

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

NOTIFICATION

Dated Chandigarh, the 22nd January, 2004

No. 5/58/2002/5IB/ 194: 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/IIB/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 in supersession of notification No. 5/58/2002/51B/2766 dated 11.9.2003 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 for export of goods manufactured in the Industrial units of Punjab 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 applicants 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 registered as such in Punjab and actually buying the goods from manufacturing unit in Punjab and booking the same for export but not itself engaged in manufacturing activity.

4. 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.

5. ELIGIBILITY FOR INCENTIVES

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

6. GRANT OF ASSISTANCE

6.1 Eligible FOB value

The amount of assistance shall be calculated on FOB value of the export consignment as certified by the office of Custom & Central Excise indicated in the shipping bill.

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 Centre 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 applicant immediately on approval of minutes of the meeting in the format F (d).

6.3 Time Limit

An applicant 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 close of the quarter in which the goods are shipped for exports. However, claims for the quarters from 1.4.2003 to 31.12.2003 can be submitted upto 31.1.2004.

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 applicant sanctioned assistance amount shall be reduced accordingly on pro-rata basis.

6.5 Random Checking

Director Industries & Commerce, Punjab can order random checking of an applicant 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 applicant for claiming freight assistance found during checking, the penal action as per Clause 7 will be taken against the applicant.

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 6.7 (a) and 6.7 (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-motto or on a reference made to him by the party or the competent officer below him.

7 PENAL ACTION

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

S. C. Agrawal
Principal Secretary to Government, Punjab
Department of Industries & Commerce

Form F (a)

[Clause 6.2(i)]

*(to be submitted in duplicate in the office of the General Manager concerned)***Form of Application for the Grant of Freight Assistance**

1. Name and address of the applicant:
2. Location:
 - (i) Village/Town
 - (ii) District
3. Constitution of the unit/exporter
(Proprietorship/partnership/limited company)
4. SSI Registration No. / IEM No. / IL No. and Date
5. Import-Export Code Number:
(if applicable)
6. Name of the concerned Bank through which Export transaction undertaken.
7. Details of export

Sr. No.	Item of export	Date of shipment	Country to which exported	FOB value	Amount of freight paid from place of manufacture to the port	Amount of freight assistance claimed
1.						
2.						
3.						
4.						
TOTAL						

8. Documents attached (Self attested copies):-

- (i) SSI registration certificate / IEM
- (ii) Certificate in Form 'A' and Form 'C' issued by Registrar of Firms & Societies, Punjab, along with a copy of Partnership Deed or Certificate of Incorporation of the company in case of limited companies
- (iii) Special Power of Attorney (Registered with Sub Registrar) / Resolution of Board of Directors of the company in Form F(b) / F(c), in original.
- (iv) Export-Import registration with Government of India.
- (v) Shipping Bill (EP Copy).
- (vi) Exchange Control Declaration Form.
- (vii) Form-H, in case the applicant exporter is based outside Punjab.

DECLARATION

I, _____ do hereby solemnly state that I am proprietor / partner / director / _____ of M/s _____ located at _____ which is engaged in the manufacture of _____ / export of goods manufactured in Punjab and I have been authorised to file this freight assistance claim with the Department of Industries, Punjab.

2. I do hereby affirm that the consignment of goods on which freight assistance has been claimed have been manufactured in my above unit / have been taken for export from manufacturing units located in Punjab.

3. I do hereby undertake to refund the entire amount of assistance of Rs. _____ (Rupees _____) granted to me, besides facing legal action in case facts contained in this application are proved to be wrong at the time of verification / checking or otherwise at any stage.

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Dated:

Signature of the applicant
with complete address

Form F (b)

SPECIAL POWER OF ATTORNEY

Know all men by whom these present that we (i) _____
_____ son / wife / daughter of Mr. _____
(ii) _____ son / wife / daughter of
Mr. _____ partners of M/s. _____ are much
engaged in and pre-occupied in our business. We therefore, jointly and severally do hereby
assign, constitute, nominate and appoint our one of the partners Mr / Ms / Mrs
_____, son / wife / daughter of Mr. _____ to act for and on
our behalf jointly as well as severally as our lawful special attorney.

2. We fully authorise our above mentioned special attorney to file all essential relevant documents required for the receipt of Freight Assistance admissible under the Industrial Policy, 2003, in the office of the General Manager, District Industries Centre and the Director of Industries, Punjab, Chandigarh, for and on our behalf jointly and severally to conduct enquiry, make application(s) and affidavit(s) to execute enquiry, any or all documents required for the receipt of above said assistance. He / She is further authorised to receive the assistance amount from the Department of Industries and to issue actual payees receipt at the time of disbursement of assistance amount. And to do all acts, deeds and things whatsoever our above and special attorney deems fit, proper and advisable.

3. All the acts, deeds and things done by our said Special Attorney shall be binding on each of us both jointly and severally and it will be construed that we have done the said personally.

4. In witness thereof we set our hands on this date _____ at _____

Witnesses: Executant(s)

No.1. _____

Address _____

No.2 _____

Address _____

Form F (c)

COPY OF THE RESOLUTION PASSED IN THE BOARD OF DIRECTORS MEETING HELD ON _____ AT THE REGISTERED OFFICE OF THE COMPANY

Resolved unanimously that Mr / Ms / Mrs _____, Director / _____ of the Company, be and is hereby authorised to file any document/affidavit or give any undertaking for filing the claim and receiving the money from the Government with respect to Freight Assistance applicable to us as per Punjab Industrial Policy, 2003, in the office of the General Manager, District Industries Centre and the Director of Industries, Punjab, Chandigarh, for and on behalf of the Company to conduct enquiry, make application(s) to the above office for the development of the industrial unit. He / She is further authorised to receive Freight Assistance from the Department of Industries and to issue the actual payees receipt at the time of disbursement of Freight Assistance amount and to do all acts, deeds and the things whatsoever he may deem fit, proper and advisable.

2. He / She will be the authorised signatory of the company with regard to all matters pertaining to or arising out of the availment of Assistance. All the acts, deeds and things done by him shall be binding on the Company.

Specimen signature (attested)

Chairman/Managing Director

Form F (d)
SANCTION LETTER

From

Director of Industries & Commerce,
Punjab, Chandigarh.

To

M/s. _____

Memo No.
Dated:

Reference your application dated: _____ for sanction of Freight assistance.

Your case was considered by the State Level Committee in its meeting held on _____ and the claim for freight assistance of Rs. _____ has been sanctioned / rejected due to reasons given in the Annexure.

However, the amount of assistance can be reduced at the time of disbursement as provided in Clause 2 and 6.4 of the scheme.

for Director of Industries & Commerce.

Endst. No.

Dated:

A copy is sent to the concerned G.M., D.I.C.