

FAQs for The Karnataka Industries (Facilitation) (Amendment) Ordinance, 2020

1. What is new in Karnataka Industries (Facilitation) (Amendment) Ordinance, 2020?

Ans: The major highlight of this amendment is that the Government has extended a relaxation to “Manufacturing Enterprises” or “Manufacturing Industry” (Micro to Large) by allowing them to initiate establishment of their industry by only filling the Combined Application Form (CAF) along with relevant fee & Self-Certification for various approvals applicable and receiving an Acknowledgement Certificate. Under this process, the investor is not required to obtain approvals/clearances from different government agencies, for a period of 3 years or till the commencement of commercial operation, whichever is earlier.

2. Which clearances are not required to be obtained for a period of 3 years or commencement of commercial operation?

Ans: The following clearances are not required to be obtained under the new scheme:

- i. Acquire land u/s 109 of Karnataka Land Reforms Act for non-agricultural purposes
- ii. Non-Agricultural Conversion
- iii. Building Plan Approval from KIADB, KSSIDC, BDA, BBMP & other ULBs/Local Planning Authorities & Panchayats
- iv. Factory plan approval
- v. Provisional NOC from Karnataka State Fire and Emergency Services
- vi. Tree Felling & Transit Permission
- vii. Boilers erection permission
- viii. Registration Under Contract Labour (Regulation and Abolition) Act, 1970
- ix. Trade Licenses
- x. Health NoC by Municipality/ Panchayat for Food Registration certificate
- xi. New License to Manufacturer of Weights and Measures State Jurisdiction

3. What is meant by “Manufacturing Enterprises”?

Ans: “Manufacturing Enterprise” means the enterprise engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951 or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use.

4. What is meant by “Manufacturing Industry”?

Ans: “Manufacturing industry” means the industry which involves in the manufacturing and processing of items and indulges in either creation of new commodities or in value addition.”

5. What is Combined Application Form (CAF)?

Ans: The State Government may, prescribe Combined Application Form for the use of entrepreneurs whose projects are approved either by the State High Level Clearance Committee or State level Single Window Clearance Committee and District level Single Window Committee, the rules made thereunder for obtaining the required clearances. All Departments or authorities concerned shall accept such Combined Application Form for processing and issue of required clearances.

6. What is the meaning and significance of Self-Certification?

Ans: The self-certification provided by the manufacturing industries or manufacturing enterprises shall be in form of an Affidavit which shall be the mandatory document for submission of the Combined Application Form. The manufacturing industry or manufacturing enterprise shall furnish an undertaking that on clearance they shall abide by all the applicable Acts/Rules and any deviation found at a later stage shall be liable for penal action under this Act or any applicable Acts. The application thus made by the manufacturing Industry or manufacturing Enterprises shall be along with the requisite fee prescribed for the services that are implied of the unit.

7. What would be the contents of the Self-Certification?

Ans: Self Certification/ Declaration shall have confirmation of the Applicant on the following,

- Information filed in the CAF
- Adherence to respective Acts & Rules applicable to services for which moratorium facility is availed
- Sole responsibility of the Applicant for any deviation from the provisions of the respective Acts & Rules

8. What is the process after submission of CAF and self-certification?

Ans: 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.

9. Will there be any inspections by concerned departments after submitting Self-Certification?

Ans: In instances where the respective department / agencies need to undertake any inspection during the three year moratorium period (except in case where there are complaints or the company has applied for pre operational approvals and the inspections are required to be done), the department/ agency concerned shall inform the Industry along with the approval from the head/s of the department/s concerned.

Detailed reasons/ justification along with the date of inspection to be provided by Department/Agencies

10. What if any manufacturing enterprise/industry do not comply with the conditions specified in the undertaking or the self-certification?

Ans: 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 rule, while implementing the industrial projects, shall on conviction be punishable with fine which may extend to one lakh rupees for the first offence and for the second and subsequent offence, with fine which may extend to two lakh rupees. In addition, the departments concerned shall initiate penal action under respective Acts.

11. What if any manufacturing enterprise/industry wishes to go by the regular route of obtaining approvals?

Ans: Applicant who do not opt for Self-Certification shall take all necessary approvals prior to setting up of industry.