

Transport Subsidy Scheme

Brief about the Scheme

Government of India had introduced Transport Subsidy Scheme (TSS) on 23.7.1971 to develop industrialization in the remote, hilly and inaccessible areas. The scheme was applicable to all industrial units (barring plantations, refineries and power generating units both in public and private sectors irrespective of their size). Under the scheme, subsidy on the transport cost for transportation of raw material and finished goods to and from the location of the unit and the designated rail-head was reimbursed for a period of 5 years from the date of commencement of commercial production. For North Eastern states, subsidy is 90%. However, for the movement of goods within NER, the subsidy is 50% on finished goods and 90% on raw material. TSS was modified and notified as "**Freight Subsidy Scheme (FSS) – 2013**, w.e.f. 22.1.2013 for a period of five years. **The Scheme has been discontinued with effect from 22.11.2016. However, industrial units registered under the scheme prior to the date of issue of DIPP's notification dated 22.11.2016** will be eligible for the benefits of the residual period under the scheme.