



Investment opportunities in Karnataka



Karnataka is a leading investment destination in India



Karnataka's growth story ...



GST collection - 2nd highest in the country for the year 2025-26



Per capita NSDP - highest in the country for the year 2024-25



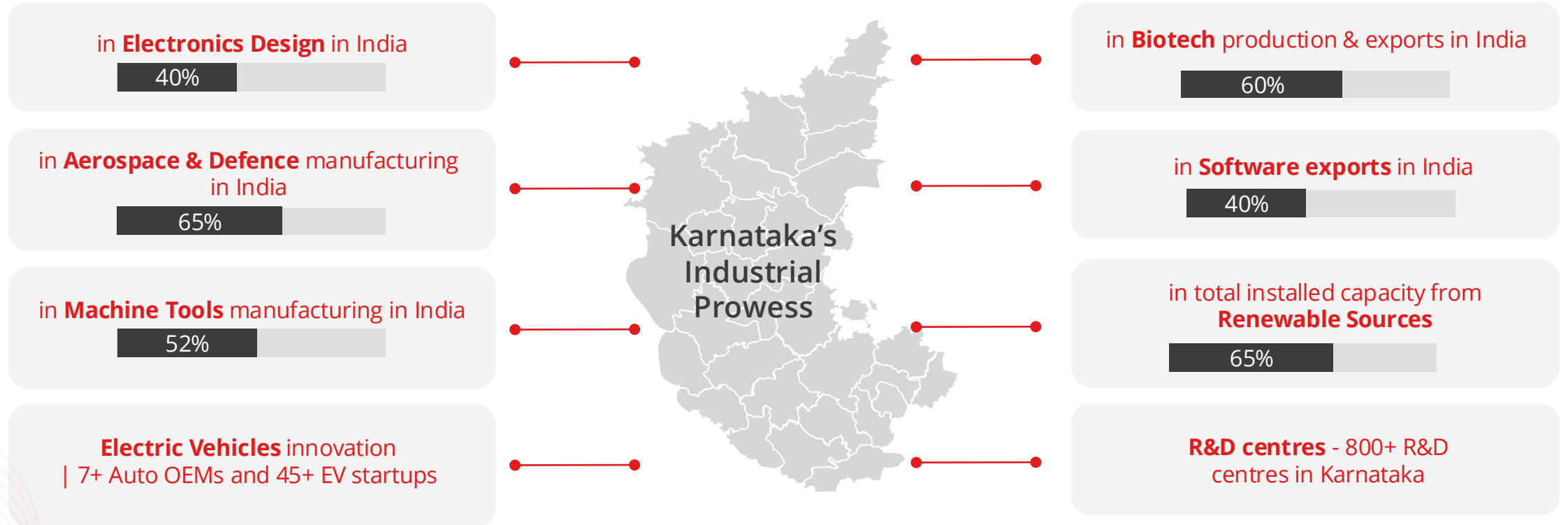
GSDP - \$359 Bn for the year 2024-25
Similar to GDP of South Africa



Emerged as the **No.1 state in FDI in the country** in Q1FY26



Karnataka is India's leader in hi-tech and advanced manufacturing across industry sectors



Home to silicon valley of India
Pioneer in hi-tech sectors, with specialized R&D and manufacturing centers



Integrated with the global value chains Economic linkages established across global production, consumption & innovation centers

xx% Indicates share

Karnataka is leading across manufacturing & innovation ecosystem indicators



1st in India Innovation Index and number of R&D centers



1st in Positive Talent Balance Study in the year 2024-25



Highest number of international patents filed¹



Lowest unemployment rates² among key manufacturing states



LEADS ranking - Achiever in all 15 logistics parameters in the year 2024



Lowest number of workers⁴ involved in disputes



Top Achiever in Ease of Doing Business in the year 2024



Largest startup hub in India with over 18,300 active startups

Note: 1. World Intellectual Property Organization

2. Unemployment rates for 15 years & above (as per PLFS survey for 15+ years 2023-24)

3. Key manufacturing states include – Andhra Pradesh, Bihar, Maharashtra, Tamil Nadu, Telangana, Uttar Pradesh

4. Workers involved in disputes for 2019 , Source: Ministry of Labour and Employment, Govt. of India, India Skills Report 2021

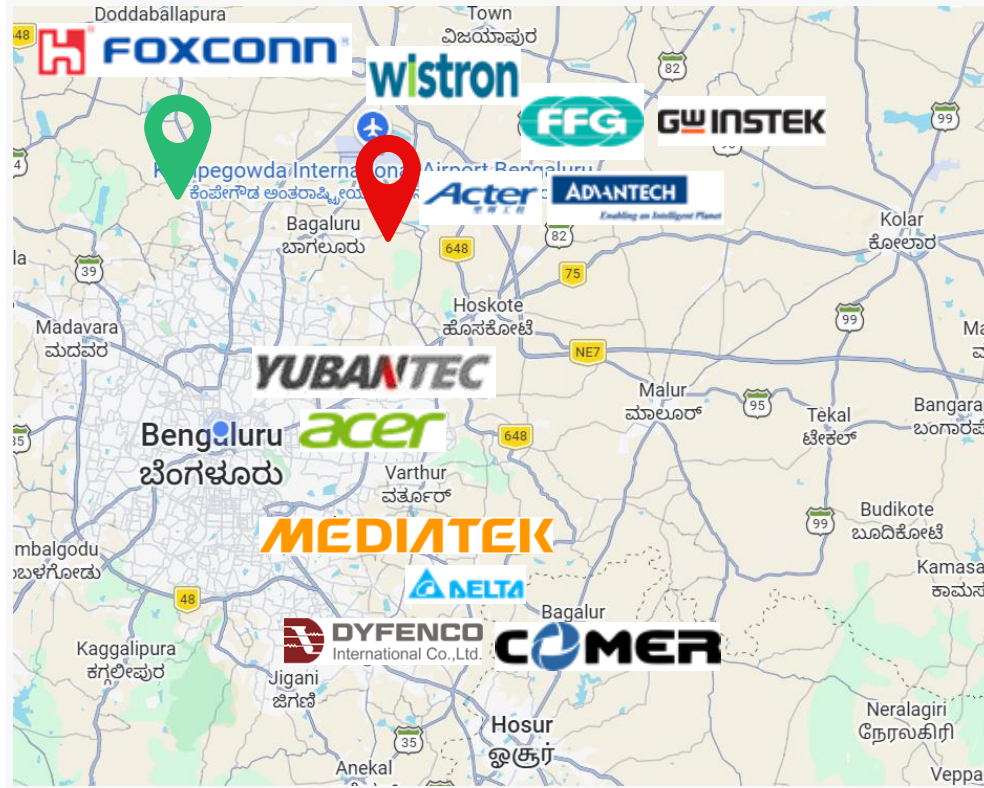
Karnataka is emerging as Taiwan's manufacturing gateway in India

Illustrative & Non-Exhaustive

Anchor investments accelerating Taiwan's mfg. ecosystem in Karnataka

- Foxconn's biggest plant outside China is in KN with \$2.2 Bn investment spread across 300 acres with up to 50k jobs potential
- India's only Taiwan-govt backed industrial park, CDC is developing 70 acres TIIP (Technology Innovation International Park) in KN
- Allegiance Group is establishing India-Taiwan Industrial Tech Innovation Park (ITIP) in KN with \$120 Mn investment creating ~800 jobs
- Multiple Taiwanese companies have their India HQ in Bengaluru, including Delta Electronics with its Global R&D center & HQ

25+ Taiwanese companies across sectors have presence in KN



Technology Innovation International Park
Developed by CDC



TEMICO Teeming automation



comer industries

Ni & sons Wiring Solutions



Taiwan Education Centre (TEC) at Presidency University, Bengaluru



**7 Key offerings that
make Karnataka most
suitable investment
destination**



- 1 **Readily available industrial eco-system** including sufficient encumbrance free industrial land available at strategic locations
- 2 **Investor friendly policies with multiple financial incentives** to create favorable cost economics
- 3 **Highly skilled & trained labor workforce** available along with robust skill infrastructure
- 4 **Reliable utility Infrastructure** available at competitive prices to support operations
- 5 **Revamped processes** to facilitate **ease of doing business**
- 6 **Well connected** to demand centers and gateways with an **efficient logistics network**
- 7 **Industrial ecosystem** well supported by world class **social infrastructure**

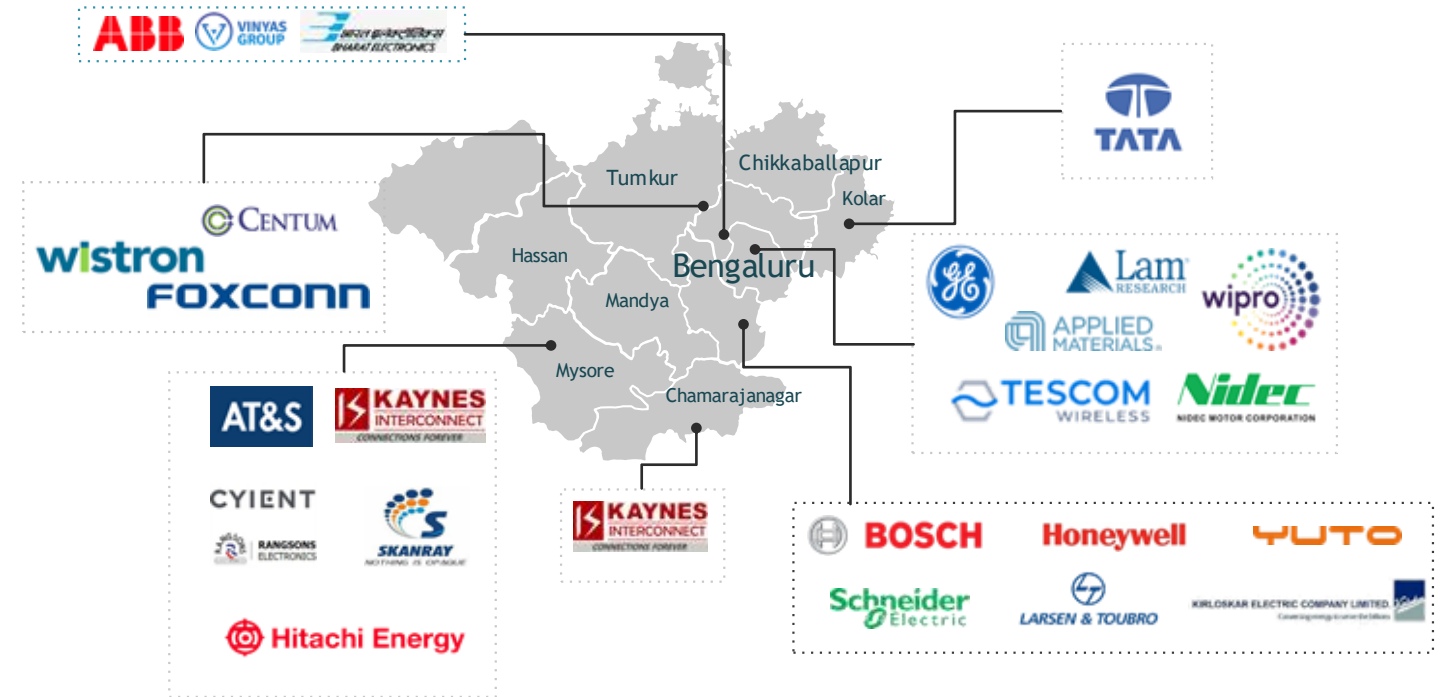
Karnataka is home to leading global and Indian electronics & electricals manufacturers

Non-Exhaustive

Preferred destination for ESDM & Electrical investments

- Largest chip design hub in India - **100+** fabless chip design houses
- **10%** contribution to national electronics output & **40%** national share in electronic design
- India's **2nd-largest producer** of heavy electrical machinery
- Home to **400+** MNCs with global R&D centers
- **55%** of IoT startups are based out of Bengaluru

Mix of electronics manufacturers, EMS providers and component manufacturers in & around Bengaluru



**Karnataka
constantly
attracts top
quality
electronics
investments
from across
the world**

**Karnataka approves 140 acres
of land to US-based Applied
Materials**

- *Businessline*

**Aequis plans Rs 2,856 crore
Karnataka expansion across
aerospace and electronics hubs**

- *Economic Times*

**Wipro Infrastructure Engineering launches
PCB materials division; to invest ₹500 cr in
Karnataka facility**

- *Manufacturing Today*

**Lam Research bets big on Karnataka with a
₹10,000 crore investment**

- *The Hindu*

**Kaynes, six others plan investment in Mysuru's
electronics cluster**

- *Economic Times*

**South Korean firm HyVision System inks deal with
Karnataka to build plant near Foxconn facility in
Bengaluru**

- *Economic Times*

Karnataka has multiple dedicated country specific and sector specific industrial townships

Non-Exhaustive

Country specific clusters

Japan Industrial Township

~150 acres of dedicated land for 10+ companies

Taiwan Industrial Cluster

~70 acres of dedicated land for 8+ companies

Sector specific clusters

Tumukuru Machine Tool Park

~ 530 acres of land for 20+ companies

Hi-tech Aerospace and Defence Park

~2000 acres of dedicated land for 60+ companies

Electronics Cluster in Mysuru, Hubli-Dharwad and Bengaluru

~ 235 acres of land for 7+ companies

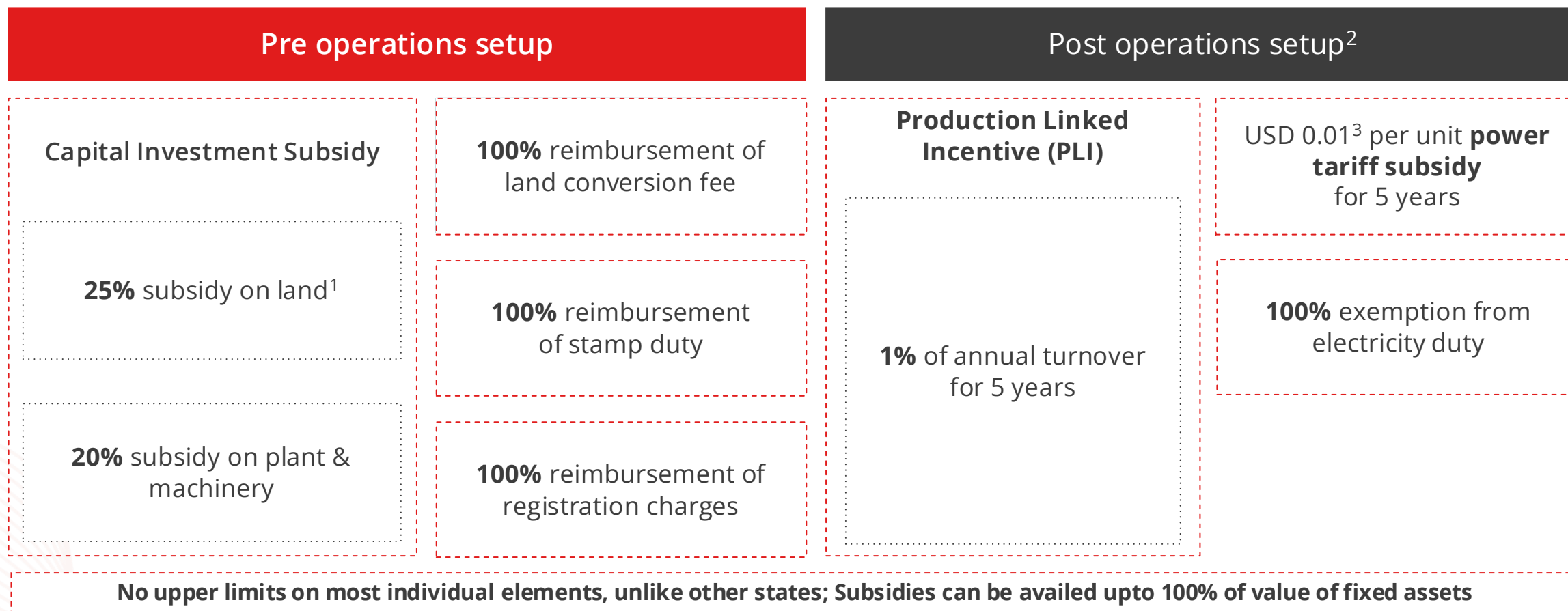
Multiple financial incentives announced in Karnataka's **Industrial Policy 2025-30** to create favorable cost economics for investors

Base subsidy options	Booster subsidies	Pre-setup charges	Sustainability focused
<p>Capital expenditure subsidy¹</p> <ul style="list-style-type: none"> 10-25% of value of fixed assets basis zones <p>OR</p> <p>Production linked incentives</p> <ul style="list-style-type: none"> Up to 2.5% of annual turnover basis zones for 7 years Up to 60% value of fixed assets 	<p>Up to 15% booster on base subsidy incentive for</p> <ul style="list-style-type: none"> Providing extra employment¹ Greater female participation in workforce (>50%)² Colocation of R&D & manufacturing facilities in the state 	<p>100% reimbursement of land conversion fee</p>	<p>50% subsidy for setting up sustainability measures like ETP, ESP, Zero Liquid Discharge, and more</p>
		<p>100% reimbursement of stamp duty</p>	<p>Additional booster for GreenCo certified companies</p>
		<p>0.1% concessional registration charges</p>	<p><i>... and many more</i></p>

Manufacturers have the flexibility to opt for either the Sector Policy or the Industrial Policy, based on their specific needs

1. The disbursement of capex subsidy will commence after the start of commercial production and will be disbursed in 5 equal disbursements (adjusted for the phase of investments). 2. Booster of 7.5%, 10%, 15% for providing 3x-4x, 4x-5x, >5x employment respectively (x -Min. threshold of 1 job for 2 Cr. of investment); Booster of 7.5%, 10%, 15% where women make up over 50%, 60%, 70% of the workforce, respectively

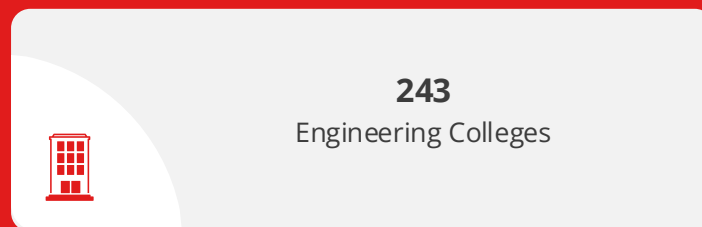
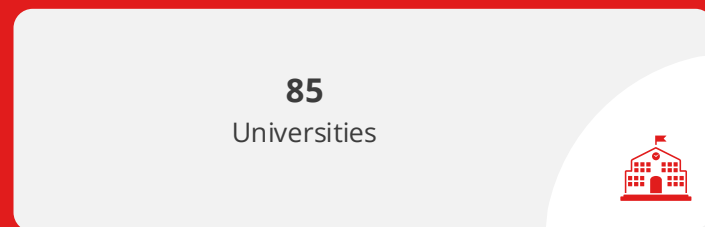
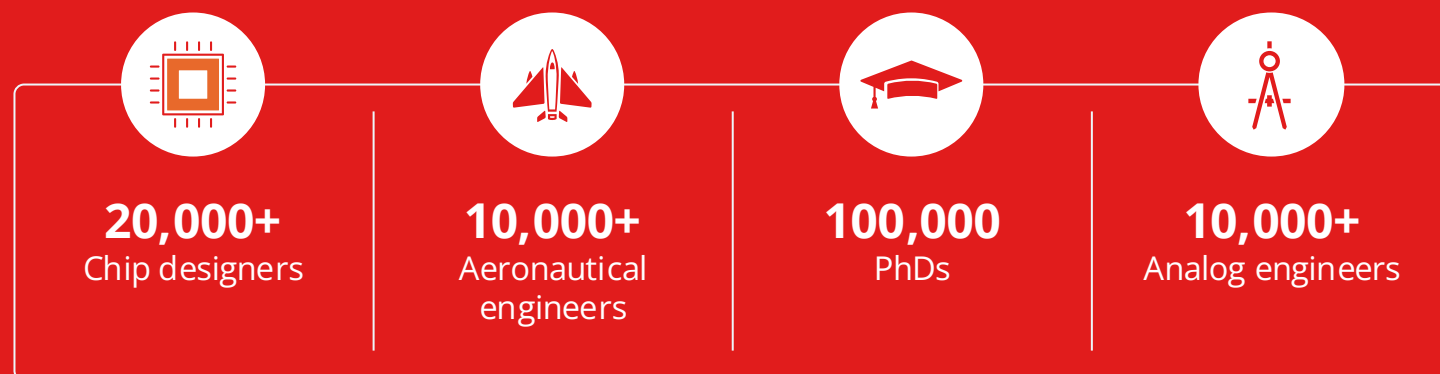
Govt. of Karnataka has a special incentives package for electronics manufacturing (incl electronic components) creating most favorable cost economics



Manufacturers have the flexibility to opt for either the Sector Policy or the Industrial Policy, based on their specific needs

Skilled Talent Pool | Karnataka has the biggest talent pool of Electronics professionals in India

Over 50% of all AI/ML professional in India)



Govt. of Karnataka has initiated multiple reforms for enhancing the skill infrastructure of the state



Initiatives with the World Bank

- 30 ITIs¹ upgraded to Centers of Excellence
- Focus on strengthening institutions & inclusive skill missions



Tata Technologies Collaboration

- 150 ITIs being upgraded
- 10 new industry-aligned courses introduced
- Collaboration with 20 companies to train 100K+ candidates p.a.



Partnership with Siemens

- AI & IoT-focused training programs to meet Industry 4.0 demands
- 100K+ young candidates to be trained annually

Government of Karnataka is actively shaping an industry-ready, future-skilled workforce through both visionary policy & on-ground execution

KN has articulated a clear vision to embed industry-relevant skilling

Vision Statement:

Reimagine higher education as a dynamic, industry-aligned ecosystem integrating academic learning with future-ready skills

Clearly defined Pathways:

- 1 Dedicated Skill-Based Courses (Credit-Linked Integration)
- 2 Skill-Integrated Programme Design (Curricular Transformation)
- 3 Integration of Skills within Core Courses (Pedagogical Embedding)

Vision is already in motion, flagship programs are translating policy into measurable on-ground impact

Super 100 Industry Academia Adoption Program launched with outlay of 1000 Cr

100 leading industries formally adopt 100 higher education institutions to **co-create future-ready talent** aligned to **real-world industry needs & ensure dynamic upgradation of skills**



ADB Assisted Karnataka State Higher Education Transformation (KSHET) Project

Initiative focused to strengthen First Grade Colleges, establish Centres of Excellence (COEs), & enhance research capabilities, thereby **ensuring industry relevant skills**



Karnataka to get Rs 2,500 crore ADB aid to upgrade higher education: Minister MC Sudhakar

The minister stressed the need to uphold the secular fabric of the country and adopt innovative models that enable India to emerge as a leader in higher education.

Industry Inputs Sought for skilling of employees region & sector wise

Karnataka Udyog Mitra is **identifying industry skill reqs** across regions & sectors, **partnering with ITIs** to co-create workplace-ready talent pool from day 1

Multiple Taiwan focused collaborations exist pertaining to skilling

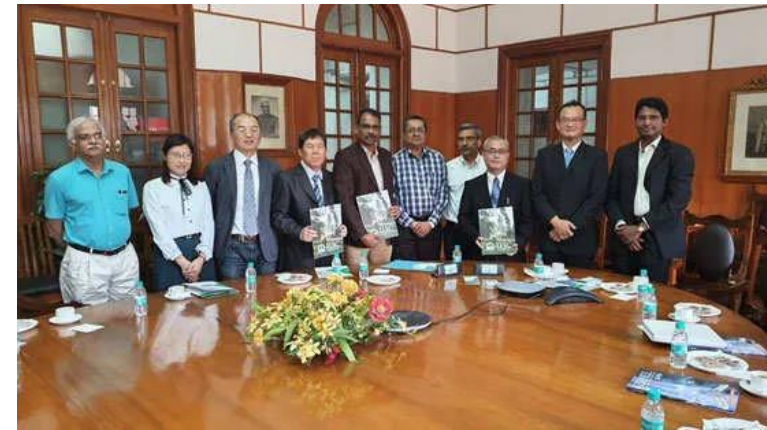
Taiwan Education Centre (TEC) at Presidency University, Bengaluru



Offers Mandarin-language courses to Karnataka students, building a **Mandarin-speaking talent pool for Taiwanese employers**

7 MoUs signed between Presidency University & renowned Universities from Taiwan¹

IISc Bengaluru – Taiwan Joint M.Tech in Semiconductor Technology



Joint Masters Degree introduced between IISc & 4 leading Taiwanese semiconductor universities²



Offers direct access to skilled talent — **TSMC already recruiting at IISc**

Note: 1. Universities include National Sun Yat Sen University (NSYUS), National Formosa University, Tamkang University (TKU), Southern Taiwan University of Science and Technology (STUST), Providence University, Asia University and National Chin-Yi University of Technology (NCUT)

2. Universities include National University of Taiwan, National Chiao Tung Yang Ming University, National Tsing Hua University and National Sun Yat-Sen University.

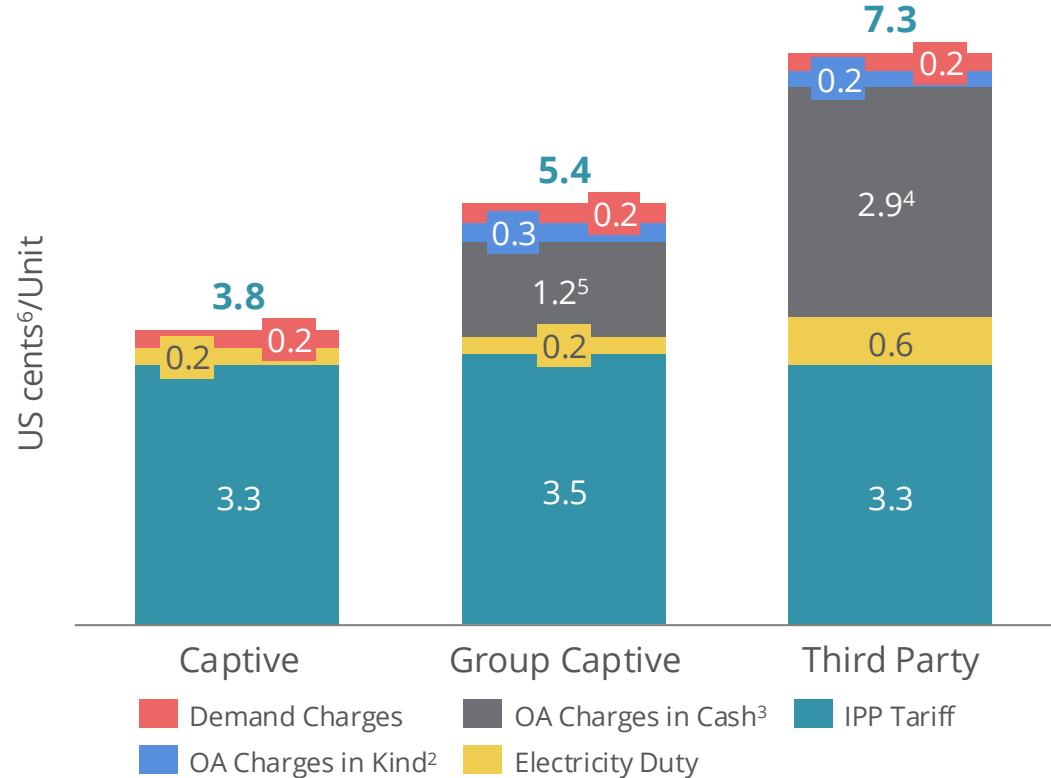
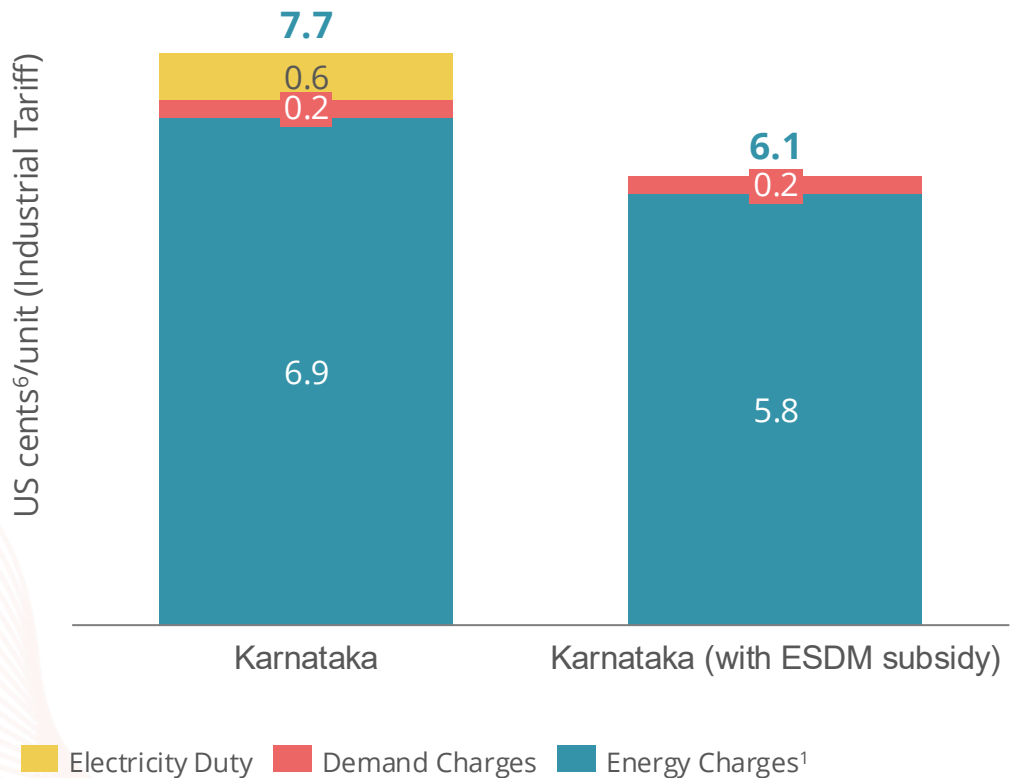
Karnataka grid tariffs are lower compared to other key mfg. states with further reduction possible in captive / third party arrangements



Grid Power- KN offers competitive power cost for industries



KN also has provisions for cheap captive power; 3rd party power viable option for investors prioritizing green energy



1. Energy Charges incl. weighted average of ToD tariffs / rebates 2. Charges in Kind includes wheeling and transmission losses, 3. Charges in Cash includes wheeling, transmission & SLDC charges for Group Captive and wheeling, transmission, SLDC charges, CSS & AS for Third Party, banking charges are additionally applicable in Long and Medium-Term Open Access sources, 4. This applies to Short Term Open Access transmission costs; Rs. 0.12 (USD 0.00125) higher transmission costs per unit are applicable for LTOA/MTOA, 5. If co-located, Group Captive charges would have zero OA charges in cash or kind. 6. USD 1 = INR 96

Karnataka delivers a dual water advantage: Abundant water supply through key initiatives & lowest industrial water tariffs nationally

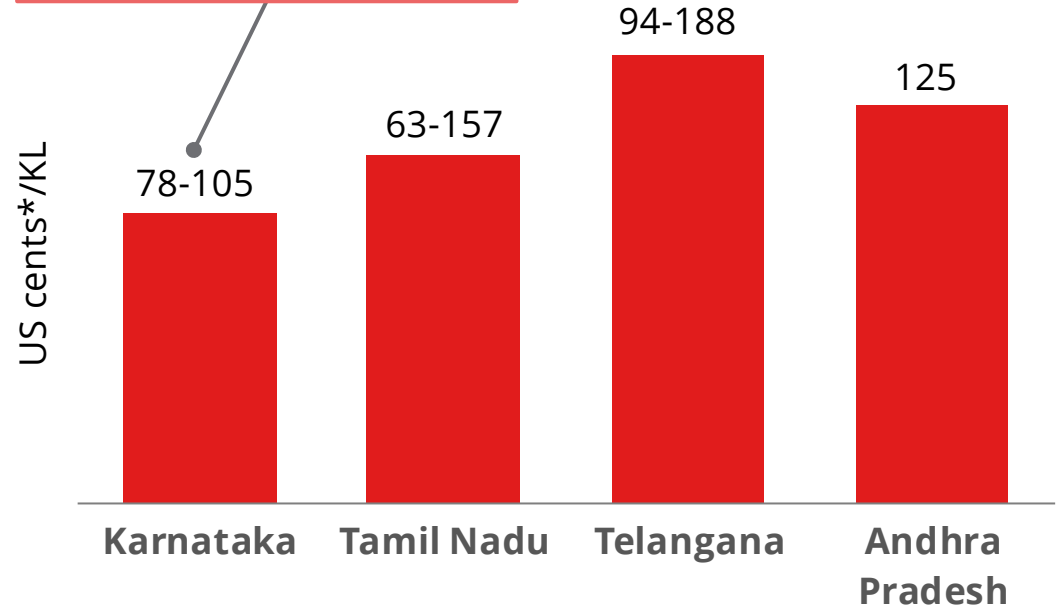
Multiple initiatives underway to strengthen water availability in Karnataka

THE HINDU
Karnataka draws up plan to supply 2.5 tmcft of Cauvery water from Kollegal to Bengaluru's industrial areas
 Large and Medium Industries Minister M.B. Patil says the Cauvery Water Disputes Tribunal had allocated 4 tmcft of water for industrial purposes; of this, only 1.37 tmcft is being utilised
 Updated - May 21, 2026 12:45 am IST - Bengaluru
 THE HINDU BUREAU

FINANCIAL EXPRESS
 Read to Lead
Karnataka government to invest Rs 5,000 crore in new industrial areas and water infrastructure
 According to Patil, the dedicated water supply plan will require around Rs 2,000 crore, with the rest Rs 3,000 crore going towards building infrastructure, expanding industrial zones and purchasing property

Karnataka offers the lowest industrial water tariffs

KN offers lowest industrial water tariff among peer states



KN offers most abundant & cost-competitive industrial water supply among India's key mfg. states

*Assumed 1 INR = 96 cents

Key initiatives taken up by Government of Karnataka to ease of doing business



Single Window System



120+ Business Services covered across 30+ departments



Common Application Form (CAF) based in-principle approval



KIADB services, such as land availability, land application and land allotment integrated



Revamped Zoning Regulation



~Effective industrial land usage increased from 34-44% to 42-53%, driven by reduced setbacks, lower parking requirements, etc.



Key changes:

- FAR raised from 1.5-2.5 to 1.75-3.25
- Setbacks reduced from 3/1.5-10/8 to 2/1.5-6/6
- Surface parking reduced from 5% to 2-3%
- Employee parking mandate removed



Affidavit Based Clearance (ABC)



15 approvals relaxed by introducing moratorium



3 years long moratorium period



12 departments covered



Labour & Deregulation Reforms



Provision to avail 'Fixed term employment' to optimize labor capacity to cater to seasonality



Recent amendments made to facilitate women's work timings in night shifts, between 7 PM to 6 AM



Targeted deregulation to make business approvals faster & simpler (E.g. Factory Plan Approval from 30 to 14 days, Fire NOC from 60 to 21 days, etc.)

Best-in-Class Zoning regulations Implemented in Karnataka



Industrial Park Layout

Increase in industrial use area from **68%** to **70%**

- Reduction for common parking from **5%** to **3%**



Individual Plot Layout

Increase in industrial use area from **50-65%** to **60-75%**



Increase in FAR from **1.5-2.5** to **1.75-3.25**



Increase in Max Height from **15m + NOC** to **21m + NOC**



Increase in Ground coverage from **65%** to **75%**



Decrease in Setback (m) from **3/1.5-10/8** to **2/1.5- 6/6**



Reduction in Surface Parking from **5%** to **2-3%**



Removal of mandate for employee parking from **7-8%** to **nil**



Stacked / MLCP / Mechanical parking now permitted

Increase in land usage
for Industrial usage

34-44%



42-53%

Resulting in decrease in
land price for Investors

*Decrease in land price by ~30%
for investors (Red Category)*

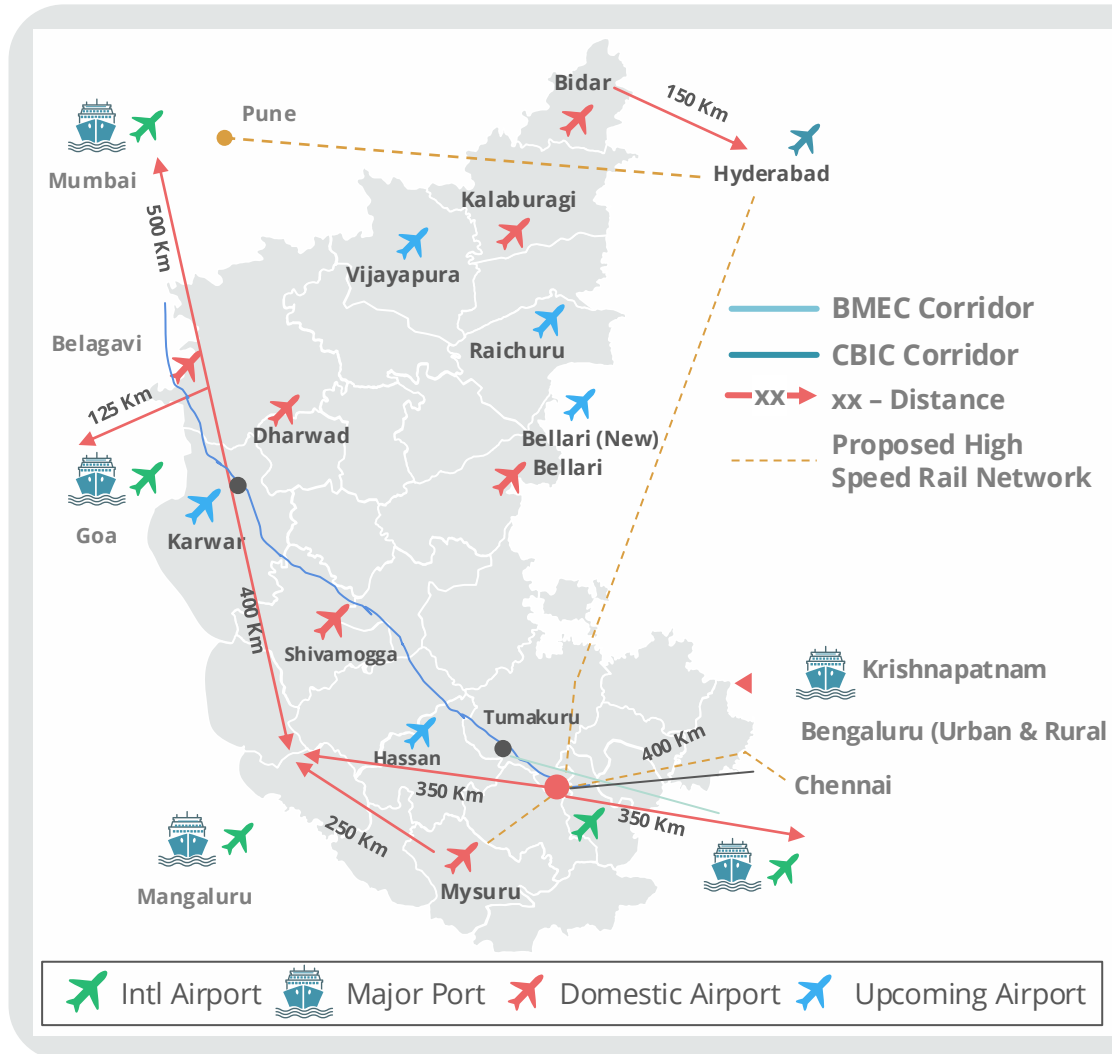
*For Illustration, Land cost to be
incurred by investor buying 80 acres in
one of the Industrial areas in BLR (ITIR)*

~320 Cr



~225 Cr

Karnataka is well connected to key demand centers and logistic gateways through all modes



2 International airports and 7 Domestic airports
Bengaluru Airport – 3rd Largest in India



Major port at Mangalore + 9 minor ports;
300-400 km access to Chennai, JNPT and Krishnapatnam ports



Three high-speed rail corridors passing through Karnataka - Bengaluru-Hyderabad, Mysuru-Bengaluru-Chennai & Pune - Hyderabad



Bengaluru-Chennai expressway to be operational by June 2026



3 ICDs³ & 5 CFS⁴ providing direct rail connectivity to ports, easy customs clearance incl. 2nd largest ICD² in India



Robust storage capacity of ~5 Mn MT with 1.6k+ warehouses, 250 cold storage facilities

Bangalore Airport is one of the fastest growing airport in the world



Best

Regional Airport in India & South Asia by Skytrax for the third consecutive year in 2026



41st Global Rank

Improved ranking in the Skytrax World Top 100 Airports, moving from 48th to 41st place



530,000 MTPA

Cargo surpassed in FY2026, marking 8% YoY growth in domestic cargo



Approx. **280k**

Air Transport Movements (ATMs) in FY 2026



2 Terminals
44.47mn

Passengers in FY 2026



Non-stop and one-stop flights to

31 International Destinations
79 Domestic Destinations

With air traffic scaling rapidly, Bengaluru is already advancing plans for a 2nd intl. airport

 The Times of India

Bengaluru eyes 2nd international airport: AAI report soon; Kanakapura and Nelamangala sites under review

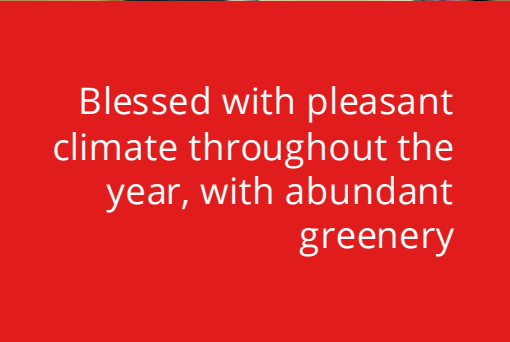
Industrial ecosystem well supported by World Class Social Infrastructure in Karnataka



8 of top 10 international schools of India present in Karnataka



100+ five-star hotels in the state, such as Taj Group of Hotels, Hyatt, etc.



Blessed with pleasant climate throughout the year, with abundant greenery



Home to world-class golf courses, sports clubs & wildlife resorts



Popular tourism destination including UNESCO Heritage Sites, attracting tourists from across the world



Bengaluru consistently ranked amongst the **best cities to live in** India for expats
- Mercer's **quality of living** report 2024



Bengaluru ranked **top city for working women** in India
- Avtar Top Cities for Women in India Report 2024



Expatriate **friendly ecosystem** and **lowest crime rate** in South India



Bengaluru is **ranked #1 in India for ease of living** among cities with a population over 1 million

Case study | Largest Foxconn plant outside China with approx 50,000 employee potential



Project cost: ~USD 2.2 Bn

Area: 300 acres

Current workforce: ~30,000

Total workforce estimated: ~50,000

- Plant has begun production recently, with **20 million mobile phones** to be produced annually; 30,000 employees engaged already, with **women forming 80% of the workforce**
- KIADB allocated **~300 acres of land** with a **~30 km water pipeline** and a **400kV substation** being set up for dual power redundancy
- The Government has set up a **green corridor from plant to the Bengaluru airport** to **facilitate the export** of assembled phones
- **Weekly meetings** constituted to ensure regular progress updates on pending work and timely resolution of any queries / concerns.





K INVEST
KARNATAKA