

**ENERGY/209/EBS/2020-R-1-ENERGY SECRETARIAT**  
**GOVERNMENT OF KARNATAKA**

**Energy Department**

No. ENERGY 209 EBS 2020

Karnataka Government Secretariat  
Vikasa Soudha  
Bengaluru, dated:21.12.2020.

**NOTIFICATION**

In exercise of the powers conferred by section 8 of Karnataka (Taxation on Consumption or Sale) Act, 1959, the Govt. of Karnataka through New Industrial Policy 2020-25 hereby exempts electricity tax on the electricity units consumed from the Grid mains of the Supplier as well as the units generated and consumed from self generation for different category of MSMEs and a New MSME Export Enterprises as mentioned below subject to fulfilling all the requirements laid down under the Electricity Act, 2003, Indian Electricity Rules 1956 or any rules made there under, under the provisions of Electricity Act 2003 & Karnataka Electricity (Taxation on consumption or sale) Act & Rules 1959.

**a) Exemption from Tax on Electricity Tariff to MSMEs: General Category of all New/Expansion/Diversification/Modernisation Enterprises.**

100% exemption of tax on electricity tariff is provided for the initial period of seven years and six years in Zone 1 and Zone 2 respectively and Nil for Zone-3.

**b) Exemption from Tax on Electricity Tariff to MSMEs: Special Category (SC/ST/Women/Minorities/Physically Challenged and EX-Servicemen Entrepreneurs) of all New/Expansion/Diversification/Modernisation Enterprises**

100% exemption of tax on electricity tariff is provided for the initial period of eight years, seven years and four years in Zone 1, Zone 2 and Zone-3 respectively.

**c) Exemption from Tax on Electricity Tariff to New MSMEs Export Enterprises.**

100% exemption of tax on electricity tariff for new MSME Export Enterprises (Minimum 50% of the turnover should be in exports) for an initial period of 5 year in Zone-3.

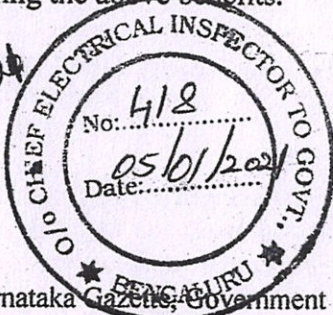
MSMEs shall obtain necessary certificate from the Department of Industries and Commerce for availing the above benefits.

BY ORDER AND IN THE NAME OF  
THE GOVERNOR OF KARNATAKA

*N. mangalage*  
(N.Mangalagowri)

Undre Secretary to Government,  
Energy Department.

21/12



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