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Session-7

PCS OPPORTUNITY SERIES:: Season-1

Professional Opportunities under J&K Industrial Policy 2021



CS (Dr.) Ajay Garg
Delhi, NCT
(Key Host)



CS Puran Dhar
Jammu (J&K)
(Speaker)



CS Tanu Tyagi
Faridabad
(Moderator)

Link to Join: <https://us02web.zoom.us/j/83102939826?pwd=bnlJTkZYVFYvNWJZSGk3d1VNd2QyZz09>

Meeting Id : [831 0293 9826](https://us02web.zoom.us/j/83102939826?pwd=bnlJTkZYVFYvNWJZSGk3d1VNd2QyZz09)

Meeting Passcode : [419993](https://us02web.zoom.us/j/83102939826?pwd=bnlJTkZYVFYvNWJZSGk3d1VNd2QyZz09)

Facebook Live Link: <https://www.facebook.com/aeaeecorpaleal>

Friday, 20th August, 2021

6:00 PM to 7:30 PM

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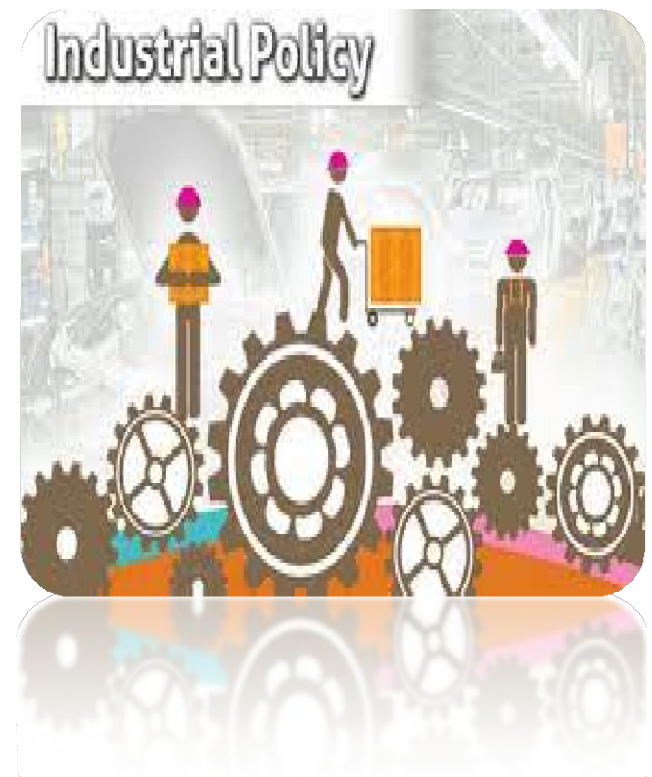
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PROFESSIONAL OPPORTUNITIES UNDER J&K INDUSTRIAL POLICY, 2021



Do You Know?

- **Central Government has recently announced very lucrative IP2021 for J&K**
- **Are you aware that UT Government has made industrial land available in all 22 district.**
- **Are you aware that Service sector is also eligible for almost all incentives**
- **Do you know that 80% of J&K is now insurgency free**
- **Do you know that many IE are non hilly areas?**



Do You Know?

- **CG Incentives are more than 100% of Project cost but in next 10 years?**
- **Do you know about 6% Interest subvention in term loan?**
- **Do you know that project owner gets land title for 40 years extendable to 99 years?**
- **Do you know that 100% of GST Linked Incentive is available for 10 years period**
- **Do you know that handholding of single client may equal to 30-50% revenue of your annual practice**



Key Policy Documents

- **New Central Sector Scheme for Industrial Development of J&K (NCSSID) Gazette Notification F. No. 1(1) /2020/SSS Dated 19.02.2021**
www.jknis.dipp.gov.in
- **General Operational Guidelines for Registration of Units under NCSSID dated 01.04.2021**
- **J&K Industrial Land Allotment Policy 2021-30 dated 24.03.2021**



Key Policy Documents

- **Procedural Guidelines to J&K Industrial Land Allotment Policy 2021-30 dated 22.04.2021**
- **J&K Industrial Policy 2021-30 dated 19.04.2021**
- **Land bank 20.07.2021**
www.investjk.in



NCSSID for J&K

- **01.04.2021 to 31.03.2037**
- **Registration 01.04.2021 to 31.03.2024**
- **Registration through online portal**
- **Zone 'A' and Zone 'B' and Negative List**



NCSSID for J&K ZONING

- **Zone 'A':** Insurgency free, less risky, peaceful and better connectivity, plain area
- **Zone 'B':** Adventurous Area, Hilly Area, Difficult geographical Terrain (Comparatively more incentives)



NCSSID for J&K - Eligibility

- **Manufacturing Sector: All except Negative list. ex: Molasses, Marble, Travertine & Granite etc. (both for new and existing units)**
- **Service Sector: As mentioned in Positive list. Ex: Healthcare Services, IT & ITeS Services, Educational & Skill Development Services (both for new and existing units)**



Service Sectors Eligible For Benefits NCSS

Sr. No.	List of Positive Industry Sector
1	Services promoting Film Tourism (including film cities, studios)
2	Ropeways, Entertainment Parks and Rides
3	Heritage Property Restoration Services
4	Healthcare Services
5	IT & ITeS Services
6	Maintenance and Repair Services
7	Freight Terminals, Logistics Parks & Warehousing (including Cold Store Services)
8	Testing, R&D, Analysis & Certification services
9	Educational & Skill Development Services
10	Tourism & Hospitality Services (including health & wellness tourism)

Sr. No.	List of Negative Manufacturing Sector
1	All goods falling under Chapter 24 of the Central GST Tariff Act, 2017 which pertains to tobacco and manufactured tobacco substitutes.
2	Pan Masala as covered under Chapter 24 of the Central GST Tariff Act, 2017.
3	Plastic carry bags of less than 20 micron
4	Goods falling under Chapter 27 of the First Schedule to the Central Excise Tariff Act
5	Plantation, Refineries and Power generating Units above 10 MW.
6	Coke (including Calcined Petroleum Coke), Fly Ash
7	Units not complying with environment standards
8	Low value addition activities in goods such as preservation during storage, cleaning, operations, packing, repacking or re-labelling, sorting, alteration of retail sale price etc. take place excluding high value packaging and processing.
9	Gold and gold dore.
10	Molasses
11	Marble, Travertine & Granite.
12	Revolvers and pistols.
13	Any other industry/activity placed in negative list through a separate notification as and when considered necessary by the Government

NCSSID for J&K - Incentive

- **Capital Investment Incentive (CII).**
- **Capital Interest Subvention (CIS).**
- **Goods & Services Tax Linked Incentive (GSTLI).**
- **Working Capital Interest Subvention (WCIS).**



NCSSID for J&K - Incentive Capital Investment Incentive (CII) (for both new and existing Units)

Manufacturing Sector

- **30% of investment in P&M upto 5Cr. - A**
- **50% of investment in P&M upto 7.5Cr - B**

Service Sector

- **30% of investment in construction of building and installation of other durable physical assets upto 5Cr - A**
- **50% of investment in construction of building and installation of other durable physical assets up to 7.5Cr - B**



NCSSID for J&K - Incentive **(for both new and existing Units)**

Capital Interest Subvention (CIS)

Manufacturing Sector

- **@ 6% for a period of seven consecutive years**
- **Upto principal loan disbursed max. 500 Cr.**

Service Sector

- **@ 6% for a period of seven consecutive years**
- **Upto principal loan disbursed max. 1 Cr.**

What is Interest Subvention Scheme



NCSSID for J&K- Incentives

GST Linked Incentives (GSTLI) **(for new Units)**

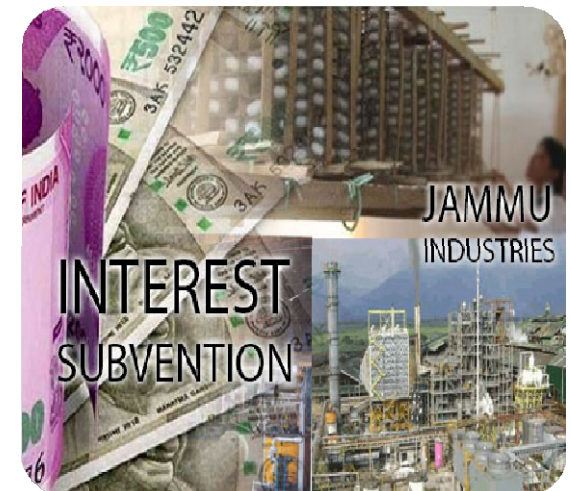
- **100% of gross payment of GST for a period of 10 Years or till the validity of the scheme whichever is earlier, from the date of commercial production. (GST on export – excluded)**
- **Maximum upto 300% of investment in Plant and Machinery (manu.) or building and durable physical assets (service)**
- **Incentive per year: not exceed one-tenth of the total amount of eligible incentive**
- **Same incentive in Zone A and B**
- **Separate GST for every Unit**



NCSSID for J&K- Incentives

Working Capital Interest Subvention (WCIS)

- **All existing units in the UT of Jammu & Kashmir registered under GST prior to the date of notification of this scheme will be eligible**
- **Same incentive for Zone A and B**
- **5% for a maximum period of five years**
- **Maximum Benefit 1 crore in five years for both manufacturing and service sector**



NCSS- Incentives Summary

Capital Investment Incentive (CII)

1

- **New Units; Existing units undertaking substantial expansion with investment of not more than Rs.50.00 (Fifty) crore**
- Zone A: 30% of investment in P&M/ B&A with maximum limit of Rs 5.00 crore.
- Zone B: 50% of investment in P&M/ B&A with maximum limit of Rs 7.50 crore

Capital Interest Subvention (CIS)

2

- **New Units; Existing units undertaking substantial expansion**
- To the Extent of Rs 500 Cr
- At the rate of 6%/ annum for a max. of 7 consecutive years from any date after the date of application for registration on term loan on principal amount of max. Rs 500 crore for investment in eligible new P&M/ B&A.

GST linked Incentive (GSTLI)

3

- **New Units only**
- A unit can avail maximum amount of 300% on the investment in P&M.
- At the rate of 100% of Gross payment of GST, i.e. GST paid through cash and input tax credit for a maximum period of 10 years from the date of commencement of commercial production/ operation or till the validity of the scheme whichever is earlier.

Working Capital Interest Linked Incentive (WCIS)

4

- **Existing Units only**
- 5% on working capital loan for a maximum of 5 consecutive years from the date of grant of registration under this scheme.
- Maximum benefit is Rs 1 crore in five years.

S.no	INCENTIVE	NEW UNITS	EXISTING UNITS UNDERGOING EXPANSION	EXISTING UNITS
NEW CENTRAL SECTOR SCHEME 2021				
1.	CAPITAL INVESTMENT INCENTIVE(CII)	✓	✓	x
2.	CAPITAL INTEREST SUBVENTION (CIS)	✓	✓	x
3.	GOODS & SERVICES TAX LINKED INCENTIVE (GSTLI)	✓	x	x
4.	WORKING CAPITAL INTEREST SUBVENTION (WCIS)	x	x	✓

J&K INDUSTRIAL POLICY 2021-30 INCENTIVES

Turnover Incentive (for existing units)

Micro Units: 3% maximum upto 10 lakhs for a period of 5 years

SME & Large Units: 2% maximum upto 50 lakhs for a period of 5 years

(Annual overall capping of turnover is 50 Crore)



J&K INDUSTRIAL POLICY 2021-30 INCENTIVES

SGST Incentives (for existing units)

100% of net SGST reimbursement for a period of 10 years



J&K INDUSTRIAL POLICY 2021-30 INCENTIVES

- **Single DG Set Subsidy >> upto 40 lakhs in Zone A and upto 45 lakhs in Zone B**
- **Stamp Duty and Court Fees >> 100% exemptions for land transactions**
- **Subsidy on Procuring Quality Certificates >> Upto 2 Lakhs**
- **Subsidy on Automation >>> Upto 2 lakhs**



J&K INDUSTRIAL POLICY 2021-30 INCENTIVES

- **Green and Environment Protection Initiative >> 50% on zero water discharge, waste water recycling, rainwater harvesting, solid waste management**
- **Subsidy on Pollution Control Devices> upto 50 Lakhs or 60% of the cost**



S.No	INCENTIVE	NEW UNITS	EXISTING UNITS UNDERGOING EXPANSION	EXISTING UNITS
J&K INDUSTRIAL POLICY 2021-30				
1.	TURNOVER INCENTIVE (GST REGISTERED UNITS ONLY)	x	x	✓
2.	EXEMPTION ON COURT FEE AND STAMP DUTY	✓	✓	✓
3.	NET SGST REIMBURSEMENT	x	x	✓
2.	DG SET SUBSIDY	✓	✓	✓
3.	QUALITY CONTROL	✓	✓	✓
4.	SUBSIDY ON POLLUTION CONTROL DEVICES,	✓	✓	✓
5.	QUALITY CERTIFICATE,AUTOMATION AND ENVIRONMENT PROTECTION AND GREEN INITIATIVE	✓	✓	✓

Industrial Land Allotment Policy

- **Rates of Industrial Land (per kanal) INR 5/6/7/8 for size upto 5, 10, 20 and 20+**
- **Lease Deed Period 40 Years extendable to 99 year**
- **Lease Rentals – may be**
- **Payment within 60 days of land allotment letter**
- **Possession within 15 days of lease deed**
- **Occupation Certificate**
- **Single Window Portal**
www.investjk.in



(ART OF PREPARING DPR)

Contents of DPR for ILA

- **Promoter's Background and their qualification and experience**
- **Details of Item to be Manufactured or Services to be rendered and its marketing potential**
- **Land Area Applied For and tentative Break up of Land Usage**
- **Plant Layout**
- **Implementation Schedule**
- **Production Process Flow Chart**
- **Projected Cash Flow Statements**



(ART OF PREPARING DPR)

Contents of DPR for ILA

- **Total Investment Details including investment in technical and non technical civil work, plant and machinery, WC Requirements**
- **Sources of Finance**
- **Projected Employment Potential**
- **Power Requirements**
- **Water Requirements**
- **Balance Sheets of last three years, ITR, etc.**
- **Registration Documents**

**Contents &
Subject Matter**
Project Report



PI:::Identifying Client

- ❑ Making Client Specific Presentations
- ❑ Replying to Queries
- ❑ Initial Scrutiny of Eligibility of Project through Negative List (Manufacturing) & Positive List (Service Sector).
- ❑ Handholding for a period up to 15 months post Commercial Production



P01 :: Project Report

- Identifying Suitable District and developed IE in Chosen District**
- Preparation of Project Report**





PO2:::Land Allotment

Applying for Land

**Sourcing
Allotment Letter**

Land



PO3::Project Appraisal

- ❑ **Facilitating Project Appraisal from Lender Bank**
- ❑ **In case of Self Funding, Facilitating Project Appraisal from JKFDC**



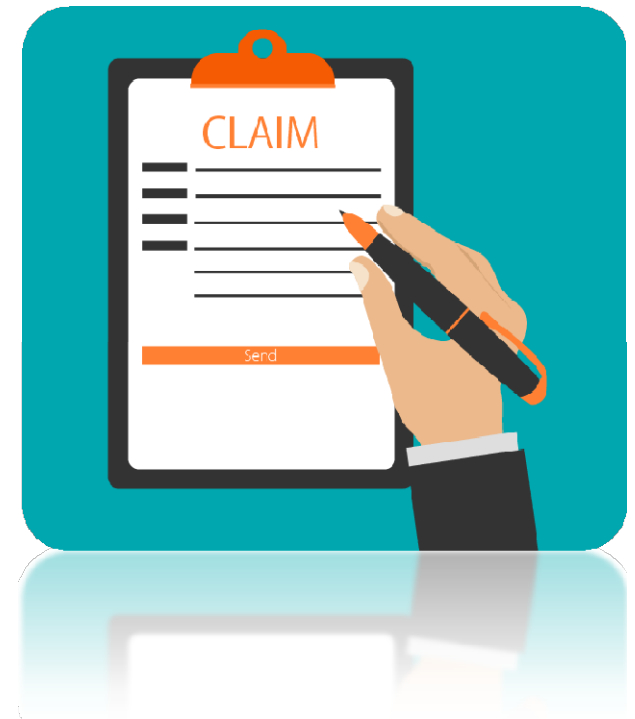
PO4::: Registration

- Application for Registration for NCSSIDJK**
- Liaison with GM (DIC) for recommendation**
- Sourcing Registration under NCSSID**



PO5:::Claiming CII

- Applying for Capital Investment Incentive**
- Replying to Queries**
- Release of CII**



PO6:::Claiming CIS

- Applying for Capital Interest Subvention from time to time
- Replying to Queries
- Release of CIS amount



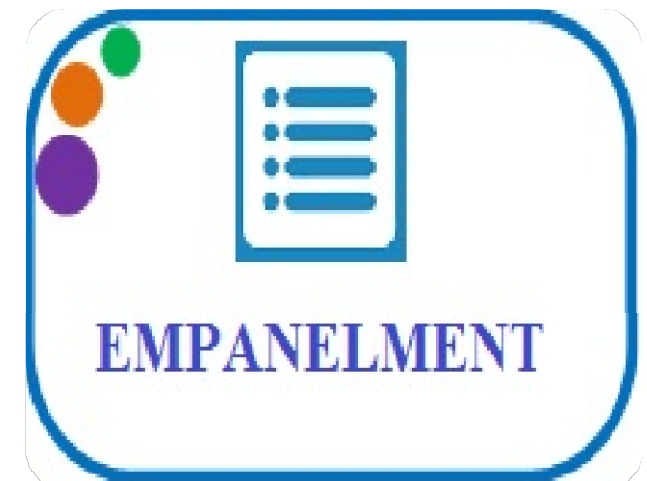
PO7:::Claiming GSTLI

- Applying for GST LI YoY**
- Replying to Queries**
- Release of GSTLI amount**



PO8:::Empanelment

- Third party empanelment with Steering Committee**
- For Surprise checking (suitable for local professionals)**
- Get Empanelled with third party so designated**



PO9:::Registration for State Incentives

**□ With concerned GM
(DIC) – Provisional
Registration**



PO10:::Advisory Services for State Incentives

- Vetting of Documents to be submitted**
- Suggesting reply to the queries raised**
- Facilitating timely submission**



**Do Join us for exciting session in
SEPTEMBER on**

PCS Opportunities under Labour Laws

**Speaker: PCS Rajeshwar Rao
(Bengaluru)**





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