



Government of Jammu and Kashmir  
**Finance Department**

**Notification**

Srinagar, the 25th of September, 2018

SRO 431.- Government in order to provide budgetary support to the existing eligible manufacturing units operating in the state of Jammu and Kashmir hereby notifies the following scheme for providing budgetary support to the manufacturing units in the shape of reimbursement of Integrated Goods and Service Tax (IGST) paid under the Integrated Goods and Service Tax Act, 2017.

**SHORT TITLE AND COMMENCEMENT**

The scheme shall be called as **Jammu and Kashmir Reimbursement of Integrated Goods and Services Tax for promotion of Small/ Medium/ Large Scale Industries in the State of Jammu and Kashmir**. The said Scheme shall deemed to have come into operation w.e.f. 01.04.2018 for an eligible unit and shall remain in force till the last date of Industrial Policy 2016.

**1.1 OBJECTIVE**

The State Government, in recognition of the hardships arising due to withdrawal of Central Sales Tax exemption granted under section 8(5) of the Central Sales Tax Act, 1956, has decided that it would provide budgetary support to the eligible units by way of part reimbursement of the Integrated Goods and Services Tax, paid by the unit on supply of finished goods manufactured by the Industrial Units located in the State of Jammu and Kashmir except those industrial units who are manufacturing goods falling in Annexure-A.

**2. DEFINITIONS**

**"Eligible unit"** Eligible unit means a manufacturing unit which was registered as on 07.07.2017 in the J&K VAT Act, 2005 (now repealed) and also formally registered with the Department of Industries and Commerce/ Directorate of Handicrafts/ Handloom and who were carrying out interstate sales as defined in Central Sales Tax Act, 1956, during the accounting year 2016-17, except the units manufacturing goods mentioned in Annexure-A to this notification.

**2.2 'Specified goods'** means the goods manufactured by the Industrial Units as have been allowed by the department of Industries and Commerce/ Handloom/ Handicrafts except those mentioned in Annexure -A to this notification.

**3. DETERMINATION OF THE AMOUNT OF REIMBURSEMENT**

**3.1** The amount of Reimbursement under the scheme for specified goods manufactured by the eligible unit shall be the:-

***two percent of the taxable turnover with respect to the interstate supplies made by the Industrial Unit under Integrated Goods and Services Tax Act, 2017 provided that the maximum amount of annual reimbursement shall be limited to***



**2% of the interstate sales turnover reflected by the dealer in his returns for the accounting year 2016-17.**

- 3.2 Reimbursement under this scheme shall be worked out on quarterly basis for which claims shall be filed on a quarterly basis namely for January to March, April to June, July to September & October to December. All claims of reimbursement shall be supported by hard copies of the E-way bills duly endorsed by the consignee to the effect that the goods have been delivered and accounted for.

Provided that the claims for the quarters April to June 2018 shall be filed alongwith the claim for the quarter July to September 2018.


- 3.3 Any unit which is found on investigation to make any mis-declaration to claim reimbursement would be in-eligible for the scheme and shall be liable for recovery of excess reimbursement paid to the industrial unit, if any.
- 3.4 The grant of reimbursement under the scheme shall be subject to compliance of provisions relating to any other law in force.

The manufacturer applying for benefit under this scheme for the first time shall also file the following documents in the office of the concerned Assessing Authority:

- (a) Registration certificate issued by Department of Industries and Commerce or Directorate of Handicrafts /Handlooms
- (b) A declaration and a certificate as per Annexure-B, to be submitted on one time basis.
- (c) An Affidavit-cum-indemnity bond, as per Annexure C, to be submitted on one time basis, binding itself to pay the amount repayable if any.

Any other document evidencing the details required in clause (a) to (c) may be accepted with the approval of the Jurisdictional Additional Commissioner.

- 3.5 The scheme shall be available to only those industrial units who provide employment to permanent residents of the state of Jammu & Kashmir as per the guidelines of the Industrial Policy 2016.
- 3.6 For the purpose of this Scheme, "**manufacture**" means processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character and use and the term "manufacturer" shall be construed accordingly.



#### **4. INSPECTION OF THE ELIGIBLE UNIT**

- 4.1 The reimbursement under the Scheme shall be allowed to an eligible unit subject to an inspection by a team(s) constituted by Commissioner Commercial Taxes. The inspection report shall be made available to the jurisdictional Assessing Authority before sanction of the reimbursement. Reimbursement amount will be released only after the findings reported by these teams are available. Provided that where delay is expected in such findings of the inspection, the Jurisdictional Assessing Authority may sanction provisional reimbursement to the eligible unit. Such provisional reimbursement shall not continue beyond a period of six months.



## 5. MANNER OF BUDGETARY SUPPORT

- 5.1 The manufacturer shall file an application on prescribed format to be notified by Commissioner Commercial Taxes for reimbursement of the amount as prescribed under Para 3.1 under the Integrated Goods and Services Tax Act 2017 to the Jurisdictional Assessing Authority, by the 15<sup>th</sup> day of the succeeding month after end of quarter after payment of tax relating to the quarter to which the claim relates.
- 5.2 The Jurisdictional Assessing Authority after such examination of the application as may be necessary, shall sanction reimbursement amount and forward the same in the prescribed format to the respective Additional Commissioners within one week after the receipt of application.
- 5.3 The concerned Additional Commissioners shall forward consolidated information of the concerned division to the Nodal Officer(s) to be designated by Commissioner Commercial Taxes for reimbursement of GST to the eligible industrial units by the end of the month in which application is received and a copy of the same shall be forwarded to Commissioner Commercial Taxes for consolidation and submission to Government.
- 5.4 The concerned nodal officer(s) shall credit the amount due in the declared bank accounts of the industrial units referred to in the information forwarded by respective Additional Commissioners within seven days of receipt of consolidated information from the concerned Additional Commissioner.
- 5.5 The nodal officer(s) shall intimate the Commissioner/Additional Commissioner(s) Commercial Taxes the amount disbursed to the beneficiary industrial units.

## 6. REPAYMENT BY CLAIMANT/ RECOVERY AND DISPUTE RESOLUTION

- 6.1 The reimbursement allowed is subject to the conditions specified under the scheme and in case of contravention of any provision of the scheme/ notification, the reimbursement shall be deemed to have never been allowed and any inadmissible reimbursement including the budgetary support paid for the past period under this scheme shall be recovered alongwith an interest @16% per annum thereon. In case of recovery or voluntary adjustment of excess payment, repayment, recovery or return, interest shall also be paid by unit at the rate of fifteen per cent per annum calculated from the date of payment of refund till the date of repayment, recovery or return.
- 6.2 When any amount under the scheme is availed by wrong declaration of particulars regarding meeting the eligibility conditions in this scheme necessary action would be initiated and concluded in the individual case by the jurisdictional Assessing Authority concerned.
- 6.3. That the Industrial Unit failing to intimate the Department any change in its constitution, bank account, line of activity, and title of the firm within the time allowed shall not be eligible for reimbursement of taxes for the period in which he fails to intimate the Department.
- 6.4 **The procedure for recovery:** Where any amount is recoverable from a unit, jurisdictional Assessing Authority, shall issue a demand note to the unit (i) intimating the amount recoverable from the unit and the date from which interest thereon is due and (ii) directing the manufacturer



to deposit the full sum within 30 days of the issue of the demand note in the account head of State Tax and submit proof of deposit to him/her.

- 6.5 Where the amount is not paid by the beneficiary within the time specified as above, action for recovery shall be taken in terms of the affidavit –cum- indemnity bond submitted by the applicant at the time of submission of the application, in addition to other modes of recovery.
- 6.6 Where any amount of reimbursement /or interest remains due from the unit, based on the report sent by jurisdictional Assessing Authority, the authorized officer(s) as designated by the Commissioner shall, after the lapse of 60 days from the date of issue of the said demand note take required legal action and send a certificate specifying the amount due from the unit to the concerned Deputy Commissioner Recovery of the concerned Division to recover that amount, as if it were arrears of land revenue under J&K Land Revenue Act.
7. The Finance Department shall review the viability of the policy at the end of every financial year with special reference to its continuance in the next financial year, the items in the Negative list, determination of the amount of reimbursement etc.

#### 8. SAVING CLAUSE

Upon cessation of the Scheme, the unpaid claims shall be settled in accordance with the provisions of the Scheme while the recovery and dispute resolution mechanisms shall continue to be in force.

By order of the Government of Jammu & Kashmir.

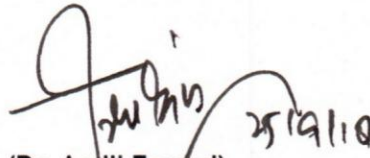
Sd/-  
**(Navin K. Choudhary) IAS**  
Principal Secretary to Government,  
Finance Department.

No: ET/Estt/119/2017-III

Dated: 25-09- 2018.

#### Copy 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 Government.
5. All Commissioner/Secretaries to Government.
6. Divisional Commissioner, Jammu/Kashmir.
7. Excise Commissioner, J&K, Srinagar
8. Commissioner, Commercial Taxes, J&K Srinagar.
9. Additional Commissioner, Commercial Taxes Tax Planning, J&K.
10. Additional Commissioner, Commercial Taxes (Adm) Jammu/Kashmir.
11. Pvt. Secretary to Hon'ble Advisor (V).
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. Private Secretary to Principal Secretary to Government , Finance Department.
19. Government Order file/Stock file/Incharge website.

  
**(Dr. Aadil Fareed)**  
Under Secretary to Government,

## Annexure-A

1. Resin, Turpentine oil and their derivatives
2. Arms, their accessories and ammunition
3. Edible oil and Vasanapati Ghee.
4. Menthol.
5. Copper & Non ferrous items.
6. Cement.





Annexure-B

**DECLARATION.**

Name of the Industrial Unit:.....

GSTIN: .....

Registration No.....

**(Department of industries / handloom/ handicrafts)**

Bank A/c No:.....

Bank Name:.....

Bank Branch:.....

IFSC Code: .....

MICR Code: .....

**CERTIFICATE**

I ..... Proprietor/Partner/Director of  
M/s..... located at ..... do hereby certify that the  
total number of employees working in my industrial unit is .....

That I have provided employment to .....number of locals (constituting ..... of the workforce) in my  
industrial unit as per the list attached along with C.P. Fund details .Further,.....%age of the wage bill is  
drawn in favour of the local workforce.

That I shall be intimating to the Department with respect to any change in constitution, bank account, line of  
activity, and title of the firm within seven days of affecting such change.

**Place :**

**Date:**

**Seal ...**

**Signature**.....

**Name** .....

**Status** .....



## Annexure C

### AFFIDAVIT – CUM – INDEMNITY BOND

I / We Shri \_\_\_\_\_ s/o \_\_\_\_\_ (add names) in my/our capacity of \_\_\_\_\_ (designation) of \_\_\_\_\_ (Company/Unit Name) hereby solemnly affirm and declare for and on behalf of \_\_\_\_\_ (company/unit name) that an application for registration for reimbursement of budgetary support has been filed on \_\_\_\_\_ under the Scheme called **Jammu and Kashmir Reimbursement of Integrated goods and Services Tax for promotion of Small/Medium/Large Scale Industries in the State of Jammu and Kashmir** of Budgetary Support notified by Finance Department, Government of Jammu & Kashmir.

I/We confirm that the eligible unit is manufacturing and supplying specified goods on payment of State GST / Central GST/ Integrated GST and the claim will not include any other activity being carried out under the same GSTIN.

I /We further affirm and declare, as stated above, goods other than specified goods manufactured by the eligible unit will not be taken into account while filing the application under the scheme. No amount of budgetary support which is not due as per the conditions of the scheme notified by Finance Department, Government of Jammu & Kashmir shall be claimed by the eligible unit and where any misdeclaration is detected, the amount paid by the Government shall be paid back by me/us with interest as prescribed in the scheme.

I/We solemnly affirm and declare that whatever is stated above is true to the best of my / our knowledge and record. I/We further indemnify the Government of Jammu and Kashmir to recover the amount, if any for any revenue loss which may occur (might have occurred) due to the above submission made by me / us.

DATE : NAME:

PLACE: SIGNATURE:

DESIGNATION:

ADDRESS:

**Note:**

1. This indemnity bond should be submitted on Rs.500/- Stamp Paper.
2. The bond is required to notarised.
3. Proprietors /Partners / Directors / Authorised Signatory have/has to sign the bond alongwith their name and residential address. In case the bond is signed by authorized signatory, copy of power of attorney in favour of authorized signatory needs to be enclosed.

