# Table of Contents

1. General Instructions ........................................... 3
2. Registration as a KESDM Company ......................... 8
3. Patent Registration Incentive ................................. 11
4. International Marketing Incentive ......................... 14
5. R&D Grant ..................................................... 16
6. Capital Subsidy ............................................... 19
7. Reimbursement of Quality Certification Costs .......... 23
8. Reimbursement of Prototyping Costs .................... 25
9. Interest Subsidy .............................................. 27
10. PF/ESI Incentive ............................................ 31
11. Exemption from Payment of Stamp Duty and Concessional Registration Charges 34
12. Reimbursement of Land Conversion Fee ................ 40
13. Power Tariff Concession ................................... 43
14. Subsidy for Setting up ETP ................................ 49
15. Approval Committee ........................................ 56
1. General Instructions

1.1 Acknowledgement

The Government of Karnataka, through KBITS, has announced the new ESDM Policy 2017-22 offering ecosystem support and various incentives/concessions to ESDM companies of the State. In order to support the ecosystem and administer the incentives/concessions, KBITS, Dept. of IT and BT, desires to bring out Operative Guidelines.

The definitions, formats, procedures for claiming and sanctioning of various benefits are fully explained. The narration is simple so that it is understood by every reader. The scopes for seeking frequent clarifications and also for interpretations are minimized. It is noted that the intentions of the Government of Karnataka promised in the ESDM Policy will be put into practice with these Operative Guidelines.

1.2 Eligibility for Availing Financial Support

To avail these incentives/concessions, an ESDM company must be registered with DIT/KBITS as a KESDM company. Companies which are already registered under KESDM Policy need not register again under the new policy.

The old KESDM Policy 2013 ceases to exist in view of the new policy 2017-2022 which is announced on 1st December 2017 vide Government Order No. ITD 09 PRM 2017. Any applications for incentives/concessions prior to the Financial Year 2017-18 would not be considered.

For the Financial Year 2017-18, companies can only claim incentives from April 2017 to March 2018 which would be considered under the guidelines of KESDM Policy 2017-22.

Application for any incentives/concessions for each financial year should be submitted half yearly (only one time) within six months from the end of each half year. If the applications are submitted after this duration it would be rejected. This condition is relaxed for Patent Incentive.

Nature of business:
The company or entity should be engaged in one of the following businesses:

- Manufacturing and or design of electronics products such as Telecom Systems / Mobiles / IT Systems And Hardware / Consumer Electronics / Medical Electronics / Avionics / Industrial Electronics / Defence & Strategic Electronics / Automotive Electronics / Information & Broadcasting Equipment / etc.
- Manufacturing of intermediates such as PCBs / semiconductors / chip components / ICs / components
- Electronics Manufacturing Services (EMS)
- Design / IP / Software services for electronics products
- Any other electronics verticals / products covered by the National Policy on Electronics (NPE) / National Manufacturing Policy (NPM) and related notifications, as issued by the Govt. of India from time to time

Location:
The company or entity should be registered in Karnataka under the Karnataka Shops and Commercial Establishment Act, 1961.

Employment:
The company or entity employs at least 50 percent of its total workforce in Karnataka, which should not include contract employees.
**Value Addition:**
The company or entity should do value addition within the state, in-line with the below formulae:

![Value Addition Formula](image)

For those companies who may have multiple offices in India/abroad, they must have their 60% workforce residing in Karnataka and if Karnataka design centre is directly involved in claimed activity (patent development/marketing/R&D/quality certification/prototyping), would they be considered as eligible for that particular incentive/concession.

**Examples:**
For example, for a product company, let’s assume a company which is in the 3rd year of its existence and has the following values for various parameters –
- Product price is Rs. 1,00,000 = A
- Cost of BOM in A is Rs. 80,000 = B
- BOM sourced from domestic manufacturers is Rs. 30,000 = C

Then, value addition for the company would be \([\frac{30000}{80000}\times100]\), which is equal to 37.5%. As this is higher than the limit of 35% for Year 3 companies, the said company is eligible for consideration for financial support.

Similarly, for a design/services company, the value addition will be calculated using the same formula but with a slight difference –
- A = Product Price will be the price of the service that they offer
- B = Cost of material will be the cost incurred in providing that service (staff salaries, overheads, other costs attributable to service delivery like hardware/software etc.)
- C = BOM sourced from domestic manufacturers will be the cost of services delivered from Karnataka
- Value addition will be \((C/B)\times100\)

For example, if a services/design company in its 5th year of existence prices its service at Rs. 1 lac (A) and the total cost of service delivery is Rs. 75,000 (B), whereas the costs incurred in Karnataka are Rs. 50,000 (C), the value addition will be \(\frac{50000}{75000}\times100\) or 66%. As this is higher than the 45% value addition defined for Year 5 companies, the company will be eligible to be considered as a KESDM company.
1.3 Applicability of Incentives

Following table provides an overview of the applicability of incentives and concessions to different categories of KESDM companies:

<table>
<thead>
<tr>
<th>SI</th>
<th>Incentive / Concession / Grant</th>
<th>Startups and MSMEs</th>
<th>Large and Mega Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Patent Registration Incentive</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2</td>
<td>International Marketing Incentive</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>3</td>
<td>R&amp;D Grant</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>4</td>
<td>Capital Subsidy</td>
<td>x</td>
<td>✓</td>
</tr>
<tr>
<td>5</td>
<td>Reimbursement of Quality Certification Costs</td>
<td>✓</td>
<td>x</td>
</tr>
<tr>
<td>6</td>
<td>Reimbursement of Prototyping Cost</td>
<td>✓</td>
<td>x</td>
</tr>
<tr>
<td>7</td>
<td>Interest Subsidy</td>
<td>✓</td>
<td>x</td>
</tr>
<tr>
<td>8</td>
<td>PF / ESI Incentive</td>
<td>✓</td>
<td>x</td>
</tr>
<tr>
<td>9</td>
<td>Exemption from Stamp Duty</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>10</td>
<td>Reimbursement of Land Conversion Fee</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>11</td>
<td>Concessional Registration Charges</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>12</td>
<td>Power Tariff Concession</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>13</td>
<td>Subsidy for setting-up ETP</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

**Note:** The maximum amount reimbursed to a single company under various incentives/concessions would be capped at INR 3 Cr for a single year and INR 10 Cr during the current policy period.

All the incentives, except for patent registration incentive, will be applicable from the date of KESDM registration for the company. Only for patent registration incentive, patent applications filed during the policy period will be considered.

For the purpose of incentives, companies have been categorized into different classifications of Startups & MSMEs, Large Enterprises and Mega Enterprises. The categorization of companies is as mentioned below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Investments on Fixed Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Startups and MSMEs</td>
<td>Less than INR 10 Cr</td>
</tr>
<tr>
<td>Large Enterprises</td>
<td>Between INR 10 Cr up to INR 250 Cr</td>
</tr>
<tr>
<td>Mega Enterprises</td>
<td>More than INR 250 Cr</td>
</tr>
</tbody>
</table>
Investment on Fixed Assets shall mean the total investments made on land, building, plant and machinery, Test equipment, Software tools, Computers, Servers, Workstations, Networking Equipment’s and other productive assets like tools, jigs and fixtures, dies, utilities like DG sets, cranes, material handling equipment’s and such other equipment’s directly related.

Additionally, KESDM companies are also eligible to avail incentives and concessions as per the applicable norms of Karnataka Industrial Policy and Karnataka Start-up Policy, prevailing at that point of time, from respective Departments. However, those incentives which are common in these policies, can only be claimed from any one source. Any irregularity/misrepresentation in this regard will disqualify the company from availing any incentives in any of the policies of Govt. of Karnataka.

1.4 Application Process

For registration as a KESDM company and for availing incentives/concessions, the required application forms/formats are available on the Department website itbt.karnataka.gov.in. The applicant needs to fill the form as indicated along with all the relevant information and submit to KBITS. The filled up form along with soft copies of the required documents, as indicated for each incentive, needs to be submitted online to esdmcell@karnataka.gov.in.

A hard copy of the application with enclosures should also be mailed to the following address:

To,

ESDM Cell,
Karnataka Biotechnology and Information Technology Services (KBITS),
BMTC Building, 4th Floor (TTMC ‘B’ Block - above bus stand)
Shanthinagar, Bangalore - 560027, Karnataka, India

For any queries regarding incentives and/or applications, please quote your KESDM registration number in your correspondence and reach out to KBITS at esdmcell@karnataka.gov.in.

Due Diligence Process

For those incentives and/or applications, wherein payments have been made to private sector, a due diligence will be carried out by the department through one of its empanelled auditors. The empanelled auditor will conduct the due diligence as per the defined service level agreements (in their contract) and submit a report to ascertain the veracity of the claim.

Sanction Process

Various incentives and subsidies will be granted to eligible companies from time to time through an Approval committee (Annexure-A). This committee will consist of industry representatives and external consultants apart from the representatives of KBITS. It will be chaired by the Managing Director, KBITS. This committee will meet minimum once in every 3 months to consider all such applications as well as any other related issues, unless required to do so earlier. The decision of the Approval Committee will be deemed final while sanctioning the eligible amount for Incentives/Concessions. Reimbursement amount would be released /disbursed on the seniority basis depending upon the budget allotted under the Policy by the State Government during the Financial Year.

If required, a separate sub-committee to evaluate R&D grants / other incentives or concessions may be constituted from within the members of the Approval committee.
**Self Declaration by the Company/entity**

The following declaration format by the company or entity should be submitted by the company while availing for any incentives/concessions on Company’s letter head and duly signed and affixed with company/entity seal.

**DECLARATION**

I, (full name) ...........................................................................................................................................................

S/o...............................................................................................................................................................................

Managing Director / Director / Proprietor / Partner of M/s. .......................................................... (Complete address), do hereby solemnly affirm and declare that the particulars stated above in the application are true and correct to the best of my knowledge, information and belief. In case any of the Statement / Information furnished in the application or documents are found to be wrong or in corrector misleading, I do hereby bind myself and my / our unit to pay to the Government on demand, the full amount received as reimbursement in respect of the above mentioned activity, within 7 (Seven) days of such a demand being made to me in writing.

Place: ........................................................................................................................................................................

Date: ......................................................................................................................................................................

(Proprietor / Mg. Partner / Chief Executive/ Director / Managing Director)

Place: Signature and Seal
2. Registration as a KESDM Company

2.1 Applicability

A first-time applicant needs to apply for registration as a KESDM company by completing the KESDM registration form. There is a one-time charge of INR 10,000 for KESDM registration, exclusive of the applicable GST, that should be paid as a demand draft in favor of "Managing Director, KBITS". If the company has previously registered as a Karnataka IT or BT company, there is no charge. Instead, the company may attach a copy of the Karnataka IT or BT registration certificate along with its application for reference.

Upon receipt of the application and supporting documents, the Department may conduct a physical inspection of the company before issuing the KESDM registration certificate.

If any company has more than one unit in Karnataka, in order to avail benefits under the KESDM policy, a single registration certificate for all the units should be taken from the Department.

Only registered KESDM companies can apply for the subsidies/incentives/grants available under the Karnataka ESDM Policy 2017-2022.

2.2 Documents Required (Self Certified)

- Completed application form for KESDM Company Registration
- Audited financial statements for the last one year of operations of the applicant and annual reports
- Newly incorporated companies should produce CA certified detailed project reports on the business that includes financial projections for the next three years
- Certified copy of Memorandum and Articles of Association / Certificate of Incorporation / Certificate of Commencement of business / Partnership Deed / Trust Deed / Bye-laws / Registration Certificate from Registrar of firms / societies, as the case may be
- Lease deed agreement of the company
- Letter on company letter-head certifying the minimum value addition done within the state
- A brief write-up on the ESDM activities of the company

2.3 Application Form and Process

Interested companies can apply for KESDM registration through the online portal itbt.karnataka.gov.in, attaching the soft copies of all supporting documents.

<table>
<thead>
<tr>
<th>Application Form for KESDM Company Registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the Company:</td>
</tr>
<tr>
<td>Full Address for Communication:</td>
</tr>
<tr>
<td>Constitution of the Company: (please specify whether proprietorship/partnership firm/company etc.)</td>
</tr>
<tr>
<td>Details of Promoters/Directors/Key Executives:</td>
</tr>
<tr>
<td>Details of Branch Offices / Units:</td>
</tr>
<tr>
<td>1 Full Address</td>
</tr>
<tr>
<td>2 No. of Persons Employed</td>
</tr>
</tbody>
</table>
Details of Employees:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Total number of Employees</strong></td>
</tr>
<tr>
<td>2</td>
<td><strong>No. of Employees located in Karnataka</strong></td>
</tr>
<tr>
<td>3</td>
<td><strong>No. of Employees located outside Karnataka</strong></td>
</tr>
</tbody>
</table>

Details of Banker:

**Details of Value Addition done in Karnataka:**
(please refer to the formulae mentioned in the policy)

List of Documents to be Furnished:

- Audited financial statements for the last one year of operations of the applicant and annual reports
- Newly incorporated companies should produce CA certified detailed project reports on the business that includes financial projections for the next three years
- Certified copy of Memorandum and Articles of Association / Certificate of Incorporation / Certificate of Commencement of business / Partnership Deed / Trust Deed / Bye-laws / Registration Certificate from Registrar of firms / societies, as the case may be
- Lease deed agreement of the company
- Letter on company letter-head certifying the minimum value addition done within the state
- A brief write-up on the ESDM activities of the company
KESDM Registration Process

START

Is the company registered in Karnataka?

Yes

-50% workforce employed in Karnataka?

Yes

Co. doing value addition as per requirement?

Yes

Download and fill the application form for KESDM registration and submit it along with supporting documents to KBITS office.

No

Your company is not eligible to be registered as a KESDM Company. Please contact KBITS for further clarification.

Your company is not eligible for KESDM registration. Please check the conditions for value addition in the state and get in touch with KBITS for further clarification.

Register the company's office in Karnataka under the Shop & Establishments Act and please apply again. For further clarifications, please contact KBITS.

Review the application and verify the supporting documents.

Issue the KESDM Registration Certificate.

Yes

Physical Inspection approved?

No

Arrange for a physical inspection.

END

- Audited financial statements for the last 3 years of operations and Annual Reports.
- Newly incorporated companies should submit CA certified financial projections for the next three years.
- Certified copy of MoA/ AoA for private limited companies or similar documents for others.
3. Patent Registration Incentive

3.1 Applicability

Registered KESDM companies will be reimbursed the actual costs, up to a maximum of INR 2 Lac for filing a domestic patent; and up to a maximum of INR 10 Lacs for filing an international patent, provided such patent is filed or granted within the policy period.

Patents that are created for a technology based service or product or uses technology for enhancing functionality or reach of an existing product or service are eligible. The applicant should have already filed or been granted a patent with the concerned authority.

Eligible expenses for a patent filing include filing fees paid to the patent office, attorney fees, search fees, and maintenance fees. Up to 75% of the eligible expense amount or 75% of the upper limit (INR 2 Lacs for domestic patent; INR 10 Lacs for international patent), will be reimbursed once the patent is filed. The balance 25% will be paid after the patent has been granted. However, the full reimbursement can also be claimed after the grant of the patent, in which case 100% of the eligible costs will be reimbursed post the application, subject to the maximum grant amount.

A single company will be eligible for a maximum of five reimbursements (inclusive of domestic or international patents) during the policy period. These patent filing incentives provided by the Govt. of Karnataka will be in addition to any existing scheme of the Government of India.

Provisional patent application expenses will not be considered for reimbursement. Also, for each patent claim a separate application must be submitted.

Eligibility Criteria for reimbursement for Post filing of the Patents:

Applicant should have filed for the patent for which reimbursement is being claimed. The Applicant may claim reimbursement towards fees paid to the concerned authority and legal charges, if any (drafting/consultation). The reimbursement shall be made on a one-time basis and shall be availed only once for the particular patent application.

Eligibility Criteria for reimbursement for Post grant of the Patents:

Applicant should have already been granted the patent for which reimbursement is claimed and should have already claimed reimbursement of costs incurred post filing of the patent. Applicant may claim reimbursement towards fees paid to the concerned authority and legal charges, if any (drafting/consultation). Applicant shall not be entitled to reimbursement under this provision in case Applicant has received reimbursement of Rs. 2 Lakhs for a domestic patent filing and/or Rs. 10 Lakh for foreign patent filing.

Eligibility Criteria for reimbursement Post Filing and Post Grant of Patent simultaneously:

Applicant should have been granted the patent for which reimbursement is being claimed and should not have claimed reimbursement for the same previously. Applicant may claim reimbursement towards fees paid to the concerned authority and legal charges, if any (drafting/consultation). Applicant shall be eligible to reimbursement up to Rs. 2 Lakh for an Indian Patent and up to Rs. 10 Lakh for a foreign Patent.
3.2 Documents Required

- Duly filled application form for patent registration incentive
- Copy of the KESDM registration certificate
- Copy of the patent filing application along with filing receipts
- Copy of the certificate of patent grant (if granted)
- Copies of all applicable expense invoices and receipts
- Copy of bank passbook / statement of account highlighting all incurred expenses
- Power of Attorney if a lawyer(s) has been used for filing purposes

3.3 Application Process and Form

After receiving the application from the company, the officer-in-charge will verify the submitted documents. Post satisfying the genuineness of the facts, an internal audit will be done to ascertain the claim and advise on the incentive amount. The application and internal audit report will be then put up for approval to the approval committee, which will examine and approve / disapprove the application.

Form 1: Application Form for Patent Registration Incentive

| KESDM Registration Number: |
| Name of the Company: |
| Type of Patent Filed: (India / International) |
| Details of Patent Filing: |
| 1 Filing No.: |
| 2 Filing Date: |
| 3 Grant No. of the Patent: (if granted) |
| 4 Patent Title: |
| 5 Brief Note on Invention: |
| Details of Inventors: (each profile to be mentioned) |
| 1 Name: |
| 2 Designation: |
| Details of Incurred Expenses: |
| 1 Patent Office Fee: |
| 2 Application Fee: |
| 3 Prior Art Search Fee: |
| 4 Request for Examination Fee: |
| 5 Annual Fee: |
| 6 Attorney Drafting Charges: |
| 7 Consultancy Charges: |
| Details of Incentive Claim: |
| 1 Previous Reimbursement Claims |
Sanctioned by KBITS:

2 Eligible reimbursement:

List of Documents to be Furnished

- Copy of the KESDM registration certificate
- Copy of the patent filing application along with filing receipts
- Copy of the certificate of patent grant (if granted)
- Copies of all applicable expense invoices and receipts
- Copy of bank passbook / statement of account highlighting all incurred expenses

### Patent Registration Incentive Grant Process

<table>
<thead>
<tr>
<th>Applicant</th>
<th>KBITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>START</td>
<td>Application meets eligibility criteria?</td>
</tr>
<tr>
<td></td>
<td>Review the application and verify the supporting documents</td>
</tr>
<tr>
<td></td>
<td>Is the company/ KESDM registered?</td>
</tr>
<tr>
<td></td>
<td>Already availed claims &lt; 5</td>
</tr>
<tr>
<td></td>
<td>Register the company for KESDM recognition by following the procedure mentioned in <a href="http://www.kbits.com">http://www.kbits.com</a></td>
</tr>
<tr>
<td></td>
<td>Your company has already claimed the maximum allowed incentive under the policy. Please contact KBITS for further clarification.</td>
</tr>
<tr>
<td></td>
<td>Download and fill application form for Patent Registration incentive and submit it along with supporting documents to KBITS office</td>
</tr>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>No</td>
<td>75% eligible amount or 75% of the upper limit (INR 2 Lacs for Domestic patents and INR 10 Lacs for International patents), whichever is lower, is reimbursed.</td>
</tr>
<tr>
<td>Yes</td>
<td>Patent Registration incentive approved for the company</td>
</tr>
<tr>
<td></td>
<td>Patent is Granted?</td>
</tr>
<tr>
<td></td>
<td>100% eligible amount is reimbursed (Upper limit of INR 2 Lacs for Domestic patents and INR 10 Lacs for International patents)</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>

Operational Guidelines for Karnataka ESDM Policy 2017-2022
4. **International Marketing Incentive**

4.1 **Applicability**

For export promotion of ESDM products and building brand equity of KESDM companies as credible players internationally, Govt. of Karnataka will provide reimbursements of 50% of the actual cost incurred in -

- Registration, economy class travel, boarding and lodging expenses for international marketing, events, and conferences
- Trade show participation and exhibition stall rentals

A single KESDM company will be eligible to claim the reimbursement for up to a maximum of INR 5 Lacs per year. They can apply for the same on a half-yearly basis, within six months of the expense incurred.

Reimbursement for Travel, expenses, food and lodging will be capped at 2 employees for participation in up to 2 international events/conferences/tradeshows per company per year. DA will include lodging, food and intra-city commutes. Journey days will not be considered for computing TA/DA. Also, within the ambit of the monetary cap specified, the reimbursement will be subject to the following conditions.

- Preference for reimbursement will be given to woman members
- Travel reimbursement will only be applicable on economy air travel and DA up to $100 a day for international travel

4.2 **Documents Required**

- Duly filled application form for International Marketing Incentive
- Copy of the KESDM Registration Certificate
- Event invitation, welcome letter from organizers, confirmation of registration and exhibition participation invoice for trade shows
- Proof for stay at the location along with air tickets, boarding pass and visa stamping
- A report of all business development activities undertaken during the visit to the tradeshow
- Supporting invoices / bills for expenses incurred for travel/lodging/boarding etc.

4.3 **Application Process and Form**

After receiving the application, the officer-in-charge will verify the submitted documents. Post satisfying the genuineness of the facts, an internal audit will be done to ascertain the claim and advise on the incentive amount. The application and advice will be then put up for approval to the approval committee, which will examine and approve / disapprove the application.

Form 2: Application Form for International Marketing Incentive

<p>| KESDM Registration Number: |  |
|----------------------------|  |
| Name of the Company: |  |
| <strong>Details of Marketing Expenses</strong>: (whichever is applicable) |  |
| <strong>A</strong> Event/Exhibition Details along with Dates: |  |
| <strong>B</strong> Marketing/Publicity Details along with Dates: |  |
| <strong>Total Expenses Incurred</strong>: (along with breakup) |  |</p>
<table>
<thead>
<tr>
<th>1. Conference Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Employee Travel Costs</td>
</tr>
<tr>
<td>3. Employee Lodging Costs</td>
</tr>
<tr>
<td>4. Stall Expenses</td>
</tr>
<tr>
<td>5. Other Expenses (as applicable)</td>
</tr>
</tbody>
</table>

**Eligible Reimbursement:** (50% of total expenses)

**List of Documents to be Furnished:**
- Copy of the KESDM Registration Certificate
- Event invitation and exhibition participation invoice
- Proof for stay at the location along with air tickets, boarding pass and visa stamping
- A report of all business development activities undertaken during the visit to the tradeshow
- Supporting invoices / bills for expenses incurred

---

**International Marketing Incentive Grant Process**

START

- **is the company KESDM registered?**
  - Yes
    - **Availed incentive < 5 Lacs for this calendar year?**
      - Yes
        - Download and fill application form for International Marketing Incentive and submit it along with supporting documents to KIBTS office
      - No
        - **Register the company for KESDM recognition by following the procedure mentioned in http://www.kibts.com**
  - No
    - Your company has already claimed the maximum allowed incentive during this calendar year. Please contact KIBTS for further clarification

- **Register the company for KESDM recognition by following the procedure mentioned in http://www.kibts.com**

END

- **Application meets eligibility criteria?**
  - Yes
    - 50% of total eligible expense incurred is reimbursed, subject to maximum limit of INR 5 Lacs in calendar year
  - No

**Application forms:**
- Copy of the KESDM Registration Certificate
- Event Invitation and Exhibition Participation Invoice for Trade Shows
- Any other supporting invoices / bills for expenses incurred

---

Operational Guidelines for Karnataka ESDM Policy 2017-2022

15
5. **R&D Grant**

5.1 **Applicability**

Government of Karnataka will provide R&D grants in the form of reimbursement to registered KESDM companies for the expenses incurred on R&D for products (and not services) as per the following classification.

<table>
<thead>
<tr>
<th>Category</th>
<th>Available Grant (as percentage of expenses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Startups and MSME</td>
<td>25%</td>
</tr>
<tr>
<td>Large and Mega Enterprises</td>
<td>10%</td>
</tr>
</tbody>
</table>

The R&D grant will be available to only those companies that are less than 7 years old (from the date of incorporation). This grant is subject to a maximum of INR 2 Crores per company per year and will be in addition to any similar benefits announced by the Government of India. A single company will be able to claim this incentive only twice during the entire policy period.

Additionally, only R&D expenses incurred by the R&D unit(s) located in Karnataka will be considered. For manpower costs, contract employees and consultants will not be considered. Only R&D personnel who are full-time staff and holding a minimum under-graduate degree in engineering or science from India or abroad will be considered.

Irrespective of the amount that gets reimbursed, the R and D grant can be claimed only twice during the policy period. Once the application is processed and reimbursed for a Financial Year, submitting applications again by the same company and for same period, will not be considered.

For design and services companies, only if the IP resides with the Karnataka based ESDM Company, will the company be considered eligible for the R&D grant.

Eligible expenses would include:

- Annual Salaries of R&D staff working on ESDM products
- Capitalized value of the Test equipment and Software tools purchased or purpose-built for ESDM product design, development or testing
- Capitalized value of the Hardware and Software prototype costs for ESDM products
- Compliance and Regulatory testing expenses incurred for ESDM products
- Capitalized value of the Computers, Servers, Workstations and Networking Equipment used for ESDM R&D

5.2 **Documents Required**

- Duly filled application form for R&D Grant
- Copy of the KESDM Registration Certificate
- Technical and commercial justification for R&D performed (5 pages max)
- Proof of the IP associated with the R&D residing within the company
- Copies of all expense invoices/POs
- CA/Cost accountant certificate for total manpower expenditure in R&D
- Copies of PF statements for R&D employees
- Audited financial statement for the year

5.3 **Application Process and Form**
After receiving the application, the officer-in-charge will verify the submitted documents. Post satisfying the genuineness of the facts, an internal audit will be done to ascertain the claim and advise on the incentive amount. The application and advice will be then put up for approval to the approval committee, which will examine and approve / disapprove the application.

Form 3: Application Form for R&D Grant

<table>
<thead>
<tr>
<th>KESDM Registration Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the Company:</td>
</tr>
<tr>
<td>Date of Incorporation of the Company:</td>
</tr>
</tbody>
</table>

Details of R&D Expenses Incurred for Last 3 Years (if applicable):

Details of R&D Expenses: (whichever is applicable)

1. Expenses Incurred on R&D Personnel:

2. Capital Expenses on Equipment / Software Procured/Purpose-built for R&D Purposes:

3. Capital Expenses on Computers / Servers / Workstations / Equipment used for R&D:

Total Expenses Incurred (along with breakup):

Details of Claim:

- Previous R&D Grants Sanctioned by KBITS:

- Amount of R&D Expense Claimed:

List of Documents to be Furnished:

- Copy of the KESDM Registration Certificate
- Technical and commercial justification for R&D performed (5 pages max)
- Proof of the IP associated with the R&D residing within the company
- Copies of all expense invoices/POs
- CA/Cost accountant certificate for total manpower expenditure in R&D
- Copies of PF statements for R&D employees
- Audited financial statement for the year
R&D Grant Approval Process

START

Is the company KESDM registered?

No

Register the company for KESDM recognition by following the procedure mentioned in http://www.kiitis.com

Yes

Is the Co./ Establishment age < 7 years?

No

Your company is not eligible for claiming R&D grant. Only those companies which have been established for less than 7 years, as on application date, are eligible.

Yes

Already availed claims > 2?

No

Download and fill application form for R&D Grant and submit it along with supporting documents to KIITS office

Yes

Review the application and verify the supporting documents

END

Only 2 claims can be made in the policy period. Please contact KIITS for further clarifications

Copy of the KESDM Registration Certificate
:

Technical and Commercial Justification for R&D performed (5 pages max)

Copy of all Expense Invoice/Po

CA/Cost accountant certificate for total manpower employed in R&D

Copy of PF statements for R&D employees

Audited Financial Statement for the year

Application meets eligibility criteria?

Yes

R&D Grant approved for the company

No

Is the Company a Startup / MSME?

Yes

Reimburse 10% of the approved expenses, subject to a maximum of INR 2 Crores in a year

No

Reimburse 25% of the approved expenses, subject to a maximum of INR 2 Crores in a year

Operational Guidelines for Karnataka ESDM Policy 2017-2022
6. Capital Subsidy

6.1 Applicability

The Govt. of Karnataka will provide up to 10% capital subsidy, up to a maximum of INR 10 Crores to registered KESDM companies, which will be applicable to the first two anchor units in each Greenfield cluster. This subsidy is not applicable to Startups and MSME’s.

6.2 Documents Required

- Duly filled application form for Capital Subsidy
- Copy of the KESDM Registration Certificate
- Copy of the company registration/incorporation document for the establishment to be considered for the claim
- Copies of all invoices/P0s relevant to the investment
- Any other supporting documents for the investment made in the establishment to be considered for the claim such as letter from Financial Institution or Scheduled Bank
- CA/Cost accountant certificate for total investment made in the unit
- Copy of the first sale invoice for products manufactured / services provided from the establishment to be considered for the claim

6.3 Application Process and Form

After receiving the application, the officer-in-charge will verify the submitted documents. This will also include assessment of whether the applicant’s facility can be considered as an anchor unit in the Greenfield cluster. Post satisfying the genuineness of the facts, an internal audit will be done to ascertain the claim and advise on the subsidy to be granted. The application and advice will be then put up for approval to the approval committee, which will examine and approve / disapprove the application.

Upon successful approval of the application, the applicant will have to sign an undertaking and submit to the Department as per the prescribed format, on a stamp paper of Rs. 100.

<table>
<thead>
<tr>
<th>Form 4 : Application Form for Capital Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>KESDM Registration Number:</strong></td>
</tr>
<tr>
<td><strong>Name of the Company:</strong></td>
</tr>
<tr>
<td><strong>Address of the Establishment to be Considered for the Claim:</strong></td>
</tr>
<tr>
<td><strong>Size of the Establishment to be Considered for the Claim (Startup/MSME/Large/Mega):</strong></td>
</tr>
<tr>
<td><strong>Products Manufactured / Services Provided by the Establishment to be Considered for the Claim:</strong></td>
</tr>
<tr>
<td><strong>Electric Power Connection RR No.:</strong></td>
</tr>
<tr>
<td><strong>Date of Commencement of Commercial Production (as per the first sale invoice)</strong></td>
</tr>
<tr>
<td><strong>Details of Investment Made:</strong> (whichever is applicable)**</td>
</tr>
<tr>
<td>1 Land: (excluding Lease hold)</td>
</tr>
<tr>
<td>2 Building and Civil Works: (excluding residential quarters / guest houses)</td>
</tr>
<tr>
<td>3 Plant and Machinery: (excluding technical know-how, engineering fees, feasibility study etc.)</td>
</tr>
</tbody>
</table>
4 **IT Infrastructure:** (Computers, Servers, Security, LAN equipment etc.)

5 **Others:**

**Total Investment in the Establishment:**

**Employment Provided by the Establishment:** (both existing and planned expansion in next 3 years)

**Amount of Capital Subsidy Claimed:**

**List of Documents to be Furnished:**

- Copy of the KESDM Registration Certificate
- Copy of the company registration/incorporation document for the establishment to be considered for the claim
- Copies of all invoices/POs relevant to the investment
- Any other supporting documents for the investment made in the establishment to be considered for the claim such as letter from Financial Institution or Scheduled Bank
- CA/Cost accountant certificate for total investment made in the unit
- Copy of the first sale invoice for products manufactured / services provided from the establishment to be considered for the claim
### 6.4 Format of Undertaking for Capital Subsidy

**Undertaking for Capital Subsidy**

The undertaking executed this day ______ of 20__ by carrying on the business of under the name and style of M/s. __________________________________ herein after called the 'Grantee' of the one part in favour of the Governor of Karnataka, represented by KBITS herein after called the Government of other part WITNESSETH.

Where KBITS has sanctioned a Capital Subsidy of Rs. ____________ (Rs. ______________________ only) under the Government of Karnataka ESDM policy 2017-2022 to the grantee for the purpose of his enterprise.

The grantee hereby acknowledges, agrees and covenants as follows:

1. If the State Government/Financial Institution concerned is satisfied that the investment subsidy has been obtained by misrepresentation of essential fact, furnishing false information after the reimbursement of full subsidy, the State Government/Financial Institution concerned shall have the right to claim refund of the grant/subsidy of Rs. ____________ (Rs. ____________ only) paid to the grantee together with such interest as the State Govt./Financial Institution concerned may charge.

2. The grantee shall not change the location of the whole or any part of the industrial enterprise or effect any contraction or disposal of a part of its total fixed capital investment within a period of three years after the enterprise receives this grant.

3. In the event of the subsidy being sanctioned, which at later date is found to be not actually due, the grantee shall refund to Government such portion or the whole amount as determined by KBITS. On failure to do so, such amount shall be recovered by the Government as arrears of land revenue.

4. Where the industrial enterprise goes out of production or remains closed without production activities within one year from the date of receipt of subsidy, except in case where the enterprise remain out of production for short period extending not more than six months due to reasons beyond control, such as shortage of raw materials, power etc. the grantee shall refund to Government the entire subsidy received. If the enterprise fails to refund the subsidy amount the same shall be recovered as arrears of land revenue.

5. The capital subsidy sanctioned herein is in the nature of "Grant-in-aid" and shall not be construed as a "contract" with Government of Karnataka. The grantee shall not exercise his right of privacy of contract in the matter of release of subsidy by Government of Karnataka, who shall release the subsidy amount as and when the grantee is eligible for the same, in such proportions and instalments as the Government may regulate. The subsidy sanctioned will be released directly through NEFT/RTGS to the concerned Financial Institutions/Banks.

6. That the grantee shall not exercise his right of claiming release/reimbursement of subsidy amount out-of-turn either directly or through his attorney and that the decision of the Government in the matter of periodic release based on the availability of funds shall be final and binding on the grantee.

7. The Grantee shall undertake to provide employment to local people (Kannadigas) and maintain the same at least for a period of five years from the date of release of the subsidy amount. In case the enterprise fails to do it shall be bound to return the subsidy amount to the Government.

Submitted Schedule of Investments:
<table>
<thead>
<tr>
<th>SI</th>
<th>Particulars</th>
<th>Amount (in INR Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Land</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Building and civil works</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Plant and Machinery</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Others</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

In witness whereof the Grantee has set his hand on this __________ day of __________

Witness: [Signatures]

1.

2.

Common Seal of the Company

Signature of the Grantee
7. **Reimbursement of Quality Certification Costs**

7.1 **Applicability**

Registered KESDM Startups and MSMEs will be eligible for reimbursement of up to 50% of testing/certification charges incurred for getting the products tested/certified from any lab domestic/abroad (Conformity European (CE), China Compulsory Certificate (CCC), UL Certification, ISO, CMM Certification, SA, RU, FDA, CFDA etc.), subject to a maximum of INR 10 Lacs per year.

7.2 **Documents Required**

- Duly filled application form for Reimbursement of Quality Certification Costs
- Copy of the KESDM Registration Certificate
- Copy of the application for testing/certification of a product, along with receipts
- Copy of the certificate / test result (if granted)
- Copies of all applicable expense invoices and receipts

7.3 **Application Process and Form**

After receiving the application, the officer-in-charge will verify the submitted documents. Post satisfying the genuineness of the facts, an internal audit will be done to ascertain the claim and advise on the incentive amount. The application and advice will be then put up for approval to the approval committee, which will examine and approve / disapprove the application.

<table>
<thead>
<tr>
<th>Form 5: Application Form for Reimbursement of Quality Certification Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>KESDM Registration Number:</td>
</tr>
<tr>
<td>Name of the Company:</td>
</tr>
<tr>
<td>Date of Incorporation:</td>
</tr>
<tr>
<td>Products for which the Certification/Testing was required:</td>
</tr>
<tr>
<td>Details of Expenses: (whichever is applicable)</td>
</tr>
<tr>
<td>1 Application Fee:</td>
</tr>
<tr>
<td>2 Assessment/Audit Fee:</td>
</tr>
<tr>
<td>3 Annual/License Fee:</td>
</tr>
<tr>
<td>4 Calibration/Testing Charges:</td>
</tr>
<tr>
<td>5 Technical Consulting Charges:</td>
</tr>
<tr>
<td>6 Others:</td>
</tr>
<tr>
<td>Total Expense Incurred:</td>
</tr>
<tr>
<td>Amount of Reimbursement Claimed: (50% of eligible expenses)</td>
</tr>
<tr>
<td>Details of Reimbursement/Claim Application to Govt. of India or any other institution, if applied for:</td>
</tr>
<tr>
<td>List of Documents to be Furnished:</td>
</tr>
</tbody>
</table>
- Copy of the KESDM Registration Certificate
- Copy of the application for testing/certification of a product, along with receipts
- Copy of the certificate / test result (if granted)
- Copies of all applicable expense invoices and receipts
8. Reimbursement of Prototyping Costs

8.1 Applicability

Registered KESDM Startups and MSMEs will be eligible for reimbursement of 50% of the cost incurred for developing a prototype of a product. This will be subject to an upper limit of INR 10 Lacs per year, with an allowance of a maximum of 2 sanctions per year per company.

8.2 Documents Required

- Duly filled application form for Reimbursement of Prototyping Costs
- Copy of the KESDM Registration Certificate
- Brief summary of the prototype and its details along with the final outcome / next steps (2 pages max)
- Copies of all expense invoices/POs relevant to the prototype
- CA/Cost accountant certificate for total manpower employed for developing the prototype
- Copies of PF statements for employees engaged in the prototype work

8.3 Application Process and Form

After receiving the application, the officer-in-charge will verify the submitted documents. Post satisfying the genuineness of the facts, an internal audit will be done to ascertain the claim and advise on the incentive amount. The application and advice will be then put up for approval to the approval committee, which will examine and approve / disapprove the application.

---

Form 6: Application Form for Reimbursement of Prototyping Costs

<table>
<thead>
<tr>
<th>KESDM Registration Number:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the Company:</td>
<td></td>
</tr>
<tr>
<td>Date of Incorporation:</td>
<td></td>
</tr>
<tr>
<td>Product for which the Prototyping was required:</td>
<td></td>
</tr>
<tr>
<td>Details of Expenses: (whichever is applicable)</td>
<td></td>
</tr>
<tr>
<td>1 Equipment/Tools:</td>
<td></td>
</tr>
<tr>
<td>2 Software / License Fee:</td>
<td></td>
</tr>
<tr>
<td>3 Testing Charges:</td>
<td></td>
</tr>
<tr>
<td>4 Technical Consulting Charges:</td>
<td></td>
</tr>
<tr>
<td>5 Others:</td>
<td></td>
</tr>
<tr>
<td>Total Expense Incurred:</td>
<td></td>
</tr>
<tr>
<td>Amount of Reimbursement Claimed: (50% of eligible expenses)</td>
<td></td>
</tr>
<tr>
<td>List of Documents to be Furnished:</td>
<td></td>
</tr>
</tbody>
</table>
- Copy of the KESDM Registration Certificate
- Brief summary of the prototype and its details along with the final outcome / next steps (2 pages max)
- Copies of all expense invoices/POs relevant to the prototype
- CA/Cost accountant certificate for total manpower employed for developing the prototype
- Copies of PF statements for employees engaged in the prototype work
9. **Interest Subsidy**

9.1 **Applicability**

Interest subsidy of up to 6% per annum on term loans taken during the policy period will be provided to registered KESDM Startups and MSMEs, for a period of five years for loans of up to INR 50 Lacs. The term loan must have been taken from a scheduled bank or a state-level financial institution such as KSFC. This interest subsidy will be payable to financial institutions on behalf of the enterprise only if the enterprise has not defaulted in payment of either principle or interest installments. The amount of interest subsidy will be effective rate of interest (after deducting interest subsidy receivable by any institution(s) under any Government of India scheme) or 6% per annum whichever is lesser (on a per annum basis).

9.2 **Documents Required**

- Duly filled application form for Interest Subsidy
- Copy of the KESDM Registration Certificate
- Bank/Financial institution term loan sanction letter
- Certificate from the bank regarding dates and amount of term loan released
- Copy of First Sale Invoice
- Certification from the bank for claiming interest subsidy in the prescribed proforma
- Loan account statement from the bank

9.3 **Application Process and Form**

After receiving the application, the officer-in-charge will verify the submitted documents. The certificates received from the Bank will also be scrutinized and if required, the officer may contact the Bank / Branch Manager to independently verify the details.

Post satisfying the genuineness of the facts, an internal audit will be done to ascertain the claim and advise on the incentive amount. The application and advice will be then put up for approval to the approval committee, which will examine and approve / disapprove the application.

Form 7 : Application Form for Interest Subsidy

<table>
<thead>
<tr>
<th>KESDM Registration Number:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the Company:</td>
<td></td>
</tr>
<tr>
<td>Date of Incorporation:</td>
<td></td>
</tr>
<tr>
<td>Details of Scheduled Bank / Financial Institution that granted the term loan:</td>
<td></td>
</tr>
<tr>
<td>Details of the Loan: (whichever is applicable)</td>
<td></td>
</tr>
</tbody>
</table>

| 1 | Date of Sanction: |  |
| 2 | Sanctioned Amount: |  |
| 3 | Rate of Interest: |  |
| 4 | Amount of Loan Released with Dates: (All Disbursements) |  |
| 5 | Repayment Schedule: (Installment Amount and No. of Installments) |  |
| Interest Subsidy Claimed: |  |
List of Documents to be Furnished:

- Copy of the KESDM Registration Certificate
- Bank/Financial institution term loan sanction letter
- Certificate from the bank regarding dates and amount of term loan released
- Copy of First Sale Invoice
- Certification from the bank for claiming interest subsidy in the prescribed proforma
9.4 Certificate from the bank regarding dates and amount of term loan released

(To be printed on bank/financial Institution letterhead and duly signed and affixed with bank/entity seal)

CERTIFICATE FROM THE BANK REGARDING DATES AND AMOUNT OF TERM LOAN RELEASED

This is to certify that M/s. (mention name and address of the enterprise) has been sanctioned term loan of INR ________ under letter/sanction order no. ________ dated ________. The following amounts has been released/disbursed to the enterprise are as follows:

<table>
<thead>
<tr>
<th>SI No.</th>
<th>Date of release</th>
<th>Amount released in INR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Amount Released in INR</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signature

Place: __________________________ Name of the Bank Branch / Financial Institution

Date: __________________________
### 9.5 Certification from bank for claiming interest subsidy

#### FORMAT OF CERTIFICATE TO BE ISSUED FROM BANK FOR CLAIMING INTEREST SUBSIDY

<table>
<thead>
<tr>
<th>Name and address of the enterprise</th>
<th>Product</th>
<th>Name of the bank</th>
<th>Date of sanction of loan and amount</th>
<th>Amount of loan released with dates</th>
<th>Rate of interest charged by bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Repayment schedule</th>
<th>Amount of principal and interest paid in a year [i.e. financial year]</th>
<th>Amount of interest subsidy admissible</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>

This is to certify that

1. The enterprise has paid the interest for the above period as per the scheduled dates
2. The enterprise has not claimed interest subsidy/ nor paid any upfront subsidy in any of the Govt. of India/Govt of Karnataka scheme such as CLSS/Interest subsidy scheme to First generation entrepreneur/ interest subsidy to SC/ST entrepreneur etc.

Name and Signature of the Bank Manager
10. **PF/ESI Incentive**

10.1 **Applicability**

Registered KESDM Startups and MSMEs will be reimbursed Provident Fund (PF) / Employee’s State Insurance (ESI) of INR 2,000 per employee per month for two years subject to total reimbursement of up to INR 12 Lacs. This is only applicable for all new employment created during the policy period, provided the employment is for a continuous period of two years.

This subsidy will only be applicable to a new company, registered within the last two years, as on the date of application. Companies who have started a new subsidiary or branch office in Karnataka will also be eligible, provided the new setup has been established within the last two years as on the date of application.

In case the employer's contribution is less than INR 2000, the actual amount of employer's contribution will be reimbursed. Reimbursement will be made only once per company during the policy period. Employee data will be verified through PF/ESI departments.

10.2 **Documents Required**

- Completed application form for PF/ESI Incentive
- Copy of the KESDM Registration Certificate
- Certified letter from a Chartered Accountant mentioning all the employee’s details, PF/ESI no., and PF/ESI contribution
- Copy of Employment records for all new people employed for last 2 years
- PF/ESI contribution receipts/challans for the claimed amount

10.3 **Application Process and Form**

After receiving the application, the officer-in-charge will verify the submitted documents. Post satisfying the genuineness of the facts, an internal audit will be done to ascertain the claim and advise on the incentive amount. The application and internal audit report will be then put up for approval to the approval committee, which will issue the sanction letter to the eligible company.

Form 8 : Application Form for PF/ESI Incentive

<table>
<thead>
<tr>
<th>KESDM Registration No.:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name of the Company:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Company Located in Area</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Which Incentive are you applying for:</strong></td>
<td>□ ESI □ PF □ Both</td>
</tr>
<tr>
<td><strong>Employer Details:</strong> (PF / ESI ID)</td>
<td></td>
</tr>
<tr>
<td><strong>ESI Details:</strong> (where employment is for a continuous period of 2 years)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>No. of Employees</th>
<th>Amount (paid on ESI)</th>
<th>Reference of supporting documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervisor / Team Lead</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineers / Technical Staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>No. of Employees</td>
<td>Amount (paid on PF)</td>
<td>Reference of supporting documents</td>
</tr>
<tr>
<td>-------------------</td>
<td>------------------</td>
<td>--------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Managerial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervisor / Team Lead</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineers / Technical Staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unskilled</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total – I</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Name</th>
<th>Employee UAN</th>
<th>Employee’s contribution for 24 months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Jan</td>
</tr>
<tr>
<td>Managerial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervisor/Team Lead</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineers/Technical staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unskilled</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total – II</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total (I + II)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**List of Documents to be Furnished:**

- Copy of the KESDM Registration Certificate
- Certified letter from a Chartered Accountant mentioning all the employee’s details, PF/ESI no., and PF/ESI contribution
- Copy of Employment records for all new people employed for last 2 years
- PF/ESI contribution receipts/challans for the claimed amount
PF/ESI Incentive Grant Process

START

Is the company KESDM registered?

Register the company for KESDM recognition by following the procedure mentioned in http://www.khits.com

Yes

Is the Co. Establishment age < 3 years?

Your company is not eligible for PF/ESI incentive. Only those companies which have started or established in the last 3 years, as on application date, are eligible.

No

Already availed incentive in policy period?

Only one claim can be made in the policy period. Please contact KHITS for further clarifications

Yes

No

Download and fill application form for PF/ESI incentive and submit it along with supporting documents to KHITS office

Review the application and verify the supporting documents

Application meets eligibility criteria?

Yes

PF/ESI Incentive approved for the company

Contribution amount for employees < 20000

Actual contribution amount is reimbursed, subject to a maximum of INR 24 Lacs of total reimbursement

No

END

KHITS

Rs. 20600 per employee’s contribution is reimbursed subject to a limit of INR 24 Lacs of total reimbursement

Copy of the KESDM Registration Certificate
Certified letter from a Chartered Accountant mentioning all the employee’s details, PF/ESI no., and PF/ESI contribution
Employment records for all new people employed for last 2 years PF/ESI contribution receipts/challans for the claimed amount
11. Exemption from Payment of Stamp Duty and Concessional Registration Charges

11.1 Applicability

Registered KESDM companies will be exempted from stamp duty paid in respect of:

i. Loan agreements, credit deeds, mortgage and hypothecation deeds executed for availing loans from State Government including VAT loan from C&I Department and / or State Financial Corporation, National Level Financial Institutions, Commercial Banks, RRBs, Co-operative Banks, KVIB / KVIC, Karnataka State SC/ST Development Corporation, and other institutions which may be notified by the Government from time to time for the initial period of five years only.

ii. 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, Industrial Co-operatives and approved private industrial estates.

Registered KESDM companies will be eligible for a concessional rate on registration charges for all loan documents, lease deeds and sale deeds as mentioned below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Available Exemption (as percentage of expenses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Startups and MSMEs</td>
<td>100%</td>
</tr>
<tr>
<td>Large and Mega Enterprises</td>
<td>75%</td>
</tr>
</tbody>
</table>

Note:

i. The exemption of stamp duty and concessional registration charges are also applicable to lands purchased under Section 109 of the KLR Act, 1961 and also for direct purchase of industrially converted lands for the projects approved by SLSWCC/SHLCC/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 Karnataka Industrial Policy 2014-19 which was in vogue at the time of execution of lease-cum-sale deed.

11.2 Documents Required

- Duly filled in application form for Exemption of Stamp Duty and Concessional Registration Charges
- Copy of the KESDM Registration Certificate
- Copy of the project report duly signed by the promoter
- Copy of shed /land allotment order/possession certificate
- Copy of the unregistered lease deed/lease-cum-sale deed
- Copy of approval order/permission obtained from revenue department under section 109 of KLR Act for purchase of land
Details of existing investment in case of Expansion/Modernization/Diversification

11.3 Application Process and Form

After receiving the application, the concerned office after verification of eligibility of the enterprise shall issue the Stamp duty exemption & Concessional Registration Charges certificate to the enterprise in accordance with the Revenue Department’s notification dated: 21/01/2015 and in prescribed format in respect of registration of Land documents and in respect of loan documents. However, while purchasing the converted land, the Stamp Duty Exemption and concessional registration charges shall be extended only if the same is not claimed earlier.

Form 9: Application Form for Stamp Duty Exemption and Concessional Registration Charges

KESDM Registration No:

Name of the Company:

Location of the Enterprise:

Constitution of the Enterprise: (Please specify whether proprietorship / partnership / company etc.)

Details of Land Allotted/Purchased and Cost of Land, if any:

Agency Allotted Land: (Mention KIADB /KSSIDC/KSIIDC/KEONICS etc.)

In case of purchase: (Mention whether section 109 or already converted land)

Detail of Term loan sanctioned, if any

Name of the Bank Branch:

Amount of Term Loan Sanctioned:

Date of Term Loan Sanctioned:

Details of the Establishment for Existing Unit Expansion/Diversification/Modernization:

Date of Commencement of Commercial Production:

Installed Capacity:

Proposed Capacity after Expansion:

Existing Value of Fixed Assets:

1 Land
2 Building
3 Plant & Machinery
4 Other Assets

Total

Details of the Establishment in case of New Industry:

Proposed Date of Commencement of Commercial Production:

Proposed Capacity:

Proposed Value of Fixed Assets: (as per project report)
<table>
<thead>
<tr>
<th></th>
<th>Details of Finance:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Promoter's Equity</td>
</tr>
<tr>
<td>2</td>
<td>Institution Equity</td>
</tr>
<tr>
<td>3</td>
<td>Term Loans</td>
</tr>
<tr>
<td>4</td>
<td>Seed Capital/Risk capital</td>
</tr>
<tr>
<td>5</td>
<td>Subsidy/Grants</td>
</tr>
<tr>
<td>6</td>
<td>Others (Please Specify)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

List of Documents to be Furnished:

- Copy of the KESDM Registration Certificate
- Copy of the project report duly signed by the promoter
- Copy of shed /land allotment order/possession certificate
- Copy of the unregistered lease deed/lease-cum-sale deed
- Copy of approval order/permission obtained from revenue department under section 109 of KLR Act for purchase of land
- Details of existing investment in case of Expansion/Modernization/Diversification
11.4 Format for Issue of Stamp Duty Exemption and Concessional Registration Charges (for land documents)

No: ___________________________  Office of the ___________________________
Date: ________________

CERTIFICATE

Government of Karnataka
Karnataka Biotechnology and Information Technology Services

Subject: Issue of Stamp Duty Exemption and Concessional Registration charges
Reference:
1. Revenue Dept. Notification No. __________ dated ________
2. Application of the enterprise dated ________

This is to certify that:

1. M/s __________________ represented by Mr. __________________ is a *proprietor / partner / managing director / director. It is a proposed *new / expansion / modernization / diversification unit.

2. The project has been approved by the Department in its meeting held on ______ *and Govt. Order No. __________ dated ________ is issued.

3. The enterprise has been allotted *land / plot / shed to the extent of _______ acres in *KIADB / KSSIDC / KEIONICS / Industrial Co-operative society in ______________ industrial area for the manufacturing / service activity of ___________ or the enterprise has obtained permission from the *Deputy Commissioner district / Government or *the enterprise has purchased converted land to the extent of _________ from ________

4. The enterprise is eligible for *100% / 75% Stamp duty exemption and the Registration charges payable at *INR 1 for every INR 1000/- value of *lease / lease cum sale / absolute sale agreement.

Managing Director,
KBITS
Department of IT and BT

To,
M/s __________________

* Strike out whichever is not applicable
11.5 **Format for Issue of Stamp Duty Exemption and Concessional Registration Charges (for loan documents)**

No:_____________  
Office of the _________________  
Date:_____________

CERTIFICATE

Government of Karnataka  
Karnataka Biotechnology and Information Technology Services

**Subject:** Issue of Stamp Duty Exemption and Concessional Registration charges certificate to M/s _______________ reg.

**Reference:**
1. Revenue Dept. Notification No. ___________ dated _______
2. Application of the enterprise dated ___________

This is to certify that:

1. M/s _______________ represents by Mr. _______________ is a *proprietor / partner / managing director / director. It is a proposed *new / expansion / modernization / diversification unit.

2. The project has been approved by the Department in its meeting held on ______ *and Govt. Order No. ___________ dated ______ is issued.

3. The enterprise is eligible for *100%/75% Stamp duty exemption and the Registration charges payable at *INR 1 for every INR 1000/- value on loan agreement and all other documents in respect of loan sanctioned.

Managing Director,  
KBITS  
Department of IT and BT

To,  
M/s _______________

* Strike out whichever is not applicable
12. Reimbursement of Land Conversion Fee

12.1 Applicability

The payment of land conversion fee for converting the land from agriculture use to industrial use will be reimbursed to registered KESDM companies.

<table>
<thead>
<tr>
<th>Category</th>
<th>Upper Limit (INR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Startups and MSMEs</td>
<td>75%</td>
</tr>
<tr>
<td>Large and Mega Enterprises</td>
<td>50%</td>
</tr>
</tbody>
</table>

12.2 Documents Required

- Duly filled in application form for Reimbursement of Land Conversion Fee
- Copy of the KESDM Registration Certificate
- Copy of approved building plan and building construction license
- Copy of land documents/records
- Copy of land conversion order issued by Revenue Department and Copy of receipt/challan as proof of payment made towards land conversion charges
- Copy of Project Report, duly signed by the promoter
- Copy of Single Window Clearance Committee approvals/Govt. order, if any
- Copy of ESCOMs power sanction and service letter
- Copy of First Sale Invoice in respect of individual enterprises
- Copy of Layout map showing the land utilization in respect of individual enterprises

12.3 Application Process and Form

After receiving the application, the officer-in-charge will verify the submitted documents. Post satisfying the genuineness of the facts, an internal audit will be done to ascertain the claim and advise on the incentive amount. The application and advice will be then put up for approval to the approval committee, which will issue the sanction letter to the eligible company.

Form 10 : Application Form for Reimbursement of Land Conversion Fee

<table>
<thead>
<tr>
<th>KESDM Registration Number:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the Company:</td>
<td></td>
</tr>
<tr>
<td>Size of the Establishment to be Considered for the Claim (Startup/MSME/Large/Mega):</td>
<td></td>
</tr>
<tr>
<td>Electric Power Connection RR No.:</td>
<td></td>
</tr>
<tr>
<td>Date of Commencement of Commercial Production (as per the first sale invoice)</td>
<td></td>
</tr>
<tr>
<td>Details of Fee Paid: (whichever is applicable)</td>
<td></td>
</tr>
<tr>
<td>1 Size of Land:</td>
<td></td>
</tr>
</tbody>
</table>
2 Fee Paid for Conversion:

Amount of Reimbursement Claimed:

List of Documents to be Furnished:

- Copy of the KESDM Registration Certificate
- Copy of approved building plan and building construction license
- Copy of land documents/records
- Copy of land conversion order issued by Revenue Department and Copy of receipt/challan as proof of payment made towards land conversion charges
- Copy of Project Report, duly signed by the promoter
- Copy of Single Window Clearance Committee approvals/Govt. order, if any
- Copy of ESCOMs power sanction and service letter
- Copy of First Sale Invoice in respect of individual enterprises
- Copy of Layout map showing the land utilization in respect of individual enterprises
12.4 Format for Sanction Order for Reimbursement of Land Conversion Fee

GOVERNMENT OF KARNATAKA

Karnataka Biotechnology and Information Technology Services

No:_________________ Office of the_________________
Date:_________________

SANCTION ORDER

Reference:
2. Revenue Department Land Conversion Order No. _________
3. Proceeding of the___________ DLC meeting held on _________
4. Application of M/s. ____________ dated _________

M/s. _______________ have made an application cited in ref (4) for grant of reimbursement of Land Conversion Fine paid for conversion of _________ acres of land which was in the name of Sri/Smt. ____________ situated in Survey No. _________ of ___________ Village, ___________ Taluk, ___________ District for having established industry for manufacture of ____________.

The enterprise has paid the Land Conversion Charges of INR ___________ in accordance with the Land Conversion Order cited at ref (2) and submitted the copy of challan for having paid the conversion charges.

It is certified that the enterprise's requirement of land has been examined in detail and found that ________ acres of land was essential for setting up the said industry. It is eligible for exemption from payment of conversion fine for conversion of the above land from agricultural to non-agricultural industrial purpose, in terms of G.O. No. CI /58/SPI/2013 dated 01.10.2014.

Accordingly the enterprise is sanctioned INR ___________________ (in figures and words) as reimbursement of land conversion fee to the extent of * 75% / 50% of fee paid to the Government.

Managing Director
KBITS
Department of IT and BT

*Strike out whichever is not applicable
13. Power Tariff Concession

13.1 Applicability

Industrial power tariff (instead of commercial power tariff) will be applicable to registered KESDM companies to set up in Karnataka and other associated industry within the State. This will be subject to KERC regulations.

13.2 Documents Required

- Application for power tariff concession
- Copy of the KESDM Registration Certificate
- Copy of the ESCOM power sanction letter and service letter with R.R. No. and date
- Copies of the latest 3 months electricity bills with receipt.
- Copy of Lease deed agreement of the company.
- An undertaking by the company in the specified format

13.3 Application Process and Form

After receiving the application of the company, the officer-in-charge will verify the submitted documents and arrange for a physical inspection of the unit if required. This inspection will involve checking the operations of the unit and the installed electric systems.

Post satisfying the genuineness of the facts, a power tariff concession sanction letter in the prescribed format will be issued to the corresponding ESCOM by KBITS, if

- The ESCOM bill is in the name of the company.
- The ESCOM bill is in the name of Developers/owners and only IT/ESDM/BT related companies are present in the building provided each companies in the building have taken the registration certificates and PTC from KBITS.

The company shall provide an undertaking to inform immediately to KBITS and the Concerned ESCOM in case the Company changes location/closes/changes the company name / amalgamation / acquisition / changes its activity in the location for which Power Tariff Concession has been taken.

In case of companies located in IT Parks/Rented premises, the landlord or the company shall submit a certificate to KBITS and concerned ESCOM about continuation of their activity in the same premises every year for continuing to avail PTC. In the event of any company engaged in any activity other than IT/BT/ESDM/AVGC occupying the premises in IT Parks/Rented premises, then the Power tariff Concession accorded to the main meter shall be discontinued.

Form 11 : Application Form for Power Tariff Concession

<table>
<thead>
<tr>
<th>KESDM Registration No.:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the Company:</td>
<td></td>
</tr>
<tr>
<td>Date of Commencement of Operations:</td>
<td></td>
</tr>
<tr>
<td>Details of first Sale Invoice:</td>
<td></td>
</tr>
<tr>
<td>1 Date of Invoice</td>
<td></td>
</tr>
</tbody>
</table>
## List of documents to be furnished:

- Copy of KESDM Registration Certificate
- First sale invoice
- ESCOMs power sanction letter and latest service letter with R.R. No. and date
- Copies of the latest 3 months electricity bills with receipt.
- Copy of Lease deed agreement of the company.
- An undertaking by the company in the specified format
Power Tariff Concession Grant Process

START

Is the company KESDM registered?

Yes

Download and fill the application form for Power Tariff Concession and submit it along with supporting documents to KBITS office

No

Register the company for KESDM recognition by following the procedure mentioned in http://www.kbhrs.com

• Copy of the KESDM Registration Certificate
• First Sale Invoice
• ESCOMs power sanction letter and service letter with R.R. No. and date
• Copies of the first and latest electricity bills within the claim period

END

KBITS

Review the application and verify the supporting documents

Application meets eligibility criteria?

Yes

Physical Inspection required?

Yes

Physical Inspection approved?

Yes

Arrange for a physical inspection

No

Issue the power tariff concession sanction letter

No

END
13.4 Sanction Letter for Power Tariff Concession

Government of Karnataka
Karnataka Biotechnology and Information Technology Services

No __________________________
Date__________________

CERTIFICATE
Sub: Issue of Certificate to M/s. _______________, <company’s address> as an Hardware company to avail the benefit of Power Tariff Concession

Ref: 1. GO No.: ITD 09 PRM 2017 Bengaluru, Dated 01-12-2017
     2. GO No.: KERC Order Dated: 30-03-2016
     3. Company’s Representation Dated: <Date>

This is to certify that

1. M/s. _______________, <company's address> is an Hardware Company, registered with this Dept. vide Registration No. __________________________, dated ______________.

2. The Company is engaged in Hardware sector at the said address which is considered as Industrial Activity in terms of the GO cited at reference (1) for the purpose of fixation of Electricity and the electricity tariff to this industry will be fixed on par with that of other industrial consumers as per the GO cited at reference (2) above.

3. The unit is eligible to avail the benefit of power tariff concessions treating as industry, (and not commercial) for purpose of fixation of Electricity Tariff as per the GO’s cited at reference.

4. The unit shall claim this concession for the power consumed on the electrical meter installed to the HT Installation bearing RR.No.:<company’s RR.No> which is in the name of the building owner <building owner's name>,for their Hardware development activity from the date of issuance of this certificate.

5. The company shall inform immediately to KBITS and the Concerned ESCOM in case the Company changes location/closes/changes the company name / amalgamation / acquisition / changes its activity in the location for which Power Tariff Concession has been taken.

6. In case of companies located in IT Parks/Rented premises, the landlord or the company shall submit a certificate to KBITS and concerned ESCOM about continuation of their activity in the same premises every year for continuing to avail PTC. All the companies located in the rented premises have to engaged in IT/ESDM/AVGC/BT activity. In the event of any company engaged in any activity other than IT/BT/ESDM/AVGC occupying the premises in IT Parks/Rented premises, then the Power tariff Concession accorded to the ‘Main Meter’ shall be discontinued.
Managing Director
KBITS
Department of IT and BT

To,
Superintending Engineer/Executive Engineer/Assistant Executive Engineer
BESCOM/CHESCOM/HESCOM/GESCOM

Copy to:
1. M/s <company’s address>
2. To the concerned ESCOM
3. The Principal Secretary to Govt, Dept of IT,BT and S&T
4. Office Copy
### 13.5 Format of Undertaking by the companies

#### Undertaking for Power Tariff Concession

The undertaking executed this day ______ of 20__ by carrying on the business of under the name and style of M/s. ____________________________________ herein after called the 'Grantee' of the one part in favour of the Governor of Karnataka, represented by KBITS herein after called the Government of other part WITNESSETH.

Where KBITS has sanctioned a Power Tariff Concession under the Government of Karnataka ESDM policy 2017-2022 to the grantee for the purpose of his enterprise.

The grantee hereby acknowledges, agrees and covenants as follows:

8. To inform immediately to KBITS and the Concerned ESCOM in case the Company changes location/closes/changes the company name / amalgamation / acquisition / changes its activity in the location for which Power Tariff Concession has been taken.

9. In case of companies located in IT Parks / Rented premises, the landlord or the company shall submit a certificate to KBITS and concerned ESCOM about continuation of their activity in the same premises every year for continuing to avail PTC. In the event of any company engaged in any activity other than IT/BT/ESDM/AVGC occupying the premises in IT Parks/Rented premises, then the Power Tariff Concession accorded to the main meter shall be discontinued.

Witness: ___________________________  
Signature of the  
Grantee

1.  
2.  

Common Seal of the Company
14. **Subsidy for Setting up ETP**

### 14.1 Applicability

Registered KESDM companies will be eligible for subsidy grant for setting up of Effluent Treatment Plant (ETP). One time capital subsidy to the tune of up to 50% of the cost of ETP, subject to below mentioned limits, will be provided.

<table>
<thead>
<tr>
<th>Category</th>
<th>Upper Limit (INR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Startups and MSMEs</td>
<td>50 Lacs</td>
</tr>
<tr>
<td>Large and Mega Enterprises</td>
<td>1 Cr</td>
</tr>
</tbody>
</table>

### 14.2 Documents Required

- Duly filled application form for Subsidy for setting up of ETP
- Copy of KESDM Registration Certificate
- Copy of the Detailed Project Report
- Copy of the term loan sanctioned letter from financial institution (if any)
- Letter by a Financial Institution certifying the Investment on ETP / C.A. certificate for self-financed cases
- Chartered Engineers/Architects certificate
- Consent For Operation (CFO) issued by KSPCB and shall be valid as on date of application and sanction
- Environment Clearance Certificate (ECC) issued by DFEE/MOEF, wherever applicable
- Environment Management Plan

### 14.3 Application Process and Form

This subsidy is available only to ETP and not for Sewage Treatment Plant (STP). For the purpose of calculation of investment on ETPs, both air pollution control equipment and water pollution control equipment and its fixed assets are considered.

After receiving the application, the officer-in-charge will verify the submitted documents. Post satisfying the genuineness of the facts, an internal audit will be done to ascertain the claim and advise on the incentive amount. The application and advice will be then put up for approval to the approval committee, which will examine and approve / disapprove the claim.

Form 12 : Application form for Subsidy for setting up of ETP

<table>
<thead>
<tr>
<th>KESDM Registration No.:</th>
<th>Name of the Company:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products Manufactured from the Establishment:</td>
<td></td>
</tr>
<tr>
<td>Project Cost Details</td>
<td>Main Enterprise</td>
</tr>
<tr>
<td>1  Land</td>
<td></td>
</tr>
<tr>
<td>2  Building</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Plant and Machinery</td>
</tr>
<tr>
<td>---</td>
<td>---------------------</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
</tr>
<tr>
<td>Date of Commercial Production:</td>
<td></td>
</tr>
<tr>
<td>(as per the first sale Invoice)</td>
<td></td>
</tr>
<tr>
<td>Valid consent for operation (CFO) issued by KSPCB:</td>
<td></td>
</tr>
<tr>
<td>Environment Clearance Certificate (ECC) issued by DFEE / MOEF: (wherever applicable)</td>
<td></td>
</tr>
<tr>
<td>Environment Management Plan (EMP):</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actual Investment details (amount in INR)</th>
<th>Main Enterprise</th>
<th>ETP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant &amp; Machinery / Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Water pollution equipment:</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Air pollution equipment:</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other fixed assets (please specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

List of Documents to be Furnished:

- Copy of KESDM Registration Certificate
- Copy of the Detailed Project Report
- Copy of the term loan sanctioned letter from financial institution (if any)
- Letter by a Financial Institution certifying the Investment on ETP / C.A. certificate for self-financed cases
- Chartered Engineers/Architects certificate
- Consent For Operation (CFO) issued by KSPCB and shall be valid as on date of application and sanction
- Environment Clearance Certificate (ECC) issued by DFEE/MOEF, wherever applicable
- Environment Management Plan
14.4 Fixed Investment Certificate from Bank for Sanction of ETP Subsidy

**FIXED INVESTMENT CERTIFICATE FROM BANK / FINANCIAL INSTITUTION FOR SANCTION OF ETP SUBSIDY**

M/s _____________________ of (location of the unit) have been disbursed as on this date amount under the loan amounting to INR ____________ sanctioned under letter No. _______ Dated:_________ as shown below:

<table>
<thead>
<tr>
<th></th>
<th>Term loan sanctioned</th>
<th>Date:</th>
<th>Amount in INR</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>Loan amount disbursed on (Mention all dates)</td>
<td>Date:</td>
<td>Amount in INR</td>
</tr>
<tr>
<td>i</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
iii. Total amount disbursed till date

<table>
<thead>
<tr>
<th>c. Value of investment in fixed assets</th>
<th>As per project appraisal (INR)</th>
<th>Actual investment (mention period) (INR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Land (excluding lease hold) :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. For entire unit excluding ETP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. For ETP only</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B Building (excluding residential, quarters, guest houses) :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. For entire unit excluding ETP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. For ETP only</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C Plant and Machinery :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. For entire unit excluding ETP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. For ETP only</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D Other Assets( please specify) :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. For entire unit excluding ETP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. For ETP only</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Certified that the sanction of financial assistance to M/s ____________________ for the plant at __________________________ has been considered on the basis of the company’s assessed requirement of factory buildings and the cost is estimated at INR ___________ as per the project report.

We certify that this investment certificate is issued after verifying the bills and vouchers made available by the unit for purposes of release of term loan instalments and based on the physical verification of the inspecting officers. Items for which subsidy is not admissible are not included in the investment certified above.

We are in possession of relevant bills and vouchers on which this investment certificate is issued and we agree to make available the same as and when required for any verification purpose before the loan liability is discharged.

**NOTE:**
1. Please specify the period during which investment has been made on land, building and plant & machinery
2. Please furnish the list of machineries with corresponding value
3. The investment made on old machineries/building should be excluded
4. Investment made earlier to the date of eligibility for subsidy should not be included

Signature of the Branch Manager

(Name of the Institution)

(Seal)
14.5 **Chartered Accountant Certificate for Sanction of ETP Subsidy**

**CHARTERED ACCOUNTANT CERTIFICATE FOR SANCTION OF ETP SUBSIDY**

Name of the Chartered Accountant ______________________________

We hereby certify that M/s ___________________________ (name of the industrial enterprise) has acquired the following fixed assets up to ________ for the enterprise at __________________ (address) for manufacture of __________________ (name of products).

<table>
<thead>
<tr>
<th>SI</th>
<th>Item of fixed assets</th>
<th>Period during which investment is made (date of payment)</th>
<th>Value in INR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Land</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>i) For entire enterprise excluding ETP</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii) For ETP only</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Factory building (please specify period)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>i) For entire enterprise excluding ETP</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Amount paid to the building contractors</td>
<td>From To</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Amount paid for building materials</td>
<td>From To</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. Amount paid for wages and salaries etc. for the building constructions (excluding architect’s fees and wages paid for supervision staff etc.)</td>
<td>From To</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii) For ETP only:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Amount paid to the building</td>
<td>From To</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Amount paid for building materials</td>
<td>From To</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. Amount paid for wages and salaries etc. for the building constructions (excluding architect’s fees and wages paid for supervision staff etc.)</td>
<td>From To</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Electrical installations (excluding KEB deposits)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>i) For entire enterprise excluding ETP</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii) For ETP only</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Plant and Machinery</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>i) For entire enterprise excluding ETP</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii) For ETP only</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Water pollution equipment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Air pollution equipment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5 Loading, unloading, transportation, erection expenses etc.
   i) For entire enterprise excluding ETP
   ii) For ETP only

6 Misc. fixed assets (Please specify items)
   i) For entire enterprise excluding ETP
   ii) For ETP only

We have checked the books of account of the enterprise, bills, invoices and payment vouchers, etc. and certify that the aforesaid information is verified and certified to be true. We also certify that all the aforesaid items have been duly paid for and no credit is raised against them in the books of the enterprise.

Certified that the investments certified above do not include items for which subsidy is not allowed. Expenditure incurred on following items are not included.

A. LAND
   (i) Value of the open land not utilized for construction, leaving the area proposed for immediate expansion.
   (ii) Expenditure incurred for land scraping for beautification and expenditure on unsuccessful open wells/bore wells.

B. BUILDING
   (i) Expenditure on unproductive construction like guest house, workers/staff quarters, canteens, cycle/scooter stands, garages, etc.
   (ii) Expenditure incurred on beautification of buildings, arches, decorative lights including street lights, furniture and air conditioners, water coolers, refrigerators such of the gadgets not directly connected with production.
   (iii) Expenditure incurred on the purchase of old buildings.

C. PLANT AND MACHINERY
   (i) All consumable materials like tool bits, files, oils, etc.
   (ii) Investments on tools jigs/fixtures, molds etc. which are required repeatedly, should not be allowed for the second time and onwards. While considering the investments made on first purchases, only the required quantify of such items are to be allowed. Extra quantities taken as spares are not to be allowed.
   (iii) Second hand machines purchased shall not be included.

Date:
Place:

CHARTERED ACCOUNTANT
Name and address and Code No.
(SEAL)
14.6 Chartered Engineer / Architect Certificate for Sanction of ETP Subsidy

CHARTERED ENGINEERS/ARCHITECT’S CERTIFICATE FOR SANCTION OF ETP SUBSIDY

I, hereby certify that as against the estimated cost of INR ______________ (Rupees) of the building and civil works for M/s ______________________ for their proposed project at Plot No. __________ the unit has so far completed the civil works as under.

<table>
<thead>
<tr>
<th></th>
<th>Value of completed civil works as per estimates</th>
<th>INR</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>For entire unit excluding ETP</td>
<td></td>
</tr>
<tr>
<td>01i</td>
<td>For ETP only</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Amount certified for payment to the building contractors (civil and structural)</th>
<th>INR</th>
</tr>
</thead>
<tbody>
<tr>
<td>02</td>
<td>For entire unit excluding ETP</td>
<td></td>
</tr>
<tr>
<td>02i</td>
<td>For ETP only</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Retention Money (for civil contractor)</th>
<th>INR</th>
</tr>
</thead>
<tbody>
<tr>
<td>03</td>
<td>For entire unit excluding ETP</td>
<td></td>
</tr>
<tr>
<td>03i</td>
<td>For ETP only</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Value of materials utilized for the completed portion of the building</th>
<th>INR</th>
</tr>
</thead>
<tbody>
<tr>
<td>04</td>
<td>For entire unit excluding ETP</td>
<td></td>
</tr>
<tr>
<td>04i</td>
<td>For ETP only</td>
<td></td>
</tr>
</tbody>
</table>

The value of completed building certified above does not involve the area built for guest house and residential building in the factory site.

It is further certified that built area of the building is absolutely essential for the manufacturing/processing activity of the industry. A detailed estimate sheet is appended to this certificate.

Place:  
Date:  
Seal and Signature  
Full address
Annexure-A

Approval Committee

The Approval Committee constituted is as below:

1. Director,  
   Directorate of IT & BT and  
   Managing Director, KBITS  
   Chairperson

2. Sri. B.V. Naidu  
   Chief Executive Officer,  
   M/s Sagitaur Ventures Pvt. Ltd  
   Member

3. Sri. Samir Kumar  
   Managing Director,  
   M/s Inventus Capital Partners- India  
   Member

4. Sri. Debabrata Das  
   Professor – IIIT-B  
   Member

5. Sri. Pradeep K Dutta  
   Managing Director,  
   M/s Synopsis Pvt. Ltd- India  
   Member

6. Sri. Ashok Mishra  
   Managing Director,  
   M/s Si2chip Technologies Pvt. Ltd  
   Member

7. Chairman/President/Representative- IESA  
   Member
itbt.karnataka.gov.in

For information and assistance, please contact:

**Principal Secretary to Government**
Department of Information Technology, Biotechnology and Science & Technology
Government of Karnataka
Gate 5, 6th Floor, M. S. Building, Bangalore - 560001, Karnataka, India
Phone: +91 80 2228 0562; +91 80 2226 5943
Email: itbtsec@karnataka.gov.in

**Managing Director**
Karnataka Biotechnology & Information Technology Services (KBITS)
BMTC building, 4th Floor (TTMC 'B' block - above bus stand)
Shanthinagar, Bangalore - 560027, Karnataka, India
Phone: +91 80 2223 0109; +91 80 2223 1006
Email: mdkbits@karnataka.gov.in