



Government of Karnataka
Department of Industries & Commerce



Investing in Karnataka
A Guide to Entrepreneurs

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Part I

General Features

Come to Karnataka - Tomorrow's business destination today. The search for answers to all your questions ends here. The Government of Karnataka provides a business environment that facilitates and not constrains your business. The objective of this guide is to provide general information and step by step procedural guidelines to help entrepreneurs to set up or expand a business in Karnataka.

Overall business environment

- 1.2 India is the world's largest democracy. It is the seventh largest country in the world.. India is one of the highly industrialized countries and fast emerging as a major force in the global economy. The stabilisation and structural adjustment measures initiated since 1991 mark a watershed in the country's economic policies. Since 1991 far reaching changes have been made in each element of the economic policy. During these years, India has migrated from a closed economy to a market oriented economy. The Government of India in its efforts to accelerate industrialisation and improve international competitiveness announced a liberalised Industrial Policy in 1991 and launched vigorous reforms of the monetary, trade and fiscal sectors. These economic reforms have opened up immense opportunities for the private sector, both domestic and foreign, to benefit from the process of liberalisation and globalisation.
- 1.3 The key element of the liberalised industrial policy and an important component of the reforms programme is the fresh approach towards foreign investment and technology tie ups. The policy changes are designed to attract significant capital flows into India on a sustained basis. A number of significant policy changes have been under taken to make investment in India an easier and more rewarding proposition.

As per the reformative Foreign Direct Investment Policy, FDI up to 100% is allowed, under the automatic route, in most sectors / activities. FDI under the automatic route does not require prior approval either by the Government of India or the Reserve Bank of India (RBI). Investors are only required to notify the concerned Regional office of RBI within 30 days of receipt of inward remittances and file required documents with that office within 30 days of issue of shares to foreign investors.

FDI in all sectors / activities is subject to sectoral guidelines and requirements. FDI is not permitted in Retail trade (except Single Brand product retailing); Lottery; Gambling and Atomic Energy. In the remaining sectors / activities, FDI up to 100% would be allowed on the automatic route.

- 1.4 Foreign companies are now permitted to open branch offices in India and Foreign Institutional Investors are also encouraged to invest in the Indian capital markets, both primary and secondary. Automatic permission will also be given for foreign technology agreements in high priority industries up to a certain lump sum payment of royalty. The Non Resident Indians are allowed to participate up to 24% equity through stock exchanges while Overseas Corporate Bodies are also allowed to invest up to 100% in high priority industries.
- 1.5 For foreign collaboration under automatic route investors are required to apply in Form FC-GPR in 10 copies to the Reserve Bank of India. In non-automatic cases investors are required to apply in Form FC-IL in nine copies to the Secretariat for Industrial Assistance, GoI or Foreign Investment Promotion Board, New Delhi. In case of setting up 100% EoU/ units in EPZ scheme application in the prescribed Form in 10 copies should be submitted to the Development Commissioner of the Export Processing Zone concerned for automatic approval and to the SIA for Government approval.
- 1.6 The GoI abolished industrial licensing in all sectors but for five industries and opened several core and basic industries to the private sector. At present there is no investment limit for large Indian / Foreign companies.
- 1.7 The Government of India has announced the Foreign Trade Policy for the period 2004-09 in Sept. 2004. This policy contains a comprehensive package to give a massive thrust to India's exports. The policy removes all quantitative restrictions on exports. The policy was targeted to double India's present share of Global exports by 2009.
- 1.8 Karnataka is also keen to attract foreign direct investment to the State through its progressive policies and strategies. The federal policy guidelines of the Government of India are applicable to projects set up in the State also. The FDI proposals approved for the State will be monitored at the highest level to facilitate speedy implementation.

Doing business in Karnataka, with ease

- 1.9 Karnataka is one of the 28 States in India and has emerged as an important industrial centre in the country. The State has 29 districts and 176 taluks as administrative units. Over the last 100 years, the State has had the distinction of building a strong and vibrant industrial base, which combines the intrinsic strengths of large public sector industrial undertakings, large and medium privately owned industries and a very wide and dispersed small scale sector. Karnataka has demonstrated its strength over a wide spectrum of industries and has outstanding examples of success both in the old economy and new economy. In recent times, Karnataka has emerged as the knowledge and technology capital of the country, making rapid strides in the new economy as well. Karnataka's capital, Bangalore, is globally recognised as the Silicon Valley of the Asian region and is also considered as technology capital of the country.
- 1.10 Doing business in Karnataka has been made easier now. You have Karnataka Udyog Mitra, the one stop facilitation centre helping to make your proposal a reality through efficient, real time response.
- 1.11 **Industrialization in Karnataka** - Karnataka is one among the leading industrialised States in the country. The State is known for its capabilities in high-tech industries in key sectors like telecommunication, electronics, information technology, precision engineering, machine tools, automobiles, readymade garments, bio-technology and food processing have been noteworthy. The strong base of large and medium scale industries in Karnataka has given a wide scope for promotion of a vibrant small scale sector in the State providing considerable employment opportunities.
- 1.12 **Advantages for investment** - Karnataka has many inherent advantages for investors - both domestic and overseas and offers ample opportunities for investment. The State is the leader in knowledge based, technology driven industries like information technology, bio-technology, electronics, telecommunication, aerospace and allied areas. Karnataka's capital city Bangalore is recognized the world over as the 'Knowledge capital of India'.
- 1.13 Karnataka's pre-eminent position on the industrial and business map of India is based on several factors. The State is rich in natural resources and is known for its salubrious climate. It has a strong resource base of highly educated and skilled people, backed by extensive educational infrastructure, comprising world-renowned schools, colleges, institutes of higher learning and research and development centres. Its labour force is highly skilled, disciplined and hardworking. Above all, it has far-sighted, development-oriented, investor-friendly governance that firmly believes in, and actively encourages, public - private partnerships.

1.14 The State is widely recognised as a centre of learning with 16 universities, 141 engineering colleges, 39 medical colleges, 43 dental colleges, 648 general / law colleges and 189 polytechnics. The State has over 100 R&D centres and about 300 MNCs are present in the State. The State is linked by air with international centres and also has a wide network of roads and railways. Bangalore has well established institutions offering a wide gamut of educational services. The Indian Institute of Science, Indian Institute of Management, Indian Institute of Information Technology and National Centre for Biological Sciences are the most admired and sought-after institutions in India.

Policy support

1.15 Karnataka was the first State to announce its Industrial Policy way back in 1983. The State Government has also announced exclusive policies for promotion of tourism, agro food processing industries, infrastructure facilities, export promotion, information technology and biotechnology industries.

1.16 In order to provide a level playing field to the investors, the State Government has formulated an Industrial Policy which has come into effect from 1.4.2006 and is in force till 31.03.2011.

1.17 Salient features of this Industrial Policy 2006-11 are given below:

- Emphasis on sustained and growth oriented industrialization with employment and revenue generation for overall socioeconomic development of the State.
- Strengthening manufacturing sector, enhance share of Karnataka's export to 20% and create additional employment to atleast 10 lakh persons by the end of the Policy period.
- Multi pronged strategy for development of infrastructure, human resource development, technology upgradation, quality improvement and facilitation for 'ease of doing business'.
- Focus for upgrading industrial infrastructure facility throughout the State enabling investors to avail ready-to-use facilities.
- Creation of an exclusive Infrastructure Fund with a corpus of Rs. 500 crore.
- Impetus on promotion of agro food processing industries.
- Time bound implementation of ongoing sector specific infrastructural projects.
- Thrust for human resource development. Intention to establish specialized skill development institutions at key locations in PPP mode.
- Focused attention to sub-sectors like aerospace, engineering, automobile, pharmaceuticals, machine tools, steel, IT/ BT etc., where State has core competency.
- Promotion of local entrepreneurship with a target to impart entrepreneurship training to three lakh persons during the Policy period.

- Measures for intensive industrialization of backward taluks as categorized by Dr. D M Nanjundappa Committee.
- Categorization of Taluks into three zones – Zone-1 comprising 79 Most and More Backward Taluks and Zone-2 consisting 85 Backward Taluks. Zone-3 has 12 industrially developed Taluks

Incentives and Concessions

1.18 As per the Industrial Policy 2006-11, following incentives and concessions are offered to industries.

- Capital investment subsidy to the extent of 25% in Zone-1 and 20% in Zone-2 for micro and small industries.
- 100% exemption of stamp duty in Zone-1 and 75% in Zone-2 for all industries
- Waiver of conversion fine – 100% in Zone-1 and 75% in Zone-2, subject to limitation on extent of land.
- One time capital subsidy upto 50% of the cost with a ceiling of Rs. 100 lakhs per unit for setting up effluent treatment plants in all zones.
- Entry Tax and special Entry Tax exemption for three years in Zone -1 & 2 for procurement of capital goods and for five years incase of procurement of raw materials.
- Interest subsidy at 4% for technology upgradation loan availed from SFC and Scheduled Commercial Banks.
- Subsidy at 50% of the cost of Patent Registration subject to a ceiling of Rs. 2 lakhs per unit.
- Additional capital subsidy of 5% for SC / ST / PH/ Minority/Women and Ex-servicemen entrepreneurs subject to a ceiling of Rs. 5 lakh for women entrepreneurs and Rs. 1 lakh for other entrepreneurs.

In addition, entrepreneurs who belong to Scheduled Caste / Scheduled Tribe, will be offered industrial plots / sheds, by KSSIDC at subsidized rate to the extent of 40% of the total cost, subject to maximum limit of Rs.2.00 lakh vide G.O. No. CI 305 CSC 2004 dt.19.7.2005.

1.19 **Incentives pertaining to Special Economic Zones** - Government of India, in order to boost exports from the country formulated a new scheme viz Special Economic Zone (SEZ) during 2001. Accordingly, the State Government has formulated a State Policy for SEZ vide GO No C1/282/SP1/2001 dt. 25.2.2002.

Following are the incentives and facilities:

For SEZ Developers

- 100% FDI allowed for townships with residential, educational and recreational facilities on a case to case basis and Franchise for basic telephone service in SEZ.
- Income Tax benefits u/s 80 IA to developers for any block of 10 years in 15 years.
- Duty free import / domestic procurement of goods for development, operation and maintenance of SEZ.
- Exemption from Service Tax / CST.
- Income of infrastructure capital fund / co. from investment in SEZ exempt from Income Tax.
- Investments made by individuals etc in a SEZ co are eligible for exemption u/s 88 of IT Act.
- Developer permitted to transfer infrastructure facility for operation and maintenance.
- Generation, transmission and distribution of power in SEZ allowed.
- Freedom in allocation of space & built up area to approved SEZ units on commercial basis.
- Authorized to provide and maintain services like water, electricity, security, restaurants and recreation centers on commercial lines.

Units in SEZ

a) Customs and Excise

- SEZ units may import or procure from domestic sources, duty free, all their requirements of capital goods, raw materials, consumables, spares, packing materials, office equipment, DG sets etc. for implementation of their project in the Zone without any license or specific approval.
- Duty free import / domestic procurement of goods for setting up of SEZ units.
- Goods imported / procured locally duty-free can be utilized over the approval period of 5 years.
- Domestic sales by SEZ units will be exempt from SAD.
- Domestic sale of finished products, by-products on payment of applicable Custom duty.
- Domestic sale rejects and waste and scrap on payment of applicable Custom duty on the transaction value.

b) Income Tax

- Physical export benefit.
- 100% IT exemption (10A) for first 5 years and 50% for 2 years thereafter.
- Reinvestment allowance to the extent of 50% of ploughed back profits.
- Carry forward of losses

c) Foreign Direct Investment

- 100% foreign direct investment under the automatic route is allowed in manufacturing sector in SEZ units except arms and ammunition, explosive, atomic substance, narcotics and hazardous chemicals, distillation and brewing of alcoholic drinks and cigarettes, cigars and manufactured tobacco substitutes.
- No cap on foreign investments for SSI reserved items.
- Banking / Insurance/External Commercial Borrowings.
- Setting up Off-shore Banking Units (OBU) allowed in SEZ.
- OBU allowed 100% Income Tax exemption on profit for 3 years and 50% for the next two years.
- External commercial borrowings by units up to USD 500 million a year allowed without any maturity restrictions.
- Freedom to bring in export proceeds without any time limit.
- Flexibility to keep 100% of export proceeds in EEFC account and freedom to make overseas investment from it.
- Commodity hedging permitted.
- Exemption from interest rate surcharge on import finance.
- SEZ units allowed to 'write-off' unrealized export bills.

d) Central Sales Tax

- Exemption to sales made from Domestic Tariff Area to SEZ units from Income Tax Act

e) Service Tax

- Exemption from Service Tax to SEZ units

f) Environment

- SEZs permitted to have non-polluting industries in IT and facilities like golf courses, desalination plants, hotels and non-polluting service industries in the Coastal Regulation Zone area.
- Exemption from public hearing under Environment Impact Assessment Notification.

g) Labour related laws

- Delegation of Labour Commissioner's powers to the designated Development Commissioner of SEZ.

h) Domestic suppliers to Special Economic Zone

- Supplies from Domestic Tariff Area (DTA) to SEZ to be treated as physical export and the DTA supplier would be entitled to:
 - Drawback / DEPB.
 - CST Exemption.
 - Exemption from State Levies.
 - Discharge of EP if any on the suppliers.
 - Income Tax benefits as applicable to physical export under section 80 HHC of the Income Tax Act.

(Separate booklets on Industrial Policy and Package of Incentives & Concessions and SEZ Policy are available with KUM / DIC or visit www.kumbangalore.com)

Support Departments

- 1.20 The Department of Industries & Commerce is the anchor department as far as development of industries is concerned. This department is responsible for formulating and implementation of industrial policies in the State. The Directorate of I&C having its headquarters at Bangalore, has a network of District Industries Centres in all the 29 Districts.
- 1.21 The Directorate of Industries & Commerce is the first State Government Department in the country to get the ISO Certificate which affirms the quality, efficiency, productivity and service standards. The mission of the Department is to provide prompt and efficient services to the entrepreneurs / industrialists for smooth and time-bound implementation and operation of industrial projects and schemes.
- 1.22 Along with the Department of Industries and Commerce, other departments like Dept. of Information Technology & Biotechnology, Dept. of Tourism, Dept. of Infrastructure Development, Dept. of Food Processing Industries, Dept. of Textiles, Dept. of Mines & Geology are also engaged in the development of sectoral industries and business in the State of Karnataka. There is a single point facilitation mechanism existing in the State, where the projects related to all these departments are facilitated.

Redressal of Grievances

- 1.23 The Department aims to settle the complaints received from industrialists / entrepreneurs within 10 working days of its receipt. In the department, Joint Director, (Planning) is the Grievance Redressal Officer for the complaints received from the general public / Boards and Corporations. In the DICs, the officer in-charge of Entrepreneurs Guidance Cell is the Grievance Redressal Officer.

Single Point Contact

- 1.24 Karnataka Udyog Mitra [KUM] is the single point contact for investors in the State. Investors may contact Karnataka Udyog Mitra for information on Karnataka, its advantages, potential, finance, infrastructure, statutory requirements and so on. KUM interacts with investors in detail and helps them to understand the advantages and unique features of Karnataka and also its business environment. KUM also coordinates the visit of investors, both national and international to the State, arranges meetings with other departments / agencies. It provides information on land, building regulations, tax regime, and incentives etc., to enable investors to firm up with their investment decisions. Investors are also facilitated by KUM to obtain necessary clearances / approvals from the Government departments / agencies for their projects. Investors get information on policies and procedures from KUM. This Nodal Agency closely monitors the implementation of projects.
- 1.25 The address and contact details of important Government Departments / organisations are given below:

Principal Secretary to Government,
Commerce & Industries Department,
R.No. 106, 1st Floor, Vikasa Soudha, Bangalore - 560 001
Tel. : 22252443 / 22034340 | Fax: 22259870
Website: www.karnatakaindustry.gov.in

Principal Secretary to Government,
Department of Infrastructure Development,
Room No.27, Ground Floor, Vikasa Soudha, Bangalore - 560 001
Tel.: 22282366 / 22034107 | Fax: 22280605

Secretary to Government
SSI, Textiles & Mines,
R.No. 135, 1st Floor, Vikasa Soudha, Bangalore - 560 001
Tel.: 22353933 / 22024235 | Fax: 22356381

Commissioner for Industrial Development and Director of I & C
Department of Industries & Commerce,
No. 49, 2nd Floor, Khanija Bhavan, Race course Road, Bangalore - 560 001
Tel: 22386796 | Fax: 22389909

Secretary to Government,
Department of Information Technology & Biotechnology,
6th Floor, 5th Stage, MS Building, Dr. Ambedkar Veedhi,
Bangalore - 560 001
Tel.: 22280562 / 22280561 | Fax: 22288340.
Website: www.bangaloreit.in

Director,
Department of Tourism,
#49, 2nd Floor, Khanija Bhavan, Race Course Road, Bangalore - 560 001
Tel.: 080 – 22352525 | Fax: 22352626,
website: www.karnatakaturism.org

Secretary to Government
Department of Food Processing & Harvest Technology,
Room No. 541, 5th Floor, M.S. Building, Dr. Ambedkar Veedhi,
Bangalore - 560 001
Tel. : 22353938 / 22092953 | Fax: 22389874

Commissioner for Textile Development and Director for H & T
Department of Textiles & Handlooms, 14/3A, R.P. Bhavan,
3rd Floor, Nrupathnga Road, Bangalore - 560 001
Tel.: 22271628 | Fax: 22226082

Office of the Chief Electrical Inspector to Govt.,
P.B. No. 5148, Mysugar Building, J.C. Road, Bangalore - 560 002,
Tel: 22228858 / 22229092 | Fax : 22229091

Director,
Department of Mines & Geology,
#49, 5th Floor, Khanija Bhavan, Race Course Road ,
Bangalore - 560 001
Tel: 22384247 / 22269632, Fax : 22269633
Website: <http://mines.kar.nic.in>

Managing Director,
Karnataka Udyog Mitra
49, 3rd Floor, Khanija Bhavan, South Wing
Race course Road, Bangalore - 560 001.
Tel.: 22282392 / 22285659 / 22381232 | Fax: 22266063
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Resident Director,
Karnataka Udyog Mitra,
Bheema, Karnataka Bhavan - III
No.209 & 210, Khel Gaon Road , HUDCO Place, Andrews Ganj
New Delhi - 110 049
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1.26 Details of other agencies-activity-wise:

A. Land

- 1.27 KUM helps entrepreneurs to identify, short list and decide the location, depending on the products and other parameters.

Consequent to the enactment of Karnataka Industrial Areas Development Act, 1966, Karnataka Industrial Area Development Board (KIADB) came into being in the same year. It is a specialized exclusive agency of the Government of Karnataka not only to acquire private land and form industrial areas but also to provide land to stand alone industries.

- 1.28 From its inception the KIADB has acquired about 31,000 acres of land and formed 108 industrial areas spread all over Karnataka and has also made available land to 350 stand-alone industries.

KIADB has played a very important supportive role in the establishment of almost all major industries in public and private sectors in the State.

In the industrial areas developed by it, the KIADB basically provides good roads, water and electricity. To ensure adequate and uninterrupted supply, water is pumped to all the major industrial areas from river sources and to smaller industrial area, water is supplied from bore or tube wells. Karnataka Power Transmission Corporation Limited and five regional Energy Supply Companies provide electricity to all the industrial areas.

- 1.29 KIADB so far has developed major industrial areas at Peenya, Bommasandra, Electronic City, EPIP - Whitefield in Bangalore. Further, the Board has also developed industrial area at Baikampady in Mangalore, Kanabargi & Honaga in Belgaum, Hebbal in Mysore and Growth Centres at Dharwad, Hassan and Raichur. Water Supply Schemes have been implemented at Dharwar, Hassan, Thandya (Mysore) of capacity 5 MGD each, from perennial river sources. In addition, a number of smaller industrial areas have been developed in other parts of the State. KIADB is involved developing SEZ at Hassan, Sector specific SEZs, Food and Agro Technology Parks, Apparel Parks, Textile Parks and such other specialized infrastructural facilities (for more details visit: www.kiadb.kar.nic.in).

- 1.30 Karnataka State Small Industries Development Corporation [KSSIDC] is another organisation of the Government, providing ready-built industrial sheds for the use of investors. The Corporation has so far developed about 3976 plots and constructed about 5750 sheds of different dimensions in 159 industrial estates throughout the State (for more details visit: www.kssidc.kar.nic.in).

- 1.31 Karnataka Electronics Industries Development Corporation [KEONICS] has developed "Electronic City" near Bangalore. Software Technology Parks of India (STPI), the Nodal Agency of GoI for Software Industries, functions in Electronics City, Bangalore and similar STPIs are in functioning in Hubli, Mangalore, Manipal and Mysore. KEONICS has also established IT Park at Hubli, Mangalore and Mysore. The ITPL at Whitefield and many other similar Software Technology Parks created through private initiatives are in operation wherein ready work place of world standards are available for IT industries (for more details visit www.keonics.com and www.blr.stpi.net).
- 1.32 The investors may also locate their industries in private land. For this purpose, land is required to be converted for industrial use. Procedures prescribed under Karnataka Land Revenue Act / Rules and Karnataka Land Reforms Act and local area planning regulations need to be adhered to.

B. Water

- 1.33 In the industrial areas developed by KIADB, Industrial Estates of KSSIDC and similar specified areas developed by Government agencies, water supply is made available by the agency itself. In areas other than these, Bangalore Water Supply and Sewerage Board [BWSSB] arranges water supply in and around Bangalore. In other districts, Karnataka Urban Water Supply and Drainage Board will provide water supply depending upon its service area. Investors are also free to have their own water supply arrangements from surface / ground sources, wherever possible (for more details visit <http://www.bwssb.org>).

C. Power

- 1.34 In the entire State, the transmission of electrical power is looked after by the Karnataka Power Transmission Company Limited [KPTCL]. Since 1st May 2002, five independent power distribution companies are in existence in Bangalore, Gulbarga, Hubli, Mangalore and Mysore distributing power to consumers. The investors are required to apply to the jurisdictional executive engineers of these companies. Power supply will be of three types - Low Tension [LT], High Tension [HT] and Extra High Tension [EHT]. The safety aspects of power connection in case HT and EHT are taken care of by the Electrical Inspectorate. The safety regulations in the Electrical installation are required to be cleared by the Department of Electrical Inspectorate before execution of the electrical installations. Installation like HT & LT lines and cables, transformers, generators, lifts, Multi-storeyed Buildings, etc., requires the statutory clearances in the drawing before execution of the same by the Licenced Electrical Contractors Licenced from the State of Karnataka.

1.35 Investors are also permitted to have their own captive power generation arrangement of any fuel source like Bio-mass, Cogeneration, Windmill, Diesel etc. Currently, the electricity tariff for industries are Rs.1.80/ KVA of billing demand + energy charges @ Rs.3.80 /unit up to one lakh units and Rs.4.30/- above one lakh units consumed in a month + 5% Electricity Tax on above. The tax on such captive generation is governed by the provisions of Karnataka Electricity (Taxation on Consumption) Act, 1959. D.G. sets upto 12.5 KVA capacity, are exempted from payment of electricity tax only under self-consumption, but the installation of the same has to be informed to the Electrical Inspectorate. (for more details visit www.kptcl.com).

D. Finance

1.36 Karnataka State Financial Corporation [KSFC] and Karnataka State Industrial Investment and Development Corporation [KSIIDC] extend financial assistance to the industrial and such other ventures in Karnataka. KSFC provides term loans to new and existing units up to Rs.200 lakh in case of proprietary, partnership and joint Hindu family concerns and up to Rs.500 lakh for corporate bodies and registered cooperative societies. KSFC has a number of schemes, suitable for different kinds of entrepreneurs and projects. KSFC has fully decentralised its operations and the corporation has 7 Zonal offices, 3 Super 'A' grade branch offices, 12 'A' grade branch offices and 14 'B' grade branch offices.

1.37 KSIIDC extends finance to the bigger projects solely or jointly with KSFC, commercial banks or any other financial institutions. KSIIDC is also acting as the Nodal Agency of the State Government to plan and promote industrial infrastructural development project and monitor specified mega projects during its implementation. KSIIDC also participates in joint stock companies by way of equity contribution. The Corporation has 4 zonal offices in the State (for more details visit www.ksfc.kar.nic.in and www.ksiidc.com).

1.38 National level financial institutions like Small Industries Development Bank of India [SIDBI], Industrial Development Bank of India [IDBI], Commercial Banks and private sector financial institutions extend the required financial / loan assistance to the investors (for more details visit www.sidbi.com and www.idbibank.com).

E. Technology

- 1.39 The State has over 100 reputed national / state level research and development institutions. These R & D institutions are engaged in developing new technologies and offering the same to entrepreneurs. The State Government has promoted Karnataka Council for Technological Upgradation [KCTU] to help entrepreneurs to resource required technologies available, the world over. KCTU has brought out a CD ROM detailing the technologies available for sourcing. The details of R & D institutions and their area of specialisation may be obtained from CSIR Poly Technology Transfer Centre, Bangalore (for more details visit www.kctuindia.org).

F. Consultancy

- 1.40 Karnataka has a number of international, national and domestic consultants both at the individual level and as organisations. The Government has established Technical Consultancy Services Organisation of Karnataka [TECSOK] to provide expert consultancy to investors. TECSOK has a team of experienced consultants who can help entrepreneurs in project formulation and implementation. In addition to TECSOK, Micro, Small and Medium Enterprises Development Institute (MSME Development Institute) is also equipped to provide consultancy service to investors through its two regional offices and two branch offices. (for more details visit www.tecsok.com).

G. Human Resource

- 1.41 The major advantage of the State is its human resource. The State has a reservoir of semi skilled and highly skilled manpower suitable for a variety of industrial assignments. The Centre for Entrepreneurship Development of Karnataka [CEDOK], a Government of Karnataka undertaking is involved in development of entrepreneurship among educated youth throughout Karnataka. The State also has large number of engineering colleges, medical colleges, polytechnics, ITIs, and other vocational training institutes. These institutes produce human resource of high calibre who can be gainfully employed in diverse types of projects. Investors may get the right candidates through annual campus interview at these institutions (for more details visit: www.cedok.kar.nic.in)

H. International Trade

- 1.42 Karnataka has a specialized agency viz., Visveswaraya Industrial Trade Centre [VITC] for promotion of international trade. VITC is providing institutional support to exporters and regularly monitors the needs of exporters. The centre encourages and coordinates participation of industries in international exhibitions and trade fairs and also supports visits of trade delegation through financial assistance. VITC has also developed a credible data base of exports from Karnataka (for more details visit: www.vitcblr.org).

Setting up an unit - step by step procedure.

1.43. Entry Level

- Contact Karnataka Udyog Mitra / District Industries Centres. Understand the salient features of Karnataka, its unique advantages and discuss about project identification, suitable location, human resources, approvals required, procedures involved etc.,
- In case of project proposals with investment more than Rs.3 crore, obtain Application Form from KUM for clearance from the State Level
- Single Window Clearance Committee (for projects with investment below Rs. 50 crore) or The State High Level Clearance Committee (for projects with investment above Rs. 50 crore).
- File the filled-in SLSWCC / SHLCC Application Form with KUM.
- KUM will process / scrutinize this Application Form and place the same either before the SLSWCC or SHLCC depending on the scale of investment of the project.
- Investors will be invited to attend the SLSWCC meeting, (to be convened generally on 3rd Monday of every month) and are required to make a presentation on the salient features of the project.
- In case of SHLCC, investors will have to present the project details initially before the Screening Committee and thereafter, before the SHLCC.
- Once the project proposal is cleared by the SLSWCC / SHLCC, KUM will issue a Combined Application Form (CAF) to facilitate investors to obtain required clearances / approvals from KIADB / Directorate of Factories and Boilers, Commercial Tax, KPTCL, BWSSB, KSPCB, local authorities etc.,
- KUM will scrutinize the CAF and forward the relevant portion to the respective departments / agencies.
- In case of any discrepancies / short comings, KUM / DIC will intimate the investors to comply with the same.
- KUM will follow up with the respective departments / agencies on behalf of the investors and coordinate the required clearances / approvals.

1.44 Implementation Level

To make necessary arrangements for taking possession of land allotted by KIADB after making payment.

- Apply for conversion of land into industrial purposes, if applicable.
- In case of purchasing agricultural land for industrial purposes by the non-agriculturalist, apply for permission from the respective Deputy Commissioner
- Execute lease agreement for the land.
- Obtain Consent for establishment from KSPCB and / or Environment Clearance Certificate (ECC) from State Environment Clearance Committee / MoEF, GOI.
- Prepare the building plan and obtain the approval of KIADB for the same in case of non factories.
- In case of factories, whether located in KIADB land or outside, the building plan and layout of plant and machinery has to be approved by the DFB.
- Place order for plant and machineries.
- Apply for term loan
- Get registered in the Dept. of Commercial Tax, especially to avail entry tax exemptions for procurement of plant and machinery and other inputs during the construction period if eligible.
- Apply for temporary power connection for construction and permanent power connection at a later stage. For permanent power connection, prepare the overall electrical scheme of the project with location of various equipments and obtain clearance of the drawings from the Department of Electrical Inspectorate, Government of Karnataka.
- Apply for water connection
- Obtain PAN from Income Tax department
- Make payment of taxes as assessed by the local authority like Village Panchayat, Municipal Corporation and local bodies.

1.45 Operational Level

- Pay every year the lease rent to KIADB within the due date.
- Take an insurance policy and pay the premium for a value equivalent to the cost of the building / plant and machinery.
- Obtain absolute sale deed for the land after completion of lease period in case of KIADB land.
- Obtain Factory Licence from DFB before commencement of trial production.
- Renew the Factory License every year.
- In case of non-factories, coming under Karnataka Shops and Commercial Establishments Act, renew the registration once in 5 years or as the case may be.
- Obtain ECC from State Environment Clearance Committee / MoEF, GOI before implementation.
- Obtain Consent for Operation from KSPCB before commencement of commercial production.
- Submit environmental statement report for each financial year ending 31st March to KSPCB within 30th September.
- Submit application for renewal of Consent to operate every year along with the fees.
- File quarterly and Bi-annual Returns to local Employment Exchange.
- Register the establishment with Employees State Insurance Corporation.
- Obtain PF code number from the Regional PF Commissioner.
- Register with Dept. of Commercial Tax with respect to various state level taxes.
- File monthly returns to Commercial Tax department.
- File monthly returns of generated units from captive generators in B & D form to the Department of Electrical Inspectorate.
- Register with Department of Legal Metrology and obtain certificate as Registered User.

Randomised inspections

1.46 With the idea of ensuring compliance of all the statutory provisions of different Acts and Rules, the Department of Labour, DFB and KSPCB conduct random inspection of the establishments. This inspection is not intended for fault finding but to ensure compliance. To avoid repeated inspections by these departments at different levels and also to avoid discretionary choice of establishments for inspection, a mechanism for randomized selection of the units for inspection has been evolved. Further, surprise inspections will also be conducted based on written complaints, with the approval of higher authorities. With the objective of imposing self discipline and compliance in the entrepreneurs, the concept of Self Certification is accepted both at entry and operational levels.

Part II

Deregulation of Business Environment

- 2.1 The principle objective of the policy frame work for the industrial sector in Karnataka is to provide an enabling environment for the growth of industry. One of the key reform measures is to simplify the regulatory frame work so as to enable ease of doing business in the State.
- 2.2 In order to simplify the regulatory frame work and to remove procedural impediments at the entry and implementation level and also to reduce maintenance and submission of repetitive documents during the operational level several reform measures have been introduced by the State Government. To provide a legal frame work for the deregulation measures Karnataka has enacted a facilitating Act, namely, the Karnataka Industries (Facilitation) Act, 2002 and the relevant Rules called the Karnataka Industries (Facilitation) Rules, 2003.

Following are the salient features of this Act:

- i) Constitution of single point clearance committees for facilitating new investments, viz:
 - State High Level Clearance Committee, under the Chairmanship of the Chief Minister to consider and clear projects with an investment of Rs 50 crore and above.
 - State Level Single Window Clearance Committee under the Chairmanship of the Principal Secretary to Government, C&I Department to consider and clear the projects with investment of more than Rs 3 crore and less than Rs 50 crore.
 - District Level Single Window Clearance Committees under the Chairmanship of respective Deputy Commissioners to consider projects with investment upto Rs three crore.
- ii) Karnataka Udyog Mitra has been appointed the Nodal Agency at State level and District Industries Centres at the District level to undertake investment promotional activities.
- iii) Introduction of Combined Application Form (CAF) in order to reduce the number and duplication of application forms required to be filed at entry level.
- iv) Introduction of Self Certification by the entrepreneurs, which shall be accepted by the departments and authorities for purpose of issuing clearance and granting benefits to the entrepreneurs.

- v) Rationalization of inspections to be undertaken by different levels of authorities under the provisions of applicable Acts to reduce the Inspector Raj. Further, inspections from the office of the Labour Commissioner, Directorate of Factories & Boilers, KSPCB, ESIC and EPF are to be conducted jointly, based on random selection of units.
- vi) Provision of deemed approval, in case any department / authority fails to issue clearance, within the stipulated time limit, enabling the entrepreneurs to go ahead with their project as envisaged.

Now starting a venture in Karnataka is easier.

General procedures to be followed by the investors are indicated below:

2.3 Definitions

As per the Micro, Small and Medium Enterprises Development Act, 2006, industries are classified as follows:

- a. In the case of the Enterprises engaged in the manufacture or production goods
 - i) Micro Enterprise – where the investment in plant and machinery does not exceed Rs. 25 lakhs.
 - ii) Small Enterprise – where the investment in plant and machinery is more than Rs.25 lakhs but does not exceed Rs. 500 lakhs.
 - iii) Medium Enterprise – where the investment in plant and machinery is more than Rs.500 lakhs but does not exceed Rs. 1000 lakhs.
- b. In the case of the Enterprises engaged in providing or rendering of services
 - i) Micro Enterprise – where the investment in equipment does not exceed Rs. 10 lakhs.
 - ii) Small Enterprise – where the investment in equipment is more than Rs.10 lakhs but does not exceed Rs. 200 lakhs.
 - iii) Medium Enterprise – where the investment in equipment is more than Rs.200 lakhs but does not exceed Rs. 500 lakhs.

In calculating the investment in plant & machinery, the cost of pollution control, research and development, industrial safety devices and such other items as may be specified, by notification shall be excluded.

c. Large Industries

An industrial unit which is not classified as Micro, Small and Medium Scale are classified as Large Scale Industry.

d. 100% Export Oriented Units / Export Oriented Units

100% Export Oriented Unit is one which undertakes to export its entire production of goods, subject to relaxation, as permitted by the Govt. of India from time to time. Such units may be set up either under the Export Oriented Units or under EPIP [Export Promotion Industrial Park] Scheme or under the EHTP [Electronic Hardware Technology Park] Scheme or Software Technology Park Scheme or in the Special Economic Zone.

e. Mega projects

Projects with an investment of Rs. 100 crore and above.

Licensing from Government of India

2.4 The Industrial policy reforms of Government of India since 1991, have reduced the industrial licensing requirements, removed restrictions on investment and expansion, and facilitated easy access to foreign technology and foreign direct investment. All industrial undertakings are exempt from obtaining an industrial license to manufacture, except the following four categories:

(i) Industries reserved for the Public Sector

1. Atomic Energy
2. Railway transport

(ii) Industries retained under compulsory licensing, viz.,

1. Distillation and brewing of alcoholic drinks.
2. Cigars and cigarettes of tobacco and manufactured tobacco substitutes.
3. Electronic aerospace and defence equipments: all types.
4. Industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches.
5. Hazardous chemicals

(iii) If the items of manufacture are reserved for the small scale sector

At present, only 35 items are reserved for manufacture in the Micro and small scale sector. Items reserved for SSI are allowed to be manufactured by large and medium scale industries, subject to the condition that they export at least 50% of the production, and

(iv) Locational Policy

No industrial approval is required from Government of India for locations not falling within 25 kms of the periphery of cities having population of more than one million except for those industries where industrial licensing is compulsory. Non-polluting industries can be located within 25 kms of the periphery of the cities with more than one million population.

- 2.5 The application for Industrial Licence (in Form FC-IL) has to be submitted to the Secretariat for Industrial Assistances (SIA), Department of Industrial Policy and Promotion, Ministry of Industry, Udyog Bhavan, New Delhi - 110 001, through the Joint Director (ID), Department of Industries and Commerce, Bangalore. Part 'A' of the Form is only for Foreign Collaboration, Part 'B' only for Industrial Licence and both Part 'A' and Part 'B' for FC +IL. If the products proposed involve items reserved for SSI, a Letter of Intent (LoI) will be issued at the first instance, which will be converted to industrial Licence after the unit executes Legal Undertaking regarding 50% export obligation with the Director General of Foreign Trade (DGFT).

(Application Form FC-IL is available with Karnataka Udyog Mitra and can also be downloaded from the Website of the SIA ([http:// www.dipp.nic.in](http://www.dipp.nic.in)). Nine sets of Application in form FC-IL are required to be submitted along with fees of Rs.2,500/- (for FC application only, no fee is payable) drawn in favour of the "Pay and Accounts Officer, Department of Industrial Development, Ministry of Industry", payable at the State Bank of India, Nirman Bhavan, New Delhi.

2.6 Other than compulsory licensable items

(A) Industrial Entrepreneurs Memorandum (IEM)

All industrial undertakings (in the medium and large scale sector) exempt from the requirements of industrial licensing, including existing units undertaking substantial expansion, need to file information in the prescribed Form IEM, in six sets with crossed D.D. for Rs.1000/- drawn in favour of "The Pay and Accounts Officer, Department of Industrial Development, Ministry of Industry", payable at State Bank of India, Nirman Bhavan, New Delhi, to the SIA or through Karnataka Udyog Mitra.

Part 'B' of the Memorandum is to be filed in six copies, with the SIA, while commencing commercial production (no fee is required).

(B) Carry on Business (COB) Licence

COB licence is required when an SSI exceeds the investment in plant and machinery, prescribed for SSI, by way of natural growth and continues to manufacture small scale reserved item(s). Also, if exemption from industrial licensing granted for any item is withdrawn, the industrial undertakings manufacturing such items (s) require COB license. For COB licence, form EE is to be submitted in six sets to SIA, Department of Industrial Policy and Promotion, along with a crossed demand draft of Rs.2,500/- drawn in favour of the Pay and Accounts Officer, Department of Industrial Development, Ministry of Industry, payable at the State Bank of India, Nirman Bhavan, New Delhi.

(C) Registration with State Directorate of I & C

2.7 As per the Section-8 of the Micro, Small and Medium Enterprises Development Act, 2006, any person establishing micro, small or medium enterprises need to file an Entrepreneurs' Memorandum (EM) in the Form prescribed - Schedule-I vide Notification No. SO 1643 (E), dtd. 30.9.2006.

The EM, in four copies, are to be filed with Joint Director of respective District Industries Centre. As per the MSMED Act, filing EM is optional for micro & small enterprises (both manufacturing and services) and also for medium enterprises engaged in services. In case of medium enterprise engaged in manufacturing, the filing of Entrepreneurs' Memorandum is compulsory.

Part – I of the Entrepreneurs' Memorandum is for expressing the intent of setting up an enterprise and Part –II to be filed after commencement of production / activities.

(D) Registration of IT & BT Projects

2.8 In case of IT / BT projects, initial clearance / approvals from SLSWCC / SHLCC need to be obtained. Once the clearances are obtained, the Karnataka Information Technology and Bio technology Services (K-BITS) will issue an Approval Certificate based on which the industry may be setup. After setting up the industry, the Company should be registered with the Directorate of IT & BT (DIT). Once the Company is registered with DIT, a certificate will be issued for availing eligible concessions and incentives. (For more details visit: www.bangaloreit.in)

(E) DLSWCCs and SLSWCC

- 2.9 The District Level Single Window Clearance Committees generally known as DLSWCC were constituted as per Sec.9 of The Karnataka Industries (Facilitation) Act, 2002 and are functioning under the Chairmanship of the respective Deputy Commissioners and this DLSWCC is monitoring the approval and implementation of industrial projects with investment of less than Rs.3 crore each at the district level.
- 2.10 The State Level Single Window Clearance Committee (SLSWCC), was constituted as per Sec. 6 of The Karnataka Industries (Facilitation) Act, 2002 to consider and accord approval for the projects with investment more than Rs.3.00 crores and upto Rs.50.00 crores each. The approval given by the committee shall be binding on other concerned departments / authorities and such departments / authorities will issue required clearances within the prescribed time limit.
- 2.11 Heads of major departments and agencies concerned with industries are represented in this committee. The Principal Secretary to Government, C&I department is the Chairman of SLSWCC and KUM is providing the secretarial services to the Committee. Managing Director, Karnataka Udyog Mitra, is the Member Convenor of SLSWCC.
- 2.12 KUM will circulate the filled-in Application Form received from the investors, well in advance to the members of SLSWCC. Investors will be invited for the meeting in order to seek any clarifications, if required. Once the project proposal is approved by the SLSWCC, the investor will be intimated accordingly. The meeting of SLSWCC takes place generally once in a month (on the third Monday) and the application submitted to KUM before 15 days of the meeting will be placed in the ensuing meeting. At this stage, KUM will give a Combined Application Form (CAF) enabling the investors to obtain required clearances/approvals and coordinate such clearances from various departments/authorities.

(F) State High Level Clearance Committee

- 2.13 The State High Level Clearance Committee [SHLCC] was constituted by the Government as per Sec. 3 of the Karnataka Industries (Facilitation) Act, 2002, to examine and accord approval for the projects, where the investment is in excess of Rs.500 million each. The SHLCC is chaired by the Chief Minister of Karnataka with the concerned Ministers / Officers as members. The committee has representatives from all the departments / authorities concerned.

Part III

Department wise procedures - in brief

- 3.1 In order to process and accord the required clearances / approvals by the respective departments and agencies, it is necessary that investors furnish the required information and provide necessary documents. Making available all the requirements at a stretch as far as possible to the concerned departments / authorities through KUM helps in speedy processing by the departments / authorities and also ensures obtaining the required clearances in time.
- 3.2 To facilitate investors for arranging documents required by the respective departments / agencies well in time, the basic procedures and particulars of requirement are given below:
- A. KIADB**
- 3.3 Karnataka Industrial Areas Development Board (KIADB) is engaged in acquiring and developing industrial lands in different industrial areas. In case the investor desires, KIADB acquires land in specific location of investor's choice and develops the land if required, at entrepreneur's cost. KIADB industrial lands are generally of 'ready to occupy' condition with all basic infrastructure facilities.
- 3.4 For allotment of land, investor may apply to KIADB through CAF. The KIADB allots the land on lease - cum - sale basis and the period of lease is ten years. The allottees are required to set up the industry within a specified time frame. Further, allottees are required to construct the factory and other buildings as per the plan approved by the Directorate of Factories & Boilers [DFB]. The stipulations on coverage, set back, floor area are to be followed as spelt out in the agreement to be executed between the KIADB and allottee at the time of allotment.
- 3.5 Along with the application following documents / enclosures are to be provided :
- i] PRC/PMT/IEM/LoI/IL whichever is applicable - in duplicate.
 - ii] Memorandum and Articles of Association / Partnership Deed and Certification of incorporation issued by the ROC / Certificate of registration issued by Registrar of Firms / Registration Certificate issued by the Registrar of Co-op. Societies / Societies / others, if any - in duplicate.
 - iii] Project Profile - in duplicate
 - iv] Bio-Data of the Promoters in duplicate.

- v] Plan drawn to scale indicating utilization of land and list of machineries - in duplicate.
- vi] DD No. _____ Dtd. _____ for Rs. _____ issued by _____ Bank _____ Branch in favour of Executive Member, KIADB toward the EMD.
- vii] DD No. _____ Dtd. _____ for Rs. _____ issued by _____ Bank _____ Branch in favour of Executive Member, KIADB towards _____ % cost of land (for more details visit: www.kiadb.kar.nic.in).

B. Department of Factories and Boilers

- 3.6 DFB mainly deals with health, safety, welfare of the workmen employed in factories, regulation of working hours, wages, leave etc, to ensure conducive working environment in the factories.
- 3.7 Any establishment defined as 'factory ' under The Factories Act, 1948 is required to register and obtain approval of plans for factory building and layout of plant and machineries from the Director of Factories & Boilers [DFB].

The State Level Site Appraisal Committee constituted by the Government of Karnataka will grant permission for initial location / expansion of a factory involving a hazardous process and to monitor the industrial safety and occupation hazardous in such factories to prevent industrial disasters.

All entrepreneurs who intend to install and use boiler which comes under the definition of the Indian Boilers Act, 1923 are also required to register under the said Act.

Definition of Factory

- 3.8 Factory means any premises where 10 or more workers are working and manufacturing process is being carried on with the aid of power or where 20 or more workers are working and manufacturing process is being carried on without the aid of power.
- 3.9 The State Government has notified certain activities as factories under Sec.85 [i] of the Act even though the employment is less than 10 persons with the aid of power or without the aid of power.

To obtain the plan approvals following documents are required to be submitted along with CAF:

- 1] Plans of factory building drawn to the scale (in triplicate) showing
 - Site of the factory
 - Immediate surrounding buildings, roads & drains etc.
 - Elevation and necessary cross sections of various buildings, natural lighting, ventilation and means of escape in case of fire.
 - Position of the Plant and Machineries, aisles and passage ways.
- 2] A flow chart of manufacturing process with details of
 - Chemicals used at various stages
 - Stages of manufacturing activities
 - Removal of dust, fumes, gases, trade wastes and effluents
- 3] Consent from the KSPCB indicating the conditions stipulated for disposal of wastes and effluents.
- 4] In case of existing building, certificate of stability in Form 1A issued by a person possessing a Degree in Civil or Structural Engineering.
- 5] Questionnaire requiring information by the DOF&B dully completed.
- 6] Entrepreneur has to submit Possession Certificate / Lease Agreement / Sale Deed / Rent Agreement Certificate pertaining to land document.
- 7] DD / Cheque / Challan No. _____ Dtd _____ for Rs. 250/- (in respect of factories employing less than 500 employees and Rs. 500/- in respect of others) drawn in favour of Director of Factories and Boilers, Bangalore towards the plan approval fee.

The Department of F&B will scrutinize all the documents. If the same is in order, permission will be granted within 30 days from the date of submission of Application. For more information log on to: www.labour.kar.nic.in

3.10 Once the construction activity of the factory building is completed, entrepreneurs are required to obtain factory registration and license.

3.11 For factory registration and obtaining license, application to be made in Form 2 along with following documents:

- No Objection Certificate from Fire Department in case Factory is situated in multistoried building for effective fire and emergency management.
- Partnership deed in case of firm, Memorandum and Articles of Association in case of company, KST& CST certificate in case of proprietorship firms.
- List of partners / directors with their residential addresses

- Prescribed registration fees
- On site emergency preparedness plan for approval by DFB, in respect of Hazardous manufacturing process factories as defined under schedule -I of the Factories Act, 1948.

3.12 The occupier has to submit the application, 15 days in advance before the factory commences production. The factory licence is required to be renewed every year, with the payment of prescribed fees. Application made with all necessary documents will be scrutinized by visiting the factory and license will be granted after due verification within 30 days.

Establishments other than factories

3.13 Commercial establishments and trade activities which are not covered under the Factories Act, 1948, are required to get themselves registered under Karnataka Shops & Commercial Establishments Act,1961 which is being administered by the Labour Department.

3.14 Such establishments / activities are required to register with the jurisdictional Labour Inspector/ Senior Labour Inspector after filling up Form A , available free of cost with the respective authorities.

3.15 The registration fee is as under:

Without any worker	-	Rs. 125/-
1 to 9 workers	-	Rs. 250/-
10 to 19 workers	-	Rs.2,500/-
20 to 49 workers	-	Rs. 6,250/-
50 to 99 workers	-	Rs. 12,500/-
more than 100 workers	-	Rs. 25,000/-

3.16 The registration is valid for five years and is to be renewed for further, period through Form AA along with fees prescribed as above (for more details visit: <http://labour.kar.nic.in>).

C. Karnataka State Pollution Control Board (KSPCB)

- 3.17 The Karnataka State Pollution Control Board is a constitutional authority vested with responsibility of control of pollution. The Board implements the provisions under the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention & control of Pollution) Act, 1981, the Water (Prevention & control of Pollution) Cess Act 1977, Hazardous Waste (Management and Handling) Rules under the EP Act and other Rules stipulated by GoK under EP Act from time to time.
- 3.18 For the purpose of enforcement industries are categorized broadly as Red, Orange and Green category depending on the nature of activity and pollution potential.
- 3.19 Any industry before taking steps for establishment after selection of site shall obtain the Consent for Establishment from the Board under Water (P&CP) and Air (P&CP) Acts and if necessary Hazardous Waste (M&H) Rules.

Besides obtaining Consent for Establishment, industry after establishment and before going for production (trial or regular) has to obtain Consent for operation under the Water Act and Air Act and if required, authorization under Hazardous Waste (Management and Handling) Rules.

3.20 Separate applications are prescribed to obtain consent / authorization under the relevant Acts / Rules. The consent applications can be downloaded from Board's website or the applications can be obtained free of cost from any of the Regional Offices. The type of application form and the time limits for issue / refusal of the consent which is completed in all respect are as follows:

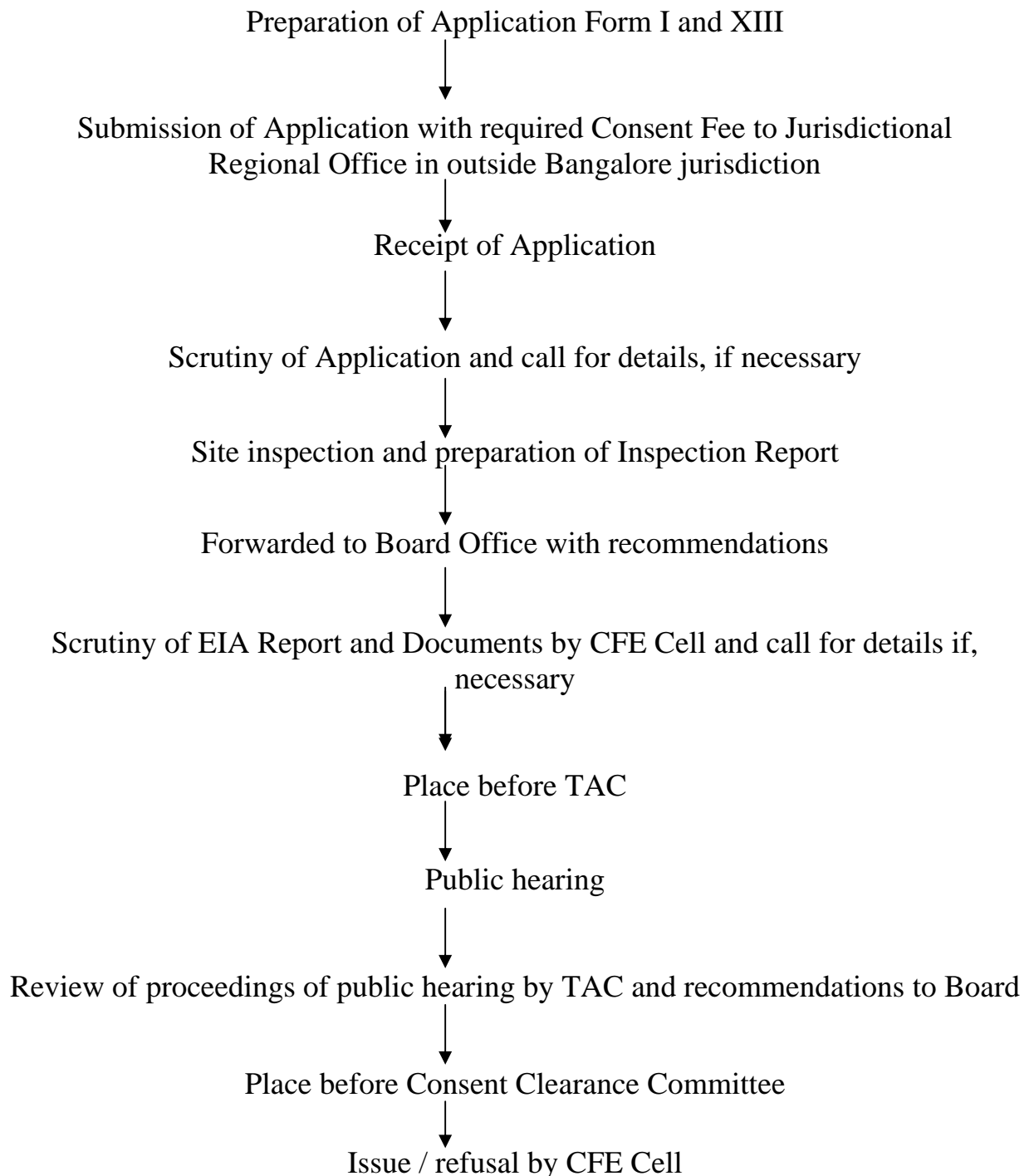
Applicable Act & Application Form		Purpose	If the application is complete in all manner, it will be generally disposed within
Water Act - Form XIII	Air Act - Form I	CFE for RED category - EIA projects CFE for RED category- non EIA projects with	120 days
		<ul style="list-style-type: none"> •Investment more than Rs.5 crores •Investment less than Rs.5 crores. CFO for RED category under Water Act with	60 days 45 days
		<ul style="list-style-type: none"> •Investment more than Rs.5 crores •Investment less than Rs.5 crores. 	60 days 45 days
Water Act - Form OG	Air Act - Form OG	CFE for Orange & Green Category	21 days
Water Act – Form XIII	Air Act - Form I	CFE for Orange & Green Category	21 days

The completed applications are to be submitted to the concerned regional offices (except seven Bangalore - based Regional Offices for which Help Desk is established at Parisara Bhavan, No. 49, Church Street, Bangalore-01) of the Board with the prescribed consent fee which is as under:

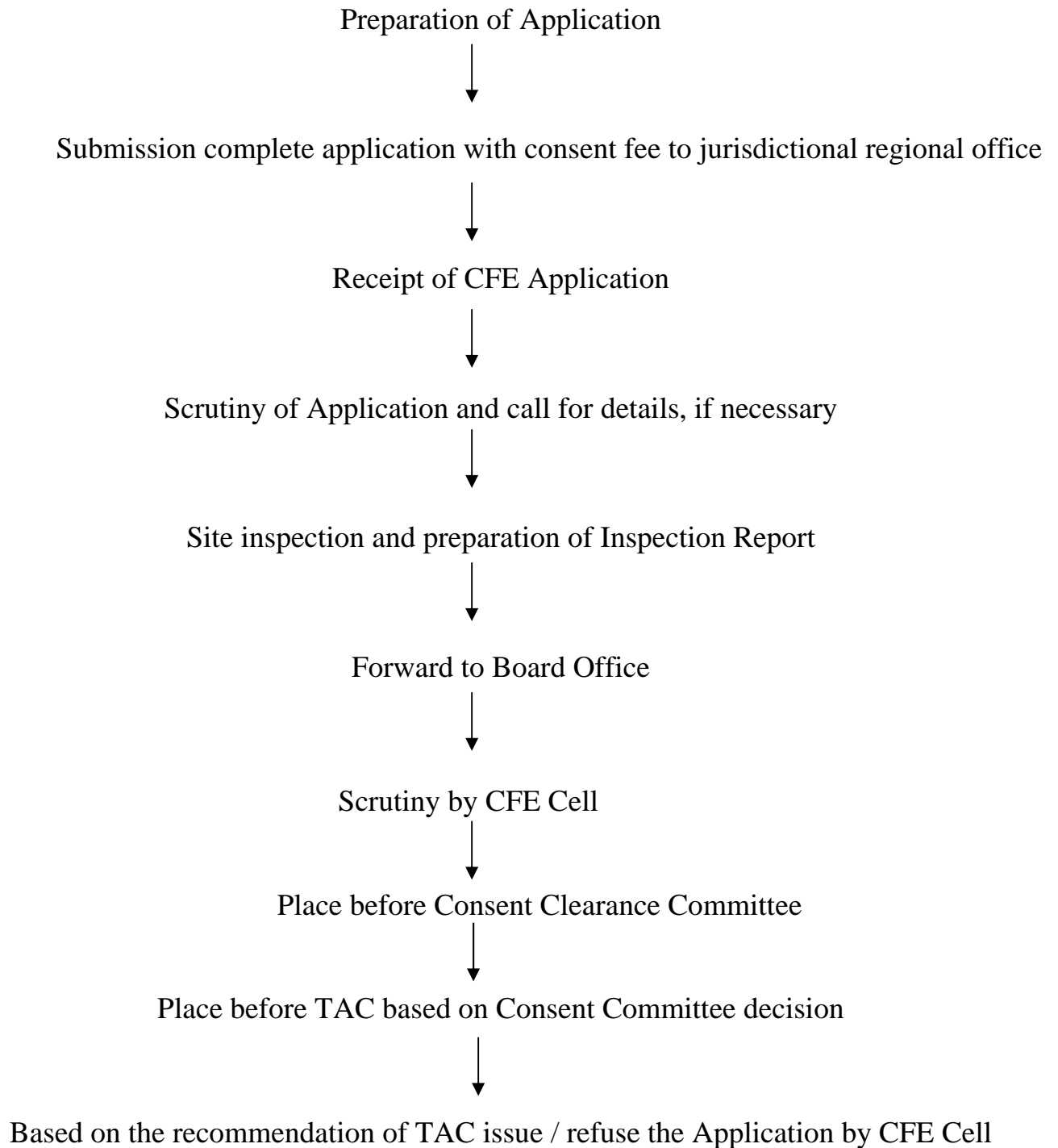
Sl. No.	Capital Investment (Rs.)	Consent fee (Rs.)		
		Red	Orange	Green
1	1 lakh & below	200	150	100
2	Exceeding 1 lakh and not exceeding 5 lakh	500	250	200
3	Exceeding 5 lakh and not exceeding 10 lakh	1,500	1,250	1,000
4	Exceeding 10 lakh and not exceeding 25 lakh	2,000	1,750	1,500
5	Exceeding 25 lakh and not exceeding 50 lakh	3,000	2,500	2,000
6	Exceeding 50 lakh and not exceeding 1 crore	6,000	5,000	4,000
7	Exceeding 1 crore and not exceeding 5 crore	15,000	12,500	10,000
8	Exceeding 5 crore and not exceeding 10 crore	20,000	17,500	15,000
9	Exceeding 10 crore and not exceeding 25 crore	30,000	25,000	20,000
10	Exceeding 25 crore and not exceeding 50 crore	50,000	40,000	30,000
11	Exceeding 50 crore and not exceeding 250 crore	75,000	60,000	50,000
12	Exceeding 250 crore and not exceeding 500 crore	1,00,000	90,000	75,000
13	Exceeding 500 crore and not exceeding 1000 crore	1,50,000	1,25,000	1,00,000
14	Above 1,000 crore	2,00,000	1,75,000	1,50,000

3.21 Different steps involved in processing consent application (completed in all respect as per the check list) are as follows:

A. Projects attracting EIA



B. Projects without EIA



3.22 Board has also evolved periodicity of consent renewal/ authorization. The details are as below:

Consent / authorization	Category of units	Validity period
CFE	Red - EIA category	5 years from the date of issue
	Red - Non EIA category	3 years from the date of issue
	Orange, Green	2 years from the date of issue
CFO	Red - Large, Medium	Once in 2 years
	Orange - Large	Once in 2 years
	Orange - Medium	Once in 2 years with an option for annual renewal
	Red, Orange - Small	Once in 3 years with an option for annual renewal
	Green – Small, Medium & Large	<ul style="list-style-type: none"> • If the Capital investment is less than Rs.100 lakhs - 10 year valid consent is issued by collecting one year consent fee • If the Capital investment is more than Rs.100 lakhs - 10 year valid consent is issued by collecting five years consent fee.

Consent / authorization	Category of units	Validity period
Authorization under BMW Rules	All category	3 years
Authorization under HMW Rules	All category	5 years
Registration under Plastic Rules	All category	3 years

For more information visit: <http://www.kspcb.kar.nic.in/>)

D. Department of Forests, Ecology and Environment:

3.23 The Ministry of Environment and Forests, Government of India issued a Notification No. SO 1533 on 14th September 2006 imposing certain restrictions and prohibitions on new projects or activities, or on the expansion or modernization of existing projects or activities based on their potential environmental impacts. This Notification supersedes the of earlier Notification No. SO 60 (E), dt. 27.1.1994.

3.24 Prior Environmental Clearance (EC)

Following projects or activities shall require prior environmental clearance from the concerned regulatory authority – Ministry of Environment and Forests, GoI for the matters falling under Category ‘A’ in the Schedule to the Notification No. SO 1533 and State Environment Impact Assessment Authority (SEIAA) at State level for matters falling under Category ‘B’ in the Schedule to the said Notification :

- (i) All new projects or activities listed in the Schedule to this notification;
- (ii) Expansion and modernization of existing projects or activities listed in the Schedule to this notification with addition of capacity beyond the limits specified for the concerned sector, that is, projects or activities which cross the threshold limits given in the Schedule, after expansion or modernization;
- (iii) Any change in product - mix in an existing manufacturing unit included in Schedule beyond the specified range.

Categorization of projects and activities

- (i) All projects and activities are broadly categorized in to two categories - Category ‘A’ and Category ‘B’, based on the spatial extent of potential impacts and potential impacts on human health and natural and man made resources.
- (ii) All projects or activities included as Category ‘A’, shall require prior environmental clearance from the Union Ministry of Environment and Forests (MoEF) on the recommendations of an Expert Appraisal Committee (EAC) constituted by the Central Government for the purposes of this notification.
- (iii) All projects or activities included as Category ‘B’ in the Schedule, will require prior environmental clearance from the SEIAA. The SEIAA shall base its decision on the recommendations of a State Expert Appraisal Committee (SEAC) constituted. In the absence of a duly constituted SEIAA or SEAC, a Category ‘B’ project shall be treated as a Category ‘A’ project.

Appraisal Committees

The same EACs at the Central Government and SEACs at the State Level shall screen, scope and appraise projects or activities in Category ‘A’ and Category ‘B’ respectively.

Application for Prior Environmental Clearance (EC)

An application seeking prior environmental clearance in all cases shall be made in the prescribed Form 1 and Supplementary Form 1A, if applicable. The applicant shall furnish, along with the application, a copy of the pre-feasibility project report except that, in case of construction projects or activities in addition to Form 1 and the Supplementary Form 1A, a copy of the conceptual plan shall be provided, instead of the pre-feasibility report.

3.25 Stages in the Prior Environmental Clearance (EC) Process for New Projects

The environmental clearance process for new projects will comprise of a maximum of four stages, all of which may not apply to particular cases. These four stages in sequential order are:

Stage 1 - Screening

Stage 2 - Scoping

Stage 3 - Public Consultation

Stage 4 - Appraisal

Stage 1- Screening

In case of Category 'B' projects or activities, this stage will entail the scrutiny of an application seeking prior environmental clearance made in Form 1 by the concerned SEAC for determining whether or not the project or activity requires further environmental studies for preparation of an EIA for its appraisal prior to the grant of environmental clearance.

The projects requiring an Environmental Impact Assessment report shall be termed Category 'B1' and remaining projects shall be termed Category 'B2'

Stage 2 - Scoping

Scoping refers to the process by which the Expert Appraisal Committee in the case of Category 'A' projects or activities, and State level Expert Appraisal Committee in the case of Category 'B1' projects or activities, determine detailed and comprehensive Terms Of Reference (TOR) addressing all relevant environmental concerns for the preparation of an EIA Report in respect of the project or activity for which prior environmental clearance is sought.

The TOR shall be conveyed to the applicant by the EAC or SEAC within sixty days of the receipt of Form-1. If the Terms of Reference are not finalized and conveyed to the applicant within sixty days of the receipt of Form-1, the Terms of Reference suggested by the applicant shall be deemed as the final Terms of Reference approved for the EIA studies.

Applications for prior environmental clearance may be rejected by the regulatory authority concerned on the recommendation of the EAC or SEAC concerned at this stage itself.

Stage 3 - Public Consultation

All Category 'A' and Category 'B1' projects or activities shall undertake Public Consultation, except certain cases.

After completion of the public consultation, the applicant shall address all the material environmental concerns expressed during this process, and make appropriate changes in the draft EIA and EMP. The final EIA report, so prepared, shall be submitted by the applicant to the concerned regulatory authority for appraisal. The applicant may alternatively submit a supplementary report to draft EIA and EMP addressing all the concerns expressed during the public consultation.

Stage 4 - Appraisal

Appraisal means the detailed scrutiny by the EAC or SEAC of the application and other documents like the Final EIA report, outcome of the public consultations including public hearing proceedings, submitted by the applicant to the regulatory authority concerned for grant of environmental clearance.

Then EAC or SEAC shall make categorical recommendations to the regulatory authority concerned either for grant of prior environmental clearance on stipulated terms and conditions, or rejection of the application for prior environmental clearance, together with reasons for the same.

The appraisal of all projects or activities which are not required to undergo public consultation, or submit an EIA report, shall be carried out on the basis of the prescribed application Form-1 and Form-1A as applicable, any other relevant validated information available and the site visit wherever the same is considered as necessary by the EAC or SEAC concerned.

The appraisal of an application shall be completed by the EAC or SEAC concerned within sixty days of the receipt of the final EIA report and other documents or the receipt of Form-1 and Form-1A, where public consultation is not necessary. The recommendations of the EAC or SEAC shall be placed before the competent authority for a final decision within the next fifteen days.

Validity of Environmental Clearance

The validity of Environmental Clearance is meant the period from which a prior environmental clearance is granted to the start of production operations by the project or activity, or completion of all construction operations in case of construction projects. The validity of EC shall be ten years in the case of River Valley projects, thirty years for mining projects and five years in the case of all other projects and activities.

- 3.26 The entrepreneur will have to apply for environment clearance from EAC or SEAC after obtaining CFE from KSPCB. Till environment clearance is received, no construction work relating to setting up of industry shall be undertaken.

Projects covered under CRZ Notification

- 3.27 Projects coming in the coastal areas of the State shall adhere to the provisions of Coastal Regulation Zone (CRZ) notification No. S.O.(E) 114 (E) dt. 19.2.1991, (Thereafter amended from time to time). Govt. of Karnataka has appointed designated officers for the purpose of examining requests for grant of building licenses in the CRZ areas of coastal districts vide G O No. FEE/21/EAA/2000 dtd. 14/12/2001. For any project coming in the restricted areas of coastal districts, 'No Objection Certificate' from the designated officer is essential. Applications form for CRZ Clearance is enclosed as annexure (for more information you can visit <http://parisara.kar.nic.in> and www.karnatakaforest.gov.in).

E. Village Panchayats / Town Panchayats / Local Authorities

- 3.28 Projects coming in the jurisdiction of Village Panchayat / Town Panchayats are required to obtain permission for construction of factory building and installation of machineries from the respective Village Panchayat as per Karnataka Panchayat Raj Act, 1993. For this permission, CAF may be used.
- 3.29 As per the Karnataka Town and Country Planning (KTCP) Act, 1961 an entrepreneur is required to apply to BDA / UDA / Planning Authority / BBMP / Urban Local Body in the prescribed application form to erect / re-erect / make alterations of an industrial building. As per the Act, it is necessary to obtain Commencement Certificate and Building Licence from the local authorities. The fees to be paid for permission for industrial buildings are linked to the area of the building and its location.
- 3.30 In case the land is designated for use other than the industrial use as per the Outline Development Plan (ODP)/ Comprehensive Development Plan (CDP), approval for change of land use for industrial purpose has to be obtained from the Government as per Section 14 (A) of the KTCP Act, 1961.
- 3.31 The investor is also required to get Trade Licence from the concerned Village Panchayats in case of storing certain dangerous materials as prescribed in the Karnataka GP Act. For obtaining this trade license, CAF may be used. (for more information visit <http://rdpr.kar.nic.in> and <http://municipaladm.n.kar.nic.in>).

F. Karnataka Power Transmission Corporation Limited (KPTCL) / ESCOMs

- 3.32 KPTCL/ Regional Electricity Supply Companies (BESCOM, MESCOM, HESCOM, GESCOM & CESCL) are engaged in transmission and distribution of electrical power to the consumers in the State. The procedures related to supply and connections are governed by Karnataka Electricity Regulatory Commission [electricity supply & distribution] Code, 2000-01.
- 3.33 For power connection, consumers are required to apply to the concerned Executive Engineers in the respective subdivision in a prescribed application form and with a registration-cum-processing fee of Rs.100/- for LT connections and Rs.250/- for HT connections (For this CAF may be used)
- 3.34 The applications for LT power supply shall be filed at least 30 days before the expected date of supply in case where the service lines have been laid and power supply is readily available. The power sanction will be communicated within 15 days of receiving the application.
- 3.35 In case of HT service, power sanction shall be communicated within 30 days of application and in case of EHT, within 45 days.
- 3.36 Along with the application form, attested copies of the following documents are to be furnished:
- Site plan with proposed location of the metering cubicle / meter board.
 - Latest Tax paid receipt.
 - License / permit / NOC from local body.
 - Route Map to locate the premises.
 - MOU / Articles of Association / Partnership Deed.
 - Proof of ownership of the premises or proof of occupancy
 - Lease Agreement in case of leased building.
 - Sanctioned plan (in case of multi - storeyed buildings)
 - Architects plan with location of the transformer marked (in case of Multi storeyed buildings).
 - Receipt for having paid the required Registration Fees.
- 3.37 The authority to sanction power is delegated to the field level officers as indicated below:
- | | |
|-----------------------------------|--------------------------------|
| i) LT installations upto 67 HP | - AEEs at Sub-divisional level |
| ii) HT installations upto 500 KVA | - EEs at Divisional level |
| iii) 501 KVA -1000 KVA | - SEEs at Circle level |
| iv) 1001 KVA - 2000 KVA | - CEEs at Zonal level |
| v) 2001 KVA & Above | - ESCOM |

3.38 KPTCL has nine zonal offices viz. Bangalore Metropolitan, Bangalore Rural, Chitradurga, Mangalore, Mysore, Hubli, Belgaum, Gulbarga and Bellary, headed by Chief Engineers Electrical [CEE]. There are 17 Circles, headed by Superintending Electrical Engineers [SEE], 57 Divisional Offices headed by Executive Engineers [EE] and over 270 Sub-divisional offices headed by Assistant Executive Engineers [AEE].

3.39 For temporary power supply, the consumer will have to apply in the prescribed form to the O&M section / Subdivision office of KPTCL. No registration fee is payable, but service charges of Rs.50/- is to be paid per installation along with advance estimated power consumption charges. For more information log on to www.bescom.org | www.mescom.in | www.nescom.co.in | www.gescom.org |

G. Electrical Inspectorate

3.40 The Department of Electrical Inspectorate accords statutory approval for the electrical installations such as transformer installation under Rule 63, Generator installations under Rule 47 'A', M.S. Building installations under Rule 50 'A', Neon Sign installation under Rule 71 and 'X' rays installation under Rule 73 as required under Indian Electricity Rules, 1956. That apart, the lift installations will be sanctioned under the Karnataka Lift Act, 1974 and Rules 1976, the Cinematography installations under Karnataka Cinematography Act, 1964 and Rules 1976, Video installation under Karnataka Video Rules, 1984.

The drawings indicating the overall electrical scheme showing the protective scheme, cable cross sections, switchgear details, earthing details, equipment locations and clearances shall be cleared for all the electrical installations of transformer, DG sets, etc.,

In respect of M.S. Buildings, the overall electrical scheme with interior wiring scheme, floor drawings, floor loads and their respective controls and provisions of generator for the essential loads of the fire hydrant, corridor lightings, fire lift, yard lightings, staircase lightings, etc., shall be furnished for clearance of the same. In such buildings, provisions of Lighting Arrestor Aviation lights etc., shall be made apart from the other requirements under National Electrical Code 1985.

The Head Office of the Department of Electrical Inspectorate is located presently at Mysugar Building, J.C. Road, Bangalore - 560 002 headed by Chief Electrical Inspector to Government. Whereas, each district is headed by a Deputy Electrical Inspector, each division is headed by an Electrical Inspector located in the important industrial district. This apart, six Deputy Chief Electrical Inspectors are located at Bangalore (South), Bangalore (North), Tumkur, Mangalore, Bellary and Dharwad.

The individual delegated powers to the officers of this department to clear the electrical installations are briefly detailed below:

Designation	H.T. installation (KVA)	D. G. set installation (KVA)	M. S. Building installation
Chief Electrical Inspector to Govt.	> 2000	> 2000	> 24 meters
Dy. Chief Electrical Inspectors	>1000 <2000	>1000 <2000	Up to 24 meters
Electrical Inspectors	> 300 <1000	>350 <1000	Building with LT load up to 24 mtrs
Dy. Electrical Inspectors	Up to 300	Up to 350	-

The Department also monitors the collection of electrical tax on consumption for consumed units from grid power as well as generated power from captive generation / IPP generation as required under Karnataka Electricity (Taxation on consumption) Act, 1959.

Any exemption of electricity tax on the consumed units for self shall be availed at the specific instance of the Energy Department under the exclusive provisions contained under Section 8 of Karnataka Electricity (Taxation on consumption) Act, 1959. However, all such exemptions are subject to compulsory filing of returns of such generation and utilization in form B & D to the Department of Electrical Inspectorate. All units supplied to others whether free or at a cost is taxable under Section 4 of the Karnataka Electricity (Taxation on Consumption) Act, 1959 at the prevailing rates notified from time to time.

- 3.41 In case of LT connections where the height of the building is less than 15 meters, drawings etc will be approved by ESCOMs. In case the building height is more than 15 meters, the drawing etc., are required to be approved by the Electrical Inspectorate, even in case of LT connections.
- 3.42 The Deputy Electrical Inspector, located at 20 district head quarters [old districts] are empowered to approve the drawing and issue the fitness certificate where the installed capacity of the transformer is less than 300 KVA. In case the transformer capacity is more than 300 KVA and upto 1000 KVA, the approvals are to be obtained at divisional level offices, headed by concerned Deputy Chief Electrical Inspector, located at Bangalore (N), Bangalore (S), Tumkur, Mangalore, Bellary and Dharwad. If the installed capacity exceeds 1000 KVA, approval granted by the Chief Electric Inspector after inspection and recommendation by Deputy Chief Electrical Inspector.

- 3.43 In case the installed transformer capacity is more than 2000 KVA, the required approvals are to be obtained from the Chief Electrical Inspector at headquarters in Bangalore.
- 3.44 The Electrical Inspectorate is also authorised to witness the disputed meter while rating of the same.

H. Commercial Tax

- 3.45 From 1st April, 2005, Value Added Tax (VAT) has been introduced in Karnataka. If the taxable turnover of any dealer (not just the profit) within Karnataka, is more than Rs.2.00 lakh, in any 12 month period, he becomes a taxable dealer and must register for VAT, if all or part of the business is in Karnataka. Taxable turnover is the total value of all sales which are taxed at 12.5%, 4%, 1% & 20%.

Any dealer with a total turnover of less than Rs.15.00 lakh, will also be required to register but may opt to pay VAT or pay tax under a 'composition' scheme. Under 'composition', tax is to be paid on total turnover of their sales at a composite rate without input tax rebate. Quarterly payments are to be made to Commercial Tax Department and they will not be allowed to charge VAT on their sales, except dealers executing works contract.

- 3.46 Registration would require filled-in application FormVAT1, passport size photograph and fee of Rs.500/-. Fee is not charged for renewal. Individual companies and businesses should be registered separately. Branches or divisions of the same company or business should register only in the name of the main organizations. Branches or units of corporate bodies have the option to register separately.
- 3.47 Once registered for VAT, the investor can reclaim VAT that he has been charged on goods that are used to set up business, subject to certain conditions. The claim can be made in the first VAT return. Normally, this will include VAT on goods bought for business that are not yet sold and also VAT on certain capital equipments, purchased not more than 3 months before date of registration.
- 3.48 Records of all sales including that bought, produced and disposed should be maintained. An account of all the VAT that has been charged and paid by the investor, showing the values of goods subject to each rate of tax, for each period, covered by his VAT returns - called VAT account shall be kept.

VAT returns are required to be made every month using Form VAT 100 (every three months, using Form VAT 120, under the 'composition' scheme). The period covered by this return is called a tax period. Details of what has been bought and sold in that period are to be filled. Investor must pay any tax due or claim a repayment of excess tax paid or adjust the same for future liability. As tax periods end on fixed dates through out the year, first tax return may not cover a period of exactly one or three months.

3.49 After registration, any changes in business that may affect registration details, has to be recorded on Form VAT 3, wherein VAT registration No. (TIN) and address have to be included. There are penalties for failing to register, for failing to file correct returns or for failing to pay the tax due at the correct time. If the investor fails to register, he will be liable for the VAT on all the goods he has sold from the date on which he should have registered. Investor can apply for cancellation of registration on the grounds of closure of business or because the level of his taxable sales has fallen below threshold for registration and must re-register, if it exceeds the threshold, in any 12 month period (for more information visit : <http://ctax.kar.nic.in>)

I. Department of Legal Metrology

3.50 The Dept. of Legal Metrology (formerly known as Dept. of Weights and Measures) is engaged in maintenance of accuracy in all weights and measures used in trade, commerce and industry. The department also ensures correct quantities for the price paid and protects consumer interest.

3.51 Every person who intends to commence or carry on the use of any weight or measure in any transaction or for industrial production is required to get Registration from the Dept. of Legal Metrology. Application for Registration is to be made in Form I accompanied by fee of Rs. 5/- .Within 90 days from commencement of using weights & measures.

3.52 The Controller of Legal Metrology will include the name of the applicant in a register to be known as register of users and issue a certificate in Form III to the applicant. An application for renewal shall be made in Form IV, 30 days before the expiry of validity of the Registration Certificate. The certificate will be renewed on payment of a fee of Rs. 5/- and the validity of the certificate is for five years.

- 3.53 Every weight or measure used or intended to be used in transactions or for industrial production is required to be verified or re-verified and stamped at least once in a year. Such verification will be done in the offices of the Dept. or at the place of its location. On completion of verification and stamping, the authorities will issue a certificate of verification.
- 3.54 Separate Application Forms are to be used for the license as below;
- 1) Manufacturer of weights and measures (Form LM-1)
 - 2) Dealers in weights, measures, weighing instruments and measuring instruments (Form LD -1) and
 - 3) Repairers of weights, measures, weighing instruments and measuring instruments. (LR-1)

J. Procedures related to purchase /conversion of lands

A) Conversion

- 3.55 As per the provisions of Karnataka Town and Country Planning Act, 1961 and Karnataka Land Revenue Act 1964, no industry can come up in the areas earmarked for use other than industrial purposes.
- 3.56 In case of agriculture and other lands, land is required to be converted to industrial purposes. For this, investors are required to apply in Annexure I (in 12 copies) as prescribed as under Para 95 of Rule 106(A) of Karnataka Land Revenue Act 1964 to the respective Tahsildar, who in turn will send the application to the respective Deputy Commissioners.
- 3.57 As per the Circular issued by the Revenue Department vide No. RD: 13: LGP: 2005 dt.2.7.2005, a Single Window System is to be followed for clearance of the application received for land conversion. The process of granting / rejecting conversion shall be completed within 120 days of receipt of the application. Before grant of conversion, the applicant has to pay the conversion fine as indicated in the notice issued by the Single Window Committee constituted for this purpose, vide above said Circular dt.2.7.2005.
- 3.58 In case the entrepreneur purchases land from KIADB, the necessity of conversion does not arise.

B) Permission to purchase Agricultural land

3.59 The Govt. of Karnataka has amended Section 109 of Karnataka Land Reforms Act 1961, w.e.f. 20.10.1995. This amendment enables the Government to permit non-agriculturists to purchase agricultural land for industrial purposes. Accordingly permission would be given by the govt. as detailed below, based on the approval given by DLSWCC in case of tiny & SSI and by SLSWCC / SHLCC in case of medium / large industries:

1	Tiny Industry	:	Up to one quarter unit of agriculture land
2	SSI	:	Up to one unit of agriculture land
3	Medium / Large Industry having a total invest upto Rs. 50 crore	:	Up to 5 units of agriculture land
4	Medium / Large industry having a total investment of more than Rs. 50 crore	:	Up to 20 units of agriculture land

3.60 For horticulture including floriculture and agro based industries:

- (i) Up to two units of land based on recommendation of DLSWCC.
- (ii) Up to ten units of land based on recommendation of SLSWCC
- (iii) More than ten units of land based on recommendation of SHLCC.

The application for permission to purchase agricultural land by the non agriculturist has to be made in Form 15-A as prescribed under Rule 38 D of the Karnataka Land Reforms Rules 1974 (Specimen given in CAF) to the respective Deputy Commissioners.

3.61 On receiving the above permission the land shall be utilized for the purpose for which it is proposed within two years from the date of issue of the notification.

3.62 What a 'unit' of land means:

One acre of A class land having soil classification value of 8 annas

1.3 acres of A class land having soil classification value of below 8 annas

1.5 acres of B class land having soil classification value of above 8 annas

2.0 acres of B class land having soil classification value of below 8 annas

2.5 acres of C class land having soil classification value of above 8 annas

3.0 acres of B class land having soil classification value of below 8 annas

5.4 acres of D class land

C) Classification of land:

'A' Class

Lands having facilities for assured irrigation from such Government Canals and Government Tanks as are capable of supplying water for growing two crops of paddy [for one crop of sugarcane] in a year.

'B' Class

- (i) Lands having facilities for assured irrigation from such Government Canals and Government Tanks as are capable of supplying water for growing only one crop of paddy in a year.
- (ii) Lands irrigated by such lift irrigation projects constructed and maintained by the State Government as are capable of supplying water for growing two crops of paddy [or one crop of sugarcane] in a year.

'C' Class

- (i) Lands irrigated from any Government sources of irrigation, including lift irrigation projects constructed and maintained by Government other than those coming under A Class and B Class.
- (ii) Lands on which paddy crop can be raised or areca crop is grown with the help of rain water.
- (iii) Lands irrigated by lifting water from a river or Government Canal or Government tank.

'D' Class

Lands classified as dry but not having any irrigation facilities from a Government source.

K. Department of Mines & Geology

3.63 Karnataka is one of the mineral rich states of the country, with more than 40,000 sq. kms of greenstone belts, known to contain vast mineral deposits such as Gold, Silver, Platinum, Copper, Diamond, Iron Ore, Manganese, Chromite, Limestone, Dolomite, etc. It has significant deposits of Iron ore, Bauxite, Chromite and Manganese.

There are evidences of occurrence of gold and associated minerals in Tumkur, Chitradurga, Davanagere, Bellary, Shimoga, Gadag, Dharwad, Raichur, Gulbarga, Kolar and Koppal districts.

Further, Karnataka is known to have Diamond and other semi precious stones, such as Corundum, Garnet, etc. Diamondiferous Kimberlite pipes have been reported from Bellary, Gulbarga and Dharwad districts. Detailed exploration needs to be carried out to locate the diamondiferous kimberlite pipes in the greenstone belts in parts of Tumkur, Raichur and Gulbarga districts.

The State is also endowed with vast reserves of Iron ore deposits, which include both hematite and magnetite varieties. Karnataka's total known iron ore deposits are estimated to be about 4,000 million tons. The total reserve of Limestone and Dolomite is of the order of 20,000 million tons and is available primarily in Gulbarga, Bijapur, Bagalkot, Belgaum and Tumkur districts.

Large varieties of granite deposits are also available in most parts of the State. Some of the varieties of Granites available in Karnataka are: Ilkal pink, multicolour granite, black granite, grey granite, juparano, Hassan green, cats-eye, pink porphyry etc. The total estimated reserves of granite in Karnataka is said to be more than 220 million cubic meters.

3.64 Procedures for grant of Mining Lease (M.L)

Grant of Prospecting Licence or Mining Lease over virgin area:

If two or more persons or companies have applied for Mining Lease (ML) over fresh free area, the applicant whose application is received earlier, shall have the preferential right to be considered for grant over those whose applications are received later, as per Sec 11(2) of Mines & Minerals (Development & Regulation) Act, 1957. Notifications for grant will be issued after submission of the following documents by the applicant;

- Mining plan duly approved by Indian Bureau of Mines
- C.F.E from K.S.P.C.B.
- N.O.C. from the concerned Deputy Commissioner, if the area is revenue land or forest clearance as per section -2 of Forest Conservation Act, 1980, if the area falls under forest.
- Consent of the Pattadhar, if the land is a Patta land.
- Technical report of the department regarding the occurrence of the mineral.
- In case of major minerals, where the mining area is more than five hectares, environmental clearance from Ministry of Environment & Forests, GOI and where the mining area is less than five hectares, clearance from the State Dept. of Ecology & Environment.

Grant of ML over the notified area for re-grant in respect of held area or de-reserved area:

Any area available for regrant (surrendered, lapsed and determined areas) and de-reserved area for grant under Rule 59(1) of Miner Concession Rules, 1960 would be notified in the official Gazette for mining public. If the State Government invites the applications for grant of mining lease by notifying the area in the official Gazette, all the applications received on a particular day specified (after 30 days of the date of publication) shall be considered as first day applications and subsequently received applications shall be treated as subsequent applications. The applications received prior to the date of notifications shall also be treated as deemed to have been received on first day applications for the purpose of assigning priority. Preference will be given as per Section 11(3) of MMR (R & D) Act 1957 and read with Rule - 35 of MCR 1960.

Government will take decision for grant of mining lease after according opportunity as per Rule-26(1) of MCR 1960 and recommendation will be sent to Government of India to accord prior approval as per section 5(1) of MM (R & D) Act, 1957.

The following documents are to be furnished by the applicant, before issue of notification by the State Government;

- Mining plan duly approved by Indian Bureau of Mines.
- CFE from K.S.P.C.B.
- NOC from Forest Dept. as per Act-2 and Forest Conservation Act 1980 (If the area falls under forest).
- In case of major minerals, where the mining area is more than five hectares, environmental clearance from Ministry of Environment & Forests, GOI and where the mining area is less than five hectares, clearance from the State Dept. of Ecology & Environment.

On receipt of the prior approval from the Government of India, the State Government will issue notification and in turn the Directorate will take action for execution after conducting survey and demarcation. For more information log on to www.mines.kar.nic.in

Part IV

Important Acts / Rules at a Glance

A. Employment Exchanges [Compulsory Notification of Vacancies] Act, 1959 and Employment Exchanges [Compulsory Notification of Vacancies] Rules, 1960

4.1 Applicability

If an industry/trade/business/office/occupation in private sector, with 25 employs or more persons to do any work.

4.2 Duties and Obligations:

- a) To notify any vacancy in any employment, in the prescribed format, to the jurisdictional Employment Exchanges, at least 15 days in advance of filling up the vacancy.
- b) To intimate the result of selection to the Employment Exchanges within 15 days of such selection.
- c) To furnish a quarterly return in Form ER I, within 30 days from the closure of March, June, September and December and also a return in Form ER II, once in two years, within 30 days from the closure of the year.
- d) There is no obligation upon the employer to recruit any person sent by the Employment Exchange, to fill any vacancy.

4.3 Administering Authority

Directorate of Employment and Training.

B. Minimum Wages Act, 1948 and Minimum Wages [Karnataka] Rules, 1958

4.4 Applicability

To all Scheduled Employments (irrespective of number of employees employed) as notified by the State / Central Government, from time to time. Presently, minimum rates of wages have been fixed for 68 scheduled employments some of which are:-

- Automobile Industry (including servicing and repairs)
- Ceramics, Stoneware and Potteries work.
- Chemical Industry
- Construction or maintenance of Roads or Building Operations.
- Electronics
- Engineering industry
- Food Processing
- Foundries
- Hospitals & Nursing Homes
- Metal Rolling and re rolling.
- Mini-cement.
- Residential Hotel and eating house.
- Rubber Products
- Shops and Commercial Establishments.
- Tanneries and Leather Industry.
- Tailoring Industry
- Textile (Silk) Industry

4.5 Duties and Obligations

- a) To pay the minimum rates of wages [Basic + DA] as fixed by the Government, from time to time.

[Note: DA is linked to the Average Consumer Price Index Number in the state and consequently the rate of DA changes every year from 1st April]

- b) To maintain: Combined Muster Roll cum Wages Register
 - Register of Overtime Payment
 - Register of Fines, Deductions for Damages or Loss and Advances and
 - Wage Slip in Form 6
- c) To exhibit notices containing minimum rates of wages, abstract of the Act and the State Rules in Form X, Name and Address of the Inspector
- d) To submit Annual Returns.

4.6 Administering authority: The Labour Department.

C. The Apprentices Act, 1961 and The Apprenticeship Rules, 1991

4.7 Applicability

To any industry as notified by the Central Government.

Duties and Obligations:

- To engage Trade and Commercial apprentices; Technician and graduate trainees as notified by the Apprenticeship Adviser, in the prescribed ratio to workers employed.
- To provide practical, basic training and related instructions to apprentices [Section 9 & 10]
- To pay stipend at the prescribed rates [Rule 11]
- To maintain periodical records and submit returns [Rule 14] within the prescribed time limits.

4.8 Administering Authority

Directorate of Employment and Training.

D. Contract Labour (Regulation and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition) (Karnataka) Rules, 1974.

4.9 Applicability

Applicable to establishments employing 20 or more workmen as contract labour The Act also applies to contractor who employs 20 or more workmen in one establishment.

4.10 Duties and Obligations

- a) To register the establishment with the appropriate authority upon employing 20 or more contract labourers, alongwith fees varying from Rs. 150/- (20 persons) to 3750/- (above 400 persons). Fees for grant of licence ranges from Rs. 100/- (20 persons) to Rs. 1250/- (above 400 persons). A deposit of Rs. 10/- per contract labour shall be made by the Contractor with the appropriate authority.
- b) No contractor shall undertake or execute any work through contract labour unless he obtains a licence from the licensing officer]
- c) To provide canteens, (Section 16), Rest rooms (Section 17) and other facilities (Section 18) to the Contract Labour.
- d) To ensure that the Contractor disburses correct wages to his labour, by nominating his representative.

4.11 Administering Authority

Labour Department.

E. Employees Provident Funds and Miscellaneous Provisions Act, 1952

Employees Provident Funds Scheme 1952, Employees Pension Scheme 1995 and Employees Deposit Linked Insurance Scheme, 1976.

4.12 Applicability

Establishments employing 20 or more persons (including casuals, temporary, contract and daily wages, clerical, technical, managerial) and engaged in any of the 180 industries / classes of business specified, drawing salary upto Rs. 6500/- (Basic+ DA + Retaining allowances) per month.

4.13 Duties & Obligations

- To obtain PF Code Number, soon after employing 20 or more persons, from the Regional/ Sub-Regional PF Commissioner by submitting prescribed forms.
- To allot individual PF Number, to each employee and maintain the list in Form 9.
- To obtain Nomination and Declaration in Form.2 from every employee including casual, Temporary, Contract or Regular immediately and obtaining employer's Code Number.
- To deduct 12 % of earned salary (gross of Basic + DA+ retaining allowance if any) in the payment.
- To pay employee's share of 12% and employer's share of 3.67% to the Provident Fund in A/c. No.1 through prescribed common challan, within 15 days from the wage period.
- To pay employer's share of 8.33% to the Pension Fund in A/c. No. 2 through prescribed common challan within 15 days from the wage period.
- To pay PF Administration Charges at 1.10% to A/c. No. 10 through prescribed common challan within 15 days from the wage period.
- To pay EDL I charges at 0.5% to A/c. No. 21 through prescribed common challan within 15 days from the wage period.
- To pay Inspection charges at 0.01% to A/c. No.22 through prescribed common challan within 15 days from the wage period.

- To maintain Contribution Card in Form 3-A separately for all PF members.
- To send monthly statement of Contributions in Form 12-A along with copies of paid challans.
- To send Form 5 along with the Declaration and Nomination in Form 2 and Form 10 along with Form 3-A.
- To send Annual Returns in Form 6-A along with Form 3-A before 20th March of each year.

4.14 Benefits of the Schemes:

a) Provident Fund

- i) 15.6% of the salary is deposited every month under PF A/C which is a kind of compulsory savings for the employees.
 - ii) Withdrawals are permitted out of the above savings for purchase of a site, a flat or construction of house. Advances are permitted for certain purposes.
- b) Pension Provision is available for members with a minimum 20 years of membership. Family pension provision is also made for wife and children after the death of a member.
- c) In case of death of a member, insurance benefits are also available to the survivors.

4.15 Administering Authority

Regional / Sub-Regional Provident Fund Commissioners.

F. The Employee's State Insurance Act, 1948 and The Employees State Insurance (Central) Rules, 1950

4.16 Applicability

Applicable to all non-seasonal power using factories employing ten or more persons and non-power using factories employing 20 or more persons, drawing salary (total emoluments) upto Rs. 10, 000/- per month.

4.17 Duties & Obligations

- To register the factory / establishment, within 15 days by filing Form 1 and to obtain employer's code number.
- To obtain Declaration, in Form 1 before taking any person into employment. To send declaration forms within 10 days to the ESI Local office alongwith Return of Declaration in Form 3.
- To deduct 1.75% of the wages as employee's contribution and add 4.75% as employer's contribution and deposit the same within 21 days of the last day of the calendar month.
- To maintain a Register of Employees in Form 7 and make entries of contributions.
- To make payment of ESI contributions within 21 days of wage period.
- To send Return of Contributions in Form 6 to Local Office within 42 days from the closure of contribution period.
- To obtain particulars of employee's family in Form 1-A and later, any changes in Form 15-B, within 10 days, and submit the same to the local ESI office.
- To issue Identity Card, in place of slip, to the employees.
- To maintain a bound Inspection Book, prescribed under Regulation 102 A - an Accident Book in Form 15 and to send Accident Report to the local office/dispensary and to others depending upon the seriousness of the accident.

4.18 Benefits

Employee will be eligible for medical benefit, sickness benefit, maternity benefit, disablement benefit, dependents' benefit and funeral expenses. An employee will be eligible for full benefit only after contributing during the contribution period.

4.19 Administering Authority

The ESI Corporation.

G. The Environment (Protection) Act, 1986 and The Environment (Protection) Rules, 1986.

4.20 Applicability

Applicable to all industries manufacturing certain products / establishments covered by the Act. The Act imposes the standards for emission or discharge of environmental pollutants and the industries are required to adhere to such standards.

4.21 Duties and Obligations

- To see that the standards for emission or discharge of environmental pollutants, are within the limit as prescribed in the Schedule-I to the Rules. (The standards are specified for 86 product groups)
- To maintain the ambient air quality standards as specified in the Schedule III to the Rules. (Different standards are set for industrial area, commercial area, residential area and silence zone- for day time and night time).
- To adhere to standards for emission or smoke, vapour etc from motor vehicles as specified in the Schedule IV to the Rules.
- To furnish information to the concerned authorities (as specified in Schedule-V) in case of excess pollution occurred or apprehended to occur, due to accident or other unforeseen events.
- To maintain the emission or discharge of environmental pollutants within the standards as specified in Schedule VI in case of industries, operations other than those listed in the Schedule I referred earlier.
- In case of any emission or discharge to maintain the relevant concentration in ambient air as specified in Schedule VII.
- To allow the empowered officer to take samples of air, water, soil or other substances for the purpose of analysis.
- Every person carrying on an industry, operation or process requiring consent under Section 25 of Water (Prevention & Control of Pollution) Act, 1974, or under Section 21 of Air (Prevention & Control of Pollution) Act, 1981 or both or authorisation under the Hazardous Waste (Management & Handling) Rules 1989 issued under the Environment Protection Act, 1986 shall submit an Environmental Statement for the financial year ending the 31st March in Form V to the KSPCB on or before the 30th day of September every year.

4.22 Administering Authority

Department of Forests, Ecology and Environment, GoK

H. Equal Remuneration Act, 1976 and Equal Remuneration Rules, 1976

4.23 Applicability

All industries and other establishments.

4.24 Duties / Obligations

- To pay equal remuneration to men and women workers for same work or work of a similar nature.
- No discrimination to be made while recruiting men and women workers.
- To maintain up-to-date register in relation to the workers employed by him in Form D.

4.25 Administering Authority

Labour Department / DF&B

I. Industrial Employment (Standing Orders) Act, 1946 and Industrial Employment (Standing Orders) (Karnataka) Rules, 1961.

4.26 Applicability

Applicable to all industrial establishments employing fifty or more workmen.

4.27 Duties/ Obligations

- Submit 5 copies of Draft Standing Orders to the Commissioner of Labour in Form I, within 6 months from the date of application of the Act, for Certification and adoption.
- To draft Standing Orders on every matter as set out in the Schedule to the Act.
- Adopt Model Standing Orders, as prescribed by the State Government during the period of submission of Draft Standing Orders for Certification and it is certified.
- To display the Certified Standing Orders Prominently within the premises of the establishment.
- To pay subsistence allowance at 50% for 3 months and 75% thereafter during the period of suspension of a workman.

4.28 Administering Authority

Labour Department.

J. Karnataka Industrial Establishments (National & Festival Holidays) Act, 1963 and Rules, 1964

4.29 Applicability

Applicable to all industrial and other establishments including shops.

4.30 Duties/Obligations

- a) To allow every employee in each calendar year, a holiday on 26th Jan, 1st May, 15th Aug. 2nd Oct., 1st Nov, and other five festival holidays for such festivals as the employer may specify (from out of the list of 52 festivals given in Schedule to this Act) in consultation with employees.
- b) To give a paid holiday on the polling days to enable workmen to exercise their franchise.
- c) To display holidays list in the premises of establishment and send a copy to the jurisdictional Labour Inspector.
- d) To give twice the wages to employees who work on holidays or normal wages with a substituted holiday.

[Note: Non compliance of applicable provisions may lead to legal actions including fine, imprisonment as specified under Section 13 of this Act]

4.31 Administering Authority

Labour Department.

K. Karnataka Labour Welfare Fund Act, 1965 and Rules 1968

4.32 Applicability

Applicable to all industrial and other establishments.

4.33 Duties and Obligations:

- a) To deduct Rs. 3/- from the employee's salary for December month and add Rs. 6/- as employer's contribution and deposit the same with the Labour Welfare Commissioner before 15th January of each year. The State Government also have to contribute Rs. 3/- per employee.
- b) To submit a statement of contributions in Form D, before 15th January each year.
- c) To remit all fines, wages, bonus etc. remained unpaid for more than 3 years, to the Labour Welfare Commissioner.

4.34 Administering Authority

The Labour Department / Karnataka Labour Welfare Board

L. Karnataka Shops and Commercial Establishments Act, 1961 and Rules, 1963

4.35 Applicability

The Act is applicable to all Shops and Commercial Establishments located in areas as specified in the Act (at present 80 Towns and Cities are covered).

4.36 Duties and Obligations

- a) To apply for registration in Form 'A' to the Jurisdictional Inspector along with the fees prescribed and renew the registration once in 5 years.
- b) To maintain a leave with wages register in Form 'F'.
- c) To provide each employee with a 'leave with wages book' in Form H.
- d) To provide at least two sets of stairs or steps in case of a building with more than one storey.
- e) To exhibit a notice in Form D specifying the day of the week on which persons employed shall be given holiday.
- f) To exhibit a notice containing extracts of the Act and the Rules.
- g) To display the name board in Kannada and other languages below Kannada name.

4.37 Administering Authority

The Labour Department.

M. Payment of Bonus Act, 1965 and The Payment of Bonus Rules, 1975

4.38 Applicability

To all factories and establishments employing 10 or more persons.

4.39 Duties and Obligations

- a) To pay bonus to all employees drawing monthly salary up to Rs. 3,500/- and who have worked 30 or more days in an accounting year a minimum of 8.33% and a maximum of 20% of their annual earnings.

[Note: No bonus is payable for the first five accounting years if no profits are made. In case of profits in a year, bonus is payable for that year]

- b) To pay bonus within eight months from the date of closure of the accounting year.
- c) To maintain a register of computation of the allocable surplus in Form A, a register of set-on and set-off allocable surplus in Form B and a register of Payment of bonus in Form- C.
- d) To send annual return within 30 days from the last day of disbursement of bonus in Form-D to the jurisdictional Labour Inspector.

4.40 Administering Authority

The Labour Department.

N. **The Maternity Benefit Act, 1961 and Karnataka Maternity Benefit Rules 1966.**

4.41 Applicability

Applicable to every shop and establishment, factory, mine & plantation in which ten or more persons are employed.

[Note: Where benefits under ESI Act are available, the Maternity Benefit Act will not be applicable].

4.42 Duties / Obligations / Contents:

- Not to employ a woman, during six weeks immediately after her delivery, miscarriage or medical termination of pregnancy.
- Not to provide arduous nature of work to pregnant women.
- To pay maternity benefits for a maximum period of twelve weeks of which six weeks before delivery and six weeks after delivery provided the women works for a minimum of 80 days in a year.
- To grant leave with wages for six weeks in case of miscarriage and medical termination of pregnancy and leave with wages for two weeks in case of tubectomy operation.
- To grant one month leave with wages, in addition to maternity benefits, for illness arising out of pregnancy, delivery, pre-mature birth of a child, miscarriage, medical termination of pregnancy and tubectomy operation.
- To give two breaks of 15 minutes each to nursing mothers until the child attains the age of 15 months.
- Not to discharge, dismiss during the period of absence allowed under the Act / Rules.
- To exhibit abstract of the Act and the Rules in the premises.
- To maintain Registers, Records and to submit returns in Form K, L & M on or before 31st day of January.

4.43 Administering Authority

For Factories: DFB

For others: Labour Department.

O. Payment of Gratuity Act, 1972 and Payment of Gratuity (Karnataka) Rules, 1973

4.44 Applicability

Applicable to factory, plantation, shop or any other establishments employing ten or more persons with minimum of five years continuous services (without any limit of salary)

4.45 Duties and Obligations

To pay gratuity at the rate of 15 days salary per year of service to employees, who have put in a minimum of 5 years service. Maximum gratuity payable under the Act is Rs. 3.50 lakhs.

Note: The calculation of gratuity should be made as follows:

Divide the monthly salary by 26 days and multiply by 15 days and further multiplied by number of years of services. The last year's service if more than six months to be taken as one year for calculation and in all other years employee should work minimum of 240 days.

- To pay gratuity with in 30 days from the date of receipt of application by the employee in Form 'I'.
- In case of more than 500 employees, to obtain compulsorily Insurance Policy, in this regard.
- To obtain nomination in Form F from employees on completion of one year service.
- To serve Notice of opening in Form A to jurisdictional controlling authority.
- To display abstract of the Acts and Rules in Kannada at the premises of establishment.

4.46 Administering Authority

The Labour Department.

P. Payment of Wages Act, 1936 and Karnataka Payment of Wages Rules, 1963

4.47 Applicability

Applicable to persons employed in factory or industrial and other establishments, plantation, construction of buildings etc. and drawing wages (total remuneration) of less than Rs. 1600/- per month.

4.48 Duties and Obligations

- a) To disburse wages before 7th of each month if employing less than 1000 persons and before 10th in all other cases.
- b) To disburse earned wages before the expiry of second working days in case of termination of the employment either by employer or employee.
- c) Not to make any deduction from the wages other than the list indicated under Section 7 of the Act.
- d) Not to impose any fine unless the acts and omissions got approved by the State Government (in terms of Section. 8)
- e) Any deduction for absence from duty or damage or loss should be in terms of Section 9, 10 and 11 only.
- f) All deductions for recovery of advances, loans, payment to co-operative societies shall be in terms of Section 12, 12A and 13.
- g) To maintain register of fines, deduction for damage or loss to be maintained in prescribed Common register of fines.
- h) To maintain register of wages in prescribed Common Muster Roll cum Register of Wages.
- i) To display the notice in Form 6 specifying rates of wages for different categories of employees and date of payment.
- j) To obtain prior permission from the Government for acts and omissions on which fine can be imposed.
- k) To submit common annual return in Form – IV before 15th February of the subsequent year.

4.49 Administering Authority

For Factories: DF&B

For others: Labour Department.

Q. Workmen's Compensation Act, 1993 and Karnataka Workmen's Compensation Rules, 1966

4.50 Applicability

Applicable to workmen engaged in activities as listed in Schedule II of the Act (like manufacturing processes as defined under the Factory Act, construction of buildings, dams, roads, bridges etc.)

4.51 Duties and Obligations

To pay compensation for death, personal injury caused by the accidents arising out of and in the course of his employment in terms of Section 4 of the Act.

[Note: The amount of minimum compensation prescribed is Rs. 50,000/- for death, and varies depending upon monthly wages, age of the workmen and other relevant factors and for permanent total disablement the minimum compensation is Rs.60, 000/-]

4.52 Administering Authority

Labour Department.

R. The Factories Act, 1948 and The Factories Rules, 1969

4.53 Applicability

Applicable to all premises wherein a manufacturing process as defined under Section 2 (k) of the Act is carried on, employing 10 or more persons.

4.54 Duties and Obligations

- To seek approval for the location of the factory (site), building plans, layout of plant and machinery from the CIF by submitting Form No. 1 along with enclosures and payment of fees.
- To obtain registration and grant and renewal of licence by submitting Form No. E along with other documents and payment of fees.
- To provide hygienic working conditions, provide welfare measures, grant leave with wages, ensure working hours as specified under the provisions of the Act.
- To maintain registers and submit periodical returns as required under the Rules.
- To appoint welfare officers if employing more than 500 workers.
- To appoint safety officers if employing 1000 or more workers.
- To provide dispensary if employing 500 or more workers.
- To provide canteen if employing more than 250 workers and if notified by the Government.
- To provide shelter cum rest room if employing more than 150 workers.

- To provide crèche if employing more than 30 women employees.
- To provide required first aid facility.
- To report all case of accidents which result in absence of workers from work to the CIF and others.
- To arrange examination of pressure vessels and testing of lifting tackles once in a year and maintain a record for the same.
- To display notices of period of work, abstract of the Factory Act and Rules, payment of Wages Act, Maternity Benefit Act.
- To submit annual returns before the deadline specified.

4.55 Administering Authority

The office of the Director of Factories & Boilers

4.56 There are penalty clauses for non-compliance of the above-said Rules, for which books on the relevant Rules, may be referred to.

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