

**No. 2(3)/2019-SSS  
Government of India  
Ministry of Commerce and Industry  
Department for Promotion of Industry and Internal Trade  
(Special Scheme Section)**

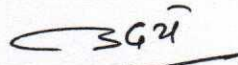
New Delhi, dated 8<sup>th</sup> February, 2019

**OFFICE MEMORANDUM**

**Subject: Industrial Development Scheme (IDS), 2017-General Operational Guidelines for the States of Jammu & Kashmir**

The undersigned is directed to forward herewith the General Operational Guidelines for Industrial Development Scheme (IDS) in respect of Jammu & Kashmir for appropriate action.

**Encl: As above.**



(Uday Singh Mina)  
Director

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To

1. Shri Shaleen Kabra, Principal Secretary(I&C), Directorate of Industries and Commerce, Udyog Bhawan, Rail Head Complex, Jammu – 180012.
2. Shri Anu Malhotra, Director of industries & Commerce, Directorate of Industries & Commerce, 1st Floor, Udyog Bhawan, Rail Head Complex, Jammu – 180012.
3. Shri Bilal Ahmed, Director of Industries & Commerce, Directorate of industries & Commerce, Civil Secretariat, Srinagar.
4. Director, NIC is requested to upload the same on DPIIT website.



## **Industrial Development Scheme (IDS), 2017 - General Operational Guidelines for the State of Jammu & Kashmir.**

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These operational guidelines should be read with the IDS, 2017 notification dated 23.04.2018, and IDS Portal Operational Guidelines dated 06.02.2019.

### **1. For claiming Central capital investment incentive for access to credit (CCIIAC)**

#### **1.1. Inspection of the unit**

- (i) The unit should file online intimation of its readiness to receive field inspection team after it has actually commenced commercial production. All the Central capital investment incentive for access to credit (CCIIAC) Claims where value of plant and machinery is upto 5.00 crore, shall be inspected by DIC, whereas for the value of plant and machinery in excess of Rs.5.00 crore, a field visit must be organized by State Govt. comprising one representative each from (i) State Govt. concerned, (ii) the financial Institution which has appraised the unit, (iii) JKDFC, and (iv) in case investment in eligible plant and machinery is above Rs.20 crores, field visit team shall be nominated by DPIIT.
- (ii) The functions of the Field Visit Team as applicable shall broadly be as follows:-
  - To verify the physical availability of the Plant and Machinery in respect of which claim has been made by the industrial unit.
  - To ascertain whether the components/ items of these plant and machinery in respect of which subsidy claimed by the industrial unit is as per the provisions of the scheme and subsequent clarifications issued from time to time.
  - To invariably consider the Appraisal Report of the Financial Institutions(s) of the Industrial Unit along with other relevant documents while assessing the quantum of the value of Plant and Machinery.
  - To suitably explain the deviations (if any) in the value of Plant and Machinery considered eligible for subsidy from the Appraisal Report. The deviation report shall be submitted as per the format given at Annexure.

- To submit field visit report within 5 working days from the date of completion of field visit of the unit.
- (iii) Inspection of the unit is mandatory before considering the claims under any incentive components under the scheme, submitted by the unit.
- (iv) It should be ensured that applicant units fulfill the conditions stipulated under para 4.5 of the notification dated 23.04.2018.
- (v) DPIIT reserves the right to conduct the inspection of any unit, irrespective of the financial limit as mentioned above.

1.2 The claim application is to be submitted online, latest within one year of commencement of commercial production.

1.3 A unit at the time of submission of claim is required to submit details regarding total investment made in the project, installed capacity and calculation of actual / projected Return on Investment (RoI) up to 5 years from the date of commencement of commercial production.

## **2. For claiming Central Interest Incentive**

- 2.1 Each claim is to be submitted for a complete financial year. The first claim / last claim of the unit may be preferred for part of the financial year, depending on the date of commencement of commercial production.
- 2.2 Claim application is to be submitted online within a period of 6 months from the end of concerned financial year for which claim is made.
- 2.3 A unit will be required to submit a certificate cum recommendation of scheduled bank / central or state financial institution clearly indicating a credit limit sanctioned by the bank towards the working capital requirement for the claim period, actual drawl by the unit against the credit limit, total interest charged by the bank on working capital utilization, rate of interest charged by the bank and the marginal cost of fund based lending rates of the lending institution. Lending financial institution will also have to certify that all drawls against the credit limit

have been utilized for the purpose for which it was sanctioned and that there has been no diversion of funds and / or siphoning of funds by the industrial unit.

**3. For claiming Central Comprehensive Insurance Incentive**

3.1 Each claim is to be submitted for a complete financial year. The first claim / last claim of the unit may be preferred part of the financial year, depending on the date of commencement of commercial production.

3.2 Claim application is to be submitted within a period of 6 months, from the end of concerned financial year for which claim is made.

3.3 A claimant unit will be required to furnish details of building, plant and machinery insured.

**4. For claiming Transport Incentive**

4.1 Claim is to be submitted on quarterly basis. The first claim / last claim of the unit may be preferred for part of quarter, depending on the date of commencement of commercial production.

4.2 Claim application is to be submitted within a period of 6 months from the end of concerned quarter for which claim is made.

**5. For claiming Income Tax (IT) Reimbursement**

5.1 For claims of Central Share of Income tax, applicant unit will be required to file its claim online within 6 months from the end of the month in which its income tax return was processed u/s 143(1) of Income Tax Act, 1961.

5.2 For filing the IT Reimbursement claim, it is mandatory to give copy of the order passed u/s 143(1) of Income Tax Act, 1961 along with amount of claim with reference to concerned unit, which will be taken into account for deciding the claim.

5.3 The amount of Central Share of Income Tax reimbursed\* shall be 58% of the Income Tax paid with respect to the concerned unit.

\*Note: This percentage of reimbursement shall be charged as per the recommendation of Finance Commission from time to time.

## 6. For claiming Goods and Services Tax (GST) Reimbursement

6.1 GST reimbursement on finished goods is applicable only on the Central share of the net GST paid, other than the amount of Tax paid by utilization of Input Tax credit under the Input Tax Credit Rules, 2017.

6.2 The amount of GST reimbursed\*\* shall be a sum total of:

(a) 58% of the Central tax paid through debit in the cash ledger account maintained by the unit in terms of sub-section(1) of section 49 of the Central Goods and Services Act, 2017 after utilization of the Input tax credit of the Central Tax and Integrated Tax.

(b) 29% of the integrated tax paid through debit in cash ledger account maintained by the unit in terms of section 20 of the Integrated Goods and Services Act, 2017 after utilization of the Input tax credit Tax of the Central Tax and Integrated Tax.

(c) Provided where inputs are procured from a registered person operating under the Composition Scheme under section 10 of the Central Goods and Services Act, 2017, the amount i.e., sum total of (a) & (b) above shall be reduced by the same percentage value of inputs procured under Composition scheme out of total value of inputs procured.

\*\*Note: This percentage of reimbursement shall be charged as per the recommendation of Finance Commission from time to time.

6.3 Claim can be made within 6 month from the end of the relevant quarter for which the returns (s) were submitted under the relevant Goods and Services Tax Act, 2017, subject to submission of relevant documents.

**7. For claiming Employment Incentive**

7.1 Scope of Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) has been enhanced from 1<sup>st</sup> April, 2018 and the Government of India is paying full Employer's Contribution of 12% (towards EPS and EPF both) for all the sectors through Employees' Provident Fund Organization (EPFO) for a period of 3 years to the new Employees and to the existing beneficiaries for their remaining period of 3 years through EPFO. The terminal date of date for registration of beneficiary through the establishment is 31<sup>st</sup> March, 2019.

7.2 Since PMRPY is already giving the benefits upto 31<sup>st</sup> March, 2019, the claimant unit may register itself on the portal provided by PMRPY for availing the Employment Incentive.

**8. Authority to approve claims**

8.1 All claims pertaining to Central capital investment incentive for access to credit (CCIIAC), where eligible amount of plant and machinery is upto Rs.20.00 crores, will be approved by State Level Committee (SLC). State Level Committee (SLC) shall be setup by the concerned State Government consisting of representative from State Industries Department, State Directorate of Industries, State Finance Department, JKDFC and the financial institution concerned (*if the industrial unit is being assisted by a financial institution*). SLC shall go into details of each case to decide whether the unit qualifies for grant of incentive and also about the quantum of incentive.

8.2 Approval of Capital investment incentive, where eligible amount of plant and machinery is more than Rs. 20.00 crore, will be done by the Empowered Committee

8.3 For insurance incentives, claims upto Rs. 20 lakhs will be approved by DLC and claims in excess of Rs. 20 lakhs will be approved by SLC.

**9. Other provisions**

- 9.1 Central capital investment incentive for access to credit (CCIIAC) should mandatorily be approved by the appropriate authority (as per the limits mentioned above) before getting benefits under insurance incentive.
- 9.2 No interest on account of delay in payment of any incentive can be claimed by the unit. The beneficiary unit has to furnish an undertaking to abide by this term.
- 9.3 A claimant unit will be required to furnish proof of payment made through Electronic mode / cheque / DD in respect of claim preferred by them. No claims involving cash payment will be entertained.
- 9.4 Time limit for filling of the claims for availing benefits under scheme is as mentioned above for respective incentives, or within one year of the grant of registration, whichever is later.

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