



**Government of Jammu and Kashmir  
Finance Department**

**Notification**

Jammu, the 5<sup>th</sup> February, 2018

**SRO 63.-** The Government of Jammu and Kashmir in order to provide budgetary support to the 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 State Taxes paid under Jammu and Kashmir Goods and Services Tax Act, 2017. The scheme shall be limited to the tax which accrues to the State government under the Jammu and Kashmir Goods and Services Tax Act, 2017 after adjustment of the input tax credit paid by the manufacturing units.

**1. SHORT TITLE AND COMMENCEMENT**

This scheme shall be called the **Jammu and Kashmir Reimbursement of Taxes for promotion of Small/Medium/Large Scale Industries in the State of Jammu and Kashmir.**

(2) It shall come into operation w. e. f. 08.07.2017 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 remission from payment of Value Added Tax has decided that it would provide budgetary support to the eligible units by way of part reimbursement of the Goods and Services Tax, paid by the unit after adjustment of Input Tax Credit on supply of finished goods manufactured by the Industrial Units located in the State of Jammu and Kashmir except those falling in Annexure-A.

**2. DEFINITIONS**

2.1 **'Eligible unit'** means a manufacturing unit which was registered as on 07/07/17 in the Jammu and Kashmir Value Added Tax Act, 2005 (now repealed) and also formally registered with the Department of Industries and Commerce/ Directorate of Handicrafts Handloom except the following:

a) units manufacturing goods mentioned in Annexure-A to this notification

b) units eligible for re-imburement under SRO 519 dated 21/12/17

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/Jammu and Kashmir Khadi and Village Industries

Board/ Small Scale Industries Development Corporation Limited ( SICOP) 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 amount of State Tax paid through debit in the cash ledger account maintained by the unit in terms of sub-section(1) of section 49 the Jammu and Kashmir Goods and Services Tax Act, 2017 after utilization of the Input tax credit of the State Tax and Integrated Tax.

Provided where inputs are procured exclusively from a registered person operating under the Composition Scheme under Section 10 of the Jammu and Kashmir Goods and Services Tax Act, 2017 or from any unregistered persons, the benefit of the reimbursement will not be extended to the industrial units. However, if the purchases are made partly from registered, unregistered or composition dealers the benefit will be as per para 3.9.

Provided further that the Industrial Units shall not be eligible for the scheme if its making supply of services or supply of interstate supplies of finished goods either directly or through intermediaries or through proxies.

***Explanation:***

To avail benefit of this scheme, eligible unit shall first utilize input tax credit of State tax and Integrated tax and balance of liability, if any, shall be paid in cash and where this condition is not fulfilled, the reimbursement sanctioning officer shall reduce the amount of reimbursement payable to the extent credit of State tax and integrated tax, is not utilized for payment of tax.

- 3.2** Reimbursement under this scheme shall be worked out on quarterly basis for which claims shall be filed on a quarterly basis i.e from January to March, April to June, July to September & October to December.
- 3.3** Any unit which is found on investigation to over-state its production or 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. Activity relating to concealment of input tax credit, purchase of inputs from unregistered suppliers (unless specifically exempt from GST registration) or routing of third party production or other activities aimed at enhancing the amount of reimbursement by mis-declaration would be treated as fraudulent activity and, without prejudice to any other action under law may invite denial of benefit under the scheme ab-initio. The units will have to declare total procurement of inputs from unregistered suppliers and from

suppliers working under Composition Scheme under Jammu and Kashmir Goods and Services Tax Act, 2017.

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; namely:-

- (a) Registration certificate issued by Department of Industries and Commerce or Directorate of Handicrafts /Handlooms or Jammu and Kashmir Khadi and Village Industries Board or SICOP.
- (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.
- (d) Any other document evidencing the details required in clause (a) to (c) may be accepted with the approval of the Jurisdictional Additional Commissioner.

3.4 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. Where the State Tax paid on value addition is higher than the State worked out on the value addition shown in column (4) of the table below, the unit may be taken up for verification of the value addition:

Table Serial No.	Chapter	Description of goods	Rate (%)	Description of inputs for manufacture of goods in column (3)
(1)	(2)	(3)	(4)	(5)
1.	17 or 35	Modified starch or glucose	75	Maize, maize starch or tapioca starch
2.	18	Cocoa butter or powder	75	Cocoa beans
3.	25	Cement	75	Lime stone and gypsum
4.	25	Cement clinker	75	Lime stone
5.	29	All goods	29	Any goods
6.	29 or 38	Fatty acids or glycerine	75	Crude palm kernel, coconut, mustard or rapeseed oil
7.	30	All goods	56	Any goods
8.	33	All goods	56	Any goods
9.	34	All goods	38	Any goods
10.	38	All goods	34	Any goods
11.	39	All goods	26	Any goods
12.	40	Tyres, tubes and flaps	41	Any goods
13.	72	Ferro alloys, namely, ferro chrome, ferro manganese or silico	75	Chrome ore or manganese ore

		manganese		
14.	72 or 73	All goods	39	Any goods, other than iron ore
15.	72 or 73	Iron and steel products	75	Iron ore
16.	74	All goods	15	Any goods
17.	76	All goods	36	Any goods
18.	85	Electric motors and generators, electric generating sets and parts thereof	31	Any goods
19.	Any chapter	Goods other than those mentioned above in S.Nos.1 to 18		

- 3.5 In cases where an entity is carrying out its operations in the State from multiple business premises, in addition to manufacture of specified goods by the eligible unit, under the same GST Identification Number (GSTIN) as that of the eligible unit, the eligible unit shall submit application for reimbursement of budgetary support alongwith additional information on the claim form as prescribed in "Annexure D" or any other format as may be notified by the Commissioner. Matters relating to receipt of inputs, input tax credit involved on the inputs or capital goods received by the eligible unit and quantity of specified goods manufactured by the eligible unit vis-a-vis the inputs, input tax credit availed by the registrant under the given GSTIN.

**Explanation:** Industrial Units having Annual Turnover of more than Rupees 1.5 Crores shall mandatorily submit Annexure "D" duly certified by a Chartered Accountant.

- 3.6 Under GST, one business entity having multiple business premises would generally have one registration in the State in such situations where inputs are received from another business premises (of supplying unit) of the same registrant (GSTIN), the details of input tax credit of State Tax availed by the supplying unit for supplies to the eligible unit shall also be submitted along with the claim form as prescribed in Annexure "D" or any other format as may be notified by the Commissioner.
- 3.7. The Industrial Units eligible for reimbursement of taxes shall have to stamp the supply invoices conspicuously with the words, **"FOR SUPPLY/ CONSUMPTION IN THE STATE OF JAMMU AND KASHMIR ONLY"**.
- 3.8 The Scheme shall be available to only those industrial units who provide employment to permanent residents of the State of Jammu and Kashmir as per guidelines of Industrial Policy, 2016.
- 3.9 The industrial units making purchases partly from the persons operating under Composition Scheme under section 10 of the Jammu and Kashmir Goods and Services Tax Act, 2017 and / or from unregistered persons shall submit the details of the such inputs on prescribed format detailed as Annexure "D" or any other format as may be notified by Commissioner. The reimbursement to such

industrial units will be in proportion to the inputs purchased from the registered dealers after adjustment of the input tax credit.

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

- 4.1 The reimbursement under this Scheme shall be allowed to an eligible unit subject to an inspection by a team constituted by Commissioner Commercial Taxes. The inspection report shall be made available to the jurisdictional Assistant Commissioner/Commercial Taxes Officer before sanction of the reimbursement. Reimbursement amount will be released only after the findings to these teams are available:

Provided that where delay is expected in such findings of the inspection, the Assistant Commissioner /Commercial Taxes Officer of Commercial Taxes 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 for the Tax paid in cash, other than the amount of Tax paid by utilization of input Tax Credit under Jammu and Kashmir Goods and Services Tax Rules 2017, to the Assistant Commissioner/ Commercial Taxes Officer, as the case may be, 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 Assistant Commissioner/Commercial Taxes Officer of Commercial Taxes, as the case may be, 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 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 shall credit the GST amount 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 shall intimate the Commissioner 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 Office of concerned Assistant Commissioner or Commercial Taxes Officer of Commercial Taxes, as the case may be.
- 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, the Assistant Commissioner or Commercial Taxes Officer of Commercial Tax, as the case may be, 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 Taxes 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 the Assistant Commissioner/ Commercial Taxes Officer of Commercial Tax as the case may be, the authorized officer 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, Svt. 1996.

## 7. 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 and Kashmir.

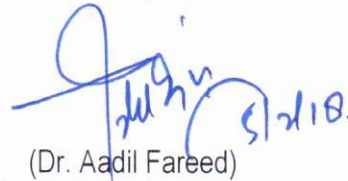
Sd/-  
(Navin K. Choudhary), IAS  
Principal Secretary to Government,  
Finance Department.

No: ET/Estt/203/2017

Dated: 05-02-2018.

Copy to the:-

1. Secretary, GST Council, New Delhi.
2. All Financial Commissioners.
3. Principal Resident Commissioner, J&K Government, New Delhi.
4. Principal Secretary to Hon'ble Governor.
5. All Principal Secretaries to Government.
6. Principal Secretary to Hon'ble Chief Minister.
7. All Commissioner/Secretaries to Government.
8. Divisional Commissioner, Jammu/Kashmir.
9. Excise Commissioner, J&K, Srinagar.
10. Commissioner, Commercial Taxes, J&K, Srinagar.
11. Additional Commissioner Commercial Taxes (Adm) Jammu/Kashmir.
12. Additional Commissioner Commercial Taxes Tax Planning, J&K.
13. Private Secretary to Hon'ble Minister for Finance.
14. Private Secretary to Hon'ble Minister of State for Finance.
15. President Kashmir Chamber of Commerce & Industry, Kashmir.
16. President Federation of industry, Kashmir.
17. President Chamber of Commerce and Industry, Jammu.
18. President Industries association, Bari Brahmna, Jammu.
19. President Tax Bar Association, Jammu/ Srinagar.
20. General Manager, Government Press Jammu/ Kashmir.
21. Private Secretary to Commissioner/ Secretary to Government, Finance Department.
22. Government order file/Stock/Finance website.



(Dr. Aadil Fareed)  
Under Secretary to the Government  
Finance Department

## Annexure-A

1. Repacked goods.
2. Bricks and Tiles.
3. Soft drinks.
4. Edible Oil and Vanaspati ghee
5. Screen printing of glazed tiles.
6. Cutting and stitching of doormat out of coir, jute and décor (wall to wall)
7. Cutting of marble/granite (except locally extracted and processed marble stones).
8. Repair and servicing of Automobiles
9. Sweetmeats (excluding toffees candy etc.)
10. Cycles/Tricycles
11. Televisions, Air Conditioners, Refrigerators and Washing Machines, when assembled and manufactured by the industrial units located in the State and sold under the brand name of other products.
12. Tobacco and its products.
13. Products manufactured by hot mix plants.
14. Cutting and grinding of glass, itching, silvering, beveling, frosting and designing of glass.
15. Incandescent bulbs.
16. Arms and ammunition including accessories thereof.
17. Tea (processed/ unprocessed).





**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.

Also, I hereby certify that the goods manufactured by my concern are exclusively meant  
for supply and consumption within the State of Jammu and Kashmir.

**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 Taxes 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. The input tax credit on the goods availed by the eligible manufacturing unit or the supplying unit under the same GSTIN will be taken into account while calculating the input tax credit of the eligible manufacturing unit. 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 mis-declaration 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 notarized.
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.





Annexure - D

Reimbursement Claim Form under Jammu and Kashmir Reimbursement of Taxes for Promotion of small/medium/large scale Industries in the State of Jammu and Kashmir

- 1 Name/Address of the Industrial Unit:.....
- 2 GSTIN:.....
- 3 Circle & Division in which Registered:.....

4	Period of claim	January-March	April-June	July-September	October-December
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5 Detail of Business Entity having multiple Business Premises (Needs to be filled in as per details mentioned in Para 3.5 of the Notification):

S.No.	Period (Quarter)	Address of the Business Premises	Input Tax claim on		Supply made by the Unit		Net Tax Payable in Cash after adjustment of Input Tax Credit	Reimbursement Amount (to be claimed) *
			Input Tax Credit claim for the Unit	Capital Goods	Quantity	Value		
		GSTIN	Industrial Unit					

6 Detail of Business Entity having multiple Business Premises (Needs to be filled in as per details mentioned in Para 3.6 of the Notification):

S.No.	Period (Quarter)	Address of the Business Premises	Supply made by the Unit		Net Tax Payable in Cash after adjustment of Input Tax Credit	Reimbursement Amount (to be claimed)
			Quantity	Value		
		GSTIN				

7 Detail of Business Entity making purchases partly from Composition Dealers/Un-registered Persons (Details to be filled in as per Para 3.9 of the Notification):

S.No.	Period (Quarter)	GSTIN	Supplies received by the Industrial Unit			Supply made by the unit		Net Tax Payable in Cash after adjustment of Input Tax Credit	Reimbursement Amount (to be claimed) *		
			Registered Dealers	Un-registered Dealers	Composition Dealers	Total	Quantity			Value	
A	B	C	D	E	F	G	H	I	J	K	L

Note: industrial units having turnover of more than rupees 1.5 crores shall file the details duly certified by Chartered Accountant

\* Budgetary support in respect of intra-state supplies = (SGST in cash-balance of (ITC of (IGST+ITC of SGST)) \* (1-Value under (E+F)/Value under (G))

I hereby certify that the claim Form submitted by the undersigned for an Amount of Rs. .... for the period ..... is true and correct. The figures mentioned in the Place:.....

Dated:.....

Signature:.....  
Name:.....

Status:.....

Seal:.....