

1. Capital Subsidy- Guidelines

1.1 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.

1.2 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/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

1.3 Application Process and Form

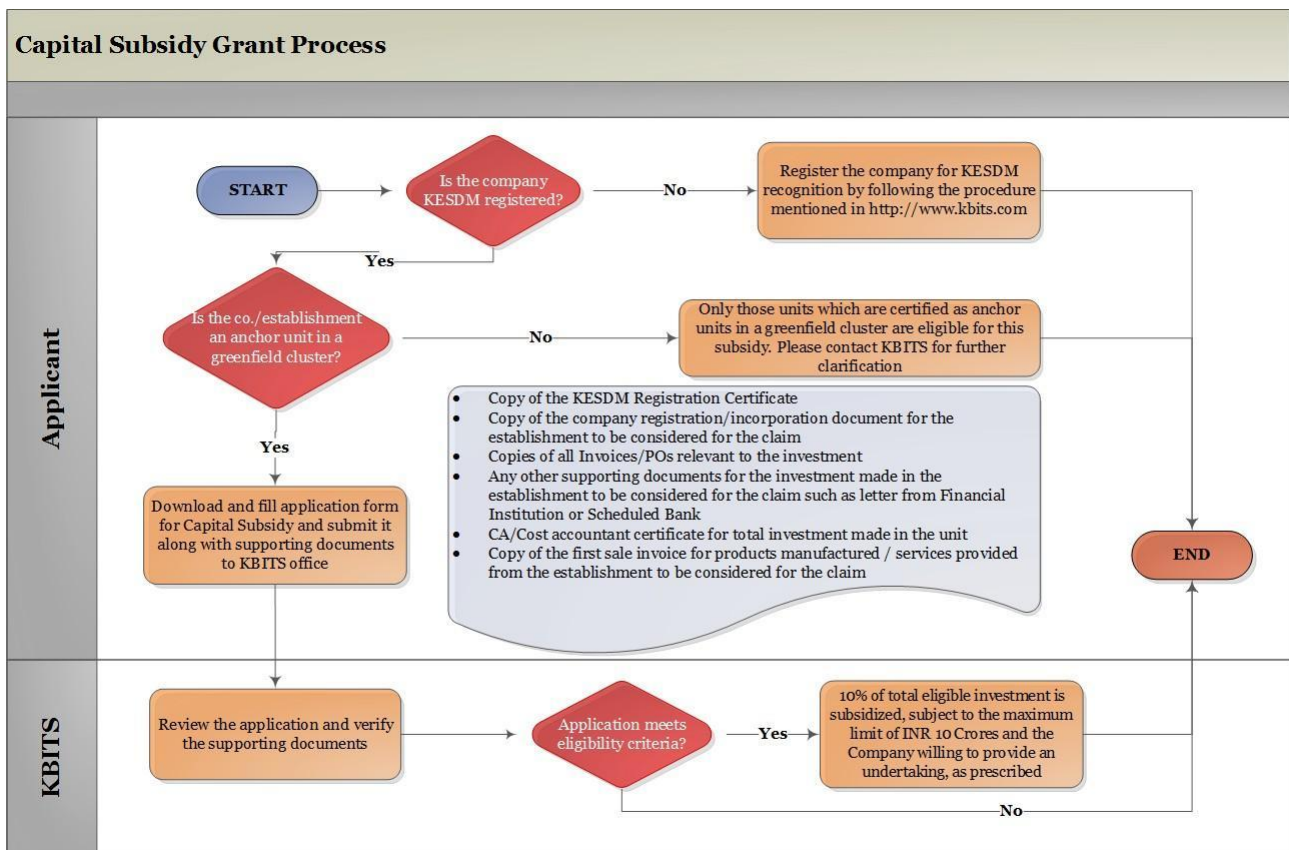
After receiving the application, the officer-in-charge will verify the submitted documents. This will also include assessment of whether the applicant's facility can be considered as an anchor unit in the Greenfield cluster. Post satisfying the genuineness of the facts, an internal audit will be done 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.

Form 4 : Application Form for Capital Subsidy

KESDM Registration Number:		
Name of the Company:		
Address of the Establishment to be Considered for the Claim:		
Size of the Establishment to be Considered for the Claim (Startup/MSME/Large/Mega):		
Products Manufactured / Services Provided by the Establishment to be Considered for the Claim:		
Electric Power Connection RR No.:		
Date of Commencement of Commercial Production (as per the first sale invoice)		
Details of Investment Made: (whichever is applicable)		
1	Land: (excluding Lease hold)	
2	Building and Civil Works: (excluding residential quarters / guest houses)	
3	Plant and Machinery: (excluding technical know-how, engineering fees, feasibility study etc.)	

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:		
<ul style="list-style-type: none"> • 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 		



1.4 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:

SI	Particulars	Amount (in INR Crore)
1	Land	
2	Building and civil works	
3	Plant and Machinery	
4	Others	
Total		

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

Witness:
Grantee

1.

2.

Common Seal of the Company

Signature of the