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# MARC Insights IT and Startup Ecosystem in Mysuru

January 2024



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# Glossary

Term	Definition
AI	<i>Artificial Intelligence</i>
AR/VR	<i>Augmented Reality/Virtual Reality</i>
ATMP	<i>Assembly, Testing, Marking, And Packaging</i>
AVGC	<i>Animation, visual effects, gaming and comics</i>
BT	<i>Biotechnology</i>
DPIIT	<i>Department for Promotion of Industry and Internal Trade</i>
EPF	<i>Employee Provident Fund</i>
ESDM	<i>Electronics System Design and Manufacturing</i>
FSDM	<i>Financial Services Data Management</i>
GoK	<i>Government of Karnataka</i>
GCC	<i>Global Capability Centre</i>
IT	<i>Information Technology</i>

Term	Definition
ITES	<i>Information Technology Enabled Services</i>
KAN	<i>Karnataka Accelerator Network</i>
KDEM	<i>Karnataka Digital Economy Mission</i>
KIADB	<i>Karnataka Industrial Areas Development Board</i>
KSIIDC	<i>Karnataka State Industrial &amp; Infrastructure Development Corporation</i>
KSOU	<i>Karnataka State Open University</i>
K-Tech	<i>Brand of Karnataka Innovation and Technology Society</i>
LOI	<i>Letter of Intent</i>
MCSF	<i>Mysuru Cluster Seed Fund</i>
MGTC	<i>Mysuru Global Technology Centre</i>
S&T	<i>Science and 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

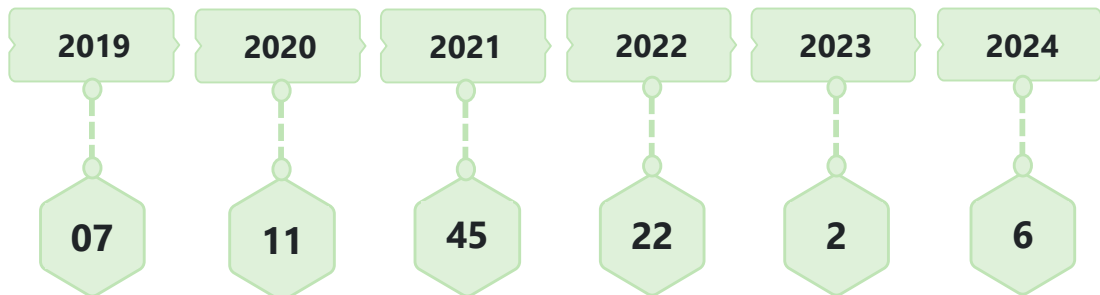
**1,580+**  
Total number of Global  
Capability Centres

**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

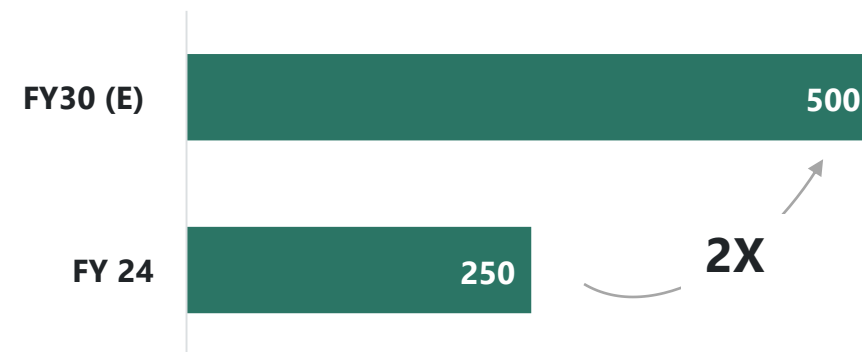
**US\$ 199 Billion** Exports from the Indian IT industry in FY24

**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

**1st**

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

**2nd**

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 **1st** 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



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

(2024 Global Start-up Ecosystem Index)

Regional Ranking  
**56<sup>th</sup>**  
In South Asia

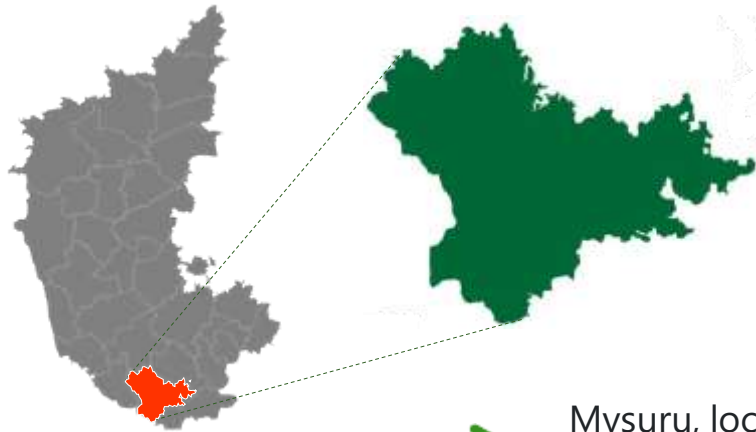
(2024 Global Start-up Ecosystem Index)

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



# 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.



**6,307 Sq. Km**  
Total Area of District

**34,30,000**  
Projected Population  
2024

**36**  
Degree Colleges

**72.79 %**  
Average Literacy rate  
2024

**INR 2,15,398**  
Per Capita Income  
FY 2023

**163**  
Hospitals



- 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)



**4,12,000**

Avg Salary of IT Employees per annum



**5,000+**

IT Professionals as of 2022



**150 +**

IT Services & Consulting Companies



**402+**

DPIIT recognized Startups as of 2024

- 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**.

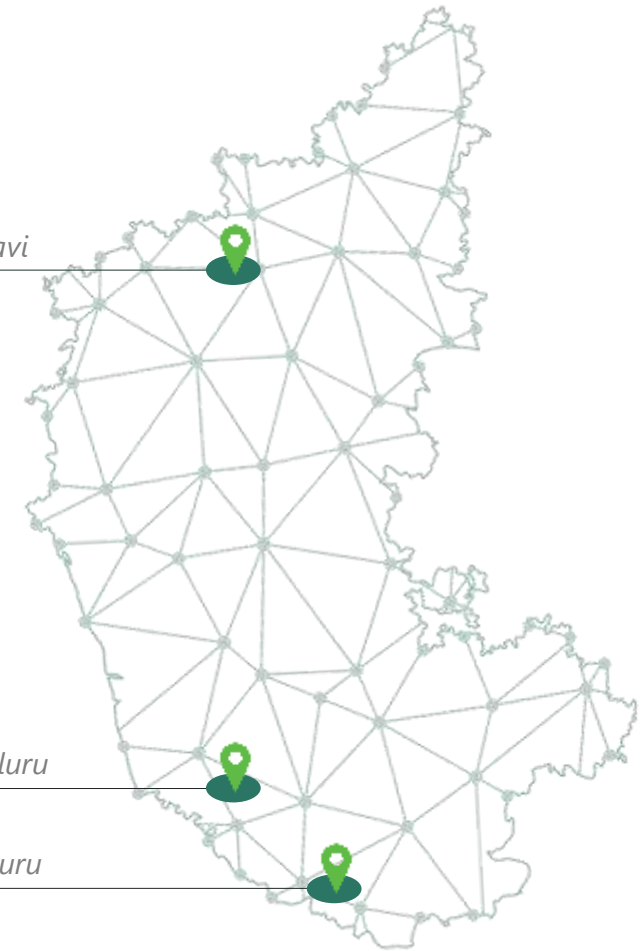
### Beyond Bengaluru Initiative

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.

Hubballi – Dharwad – Belagavi

Mangaluru

Mysuru



### 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.

### 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.

Source: *Beyond Bengaluru Innovation report 24*, KDEM

# 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

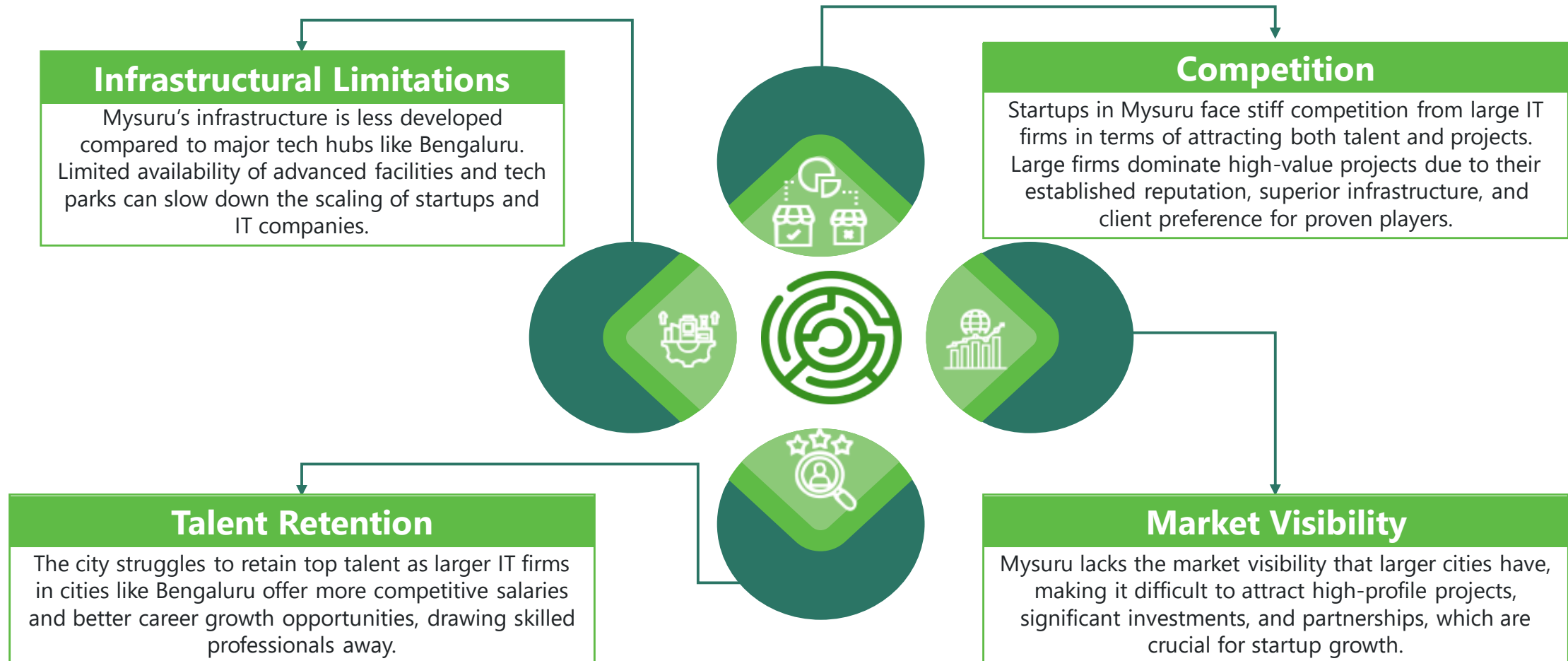
Offers software development, strategic digital marketing, and practical training with a placement guarantee to help businesses establish their brand and professionals enhance their skills in the IT sector.

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.



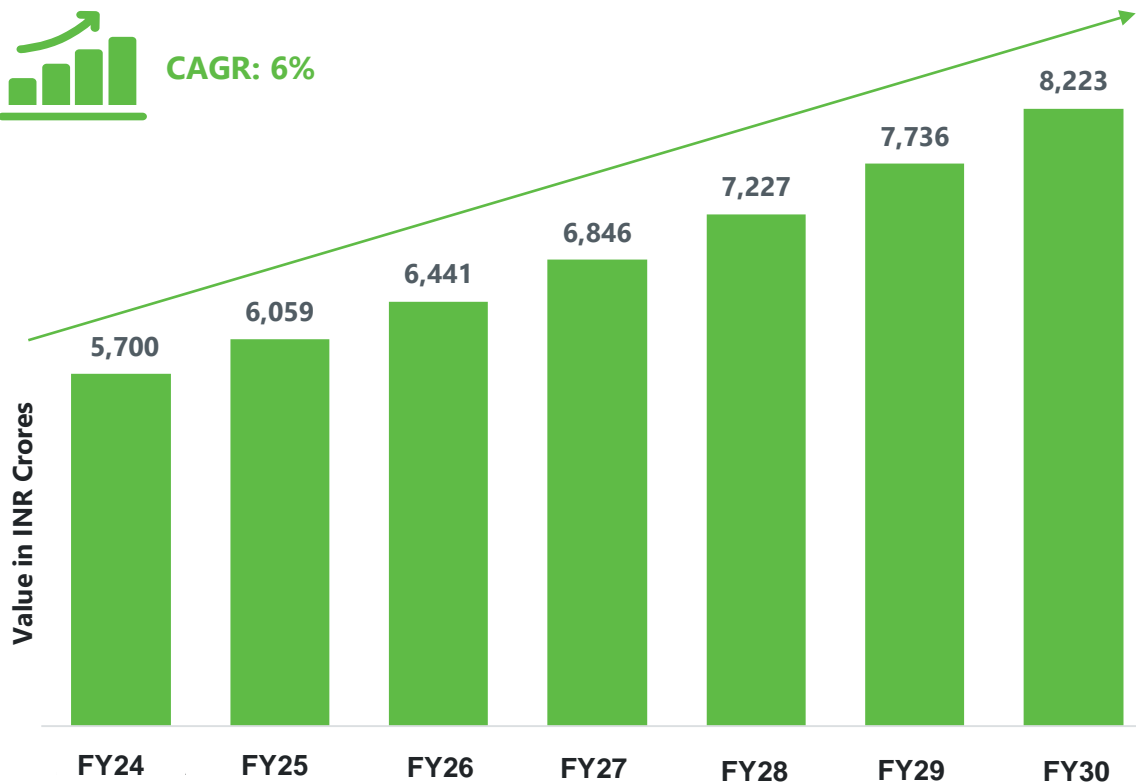
Source: [Times of India](#)



# 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's IT Exports



- 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)



**Cost Advantage:** Compared to larger cities like Bengaluru, Mysuru offers lower operational costs, including affordable office space and salaries, making it ideal for startups and IT companies to scale efficiently.



**Government Support:** Through initiatives like the Karnataka Startup Policy and the Beyond Bengaluru program, there is increasing governmental support in the form of funding, infrastructure development, and favorable policies to boost the startup ecosystem.



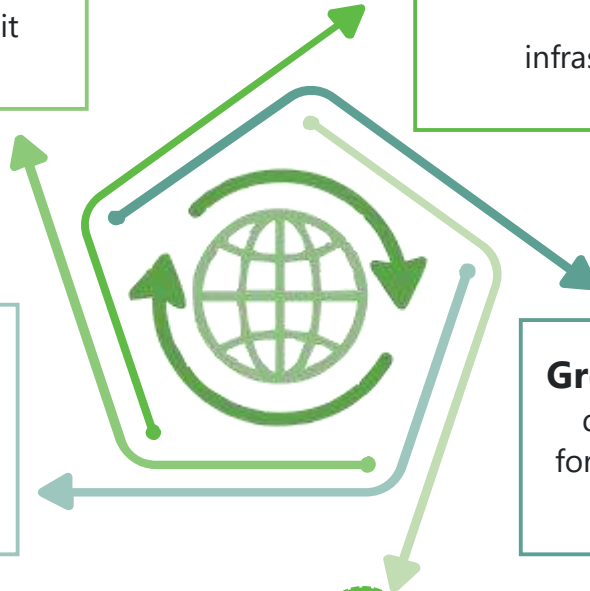
**Proximity to Bengaluru:** Being close to Bangalore, India's tech capital, Mysuru benefits from the spillover effect, where companies look for more cost-effective locations while maintaining access to skilled IT professionals.



**Growing Infrastructure:** Mysuru's infrastructure is still in developing stage and it is improving with ongoing projects for better connectivity new tech parks, and coworking spaces make Mysuru increasingly attractive for startups.



**Emerging Talent Pool:** Mysuru has several reputed educational institutions, such as the University of Mysuru, creating a steady pipeline of skilled graduates in tech, engineering, and business fields. This talent pool provides local companies with access to a growing, affordable workforce.



Source : MARC Analysis



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