



KARNATAKA LEGISLATIVE COUNCIL
ONE HUNDRED AND FIFTY NINTH SESSION

THE KARNATAKA INDUSTRIES (FACILITATION) (AMENDMENT) BILL, 2026

(LA Bill No. 19 of 2026)

(As passed by the Karnataka Legislative Assembly)

A Bill further to amend the Karnataka Industries (Facilitation) Act, 2002.

Whereas, it is expedient to amend the Karnataka Industries (Facilitation) Act, 2002 (Karnataka Act No. 45 of 2003) for the purposes hereinafter appearing;

Be it enacted by Karnataka State Legislature in the seventy seventh year of the Republic of India as follows:-

1. Short title and commencement.- (1) This Act may be called the Karnataka Industries (Facilitation) (Amendment) Act, 2026.

(2) It shall come into force at once.

2. Amendment of section 2.- In the Karnataka Industries (Facilitation) Act, 2002 (Karnataka Act No. 45 of 2003)(hereinafter referred to as the Principal Act), in section 2,-

(i) in clause (ia) , after the words, figures and brackets “the Karnataka Town and Country planning Act, 1961 (Karnataka Act 11 of 1963)”, the words, figures and brackets “the Greater Bengaluru Governance Act, 2024 (Karnataka Act 36 of 2025), the Water (Prevention and Control of Pollution) Act, 1974 (Central Act 6 of 1974), the Air (Prevention and Control of Pollution) Act, 1981 (Central Act 14 of 1981), the Environment (Protection) Act, 1986 (Central Act 29 of 1986), the Karnataka Minor Mineral Concession Rules, 1994” shall be inserted;

(ii) after clause (ia), the following shall be inserted, namely:-

“(i-b) “Applicant” means an entrepreneur, person, body of persons, company, partnership firm, limited liability partnership or other business entity submitting an application under this Act for obtaining any approval, clearance, licence, permission, consent, registration, certificate, acknowledgement or other service;”

(iii) for clause (ii), the following shall be substituted, namely:-

“(ii) “Authority” means any Department, Board, Corporation, Local Authority, Statutory Body, Office, Agency, or other authority established by or under the State Government, including those Authorities specified in Schedule-I or such other Authority as may be notified by the State Government from time to time, which is entrusted with the power or responsibility to grant, issue, approve, renew, amend or otherwise administer any clearance, licence, registration, permit, consent, authorization or service;”

(iv) after clause (ii) as so substituted, the following shall be inserted, namely:-

“(ii-a) “Central Inspection System” means a risk-based, technology-enabled system implemented through the Single Window System for identifying, scheduling, allocating, conducting, recording and monitoring inspections by the authorities, including generation of inspection schedules, allocation of inspecting officers, submission of inspection reports, maintenance of audit trails and such other matters as may be notified by the State Government;”

(v) after clause (vi), the following shall be inserted namely:-

“(vi-a) “Facilitation Desk” means a help desk for investors within the Industries Department that supports investors by providing information, assistance and coordination for obtaining approvals and clearances;”

(vi) after clause (vii), the following shall be inserted, namely:-

“(vii-a) “Investment Approval Committee” means the State High Level Clearance Committee constituted under section 3, the State Level Single Window Clearance Committee constituted under section 6 or the District Level Single Window Clearance Committee constituted under section 9, as the case may be;”

(vii) after clause (vii-a) as so inserted, the existing clause “(vii-a)” and “(vii-b)” shall respectively be renumbered as “(vii-b)” and (vii-c).

(viii) after clause (viii), the following shall be inserted, namely:-

“(viii-a) “Single Window System” means a one-stop digital platform that provides applicants a single point of access to apply for, track, process and obtain approvals, clearances, licences, permissions, consents, registrations, renewals, transfers, amendments, cancellations or surrenders, inspections, compliance management, incentives, filings, returns, responses to queries and grievance redressal, and to fulfil compliance requirements across the business lifecycle, with audit trails, role-based access and minimal physical interface between the applicant and the concerned officers;

NOTE: For all services on-boarded on the Single Window System, no parallel physical or offline mode for acceptance or processing of applications shall be permitted, except in such exceptional circumstances and in such manner as may be notified by the State Government.

(viii-b) “Specified Time Limit” means the time limit specified under the Karnataka Sakaala Services Act, 2011 (Karnataka Act 01 of 2012) or under the applicable laws, rules, notifications, orders or guidelines governing the concerned service, within which such service is required to be delivered;”

3. Amendment of section 11A.- In the Principal Act, in section 11A,-

(i) in sub-section (1), after clause (a), the following shall be inserted, namely:-

“(a-a) The Additional Chief Secretary to Government and Development Commissioner - Co-chairman”

(ii) after sub-section (2), the following shall be inserted, namely:-

“(2-A) The Committee shall meet once in two months or at regular intervals as may be required at such times and such places and shall adopt such procedures to transact its business as may be prescribed.”

(iii) for sub-section (3), the following shall be substituted, namely:-

“(3) The functions of the State Level Empowered Committee shall be,-

(i) monitor the status of implementation of the projects cleared by the State Level Single Window Clearance Committee and State High Level Clearance Committees;

(ii) review and monitor the functioning of Single Window System;

(iii) issue directions to Departments and authorities for online enablement of services and their integration with the Single Window System; and

(iv) to perform such other functions as may be prescribed.”

(iv) after sub-section (3) as substituted, the following shall be inserted, namely:-

“(4) Nothing in any internal instructions or executive orders, always subject to the substantive provisions of the applicable law, the directions and orders issued by the State Level Empowered Committee under this Act shall be binding on the concerned departments, authorities and agencies.”

4. Amendment of section 12.- In the Principal Act, in section 12, after sub-section (1), the following shall be inserted, namely:-

“(2) The State level nodal agency shall be the nodal agency for all pre-establishment, post establishment and operational stage approvals. The State Nodal Agency shall be authorized to coordinate with the Authority or Authorities specified in Schedule-I or notified by the State Government to provide facilitation and guidance to investors throughout the entire project lifecycle.

(3) The State Nodal Agency shall be headed by a Chief Executive who shall be appointed by the State Government and shall be the executive head of the State Nodal Agency:

Provided that such officer shall not be below the rank of an officer of Indian Administrative services in the Super-time Scale.

(4) The State Nodal Agency shall be supported by a dedicated coordination committee consisting of officers from concerned departments.

(5) The State Nodal Agency shall constitute a dedicated facilitation desk, which may be supported by a third party, as a single point of contact to carry out the functions of co-ordination with the relevant departments for approval.”

5. Amendment of section 13.- In the Principal Act, in section 13,-

(i) after sub-section (2), the following shall be inserted, namely:-

“(2-A) The State Nodal Agency shall design, develop and maintain a secure, scalable and Application Programming Interface (API) enabled Single Window System, integrated with the National Single Window System and with the digital systems of Authorities.

(2-B) The State Nodal Agency shall also implement and administer the Central Inspection System, through the Single Window System, in coordination with the Authorities, without prejudice to the statutory powers of inspection, verification and enforcement conferred on such authorities under the relevant laws.

(2-C) The Single Window System shall provide for single sign-on, audit trails, dashboards and role-based access controls, and shall facilitate end-to-end service delivery across all stages of the business lifecycle, including registration, approval, renewal, transfer, amendment, cancellation and surrender.

(2-D) The State Nodal Agency shall provide, through the Single Window System, a ‘Know Your Approvals’ module, accessible without mandatory login, to enable an applicant to ascertain, on the basis of information furnished by such applicant, the indicative approvals, clearances, licenses, permissions, registrations, consents, certificates, inspections and compliances that may be applicable to the proposed industry, enterprise, project or activity:

Provided that the output generated by the “Know Your Approval” module shall be indicative in nature and shall not, by itself, confer any right, approval, exemption or immunity from compliance with any applicable law.

(2-E) The State Nodal Agency shall establish and maintain, through the Single Window System, a centralised Know Your Customer repository for business users, containing such information, documents, credentials, certificates, registrations and identity particulars as may be notified by the Government.

Note: The information or documents available in such repository shall, subject to applicable laws relating to privacy, data protection, consent, confidentiality, security and access control, be used by the Authorities for verification and processing of applications, and no applicant shall be required to submit the same information or document more than once, unless such information or document is required to be updated, validated, renewed or verified for current status.

(2-F) The State Nodal Agency shall monitor the Turnaround Time (TAT) for all business centric services routed through the Single Window System to reduce approval timelines, improve service performance and reduce compliance burden to the extent possible.

(2-G) The State Nodal Agency shall formulate guidelines and standard operating procedures for the effective implementation, operation and governance of the Single Window System, in such manner as may be prescribed.

(2-H) Without prejudice to sub-sections (1) and (2), the State Nodal Agency shall,-

(a) receive, route, facilitate and monitor applications for approvals, clearances, licences, permissions, registrations, consents, certificates and other services through the Single Window System;

(b) after obtaining the approval of the appropriate Investment Approval Committee shall monitor the concerned Authorities to ensure processing and disposal of applications within the Specified Time Limit;

(c) coordinate with the Authority or Authorities as specified in Schedule-I for the expeditious grant, refusal, renewal, amendment, transfer, cancellation, surrender or disposal of approvals, clearances, licences, permissions, registrations, consents, certificates and other services;

(d) place cases requiring higher-level consideration, inter-departmental resolution, policy clarification or regulatory intervention before the Authority or Authorities as specified in Schedule-I, Investment Approval Committee or State Government, as the case may be; and

(e) monitor and analyse the status and lifecycle of applications, approvals, clearances, licences, permissions, registrations, consents and certificates, and undertake or recommend business process re-engineering, simplification, rationalisation and digitisation measures to Authority or Authorities as specified in Schedule-I, to reduce turnaround time, improve service delivery timelines and minimise regulatory burden.”

(ii) for sub-section (3) and the entries relating thereto, the following shall be substituted, namely:-

“(3) In respect of manufacturing industry or manufacturing enterprise, the Affidavit based Clearance Certificate issued under clause (h) of sub-section (1) shall be deemed to be the clearances for setting up or establishment of industry as defined in clause (iii) of section 2, granted or issued by the respective departments for an initial period of three years in the case of Micro, Small and Medium Enterprises (MSMEs) and five years in the case of large-scale industries or till the date of commencement of commercial operations, whichever is earlier, from the date of its approval. The Affidavit based Clearance Certificate shall be issued by the State Nodal Agency on receipt of the application within fifteen days for the units to be located within industrial areas and within twenty days for the units located outside industrial areas on receipt of the application. If the same is not approved within the specified time, the Affidavit based Clearance Certificate shall be deemed to have been approved.

Explanation: Where the manufacturing industry or manufacturing enterprise establishes as per sub-section (3), the applicant has to take necessary clearances as per sub-sections (2) and (3) of section 14, before commencement of commercial operations.”

(iii) in sub-section (5), for the words “acknowledgement certificate”, the words “Affidavit based Clearance Certificate” shall be substituted.

(iv) in sub-section (6) for the “Explanation”, the following shall be substituted, namely:-

“Explanation: List of services, approvals or clearances that are required to be brought under the purview of Affidavit based Clearance Certificate shall be considered as clearances by the departments for an initial period of three years in case of Micro, Small and Medium Enterprises (MSMEs) and five years in case of large-scale industries or till the date of commencement of commercial operation, whichever is earlier for manufacturing industry or manufacturing enterprise. The list of services, approvals or clearances shall include clearances as defined in clause (iii) of section 2.”

6. Insertion of new sections 13-A, 13-B and 13-C- In the Principal Act, after section 13, the following new sections shall be inserted, namely:-

“13-A. Chief Executive Officer.- (1) The Chief Executive Officer shall be the executive head of the State Nodal Agency.

(2) The Chief Executive Officer shall exercise and discharge, on behalf of the State Nodal Agency, all powers and functions vested in the State Nodal Agency under this Act.

(3) The Chief Executive Officer may issue such directions to officers of the State Nodal Agency and members of the Coordination Committee as may be necessary for the expeditious processing and disposal of applications under this Act.

(4) The Chief Executive Officer shall perform such other functions as may be prescribed.

13-B. Coordination Committee.- (1) The State Nodal Agency shall be supported by a Coordination Committee comprising of officers not below the rank of Additional Director or Joint Director or equivalent from each of the Authority or Authorities as specified in Schedule-I.

(2) The Chief Executive Officer of the State Nodal Agency shall be the Chairperson of the Coordination Committee.

(3) The members of the Coordination Committee shall act as nodal officers for their respective Authority or Authorities as specified in Schedule-I and shall be responsible for facilitating coordination, timely processing and disposal of applications, approvals, clearances, licences, permissions, registrations, consents, certificates and other services under this Act.

(4) The Coordination Committee shall support the State Nodal Agency in,-

- (a) coordination with Authority or Authorities as specified in Schedule-I;
- (b) monitoring compliance with the Specified Time Limit;
- (c) resolution of inter-departmental issues affecting investment proposals;
- (d) coordination of inspections through the Central Inspection System;
- (e) escalation and resolution of delayed applications; and
- (f) such other functions as may be prescribed or assigned by the State Government.

(5) Managing Director of the State Nodal Agency shall be the Member Secretary of the Coordination Committee.

(6) The Coordination Committee shall meet at such intervals and follow such procedure as may be prescribed.

13-C. Mandatory integration with Single Window System and once-only submission of information.- (1) Every Department, office, authority, board, corporation, local authority, statutory body, agency or other entity owned or controlled by, or under the administrative control of, the State Government, which provides any business-related service, including any approval, license, registration, permission, consent, clearance, certificate, incentive, renewal or other service required for the establishment, operation or expansion of an industry or enterprise, shall integrate its digital systems, databases and online service delivery platforms with the Single Window System.

(2) For the purposes of sub-section (1), every Department, office, authority, body or agency shall develop, adopt and maintain such data interoperability standards, Application Programming Interfaces, data exchange protocols, digital authentication mechanisms and other technological arrangements as may be notified by the State Government.

(3) Applications submitted through the Single Window System shall, as far as may be practicable, be auto-populated with information and documents already available with the Authority or Authorities as specified in Schedule-I thereof, subject to applicable laws relating to data protection, privacy, confidentiality, consent, security and access control.

(4) No applicant shall be required to furnish or upload any information, record, certificate, approval, registration, license, document or other particulars which have already been submitted to, generated by, issued by, or are otherwise available with any Department, office, authority, body or agency of the State Government:

Provided that where any such information, record, certificate, approval, registration, license, document or particulars are required to be verified, authenticated, validated, renewed, updated in the records of the issuing authority, or checked for current status, validity or correctness, the concerned Department, office, authority, body or agency shall obtain or verify the same electronically from the issuing authority, source database, Government repository, Single Window System or any other interoperable Government system, and shall not require the applicant to furnish or upload the same again.

Provided further that the applicant shall be responsible for ensuring that any approval, licence, registration, certificate, consent, permission or other document relied upon by the applicant is valid, subsisting and updated in the records of the issuing Authority or Authorities as specified in Schedule-I.

(5) The State Government may prescribe the manner, standards, safeguards, responsibilities and procedures for integration, data sharing, authentication, audit, security and compliance under this section.”

7. Amendment of section 14.- In the Principal Act, in section 14, in sub-section (3) for the words “acknowledgement certificate”, the words “Affidavit based clearance certificate” shall be substituted.

8. Substitution of section 16.- In the Principal Act, for section 16, the following shall be substituted, namely:-

“16. Inspection.- Notwithstanding anything contained in this Act or any other law for the time being in force, no inspection shall be carried out during the period of validity of the Affidavit based clearance certificate, except in instances where inspections are warranted. In such cases, the inspection shall be carried out only by such officers of the respective departments, with the prior approval of the concerned Head of the Department and in consultation with the concerned nodal agency, in such manner and subject to such guidelines as may be specified by Government from time to time.”

9. Amendment of section 19.- In the Principal Act, in section 19, in sub-section (2) for the words “acknowledgement certificate”, the words “Affidavit based clearance certificate” shall be substituted.

10. Insertion of new section 20-A.- In the Principal Act, after section 20, the following new section shall be inserted, namely:-

“20-A. Overriding effect.- Save as otherwise provided in this Act, the provisions of this Act and the rules made thereunder shall have overriding effect to the extent of service delivery and procedure facilitation, notwithstanding anything to the contrary contained in any law of the State for the time being in force.”

11. Insertion of new Schedule-I.- In the Principal Act, after section 23, the following Schedule-I shall be inserted, namely:-

“SCHEDULE – I

(see section 13-B)

Composition of the Coordination Committee

The Coordination Committee shall consist of the officers of the following Departments or Authority, namely:-

1. Department of Industries and Commerce.
2. Revenue Department.
3. Energy Department.
4. Department of Municipal Administration.
5. Department of Town and Country Planning.
6. Department of Forest, Environment and Ecology.
7. Department of Micro, Small and Medium Enterprises, Textiles and Mines.
8. Karnataka State Pollution Control Board.
9. Karnataka State Fire and Emergency Services Department.
10. Karnataka Industrial Areas Development Board.
11. Labour Department.
12. Department of Factories, Boilers, Industrial Safety and Health.
13. Department of Mines and Geology.
14. Karnataka State Police Department.
15. Bangalore Water Supply and Sewerage Board or such other water supply and sewerage authority having jurisdiction over the project area.

Any other Department, Authority, Board, Corporation or Agency as may be nominated by the State Government from time to time.”

STATEMENT OF OBJECTS AND REASONS
(As appended to at the time of introduction)

It is considered necessary to amend the Karnataka Industries (Facilitation) Act, 2002 (Karnataka Act 45 of 2003) to,-

- (i) insert and modify certain definitions under definition clause;
- (ii) include Additional Chief Secretary to Government and Development Commissioner as Co-Chairman to the State Level Empowered Committee and to prescribe the procedure for its meetings;
- (iii) provide for constitution of State Nodal Agency and its functions;
- (iv) replace the term “acknowledgement certificate” with the term “Affidavit based clearance certificate” and
- (v) give overriding effect to the Act over other laws for time being in force.

Hence the Bill.

FINANCIAL MEMORANDUM

There is no extra expenditure in the proposed legislative measure at this stage.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 3:	Sub-clause (2-A), empowers the State Government to make rules regarding the procedure to transact its business for the State Level Empowered Committee.
Clause 5:	Sub-clause (2-G), empowers the State Government to make rules regarding the guidelines and standard operating procedures for the effective implementation, operation and governance of the Single Window System, by the State Nodal Agency.
Clause 6:	Empowers the State Government to make rules regarding the functions of the Chief Executive Officer and the Coordination Committee and the manner, standards, safeguards, responsibilities and procedures for integration, data sharing, authentication, audit, security and compliance.

The proposed delegation of legislative power is normal in character.

M.B. PATIL

Minister for Large and Medium Industries

JYOTI

Secretary (I/c)
Karnataka Legislative Council

ANNEXURE
THE KARNATAKA INDUSTRIES (FACILITATION) ACT, 2002
(KARNATAKA ACT NO. 45 OF 2003)

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2. Definitions.- In this Act unless the context otherwise requires,-

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(ia) "Applicable Acts" means the Factories Act, 1948, the Boilers Act, 1923, the Contract Labour (Regulation and Abolition) Act, 1970, the Employees State Insurance Act, 1948, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Maternity Benefit Act, 1961, Gratuity Act, 1972, the Equal Remuneration Act, 1976 and the Karnataka Shops and Commercial Establishments Act, 1961; 2 [the Legal Metrology Act, 2009 (Central Act 1 of 2010) or rules made there under, the Karnataka Municipalities Act, 1964 (Karnataka Act 22 of 1964), the Karnataka Municipal Corporations Act, 1976 (Karnataka Act 14 of 1977), the Karnataka Grama Swaraj and Panchayat Raj Act, 1993 (Karnataka Act 14 of 1993), the Karnataka Industrial Area Development Act, 1966 (Karnataka Act 18 of 1966), the Karnataka Fire Force Act, 1964 (Karnataka Act 42 of 1964), the Karnataka Preservation of Trees Act, 1976 (Karnataka Act 76 of 1976), the Karnataka Forest Rules, 1969, the Karnataka Land Revenue Act, 1964 (Karnataka Act 12 of 1964), the Karnataka Land Reforms Act, 1961 (Karnataka Act 10 of 1962), the Bangalore Development Authority Act, 1976 (Karnataka Act 12 of 1976), the Karnataka Urban Development Authorities Act, 1987 (Karnataka Act 34 of 1987), the Karnataka Town and Country Planning Act, 1961 (Karnataka Act 11 of 1963), and the policies of the Karnataka State Small Scale Industries Development Corporation;

(ii) "Authority" includes a local authority or any statutory Board, Corporation or other authority established by the State Government and which are entrusted with the powers or responsibility to grant or issue clearances;

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11A. State Level Empowered Committee.- (1) The Government may constitute a State Level Empowered Committee, consisting of the following, namely:-

- (a) The Chief Secretary to Government of Karnataka, - Chairman
- (b) The Principal Secretary to Government, Commerce and Industries Department, - Member
- (c) The Principal Secretary to Government, Revenue Department, - Member
- (d) The Principal Secretary to Government, Water Resource Department, - Member
- (e) The Principal Secretary to Government, Energy Department, - Member
- (f) The Principal Secretary to Government, Information and Technology Department, - Member
- (g) The Principal Secretary to Government, Urban Development Department, - Member
- (h) The Secretary to Government, Department of Forest, Environment and Ecology, - Member
- (i) The Secretary to Government, Department of Commerce and Industries (Small Scale Industries, Textiles and Mines), - Member
- (j) The Principal Secretary/Secretary to Government, Agriculture Department - Member
- (k) The Principal Secretary/Secretary to Government, Infrastructure Development Department - Member
- (l) The Principal Secretary/Secretary to Government, Tourism Department - Member
- (m) The Chairman, The Karnataka State Pollution Control Board, - Member
- (n) The Director General and Inspector General of Police, The Karnataka State Fire Extinguishing and Emergency Services, - Member
- (o) The Chief Executive Officer and Executive Member, Karnataka Industrial Area Development Board, Bangalore, - Member
- (p) The Commissioner for Industrial Development and Director for Industries and Commerce, - Member Secretary

Note: For the purpose of this section, The Principal Secretary to Government, Commerce and Industry Department, means the officer in charge of the subject "industries (Facilitation)", who is either Secretary or Principal Secretary or Additional Chief Secretary to Government.

(2) The Committee may co-opt an expert or knowledgeable person as co-opted member, if necessary.

(3) The functions of the State Level Empowered Committee are,-

- (i) to monitor the status of implementation of the projects cleared by the State Level Single Window Clearance Committee and State High Level Clearance Committees; and
- (ii) to perform such other functions as may be prescribed

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12. Appointment of Nodal Agency.- (1) The State Government may, by notification, appoint the Karnataka Udyoga Mitra as a 'Nodal Agency' at the State level and the 'District Industries Centres' as the 'District Nodal Agency' at the district level to undertake investment promotional activities and to render necessary guidance and assistance to entrepreneurs to set up industrial undertakings in the State.

13. Functions of the Nodal Agency.- (1) The functions of Nodal Agency at the district level shall among others includes the following:

- (a) to carryout investment promotional activities,
- (b) to render necessary assistance in policy formulation for industrial progress,
- (c) to guide and assist entrepreneurs to set up industries in the State,
- (d) to issue combined application form to the entrepreneurs and also to receive the forms from them and to arrange required clearances from departments and authorities within the stipulated time.

(e) to provide secretarial support to the High level Clearance Committee, State level Single Window Clearance Committee and the District level Single Window Clearance Committee.

- (f) to promote environment friendly and clearer technology and production practices,
- (g) to perform any other function as may be entrusted to it by the State Governments.

(h) on receipt of combined application form from the manufacturing industries or enterprises, the respective nodal agency shall issue an acknowledgment certificate, after obtaining the approval by the investment committees, namely State High Level Clearance Committee, State Level Single Window Clearance Committee or District Level Single Window Clearance Committee, in the prescribed form, to the applicant:

Provided that, land shall be considered for the purpose for which it is being acquired or permission for which it is applied for

(2) The State Level Nodal agency shall also perform functions referred to in sub-section (1) and in addition prepare and regularly update an entrepreneurs guide providing complete particulars relating to,-

- (i) State and Central Industrial policies,
- (ii) Procedure to obtain the required clearances from the department and authorities
- (iii) information on industrial status and advantages existing in the State.
- (iv) salient features of Acts and the rules made thereunder applicable to an industrial undertaking, and
- (v) any other information useful to the entrepreneurs.

(3) In respect of manufacturing industry or manufacturing enterprise, the acknowledgement certificate issued under clause (h) of sub-section (1) shall deemed to be the clearances for setting up or establishment of Industry as defined in sub-section (iii) of section 2, granted or issued by the respective departments for an initial period of three years or till the date of commencement of commercial operations, whichever is earlier, from the date of its acknowledgement:

Provided that, such deemed clearance for setting up of Industry shall be only to the Land for the purpose for which it is being acquired or permission is applied for. Further, there shall not be any deviation in construction with reference to the building bye-law and

to the land use specified in any applicable Act or the master plan, wherever such plan is in force.

Provided further that, the approvals shall not entitle the manufacturing industry or manufacturing enterprise to use a land without clear title or lands falling under dispute, restricted categories etc.,. The ceiling limit of area that can be acquired or utilized under the provisions of this Act shall be limited as per the provisions under section 109 of the Karnataka Land Reforms Act, 1961 (Karnataka Act 10 of 1962).

Explanation: Where the manufacturing industry or manufacturing enterprise establishes as per sub-section (3), the applicant has to take necessary clearances as per sub-sections (2) and (3) of section 14, before commencement of commercial operation.

(4) To assist various administrative or line departments whose powers are devolved upon the nodal agency under various legislations, Acts, rules or regulations for obtaining the approvals and monitoring the implementation of the project.

(5) To monitor and maintain the record of the applications or proposals and acknowledgement certificate issued.

(6) The state level nodal agency to maintain the database of all the project applications, approvals or acknowledgements as a central repository through the online systems.

Explanation: List of services, approvals or clearances that are required to be brought under the purview of acknowledgement certificate shall be considered as clearances by the departments for an initial period of three years or till the date of commencement of commercial operation, whichever is earlier for manufacturing industry or manufacturing enterprise. The list of the services, approvals or clearances shall include clearances as defined in clause (iii) of section 2.

14. Combined Application Forms (CAF).- XX XX XX

(3) The manufacturing industry or manufacturing enterprise shall make relevant applications for operationalising the Unit under applicable Acts, rules, etc. within the prescribed timelines, that is six months before the expiry of the acknowledgement certificate. The acknowledgement certificate as issued to the said industry or enterprise as per sub-section (3) of section 13 shall be the prerequisite document for getting approvals under this sub-section.

Explanation: The acknowledgement certificate shall be the approval document for all the approvals or clearances as required under applicable Acts and rules specified in clause (iii) of section 2 and the approvals that require approval or clearance before the commencement of construction or establishment shall be deemed to be received.

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16. Inspection.- During the period of validity of the acknowledgement certificate, in instances where inspections are warranted, the inspection shall be carried out by such officers of the respective departments in consultation with the nodal agency and approval of the Head of the department concerned, in such manner, subject to such guidelines as may be prescribed

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19. Penalty.- XX XX XX

(2) Any manufacturing industry or enterprise which fails to comply with the conditions specified in the undertaking or the self-certification given to the nodal agency while applying for acknowledgement certificate or for violating any clause in the applicable Act or rules while implementing the industrial projects, shall on conviction be punishable, based on contravention of service, severity of violation and category of industry, with penalty which may extend up to two lakh rupees for the first offence and for the second and subsequent offence, with penalty which may extend up to four lakh rupees and the department concerned shall initiate penal action under respective existing Act

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