



PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Amendment to Karnataka Electric Vehicle & Energy Storage Policy 2017 – reg.

- Read:** 1) Proposal from Commissioner for ID vide letter No. ಕೈವಾಇ/ ನೀ&/ ಸನಿ-2/ EV-Policy/ 2020-21, dated 21.12.2020.
- 2) Cabinet Committee Meeting held on 27.05.2021.

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PREAMBLE:

The State Government announced Karnataka Electric Vehicle & Energy Storage Policy, 2017 vide Order No. CI 117 SPI 2017, dated 25.09.2017 to give the necessary impetus to the electric mobility sector in the State and also attract investments. This policy will be valid for a period of 5 years or till a new Policy is announced.

With the increased focus on EV manufacturing now, it is required to update the incentives in line with investor expectations and accelerate the adoption of EV uptake in Karnataka.

The Commissioner for Industrial Development has submitted the proposal regarding amendment to the Karnataka Electric Vehicle & Energy Storage Policy, 2017 on 21.12.2020 after discussions with concerned Stakeholders.

It is informed that the incentives provided under Karnataka EV Policy 2017 are significantly lower than the incentives provided by other states. Three key issues identified are as follows:

- a) Zero capital subsidy offered for EV Manufacturing and assembly sub-segment
- b) Limited applicability of existing incentives – E.g. Capital subsidies for EV battery/ EV charging equipment manufacturing, etc. only applicable for first 2-5 units in state
- c) Upper cap on capital subsidy is only Rs 5-20 Cr

Therefore, in the endeavor to be the most competitive & attractive state for potential investors in the EV sector, the Commissioner for ID has proposed to update the list of incentives in the current EV policy to encourage further investments in the EV sector.

The proposal regarding amendment to Karnataka Electric Vehicle & Energy Storage Policy 2017 was examined and placed before the Cabinet meeting held on 27.05.2021.

Hence the following Order.

GOVERNMENT ORDER No. CI 357 SPI 2020 (e), BENGALURU,
DATED 01.06.2021

In the circumstances explained in the preamble, the Government is pleased to accord approval to amend the Karnataka Electric Vehicle & Energy Storage Policy, 2017 as below:

Sl. No.	Incentives as per existing Karnataka Electric Vehicle & Energy Storage Policy 2017	Amendments approved / made to Karnataka Electric Vehicle & Energy Storage Policy 2017
1	<ul style="list-style-type: none"> • 1B of II of Appendix-1 states as below: Investment Subsidy of 20% of Value of Fixed Assets (Max Rs.20.00 Crore) is available for Large/Mega/ Ultra/Super Mega EV Cell manufacturing, EV Battery Pack / module manufacturing enterprises – only for 2 units. • 1B of III of Appendix-1 states as below: Investment Subsidy of 20% of VFA (Maximum Rs.5.00 Crore per project) will be available for 1st five units in the State for Large/Mega/ Ultra/Super Mega EV charging infrastructure equipment/ components, EV Battery swapping equipment/Component manufacturing enterprises. 	<p>15% capital subsidy on Value of Fixed Assets (VFA) over 5 equal annual payments subject to subsidy on land applicable for maximum of 50 acres for Large/Mega/Ultra/ Super Mega EV assembly/ manufacturing, EV Component manufacturing, EV Cell manufacturing, EV Battery Pack/module manufacturing, EV charging infrastructure equipment manufacturing/ Battery swapping equipment manufacturing enterprises.</p>
2	<p>Point 2E of I (Appendix-1)</p> <p>Point 7 of II (Appendix-1)</p> <p>Point 7 of III (Appendix-1)</p> <p>Interest free loan on Net SGST to Large/ Mega/ Ultra/ Super Mega enterprise for 8-13 years for a maximum loan amount of 60-95% of Value of Fixed Assets</p>	<p>Production linked subsidy of 1% on turnover for a period of 5 years starting from the first year of commercial operations subject to a maximum cap of 50% of VFA for Large/ Mega/ Ultra/ Super Mega EV assembly/ manufacturing, EV Component manufacturing, EV Cell manufacturing, EV Battery Pack/module manufacturing, EV charging infrastructure equipment manufacturing/ Battery swapping equipment manufacturing enterprises.</p>

Sl. No.	Incentives as per existing Karnataka Electric Vehicle & Energy Storage Policy 2017	Amendments approved / made to Karnataka Electric Vehicle & Energy Storage Policy 2017
		<p>Note: For any enterprises where the incentive is going beyond 50% of the VFA, the concurrence of Finance Department is required for such cases.</p>

TERMS AND CONDITIONS:

- A technical committee shall be constituted to define/certify EV components claiming incentives and concessions under the policy.
- Total quantum of incentives sanctioned to a manufacturing / assembly unit under this policy shall not exceed 100% of the Value of Fixed Assets (VFA) created by the unit.

This order is issued with the concurrence of the Finance Department vide Note No. FD 5 Exp-1/2021, dated 04.05.2021 and approval of the Cabinet held on 27.05.2021 vide Subject No. C-203/2021.

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


(R. RAMESH)

Director (Technical Cell),
Commerce & Industries Department.

To,

The Compiler, Karnataka Gazette, Bengaluru for publication in the next issue of the Gazette and supply 20 copies to this office.

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13. PS to Hon'ble Minister for Large & Medium Industries, Vidhana Soudha, Bengaluru-01.
14. PS to Additional Chief Secretary to Government, Commerce & Industries Department, Vikasa Soudha, Bengaluru-01.
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