

**Gujarat Integrated Logistics and Logistics
Park Policy 2021**

**Scheme for Financial Assistance to
Integrated Logistics Facilities**

Government of Gujarat

Industries and Mines Department

Sachivalaya, Gandhinagar

Resolution No. GID-102021-560-I-1

Dated: 31/07/2021.

Preamble:

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 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 has removed check posts in order to ensure seamless transportation.

In addition, several futuristic and game changing infrastructure development projects are in the pipeline such as the **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. **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. Development of nearly **11 jetties** (such as at Okha, Magdalla, Kutch, Karunga, Bhavnagar and



others) and various ports are in the pipeline. 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).

Gujarat ranked 1st, both in 2018 and 2019, in the Logistics Ease Across Different States (LEADS) index, institutionalized by the Ministry of Commerce and Industry (MoCI), Government of India. The LEADS index serves 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 include infrastructure, competitiveness etc.

In order to maintain its competitive advantage and give further thrust to this sector, Government of Gujarat has issued Gujarat Integrated Logistics and Logistics Park Policy 2021.

In view of the above, this scheme is introduced for providing incentives to the logistics sector in the state.

Resolution:

After careful consideration, Government is pleased to introduce Scheme for Financial Assistance to Integrated Logistics Facilities which will come into force from the 02/08/2021 and will remain in operation for a period of five years i.e. up to 01/08/2026.

1. Definitions:

- (i) **Eligible Unit/ project:** Eligible unit/ project means a legal entity registered as Proprietorship, Partnership firm, Limited Liability Partnership (LLP), Cooperative Society, Companies registered under Companies Act, Trust, Non-Government Organization (NGO).
- (ii) **New unit/ project:** A new unit/ project¹ means a unit/ project which commences operation during the operative period of this scheme, provided it satisfies all the following conditions:
 - Should have applied for a separate registration from Industries Commissioner.
 - Should have separately identifiable fixed capital investment which means new plant and machinery/ equipment housed in separate premises/ building and have maintained separate books of accounts. However, the new unit/ project will not lose

¹ Unit and project have been used interchangeably



its eligibility, if the facilities/ infrastructure of an existing project such as water, electricity, road, steam, gas etc. are utilized.

(iii) **Existing unit/ project:** Unit/ project which has commenced operations prior to the effective date of this scheme.

(iv) **Logistics 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.

(v) **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.

(vi) **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, gross fixed capital investment made in the project or the cost appraised by the bank or the financial institution, whichever is lower, will be considered.

(vii) **Eligible Fixed Capital Investment (EFCI):** Means the capital investment made in fixed assets (except land cost) during the operative period of the scheme, i.e., on or after the 02/08/2021 and up to the date of completion of this scheme to create infrastructure facilities as may be required.

- **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, storage facilities and other buildings related to logistics operations, 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. Cost incurred on acquisition of old building or the expenditure incurred on repairing a building, will not be considered as eligible fixed capital investment.



• **Other construction:** means construction such as compound wall and gates, security cabins, internal roads, water tank, drainage, internal pipeline network for water & gas, and other related constructions.

• **Plant and machinery:** means new plant and machinery and imported second hand plant and 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 transformers installed within the facility.

Plant and machinery shall include:

1) Plant for non-conventional energy

2) Vehicles for transportation only within the premises of the unit/project, 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, gas required through pipeline from source.

○ 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.

However, SLEC may consider additional specific facilities as may be required for carrying out the operations.

- (viii) **Date of Commencement of Operations (DCO):** Means the date when the new unit/ project commence operation of first activity, which should be within/ during the operative period of this scheme.
- (ix) **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 scheme.
- (x) **Non Captive (Private) Jetties:** To facilitate the development of port based industries, private companies which have been granted permission by Gujarat Maritime Board 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.
- (xi) **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.

2. Quantum of Assistance

The eligible unit/ project will be entitled for the following type of incentives for development of logistics facilities:



(i) Capital Subsidy

- Eligible new unit/ project will be eligible for capital subsidy to the extent of 25% of EFCI subject to a maximum of INR 15 crore for Logistics Facilities/ parks
- Development of new jetties will be eligible for capital subsidy to the extent of 25% of EFCI subject to a maximum of INR 15 crore

(ii) Interest Subsidy

- Eligible new unit/ project can avail Interest subsidy @ 7% on term loan with the maximum amount of Rs. 50 lakhs per annum for a period of 7 years. However eligible new unit/ project shall have to bear minimum 2% interest levied on term loan by Bank/Financial institute.

(iii) Reimbursement of Stamp Duty

- One time reimbursement to eligible new unit/ project to the extent of 100% stamp duty paid to Government of Gujarat
- Reimbursement of stamp duty will be made only after purchasing total required land and completing at least 40% of construction.

(iv) Exemption of Electricity Duty

- 100% Exemption of Electricity Duty for a period of 5 years to eligible new unit/ project.

(v) Patent Assistance

- Reimbursement up to 70% of expenditure incurred by eligible new and existing unit/ project for obtaining patents (both domestic and/ or international), subject to maximum of INR 25 lakhs per unit/project within the operative period of the scheme.
- Fees paid to patent attorney and patent service center, patent registration and equipment purchased to develop patent will be eligible (excluding travel, hotel charges) for obtaining patent registration. Maximum fee per unit/ project for attorney for national patent is INR 50,000/- and international patent is INR 2,00,000/- within the overall cap of 70% of the cost /expenditure.



(vi) Assistance for Quality Certification

- Reimbursement of 50% of the amount spent on Quality certifications from national/ international certification entities to eligible new and existing unit/ project subject to a maximum of INR 10 lacs.

(vii) Assistance for Skill Development

- Gujarat is a leading state in logistics sector and has a robust logistics network which is expanding and enhancing in pace with industrialization and digitization. Despite a large requirement of manpower supported by institutional arrangements for equipping/ skilling, the demand of skilled manpower in this sector is still unmet. It is also pertinent to say that upskilling is a continuous process considering the ever changing business needs. Hence, short term courses should also be promoted through ITIs, polytechnics, engineering colleges, etc. to fulfil the need of the industry. This would dramatically improve employability of the youth. Skilled people also improve the efficiency of the overall system.
- In view of the above, this incentive is introduced to train the manpower in the logistics sector.
- Eligibility: New and existing units/ projects
- Quantum of assistance:

Description	Cap
Reimbursement up to: a) Up to INR 15,000 per trainee for more than 120 hours of training b) Up to INR 10,000 per trainee for 61-120 hours of training c) Up to INR 5,000 per trainee for 40-60 hours of training Note: <ul style="list-style-type: none">• 100% reimbursement in case of BPL, Physically handicapped and women trainees• 75% reimbursement for all the other candidates	30 trainees per annum



Note: Unit/ project shall be entitled for reimbursement of only 30 trainees per annum irrespective of the number of trainees trained for category a), b) and c) mentioned above.

(viii) Technology Assistance

- Multiple technology interventions have been introduced globally for enhancing efficient utilization of the resources and ensure seamless cargo visibility across chains. Some of these technologies are Automatic Identification and Data Capture (AIDC), Network optimization tools, Quick response (QR) code, Real Time Locating systems, RFID, Terminal Management Systems, Warehouse Management System (WMS) and other ERP driven solutions. Other upcoming technology trends in logistics are use of Internet of Things, Machine Learning, Blockchain, Cloud computing, Predictive Analytics, Intelligent Transport Systems, etc. to leverage the power of data driven decision making process. The draft National Logistics Policy 2018 also promotes the use of ICT, digitization and higher technology adoption in the logistics sector to enhance efficiency and improve supply chain visibility. Further MoS, IPA, MoRTH, CBIC, etc. have also taken up technology as a key theme to improve logistics performance in the country.
- In line with the global and national trends, Gujarat Integrated Logistics and Logistics Park policy also promotes innovation and technology to drive higher efficiency and reduce logistics costs. Implementation of Geographic Information System (GIS) for key traffic routes; digitization techniques such as the implementation of standard software, QR codes, RFID, EDI, etc., automation technologies in logistics operations such as the implementation of planning and queuing software; etc. shall also be promoted while developing logistics facilities such as logistics parks, multimodal logistics parks, warehouses.
- In view of the above, this incentive is introduced to encourage new investments in technology in the logistics sector
- **Quantum of Assistance:** Reimbursement up to 50% of expenditure incurred by eligible new/ existing unit/ project) for technology acquisition, including royalty payments for first two years, subject to maximum of INR 50 lakhs one time within the operative period of the scheme.



3. Sanctioning Authorities

1	ACS/ PS, Industries & Mines Department	Chairperson
2	Secretary (Exp), Finance Department	Member
3	CEO, Gujarat Ports & Logistics Company Ltd	Member
4	Secretary, Roads & Buildings Department	Member
5	Labour Commissioner	Member
6	Member Secretary, GPCB	Member
7	CEO, GIDB	Member
8	Industries Commissioner	Member Secretary

4. Exercising of option:

A unit/project eligible under this scheme or any other incentive scheme/ similar schemes of the state government, may opt for either of the incentive schemes. If any unit/ project is availing incentive under any other state government scheme, it will not be eligible under this scheme.

Unit/ project shall be eligible to avail incentive under Government of India scheme. The assistance of State and Central Government schemes should not exceed 60% of the project cost. In such situation the incentive of the State Government under this scheme will be reduced to that extent.

5. Interpretation:

Any dispute or difference of opinion regarding the interpretation of the provisions of this resolution shall be referred to the committee mentioned in para 3. The decision of committee will be final and binding to all.

6. Other terms and conditions

- (i) Unit/ project shall be required to employ persons domiciled in Gujarat to the extent of at least 85% of its total number of employees in all categories. The employment of persons



domiciled in Gujarat in managerial and supervisory capacity shall not be less than 60% of the number of persons employed by the enterprise in managerial and supervisory capacity. The percentage of local employment will have to be maintained permanently. If the unit/ project fails to employ local persons, the amount of subsidy shall be recovered as outstanding of land revenue or in any other appropriate manner as the government may deem fit.

- (ii) Unit/ project shall be required to submit a list of persons employed and such other information required for verification of having satisfied this condition before the sanction of incentives under the scheme.
- (iii) Unit/ project shall have to submit particulars of local employment and the applicable certificate to Industries Commissioner.
- (iv) 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.
- (v) Unit/ project who have availed incentive under this scheme shall install and effectively operate and maintain pollution control measures as per the standards prescribed and approved by the competent authority in this regard.
- (vi) Unit/ project shall furnish to the Industries Commissioner information regarding employment for each financial year within 60 days of the close of the financial year. It shall have to furnish information on related matters that the state government may require from time to time.
- (vii) In case of any breach of one or more of conditions laid down under this resolution, the incentives disbursed under this scheme shall be liable to be recovered as an arrear of land revenue or in any other appropriate manner as the government may deem fit.
- (viii) Unit/ project can apply for any or all of incentives under this policy subject to fulfilment of terms & conditions of the scheme and guidelines issued by Industries Commissioner.
- (ix) Guidelines, modalities, and forms, etc. for implementation of the scheme will be issued separately by the implementing authority.
- (x) Before disbursement of incentive amount, the asset verification of the eligible unit/project will be conducted by Industries Commissioner.



- (xi) A review of this scheme shall be carried out by SLEC after 2 years from date of issue of this scheme. If required, this scheme may be amended/ updated in consultation with Finance Department.

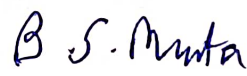
7. Budget provision:

The expenditure under the scheme will be met from the sanctioned grant of the respective financial year under the following budget head:

Demand number	49
Major head	2852-Industries
Sub Major Head	80-General
Minor head	(800) Other Expenditure
Sub head	(22), IND (3) – Development of infrastructure facilities
Detailed head	3355-Subsidies(c) to others

This issues with the concurrence 28/07/2021 of Finance department received on the file of even number.

By order and in the name of the Governor of Gujarat,


(B.S. Mehta)

Joint Secretary

Industries and Mines Department.

Copy to:

1. Secretary to Hon'ble Governor of Gujarat*
2. Chief Principal Secretary to Hon'ble CM.
3. Joint Secretary to Chief Secretary.
4. Additional Chief Secretary/Principal Secretary/Secretary of all Department.
5. PS to Secretary(Expenditure), Finance Department, Sachivalaya, Gandhinagar.
6. CEO, Gujarat Ports & Logistics Company Ltd.
7. PS to Secretary, Roads & Buildings Department, Sachivalaya, Gandhinagar.
8. Commissioner of Labour, Udhog Bhavan, Sector 11, Gandhinagar.



9. Member Secretary, Gujarat Pollution Control Board, Paryavaran Bhavan, Gandhinagar.
 10. CEO, Gujarat Infrastructure Development Board, Udhyog Bhavan, Gandhinagar.
 11. All Heads of Departments/Boards/Corporations/Institutions of Industries and Mines Department.
 12. Industries Commissioner, Gandhinagar.
 13. Managing Director, INDEXTb, Udhyog Bhavan, Gandhinagar.
 14. All District Industries Centres
 15. Commissioner of Commercial Tax, Ashram Road, Ahmedabad.
 16. Accountant General Ahmedabad/Rajkot.
 17. Jt. CIO, Industries and Mines Department for uploading on website.
 18. Select file.
- * by letter

80-Genera	
(800) Other Expenditure	
(22) IND (3) - Development of Infrastructure facilities	
3355-Subsidies (i) to others	