GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE

RAJYA SABHA

UNSTARRED QUESTION NO.1980.
TO BE ANSWERED ON FRIDAY, THE 12TH MARCH, 2021.

TRANSPORT AID FOR INDUSTRIAL ACTIVITIES TO LAND-LOCKED STATES

1980. SMT. PHULO DEVI NETAM:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government grants inland transport aid for industrial activities to land-locked States;

(b) if not, whether any proposal or correspondence has been made by the States in this regard; and

(c) the response of Government on the said proposals/correspondence along with the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI SOM PARKASH)

(a) to (c): In order to facilitate the process of industrialization in hilly, remote and inaccessible areas, in terms of subsidizing industrial units for transportation of their finished product and raw material, Freight Subsidy Scheme (FSS) was introduced in 2013. The incentives under the scheme were available for all 8 States of North East, Himachal Pradesh, Uttarakhand, J&K, Darjeeling District of West Bengal, Andaman & Nicobar Administration and Lakshadweep Administration. The Freight Subsidy Scheme (FSS), 2013 has been discontinued, with effect from 22.11.2016. However, industrial units registered under the scheme are eligible for the benefits of the scheme for committed number of years post-commencement of commercial production up to 21.11.2021.

With effect from 01.04.2017 and upto 31.03.2022, inland transport aid to industrial units is available in the form of 'Transport Incentive' to the eligible industrial units in the North Eastern states including Sikkim registered under North East Industrial Development Scheme (NEIDS) 2017 and with effect from 01.04.2017 and upto 31.03.2021 in respect of Industrial units in Union Territory of Jammu & Kashmir and Union Territory of Ladakh registered under Industrial Development Scheme (IDS), 2017, as per the following provisions :

i) 20% of the cost of transportation including the incentive currently provided by Railways/ Railway PSU for movement of finished goods by rail from the railway station nearest to industrial unit to railway station nearest to the location of the buyer.

ii) 20% of cost of transportation for finished goods for movement through Inland Waterways Authority of India from the port nearest to the location of industrial unit to the port nearest to the location of the buyer.

iii) 33% of cost of transportation of air freight on perishable goods (as defined by IATA) from the airport nearest to place of production to any airport within the country, nearest to the location of the buyer.

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