KARNATAKA INDUSTRIAL POLICY

2014-2019
Preamble

- **Industrial growth-**
  - To mitigate poverty and unemployment.
  - To promote higher capital formation.
  - To improve per capita income level.
  - To observe surplus workforce.

- To realize the above benefits state accords high priority for industrial development
State announces industrial policy once in five years.
New industrial policy is for the period 2014-19.
New industrial policy has accommodated national manufacturing policy of 2011.
Karnataka manufacturing taskforce (MTF) constituted by state Government to study-the manufacturing sector in Karnataka and suggest for policy formation.
Industrial scenario

- More than 1054 large and medium manufacturing industries
- More than 2500 IT companies
- More than 600 textile units
- Many big brands operating such as Toyota Kirloskar, TVS, L&T, Bosch, Biocon, GSK Pharma, HAL, Airbus, Boeing, Honeywell etc.
- More than 4.8 lakh MSMEs providing more than 28 lakh jobs with investment of Rs. 18,000 crore
- Largest exporter of silk and silk products
- Development of 145 industrial area spread over 33,513 acres by KIADB
- KIADB acquired 44,704 acres of land under Single Unit Complex scheme
- KSSIDC allotted plots to 13,513 units in 174 industrial estates
**Power scenario**

- Installed capacity of Power generation of 14,159 MW
- Encouragement to renewable energy sources
- 30,000 MW of potential renewable energy
- Hydel power generation throughout the year

**Water Scenario**

- Karnataka accounts for 6% of countries surface water
- Has got 7 river basins
- Priority for supply of water for industrial projects along with drinking water and irrigation
- Based on the requirement of the industries water made available
Other infrastructure scenario

- 320 KM of coastal line and 2 major ports at Mangalore and Karwar
- 10 minor ports
- Connection of ports to national highway
- Huge network of road and railway transportation across the state
- 5 functional airports of which 2 are international airports
- Logistic parks are being developed
- Metro rail in Bangalore
Industrialize or perish- Role of Sir M.Vishweshwarayya in pioneering Industrial Development in Karnataka

- Founded Mysore bank in 1913
- Founded Mysore university in 1916 to impart skills among students
- Founded Government Soap factory at Mysore in 1916, today it is producing world famous Mysore sandal soap
- Founded Government Engineering College at Bangalore in 1917
- Founded Jayachamarajendra Polytechnic Institute
- Revived the Mysore Iron and Steel works at Bhadravathi
- Built the Krishnasagara Dam
- Started the Sharavathi Hydro Electric project at Jog falls
- Built the Bangalore- Mysore railroad, Bhatkal harbour
- Founded Mysore Paper Mill
• Vision of the Policy
• Objectives of the Policy
• Glimpses of incentives available
• Policy measures
• Annexure for eligibility for incentives, concessions and benefits
• Implementation Mechanism
• Role of Cost and Management Accountants
Vision of the Policy

- Building a prosperous Karnataka through inclusive, sustainable, and balanced industrial development
- Creating large employment opportunities.
Objectives of the Policy

- Maintain an industrial growth rate of 12% per annum.
- Enhance the contribution of manufacturing sector to the State GDP
- Attract investment of `5.00 Lakh crore
- Create employment opportunities for 15 Lakh persons
- Create an environment to enhance ease of doing business in the State
Glimpses of incentives available

- Exemption from entry tax
- Interest free loan availment
- Exemption from stamp duty
- Exemption from payment of electricity tariff to focused ultra mega and focused super mega enterprises.
- Concessional registration charges
- Reimbursement of land conversion fee
- Investment subsidies etc.
Policy Measures includes the following…

- Creation of quality infrastructure with comprehensive facilities
- Human resource development through capacity building and skill up-gradation
- Facilitation Mechanism and Procedural Reforms
- Encouragement for Export Promotion
- Classification of Taluks into zones
- Promotion of Micro, Small & Medium Enterprises (MSMEs)
- Special thrust for encouraging SC/ST entrepreneurs and Encouragement to Women Entrepreneurs
- Encouragement to Women Entrepreneurs
- Support for R&D and Digital Direct Manufacturing
- Incentives and concessions for Large, Mega, Ultra Mega, Super Mega enterprises
- Additional Package of Incentives & Concessions to Focused Manufacturing Sectors and service enterprises
Policy measures- Creation of quality infrastructure with comprehensive facilities

- **Establishment of new industrial areas through KIADB**
  - Readily available land
  - Plots allotted only after complete development of the industrial area
  - Adequate availability of power, water and transportation for industrial areas
  - Proposed to acquire 40,000 acres of land
  - Information about availability of land in KIADB website

- **Establishment of industrial corridor**
  - Chennai-Bangalore-Chitradurga
  - Bangalore-Mumbai economic corridor
Policy measures- Creation of quality infrastructure with comprehensive facilities (Continuation..)

- Proposed to notify Special investment region
  - Dharwad, Gadag, Haveri and Belgaum Districts
  - Development of areas as industrial nodes
- Up-gradation of Infrastructure in existing industrial areas and estates
- Maintenance of industrial areas
  - Industrial township areas in Mysore, Peenya, Bommasandra, Belgaum, Hubli
  - Uniform guidelines for fixing property tax, development cess
- Establishment of Industrial Areas and Estates by Private Investors or through PPP or in association with other Government agency
Policy measures- Creation of quality infrastructure with comprehensive facilities (Continuation..)

- Strengthening of Government tool and Training Centre
- Suvarna Kayaka Kaushalyabhivruddhi Yojane (SKKY) scheme
- Scheme of Modular Training Program of Director General of Vocational Training
- Encouragement of Industrial Training Institutes
- State level body to coordinate the requirements of the industry
- On the job training- ITI and diploma passed candidates are provided on the job training with stipend
- Skill development courses across the state
- Upgraded virtual learning environment
- Establishment of sectoral training institutes
Policy measures- Human resource development through capacity building and skill up-gradation

Following Sectoral Training Institutes are proposed as part of HRD

<table>
<thead>
<tr>
<th>Industry</th>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machine Tools</td>
<td>Peenya / Tumkur</td>
</tr>
<tr>
<td>Aerospace</td>
<td>HAL / Devanahalli</td>
</tr>
<tr>
<td>Foundry/Casting</td>
<td>Belgaum</td>
</tr>
<tr>
<td>Auto</td>
<td>Bidadi / Narsapura</td>
</tr>
<tr>
<td>Agro/Food</td>
<td>Gulbarga / Bijapur</td>
</tr>
<tr>
<td>Electronics</td>
<td>Electronics City / Hosur Road / Whitefield</td>
</tr>
<tr>
<td>Chemicals and Fertilizers</td>
<td>Jigani / Haveri / Mangalore</td>
</tr>
<tr>
<td>Pharmaceuticals and FMCG</td>
<td>K R Puram / Hoskote</td>
</tr>
<tr>
<td>Consumer Durables</td>
<td>Whitefield / Hosur Road</td>
</tr>
<tr>
<td>Plastics and Rubber</td>
<td>Mysore</td>
</tr>
<tr>
<td>Textiles</td>
<td>Peenya / Mysore Road</td>
</tr>
</tbody>
</table>
Policy Measures- Facilitation Mechanism and Procedural Reforms

- **Single Window Clearance Mechanism**
  - Regulatory and statutory approvals
  - Nodal officer appointed for follow ups
  - Online receipt of all applications
  - Online project monitoring system
  - Handbook for investors for guiding

- **Simplification of regulatory procedures**
  - Reduce time and cost compliance
  - Proposed to abolish trade licence to all industries
  - Simplify procurement of land and for speedy conversion of agriculture land
  - Simplified procedure for acquiring land upto 30 acres and permitting deemed conversion
Policy measures- Classification of Taluks into zones

- Analysis show that most of the taluks are backward
- Focused effort to increase industrial investment in backward taluks
- The following classifications made

<table>
<thead>
<tr>
<th>Hyderabad Karnataka Taluks</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone 1</td>
<td>Most backward taluks, total 20 taluks</td>
</tr>
<tr>
<td>Zone 2</td>
<td>More backward taluks, total 11 taluks</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other than Hyderabad Karnataka Taluks</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone 1</td>
<td>Most backward taluks, total 23 taluks</td>
</tr>
<tr>
<td>Zone 2</td>
<td>More backward taluks, total 51 taluks</td>
</tr>
<tr>
<td>Zone 3</td>
<td>Backward taluks, total 62 taluks</td>
</tr>
<tr>
<td>Zone 4</td>
<td>Industrial developed taluks 9 taluks</td>
</tr>
</tbody>
</table>
Policy measures - Promotion of Micro, Small & Medium Enterprises (MSMEs)

- Infrastructure support through KIADB, KSSIDC
- District level single window clearance for land allotment
- Venture capital fund for startup enterprises and credit linked capital subsidy scheme
- Easy loan under cluster based approach
- Encouragement of Technology adoption and up-gradation
- Quarterly workshop and seminar for MSMEs from Vishweshwaraya Trade Promotion Centre and Karnataka Council for Technological Up-gradation
- Marketing support through bi-annual vendor development event
- Assistance for participation in international trade fairs/exhibitions
- Reduction in inspections of MSMEs by various line departments
- Easy regulatory approvals /clearances for the MSME projects
Policy measures- Promotion of Micro, Small & Medium Enterprises (Continuation..)

- Ongoing supportive schemes/programs for development of MSMEs
  - Venture capital fund for small and medium enterprises
  - Kaigarika Vikasa Yojane
  - Suvarna Kayaka Kaushalya Abhivruddhi Yojane with revised guidelines
  - Living cum work sheds and improved tool kits to SC / ST artisans.
  - Modernization / Technology / Training programme
  - Handicraft Gurukula Training Institute
  - Specialized skill development institutions

- Support for promotion of Khadi, Artisan and Coir sector
Policy measures—Promotion of Micro, Small & Medium Enterprises (Continuation..)

- Incentives and Concessions to MSMEs
  - Investment promotion subsidy (% on Value of Fixed Assets)

<table>
<thead>
<tr>
<th>Area</th>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hyd-Ktk</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zone 1</td>
<td>30%, Max 18 Lakh</td>
<td>25%, Max 45 Lakh</td>
<td>20%, Rs 55 Lakh</td>
</tr>
<tr>
<td>Zone 2</td>
<td>25%, Max 15 Lakh</td>
<td>20%, Max 40 Lakh</td>
<td>15%, Rs. 50 Lakh</td>
</tr>
<tr>
<td><strong>Other than Hyd-Ktk</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zone 1</td>
<td>25%, Max 15 Lakh</td>
<td>25%, Max 40 Lakh</td>
<td>20%, Rs. 50 Lakh</td>
</tr>
<tr>
<td>Zone 2</td>
<td>20%, Max 12 Lakh</td>
<td>20%, Max 30 Lakh</td>
<td>15%, Rs. 40 Lakh</td>
</tr>
<tr>
<td>Zone 3</td>
<td>15%, 9 Lakh</td>
<td>15%, 20 Lakh</td>
<td>10%, Rs. 30 Lakh</td>
</tr>
<tr>
<td>Zone 4</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>
Policy measures—Promotion of Micro, Small & Medium Enterprises (Continuation..)

- Incentives and Concessions to MSMEs
  
  Exemption from stamp duty and reimbursement of land conversion fee

<table>
<thead>
<tr>
<th>Zones</th>
<th>Hyd-Ktk</th>
<th>Other than Hyd-Ktk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone 1</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Zone 2</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Zone 3</td>
<td>NA</td>
<td>75%</td>
</tr>
<tr>
<td>Zone 4</td>
<td>NA</td>
<td>Nil</td>
</tr>
</tbody>
</table>

- Other Incentives
  
  - Exemption from entry tax (100% exemption on entry of P&M)
  - Subsidy for Setting up Effluent Treatment Plant (50% of the cost)
  - Interest Subsidy for Micro Enterprises (5% subsidy on term loans)
  - Exemption from Tax on Electricity Tariff (100% exemption for different period)
  - Water Harvesting / Conservation Measures
  - Energy Conservation (10% of capital cost)
**Policy measures-Promotion of Micro, Small & Medium Enterprises (Continuation..)**

- **Incentives and Concessions to MSMEs**
  - Technology up-gradation, Quality Certification

<table>
<thead>
<tr>
<th>Incentive and concession</th>
<th>Quantum and Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest subsidy on Technology Up-gradation Loan</td>
<td>5 % on loans availed from KSFC &amp; Scheduled commercial banks- <strong>All zones</strong></td>
</tr>
<tr>
<td>ISO Series Certification</td>
<td>75% of cost (max. `75,000)- <strong>Except zone 4</strong></td>
</tr>
<tr>
<td>BIS Certification</td>
<td>50%of fees payable to BIS (max. ` 20,000)- <strong>All Zones</strong></td>
</tr>
<tr>
<td>Technology Adoption</td>
<td>25% of cost (max. `50,000)</td>
</tr>
<tr>
<td>Technology Business Incubation Center</td>
<td>25% of the cost (max: `50.00 lakh)</td>
</tr>
<tr>
<td>Recycling of electronic waste and plastic waste</td>
<td>Additional investment promotion subsidy of 5% (Max 10 Lakh)- <strong>Except zone 4</strong></td>
</tr>
</tbody>
</table>
Policy Measures- Encouragement for Anchor Industries

- To encourage investments in taluks where no industries with investments above Rs. 250 crore and direct employment of 150 persons
- Anchor industries meaning: The first 2 manufacturing enterprises providing a min employment of 150 persons with min investment of Rs. 250 crore.
- State Govt proposes to promote anchor industries in at least 20 taluks. At present there are 135 taluks without anchor industries
- Anchor industries are eligible for the following subsidies
  - Investment subsidy of Rs. 20 crore in HK Zone and Rs. 15 crore in all other Zones.
  - If anchor industries invests more than Rs. 1000 crore-
    **Interest free loan equal** to 100% of net VAT plus CST from the commencement of commercial production for 18 years not exceeding 125% of the value of Fixed Assets
  - Loan availed during 1\textsuperscript{st} year shall be repaid in 11\textsuperscript{th} year, loan availed in 2\textsuperscript{nd} year shall be repaid in 12\textsuperscript{th} year and so on.
Policy measures- Special thrust for encouraging SC/ST entrepreneurs and woman enterprises

- KIADB and KSSIDC directed to reserve 22.5% of the allottable land/shed for SC/ST entrepreneurs
- Entrepreneurship Development Programmes for SC/ST entrepreneurs
- Concessions, incentives, subsidies available
  - Investment subsidy
  - Exemption from stamp duty
  - Reimbursement of land conversion fee
  - Concessional registration charges
  - Exemption from entry tax
  - Subsidy for setting up effluent treatment plant
  - Exemption from electricity tariff
  - Interest subsidy for water harvesting, technology up-gradation
  - Reimbursement of cost of preparing project reports
Policy measures- Additional Package of Incentives & Concessions to Focused Manufacturing Sectors and Focused Service Sectors

- **Focused Manufacturing sectors**
  - Aerospace Sector
  - Automotive Sector
  - Machine Tool Sector
  - Steel and Cement Sector

- **Incentives, concessions and exemptions available**
  - Interest free loan (On 100% of VAT + CST from the date of commencement of production)
  - Electricity duty exemption is available to Ultra Mega and Super Mega projects for period of Nine years
Policy measures- Incentives and concessions for Large, Mega, Ultra Mega, Super Mega enterprises

- Exemption from Stamp Duty and Reimbursement of Land Conversion Fee
  - Other than Hyderabad Karnataka Area
    Zone 1: 100%, Zone 2: 100%, Zone 3: 75%, Zone 4: Nil
  - Hyderabad Karnataka Area
    HK Zone 1: 100%, HK Zone 2: 100%

- Concessional Registration Charges
  - Concessional rate of Rs. 1.00 per 1,000 rupees

- Other Exemptions, incentives and concessions
  - Exemption from Entry Tax (eligible for 100% exemption on entry of Plant & Machinery)
  - Subsidy for Setting up Energy Effluent Treatment Plant (Exemption up to 50% of cost)
  - Interest free loan (On 100% of VAT and CST paid from commencement of production)
Definitions

- As per MSMED “Manufacturing Enterprises” categorized as follows
  - Micro enterprises- Investment up to Rs 25 lakh
  - Small enterprises- Investment Rs 25 lakh to Rs 500 Lakh
  - Medium enterprises- Investment Rs. 500 lakh to Rs. 1000 lakh

- As per MSMED “Service enterprises” categorized as follows
  - Micro Enterprises - Investment up to 10 lakh
  - Small Enterprises - Investment Rs 10 lakh to Rs 200 lakh.
  - Medium Enterprises – Investment Rs 200 lakh to Rs 500 lakh

- Large Enterprises- Investment in Fixed Assets Rs. 10 crore to Rs. 250 crore
- Mega Enterprises- Investment in Fixed Assets Rs. 250 crore to Rs. 500 crore
- Ultra Mega Enterprises- Investment in Fixed Assets Rs. 500 crore to 1000 crore
- Super Mega Enterprises- Investment in Fixed Assets more than Rs. 1000 crore

- Value of eligible Fixed assets total investment made on land, building and plant and machinery and other productive assets directly related production process

- Employment: Direct Employment shall mean employees who are on the rolls of the respective companies which will include contract labour engaged in production line. It will however not include casual labour The percentage of contract labour engaged should not exceed 30% of total labour force.
Definitions

- **Date of Commencement of Project implementation:** Date on which the unit has taken any one of the following effective steps and whichever is early
  - Date of entering lease or sale agreement of the premises (either land or building)
  - Date on which possession certificate of the plot or shed is taken from KIADB/KSSIDC or any other agency
  - Date of approval of building plan by competent authority
  - Date of release of first instalment of loan from Financial Institution/Bank
  - Date of placement of first purchase order for plant and machinery.

- **Date of Commercial Production:** Date of issue of first sale invoice after trial production either by a new unit or after expansion diversification/modernization.
Definitions

- **Expansion/Diversification/Modernization**: New manufacturing facilities set up by an existing enterprise within the existing facility or in a new site or in an adjacent vacant site for manufacturing a product already being manufactured with or without upgradation of technology or the process and/or a totally new product would be treated as expansion/diversification/modernization for the purpose of incentives under the policy or increase the installed capacity by at least 25% of the declared capacity or average production during immediate 3 years prior to commencement of the commercial production in the expanded / modernized / diversified enterprise, whichever is more and has to make an additional investment of at least 25% of the original fixed investment of the existing unit (Original fixed investment means, the investment prior to first sale invoice raised for the initial investment i.e prior to expansion / modernization / diversification program).
Annexure 1: LIST OF SERVICE ENTERPRISES ELIGIBLE FOR PACKAGE OF INCENTIVES AND CONCESSIONS

Applicable to projects approved by DLSWCC, SLSWCC and SHLCC only

1. Logistics facilities supporting to industries.
   a) Container Freight Station Operators,
   b) Warehouses,
   c) Cold Storages and cold chain for logistic support to Food Processing Industry
   d) Material handling equipment (except transport vehicles and good carriers)

2. Powder coating / Painting Enterprises, Industrial paintings, etc., engaged in job work.

3. Weigh bridges and health care facility set up within the KIADB KSSIDC industrial areas / estates.

4. Material / Product Testing Laboratory.
Annexure 2: LIST OF INDUSTRIAL ACTIVITIES / ENTERPRISES NOT ELIGIBLE FOR INCENTIVES AND CONCESSIONS

1. Breweries & Distilleries of all types excluding winery
2. Khandasari and Jaggery making enterprises
3. Photo Studios & Color Processing and instant photo printing Enterprises
4. Photo Copying / Xerox Machines / Fax Machines /Data Entry/Data Recovery, enterprises
5. Fertilizer Mixing units
6. Units engaged in Re-packing of Drugs / Medicines / Chemicals, without any processing or value addition
7. All types of Saw Mills excluding manufacture of particle board/ Low Density Fiber Board (LDF)/Medium Density Fiber Boards(MDF)/High Density Fiber Boards(HDF)
9. Azoic / Reactive Dyes manufacturing enterprises
10. Fire Cracker manufacturing enterprises
11. Industries manufacturing and / or utilizing Ozone depleting substances
12. Laundries including Power Laundries
13. Brick making Enterprises including Cement Hollow Blocks excluding Wire Cut & Fly Ash Bricks and Refractory Bricks parks etc.
Annexure 2: LIST OF INDUSTRIAL ACTIVITIES / ENTERPRISES NOT ELIGIBLE FOR INCENTIVES AND CONCESSIONS

14. Poultry excluding hatcheries
15. Popcorn and Ice candy making Enterprises excluding Ice Cream Manufacturing
16. Coffee roasting and Grinding units having installed capacity of less than 2 MT/day capacity.
17. Clock and Watch / Mobile / Computer and Hardware equipments repair enterprises
18. Cassette recording [Audio & video] enterprises
19. Cyanide Manufacturing enterprises
20. Mining and Mining Equipments
21. Lime kiln / burnt lime units
22. X-ray clinics and clinical / pathological laboratories and scanning, M.R.I. testing enterprises
23. All industries of mobile nature like rigs, concrete/tar mixing plants/hot mix plants including site oriented industries.
24. Units engaged in manufacture of Chrysolite Asbestos (White crystal)
25. All types of Saloon / Spas / Massaging Centers etc.
26. All types of hotels/restaurants/resorts/amusement parks etc.
Annexure 3A: TERMS & CONDITIONS FOR SANCTION OF INCENTIVES AND CONCESSIONS

- Irrespective of the location, industrial activities / enterprises as listed in Annexure – 2 will not be eligible for any incentives and concessions.
- Enterprises can avail incentives and concessions under only one policy of the Industries Department.
- Investment Promotion Subsidy available only to enterprises availing a minimum of 50% term loans on eligible fixed assets from Financial Institution/Banks.
- No restriction on quantum of loan to be availed from financial institutions for availing tax based incentives.
- The value of Fixed Assets will be the basis for computation of quantum of investment promotion subsidy.
- Investment promotion subsidy sanctioned in 2 or 4 installments.
Annexure 3A: TERMS & CONDITIONS FOR SANCTION OF INCENTIVES AND CONCESSIONS (Continuation...)

VAT/CST related Incentives:

- **Interest free loan on VAT and CST means, the eligible enterprise have to pay the prevailing VAT and CST and later claim interest free loan of net VAT and CST from Commerce and Industries Department.**

- **VAT related incentive will be provided only with reference to the sales attributed to the production from the new investments.**

- **The sales made out of the goods imported or stock transferred or purchased from other States and sold within Karnataka without substantive value addition of at least 25 percent of the input cost will be specifically excluded from purview of the VAT incentive.**

- **On introduction of GST, no compensatory incentive will be provided in case of abolition of CST or any other tax or change in rate of tax, which currently accrues to the State Government. However VAT related incentive will be converted to SGST related incentive with scope as originally approved.**
Annexure – 4: STRATEGIES FOR EXPORT PROMOTION

- **Encouragement of** SEZs, Agro & Food Processing Sector, Textiles & Readymade Garments Sector- Textiles Policy 2013, Chemical Industry Sector, Pharmaceuticals Sector, Engineering Sector (Automobile, Aerospace & Precision Tools), Electronics Sector, Gems & Jewellery Sector, Plastic Sector, Leather Sector, Handicrafts Sector, Marine Products.

- **Incentives and Concessions:**
  - **Exemption from Entry Tax:** For 100% EOU and Min Export Obligation of 50%, entry tax exemption at 100% is available.
  - **Refund of Certification Charges**
  - Refund of Cost incurred for Export Consultancy/Market Intelligence Studies (For exporter who have TO less than 5 crore p.a)
  - **Brand Promotion and Quality Assurance (50% expenses reimbursed):** For exporters having TO less than 5 crore for setting warehouse, showrooms, display of international dept stores, testing and registration charges
  - **Export-Import Management:** 50% of certification course charges reimbursed.
Annexure – 4: STRATEGIES FOR EXPORT PROMOTION (Continuation…)

Incentives and concessions available

- **Support for Establishment of Container Freight Stations and other export infrastructure** (25% of cost of project with a ceiling limit of Rs. 200 lakh)
- **Support for creation of Export facilitation facilities, R&D and testing services:** Rs. 50 lakh or 50% of cost whichever is less.
- **Market Development Assistance:**
  - South American Countries (Assistance up to ` 1.75 lakh)
  - Other Countries *(Assistance up to ` 1.50 lakh)*
- **Reimbursement of Export Credit Guarantee Insurance:** Max of Rs. 50,000 or 10% of premium paid towards Export Credit Guarantee Insurance.
- **Support for development of exports in Gherkins, Rose Onions and Floriculture:** Financial assistance up to 10% of procurement cost of seeds and training expenses.
Implementation Mechanism

- A High Level Departmental Monitoring Committee
- Strengthening the grass root level offices
- Strengthening of Karnataka Udyog Mitra, KIADB and KSSIDC
- Following milestones are set for ensuring periodical progress

<table>
<thead>
<tr>
<th>By the end of the year</th>
<th>Approval of investment (In crores)</th>
<th>Anticipated employment generation (In Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>50,000</td>
<td>1</td>
</tr>
<tr>
<td>2015-16</td>
<td>2,50,000</td>
<td>3.5</td>
</tr>
<tr>
<td>2016-17</td>
<td>3,50,000</td>
<td>7</td>
</tr>
<tr>
<td>2017-18</td>
<td>4,25,000</td>
<td>11</td>
</tr>
<tr>
<td>2018-19</td>
<td>5,00,000</td>
<td>15</td>
</tr>
</tbody>
</table>
Role of Cost and Management Accountants

- To inform companies about the various incentives, concessions and exemptions available
- To guide companies about investment opportunities
- To liaison with the Government departments and see that the companies get maximum benefit of the policy
Thank You

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