सत्यमेव जयते

Government of Gujarat

GUJARAT INTEGRATED LOGISTICS AND LOGISTICS PARKS POLICY 2021



GIDB

Gujarat Infrastructure Development Board

GUJARAT INTEGRATED LOGISTICS AND LOGISTICS PARKS POLICY 2021

Gujarat Integrated Logistics and Logistics Park Policy, 2021

Table of Contents

1. Abbreviations 1
2. Introduction 6
3. Policy period 8
4. Vision and mission 8
5. Policy objectives 9
6. Continuous monitoring of the policy 18
7. Institutional framework for implementation of the policy 19
8. Incentives and interventions identified for the policy 22
9. Conclusion 32



1. Abbreviations

AFS	: Air Freight Stations
AIDC	: Automatic Identification and Data Capture
BOT	: Build, Operate and Transfer
CAGR	: Compounded Annual Growth Rate
CBIC	: Central Board of Indirect Taxes and Customs
CDSCO	: Central Drugs Standard Control Organization
CFS	: Container Freight Stations
CRWC	: Central Railside Warehouse Company Limited
CWC	: Central Warehousing Corporation
DFC	: Dedicated Freight Corridor
DFCCIL	: Dedicated Freight Corridor Corporation of India Limited
DMIC	: Delhi Mumbai Industrial Corridor
EFCI	: Eligible Fixed Capital Investment
EXIM	: Export and Import
FCI	: Food Corporation of India
FDI	: Foreign Direct Investment
FPO	: Farmer Producer Organizations
FSSAI	: Food Safety and Standards Authority of India
GDP	: Gross Domestic Product
GFCI	: Gross Fixed Capital Investment
GIDB	: Gujarat Infrastructure Development Board
GIDC	: Gujarat Industrial Development Corporation
GMB	: Gujarat Maritime Board
GPS	: Global Positioning System
G-RIDE	: Gujarat Rail Infrastructure Development Corporation Limited
GSCSC	: Gujarat State Civil Supplies Corporation Limited



GSWC	: Gujarat State Warehousing Corporation
GUJSAIL	: Gujarat State Aviation Infrastructure Company Limited
IC	: Industries Commissionerate
ICD	: Inland Container Depots
ICT	: Information and Communication Technology
IEM	: Industrial Entrepreneurs' Memorandums
IFP	: Investor Facilitation Portal
IMD	: Industries and Mines Department
IoT	: Internet of Things
LCG	: Logistics Coordination Group
LEADS	: Logistics Ease Across Different States
LP	: Logistics Parks
MMLP	: Multi Modal Logistics Parks
MoCA	: Ministry of Civil Aviation
MoCI	: Ministry of Commerce and Industry
MoR	: Ministry of Railways
MoRTH	: Ministry of Road Transport and Highways
MoS	: Ministry of Ports, Shipping and Waterways
MSME	: Micro, Small and Medium Enterprises
NABARD	: National Bank for Agriculture and Rural Development
NAFED	: National Agricultural Cooperative Marketing Federation of India
NLP	: National Logistics Policy
PFT	: Private Freight Terminals
QR Code	: Quick Response Code
RFID	: Radio-Frequency Identification
RTO	: Regional Transport Office
SIR	: Special Investment Region
SLEC	: State Level Empowered Committee
TFC	: Trade Facilitation Cell



2. Introduction

2.1. Background

Logistics sector is considered as the backbone of economic growth. Even the growth of other sectors, amongst other factors, depends heavily on the efficiency of the logistics network. Freight movement in India is expected to grow at 8 to 10% over the next decade[1]. However, the cost of logistics in India continues to remain high in comparison to developed and other competing countries. A key contributor to this high cost is dependency on the road and rail network for freight movement. Roadways, which is the most expensive mode, accounts for ~ 59% of the total freight movement. On the other hand, railways account for around 35% and waterways, which is the most cost-efficient mode of transport, accounts for ~5% of domestic freight movement. Air transport accounts for less than 1%.[2]

At the national level, Ministry of Commerce and Industry (MoCI) ranks states based on their performance in the logistics sector as per the Logistics Ease Across Different States (LEADS) index. It aims to serve as an indicator of logistics efficiency including services needed to promote exports in particular and economic growth in general. Some parameters of the LEADS index 2019 included availability and quality of logistics infrastructure, ease of track and trace, quality of logistics services, timeliness of cargo delivery, state facilitation and coordination, efficiency of regulatory processes, etc. **Gujarat ranked 1st in the LEADS index in the years 2018 and 2019.**

In order to maintain and strengthen this competitive advantage, Gujarat Government has developed Gujarat Integrated Logistics and Logistics Park Policy, 2021 (hereafter "policy"). This policy endeavors to broaden and strengthen the network of logistics facilities by creating new facilities and enhancing the utilization of existing infrastructure, encourage private players to adopt new technologies, create a base for innovation and upskill professionals in logistics.

Gujarat is a highly industrialized state contributing 8% to India's Gross Domestic Product (GDP). The state economy has experienced a Compounded Annual Growth Rate (CAGR) of over 13% in the last fiscal year. There has also been a constant surge in terms of the

[1] Source: ICRA (https://www.moneycontrol.com/news/trends/current-affairs-trends/indian-logistics-sector-to-grow-at-8-10-over-medium-term-icra-2700121.html)
[2] Source: NITI Aayog report "Goods on the Move", 2018

investment, especially Foreign Direct Investment (FDI), made in the state. **Gujarat stood 1st in terms of number of Industrial Entrepreneurs Memorandums (IEMs) filed and actual investment reported for 2019.** Exports from Gujarat accounted for 23% of India's total exports during April – September 2020.

Logistics has played a key role in maintaining and propelling this growth. Endowed with a **1,600 kms long coastline with 1 major and 48 non-major ports, Gujarat handles 40% of the country's cargo amounting to over 514 million metric tons.** The port led development has transformed areas such as Kutch and South Gujarat into industrial hubs and has provided employment to many. Gujarat also has a wide network of roads which provides connectivity till the last mile. From a regulatory point of view, the state removed check posts in order to ensure seamless transportation on state highways. In addition, several futuristic and game changing infrastructure development projects have already been envisaged; few of them have been stated below:

1) **Delhi Mumbai Industrial Corridor (DMIC) and western Dedicated Freight Corridor (DFC), launched under the aegis of Government of India:** Nearly 560 kms of DFC will pass through Gujarat along which freight logistics parks have been planned to enhance rail-based traffic. The expected investment in this project in Gujarat alone is about INR 7,000 crore.

2) **Ahmedabad Dholera Expressway** which is 110-kilometre long and six-lane expressway is also under construction. The expressway will connect Dholera Special Investment Region (SIR) and proposed Dholera International Airport with Ahmedabad.

3) Development of **nearly 11 jetties** (such as at Okha, Magdalla, Kutch, Karunga, Bhavnagar and others) and various ports are in the pipeline.

4) Around **7 rail connectivity projects have been proposed** for providing connectivity to industrial areas (e.g. rail line connectivity to Hazira port and industries in the Hazira area to DFC), for enhancing existing rail line (e.g. Katosan- Becharaji- Chanasma-Ranauj line Gauge Conversion project), for providing connectivity to ports (e.g. rail Connectivity to New Bedi Port, Rozi Port and Nargol Port Last Mile connectivity).

On account of the proposed development and with the intent to enhance utilization of existing logistics infrastructure, the **"Gujarat Integrated Logistics and Logistics Park**

Policy, 2021" will support Gujarat in strengthening its position as a leader in logistics and manufacturing sector which will be characterized by higher levels of efficiency, sustainability, competitiveness, reliability, ease of doing business and innovation. This policy is in synchronization with the guidelines of the Logistics Division, Department of Commerce, Ministry of Commerce and Industry, Government of India as stated in the draft National Logistics Policy (NLP) vide resolution no. 63/Logistics/2018 dated 05-Feb-2019.

Towards this ambition of the state government, this policy proposes preparation of a state logistics masterplan for a unified and integrated development. **A Logistics Policy Cell** will be set up by the state government which will coordinate with various stakeholders to support development/ enhancement/ upgradation of logistics facilities in conjunction with the masterplan. Such an integrated development of logistics will also contribute to the national and state agenda of Make in India, Atmanirbhar Bharat, Atmanirbhar Gujarat and Gujarat's Sustainable Vision 2030. Additionally, different state level and city level committees shall be formed to oversee this integrated and efficient development of the sector.

3. Policy period

This policy shall come into force with effect from the date of its notification and shall remain valid for a period of **5 (five) years** or till the declaration of a new or revised policy, whichever is earlier.

4. Vision and mission

4.1. Vision

"To facilitate and develop an **integrated logistics ecosystem** in Gujarat, to enhance **competitiveness**, operational **efficiency** and **sustainability** through **innovation**, **skilled** manpower, **quality** and disruptive **technologies**; thereby strengthening Gujarat's position as the **preferred destination for trade and commerce**."

4.2. Mission

Following mission statements have been identified for the policy:

1) Create an efficient and competitive logistics ecosystem to support Gujarat's industrial growth through regulatory reforms and streamlined processes.

2) Promote and support private investment in developing integrated logistics facilities in the state.
3) Reduce logistics cost and enhance efficiency by enabling multi modal transportation.
4) Ensure adequate supply of skilled manpower through continuous learning/ upskilling to meet the long term needs of the sector.
5) Decarbonize the sector through adoption of green energy and sustainable practices.
6) Promote use of technology and innovation for driving operational and cost efficiencies.

5. Policy objectives

Policy identifies clear and targeted objectives for the state along with their implementation strategies. These are mentioned below:

5.1. Mapping of facilities for unified development

Policy aims to map logistics facilities across the state to identify areas for intervention/ improvement and development.

Mapping of the facilities will take into account the capacity & operational bottlenecks of existing logistics facilities, services and the proposed development of road and rail network at state and national levels.

Additionally, it will ensure cognizance of the current capacity v/s future need of logistics infrastructure such as ports, rail network, airports and logistics facilities.

The statewide mapping shall also consider the focus areas of Gujarat Industrial Policy 2020, Schemes for Assistance to MSME 2020, Comprehensive Agro-Business Policy 2016-21 and any such similar policies issued by the Government of Gujarat.

5.2. Efficient utilization of existing infrastructure facilities

This policy aims at improving utilization of existing logistics facilities in which are under the control of either private developers or various state government departments/ agencies. The existing facilities shall be evaluated on various performance parameters to improve their utilization through relevant stakeholder consultations. Similarly, existing ports/ jetties may be assessed to identify connectivity issues and logistics facilities required in their vicinity for enhanced utilization.

5.3. Development and augmentation of logistics facilities across the state

The policy promotes development and augmentation of logistics facilities across the state in a systematic manner as per the statewide mapping document (i.e., aligned with objectives 5.1 and 5.2 above).

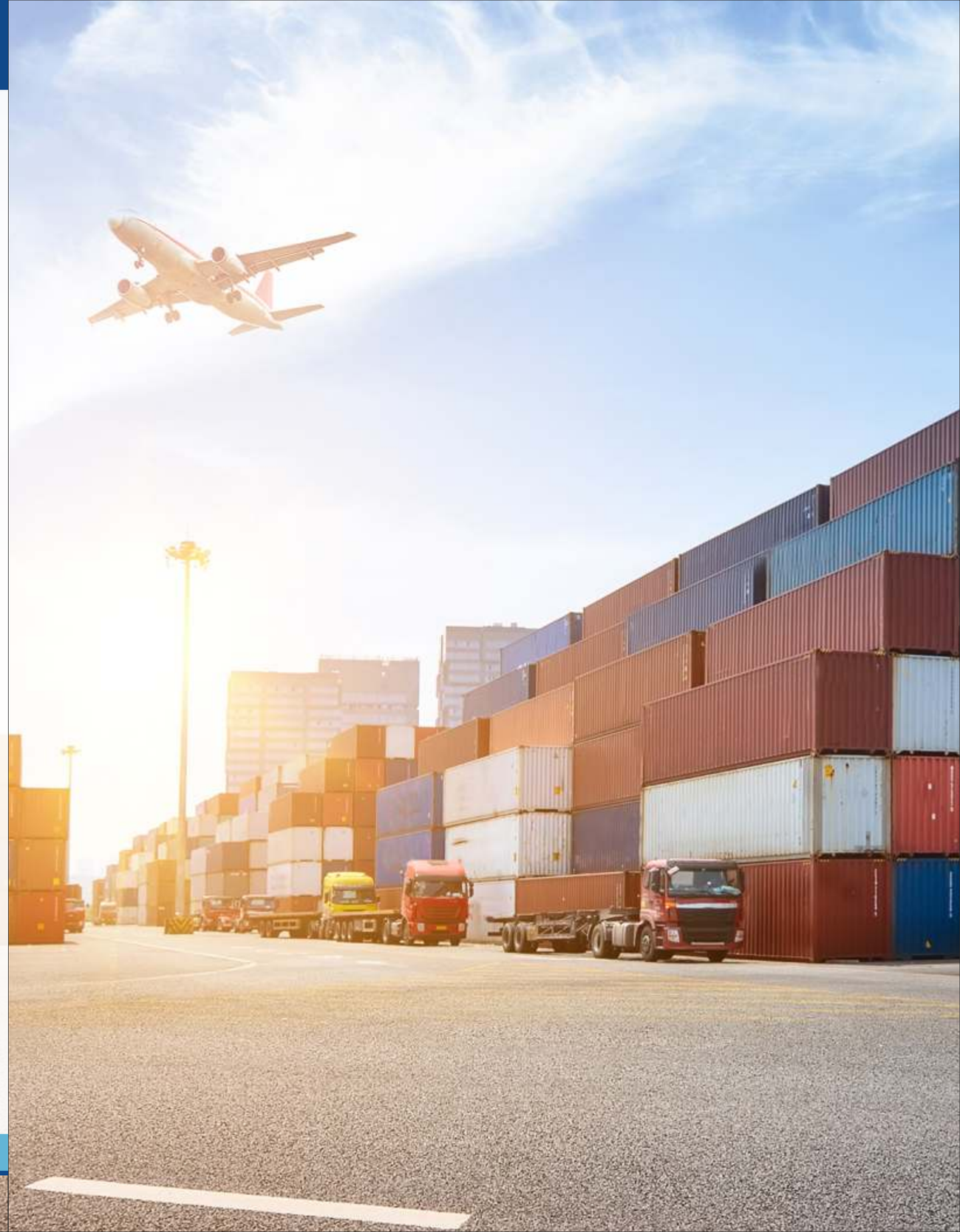
Development of ICDs and CFSs shall be undertaken in line with the provisions of Inland Container Depot Policy, 2020 issued by Government of India. Supporting facilities shall be explored for development at LPs/ MMLPs/ truck terminals in coordination with Regional Transport Offices (RTOs).

To effectively utilize Gujarat's long coastline advantage and enhanced cargo movement through sea, this policy also supports development of jetties in the state.

5.3.1. Development of storage and handling facilities

The policy focuses on development of storage and handling facilities at strategic nodes to improve logistics efficiency in focus sectors such as pharmaceuticals, e-commerce, agriculture products etc. Development of facilities such as agriculture consolidation & de-consolidation centers, light processing centers, cold/ ambient storage, distribution centers close to farms, silos, tank storages for liquid cargo, etc. shall be undertaken through necessary inter-departmental discussion & coordination. Such development shall aid in reducing wastage of food and other perishable commodities, thereby improving efficiency in the logistics chain.

These developments shall be undertaken in coordination with different government departments/ agencies such as Food Corporation of India (FCI), Central Warehousing Corporation (CWC), Central Railside Warehouse Company Limited (CRWC), National Bank for Agriculture and Rural Development (NABARD), National Agricultural Cooperative Marketing Federation of India (NAFED), Gujarat Agriculture Department, Gujarat Industrial Development Corporation (GIDC), Industries Commissionerate (IC), Gujarat State Civil Supplies Corporation Limited (GSCSC), Gujarat State Warehousing Corporation (GSWC), Farmers Producer Organizations (FPO), etc.



5.3.2. Development of Air Freight Stations and Air Cargo Complexes at strategic locations

Assessment of air cargo potential, current capacity constraints, air connectivity, etc. shall be carried out. Accordingly, the development of air cargo terminals and air freight stations shall be incorporated while mapping the facilities to boost air cargo.

Availability of space within the existing under-utilized airports to create cargo storage shall be evaluated. Handling facilities, support in increasing the existing capacity, advanced cargo and container handling equipment for efficient operations, development of parking spaces for trucks and other vehicles to avoid congestion at approach roads etc. shall also be evaluated, as required.

5.3.3. Support growth of e-commerce

The Indian e-commerce industry is expected to grow at a CAGR of 27% between 2019-24[3]. Logistics would play a critical role in sustaining and propelling this growth. The e-commerce retail logistics market is valued at USD1.35 billion in 2018 and is projected to witness a growth of ~36 per cent between 2018-2023.[4]

This policy promotes development of e-commerce hubs in high movement zones, closer to demand locations and around the periphery of cities[5]. This would address the needs of e-commerce sector and also prevent traffic congestion in cities.

5.3.4. Development of truck terminals, driver rest areas and parking spaces

The policy aims to promote development of truck terminals for their repair & maintenance, driver rest areas and parking spaces at strategic locations (national/ state highways, expressways intersection points, etc.), near industrial parks and around the periphery of high cargo density areas. This will ease out congestion and provide proper waiting areas to trucks during city timing restrictions.

5.4. Strengthening first & last mile connectivity

This policy aims to expedite projects related to first and last mile connectivity to existing and upcoming logistics facilities such as ports/ jetties, warehouses, etc. through prioritization and inter-departmental coordination.

[3] IBEF report dated 10th Feb 2021
[4] https://www.ibef.org/download/E-Commerce-July-2019.pdf dated July 2019
[5] These locations can be reviewed every few years to adjust to the extended city limits

The first and last mile connectivity will also improve capacity utilization, reduce wastage of perishable commodities, and improve cost efficiency of logistics facilities. The policy also aims to identify key corridors connecting major industry and freight clusters.

5.5. Enhancing ease of doing business

5.5.1. Ease of doing business

Currently different sections of the logistics value chain are managed by separate departments/ corporations at central and state levels. Different ministries such as Ministry of Road Transport and Highways (MoRTH), Ministry of Ports, Shipping and Waterways (MoPSW), Ministry of Railways (MoR), Ministry of Civil Aviation (MoCA), Department of Posts, Ministry of Commerce and Industry (MoCI), Ministry of Finance and Home Affairs, Central Board of Indirect Taxes and Customs (CBIC), Dedicated Freight Corridor Corporation of India Limited (DFCCIL), etc. are managing various logistics infrastructure and services. Several other partner government agencies including Central Drug Standard Control Organization (CDSCO), Food Safety and Standards Authority of India (FSSAI), etc. also provide related services. Government of India's focus on Ease of Doing Business has considerably supported the investors navigate through these agencies for development of logistics facilities.

Aligned with the vision of Government of India, Gujarat's Integrated Logistics and Logistics Park Policy 2021 aims to improve the attractiveness of logistics industry for private sector participation. This policy also adopts "Ease of Doing Business" as one of its key objectives.

Simplification of procedures such as business registration, single source to check business eligibility for availing incentives/ subsidies, availability of desired information on current processes and procedures, elimination of multiple touch points in the approval process and reduction in turnaround time of the approval processes are some of the identified strategies to enable ease of doing business and eliminate duplication of efforts.

Other initiatives which will be taken under this policy for enhancing the support system for logistics players are stated below:

1) Expedite availability of power, water, right of way and other support infrastructure to logistics facilities developed under this policy through coordination with relevant departments.

Similar support shall also be extended to existing logistics facilities for enhancing capacity utilization.

2) Improve turnaround time of cargo, testing laboratories, plant and animal quarantine facilities shall be developed in the state to eliminate need for transportation of cargo to other states for availing certifications, thereby reducing time and cost.

5.5.2. Creating a single point of reference for all logistics related matters in the state

1) A Logistics Policy Cell shall be incorporated with a focused aim of promoting the logistic sector in the state. The Logistics Policy Cell, in coordination with the Industries and Mines Department (IMD) and other government bodies like GIDC, GMB, G-Ride etc., shall be the nodal agency for processing applications received under this policy and shall develop internal approval mechanism for the same.

2) A separate category for logistics shall be made available on the existing "Investor Facilitation Portal" (IFP) for the Unit/ project applying for approvals, incentives, and other support under this policy.

3) A grievance redressal mechanism for providing time bound and effective resolution to issues and challenges shall also be established under this policy.

5.5.3. Information dissemination of state's logistics sector and regulatory environment on national portals

The Logistics Policy shall act as the nodal agency to improve the visibility of logistics infrastructure and services in the state.

5.5.4. Trade facilitation through active stakeholder involvement

Setting up of a Trade Facilitation Cell (TFC) is also envisaged under this policy through relevant stakeholder consultations involving the government, private sector & industry associations.

5.6. Promoting private sector participation for logistics capacity creation

Private sector participation in roads and ports sector has been encouraged for a long time in India. Gujarat is particularly known as a port-led economy due to a well-developed maritime infrastructure with the help of private sector participation through various PPP models.

Similarly, to give a boost to the logistics sector in the state, private sector participation is encouraged under this policy. Private sector can contribute to the development of logistics sector by providing capital, technical expertise, management practices and flexibility in operations. Policy provides a list of incentives to encourage private sector investment in the logistics capacity creation.[6]

The Logistics Policy Cell shall further explore new PPP models for developing logistics facilities to promote private sector participation.

5.7. Improve quality of logistics facilities and services in the state

Policy aims to improve the overall efficiency of the sector. Initiatives shall be undertaken to generate awareness to adopt relevant national and international quality standards.

5.8. Promote use of technology & innovation in logistics

5.8.1. Use of modern technology

Policy also promotes and incentivizes use of modern technology to monitor cargo in transit, specifically time and quality sensitive cargo such as perishables, pharmaceuticals, agro products, etc.

5.8.2. Undertake data driven decision making through development of a 'Think Tank'

A 'Think Tank' is proposed to take data driven decisions and shall recommend infrastructure development and other initiatives for improved sector performance.

The Think Tank is proposed as a niche advisory group with representation from officials in logistics related departments in government, private players, consultants, and academia to bring in a holistic view for improvement areas in the logistics sector of Gujarat.

5.8.3. Use of technology and innovation for overall growth of the logistics sector

1) Policy promotes and incentivizes use of new technologies to improve sector efficiency in Gujarat. Few examples of types of technology that can be adopted for this purpose include:

- Robotics and automation in material handling, cargo transportation and de-congesting cargo traffic at logistics facilities.

[6] Details of incentives are mentioned in the subsequent section

- Blockchain technology-based systems for transaction validations, exchange of documentation and information in a secured manner.
- Digital twin technology for building simulations and measuring impact of new experiments in layouts and new machinery etc. in a risk-free manner. This technology identifies recurring trends and reflects potential weaknesses in the operating environment, thereby providing inputs for future improvements.
- Artificial and augmented intelligence tools for improved demand planning, route planning, operations planning, etc. leading to reduction in time spent, human errors and cost. AI based technologies also provide best route options for low carbon emissions, thereby supporting the environmental sustainability initiatives.

2) Policy also aims to promote innovation in logistics by incentivizing technical patent registrations by technology providers, start-ups and other business units developing and/ or implementing specialized technology solutions during the policy period. Further, annual awards/ rewards for best technology & innovative solutions in the logistics sector shall also be introduced.

5.8.4. Use of Information and Communication Technology across supply chain to increase efficiency

Multiple technology interventions have been introduced globally for enhancing utilization of resources and ensure seamless visibility of cargo throughout the supply chain. Some of these technologies include Automatic Identification and Data Capture (AIDC), Network optimization tools, Quick response (QR) code, Real Time Locating systems and Radio-Frequency Identification (RFID), Internet of Things (IoT) sensor technology etc.

At the national level, Information and Communications Technology (ICT) is being promoted by various authorities through initiatives such as creation of National Logistics e-marketplace, harmonization and simplification of import and export customs procedures, conceptualization of real time data system, pilot run of Global Positioning System (GPS) based tracking of vehicles on Delhi Mumbai Industrial Corridor, FASTag, implementation & upgradation of Port Community System, etc. to bring in increased efficiency.

This policy will also promote digitization of processes at existing and upcoming logistics facilities, jetties and Gujarat Maritime Board (GMB) owned ports in the state through ICT

enablement and use of new technologies to enable real time monitoring of cargo, equipment and assets in line with the national agenda.

Improving data quality and availability for logistics sector will also enable the state to deploy advanced and predictive analytics tools for optimal use of resources and assets. Digital initiatives such as ERP implementation and use of standardized software solutions shall be promoted for existing and upcoming logistics facilities to promote digitization.

Adopting ICT solutions such as RFID, GPS, Geofencing etc. by logistics service providers shall be promoted.

5.9. Promote skill development

Reports suggest that the Indian logistics sector is expected to add 3 million jobs by 2022[7]. With such projections and adoption of new & sophisticated technologies and specialized procedures; need for skilled manpower will surge to maintain the quality of services in this sector. Training for managerial and ground level roles will be essential to upgrade the overall capability matrix of the workforce involved in logistics.

For this, sector specific skilling programs/ courses shall be initiated to build manpower capability in the sector. This shall be undertaken through tie-ups with national and state level educational institutions and government bodies such as Gujarat Maritime University, Institute of Infrastructure Technology Research and Management, Gujarat Skill Development Mission, among others.

5.10. Work towards sustainability and decarbonizing the sector

It is crucial to promote green and sustainable logistics by encouraging use of rail, coastal shipping and inland waterways; improving vehicle utilization; raising energy efficiency; practicing ‘reduce, recycle, reuse’ principle and switching to greener fuels.

Measures for minimizing vehicular noise, effluent emissions, wastage and duty rationalization on alternative fuels that will further reduce the carbon footprint are already being undertaken at national level. At international level, Sustainable Development Goals (SDGs) encourage use of green technologies.

[7] Source: Teamlease report dated May 2018

Contributing to the environmental considerations globally and at national level, this policy also promotes green logistics through installation of solar panels, rainwater harvesting, solid/ liquid waste management, scientific disposal techniques, setting of ETPs/STPs, use of biodegradable items, adopting recycling techniques and use of renewable energy at logistics facilities. The policy supports development of new logistics and encourages existing facilities to adhere to Green Norms, GRIHA norms and other sustainable development norms as prevalent in the logistics sector. The following interventions can be adopted to promote use of clean fuel in logistics activities:

1) Promote use of Electric Vehicles (EVs) for internal/ short movement at logistics facilities and ports to reduce carbon footprint.

2) Identify priority corridors for development of charging infrastructure for EVs for freight and e-commerce activities as part of integrated state logistics master plan.

3) Explore feasibility and promote use of alternate greener modes of transport such as slurry pipelines for suitable commodities to reduce vehicular emissions.

4) Adoption and implementation of green concepts and green ratings systems.

5.11. Building resilience for crisis management

The recent pandemic affected the supply chains and transportation across sectors and highlighted the importance of crisis management for logistics sector. This policy aims to build resilience in logistics supply chains to withstand such unprecedented situations in future.

In order to do so, a Logistics Coordination Group (LCG) will be established within the state to facilitate the movement of commodities and address the logistic bottlenecks in operations under emergency situations. LCG shall have representation from key authorities/ departments such as GMB, Gujarat Rail Infrastructure Development Ltd (G-RIDE), GSCSC, Gujarat State Aviation Infrastructure Company Ltd. (GUJSAIL), Healthcare , Police, etc. and private port/ jetty developers, logistics facilities operators, etc.

6. Continuous monitoring of the policy

The Logistics Policy Cell shall be the nodal agency for implementation and monitoring of this policy. Detailed guidelines including implementation mechanism of schemes and

incentives stated herein to achieve the objectives set under this policy shall be developed by the cell. Internal monitoring mechanism for each of the identified objectives and implementation strategies will also be developed. Regular monitoring of the development and performance of the logistics sector under the provisions of this policy shall be undertaken to ensure timely and effective execution.

7. Institutional framework for implementation of the policy

Logistics Policy Cell shall work in tandem with other stakeholders for implementation of this policy through the following mechanism.

1. **Evaluation of applications and disbursement of incentives proposed under the policy:** A separate category for logistics shall be made available on the Investor Facilitation Portal (IFP) for providing single window clearance to the Unit/ project availing incentives/ support under this policy. This will support the objective of the policy to provide single window clearance for setting up logistics facilities and providing logistics services in the state.

   Once, the investment application is received on IFP, the Logistics Policy Cell shall evaluate it and put forth the recommendations on the proposal to the State Level Empowered Committee (SLEC) for approval. Upon approval, the Logistics Policy Cell will disburse the incentives under this policy and provide necessary support to the Unit/ project.

2. **Fulfillment of policy objectives through targeted implementation of strategies:** The Logistics Policy Cell shall undertake all necessary actions to achieve the objectives stated in this policy including coordination with relevant stakeholders, both private and government.

   The Logistics Policy Cell shall undertake the role of unifying the direction of development of logistics sector in Gujarat. It shall thus play a crucial role in easing the logistics challenges in Gujarat and undertaking activities that will boost the development of this sector.

   The Logistics Policy Cell shall coordinate with various sectors to maximize the value to be derived from factors in favor of Gujarat such as its industrial growth, strategic geographical location, long coastline, availability of natural resources, skilled

manpower and enterprising spirit of its population to spurt long term benefits for the state.

The Logistics Policy Cell shall also review and suggest amendments and revision in this policy at regular intervals.

3. **Enhance utilization of existing facilities**

There are various warehouses, cold storage units and other logistics facilities in Gujarat owned by private Unit/ project and public departments/ organizations. The Logistics Policy Cell, in consultation with relevant stakeholders, shall work towards enhancing the utilization of these existing facilities.

4. **Monitor development of sector**

The Logistics Policy Cell shall measure the performance metrics across the logistics value chain and enable data driven decision-making for future infrastructure and logistics projects. This would be helpful in understanding the availability of capacity and growth trends for logistics infrastructure and facilities.

In addition to the Logistics Policy Cell, other committees and cell shall be formed to drive the objectives of this policy. These would include:

1. **State Logistics Co-ordination Committee:** It would comprise of senior officials of relevant departments like Roads & Buildings, Ports & Transport, Finance, Aviation, etc. and from industry bodies. The Committee would provide overall direction to the growth of the logistics sector in the state.
2. **State Logistics Cell:** It would comprise of senior officials from relevant departments and would review the progress and uptake of this policy.
3. **City Logistics Co-ordination Committee:** It would be formed initially in 8 municipal corporations of the state with the prime objective to improve urban freight efficiency and ease cargo movement.



8. Incentives and interventions identified for the policy

8.1. Definitions

- **Eligible Unit/ Project:** Eligible unit/ project means a legal entity registered as Proprietorship, Partnership firm, Cooperative Society, Company, Trust, Non-Government Organization (NGO).
- **New unit/ project:** A new unit/ project[8] means a unit which commences operation during the operative period of this policy, provided it satisfies all the following conditions:
    - Should have obtained a separate Letter of Intent or Letter of Approval as prescribed by the competent authority.
    - Should have separately identifiable fixed capital investment which means new plant and machinery/ equipment should be housed in separate premises/ building and shall have to maintain separate books of accounts. However, the new project will not lose its eligibility if the utilities of an existing project such as water, electricity, seam, gas etc. are utilized.
- **Existing unit/ project:** Unit which commenced commercial operations prior to the date of announcement of this policy.
- **Gross Fixed Capital Investment (GFCI):** Means investment made in land, building, plant & machinery/ equipment, and other related fixed assets. Assets acquired and paid during permissible period of execution/ completion of the project under this scheme shall be considered for determining the GFCI.
- **Project cost:** Means the total cost of the project minus the margin for working capital.

  Explanation: However, while deciding the final eligibility of the project for the incentive, total fixed capital investment made in the project or the cost appraised by the bank or the financial institution, whichever is lower, will be considered.
- **Eligible Fixed Capital Investment (EFCI):** Means the capital investment made in fixed assets (except land cost) to create infrastructure facilities as may be required. SLEC may consider additional specific facilities as may be required for carrying out the operations. The

[8] Unit and project have been used interchangeably

eligible cost of construction of such infrastructure facilities will be worked out in accordance to prevalent SOR norms of concerned Gujarat Government Department or its undertakings.

- **New building:** means a new building constructed, or the acquisition of a new and unused building, for the project, including administrative building. The cost of the new building shall be calculated as per the actual cost or the Schedule of Rates (SOR) of the relevant year of the Roads & Buildings Department, Government of Gujarat, whichever is lower.

  The cost of new buildings constructed for installation of plant and machinery, R&D activities, in-house testing facilities, storage facilities, and other buildings related to logistics operation, shall be considered as per the actual expenditure incurred.

  Building acquired under lease or on rental basis, except GIDC sheds, will not be considered as eligible fixed capital investment. No cost incurred on acquisition of old building or the expenditure incurred on repairing a building, will be considered as eligible fixed capital investment.
- **Other construction:** means construction such as compound wall and gates, security cabins, internal roads, bore well, water tank, drainage, internal pipeline network for water and gas and other related constructions.
- **Plant and machinery:** means new plant & machinery and imported second hand plant & machinery having usable life for at least further ten years which is duly certified by Chartered Engineer, utilities, including cost of transportation, foundation, erection, installation and electrification, capitalized under the head of plant and machinery. The electrification cost will include the cost of sub-station and transformer installed.

  Plant and machinery shall include:

  1) Plant for non-conventional energy.
  2) Vehicles for transportation only within the premises of the unit, and material handling equipment exclusively used in transporting goods within such premises.
  3) Plant for captive power generation/ co-generation.
  4) Plant for pollution control measures, including facility for collection, treatment, disposal.

5) Diesel generating sets of capacity not more than 50% of the connected electric load or 25 MW, whichever is less.

- **Project related infrastructure:** Fixed capital investment made in the following assets/ items will be considered as project related infrastructure. Direct expenditure incurred for the following items will also be considered to determine the eligibility under this head:
  - Facilities created for workers and staff.
  - Roads to the new unit/ project from the nearest approach road.
  - Dedicated facilities created for carrying water and gas required by the project through pipeline.
  - Non-refundable deposit paid to the electricity company for transmission of electricity from the nearest sub-station.
  - Expenditure on electronic telephone exchange and laying of telecommunication/ network cables.
- **Date of commencement of operation (DCO):** Means the date when the unit starts rendering services which should fall under the operative period of this policy.
- **Eligible term loan:** Means loan sanctioned by a financial institution/ bank (except NBFC) for investing in GFCI or equivalent to GFCI of the enterprise. However, only the amount actually disbursed against the sanctioned amount will be considered for incentives under this policy.
- **Logistics facilities:** Logistics facilities have been defined as all or any of the below mentioned facilities:
  - **Logistics Parks/ Multi-modal Logistics Parks** means facilities which provide services such as cargo aggregation/ segregation, distribution, inter-modal transfer of cargo and containers, open and/ or closed storage, temperature controlled and/ or ambient storage, custom bonded warehouse, material handling equipment, parking, value added services and other related facilities as per requirement for efficient movement and distribution of semi-finished or finished products.

    Logistics parks shall be equipped with supporting infrastructure including internal roads, communication facilities, open and green spaces, water pipelines, sewage and

drainage lines, power lines, feeder, and other facilities as per the requirements of the park.

  - **Inland Container Depot** means an off seaport (port) facility having such fixed installations or otherwise, equipment, machinery etc. providing services for handling and/or clearance of laden import/ export containers, under customs control and with storage facility for customs bonded or non-bonded cargo. These facilities shall have road connectivity, rail connectivity, customs/non-customs bonded warehousing, truck terminals etc. and other common user facilities required to carry out efficient operations.
  - **Container Freight Station** means an off seaport (or port) facility having such fixed installations or otherwise, equipment, machinery etc. Providing services for handling / clearance of laden import, export containers under customs control and with storage facility for customs bonded or non-bonded cargo, parking area and such other facilities desired to carry out the operations.
  - **Air Freight Station** means an off-airport common user facility equipped with fixed installations of minimum requirement and offering services for handling and temporary storage of import and export cargo, etc. These facilities shall be equipped with customs/ non-customs bonded warehousing, parking area etc. and other common user facilities required to carry out efficient operations.

    These facilities shall be developed at strategic locations to provide smooth connectivity to the airports and may also have extended area leased out to e-commerce zones.
  - **Private Freight Terminal**: A terminal notified under Private Freight Terminal (PFT) policy to deal with rail based cargo including containers. “Greenfield PFT means a new PFT commissioned on private land under the provisions of the PFT policy. Brownfield PFT is used to refer to an existing private siding (including the private sidings dealing with container traffic) converted into PFT under the policy.
  - **Air Cargo Complexes** means such facilities developed to enhance air cargo movement capacity of the state. These facilities may be located within airport/ off airport location and provide facilities such as handling, storage, clearance of cargo, among others.

- **Cold Chain Facility** means a facility for storage and minimal processing of perishable/ temperature sensitive cargo such as agriculture, horticulture, dairy, fish & marine, poultry & meat products, pharma etc. with a linkage from source to the consumer. The key components of Cold Chain Facility may include:
  - Controlled Atmosphere (CA)/ Modified Atmosphere (MA) chambers, Variable Humidity Chambers, Ambient Storage, Individual Quick Freezing (IQF), blast freezing, etc.
  - Minimal Processing Center may have facility for weighing, sorting, grading, cleaning, waxing, packing, pre-cooling, fog treatment, irradiation facility, etc.
  - Mobile pre-cooling vans and reefer trucks may also be attached with cold chain facilities on dedicated basis to provide end to end services.
- **Warehouse** means open/closed area developed to provide storage facilities for any cargo. Warehouses shall provide facilities for handling and storage of cargo in bulk/ break bulk form.
- **Truck Terminals** means such facilities which are developed in order to ease traffic congestion on strategic locations such as the district logistics nodes, industrial areas, national/ state highways, expressways intersection points, etc. Truck terminals may provide facilities such as repair and maintenance of the trucks, stores for spare parts, ATMs, fuel stations, parking spaces, transport offices, sanitary facilities, weigh bridges etc. These facilities may also have lodging facility for drivers and helpers along with areas for loading/unloading (cross docking) of cargo among other facilities. Facility to check vehicle fitness automatically may also be provided at truck terminals.
- **Silos** are structures for storing bulk cargo in both solid and liquid form and can be constructed of various materials such as concrete/ steel depending on the cargo type to be stored.

- **Non Captive (Private) Jetties:** To facilitate the development of port based industries, private companies have been granted permission to construct jetties on BOT (Build, Operate and Transfer) basis to cater to the EXIM trade requirements of industries in the vicinity. As per BOT model, a private player identifies the location for development of a jetty near some industries which lack port facilities. This jetty is allowed to operate till

completion of its concession period after which it needs to either extend the period or transfer the ownership to Gujarat Maritime Board.

- **Ineligible Expenditure:**
  - Expenditure incurred towards purchase of land and land development.
  - Goodwill fees, commissioning fees, royalty, preliminary & pre-operative expenses.
  - Interest capitalized, technical fees/consultant fees, working capital.
  - Any amount not specifically expressed as eligible investment or any other expenditure specified as non-eligible expenditure by the State Level Empowered Committee will not be eligible for any assistance.

8.2. Eligibility

- Unit/ project registered as Proprietor, Partnership firm, Cooperative Society, Company, Trust, Non-Government Organization (NGO) can avail incentives under this policy. State Government/ Central Government departments shall not be eligible for any incentives under the policy.
- A unit that has availed any incentive for the same assets under any other scheme of the state government, or any agency of the state government shall not be eligible for incentive under this scheme.

8.3. Proposed incentives

The incentives proposed for logistics facilities are mentioned below:

All amounts in INR, unless specified

Sr. No.	Incentive Proposed	Quantum	Cap
1	Capital subsidy for development of logistics facilities **(For new unit/ project)**	25% of EFCI	INR 15 crore

All amounts in INR, unless specified

Sr. No.	Incentive Proposed	Quantum	Cap
2	Capital subsidy for development of non-captive jetties **(For new unit/ project)**	25% of EFCI	INR 15 crore
3	Interest subsidy for development of logistics facilities **(For new unit/ project)**	7% for 7 years on eligible term loan (Minimum 2% to be borne by Unit/ project in each case)	INR 50 lakhs p.a.
4	Reimbursement of stamp duty **(For new unit/ project)**	One-time reimbursement: 100%	NA
5	Patent assistance **(For new & existing unit/ project)**	Reimbursement of 70% of amount spent on original research	INR 25 lakhs
6	Exemption of electricity duty **(For new unit/ project)**	Exemption: 100% p.a. for 5 years	NA
7	Quality certifications from national/ international certification entities **(For new & existing unit/ project)**	Reimbursement of 50% of the amount spent	INR 10 lakhs

All amounts in INR, unless specified

Sr. No.	Incentive Proposed	Quantum	Cap
8	Skill development **(For new & existing unit/ project)**	Reimbursement up to: Up to INR 15,000 per trainee for more than 120 hours of training Up to INR 10,000 per trainee for 61-120 hours of training; Up to INR 5,000 per trainee for 40-60 hours of training Note: 100% reimbursement in case of BPL, Physically Handicapped and women trainees. 75% reimbursement for all other candidates	30 trainees per annum
9	Technology Assistance **(For new & existing unit/ project)**	Reimbursement of 50% of cost	INR 50 lakhs

Note:

- Separate scheme shall be issued capturing the detailed terms and conditions for availing the above mentioned incentives.

8.4. Guidelines

- The unit/ project availing assistance under any other scheme/ similar schemes of State Government shall not be entitled to avail incentives under this policy.

- Unit/ project may avail incentives under any scheme of central government. However, the total incentives from state and central government scheme should not exceed the maximum limit of assistance under relevant scheme.
- Unit/ project availing incentives under this policy shall continue their operation at least 10 (ten) years from the date of receipt of the incentives under the policy. In case of closed down of the unit (unless the closure is due to reasons outside management's control) within the stipulated time, the amount so far released as incentives shall be recovered with prevailing rate of interest within three months.
- Logistics Facilities as approved by the SLEC should be completed within 3 years from the date of approval letter from the Logistics Policy Cell. However, the request for extension of the period for completion of the project will be considered by the Logistics Policy Cell for maximum up to 1 year on merit of the reasons of delay, if any.
- Minimum fixed capital investment of INR 1 crore for development of logistics facilities (other than LP/ MMLP).
- Unit/ project should have a positive net-worth.
- Minimum employment to domicile of Gujarat will be applicable (at least 85% of total employment and 60% managerial and supervisory staff locally).
- Eligibility for grants, subsidies and incentives will be subject to fulfilment of minimum employment conditions as well as minimum work performance envisaged.
- Facilities layout should conform to applicable rules & regulations as applicable viz. environment consent/ clearance for establishment, Town & Country Planning as per GoI and GoG guidelines.

8.5. State Level Empowered Committee

- A State Level Empowered Committee (SLEC) consisting of members from the following departments/ agencies will be constituted for sanctioning of assistance with respect to various proposals received under the policy:
  - Industries and Mines Department
  - Finance Department

  - Ports & Transport Department
  - Roads & Buildings Department
  - Labor Department
  - GPCB
  - GIDB

  Other departments may be added if required.
- The SLEC may consult other departments, if need be, such as:
  - Agriculture Department
  - Civil Aviation Department
  - Customs Department
  - Town Planning Authority, etc.
- The proposals received will be processed as per the priority of sectors/ sub-sectors/ facility and financial provisions.
- The Committee is authorized for interpretation of any provision and to give clarification/ decision with reference to any provisions under this policy and associated resolution and it will be final and binding to the applicants. The committee shall be competent to include/ exclude any facility from the ambit of resolution to ensure all-inclusive growth of the logistics sector in the state.

8.6. Procedure for availing incentives

- Unit/ project shall apply on Investors Facilitation Portal (IFP) for registration of proposed logistics facilities.
- After taking 100% possession of the purchased land, the Unit/ project shall apply on IFP along with the Detailed Project Report and approved layout plan. The details will be reviewed by the Logistics Policy Cell for sanctioning of financial assistance to the project.
- The Unit/ project will submit the claim of assistance to the Logistics Policy Cell in the prescribed Pro forma. The institution shall have to inform the Logistics Policy Cell if they have applied for incentives under any scheme of GoI or GoG.

8.7. Amendments to the policy

Logistics Policy Cell, in consultation with relevant government departments shall have the right to review the provisions of this policy from time to time and include/ amend/ delete provisions as it may deem fit for the growth of this sector.

9. Conclusion

Gujarat Integrated Logistics and Logistics Park Policy, 2021 is one of its kind policy which envisages integrated and holistic development of the logistics sector in Gujarat. The policy adopts some unique features such as improving utilization of existing infrastructure, single nodal agency for approvals and grievances, incentives for technology implementation and skilling, sustainability in logistics etc. to ensure comprehensive growth of the sector. The policy shall help Gujarat to maintain its leadership position in the LEADS Index and effectively contribute to improving the competitiveness of Gujarat's industry and trade.



Gujarat Infrastructure Development Board
8th Floor, Block No.18, Udyog Bhavan,
Sector - 11, Gandhinagar - 382 011,Gujarat, India
Phone : (+91)(79) 23232701/4 • **Fax :** (+91)(79) 23222481
Web.: www.gidb.org • **Email :** gidb@gujarat.gov.in

SCAN FOR ePOLICY