



Government of Jammu & Kashmir
Finance Department
Civil Secretariat, Jammu

NOTIFICATION

Jammu, the 26th of February 2019

SRO 134 .- The Government in order to provide budgetary support to manufacturing units operating in the state of Jammu and Kashmir and involving investment of rupees fifty crores or more either on substantial expansion of existing units or setting up of new unit shere by notifies the following scheme 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 on the additional taxable turnover resulting due to substantial expansion or on the full taxable turnover in case of newly established units (investing rupees fifty crores or more in plant and machinery)under Jammu and Kashmir Goods and Services Tax Act 2017 after adjustment of the input tax credit paid by the eligible manufacturing units.

1. **SHORT TITLE AND COMMENCEMENT**

The scheme shall be called as **Jammu and Kashmir Reimbursement of State Taxes for encouraging large investments for industrial development in the State of Jammu and Kashmir.**

OBJECTIVE

The State Government in order to encourage large investments as per policy targets set under Industrial Policy 2016 has decided that it would provide budgetary support to the eligible units by way of part reimbursement of the State Goods and Services Tax, paid by the industrial unit after adjustment of Input Tax Credit on supply of finished goods manufactured by it. The scheme shall be applicable to only such existing units undergoing substantial expansion or to such new units being set up on or after 01.02.2019.

DEFINITIONS

2.1 **Eligible unit'** means

- (a) a unit having GST registration for the premises as a place of business, where manufacturing activity is already being carried out by the Industrial Unit and the same is undergoing substantial expansion involving additional investment of rupees fifty crores or above in plant and machinery certified by Industries and Commerce Department.

Or

- (b) a newly established industrial unit which has made an investment of rupees fifty crores or more in plant and machinery certified by Industries and Commerce Department and having GST registration for the premises as a place of business, where manufacturing activity is carried out by the Unit.

Provided that the industrial units applying under this scheme is eligible for reimbursement of Central Share of CGST as per Industrial Development Scheme for the State of Jammu and Kashmir 2017 as notified by the Department of Industrial Policy and Promotion (DIPP) under the Ministry of Commerce and Industry, Government of India vide notification no **F.No.2 (2)/2018-SPS dated 01.01.2019**

- 2.2 'Specified goods' means the goods manufactured by the Industrial Units as have been allowed by the department of Industries and Commerce.

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:-

- (i) amount of State Tax paid by the eligible unit as per Para 2.1(a) on the additional turnover resulting from the substantial expansion(with reference to the increase in turnover post expansion as certified by Industries and Commerce department) 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.

Illustration :

Value of inward supply of goods from Delhi	Rs.100000.00	Basic Value of goods	Rs.100000.00	Liability(Rs)		ITC of IGST utilized(Rs)	To be paid in cash(Rs)	Paid(Rs)
IGST	Rs.18000	Value addition @20%	Rs.20000.00	CGST @9%	10800.00	10800.00	0.00	0.00
Total	Rs.118000.00	Sale value of goods	Rs.120000.00	SGST @9%	10800.00	7200.00	3600.00	3600.00
		CGST @9%	Rs.10800.00	ITC IGST	18000.00			
		SGST @9%	Rs.10800.00	ITC CGST	0.00			
		Total bill value	Rs.141600.00	ITC SGST	0.00			

Re-imbursement Claim:

Turnover prior to expansion =Rs.75000.00
Increase in turnover due to substantial expansion of the unit = Rs. (120000.00-75000.00) =Rs.45000.00
%age of increase in turnover = 37.5%
SGST deposited = Rs. 3600.00
Re-imbursement claim = 37.5% of Rs.3600.00 = Rs.1350.00

Or

- (ii) an amount of State Tax paid through debit in the cash ledger account maintained by the newly established unit (as per para 2.1 (b)) 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.

