

**Subject: Scope of State Freight Refund Scheme, 2018**

CLARIFICATION

Doubts have been raised regarding the scope and coverage of the State Freight Refund Scheme, 2018 announced by Government of Jammu and Kashmir vide Government Order No. 411-FD of 2018 dated 25.09.2018 after the issuance of the central GST Notification No.F.No.2(2)/2018-SPS dated 1<sup>st</sup> January, 2019 by Department of Industrial Policy and Promotion(DIPP), Ministry of Commerce and Industry Government of India. Thus in order to remove the doubts Government hereby clarifies that the:-

1. Transport Incentives (TI) as notified by the DIPP covers all the eligible new industrial units and existing industrial units undertaking substantial expansion. The industrial units can avail the incentives on transportation of finished goods through railways or the railway public sector undertaking, inland waterways or scheduled airlines. [refer to para 6.7 of the Notification *ibid*].
2. The State Freight Refund Scheme,2018 is applicable to all industrial units both in public and in the private sectors irrespective of their size, located in the State of Jammu and Kashmir and the quantum of subsidy to the eligible industrial units is 100 percent for transporting their manufactured goods beyond 1000 Kilometres outside the State.
3. Proviso to para 4 of the State Freight Refund Scheme,2018 reads as "provided that the scheme shall cease to exist from the date the Central Government launches a new scheme on Transport/Freight refund whichever is earlier" needs comprehensive reading. The intention of the Government is to provide support to industrial units located in the State for transporting manufactured goods outside the State of Jammu and Kashmir beyond 1000 KM and the scheme is applicable to transport of furnished goods by any mode. The scheme notified by the Government of India is applicable to only four modes of transport i.e



Railways, Railway Public Sector Undertaking, and Inland Waterways or scheduled Airlines. Those not covered by Government of India Scheme, would therefore need continued support.

4. In light of the above facts, it is clarified that the State Freight Refund Scheme, 2018 will continue to be in operation for the eligible industrial units, new as well as existing if the finished goods are transported by any means other than railways or the railway public sector undertaking, inland waterways or scheduled airlines till 31<sup>st</sup> of March, 2019 beyond which its continuity will be subject to review of the Government as per para (4) of the Notification *ibid*.

Sd/-  
**(Navin K. Choudhary), IAS**  
Principal Secretary to the Government

ET/Estt/07/2018

Dated: 22-02-2019

- to the:-
1. All Financial Commissioners.
  2. Principal Resident Commissioner, J&K, New Delhi.
  3. Principal Secretary to Hon'ble Governor.
  4. All Principal Secretaries to the Government.
  5. All Commissioner/Secretaries to the Government.
  6. Divisional Commissioner, Jammu/Kashmir.
  7. Excise Commissioner, J&K.
  8. Commissioner, State Taxes, J&K.
  9. Additional Commissioner, State Taxes (Tax Planning, Policy & Advance Ruling), J&K.
  10. Additional Commissioner, State Taxes (Administration and Enforcement) Jammu/Kashmir.
  11. Pvt. Secretary to Hon'ble Advisor (S).
  12. President Kashmir Chamber of Commerce & Industry, Kashmir.
  13. President Federation of Industry, Kashmir.
  14. President Chamber of Commerce & Industry, Jammu.
  15. President Industries Association Bari Brahmana/Samba.
  16. President Tax Bar Association, Jammu/Srinagar.
  17. General Manager, Government Press, Jammu/Kashmir.
  18. Secretary to Government, Finance Department.