

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Tax concessions to all Independent Power Projects under  
Entry Tax, Stamp duty & Registration charges.

Read: G.O No.CI/233/SPI/2008, Dated: 28.2.2009.

PREAMBLE:-

The New Industrial Policy 2009-14 provides for exemptions & concessions to New Industries set up in the State of Karnataka depending on the zones in which the same are set up.

However the power projects are not covered for such concessions in the said policy. The Government having extended such concessions to power projects of the IPP's under "New Industrial Policy 2006-11 with a separate order vide G.O. No: DE 23 PPC 97, Bangalore dated 30.06.2007, to promote the power projects in the State of Karnataka to harness the available potential to add to the Electricity resources, the same needs to be further promoted for the projects covered under the New Industrial Policy 2009-14 as well.

The intentions of the Government was to extend the concessions, so that the Regulator takes into account such concessions to bring down the purchase cost by the ESCOMs, which in turn brings down the consumer's tariff.

The relevant clause in the New Industrial Policy 2009-14 with regard to exemption from entry tax, stamp duty & concessional Registration charges are as under :-

1 Exemption from Entry tax

MSME, Large & Mega Projects :-

100% exemption from payment of ET on 'Plant & Machinery and Capital Goods' for an initial period of 3 years from the date of commencement of project implementation. For this purpose, the term 'Plant & Machinery and Capital Goods' also includes plant & Machinery, equipment etc. including machineries for captive generation of Electricity.

On raw, materials, inputs, component parts & consumables (excluding petroleum products) {wherever applicable} for a period of 5-years from the date of commencement of commercial production.

In Zone 1, 2 & 3

Zone - 4: Nil.

2 Exemption from Stamp duty

MSME, Large & Mega Projects :-

Stamp duty to be paid in respect of (i) loan agreements, credit deeds, mortgage and hypothecation deeds executed for availing term loans from State Government & or State Financial Corporation, Industrial Investment Development Corporation, National Level Financial Institutions, Commercial Banks, RRBs, Co-operative Banks, KVIB/KVIC, Karnataka State SC/ST Development Corporation, Karnataka State Minority Development Corporation and other institutions which may be notified by the Government from time to time for the initial period of five years only and (ii) for lease deeds, lease-cum-sale and absolute sale deeds executed by industrial Enterprises in respect of industrial plots, sheds, industrial tenements, by KIADB, KSSIDC, KEONICS, KSIIDC, Industrial Co-operatives and approved private industrial estates shall be exempted as below:

Zone 1 & 2 : 100%

Zone 3 : 75%

Zone 4 : Nil

- 3 Concessional Registration charges MSME, Large & Mega Projects :-  
For all loan document & sale deeds as specified under exemption from Stamp duty under New Industrial Policy 2009-14, registration charges shall be at a concessional rate of Re. 1 per Rs. 1000

**Note :**

- (i) The exemption of Stamp duty and concessional registration charges are also applicable to lands purchased under section 109 of the KLR Act and also for direct purchase of industrially converted lands for the projects approved by SHLCC/SLSWCC/DLSWCC. This incentive will also be applicable for the land transferred by KIADB to land owners as compensation for the acquired land.
- (ii) The exemption of Stamp duty and concessional registration charges are also available for registration of final sale deed in respect of lands, sheds, plots, industrial tenements after the expiry of lease period at the rate as specified in the industrial policy which was in vogue at the time of execution of lease-cum-sale deed.

The matter has been examined at Government level.

Hence the order

**GOVERNMENT ORDER NO. EN 95 EBS 2009**  
**BANGALORE DATED 29.12.2009**

Government is pleased to accord approval for extending the tax concessions in respect of Entry tax, Stamp duty & Registration charges which are available under the New Industrial Policy 2009-14 to all the New Power Projects of the IPP.

This order issues with the concurrence of the Finance

Department vide U.O. Note No. FD 5 CET 2009 dated  
01.09.2009.

BY ORDER AND IN THE NAME OF  
THE GOVERNOR OF KARNATAKA

*Sujathamma*  
(SUJATHAMMA) 29/12/09  
Desk Officer,  
Energy Department.

To:

The Compiler, Karnataka Gazette, Government Press,  
Bangalore with a request to publish this in the forthcoming  
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Government.

Copy to:

1. The Accountant General in Karnataka, Bangalore.
2. The Chief Secretary to Government of Karnataka, Vidhana Soudha,  
Bangalore.
3. The Addl. Chief Secretary to Government, Energy Department,  
Vikasa Soudha, Bangalore.
4. The Secretary, Ministry of Power, Government of India, New Delhi.
5. The Principal Secretary to Government, Public Works Department,  
Vikasa Soudha, Bangalore.
6. The Principal Secretary to Government, Finance Department, Vidhana  
Soudha, Bangalore.
7. The Principal Secretary to Government, Revenue/Commerce &  
Industrial/ Infrastructure Development & Water resources  
Departments.
8. The Chairman, Central Electricity Authority, New Delhi.
9. The Chairman, State Electricity Regulatory Commission, M.G.Road,  
Bangalore.
10. The Resident Commissioner for Karnataka Bhavan, New Delhi.
11. The Chairman, Karnataka Power Transmission Corporation Limited,  
Kaveri Bhavan, Bangalore-9.
12. The Chairman & Managing Director, Power Finance Corporation  
Limited, New Delhi.
13. The Chairman, Central Electricity Regulatory Commission, New  
Delhi.
14. The Chairman & Managing Director, Rural Electrification  
Corporation Limited, New Delhi.

15. The Managing Director, Karnataka Power Corporation Limited, Shakti Bhavan, Bangalore-1.
16. All Managing Directors of ESCOMs.
17. The Managing Director, Karnataka Renewable Energy Development Limited, No.19, Maj. General A.D. Loganathan INA Cross, Queens Road, Bangalore-560 052.
18. The Director (procurement) State Power Procurement Co-ordination Centre, PCKL, Kaveri Bhavan, Bangalore.
19. The Chief Electrical Inspector to Government, Mysugar Building, J.C.Road, Bangalore.
20. The Private Secretary of Principal Secretary to Hon'ble Chief Minister, Vidhana Soudha, Bangalore.
21. P.S. to Minister for Energy, Vidhana Soudha, Bangalore.
22. P.S. to Addl. Chief Secretary to Government, Energy Department Vikasa Soudha, Bangalore.
23. P.A. to Deputy Secretary to Government, Energy Department, Vikasa Soudha, Bangalore.
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