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Karnataka Budget 2025-26: Industry leaders hail well-drafted strategies that balance industrial growth with social welfare



Industry leaders and entrepreneurs have reacted positively to the expansive, something-for-all Karnataka Budget 2025-26 tabled by Chief Minister Siddaramaiah at Vidhana Soudha in Bengaluru on March 7, 2025.

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Creating business-friendly environment

“With a strong focus on industrial development, welfare schemes, infrastructure, education, agriculture, tourism and healthcare, the State Government has addressed most concerns and has formulated well-drafted strategies in the larger interest of the industry in Karnataka. The expansion of the Bengaluru metro network, particularly with improved connectivity to Devanahalli, will significantly contribute to easing vehicular congestion.

Additionally, the ‘Brand Bengaluru – Green Bengaluru’ initiative, which focuses on reviving lakes and accelerating the land allocation and acquisition process for airports will systematically enhance connectivity and improve the ecology throughout the State in a meaningful and effective manner.

The proposals to introduce the Karnataka Employer’s Compliance Decriminalization Bill and the Karnataka Employer’s Compliance Digitisation Bill, will make Karnataka the first state in India to decriminalize employer violations and fully digitise compliance processes, thereby creating a business-friendly environment for industry. Overall, the Government has made a sincere effort to ensure that every citizen of the State benefits from a variety of government schemes through this Budget”.

- Vineet Verma, President, Bangalore Chamber of Industry and Commerce

Pragmatic blueprint for growth

The comprehensive budget presented by the CM for the fiscal year 2025-26, affirms that it reflects a concerted effort to balance infrastructural development, industrial growth, and socio-economic welfare.

Key measures to invigorate the industrial and trade sectors are tax waivers for hybrid vehicles and incentives for electric vehicles (EVs), aligning with global sustainability trends and encouraging the adoption of cleaner technologies. Such initiatives are expected to attract investments from automotive manufacturers and ancillary industries, thereby enhancing the state's industrial landscape.

The Budget emphasizes balanced regional development with targeted allocations for various districts. While the expansive budget aims to drive growth, maintaining fiscal discipline is crucial to prevent long-term financial imbalances.

- M.G. Balakrishna, President, FKCCI

Transparent, efficient real estate through digitization

The Karnataka Budget 2025-26 demonstrates the Government's commitment to making real estate more transparent and efficient through digitization. As CREDAI, we have appealed to the Government to expedite the implementation of e-Khata within BBMP limits to streamline registration processes and meet capital gains tax requirements by 31st March 2025.

Glad to see that the budget allocates a special grant of ₹7,000 crore to BBMP, which will be used for various developmental projects, including the enhancement of the e-Khata system. We are hopeful that initiatives like digital e-stamping and the proposed GIS-based valuation and property registration will be thoroughly tested before rollout to ensure a smooth transition. We welcome these proposals as they will enhance transparency, reduce fraud, and ensure fair market pricing.

Overall, these initiatives are set to boost investor confidence and support sustainable urban development, especially in Bengaluru.

- Amar Mysore, President CREDAI Bengaluru

Inclusive growth

The Karnataka State Budget 2025-26 has taken a critical step toward making real estate transactions more transparent and efficient. By showcasing the success and reinforcing e-khata, the government has tightened regulations to reduce property fraud and prevent undervaluation, ensuring fair and transparent taxation.

Additionally, the introduction of digital e-stamping and the use of GIS technology for property valuation will help prevent misuse and correct inconsistencies in guideline values. The proposed new land revenue act and the shift to online approvals for building plans through the Unified Land Management System (ULMS) will simplify processes and bring much-needed clarity to property transactions. In addition, the government's focus on housing for the homeless reinforces its commitment to inclusive growth."

- Murali Malayappan, Chairman & MD, Shriram Properties Ltd

Focus on housing programmes commendable

The ₹40,000 crore allocation for the Bengaluru tunnel corridor project, supported by a ₹19,000 crore government guarantee, is a transformative step toward decongesting the city and enhancing connectivity. Additionally, the ₹27,000 crore Bengaluru Business Corridor, which will develop a 73 km road network, is a critical investment that will improve accessibility and create new real estate opportunities.

The government's emphasis on housing and urban development is commendable, with key initiatives such as the Karnataka Housing Board's plan to develop 16,140 plots in Bengaluru's Suryanagar Phase-IV and a ₹1 lakh deposit waiver benefiting 12,153 homebuyers under the CM's 1 Lakh Multi-storey Housing Scheme. Additionally, the interest subvention scheme under AHP housing will further enhance affordability, making homeownership more accessible.

The ₹3,000 crore investment in 300 km of new roads, the ₹8,916 crore double-decker flyover project, and the ₹7,000 crore annual grant for Bengaluru's infrastructure improvements will improve connectivity and unlock new growth corridors.