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**Advantage Karnataka!**  
**The Gateway of Innovative India.**



**Advantage Karnataka**

One State, Many Opportunities

[www.advantagekarnataka.com](http://www.advantagekarnataka.com)



**Advantage Karnataka**

One State, Many Opportunities



**Karnataka Udyog Mitra**

Single Point Contact for Investors

# Karnataka Calling



Karnataka is one of the most progressive and industrialised states in the country. The State has an illustrious history of successfully introducing several industrial and technological initiatives.

Today, Karnataka is driving domestic growth and creating wealth through a potent mix of resource-based, skill-based, technology-based and knowledge-based products and services.

A proactive Government, investor-friendly policies, excellent human resource, good infrastructure and a very congenial industrial climate have been Karnataka's USPs.

Karnataka is calling – opportunity beckons like never before!



# Chief Minister's Message



**Sri. Siddaramaiah**

Hon'ble Chief Minister & Minister for  
Large & Medium Industries  
Government of Karnataka

The state has been pioneer in the development of industries and providing an industry friendly ecosystem that nurtures the spirit of entrepreneurship and innovation.

Karnataka is the 3rd largest FDI receiving state in the Country. The state is distinguished as the Knowledge Hub of Asia, Karnataka also has the largest number of R & D Centres in India.. The World Economic Forum has identified Karnataka among the top 4 innovation hubs in the World.

World Bank's Investment Climate Index has ranked Karnataka first for a "Healthy Business Climate and Attracting Investments". Karnataka has the distinction of having built a healthy eco system for Information Technology, Bio Technology, Aerospace, Semiconductor, Electronics and Hardware.

Karnataka also has largest number of Medical Institutes & Industrial Training Institutes (ITI) in the country. Karnataka is the preferred investment destination in the Country and truly represents "One State, Many Opportunities".

Karnataka's economic growth across sectors namely IT/BT, Aerospace, Machine Tools, Animation & Gaming, Telecommunication, Agri Business & others has been rapid & on a steady ascent. The state has always been among the top preferred investment destinations in India. It offers plethora of opportunities to investors across sectors.

Each of our 30 districts is unique in its own right, offering investment potential like no other state in the country. Supported by rich natural resources and progressive policies, the state presents to its investors the right blend of strengths and opportunities.

Government of Karnataka is committed to play the role of catalyst & facilitator to maintain the state position as India's most preferred investment destination.

The Government is focused on building critical infrastructure required for the industry. The Government's priority is also to speed up the implementation of the projects approved in the state.

Our endeavor, as the state, is to create an atmosphere of healthy governance which impacts every section of the society. We intend to take Karnataka from one of the top preferred business destinations to the most preferred business destinations in India and as a step in that direction Government of Karnataka is planning to conduct Global Investors Meet 2014 to showcase Karnataka as an investment hub. The event is also aimed at bringing together Business Leaders, Investors, Corporations, Thought Leaders, Policy & Opinions Maker under one platform.

It is my pleasure to welcome to the Karnataka, when it comes to investment its Advantage Karnataka all the way.

Siddaramaiah

# Overview: Advantage Karnataka



Socio-Economic Outlook



Industrial Profile



Industrial Infrastructure

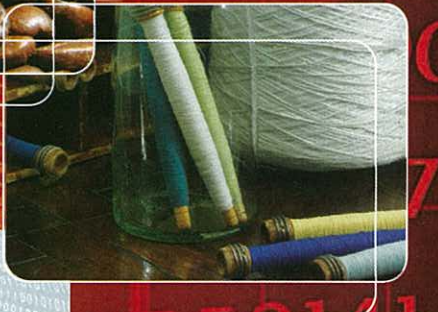


Investor Facilitation



Global Investors Meet

# Socio-Economic Outlook



# Socio-Economic Outlook



# Socio-Economic Outlook

**Advantage Karnataka:**  
Catering to the Human Resource need of the industry through 1,162 Industrial Training Institutes, 291 Polytechnics, 187 Engineering Colleges, 72 Medical Colleges and 22 Universities

Karnataka is one of India's fastest growing States, offering trade and investment opportunities across industry sectors. With just 5% of the country's population, the State contributes to 6% of GDP, 7% of Fixed Capital and 13% of India's exports.

## Socio-Economic Profile

Area :	191,791 sq km
Capital :	Bangalore
Districts :	30
Population :	61.1 million (2011 Census)
Population Density :	319 per sq km
Urbanization :	38.57%
Human Development Index :	0.65
Literacy Rate :	75.6%
GSDP at Constant ('04-'05) :	Rs.303444 Crore (FY 2012- 13 AE)

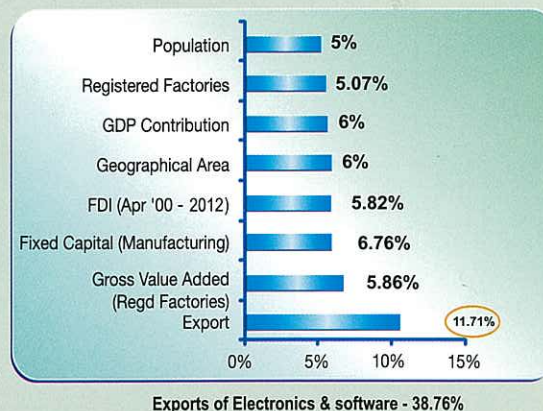
GSDP Growth Rate : 5.9% (FY 2011-12 to FY 2012-13)

Per Capita GSDP at current prices : Rs.78049 (FY 2012-13)

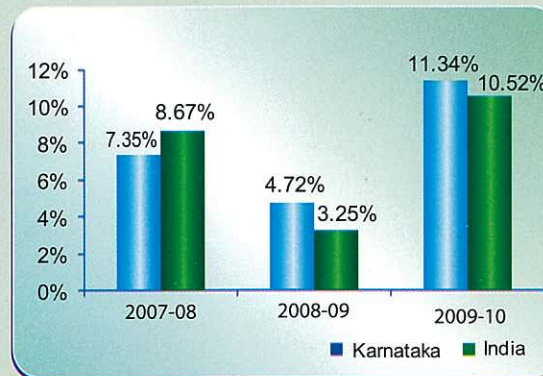
Major Crops : Cereals, Pulses, Oil Seeds, Cotton, Sugarcane, Tobacco.

Major Industries : Automotive and Aerospace  
IT/ ITeS  
Chemicals & Petrochemicals  
Mines & Minerals  
Education  
Biotechnology & Pharmaceuticals  
Energy  
Tourism  
Textiles & Apparels  
Agro and Food Processing

## Karnataka's Share in India



## Growth of Karnataka's Index of Industrial production(IIP)



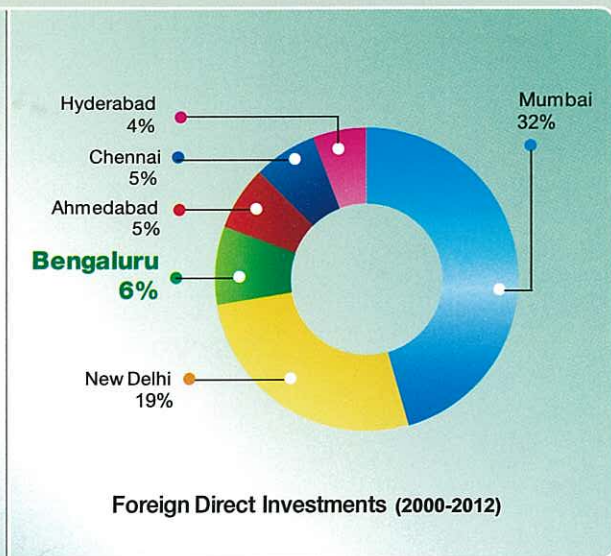
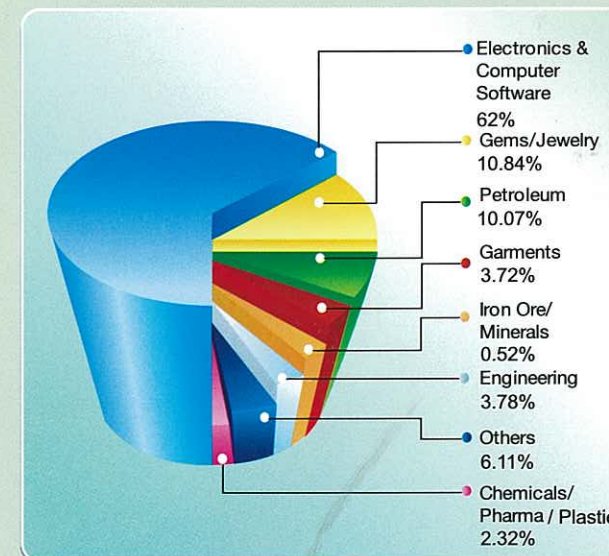
Source: Economic Survey of India, 2011-12  
Source: Economic Survey of Karnataka, 2012-13

## State's Distinguishing Competencies

- Largest Biotechnology Hub in India – hosts 194 of India's 340 Biotech companies
- Largest Hub of Software Technology Parks in India – a third of India's STP units
- Largest number of Medical Institutes and Industrial Training Institutes (ITIs) in the country
- Largest number of Research and Development Centers in India
- Largest Software exporter in India
- Largest Coffee producer in India
- Leading producer of Horticulture products in India
- 3rd largest number of Engineering Colleges in India
- 3rd largest exporter of Silk products in India

Electronics & Computer Software comprise 62% of the total exports from the State - ₹ 90,734.6 Crore (US\$ 18903 Million)

Karnataka has the third largest share of FDI inflows to India - ₹ 42,131 Crore (US\$ 8777.3 Million)



# Socio-Economic Outlook

## Advantage Karnataka:

Bangalore is ranked as the second most vibrant city among the top 50 cities in India

## Quality of life



**Healthcare:** Karnataka offers the best options in Healthcare with world-class facilities and Super Specialty Hospitals. It also has diverse options in Ayurveda, Naturopathy, Unani, etc.



**Education:** Known as the 'Knowledge Hub of Asia', Karnataka boasts of 187 Engineering Colleges, 114 Medical Colleges, 13 International Schools and 22 Universities imparting General Education. The State is home to an array of institutions of excellence like Indian Institute of Science, IIM Bangalore, IIT Bangalore, National Law School, etc.



**Getaways:** Resorts and Spas, Wildlife Parks, Heritage Sites, Temples, Adventure Sports, Derby, Golf Clubs and Multiplexes



**Culture & Cuisine:** Carnatic Music to Bharatnatyam, Latest Fashion to Traditional Silk Sarees, Indian Cuisine to World Cuisine – Karnataka has it all!

# Industrial Profile



# Industrial Profile



Karnataka is home to more than 80 Fortune 500 Companies and over 700 Multinationals. It has been consistently rated as one of the best places to do business by organizations like World Bank, FICCI, ASSOCHAM, and so forth.

**Presence of more than 2,000 IT Companies makes Karnataka the world's 4th largest Technology Cluster**


# Industrial Profile

**Advantage Karnataka:  
Largest technology cluster in India**

## Focus Sectors and Investment Opportunities



### Automotive and Aerospace

- The fourth-largest State in Automotive production in India
- Produces more than a quarter of India's Aircraft and Spacecraft
- One of the largest Foundry industry clusters at Belgaum
- India's first Aerospace SEZ operational at Belgaum



### Agro and Food Processing

- Karnataka contributes 7% of Agricultural production of the country
- Fertile soil and presence of 10 agro-climatic zones has helped Karnataka to produce a variety of Agriculture Crops
- Largest producer of Coffee in the country; 2nd largest production of Flowers (loose); 3rd largest producer of Plantation Crops; 4th largest producer of Spices
- Presence of 7 national level Research Institutes in Agriculture & Horticulture sectors
- Presence of 4 dedicated Food Parks and 1 Food Processing SEZ; 6 Food Parks and 1 Spice Park proposed; proposed Agri-Investment Regions at Belgaum, Mysore, Gadag and Haveri



### Biotechnology and Pharmaceuticals

- Karnataka is leading the way in India's Biotechnology and Pharmaceutical sectors
- It hosts over 70% of India's Biotechnology companies
- Presence of exclusive Biotechnology focused SEZs and India's largest Biotech industry cluster
- Dedicated Biotechnology Parks and Centers planned
- Generates over 8% of the country's Pharma revenue and exports 40% of its Pharma produce
- Home to 221 formulation units, ~74 bulk drug units, ~3% of total manufacturing units in the country
- Has exclusive Pharma Industrial Areas in Hassan and Yadgir

# Industrial Profile

## Advantage Karnataka:

IIM-B India's premier  
Management institute



### Chemicals & Petrochemicals

- Mangalore Refinery and Petrochemicals Limited (MRPL)
- Only refinery in India to have 2 Hydrocrackers producing Premium Diesel & 2 CCRs producing Unleaded Petrol of High Octane
- A dedicated Petrochemical SEZ in Mangalore
- Port advantage - New Mangalore Port, Karwar Port, Panambur Port
- Large presence of end user industry in Textile, Automotive and Packaging



### Education

- Education has not only emerged as a strength, but also as a sector of holistic, all-round and sustainable development
- The largest number of Medical Colleges in India and 8 of the nation's 75 top ranked Engineering Institutions
- Presence of some leading institutes such as Indian Institute of Management - Bangalore, National Law School of India, Christ University, Mt. Carmel College, RV College of Engineering, Bangalore Medical College and Research Institute, University Visvesvaraya College of Engineering and many more
- Enrolls over 85,000 Engineering students, while the general courses register over 200,000 students every year



### Energy

- Total installed capacity of 11,439.74 MW, i.e. 6.7% of total power generated in the country
- India's 1st Hydro-Electric generating station (in MW) was set up in Karnataka in 1902
- The State ranks 2nd in the country with installed Hydro capacity at 3,599.8 MW
- Karnataka is the 3rd largest generator of energy through Renewable Energy sources in India
- The State has the highest wind energy potential in India at 11,531 MW
- The State is currently undertaking 18,183 MW of proposed & ongoing projects
- 1,389 km Dabhol-Bengaluru pipeline for supplying Natural Gas to Industry

# Industrial Profile

## Advantage Karnataka:

The First Hydro Power  
Project (in MW) in India was  
established in Karnataka



### Industrial Infrastructure

- Karnataka has strong industry focus with 26 MSME Product Clusters, 132 Industrial Estates and 8 Growth Centers
- The focus is on new and planned Industrial Infrastructure such as Special Economic Zones and Special Investment Regions
- Suvarna Karnataka Development Corridor will enable development of Industrial Clusters and sector specific Industrial Zones for the 25 Km stretch
- Karnataka has an extensive network of 58 sector specific approved SEZs, out of which 20 are fully operational



### Information Technology

- 80% of global IT Companies have based their India operations and R&D Centers in Bangalore
- Bangalore is the 4th largest Technology Cluster in the world
- 47 IT/ITeS SEZs & 3 Software Technology Parks with 2,160 units, are in Karnataka
- Dedicated IT Investment Region



### Mines & Minerals

- Karnataka has the second largest number of Bauxite mines
- The State is the third largest producer of Steel in the country
- Hutti Gold Mines in Raichur district, is the only Gold producing mine in the country
- 30% of India's total Limestone reserves are located here

# Industrial Profile

## Advantage Karnataka:

Accounts for 20% of the nation's Garment production



### Textiles

- Karnataka accounts for 20% of the national Garment production and 8% of the national exports
- Largest producer and exporter of Silk & Silk products in India
- Contributes approximately 6% to the total Cotton production and 12% of India's total Wool production
- Readymade garments constitute approximately 3.6% of total exports from the State
- One of the largest employment generating industries after Agriculture



### Tourism

- The State has the 2nd highest number of protected monuments in the country, 507 centrally and 750 additional protected by the State Government
- World Heritage Sites at Hampi and Pattadakal
- Karnataka is India's most preferred destination for advanced Medical Care
- 320 km-long coastline sports unspoilt beaches
- Golden Chariot - First luxury train of Southern India, connects popular tourist destinations



### Transport Infrastructure

- State is currently implementing 134-km-long integrated Mass Transport System in Bangalore
- Plans to increase road density to 1.5 Km/Sqkm from the current 1.07 Km/Sqkm by 2020
- Will increase rail density to 32 Km/1000 Sqkm from the current 16 Km/1000 Sqkm
- State is developing 5 new airports under PPP mode
- Metro - first in South India



### Urban Infrastructure

- 38% of population (2011 census) in urban areas which is above the national average of 31%
- Bangalore's rising population would require investments to the tune of US\$ 5,796 million, for next five years in the area of urban services
- Bangalore alone requires investments to the tune of US\$ 5,208 million, for transport and traffic

# Industrial Infrastructure

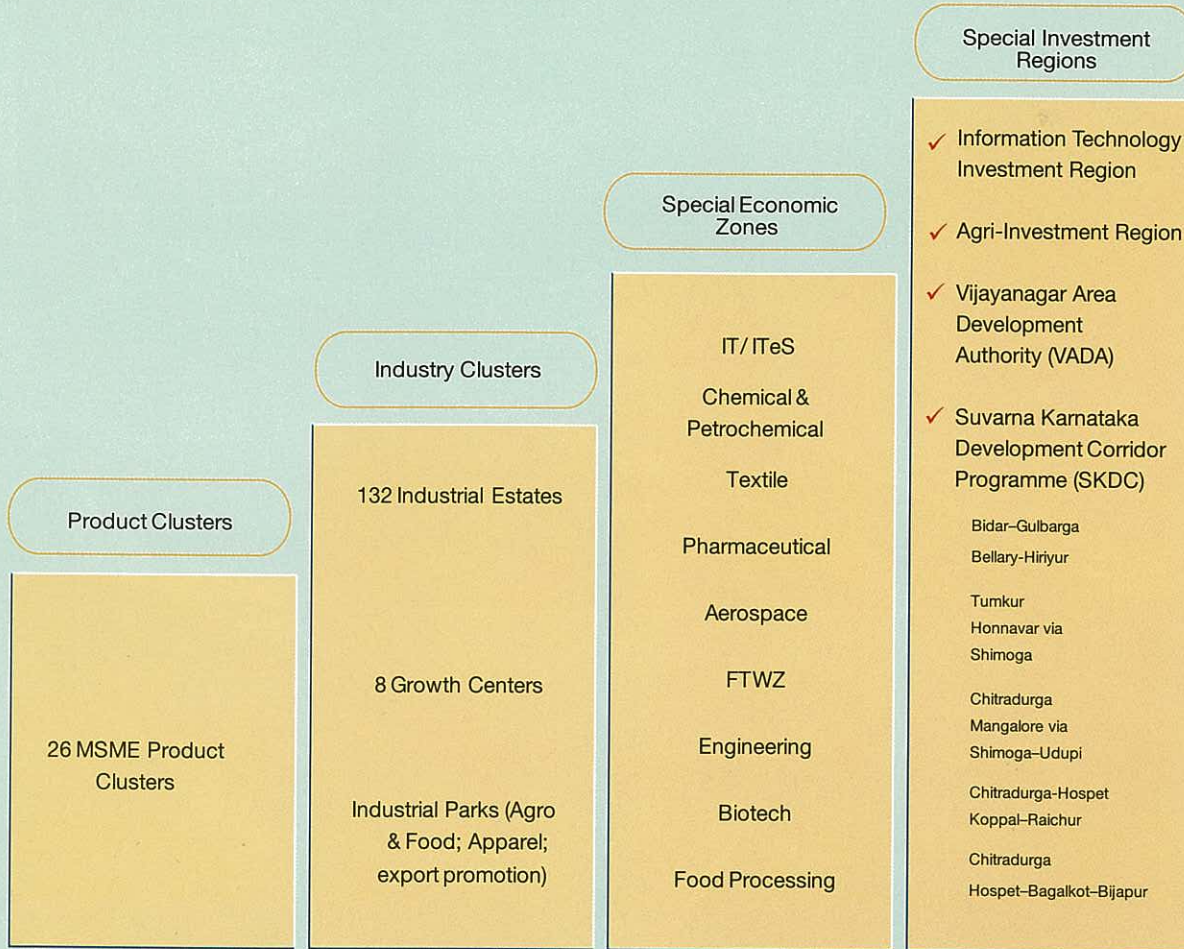




# Industrial Infrastructure



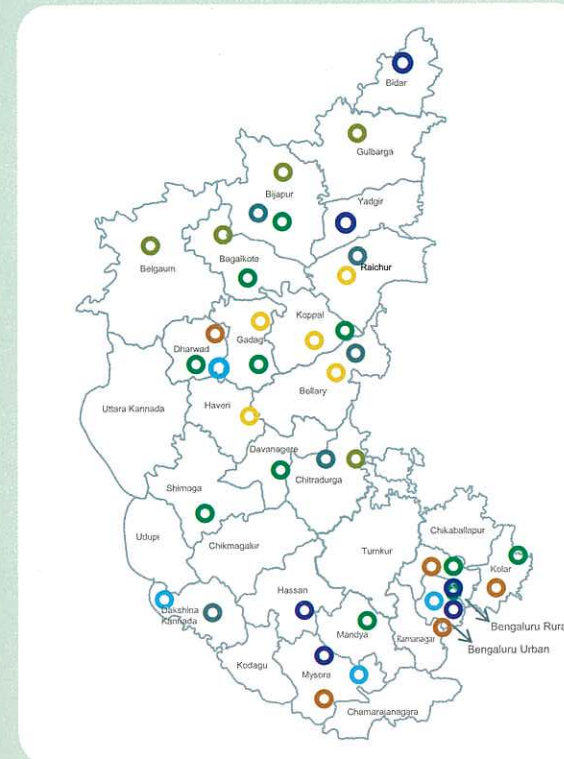
Karnataka has laid strong emphasis on building quality infrastructure in the form of Product Clusters, Industry Clusters, SEZs and Special Investment Regions to support industrial development and growth.



# Industrial Infrastructure

**Advantage Karnataka:**  
10,000 acres of dedicated Information Technology Investment Region

## Large Industry Clusters



	Automobile
	Apparel
	Steel
	Cement
	Food Processing
	IT/ITeS
	Pharmaceutical/ Biotech
	Energy


# Industrial Infrastructure

**Advantage Karnataka:**  
Presence of  
20 Operational SEZs

**58 Special Economic Zones provide Duty-free Enclave for driving FDI and Exports**

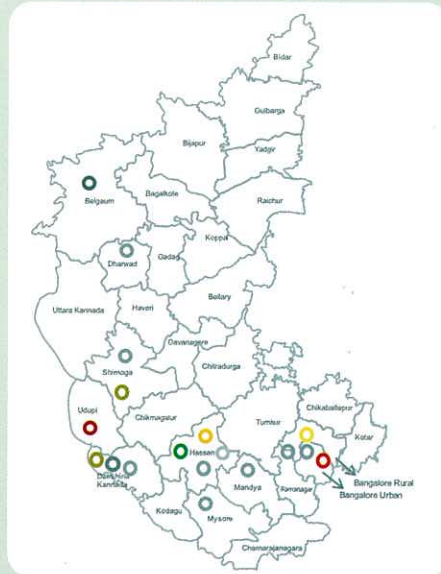
### Policy incentives and facilities offered to units in SEZs

- Duty-free import/domestic procurement of goods
- 100% Income Tax exemption on Export Income for SEZ units for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years
- Tax exemptions: minimum Alternate Tax, Central Sales Tax, Service Tax, State Sales Tax and other State Government Levies
- External commercial borrowing by SEZ units upto US\$ 500 million (₹ 2,400 Crore) in a year without any maturity restriction through recognized channels
- Single Window Clearance for Central and State level approvals

*With investments of US\$ 3 Billion (₹ 14400 Crore) the State's 20 operational SEZs have generated 97,313 jobs, and exports of US\$ 5.7 Billion (₹ 27360 Crore)*

### SEZs approved in the State - 58

IT/ ITeS	47
Biotech	2
Textiles	1
Engineering & Related Industries	1
Food Processing	1
Precision Engineering (auto, aerospace & industrial)	1
Pharmaceutical	1
Petrochemicals & Petroleum Products	1
Airport based SEZ/ Aerospace	2
FTWZ	1

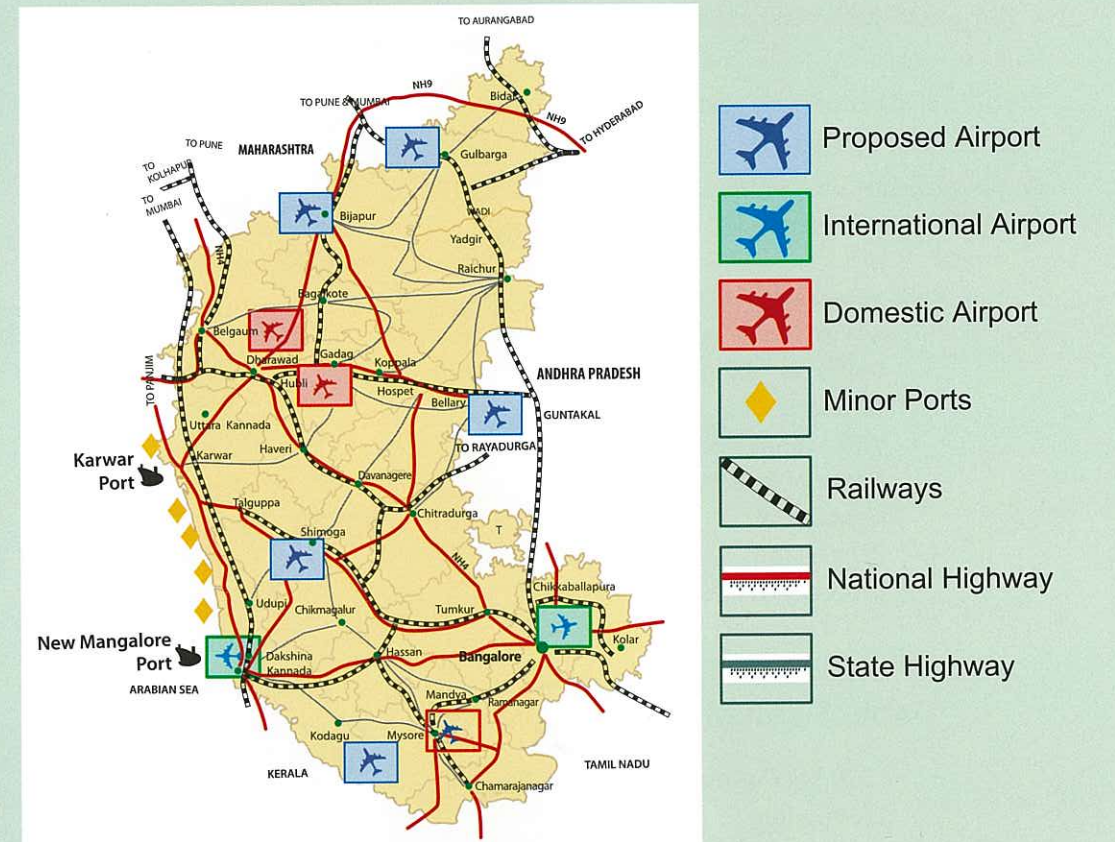


\*Separate incentives for SEZ developers  
Source: www.sezindia.com

# Industrial Infrastructure

**Advantage Karnataka:**  
BIAL - First Greenfield  
International Airport  
conceived in PPP

## Extensive Infrastructure: Airports, Ports, Railways and Highways



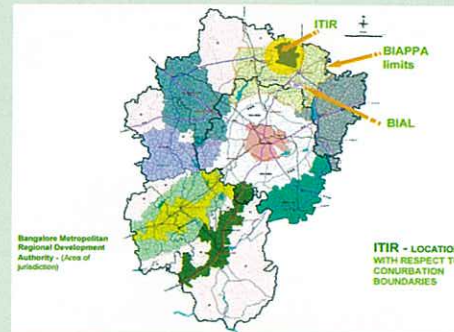
Airports	5 with 3 Domestic and 2 International
Ports	11 with traffic of 44 MT in 2009-10
National Highways	4,396 Km; 14 NHs
State Highways	20,528 Km; 114 SHs
Railways	3,250 Km
Coastline	321 Km
Bangalore Metro	42.3 Km with 33.48 Km of elevated section & 8.82 Km of underground section



## Information Technology Investment Region (ITIR)

The ITIR would be a combination of production units, public utilities, logistics, environmental protection mechanisms, residential areas and administrative services, with excellent infrastructure. The internal infrastructure of the ITIR would be internally built and managed by a Developer or a group of Co-developers. The external linkage will be provided by the Government of India and State Government. Companies engaged in IT/ITeS/Electronic Hardware Manufacturing are invited to set up units in the ITIR.

- Spread over 10,500 acres in BIAL
- 44 km from Bengaluru City and 14 km north of Bangalore International Airport
- Well connected by road through National & State highways and by railway link
- Processing Area: 63% and Non processing Area: 37%



## Dabhol-Bangalore Gas Pipeline

- 1,370 km Dabhol – Bangalore Natural Gas Pipeline
- Main trunk line, which will extend from Dabhol to Bidadi
- Planned transmission capacity of 16 MMcm/d



### Potentials

- Gas Supply to the Pipeline
- LNG Terminal
- Development of Gas based power plants along the Pipeline

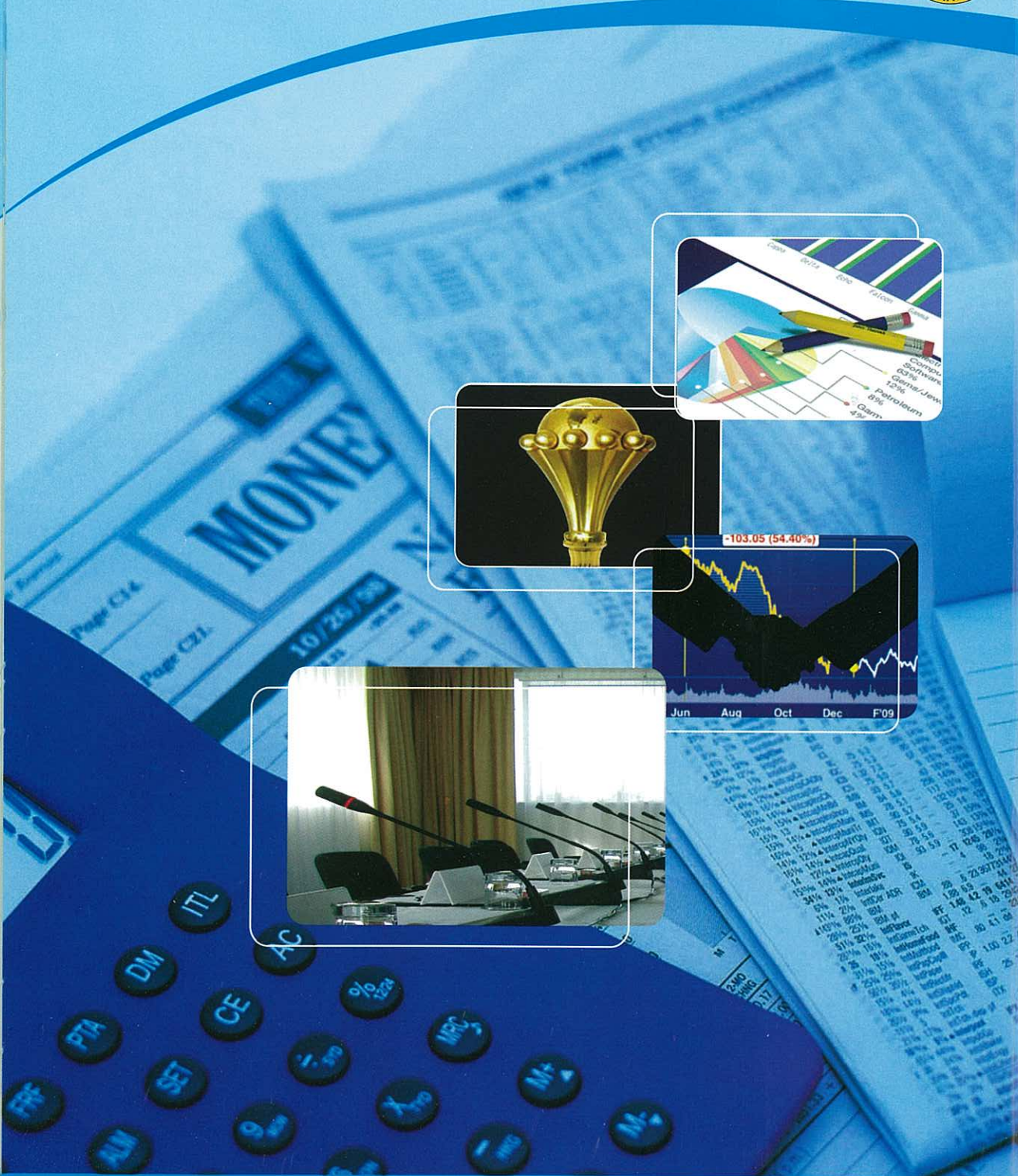


## National Investment & Manufacturing Zone (NIMZ)

The NIMZs would be a combination of production units, public utilities, logistics, environmental protection mechanisms, residential areas and administrative services. It would have a processing area, where the manufacturing facilities, along with associated logistics and other services and required infrastructure will be located, and a non-processing area, to include residential, commercial and other social and institutional infrastructure. The processing area may include one or more Special Economic Zones, Industrial Parks & Warehousing Zones, Export Oriented Units, DTA units duly notified under the relevant Central or State legislation or policy.

- Place : Tumkur
- Status: KSIIDC is nodal agency for development of NIMZ
- NH 4 : 0.5 to 1 Km
- Nearest Railway Station: 18 Kms
- Sea Port: 318 Kms from Mangalore
- Airport: 96Kms from BIA, Bangalore
- Nearest City: 16 Kms Tumkur

# Investor Facilitation



# Investor Facilitation



**Advantage Karnataka:**  
Single Window Clearance  
for all approvals

Karnataka State Industries and Commerce Department completes 100 successful years of Investor and Industry Facilitation. Karnataka was one of the first states in the country to come up with Industries Facilitation Act. It has a dedicated Nodal Agency in Karnataka Udyog Mitra to provide single window facilitation for all investors who look at setting up business in Karnataka.

## Leading in Investor Facilitation



Karnataka ranked 1st for a healthy business climate and attracting investments by World Bank's Investment Climate Index of 2009.



ASSOCHAM Investment Meter of 2010 ranked Karnataka as the most preferred investment destination among India's top 20 states.



Investors ranked Karnataka 2nd in maintaining a positive investment climate on FICCI's Foreign Direct Investment Survey of 2011.



Karnataka's e-procurement project won the Futuregov Award 2010 for Best Business Practices in Asia's Public Sector for 2010.



Karnataka ranked 4th as a tourist destination by the India State Ranking Survey of 2011.



## Karnataka Udyog Mitra

- A Government of Karnataka Agency and single-point contact for investors
- Helps investors from the concept stage to the eventual implementation of the projects
- Facilitates necessary clearances/approvals from the Government Departments/Agencies for the projects
- Facilitates in arranging infrastructure like land, water and power
- Offers Single Window Clearance



## Guiding Investors & Enabling Investments

### Transparent Investor-friendly Policies

New Industrial Policy 2009-14	Suvarna Vastra Neethi (Textile Policy)	Solar Policy
Karnataka Tourism Policy 2009-14	Information & Communication Technology Policy 2011	Electronics Hardware Policy
New Infrastructure Policy 2009-14	Semiconductor Policy 2010	Millennium Biotech Policy-II
Renewable Energy Policy 2009-14	Karnataka Animation, Visual Effects, Gaming & Comics Policy 2012	Karnataka State Mineral Policy 2008
Karnataka Aerospace Policy 2013-2023	Karnataka Integrated Agribusiness development Policy 2011	Karnataka Pharmaceutical Policy 2012

### Incentives under Industrial Policy 2009-1 4

- Investment promotion subsidy to MSMEs
- Exemption from Stamp Duty and concessional registration charge refund of conversion fine
- Exemption from Entry Tax
- Incentives for Export Oriented Units
- Exemption of APMC cess/fees
- Subsidy for setting up of ETPs
- Interest-free loan on VAT for large & mega projects
- Anchor unit subsidy
- Special incentives for enterprises coming up in low HDI districts
- Exemption from Electricity Duty



**GLOBAL INVESTORS MEET**  
**BANGALORE**

## Global Investors Meet

The Global Investors Meet is a biennial event. The event aims to bring together business leaders, investors, corporates, thought leaders, policy and opinion makers under one roof. Apart from exhibitions and sectoral seminars, one-to-one meetings are also organized as part of the summit.



## Global Investors' Meet 2010

**389 MoUs worth 3.92 lakh crore was signed during Global Investors Meet 2010**

### Highlights of GIM 2010 participation Attended by

- 7600 delegates
- 2000 companies
- 21 Countries
- 21 States
- Industry Leaders
- Governments
- Trade Bodies & Associations
- Investment Promotion Agencies
- Entrepreneurs
- Academia
- Research Institutions

## Global Investors' Meet 2012

- Presence of over 200 Industry leaders
- 10,000 delegates
- 40,000 visitors
- 30+ countries
- 15+ Indian states
- 460 Exhibitors in GIM Expo
- 500+ B-to-B meeting requests
- 14 Technical sessions; 6 other sessions
- 7000+ investment interests worth 7.2L crore
- Entered MOU's for 751 Projects



“ We had an outstanding Experience of investing in Karnataka. We are present across various sectors in Karnataka including telecom, retail, financial services and aluminum. ”

**Kumar Mangalam Birla**  
Chairman, Aditya Birla Group



“ We have received lot of support and encouragement from the State Government for our projects in Karnataka. We would like to invest further in BT and hospitality Sectors in Karnataka. ”

**Dr. GVK Reddy**  
Chairman and Managing Director, GVK



“ We have been investing in Karnataka for the last 35 years and we look forward to continue investments in Karnataka ”

**Baba Kalyani**  
Chairman, Kalyani Group



“ Karnataka is a place to invest; Karnataka is the future of India. ”

**T V Mohandas Pai**  
Chairman, Manipal Global Education Services