

Government of Punjab
Department of Industries & Commerce
(Industries Branch)

NOTIFICATION

Dated Chandigarh, the 11 September, 2003

No. 5/58/2002/5 IB/ 2766: Industrial units in Punjab undertaking export are at a disadvantageous position as they have to incur additional freight due to distance from ports. With a view to off-set this additional cost and to enhance the competitiveness of Industries, Government of Punjab under "Industrial Policy -2003" notified vide No. 5/58/2002/1 IB/968 dated 26.3.2003 have made a provision for freight neutralisation to the extent of 1% of FOB value of exports subject to maximum of Rs.50 lac on freight incurred on transporting goods from place of manufacture to the place from where these are shipped.

Now, therefore, to implement the aforesaid provisions of the Policy, the Governor of Punjab is pleased to notify inland freight neutralisation scheme as under-

1. SCHEME

In order to enhance competitiveness of industrial units, Freight Assistance to the extent of 1% of Free on Board (FOB) value of exports subject to maximum of Rs.50 lac per unit per annum will be provided to the manufacturing units of Punjab undertaking export, in the following sectors:-

- Light Engineering including machine tools, auto parts, cycle parts etc.
- Textile, Hosiery & Knitwear,
- Sports Goods,
- Agro & Food Processing

However, in case the actual total freight for transporting the goods from place of manufacture to the port is less than 1 % of FOB value of export, the freight assistance would be restricted to actual freight.

It is clarified that assistance under this scheme is available only to exports through sea ports.

2. BUDGETARY ALLOCATION

For this purpose, budgetary allocation upto Rs.50 crore per annum would be made to industries Department by State Government, which shall be released on quarterly basis. In case at the end of the quarter, the rightful claims made by the units to be covered under the scheme during that quarter are more than the quarterly budgetary allocation, the amount of assistance shall be reduced on pro-rata basis and disbursement made accordingly at the end of the quarter. The unutilised funds, if any, of the

preceding quarter will be carried forward to the next quarter. But there will be no carry forward of balance funds, if any, at the end of year to next financial year.

3. DEFINITIONS

- 3.1 "Government" means the Government of Punjab in the Department of Industries & Commerce.
- 3.2 'Director' means the Director of Industries, Punjab.
- 3.3 'District Officer' means the General Manager of District Industries Centre or any other officer nominated or designated by the Government/Director to perform the duties of the district officer, for the purpose of these rules.
- 3.4 'Industrial Unit' means a unit registered with General Manager, District Industries Centre or with Ministry of Industry & Commerce, Government of India.
- 3.5 'Financial year' means the year beginning from 1st April to 31st March.
- 3.6 'Bank' means scheduled commercial bank through which transaction for export consignment has been undertaken by the unit.
- 3.7 'Indirect Exporter' means an Industrial unit as at 3.4 above exporting its products through merchant exporters including Punjab Small Industries & Export Corporation or any other Trading House.
- 3.8 'Merchant Exporter' means a person / body actually buying the goods from manufacturing unit in Punjab and booking the same for export but not itself engaged in manufacturing activity.

COMMENCEMENT AND APPLICABILITY

The scheme shall come into force with effect from 1st April, 2003 and freight assistance shall be admissible on goods shipped on or after 1.4.2003.

ELIGIBILITY FOR INCENTIVES

The unit shall be entitled to Freight assistance of upto Rs.50 lac per annum. In case, the amount of Rs.50 lac is exhausted by the unit in any one or more quarter/s, then it will not be entitled to claim any assistance during the remaining quarters of that year.

GRANT OF ASSISTANCE

6.1 Eligible FOB value

The amount of assistance shall be calculated on FOB value of the export consignment containing goods manufactured by the unit, as certified by the office of Custom & Central Excise/Rank or in Form

6.2 Procedure

- i) Application in Form F (a) for the grant of Freight Assistance on export undertaken, alongwith documents listed therein would be submitted to the District officer within the time frame prescribed in the Para 6.-3 below.
- ii) General manager, District Industries Center or a Gazetted Officer nominated by him will receive the application. The application would be checked then and there and deficiencies, if any, would be pointed out to the applicant in writing within a period of 7 working days and the applicant would also be given a definite time period not exceeding 4 weeks to rectify the deficiencies so pointed out
- iii) In case the deficiencies are not removed within the specified time as mentioned above, the claim would be filed by the General manager, under intimation to the party through a registered AD, a copy of which would be sent to the Directorate.
- iv) The case so filed may be re-opened with the orders of Director of Industries, provided request for the same is received within a period of 2 months from the date of filling the claim by the General Manager. For period exceeding 2 months, the case would be re-opened with the orders of Principal Secretary Industries & Commerce, if the request for the same is received within a period of 4 months from the date of filing the claim by the General Manager.
- v) The complete case would be sent to the Directorate within a period of 7 working days after completion on single file. The cases so received would be put up for consideration and sanction before the Committee consisting of Director of Industries, Nominee of MD / PSIEC, Chief Coordinator Udyog Sahayak, concerned Joint Director / Deputy director and Representative of the concerned bank. The committee would meet once in a month or earlier, if required.
- vi) Sanction / Rejection letter will be issued to the unit immediately on approval of minutes of the meeting in the format F (e).

6.3 Time Limit

A unit shall forfeit its entitlement to the grant of Freight Assistance, if it does not submit its claim, complete in all respects, within 30 days of issue of bank realisation certificate or Form H, as the case may be or within 30 days of close of the quarter ,in case it wants to submit single (clubbed) claim for exports undertaken during that quarter. However, claims for the quarter from 1.4.2003 to 30.6.2003 can be submitted upto 31.10.2003 even if period of 30 days from issue of bank certificate has expired.

6.4 Disbursement

Disbursement of all sanctioned cases shall be made from the Directorate on

quarterly basis. In case the total sanctioned amount during the quarter is more than-budgetary allocation for the quarter, the per unit sanctioned assistance amount shall be reduced accordingly on pro-rata basis.

6.5 Random Checking

Director Industries & Commerce, Punjab can order random checking of a unit who has filed freight assistance claim or to whom freight assistance has been disbursed by an Officer not below the rank of General Manager, District Industries Centre. In case of any wrong statement of facts by the unit for claiming freight assistance found during checking, the penal action as per Clause 7 will be taken against the unit.

6.6 interpretation / Relaxation / Amendment of Rules

Principal Secretary, Industries & Commerce shall be competent to interpret / relax / amend provisions of this scheme.

6.7 Appeals

- (a) Appeals, against orders passed by the General Manager, District Industries Centre, under these rules, shall lie with the Director of Industries.
- (b) Appeals against the orders passed by the Director of Industries, under these rules, shall lie with the Principal Secretary Industries & Commerce and orders passed by Principal Secretary Industries & Commerce shall be final.
- (c) Appeals mentioned in Rule 6.5 (a) and 6.5 (b) shall be filed within a period of 30 days from the date of communication of orders appealed against.

6.8 Review

No officer except Principal Secretary Industries & Commerce shall review his / her own orders. However, an officer one rank higher than the officer who passed the orders shall have the power to review such orders suo-motuo or on a reference made to him by the party or the competent officer below him.

PENAL ACTION

In case it is found at any stage that the unit has claimed assistance on the basis of wrong facts, the unit shall, beside refunding assistance and facing legal action, be debarred from grant of any incentives / assistance from the Governmc3nt.

S. C. Agrawal
Principal Secretary to Government, Punjab

Department of Industries & Commerce

No.5/58/2002/5IB/ 2767

Dated Chandigarh, the 1) September, 2003

A copy is forwarded to the Controller, Printing & Stationery, Punjab, Chandigarh with the request that the above notification may be published in the Punjab Government Ordinary Gazette and twenty spare copies of the same be supplied to this department of Government.

(Khushi Ram)

Addl. Secretary to Government of Punjab

No.5/58/2002/5IB/ 2768

Dated Chandigarh, the 11 September, 2003

A copy is forwarded to the Accountant General, Punjab, Chandigarh for information & necessary action.

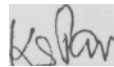
(Kashmir Singh Pannu)
Superintendent

No.5/58/2002/5IB/ 2769

Dated Chandigarh, the 11 September, 2003

A copy is forwarded to the Director of Industries & Commerce, Punjab, Chandigarh.

He is requested to send a copy of notification to all concerned Departments / Agencies / Organisations.



(Kashmir Singh Pannu)
Superintendent /),