GOVERNMENT OF KARNATAKA

No. FD 5 CET 2015
Karnataka Government Secretariat,
Vidhana Soudha,

NOTIFICATION

In exercise of the powers conferred by Section 11-A of the Karnataka Tax on Entry of goods Act, 1979 (Karnataka Act 27 of 1979), the Government of Karnataka, being of the opinion that it is necessary in the public interest to do so, with effect from the 12th day of June 2015, hereby fully exempts the tax payable under the said Act,-

(i) on the entry of plant and machinery and capital goods for use including those brought for the purpose of establishing captive power generation plant, into a local area caused by a dealer who is an energy project/unit, including Renewable Energy Project, independent power producer and Government owned power generating company as per the rules and guidelines specified in the Industrial Policy 2014-19 as specified in the Government Order No. CI 58 SPI 2013, dated 1st October 2014 and Government (Energy Department) Notification No. EN 19 EEB 2015 dated 12/06/2015, located in other than Hyderabad Karnataka (HK) area Zone-1 or Zone-2 or Zone-3 and Hyderabad Karnataka (HK) area Zone-1 or Zone-2 for a period of three years from the date of commencement of its project implementation, and

(ii) On the entry of plant and machinery and capital goods for use including those brought for the purpose of establishing captive power generation plant, into a local area caused by a dealer and energy project/unit, including Renewable Energy Project, independent power producer and
Government owned power generating company, who is a new Large/Mega/Super Mega/Ultra Mega Enterprises as per the rules and guidelines specified in the Industrial Policy 2014-19 as specified in the Government Order No. CI 58 SPI 2013, dated 1st October 2014 and Government (Energy Department) Notification No. EN 19 EEB 2015 dated: 12/06/2015, located in other than Hyderabad Karnataka (HK) area Zone-1 or Zone-2 for a period of three years from the date of commencement of its project implementation for Large and Mega Enterprises and five years for Ultra Mega and Super Mega Enterprises; and (iii) on the entry of any goods for use as raw materials inputs, component parts and consumables (excluding petroleum products) into a local area caused by a dealer who is an energy project/unit, including Renewable Energy Project, independent power producer and Government owned power generating company as per the rules and guidelines specified in the Industrial Policy 2014-19 as specified in the Government Order No. CI 58 SPI 2013, dated 1st October, 2014 and Government (Energy Department) Notification No. EN 19 EEB 2015 dated: 12/06/2015, located in other than Hyderabad Karnataka (HK) area Zone-1 or Zone-2 or Zone-3 and Hyderabad Karnataka (HK) area Zone-1 or Zone-2, for a period of five years from the date of commencement of commercial production of such unit for General Category Entrepreneurs and six years from the date of commencement of commercial production of such unit promoted by SC/ST Entrepreneurs; Women Entrepreneurs and Minorities, Backward Classes (category 1 and 2A only), Physically challenged, Ex-servicemen Entrepreneurs.

(iv) on the entry of any goods for use as raw materials inputs, component parts and consumables (excluding petroleum products) into a local area caused by a dealer who is an energy project/unit, including Renewable Energy
Project, independent power producer and Government owned power generating company, who is a new Large/Mega/Super Mega/Ultra Mega Enterprises as per the rules and guidelines specified in the Industrial Policy 2014-19 as specified in the Government Order No CI 58 SPI 2013 dated 1st October, 2014 and Government (Energy Department) Notification No.EN 19 EEB 2015 dated:12/06/2015, located in other than Hyderabad Karnataka (HK) area Zone-1 or Zone-2 or Zone-3 and Hyderabad Karnataka (HK) area Zone-1 or Zone-2, for a period of five years from the date of commencement of commercial production by Large Enterprises, six years for Mega Enterprises, seven years for Ultra Mega Enterprises and eight years for Super Mega Enterprises.

Explanations:-

(1) for the purpose of this notification:-

"Energy Projects" means all energy projects/units, including Renewable Energy Projects/units, independent power producer and Government owned power generating company.

(2) this notification shall not apply to,-

(a) Such of those energy project or units which have already been granted a package of incentive and concessions as per the previous policies.

(b) energy projects/unit from the date on which its registration with the Energy Department, Government of Karnataka is cancelled;

Procedure:

An energy project/unit claiming tax exemption under this notification shall produce the following documents at the time of filing first monthly or quarterly statements under the Karnataka Tax on Entry of Goods Rules, 1979, namely:-
(a) In the case of a new energy projects or unit, a certificate of approval in original issued by the Energy Department, Government of Karnataka or his authorized nominee, certifying

(i) that it is a unit registered as such;

(ii) the unit is promoted by the category of entrepreneur as defined in Government Order No.CI 58 SPI 2013, dated 1st October, 2014 and Government (Energy Department) Notification No. EN 19 EEB 2015 dated: 12/06/2015.

(iii) the value of fixed assets in terms of land, building and plant and machinery and such other productive assets like tools, jigs and fixtures, dyes, utilities like boilers, compressors, diesel generating sets, cranes, material handling equipments and such other equipments which are directly related to production purpose on the date of commencement of commercial production;

(iv) that no part of its fixed assets other than land and building is old or used or second-hand, with the exception of those imported from outside the country;

(v) the date on which investment and fixed assets had taken place;

(vi) the dates of commencement and completion of project implementation of the unit;

(vii) the date of commencement of its commercial production;

(viii) that it is eligible for exemption from payment of entry tax as per the Government Order No.CI 58 SPI 2013, dated 1st October 2014; and

(ix) the zone in which the unit is located and category under which the unit is eligible for tax exemption.
(b) in case of an existing unit making additional investment in expansion or diversification or modernization, a certificate in original issued by the Energy Department, Government of Karnataka at the time of filing of first monthly or quarterly statement under the Karnataka Tax on Entry of Goods Rules, 1979, after the commencement of expansion or diversification or modernization programme certifying the quantum of investment in fixed assets made for creating new assets under expansion or diversification or modernization programme and that the investment in expansion or diversification or modernization has been made on or after 12th June 2015 and that the unit satisfies the definition of expansion or diversification or modernization as in Annexure-5 (U) and it is eligible for entry tax exemption under the Government Order No.CI.58.SPI 2013, dated 1st October 2014.

(c) in each of the subsequent years for which tax exemption is claimed under this notification, the unit shall produce a certificate from the Energy Department, Government of Karnataka within sixty days of the commencement of the year certifying that the registration of the unit is valid for the year.

By Order and in the name of the Governor of Karnataka,

K.S. Padmanabh
(K.S.PADMAVATHI)
Under Secretary to Government, Finance Department (C.T.-1).
To:

The Compiler, Karnataka Gazette, Bangalore for publication in the Extraordinary Gazette dated: 21-09-2014 and supply 100 copies to the Finance Department (CT-1) and 1000 copies to the Commissioner of Commercial Taxes, Gandhinagar, Bangalore-9.

Copy to:

1. The Accountant General (Accounts) (Audit), Karnataka Bangalore.
3. The Secretary, Karnataka Legislature Secretariat, Bangalore.
4. The Addl. Chief Secretary, Energy Department, Vikasa Soudha Bangalore.
5. The Secretary, Department of Parliamentary Affairs & Legislation, Bangalore.