

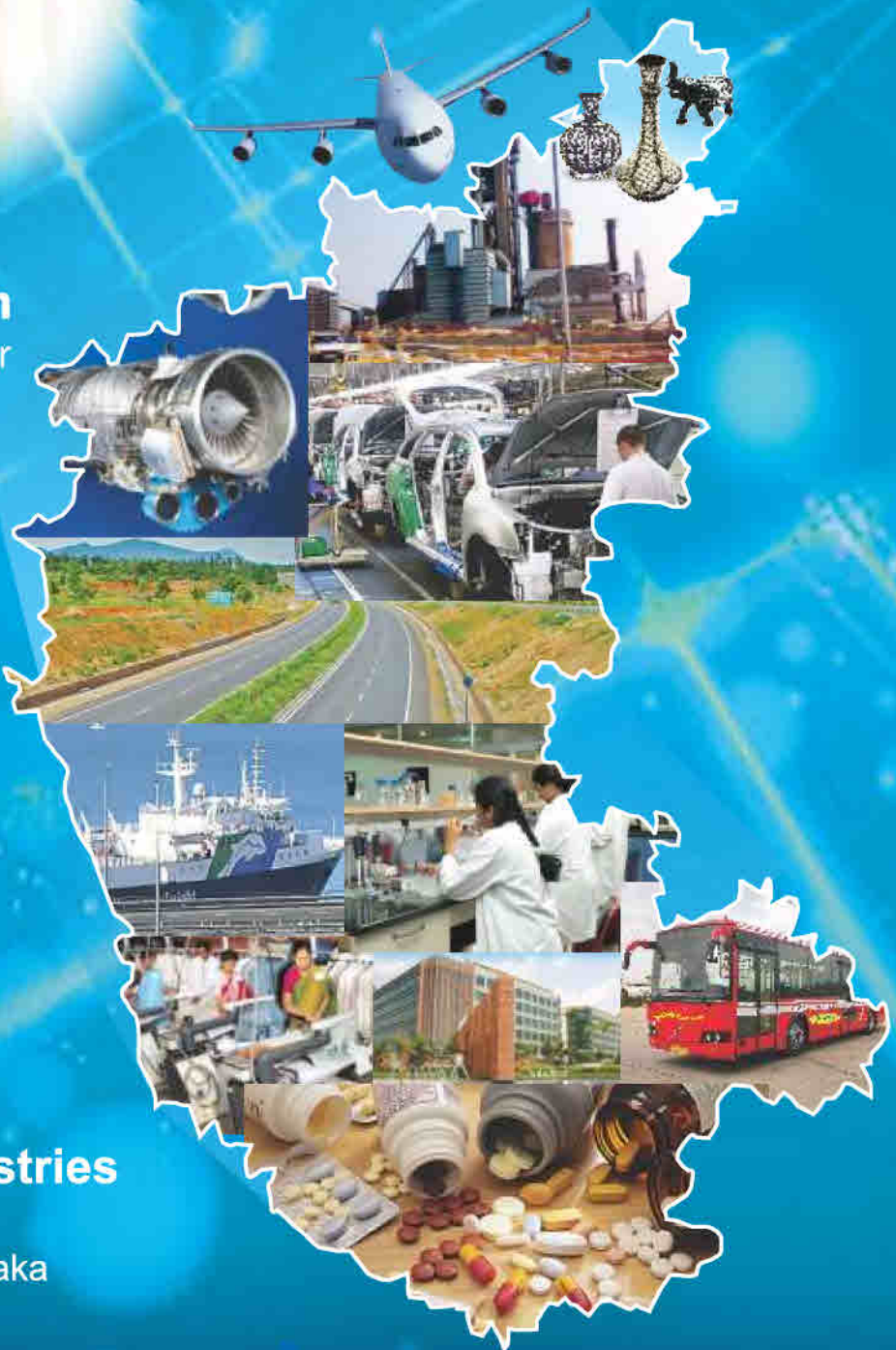


# Karnataka Industrial Policy 2014 - 19



**Sri Siddaramaiah**  
Hon'ble Chief Minister

Nurturing  
Industrial  
Growth



**Commerce & Industries  
Department**  
Government of Karnataka



## Commerce and Industries Department

# Industrial Policy 2014-19



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## FOREWORD

I am pleased to present the Karnataka Industrial Policy 2014 -19. The vision of this policy is to build a prosperous Karnataka through inclusive, sustainable and balanced industrial development thereby creating large employment opportunities.

The policy aims to maintain an Industrial growth rate of 12 % per annum and enhance the contribution of manufacturing sector to the State GDP from present level of 16.87% to 20% by end of policy period and spread industrial growth to nook and corner of the State.

Sustainable development is integral to the spirit of this policy and special focus is on manufacturing sector, creation of employment opportunities and promotion of MSMEs which have a strong base in Karnataka.

Entrepreneurs belonging to SC/ST, Minority Community, Backward Classes, Ex-servicemen and Women have been given special attention to encourage enterprise creation and industrial capacity building by them for an inclusive growth & sustained development.

I am glad that the Hyderabad Karnataka region along with industrially backward taluks have received adequate attention with a view to create a strong industrial base with equitable allocation of funds and for overall development of the State.

I thank the Commerce and Industries Department, other Government agencies and our industry partners, especially the members of Manufacturing Taskforce for their participation, support and commitment in preparation of this policy.

I welcome leaders of the industry, large, medium, small, micro and all entrepreneurs to take advantage of our policy and invest in Karnataka and be partners in our growth.

Date : 7-10-2014  
Place : Bangalore

**Siddaramaiah**  
Hon'ble Chief Minister  
Government of Karnataka




## Message

Karnataka has always been industrially forward looking State. We have been one of the earliest industrialized States in the country and today, the State is extremely well known all over the world in the field of IT, Software Development and Bio-Technology. We have attracted considerable investments in manufacturing industry as well.

This current policy aims to attract investment in excess of ₹ 5 lakh crore while providing employment to more than 15 lakh persons primarily in the manufacturing sector. The policy also aims to encourage legitimate investments while doing away with bottlenecks and impediments. In short, a sincere attempt is being made to convert "Red Tape" to "Red Carpet" wherever possible.

The State has been considered a melting pot of people from various cultural affiliations from all over the country and abroad. I hope the new industrial policy would encourage more ethnicity and industrial mixing, so that the productive endeavour of many cultures and people could be harnessed. I am sure, we would be able to maintain our position on top of the table as an industry friendly State with an equal concern for the environment.

  
14/10/2014

**Kaushik Mukherjee, IAS**  
Chief Secretary  
Government of Karnataka

Date : 14-10-2014  
Place : Bangalore



**From the Desk of  
Additional Chief Secretary**

The Industrial Policy 2014-19 aims to position Karnataka in the forefront by providing adequate infrastructure support with attractive enhanced incentives and improved facilitation mechanism coupled with governance reforms and create an environment to enhance ease of doing business in the State.

The Policy endeavors in reaching its objectives by creation of quality infrastructure with comprehensive facilities, human resource development through capacity building & skill up gradation and looking beyond Bangalore for spreading the fruits of industrialization to the entire State.

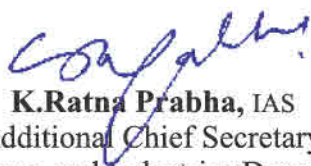
The thrust areas and strategies proposed in the policy attempt to distribute the economic benefits across a wider cross section of the society in an inclusive manner, by encouraging women, SC/ST and other backward sections of the society.

Many reforms are proposed across major departments including online filing of combined application and approvals to facilitate ease of doing business, optimum utilization of resources, encourage vertical development in industrial areas, protect the scarce industrial land, reduce inspections, enable submission of online returns etc. to boost the morale of the investors.

Special focus on MSME sector with various initiatives to encourage manufacturing MSMEs including marketing support and fillip to enhance their competitiveness in international trade.

It is my sincere endeavor to provide the necessary facilitation for the implementation of the policy and I request all stakeholders to join us in this effort of making Karnataka a preferred destination for Industry

Date : 01-10-2014  
Place : Bangalore

  
**K.Ratna Prabha, IAS**  
Additional Chief Secretary,  
Commerce and Industries Department.  
Government of Karnataka



## PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

**Sub** : Karnataka Industrial Policy 2014-19 - reg.

**Read** : Government Order No. CI 233 SPI 2008, dated: 28.02.2009.

### **PREAMBLE:**

The State Government considers industrial growth as a means to mitigate poverty and unemployment. Development of industry, trade and service sector promotes higher capital formation, improves per capita income level, absorbs surplus work force. To realize these benefits and expedite socio economic changes, the State accords top priority for industrial development. In the process, it is aimed at advancing the cause of inclusivity, balanced industrialization and creating employment opportunities across different classes and categories of populace.

The State Government had announced Karnataka Industrial Policy 2009-2014 vide G.O. No. CI 233 SPI 2008, Bangalore, dated 28.02.2009 for promoting manufacturing and selected service industries in the State. This Policy came into effect from 01.04.2009 and had validity up to 31.03.2014. Further the validity of Industrial Policy 2009-2014 was extended till the introduction of new Industrial Policy 2014-19.

Government of India has come out with the National Manufacturing Policy in 2011 with an objective of accelerated development, inclusive growth and provision of gainful employment. The policy aims to enhance share of manufacturing in GDP to 25% by 2025 and create 100 million jobs with appropriate skill sets, increase the depth in manufacturing and enhance global competitiveness.

The Karnataka Manufacturing Taskforce (MTF) constituted by the State Government to study the manufacturing sector in Karnataka and suggest interventions to drive growth in the sector in a sustainable and holistic manner, taking into account global trends and existing challenges in the manufacturing sector has given its valuable recommendations and suggestions.

It is in this context that the State Government is desirous of formulating a new Industrial Policy to be in alignment with the objectives and goals of the National Manufacturing Policy 2011 and the recommendations of Karnataka Manufacturing Taskforce (MTF) which would enable smooth transition of policy measures for the benefit of investors in the State.

The policy has been drafted through an extensive consultation process with all the stake holders i.e. Trade Bodies /Associations, related Government Departments and deliberations on various components of the policy such as Infrastructure, facilitation mechanism, HRD, incentives and concessions, MSME development, focused sector etc. and Government appreciates the valuable suggestions of the Karnataka Manufacturing Taskforce (MTF) and all other stake holders. The views and suggestions offered by all the stakeholders have been incorporated suitably in the policy with the objective of making Karnataka a preferred destination for Industry.

In the light of the above, a decision has been taken by the Government to formulate and adopt a New Industrial Policy for the period 2014-19.

Hence the following order:

**GOVERNMENT ORDER No: CI 58 SPI 2013, BANGALORE, DATED:01.10.2014**

In the circumstances explained in the preamble, Government is pleased to announce the Karnataka Industrial Policy 2014-19 as detailed in Annexe to this order supported by the following annexures :

- |            |  |
|------------|--|
| Annexure 1 | List of Service Enterprises eligible for package of Incentives and Concession          |
| Annexure 2 | List of Industrial Activities / Enterprises not eligible for Incentives and Concession |