



**KARNATAKA LEGISLATIVE ASSEMBLY
FOURTEENTH LEGISLATIVE ASSEMBLY
SECOND SESSION**

**THE KARNATAKA INDUSTRIES (FACILITATION)
(AMENDMENT) BILL, 2013
(L.A. Bill No. 17 of 2013)**

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

Whereas it is expedient to amend the Karnataka Industries (facilitation) Act, 2002 (Karnataka Act 45 of 2003) for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Sixty-fourth 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, 2013.

(2) It shall come into force at once.

2. Amendment of section 2.- In the Karnataka Industries (Facilitation) Act, 2002 (Karnataka Act 45 of 2003) (hereinafter referred to as the principal Act,) in section 2, after clause (x), the following shall be inserted, namely:-

“(xi) **“State Level Empowered Committee”** means the State Level Empowered committee constituted under section 11A”.

3. Amendment of section 3.- In section 3 of the principal Act, in sub-section (2), for the words ‘fifty crores’, the words ‘one hundred crores’ shall be substituted.

4. Amendment of section 6.- In section 6 of the principal Act, in sub-section (2), for the words “three crores rupees and less than rupees fifty crores each”, the words “fifteen crores rupees and less than rupees one hundred crores each” shall be substituted.

5. Amendment of section 9.- In section 9 of the principal Act, in sub-section (1), for the words “rupees three crores”, the words “rupees fifteen crores” shall be substituted.

6. Insertion of new section 11A.- After section 11 of the principal Act, the following shall be inserted, namely:-

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

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| (a) The Chief Secretary to Government of Karnataka, | - | Chairman |
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| (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 Chairman, The Karnataka State Pollution Control Board, | - | Member |
| (k) The Director General and Inspector General of Police, The Karnataka State Fire Extinguishing and Emergency Services, | - | Member |
| (l) The Chief Executive Officer and Executive Member Karnataka Industrial Area Development Board, Bangalore, | - | Member |
| (m) 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."

7. Substitution of section 14.- For section 14 of the principal Act, the following shall be substituted, namely:-

"14. Combined Application Forms (CAF).- The State Government may, prescribe Combined Application Form for the use of entrepreneurs for obtaining clearance from the State High Level Clearance Committee or State High level Single Window Clearance Committee or District level Single Window Committee. This Combined Application Form shall also be used in lieu of existing forms prescribed under applicable Central or State Acts except the application for Licensing of a Factory as provided in section 41A of the Factories Act, 1948 and 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."

8. Omission of section 16.- Section 16 of the principal Act shall be omitted.

9. Insertion of section 18A.- After section 18 of the principal Act, the following shall be inserted, namely:-

"18A. Review.- (1) Any applicant aggrieved by the decision of the State High Level Clearance Committee may appeal to the State High Level Clearance Committee for review of its decision given earlier, if the applicant,-

(a) has any new facts or grounds on which the decision has to be reconsidered by the Committee;

(b) points out an apparent error on the face of the decision.

(2) The State High Level Clearance Committee may consider such appeal and take appropriate decision, which shall be final."

STATEMENT OF OBJECTS AND REASONS

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

- (a) Constitution of a State Level Empowered Committee under the Chairmanship of the Chief Secretary to Government for giving impetus to the implementation of approved projects;
- (b) to increase the project cost that can be cleared by the State High Clearance Committee, State High Level Single Window Clearance Committee, District level Single Window Clearance Committee and in view of the escalation of cost of investment of the projects/proposals;
- (c) review provision against the decision of State High Level Clearance Committee; and
- (d) certain other consequential amendments are also made

Hence, the Bill.

FINANCIAL MEMORANDUM

There is no extra expenditure involved in the proposed legislative measure.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 6: Clause (ii) of sub-section (3) of section 11A proposed to be inserted by clause 6 of the Bill, empowers the State Government to make rules regarding the functions to be performed by the State level empowered committee

The proposed delegation of legislative power is normal in character.

SIDDARAMAIAH
CHIEF MINISTER

P. OMPRAKASHA
Secretary
Karnataka Legislative Assembly

ANNEXURE

EXTRACT FROM THE KARNATAKA INDUSTRIES (FACILITATION) ACT, 2002 (KARNATAKA ACT 45 OF 2003)

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2. Definitions.- XX

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(x) 'State Level Single Window Clearance Committee' means the State Level Single Window Clearance Committee constituted under section 6.

3. State High Level Clearance Committee.-

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(2) The Committee shall examine and consider the proposals received from any entrepreneur relating to any industrial and other projects to be set up in the State, with an investment of rupees fifty crores and above in each case.

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6. State Level Single Window Clearance Committee.-

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(2) The State Level Single Window Clearance Committee shall examine and consider proposal received from the entrepreneurs relating to industrial and other projects to be set up in the State with an investment of more than three crores rupees and less than rupees fifty crores each.

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9. District level Single Window Clearance Committee.- (1) The State Government, may, by notification constitute a single point clearance committee at the district level called the 'District Level Single Window Clearance Committee' consisting of such members, as may be prescribed. The District Level Single Window Clearance Committee shall examine and consider proposal received from entrepreneurs relating to industrial projects with the investment of upto rupees three crores each to be set up in the respective districts.

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14. Combined Application Forms (CAF).- 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, in lieu of existing forms prescribed under applicable Central or State Acts except

the application for Licensing of a Factory as provided in section 41-A of the Factories Act, 1948 and 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.

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16. Rationalisation of Inspections.- Inspections under the provisions of applicable Acts or rules by different levels of authorities, shall be conducted jointly with the Office of the Labour Commissioner, Chief Inspector of Factories and Boilers representatives of the Employees State Insurance Corporation and the Employees Provident Fund Organization and Karnataka State Pollution Control Board once in a year. Such inspections shall be based on random selection. However, inspections against specific complaints, may be conducted with the authorisation by the heads of the department or authority. Further, inspections in respect of pollution and safety aspects may be conducted as required under the relevant Acts or rules. Other inspections under other laws or rules as may be specified by the State Government from time to time shall be waived and self certification shall be accepted.

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