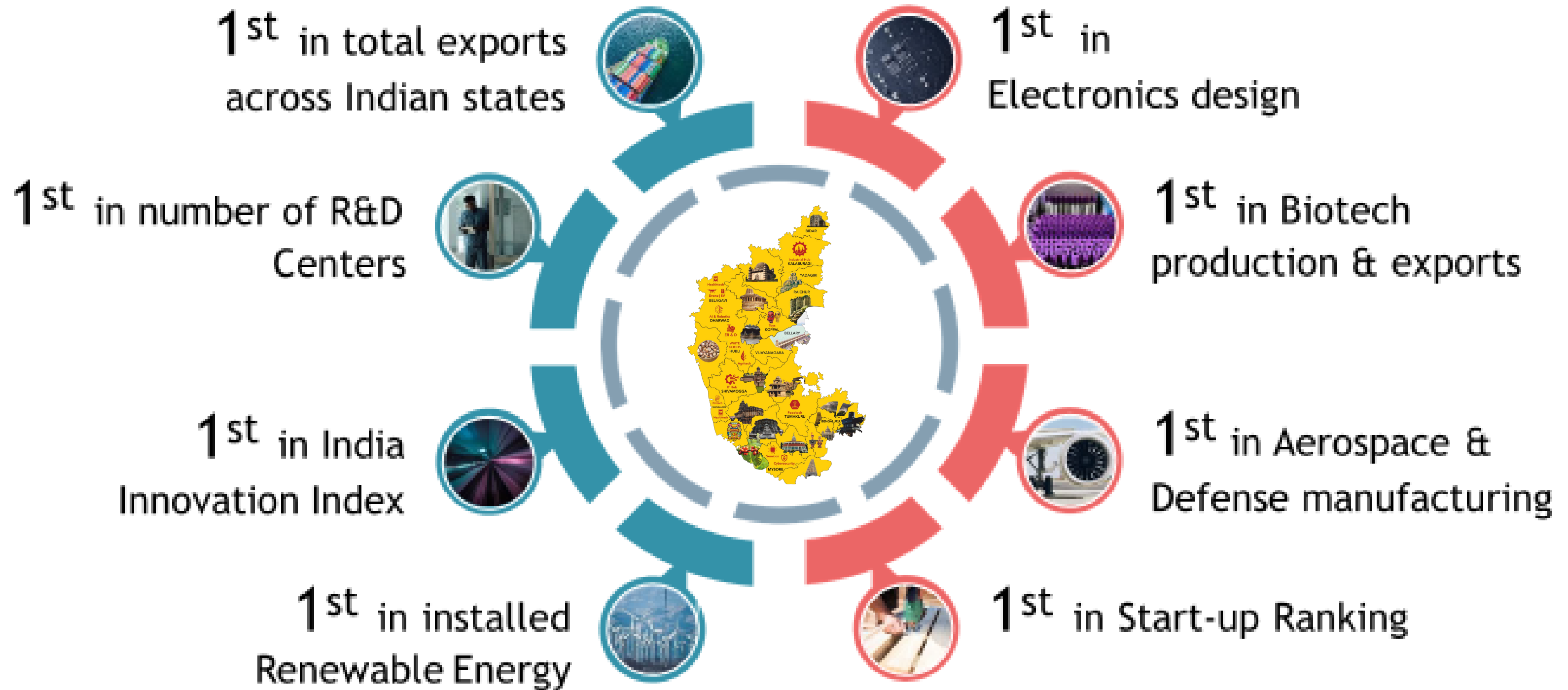


30x reduction in data cost; amongst lowest
globally \$0.68 per GB



373 Mn Estimated Rural Internet Users

Karnataka – Stands Out...





Numero Uno to Remain Numero Uno?

KDEM

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 Digital
Economy Mission**

**“Karnataka will
contribute \$1 trillion to
Indian economy by
2032”.**

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

CORE OBJECTIVES

ASPIRATIONS

1. Knowledge bridge
2. Promote Digital Industry
3. Suggesting Policy Initiatives
4. Attract Investments
5. Increase the contribution of Digital Economy

40%+ GSDP from Digital Economy

2Mn+ Skilling Support

10x Investment

5%+ States GDP from Startup

#1 Rural Innovation Hub of India

FOCUS AREAS



IT Products & Services
/BPM and GCC
Promotion



Innovation &
Startups



Electronics System
Design & Manufacturing
(ESDM)



Talent
Accelerator



Beyond
Bengaluru

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**

Macro Strategy Themes – Vertical



IT Products & Services
/BPM and GCC
Promotion

Spoke Shore Strategy backed with Policy Benefits



Electronics System
Design & Manufacturing
(ESDM)

Product Specific Clusters -Industry and Policy



Innovation &
Startups

Capital, Market, Mentorship at Doorstep



Talent
Accelerator

Karnataka Skill Connect Portal – ‘Jobs for All’



Beyond
Bengaluru

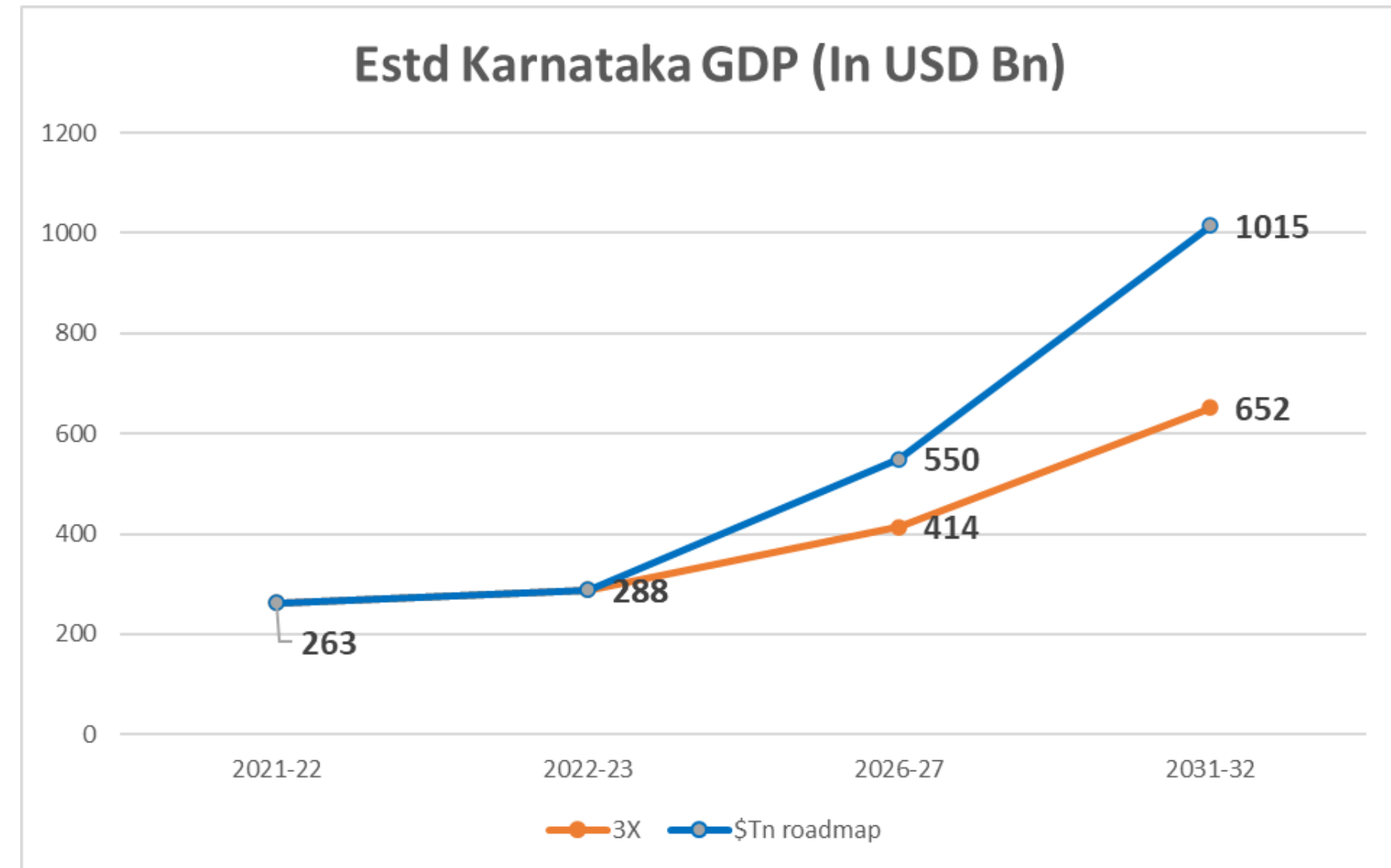
**Product Development and SITI (Startup, Infra,
Talent and Industry)**

Cluster presence:
Mysuru, Mangaluru,
Hubballi-Dharwad-Belagavi



Where are we and how we are progressing?

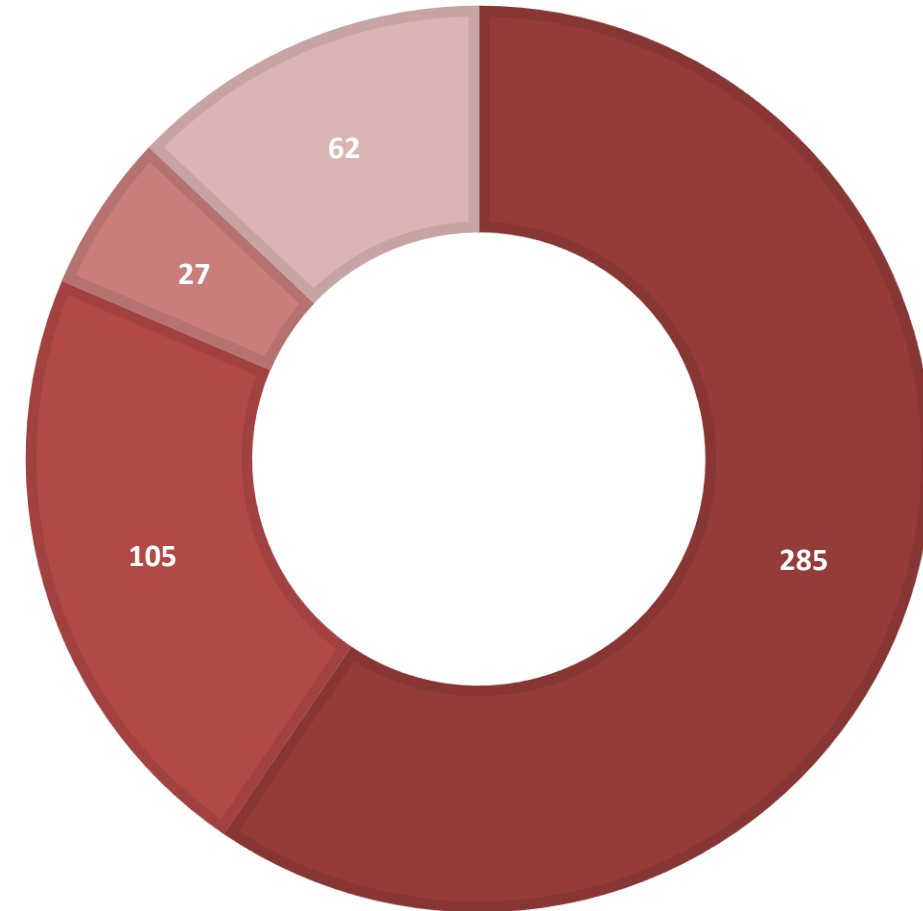
Karnataka GDP (In USD Bn) by 2031-32



- Karnataka GDP to grow **3X by 2031-32** based on current growth strategy
- Karnataka is aiming to grow its **GDP by 4X** with a special plan being prepared to reach USD 1T

DIGITAL ECONOMY SECTOR WISE CONTRIBUTION FOR KARNATAKA GDP (IN BN USD)

■ IT/ITeS (Including GCCs) ■ ESDM ■ Startups ■ Newly Digitizing sectors include



Projection for 2031-32

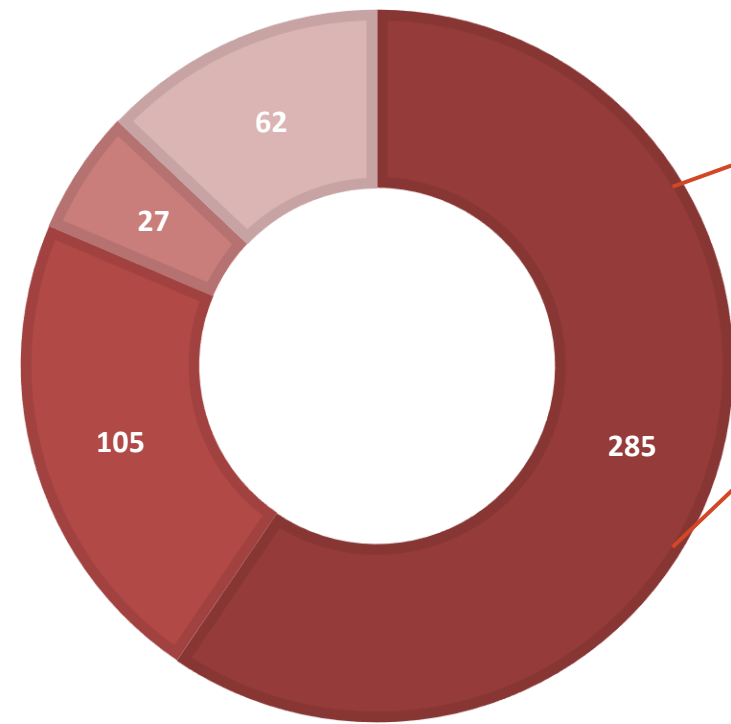
**KNT DE by 2031-32 may
be USD 500 B**

**India DE by 2031-32 may
be b/w USD 1.5-2 T**

IT & ITES, GCC BPM in Digital Economy by 2031-32

DIGITAL ECONOMY SECTOR WISE CONTRIBUTION FOR KARNATAKA GDP (IN BN USD)

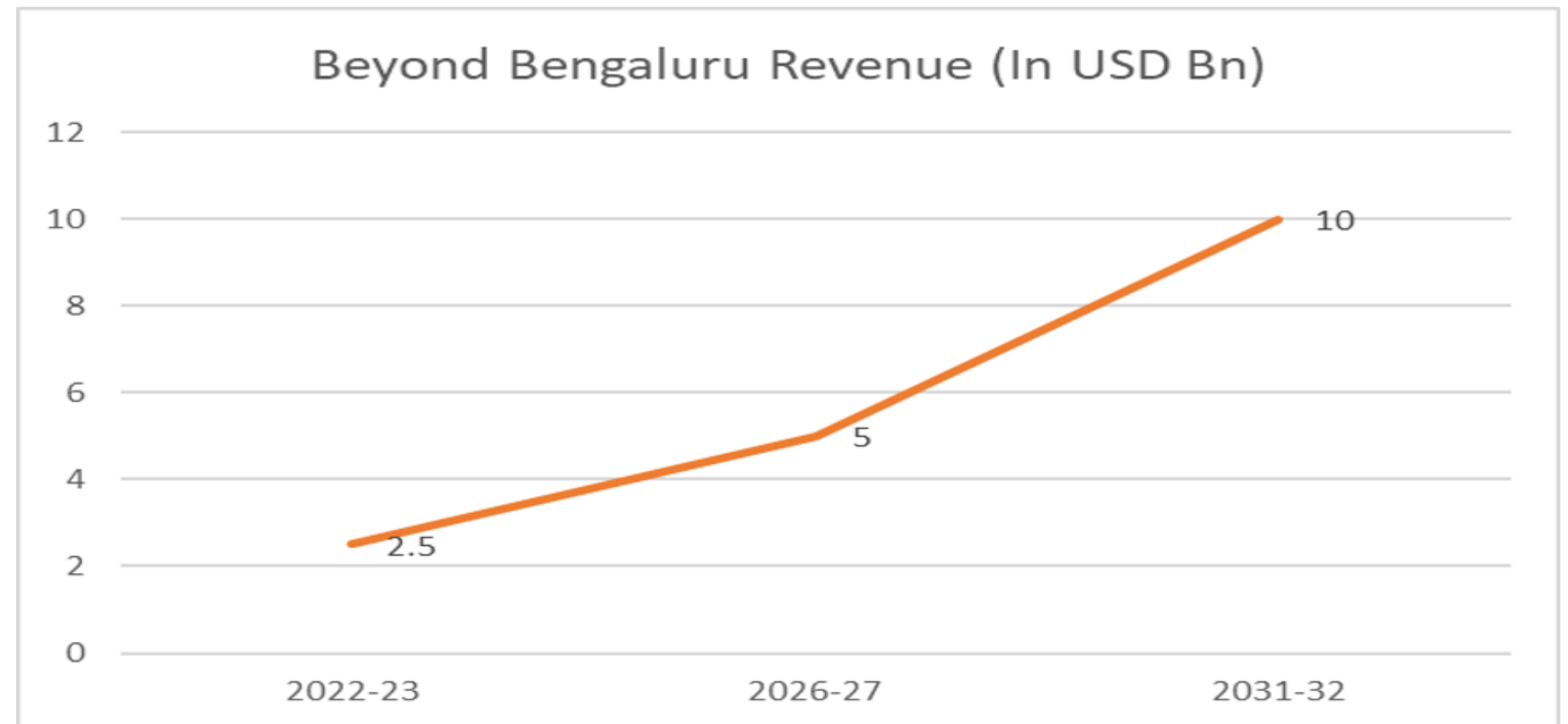
■ IT/ITeS (Including GCCs) ■ ESDM ■ Startups ■ Newly Digitizing sectors include



Projection for 2031-32

IT Products & Services, BPM and GCC- Current and Aspirations

	Karnataka	IT Exports	IT Domestic	GCC
2022-23	93	76	17	15
2026-27	132	106	26	23
2031-32	285	229	56	38

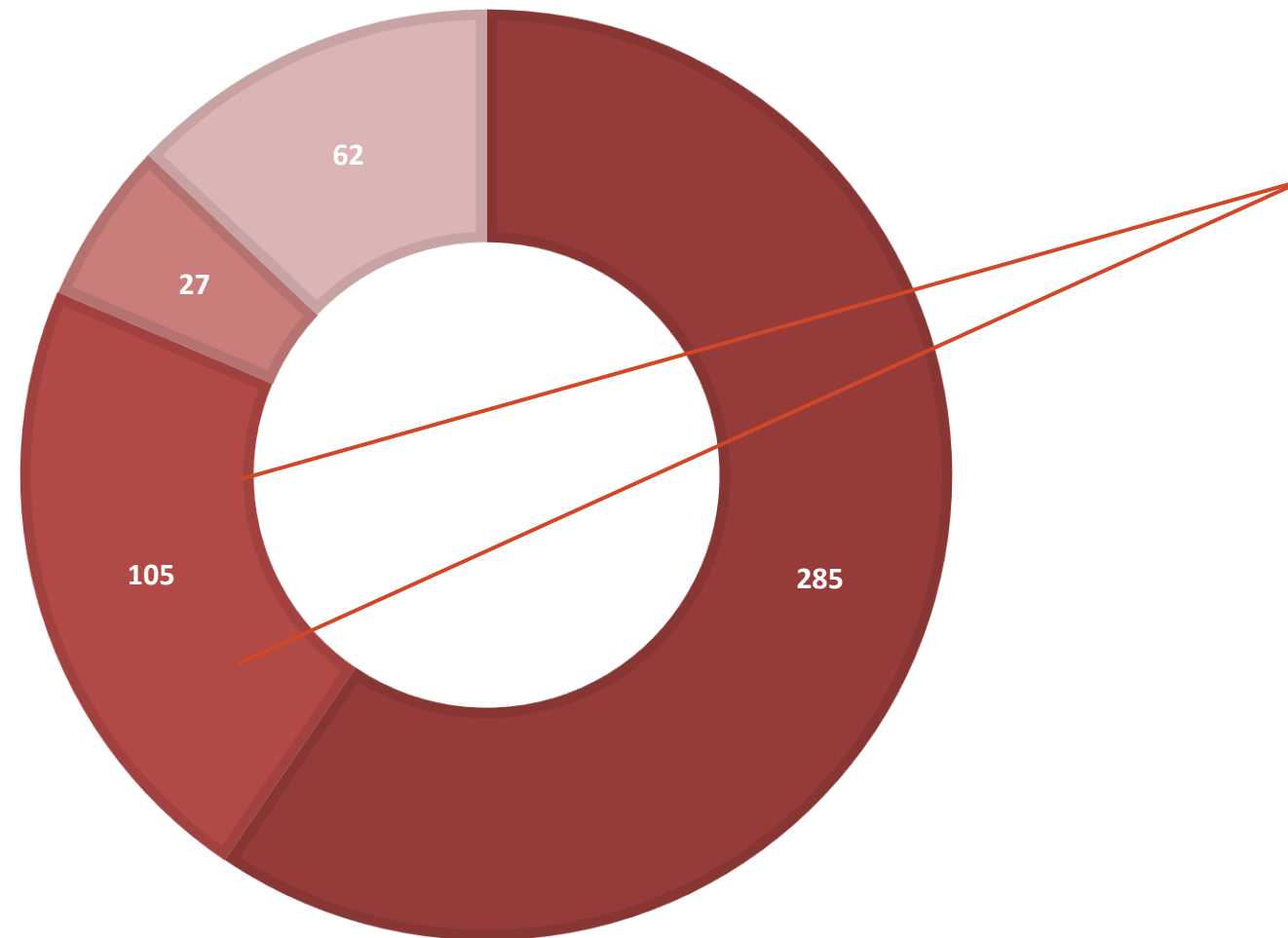


*Karnataka contribution value consists of a total of IT Exports, IT Domestic, Beyond Bengaluru contribution and contribution from GCC's as a whole

ESDM in Digital Economy by 2031 -32

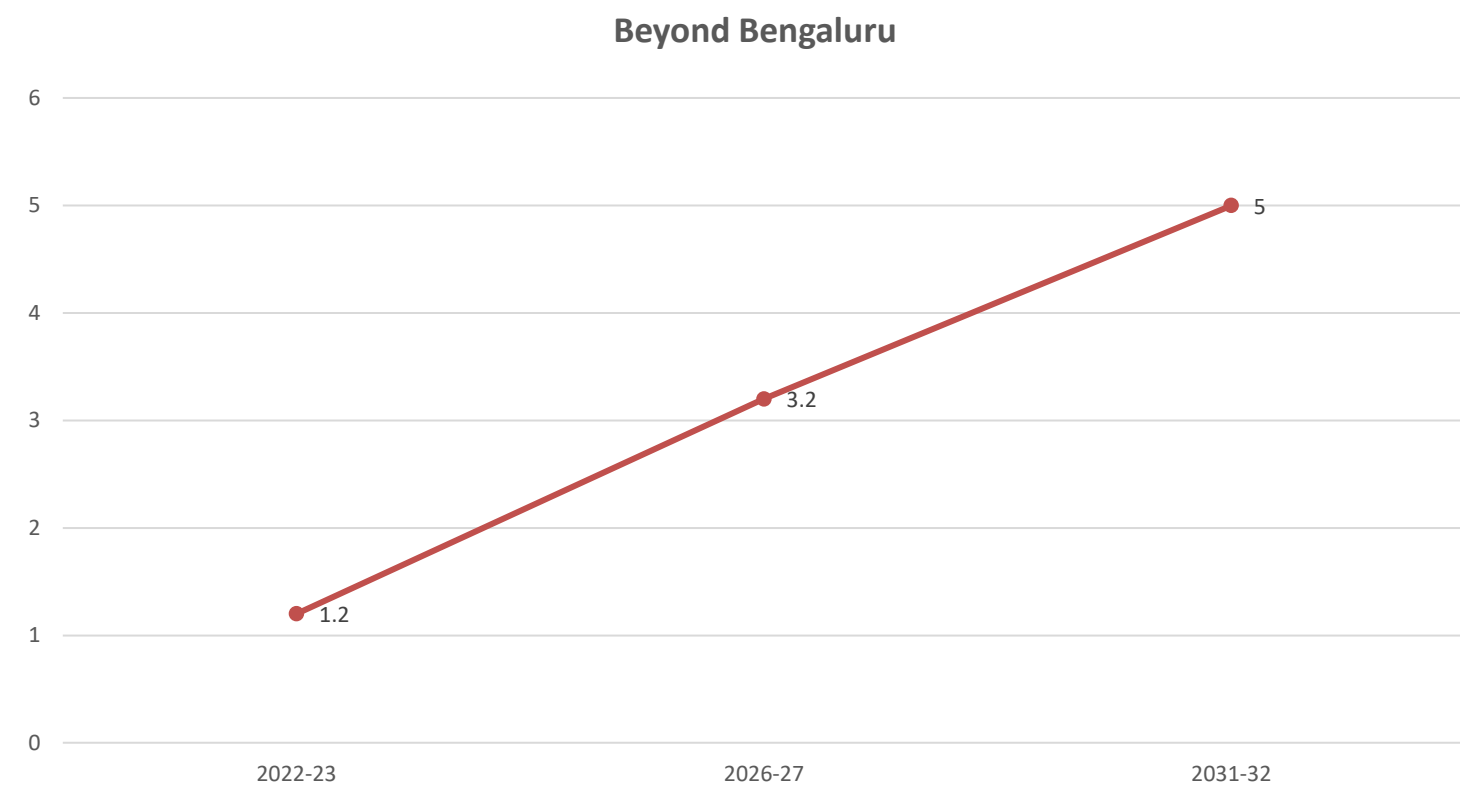
DIGITAL ECONOMY SECTOR WISE CONTRIBUTION FOR KARNATAKA GDP (IN BN USD)

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ESDM- Current and Aspirations

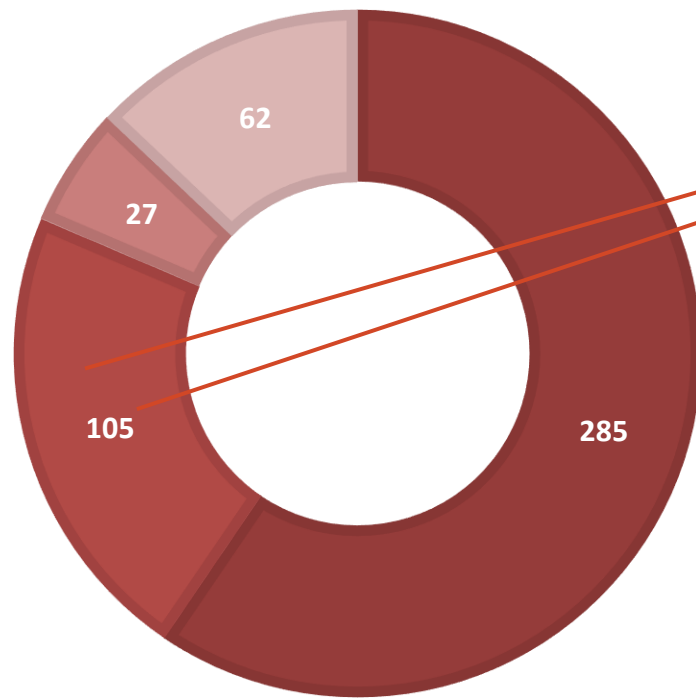
Karnataka	
2022-23	24
2026-27	65
2031-32	105



Start Ups in Digital Economy by 2031 -32

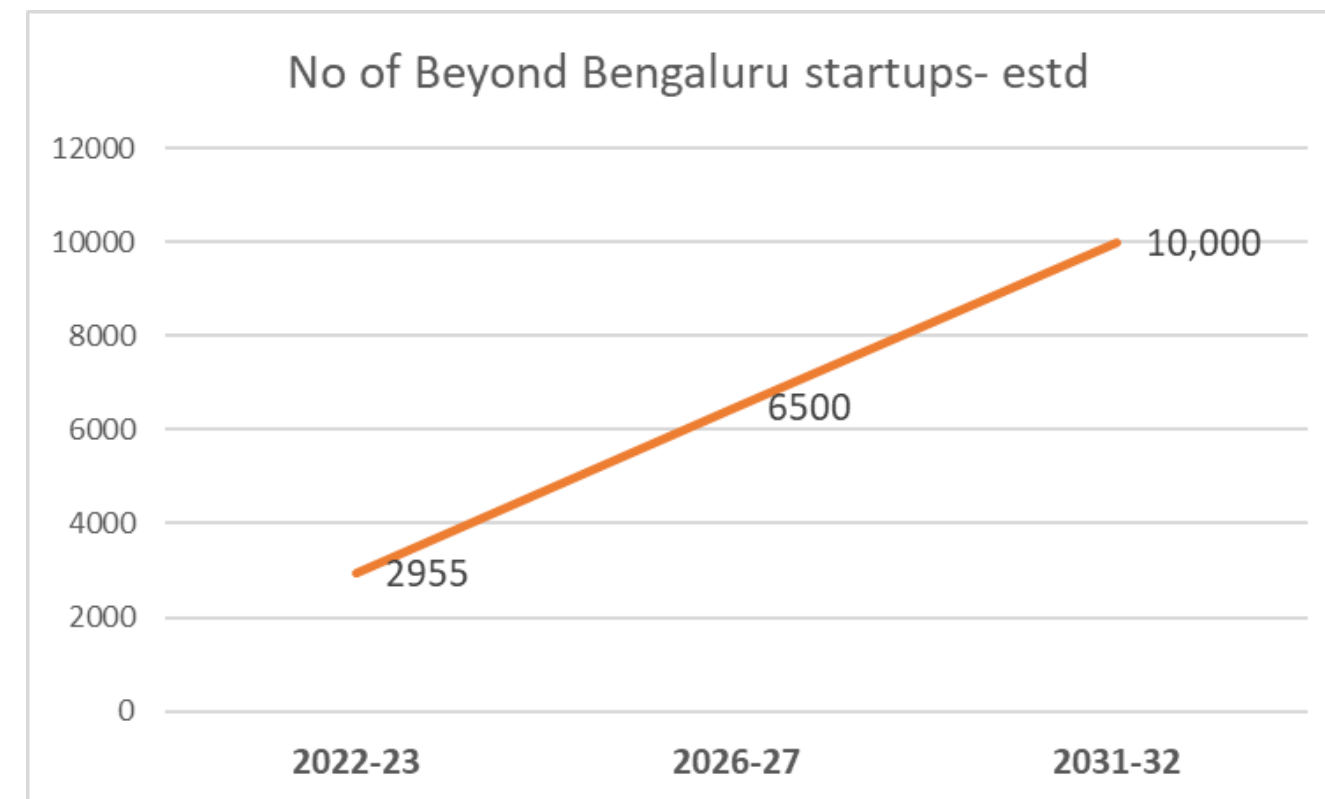
DIGITAL ECONOMY SECTOR WISE CONTRIBUTION FOR KARNATAKA GDP (IN BN USD)

■ IT/ITeS (Including GCCs) ■ ESDM ■ Startups ■ Newly Digitizing sectors include



Startups : Current and Aspirations

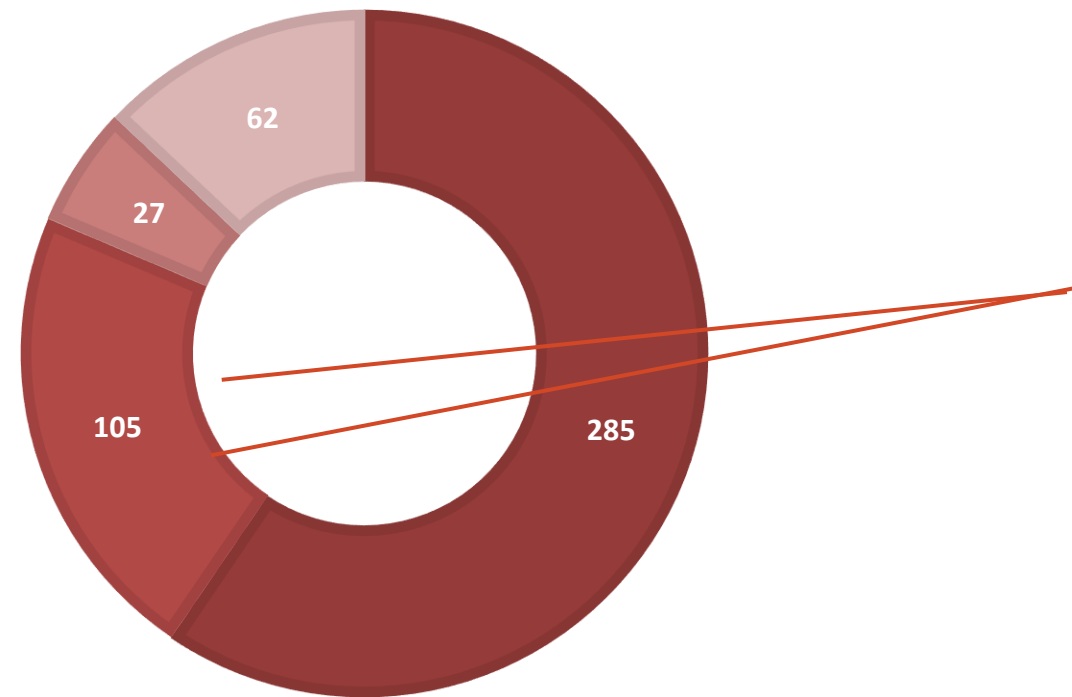
	India	Karnataka
2021-22	10	4
2022-23	13	5
2026-27	29	11
2031-32	59	27



Newly Digitizing Sectors in Karnataka Digital Economy by 2031-32

DIGITAL ECONOMY SECTOR WISE CONTRIBUTION FOR KARNATAKA GDP (IN BN USD)

■ IT/ITeS (Including GCCs) ■ ESDM ■ Startups ■ Newly Digitizing sectors include



Computation (including growth rate) comprises of

1. IT exports(12% till 2025 & 10% from 2026-30),
2. IT Domestic (15% till 2025 & 12% from 2026-30)
3. ESDM (ICEA estimates till 2025; 12% for 2025-30 onwards
4. Startups (30% till 2025 & 20% from

2026-30)

5. Other sub sectors of Digital Economy: Assumptions for the sub sectors based on McKinsey Global Institute Digital India report for India level and the assumptions based on the BCG estimation for Karnataka based on 19 (Growth rate for India post 2025-10%, Karnataka post 2025-15%

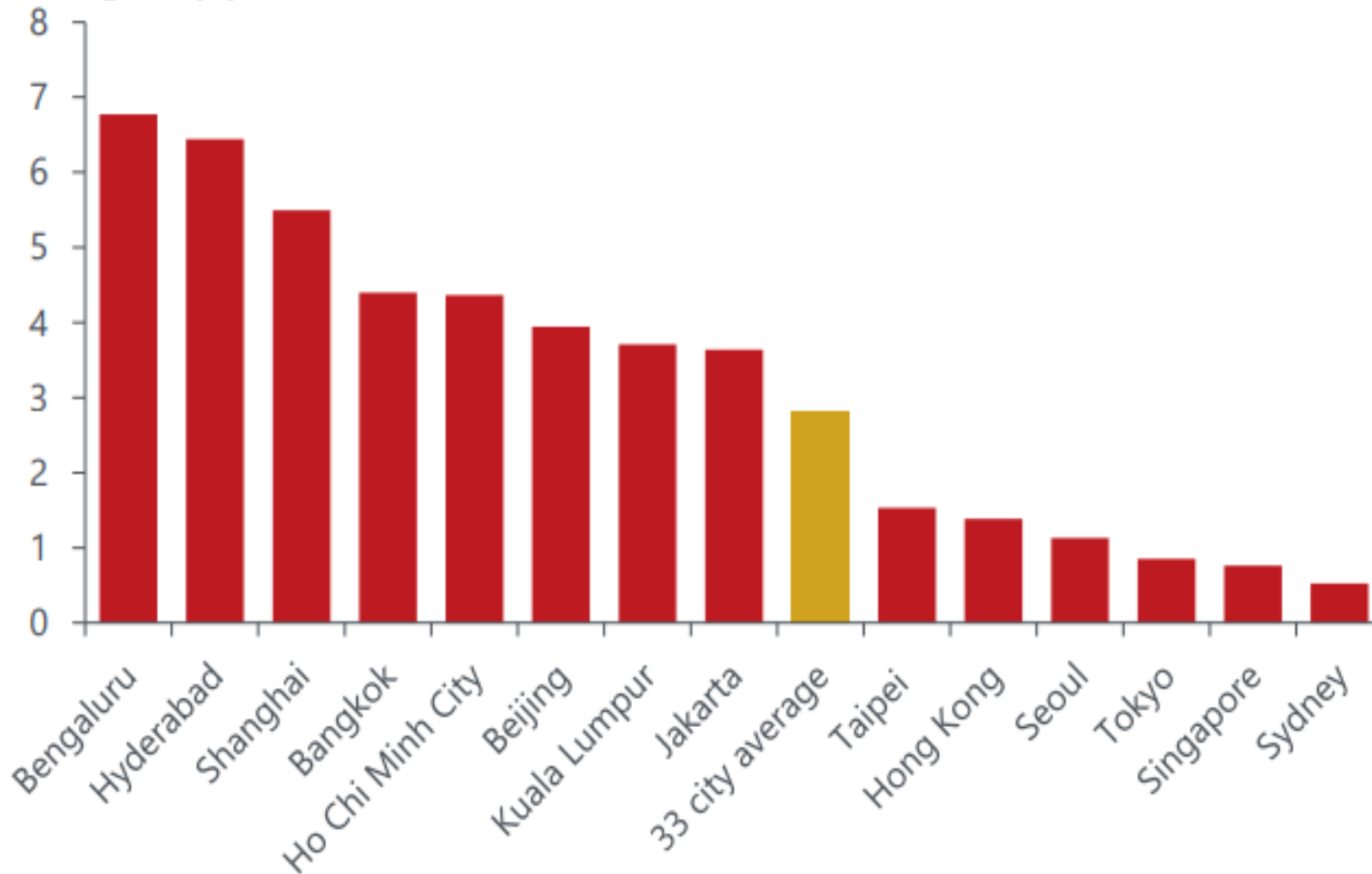
Newly Digitizing Sectors in Digital Economy includes :

- 4.1 Digital Communication Services
- 4.2 Government e-Market place
- 4.3 Direct Benefit Transfer
- 4.4 Tech-enabled healthcare
- 4.5 Customizable education platform for students
- 4.6 Digitally enabled power distribution
- 4.7 Smart grids with distributed generation
- 4.8 Digital payments
- 4.9 Flow based lending and advanced credit (MSME's)
- 4.10 Digital Farmer financing and insurance payouts
- 4.11 Precision agriculture
- 4.12 Universal agricultural marketplace
- 4.13 Online talent platforms
- 4.14 End to end digital supply chain - Traditional Retail
- 4.15 End to end digital supply chain - E-Commerce
- 4.16 Efficient transport and logistics
- 4.17 Business digitization and IoT based analytics

Bengaluru- The Fastest Growing City in Asia Pacific

GDP change, 2023

Change, % y/y



Source: Oxford Economics

#1 Among The South Asian Cities

#3 At The City Level In APAC Region

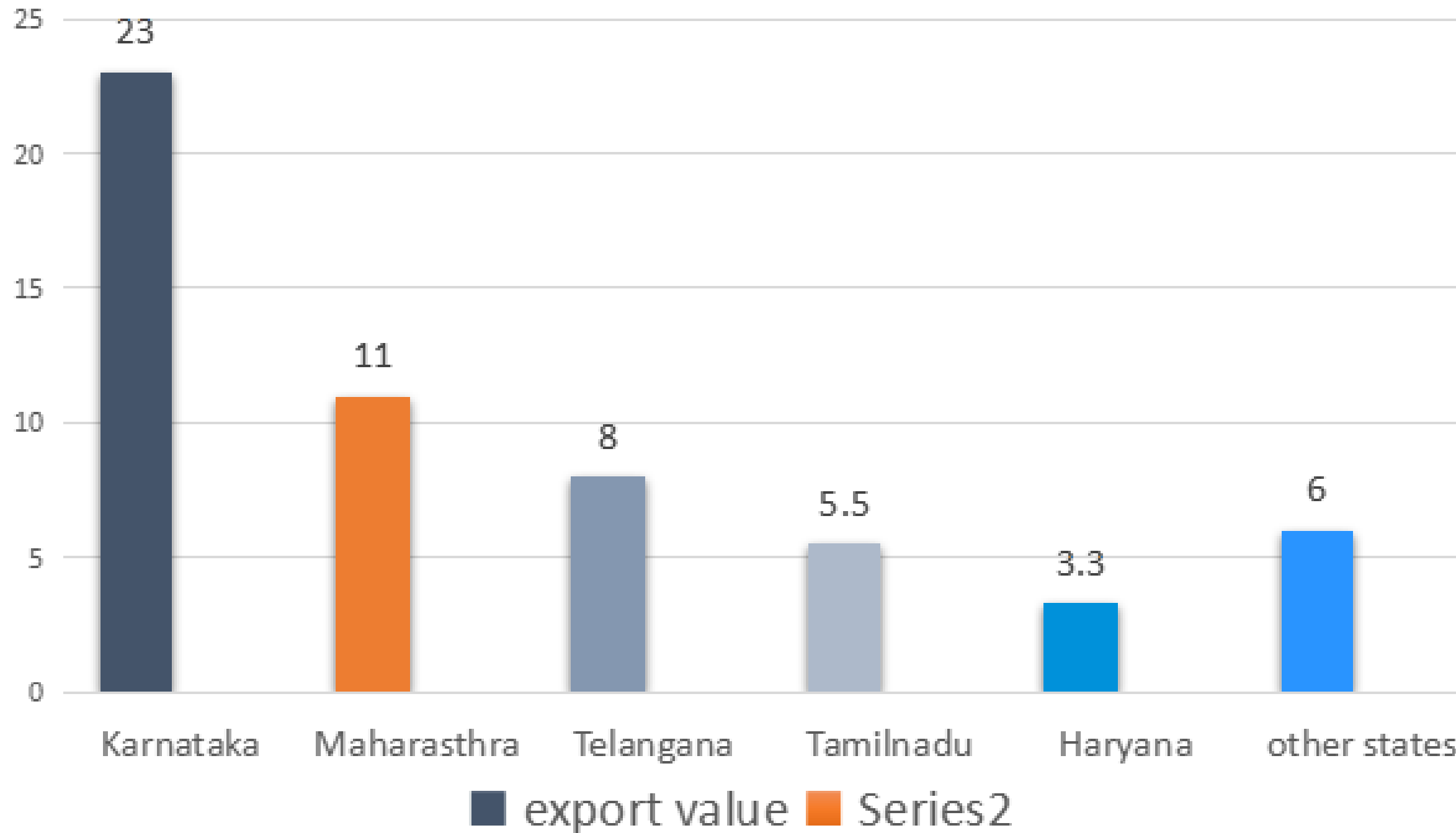
#8 Among Global Startup Ecosystem Index (GSEI) 2022

#22 Among Top 30 Global Startup Ecosystems

#5 Among Top 5 Global VC Funded Startup Ecosystems

INDIA-STATES SHARE IN IT AND ITES EXPORTS

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



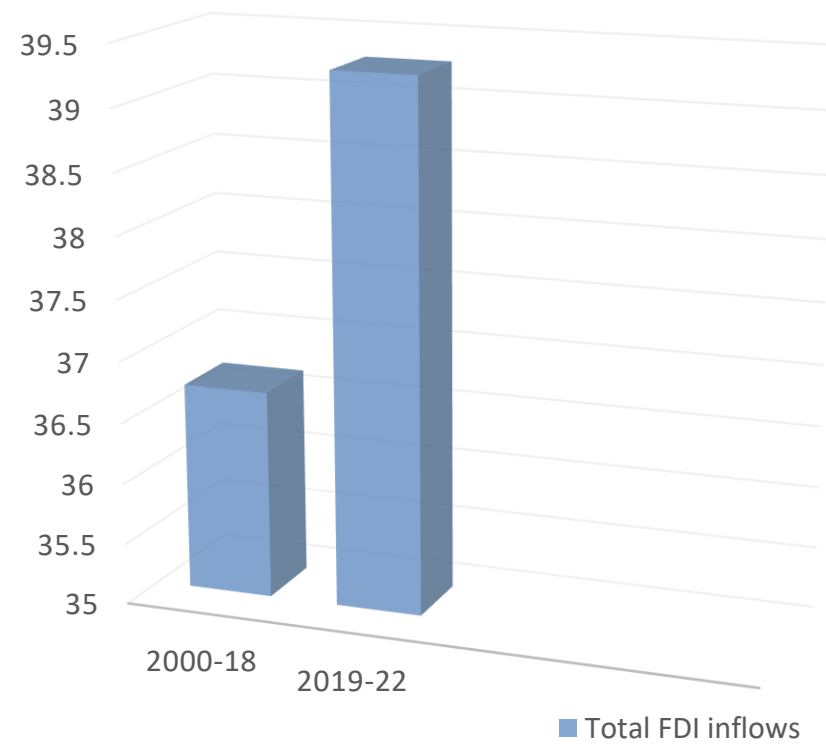
Source: STPI data

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

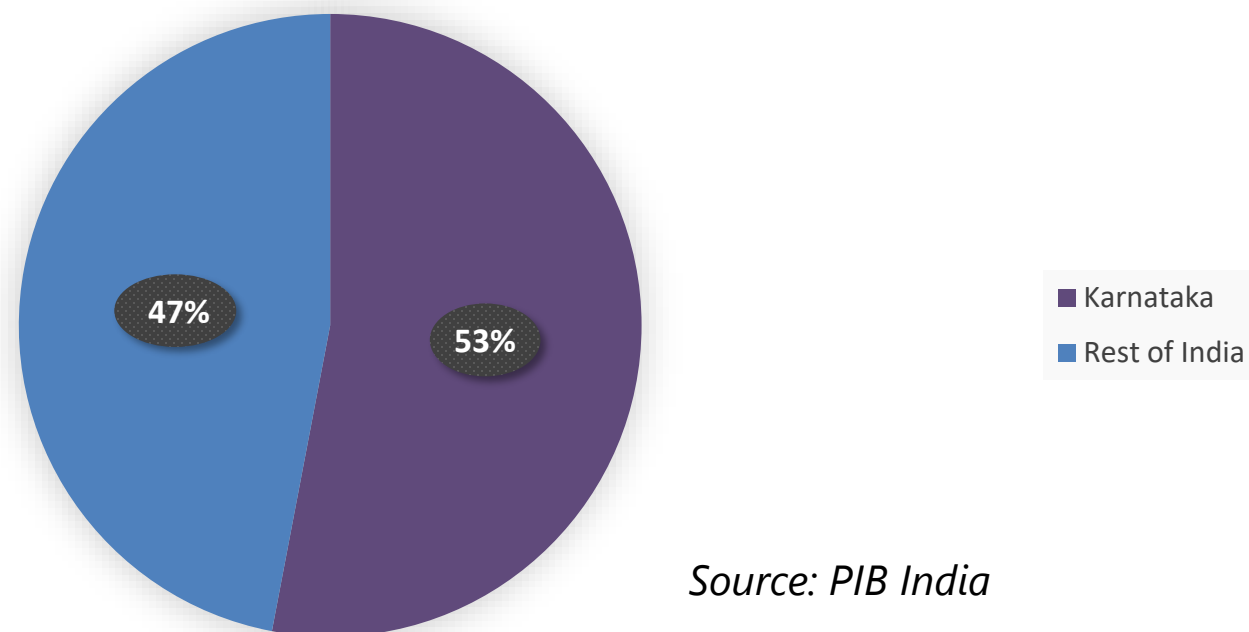
Investment: Consistently attracting FDIs

Total FDI inflows



Source: Invest India & FDI India websites

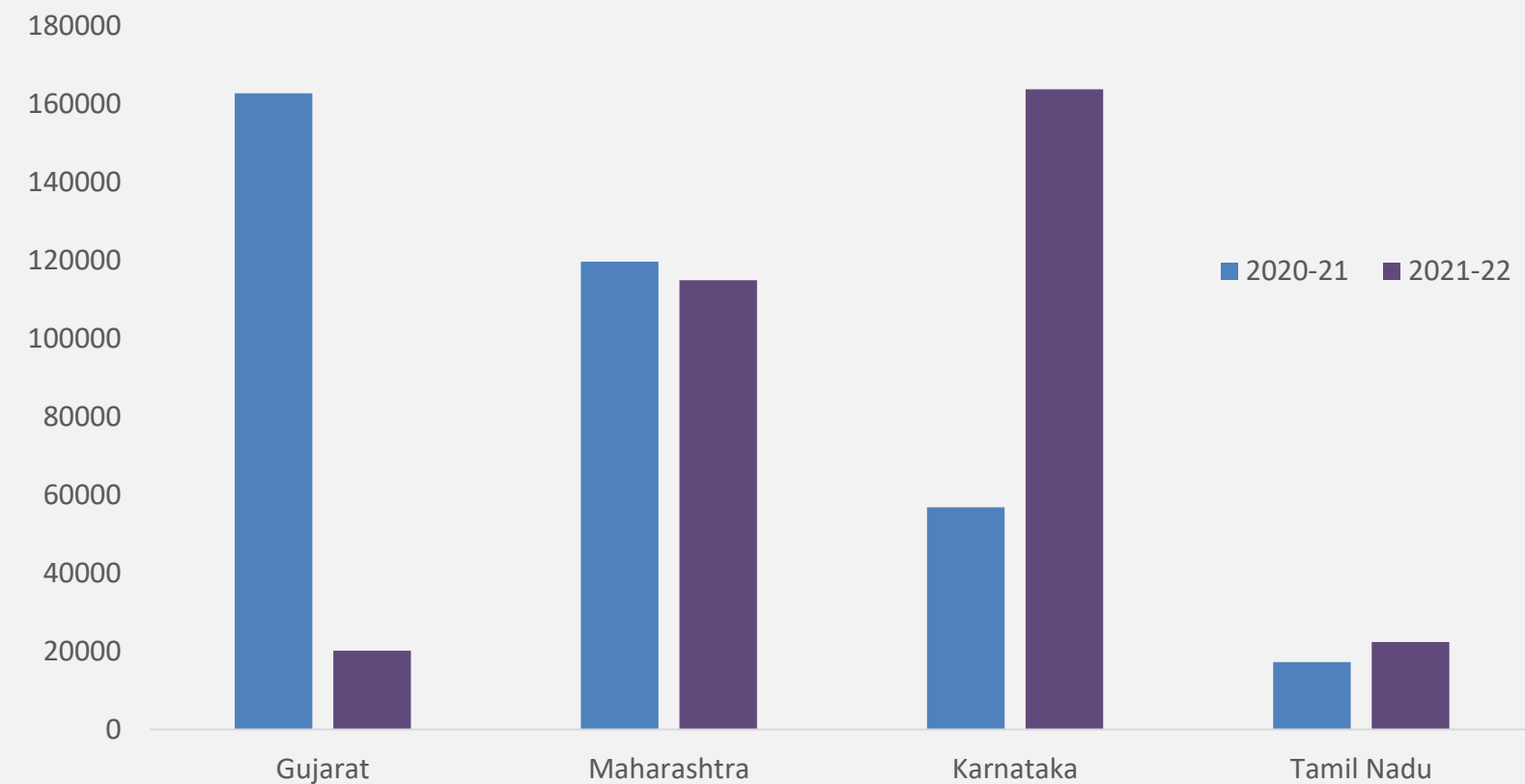
% of FDI flow in software & Hardware in 2021-22



Source: PIB India

Bengaluru – Only city in India to feature in Top 25 Global cities FDI in Frank & Knight ranking

FDI inflows – States' performance



Karnataka's share in FDI inflows during 2021-22 was **37.55%** of the FDI inflows in the country (DPIIT, 2022)

Innovation & R&D: Karnataka is a global innovation hub with more than 400+ MNCs having their R&D centers

Karnataka has a strong Innovation ecosystem



1st in NITI Aayog's India Innovation Index



Home to 400+ MNCs with global R&D Centres (35% of 1500 GICs)



Bangalore - 4th Largest technology and innovation cluster in the world



Highest in India for number of patent applications

Global companies have R&D units set up here:



Karnataka, the Technology Capital of India, has a strong existing ecosystem of Data Centers and their enabling industries

Multiple Data Centers established in Karnataka



Karnataka is home to the India head - quarters of most of the enabling companies

IT Infrastructure providers

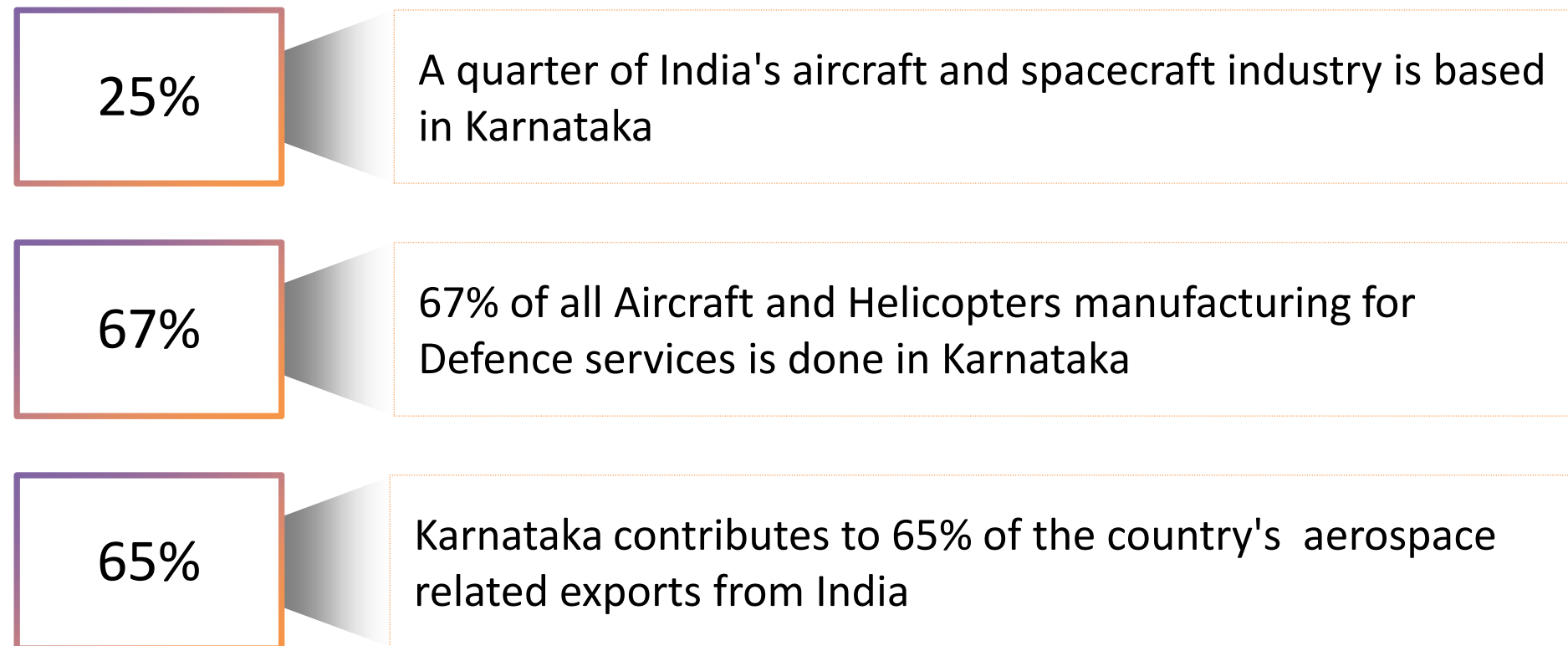


Support infrastructure & construction service providers

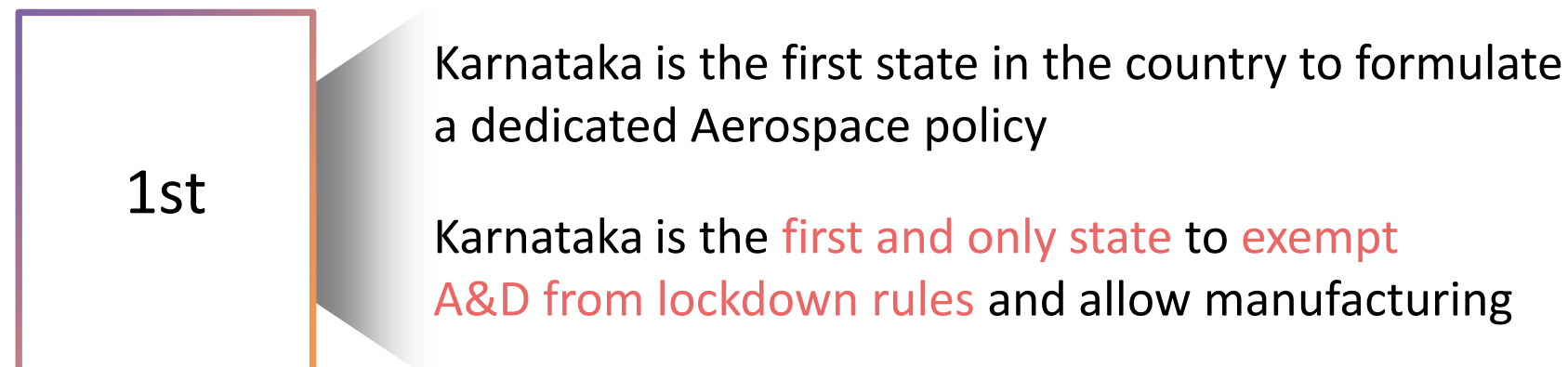


Karnataka has a strong ecosystem of Aerospace and Defence industries; active support from State Govt.

Karnataka is a leader in Aerospace & Defence industry



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



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

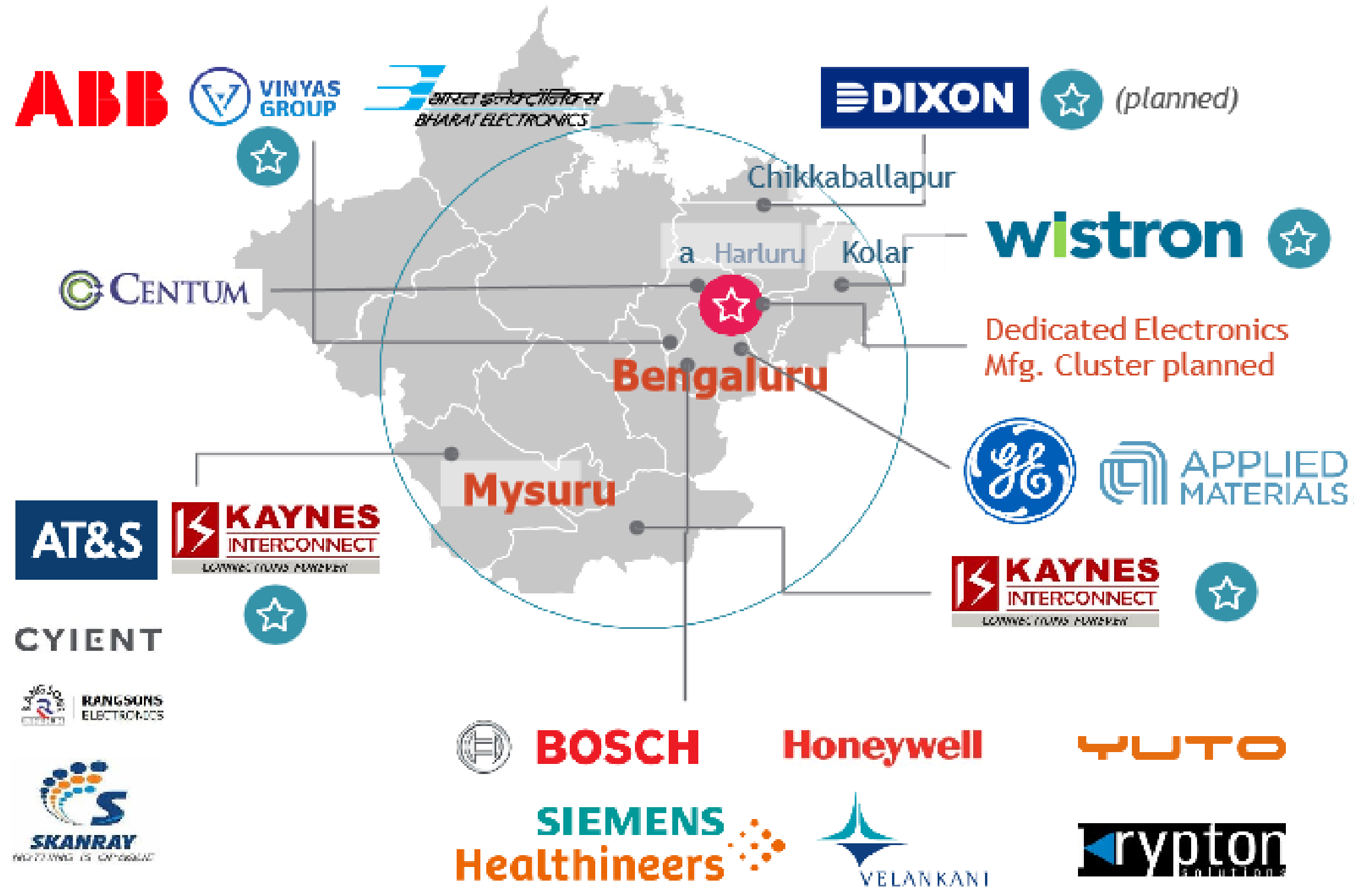
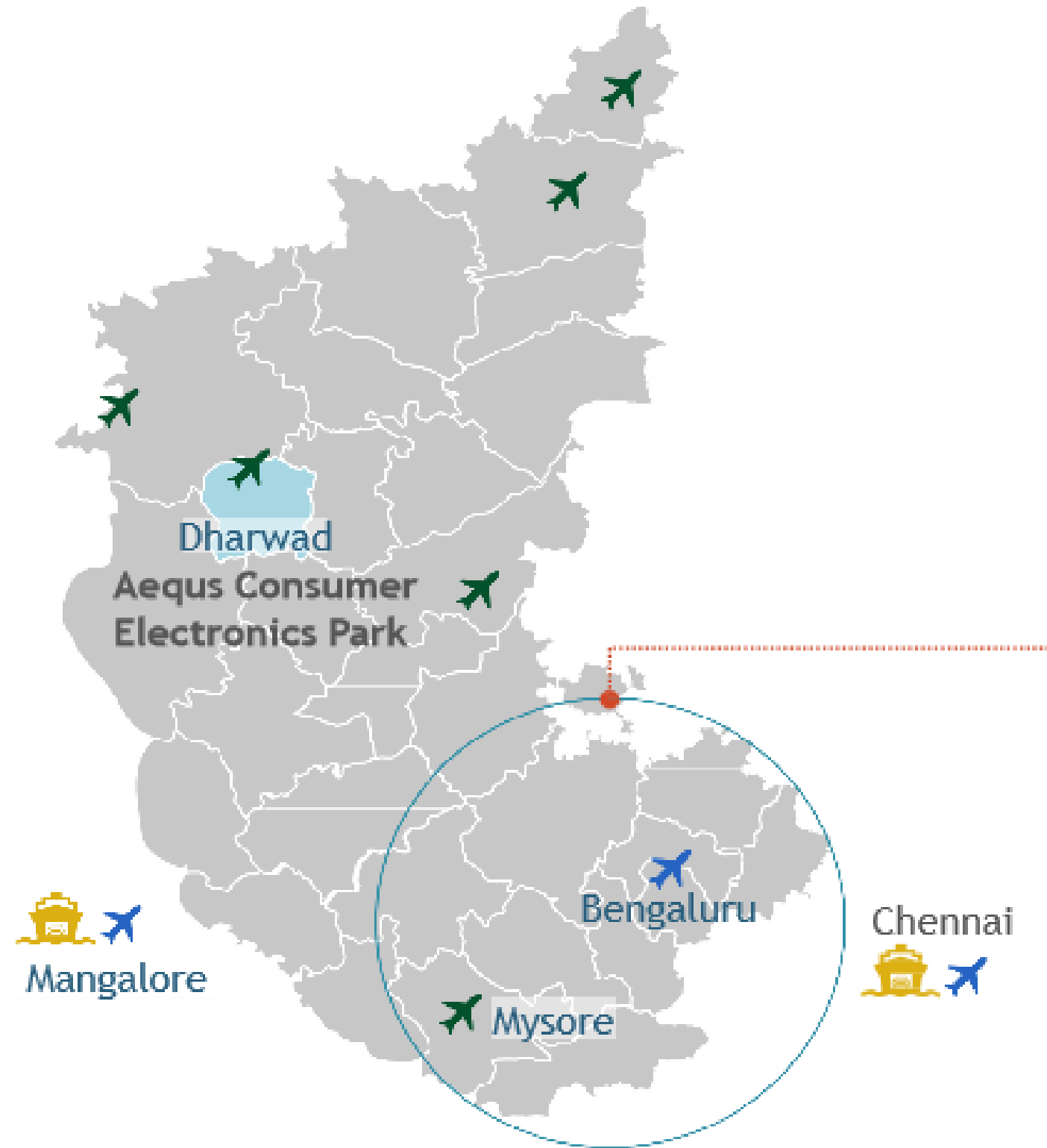
Altgreen



- 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

KARNATAKA: HOME TO LEADING GLOBAL & INDIAN ELECTRONICS MANUFACTURERS

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



Karnataka: COE For Enablement

What COE Does...

1. Knowledge Hub
2. Talent and Skill
3. Incubation Centre
4. Mentorship
5. Global Bridges (GTM)
6. Access to funds

Center for AI and Robotics



Indian Institute of Management



Center for Nano and Soft matter sciences

Indian Institute of Science



Indian Institute Technology



National Institute of Design



Nasscom Center of Excellence - IoT

Central Manufacturing Technology Institute



New CoE and institutions

- Metaverse
- AI
- ESDM
- Fintech
- Agritech
- IIT Dharward
- Cybersecurity

Beyond Bengaluru



Mysuru Cluster
Semicon & Cybersecurity



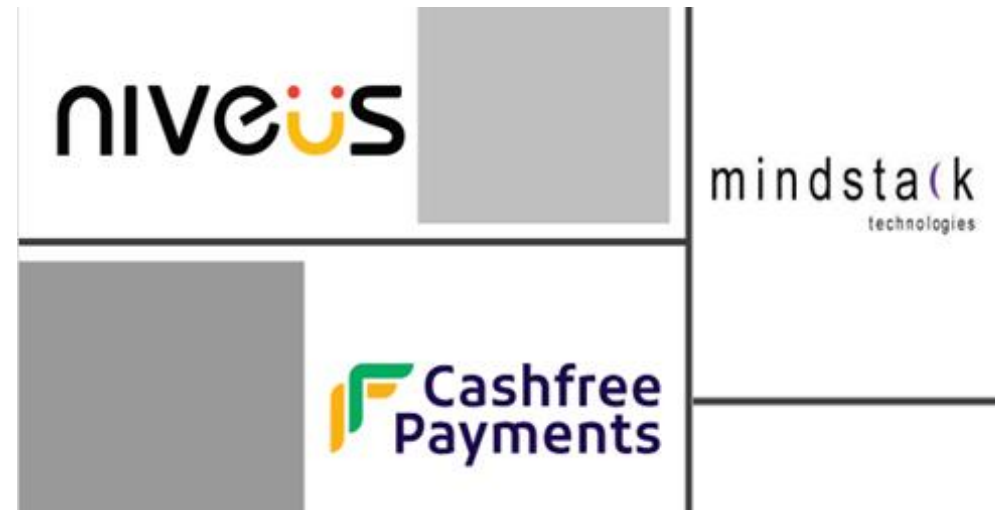
Mangalore Cluster
FinTech/IT ITES



HDB Cluster
EV/Drone, Edu & AgriTech

FOCUS
AREAS

RECENT
ADDITIONS



25+ Companies, Approx 15000 employment

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
soonicons

1.7K

funded tech
startups- the
highest number in
our country

138+

accelerators and
incubators

47

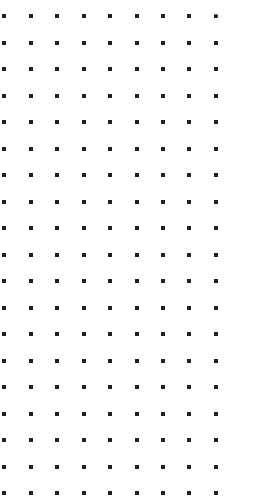
Innovation
hubs

304

mergers and
acquisitions as of
2022

8

Centres of
excellence



SECRET SAUCE - 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

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

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.

Karnataka: A Power Surplus State With 63% Of Installed Power Capacity In Renewables

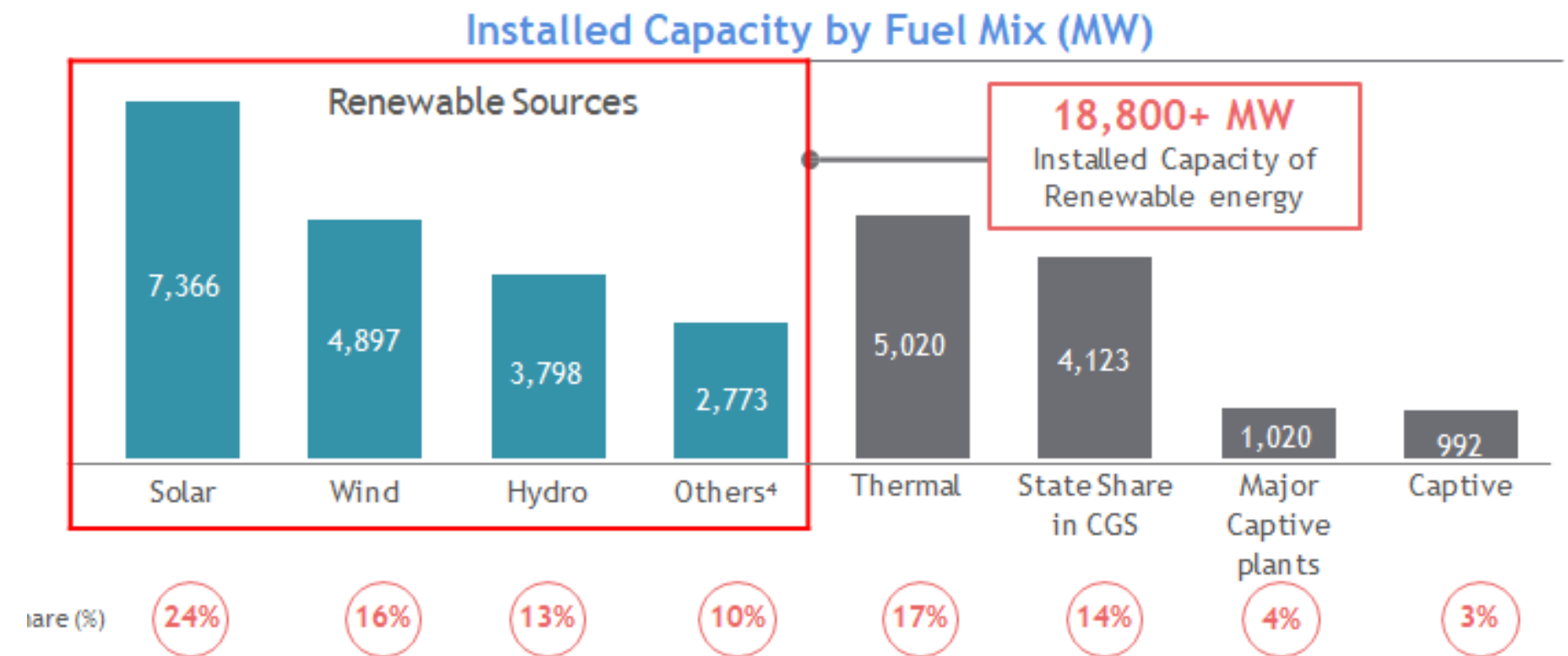


Karnataka is the leader among all states in promoting Renewable energy

- Renewable energy potential of 86.8 GW
- Largest market for solar power in the open access mode (3.6 GW)
- Best state for setting up a solar rooftop project according to Ministry of New & Renewable energy
- Home to World's 2nd largest Solar Park in Tumkur
- Exceeded the target set for solar capacity under KN Solar Policy '14-'21 (120% achievement of 6000 MW target)



63% of Karnataka's installed capacity is in renewables which is the highest in the country

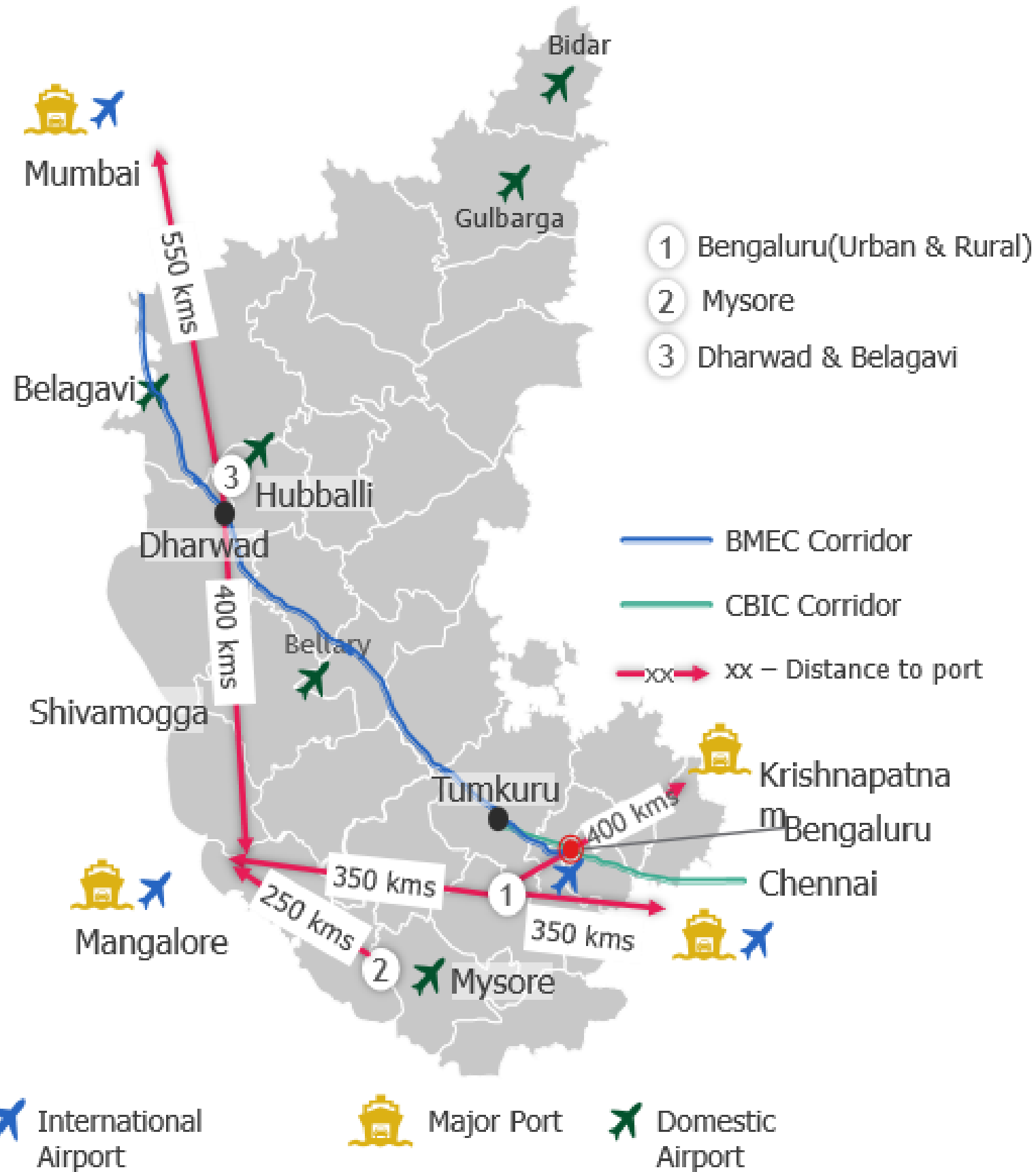


Home to 400+ renewable energy ecosystem companies and multiple IPPs³



1. According to State Rooftop Solar Attractiveness Index – SARAL **2.** Renewable purchase obligation **3.** Independent Power Producers **4.** Others include Co-generation, Small Hydro and Biomass

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

1. 3 operational currently and 3 more in the pipeline 2. In terms of value of trade handled

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

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

Talent what new...

20 Mn in age group of
16-35 years creating a
favorable 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

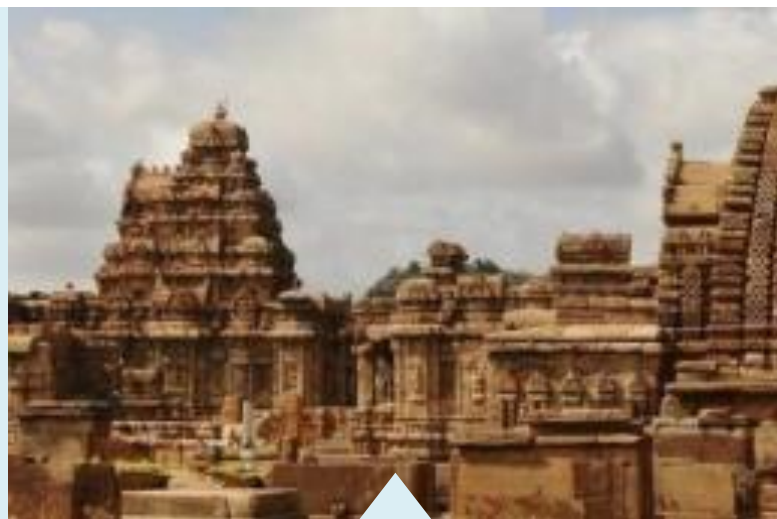
Industrial ecosystem well supported by World Class Social Infrastructure in Karnataka



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.



Blessed with pleasant climate throughout the year, with abundant greenery



Home to world-class golf courses, sports clubs & wildlife resorts



Popular tourism destination incl. UNESCO Heritage Sites, attracting tourists from across the world

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

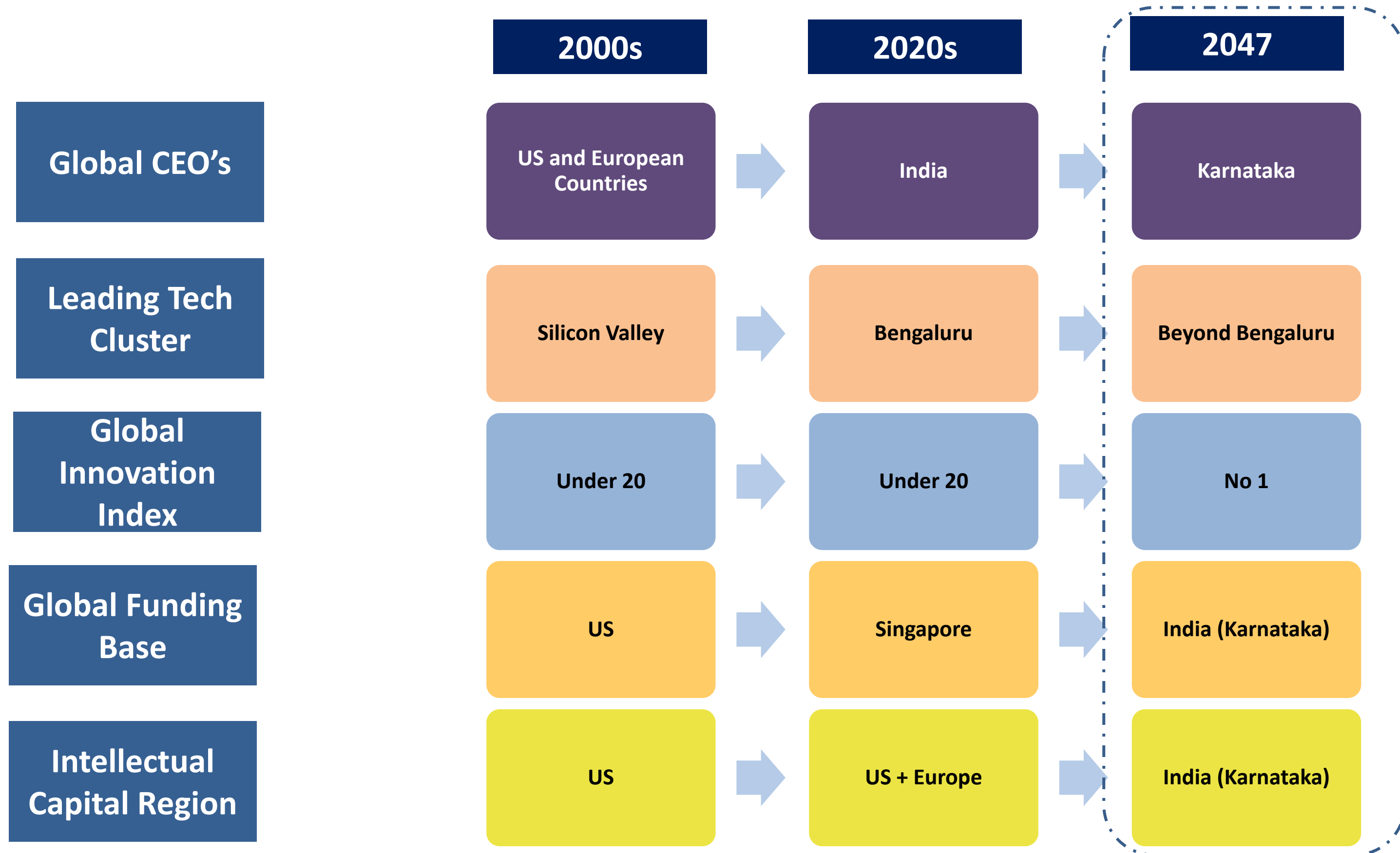




Summary and YOU (Our Partners in Progress)

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 100+ 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 – To Look For



Partners in Progress



Strategic
Fulfilment
Partner



Event
Management



Partners in Progress Delegates with operations in USA & India

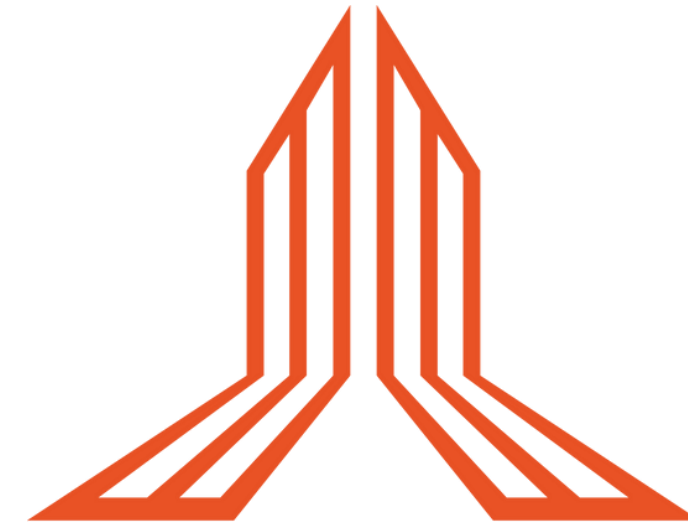
- Adaptnxt Technology Solutions Private Limited
- AgWiQ Technologies Pvt Ltd
- Alvolved Technologies
- Broadridge Financial Solutions (India) Private Ltd
- Cognizant Technology Solutions
- Cogvision AI
- Digital Align Inc.
- Digital Shark
- DigitalAPICraft
- Divsoft Solutions India Pvt. Ltd.
- Elfonze Technologies Private Limited
- HPE
- IBM
- Infosys
- Intelligrow Consultancy Services Private Limited
- Iora Technology pvt LTD
- IQVIA Technologies
- Kanaada Phonetics
- KPMG
- Manipal Dot Net Pvt Ltd
- Medicodio
- NextWealth Inc
- Novigo Solutions
- Okkular.io
- Oracle America Inc
- Pace Wisdom Solutions Pvt Ltd
- PayPal
- PrintForm- Cloud Manufacturing
- QuestKart Inc
- Rocket software
- Sapiientury
- SK Telecom
- Skykrafts Aerospace Pvt Ltd
- Solutionec
- Startup Grind
- Techment Technology
- uniQin.ai
- Vidwath Innovative Solutions Pvt Ltd
- WhatsLoan Fintech Private Limited
- XPERTAX AUDITING BAZAAR PRIVATE LIMITED
- Yugasys Software Pvt Ltd
- & many more...

Delegates from India

- IBridge
- Agwiiq Technologies Pvt Ltd
- Commit Services
- Dbiz
- DJ Interactive Solutions Pvt Ltd (Digital Jalebi)
- Elfzone Technologies
- FalconX
- Farmonaut Technologies Private Limited
- First Meridian services
- Focus Engineering
- Holosuit
- iSocrates
- ITserve
- Kaynes Technology
- Kaynes Technology
- Kyndryl
- Mikro Grafeio
- Nextwealth Entrepreneurs Pvt. Ltd.
- NS Infotech
- Printform
- Prolim

- Proxelera
- Sacumen
- SenseGiz
- Silicon Road
- Skootr India
- Startup Connect
- Third Eye Data
- TiE
- Vaultedge Software.
- Velox
- Vidphone
- VMware
- & many more...

Proudly Join Us to be our PARTNERS IN PROGRESS



**Karnataka Digital
Economy Mission**

**India
Karnataka
Jai Hind!**