

**By Speed Post**

No. 16(33)/2013-DBA-II/NER  
Government of India  
Ministry of Commerce & Industry  
Department. of Industrial Policy & Promotion  
**(DBA-II/NER Section)**  
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Udyog Bhawan, New Delhi  
Dated the 31<sup>st</sup> Oct., 2013

**To**

The Director  
Directorate of Industries  
Govt. of Himachal Pradesh  
**Shimla – 171 001**

Sub: Clarification in r/o scrutiny of claims under Freight Subsidy Scheme(FSS), 2013– reg.

**Sir,**

I am directed to refer to Govt. of Himachal Pradesh's letter No.1-7/2013-Ind(Dev) FSS (1) dated 1<sup>st</sup> May, 2013 on the subject cited above and to furnish clarifications as under:

S.No	Issue(s) raised by Govt. of H.P.	Clarification(s)
1.	Constitution of State Level Committee in terms of Para 10(2)	TSS, 1971 and FSS, 2013 are two distinct schemes. Hence existing pending claims under CTS are required to be settled by SLC notified under TSS, 1971. Claims of FSS, 2013 should be settled by the SLC to be constituted as per provision at 10(2) of FSS, 2013. State Govt. may consider notifying the new SLC for both TSS & FSS.
2.	Negative list for FSS, 2013 and definition of manufacturing activity Para No.5 –Annexure II & Para 3(f).	As per clause 9 of the scheme, as industrial unit is to submit its claim in the prescribed application form to District Industries Center along with the requisite documents within 1 year from the date of transportation of raw material and finished goods on which subsidy is being claimed. If a claim is received without complete documents, such claims are incomplete in nature and should not be entertained.
3.	Activities of crushing and grinding of stone/ limestone for making different types of powders, chips and clinker etc. – Para 3(f) (Annexure-II(v))	The industrial activities of manufacturing of cement in the form of clinker, as well as, crushing and grinding of stone/ limestone will qualify for subsidy under Freight Subsidy Scheme, 2013.

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4.	Substantial Expansion and diversification of existing units – Para No.3(p) – Annexure III-16	As per Para 10(i) of FSS, 2013, State Govt./ UT is required to prescribe a system of registration of units which seek to apply subsidy under the Scheme prior to commencement of commercial production. At the time of such registration, the unit is to declare its capacity as indicated in IL/EM Part-A/EM Part-I. As per check list at Annexure-III of FSS, 2013, joint assessment report by the concerned officers of MSME, Commissioner (Industries) DIC is required. In view of this, both the certificates are required as per the provisions of the scheme.
5.	Grant of Pre-registration under FSS, 2013 – Para No.8	Dispensation for getting registered after the date of commercial production has not been provided under FSS, 2013.
6.	Submission of Freight Subsidy claims to Govt. of India – Para 10(8)	Examination of claim documents is the responsibility of State Govt. Hence, only the agenda notes and the proceedings of the SLC are required to be referred to this Department.
7.	Actual consumption of raw materials – Checklist Para No.3(i) and Annexure VI(17)	Unutilized portion of the raw material may qualify for the subsidy provided the date of submission of the claim for those particular raw materials stock in hand is within 1 year of incurring expenditure for the transportation of the same.
8.	Cross linking of documents with other Departments – Check list Annexure VI – Point No.12	As per checklist at Annexure-IV, the unit is required to submit VAT payment challan/ VAT return, power bill and proof of payment for the relevant period, certificate from Excise Department showing quantity cleared on quarterly basis, excise payment challan/ refund statement showing quantify and value and attested copies of RCs of vehicles transporting raw material and finished goods. The State Govt. may devise their own method of cross checking to which there may be no objection as long as all the criteria laid down in the check list at Annexure-IV of the notification is being complied with.
9.	No claim for transportation cleared in respect of "Own vehicle" – Annexure VI-16(b)	As per Annexure VI(S.No.16 b), transportation in respect of own vehicle is not admissible.

Yours faithfully,



(B. S. Nayak)  
Section Officer  
Tel.: 2306 1271

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