

Uttarakhand Logistics Policy 2022 (Draft Version)

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Abbreviations

AKIC	- Amritsar-Kolkata Industrial Corridor
CAGR	- Compound Annual Growth Rate
DFC	- Dedicated Freight Corridor
DMIC	- Delhi-Mumbai Industrial Corridor
EPP	- Enterprise Promotion Policy
FAR/FSI	- Floor Area Ratio/Floor Space Index
FDI	- Foreign Direct Investment
FMCG	- Fast-moving Consumer Goods
GDP	- Gross Domestic Product
GST	- Goods and Services Tax
ICD	- Inland Container Depots
IMMLP	- Integrated Multi-Modal Logistics Park
MMLP	- Multi-Modal Logistics Park
MRO	- Maintenance, Repair and Overhaul
NBC	- National Building Code
PPP	- Public-Private Partnership
RFID	- Radio-frequency identification
SDC	- Skill Development Centre

1. Preamble

Located at the foothills of the Himalayan mountain ranges, Uttarakhand shares international borders with China (Tibet) in the north & Nepal in the east and inter-State boundaries with Himachal Pradesh in the west & northwest and Uttar Pradesh in the south. The State is near the National Capital Region which gives access to important markets as well as raw materials.

The State is rich in natural resources and has export potential in the sectors such as organic agricultural products, agro-based & processed food, aromatic & medicinal plant-based products, pharmaceuticals, nutraceuticals and service sectors like tourism & wellness.

After its creation in 2000, Uttarakhand witnessed rapid growth in its Industry sector on the back of policy interventions by the State and Central Government. The State, through its agency SIIDCUL, developed world-class industrial infrastructure. The State has also notified a policy for private industrial estates. The industry-friendly policies and conducive environment for industrial development have helped Uttarakhand emerge as an attractive investment destination.

This has resulted in the Gross State Domestic Product (GSDP) of the State expanding at a compound annual growth rate (CAGR) of 9.48 percent in the last 5 Years from INR 1,77,163 Lakhs to INR 2,53,666 between 2015-16 and, During Covid 2020-21, state GDP CAGR depreciation in CARG by -4.2%, which is expected to be revived from INR 243012.3 Lakhs to INR 278006 Lakhs (allocated budget)¹. The cumulative FDI inflows in Uttarakhand hiked 10 folds in the last two years from INR 80.7 Cr. (Dec 2019) to INR 918 Cr. (Dec 2021). During 2014-15 to 2020-21, exports from Uttarakhand registered a positive CAGR of 6.38 percent to reach USD 2.14 billion against a negative growth of -0.91 percent in India's overall exports.

In the Ease of Doing Business ranking conducted by the Department for Promotion of Industry and internal trade (DPIIT) in collaboration with the World Bank under the Business Reform Action Plan (BRAP) 2021-22, Uttarakhand stood amongst the top-ranking states of India with 11th position out of 28 states.

In the Export Preparedness Index (EPI) 2020 report released by NITI Aayog, Government of India in August 2020, the State has been recognized as the top performing State in the Himalayan States category. This was made possible by the presence of basic export facilities & infrastructure, a conducive business & export environment as well as good export performance by the State.



Note: 1. Annual Financial Statement 2021-2022 and Brief Review of Financial Status of Government of Uttarakhand

In the Logistics Ease Across Different States (LEADS) index released by the Ministry of Commerce & Industry, Government of India in March 2021, the State has been placed at 13th position. Being landlocked, exporters of the State have an inherent cost disadvantage over suppliers from other States as they have to incur higher logistics costs in bringing raw material to their premises as well as shipping out finished products. Despite these challenges, Uttarakhand exported goods worth of approx. INR 15,915.54 Cr during 2020-21¹

In this backdrop and aligning with the Central Government's vision for integrated development of the Logistics sector, the Government of Uttarakhand intends to extend its support to new and existing industries working in the domain of Logistics in the State. This policy aims at reducing the logistics costs, strengthening the existing logistics infrastructure, creating employment opportunities & enhancing the State's ranking in the Logistics Index (LEADS), and facilitating investments in the sector by providing fiscal and non-fiscal support.

2. Definitions

Incentives under this policy will apply to the Logistics units

1.1 Logistics services like cargo aggregation/segregation, distribution, intermodal transfer of material and container, open and closed storage, apt condition for storage in cargo transit period, material handling equipment, and business & commercial facilities and common facilities

1.2 Eco-logistics or green logistics - are techniques that aim at minimizing the ecological impact of logistics activities, including eco-friendly transportation, reducing carbon emissions, solid-liquid waste management, scientific disposal techniques, use of bio-degradable items, adopting recycling techniques, using renewable energy, etc.

1.3 Supporting infrastructure including internal roads, communication facilities, open and green spaces, water pipelines, sewage and drainage lines, disposal facilities, setting up power lines, feeders, solar panels, and others as per the requirements of the park

1.4 Inland Container Depot (ICD) with a minimum area requirement of 18 Acres and above,

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

1.5 Air Cargo Complexes means such facilities developed to enhance the air cargo movement capacity of the state. These facilities may be located within airport/ off-airport locations and provide facilities such as handling, storage, and clearance of cargo, among others

1.6 Warehousing facility with a minimum area of 10,000 sq. ft. (*Minimum 5 Utilized processes must be automated with the help of technology Interventions*)

¹ www.dgciskol.gov.in

A warehouse means an open/closed area developed to provide storage facilities for any cargo. Warehouses shall provide facilities for handling and storage of cargo in bulk/breakbulk form

1.7 1.6 Cold chain facility with a minimum area of 5,000 sq. ft (*Minimum 5 Utilized processes must be automated with the help of technology Interventions*)

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 a 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 a 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 a dedicated basis to provide end to end services

1.7 Truck Terminals with a minimum area of 5,000 sq. ft (It should be part of Hub / Spoke / logistic park facilities)

Truck Terminals means such facilities which are developed 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, weighbridges etc. These facilities may also have lodging facilities for drivers and helpers along with areas for loading/unloading (cross-docking) of cargo among other facilities. A facility to check vehicle fitness automatically may also be provided at truck terminals

1.8 Logistics Parks to be developed on basis of Private/PPP/ JV mode on more than 10 acres of land area.

1.9 Transports/ Truck Owners / Fleet Operators/ Aggregators - Purchasing a minimum number of 3 Trucks/ Small Trucks / Mini Pickup trucks (Ex-Showroom Price as applicable). The categorization of trucks are done on the basis of following criteria:

Big Truck – (32-40 Feet, 14 Wheeler Truck (21 Ton To 31 Ton Capacity))

Medium Trucks- (20-32 Feet, 10 Wheeler Truck (10 Ton To 25 Ton Capacity))

Small Trucks – (24-32 Feet, 12 Wheeler Truck (16 Ton To 25 Ton Capacity))

1.10 Expansion: - Means an increase in the value of the capital investment in immovable fixed assets like Plant & Machinery and factory Buildings excluding working capital of capital investment in existing unit/ project by at least 25 %.

1.11 Project Cost – Means and includes investment in immovable fixed assets like Land, Plant & Machinery, and factory Building (In case of new unit/project) excluding working capital or additional investment in Plant & Machinery and factory building (for expansion unit / project) excluding working capital

2. Vision and Objective

2.1 Vision

“To facilitate and develop an integrated logistics ecosystem in Uttarakhand, to enhance competitiveness, operational efficiency and sustainability through innovation, skilled manpower, quality and disruptive technologies; thereby reducing the cost of logistics and strengthen the trade and commerce in Uttarakhand.”

With this policy, the Government of Uttarakhand, aims in addressing the cross-functional needs of the entire value chain of the ecosystem and it's a step in the direction, to uplift and promoting the business requirements of the Logistics enablers, investors, and service providers. The model with which the policy has been drafted in to create a Hub–spoke Logistics ecosystem within the state.

2.2 Objective

- 2.2.1** Provide a simplified, proactive, and responsive institutional mechanism for the rapid growth of logistics
- 2.2.2** Develop new and strengthen existing logistics infrastructure such as warehouses, inland container depots (ICDs), cold storage, rail-road connectivity from industrial estates/clusters, etc.
- 2.2.3** The idea behind this policy is to create a Hub–Spoke Logistics Model where we can strengthen the connection between Hills & Non – Hills, thereby creating an advantage across the entire business value chain for Logistics.
- 2.2.4** Promote green and innovative practices to develop a competitive logistics infrastructure in the State. Additional incentives have been provisioned for Green Ecosystem.
- 2.2.5** Promoting private investments in setting up logistics facilities in the state with forward and backward linkages.
- 2.2.6** Provide fiscal and non-fiscal (The Plug & Play Government support to the Ecosystem) incentives to logistic companies to boost the sector
- 2.2.7** Provide handholding support to existing and new logistics operators of the state
- 2.2.8** Coordinate with all national and global agencies connected with the promotion of logistics
- 2.2.9** With the inclusion of the above objectives in the sight, Uttarakhand is to develop and implement a comprehensive Logistic Plan for the State. Guidelines shall be notified summarily.

2 Policy Strategies

2.1 Provide a simplified, proactive, and responsive institutional mechanism for the rapid growth of logistics

- 2.1.1 The policy aims to map logistics facilities across the state to identify areas for intervention/ improvement and development.
- 2.1.2 To identify capacity & operational bottlenecks of existing logistics facilities, services and the proposed development of road and rail networks at state and national levels.
- 2.1.3 To assess the future need for logistics infrastructures such as rail networks, airports, and logistics facilities.
- 2.1.4 To consider the focus areas of MSME Incentive Policy 2015 (As amended 2019), Mega Industrial Investment Policy 2015 (As amended 2020), and any such similar policies issued by the Government of Uttarakhand.

2.2 Develop new and strengthen existing logistics infrastructure such as warehouses, inland container depots (ICDs), cold storage, rail-road connectivity from industrial estates/clusters, etc.

This policy aims at improving the utilization of existing logistics facilities 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.

2.3 Promote green and innovative practices to develop a competitive logistics infrastructure in the State

- 2.3.1 Govt of Uttarakhand aims at building an eco-friendly and sustainable logistics and transportation system in the state. Green logistics are techniques that aim at minimizing the ecological impact of logistics activities, including eco-friendly transportation, reducing carbon emissions, solid-liquid waste management, scientific disposal techniques, use of bio-degradable items, adopting recycling techniques, using renewable energy, etc. Thereby, green logistics initiatives are promoted under this policy. Further, in this context use of electric and hybrid vehicles will be promoted at Multimodal Transport & Logistics Parks.
- 2.3.2 The State will implement smart systems for efficient movement of cargo through Checkpoints. “Green Channels” will be identified for vehicles carrying EXIM / Defence cargo

2.4 Promoting private investments in setting up logistics facilities in the state with forward and backward linkages.

- 2.4.1 The government of Uttarakhand will encourage public-private partnerships in the construction of modern logistics facilities in the state.

- 2.4.2 Development of storage and handling facilities - The policy focuses on the development of storage and handling facilities at strategic nodes to improve logistics efficiency in focus sectors such as pharmaceuticals, e-commerce, agriculture products etc.
- 2.4.3 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.
- 2.4.4 Support growth of e-commerce - This policy promotes the development of e-commerce hubs in high movement zones, closer to demand locations and around the periphery of cities. This would address the needs of the e-commerce sector and prevent traffic congestion in cities.
- 2.4.5 Development of truck terminals, driver rest areas, and parking spaces - The policy aims to promote the 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 congestion and provide proper waiting areas for trucks during city timing restrictions.

2.5 Provide fiscal and non-fiscal incentives to logistic companies to boost the sector (use of technology & innovation in logistics)

- 2.5.1 Govt of Uttarakhand will provide fiscal and non-fiscal incentives to logistic companies to boost the sector. The policy promotes and incentivizes the use of new technologies to improve sector efficiency in Uttarakhand. A few examples of types of technology that can be adopted for this purpose include:
 - a. Robotics and automation in material handling, cargo transportation and de-congesting cargo traffic at logistics facilities.
 - b. Blockchain technology-based systems for transaction validations, and exchange of documentation and information in a secured manner.
 - c. Digital twin technology for building simulations and measuring the 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.
 - d. Artificial and augmented intelligence tools for improved demand planning, route planning, operations planning, etc. leading to a reduction in time spent, human errors, and cost. AI-based technologies also provide the best route options for low carbon emissions, thereby supporting environmental sustainability initiatives.
- 2.5.2 The 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 the best technology & innovative solutions in the logistics sector shall also be introduced.

Note: To provide customised incentives on a case-to-case basis as deemed necessary for Projects of Special Importance (New Technology). The State Level Empowered-Power

Committee (SLEC) as constituted under the Chairmanship of the Chief Secretary as per the provisions of The Uttarakhand Enterprise Single Window Facilitation and Clearance Act 2012 shall recommend the customized package of incentives.

2.6 Provide handholding support to existing and new logistics operators of the state (Ease of Doing Logistics)

Uttarakhand has been consistently ranked among the top states in India by DPIIT in its assessment for Ease of Doing Business and was ranked at 11th position for the year 2019.

As a part of its ongoing business reforms and to streamline the current logistics procedures involved in getting the required approvals from the concerned Departments. The State Government intends to reduce the procedural formalities by re-engineering and digitizing the current processes involved in application submission and approval. An online system integrated with Single Window System is already in place and will be strengthened for online application submission, payment, tracking, approval, etc., which shall remove the physical touchpoints across levels unless there is a need for physical verification. To make sure that the application is approved within the time limit, fixed timelines as per The Uttarakhand Enterprise Single Window Facilitation and Clearance Act, 2012 would be followed

2.7 Coordinate with all national and global agencies connected with the promotion of logistics

The State Government will assist in identifying the potential export markets. It will establish linkages with export promotion desks by tying up with trade centres in embassy offices of foreign countries.

To enhance logistic competitiveness in the State, Government will leverage schemes like Trade Infrastructure for Export Scheme (TIES), Micro & Small Enterprises Cluster Development Program (MSE-CDP), etc.

The State Government will also collaborate with relevant Logistic and other Export Promotion organizations like FIEO, IIFT, EEPC, SEPC, ECGC, Tea Board, etc. for strengthening the existing logistic and export ecosystem and also setting up camp offices of relevant export councils in the State.

2.8 With the inclusion of the above objectives in the sight, Uttarakhand is to develop and implement a comprehensive Logistic Plan for the State

The Government of Uttarakhand will be developing and implementing a Comprehensive Logistic Plan with a prime focus on four key areas of Logistics:

2.8.1 Driver Empowerment and Employment – Earmark dedicated Parking spaces along highways and major roads for trucks and resting places for drivers

- a) Schemes for Training and Skill Upgradation
 - b) Development of Highway Amenities/centres along State highways providing basic facilities
 - c) State Specific schemes for the Health and well-being of Drivers
 - d) State Skill's mission is to impart driver training programs
- 2.8.2 **Warehousing** – Ensure ease availability of land and facilitative environment for the conversion of land use, FAR relaxation for warehousing, relation in height of warehouses etc.
- a) Development of a Single Window clearance for securing applicable licenses and approvals for establishing and operating warehouses
 - b) Creating an e-Directory of warehouses in the State
- 2.8.3 **Smart Enforcement** – Move towards an eco-system of minimal inspection and stoppages of trucks on road; Identify truck movement checkpoints & address these bottlenecks; and effective implementation of Carriage of Goods by Road Act, 2007 and Indian Motor Vehicles Act.
- a) Simplification of Existing processes for Road enforcement
 - b) Initiatives to address protruding cargo
 - c) Prepare a roadmap for the adoption of an alternative/innovative methodology of enforcement
 - d) Provision of Wifi / CCTVs / WIMs for remote enforcement
 - e) Integration of GSTN / FASTag / VAHAN and SARATHI databases and use in Smart Enforcement
- 2.8.4 **City Logistics** – Logistics Parks with truck parking/ warehousing in Peri-urban areas near cities / Transport infrastructure and traffic for last-mile delivery
- a) Development of transport infrastructure and traffic planning for last-mile delivery within the city boundaries.
 - b) Identification of peri-urban locations for the development of warehouses/fulfilment/aggregation centres to enable the shift of in-city warehouses
 - c) Transportation of goods through sustainable modes etc.

3 Invest Uttarakhand (Advantage)

3.1 Industrial Corridors

The State's strategic location & proximity to the National Capital Region (NCR), and the upcoming 2 National Industrial Corridors, Amritsar Kolkata Industrial Corridor (AKIC) and DMIC (Delhi Mumbai Industrial Corridor) will help in meeting the infrastructural requirement for facilitating logistics activities in the state.

The State government will undertake the following measures to enhance the logistics & infrastructure of the State.

3.2 Enhancing Warehousing, Storage, Container Facilities, and Air Cargo Facilities

- 3.2.1 The State will set up new ICD / Dry port facilities at Haridwar and other emerging industrial hubs, to address challenges/ difficulties in cargo storage, customs clearance, and container availability.
- 3.2.2 A Land Custom Station (LCS) at Banbasa, Champawat will be set up as an Integrated Check Post (ICP) in coordination with the Land Port Authority of India (LPAI)
- 3.2.3 Upgrade the existing ICDs at Kashipur and Pant Nagar & Existing cargo setup at Jolly Grant Airport
- 3.2.4 The State will set up a cargo terminal at Pantnagar airport along with integrated facilities for cold chain and warehousing to facilitate logistics
- 3.2.5 Increase the air connectivity by starting new flights to destinations including metro cities of India
- 3.2.6 Improvement & maintenance of the existing road infrastructure across the Industrial regions to increase the cargo inflow/outflow, thereby reducing the transactional cost incurred by the industries
- 3.2.7 Increase the rail connectivity across regions
- 3.2.8 Ongoing Projects like Rishikesh - Karanprayag Rail project, All-Weather Chardham Road project, and Bharatmala road project aim to enhance the connectivity to the remotest parts of the State will be expedited.

3.3 Industry Status to Logistics Sector:

Warehousing and Logistics units satisfying the 'Infrastructure Status' conditions laid out by the Government of India will be granted 'Industry' status in the state

3.4 Promotion of Dry Ports

The Government of Uttarakhand will focus on strengthening the Dry Ports & Inland Container Depot (ICDs) at appropriate locations (high business density)

3.5 Storage Facilities

To fulfill the requirements of the MSME sector (especially Agro producers), the State aims to establish storage facilities in each district

3.6 Logistics Park

The State will facilitate the establishment of Logistics Parks in the State by providing necessary infrastructure support through the State Infrastructure & Industrial Development Corporation of Uttarakhand Limited (SIIDCUL)

3.7 Multimodal Logistics Park (MMLP)

As part of the National Perspective Plan, prepared under the Sagarmala Programme of the Ministry of Shipping, 7 Multi-Modal Logistic Parks (MMLPs) were proposed in different states of India, out of these, one park has been set up under an area of approximately 38 acres, in Pant Nagar, Uttarakhand. Domestic operations have already been initiated at this facility and the State government will facilitate international operations. This park is supporting industries located at IIE Pantnagar, and adjoining areas like Rudrapur, Kashipur, Kiccha and Khatima where major industry players are located. The park will operate as a rail linked MMLP

3.8 Encouraging Public-Private Partnership

The State will encourage public-private partnership in the construction of modern logistics facilities in the state

3.9 Skill Development:

In coordination with Uttarakhand Skill Development Mission, the State will include courses in Logistics to enable skilled manpower for the rising demand in the Sector

4 Policy Implementation

- 4.1 This policy will come into effect on the date of its notification and will remain in force for 5 years. Progress of this policy and its implementation to be ascertained after 2 years from the date of notification, if any changes in the policy need to be incorporated then amendments to this policy shall be summarily notified and made thereafter.
- 4.2 Unit/ project registered as Proprietor, Partnership firm, Cooperative Society, Company, Trust, Non-Government Organization (NGO) can avail incentives under this policy
- 4.3 State Government/ Central Government departments shall not be eligible for any incentives under the policy.
- 4.4 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
- 4.5 As per Uttarakhand MSME Operational Guideline 2015 (As amended 2020), Section “Definition of Adequate Expansion of Existing Industrial Unit” Expansion of Existing Unit will be increasing in investment in fixed capital investment.
- 4.6 This policy may be modified with necessary amendments or supersession as may be required and notified from time to time
- 4.7 In case of any amendment in this policy, if any package of incentives is already committed by the State government to any unit, it shall not be withdrawn, and the unit shall continue to remain entitled to the benefits
- 4.8 Benefits will only be applicable in case the unit’s billing address is located in Uttarakhand for capital expenditure as well as for operational purposes.
- 4.9 The eligible unit that has availed any benefits in any of the State’s policies shall not be entitled to avail incentives of this policy unless otherwise notified.
- 4.10 This special financial assistance shall be over and above any incentives being availed by the units from any Government of India Scheme.

5 Logistics Institutional Setup

5.1 State Logistics Cell

To create a conducive & favorable logistics ecosystem, a state-level logistics cell & state logistics co-ordination committee are constituted and the Secretary, of Industrial development, is appointed as the nodal officer for the integrated development of the sector

This cell shall measure the performance metrics across the logistics value chain and enable data-driven decision-making for future infrastructure and logistics projects, the availability of capacity, and growth trends for logistics infrastructure and facilities in the State

State Logistics Cell

i.	<i>Principal Secretary / Secretary, Industrial Development Govt. of Uttarakhand</i>	<i>Chairperson</i>
ii.	<i>Secretary / Additional Secretary, Planning, Finance, Transport, Civil Aviation, Urban Development, Revenue, Forest & Environment, PWD</i>	<i>Member</i>
iii.	<i>Director General & Commissioner - Industries</i>	<i>Member</i>
iv.	<i>Managing Director, SIIDCUL</i>	<i>Member</i>

State Logistics Coordination Committee

i.	<i>Chief Secretary, Uttarakhand</i>	<i>Chairperson</i>
ii.	<i>Principal Secretary / Secretary, Industrial Development Govt. of Uttarakhand</i>	<i>Member Secretary</i>
iii.	<i>Principal Secretary / Secretary, Planning, Finance, Transport, Civil Aviation, Urban Development, Revenue, Forest & Environment, PWD</i>	<i>Member</i>
iv.	<i>Director General & Commissioner / Director - Industries</i>	<i>Member</i>
v.	<i>Managing Director, SIIDCUL</i>	<i>Member</i>
vi.	<i>Regional Officer / Chief Officer, National Highways Authority of India (NHAI)</i>	<i>Member</i>
vii.	<i>Director, Airports Authority of India (AAI)</i>	<i>Member</i>

It is also proposed that a city logistics coordination committee would be constituted for key cities (to begin with) like Dehradun, Haridwar, Udham Singh Nagar, Haldwani, etc., involving municipal corporations, district authorities, etc., with the prime objective to improve urban freight efficiency and ease cargo movement and reduce bottlenecks

6 Incentives to Logistics Units / Parks

Strategic Interventions Plausible and Expected out of this Policy, and the intent behind the Policy:

Looking at the Topography of Uttarakhand State, and the requirements in terms of Logistical output. This Policy aims to build a HUB – Spoke Model Concept within the state, whereby developing Larger Logistical Connectivity and Infrastructure across the Hubs (Districts classified as Plains) and creating medium & smaller spokes across remotely connected districts. The Flow of material in containers and Vehicles has been similarly sized based on the geographic / Topographic Requirements of the state.

Plausible Hubs (**Level 1**): Districts of Haridwar, Dehradun. Udham Singh Nagar and Nainital.

Where we are Expecting Development of Air Cargo Complexes, Inland Container Depot (ICD), Warehousing facility, Cold Chain Facility, Big Truck Terminals, Transports/ Truck Owners / Fleet Operators/ Aggregators, Logistic Park

Plausible Medium Spokes (**Level 2**): Locations Greater than or Equal to 75Kms from Level 1

Plausible Small Spokes (**Level 3**): Locations Greater than or Equal to 50Kms from Level 2

Note: These locations shall be strategic locations for the state, other locations may come as per availability of trunk infrastructure, Land Availability, and suitable location.as per requirement

This policy will be applicable to new and existing (Undergo expansion) Units/Project:-

S.no.	Units	Criteria	Incentive	Investment Nomenclature and Capping analysis									
A. General Logistic Facilities													
	i.	Warehousing facility	Minimum area of 10,000 sq. ft. (<i>Minimum 5 Utilized processes must be automated with the help of technology Interventions</i>)	20% of the Project cost	<table border="1"> <thead> <tr> <th>Investment (in INR Cr.)</th> <th>Subsidy Cap</th> </tr> </thead> <tbody> <tr> <td>Upto 50 Cr.</td> <td>Upto 8 Cr.</td> </tr> <tr> <td>50 Cr. & upto 150 Cr.</td> <td>Upto 24 Cr.</td> </tr> <tr> <td>Above 150 Cr.</td> <td>Upto 36 Cr.</td> </tr> </tbody> </table>	Investment (in INR Cr.)	Subsidy Cap	Upto 50 Cr.	Upto 8 Cr.	50 Cr. & upto 150 Cr.	Upto 24 Cr.	Above 150 Cr.	Upto 36 Cr.
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Above 150 Cr.	Upto 36 Cr.												
	ii.	Transports/ Truck Owners / Fleet Operators/ Aggregators	Purchasing minimum number of 3 Trucks/ Small Trucks / Mini Pickup trucks (Ex-Showroom Price)	10% on Big and 15% on small and medium trucks- 10 Lakhs									
	iii.	Cold Storage	Minimum area of 5,000 sq. ft (<i>Minimum 5 Utilized processes must be automated with the help of technology Interventions</i>)	20% of the Project cost									
	iv.	Common Facilities	(Weigh bridge, Dormitories, Guest	10% of project cost									

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			Houses, Canteen, Medical Centre)		
	v.	Infrastructure Facilities	(Internal Transportation system, Power line, Communication facilities, Water distribution and water augmentation facilities, Sewage and drainage lines, Effluent treatment & disposal facilities, Fire tender arrangements, Parking)	20% of project cost	
	vi	Business and Commercial Facilities	(Petrol Pump, Restaurant, Hospital, Dispensary, Office)	10% of project cost	
	vi i.	Eco-logistics or green logistics/ technology led logistic	Green logistics including eco-friendly transportation, reducing carbon emissions, solid-liquid waste management, scientific disposal techniques, use of bio-degradable items, adopting recycling techniques, using renewable energy, etc.	25 % of Project Cost	

B. Special Logistic Policy

	i.	Logistics Park (MMLP/Dry Port/ Integrated Logistics Park)	Logistics Parks developed on basis of Private/PPP/ JV mode on more than 10 acres of land area.	Incentive as per Facilities constructed, as listed in A(i)-A(viii)	<table border="1"> <thead> <tr> <th>Investment (in INR Cr.)</th> <th>Subsidy Cap.</th> </tr> </thead> <tbody> <tr> <td>Upto 50 Cr.</td> <td>Upto 8 Cr.</td> </tr> <tr> <td>50 Cr. & upto 150 Cr.</td> <td>Upto 24 Cr.</td> </tr> <tr> <td>Above 150 Cr.</td> <td>Upto 36 Cr.</td> </tr> </tbody> </table>	Investment (in INR Cr.)	Subsidy Cap.	Upto 50 Cr.	Upto 8 Cr.	50 Cr. & upto 150 Cr.	Upto 24 Cr.	Above 150 Cr.	Upto 36 Cr.
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Upto 50 Cr.	Upto 8 Cr.												
50 Cr. & upto 150 Cr.	Upto 24 Cr.												
Above 150 Cr.	Upto 36 Cr.												
	ii.	Inland Container Depot (ICD)	Minimum investment of INR 50 crore and minimum area of 18 acres	Incentive as per Facilities constructed, as listed in A(i)-A(viii)									

Note.

- These incentives will apply to all new and existing industries / logistic units and those units that undergo expansion, Government of Uttarakhand will regularly review the progress of this policy and take necessary steps to make it more effective and result-oriented
- Over and above, all categories of incentives –
Skill development Incentive (For new logistic provider- general or special)
(Training Period (Min – 1 Month & Max – 3 Months)
One-time support of INR 25,000/- or actual cost of training per person whichever is lower, up-to max of 100 Employees to be claimed within a period of 2 Years from the starting date of Operations. Skill Development Institution to be accredited under NSDC/ UGC/ Government/ AICTE.

7 Release of Incentive (Process)

Phase of Incentive Release	Stages	Submitted by Investor Checklist
1st Instalment:	The 1st installment of 20% at the time of Land Purchase.	<ol style="list-style-type: none"> 1. Company Incorporation Certificate 2. Land Deed/ Lease Deed 3. Approved DPR from Charter Accountant 4. Means of Finance
2nd Instalment:	The 2nd instalment of 30% of the total Incentive under the Logistic Policy will be released after ensuring that 90% of the project cost has been utilized on the project.	<ol style="list-style-type: none"> 1. Chartered Accountant Certificate - Actual expenditure incurred on the project showing the means of finances and 90% of project cost utilized 2. Expenditure incurred on the project (Bank Statement, Bill, and Transaction Proof) 3. GST paid on project cost 4. Site Inspection Report by the District Industries Centre / Directorate of Industries to ascertain the physical progress of the project
3rd Instalment:	The 3rd instalment of 30% of the total Incentive under the Logistic Policy will be released only after confirming the commencement of commercial production through physical verification by the District Industries Centre / Directorate of Industries and issue of Consolidated consent & authorization (CCA) from the Pollution Control Board	<ol style="list-style-type: none"> 1. Chartered Accountant Certificate - Actual expenditure incurred on the project showing the means of finances and 100% utilization of Project Cost 2. GST Number 3. Commercial Operation Certificate issued by DIC
4th Instalment:	The 4th instalment of 20% of the total Incentive under the Logistic Policy will be released only after 2 years of commercial operation	<ol style="list-style-type: none"> 1. After 2 years of Commercial Operation 2. Before releasing of 4th & final instalment of Incentive a project cost will be re-calculated based on the proposed/appraised / actual cost, whichever is less, for the already approved items and released accordingly

Note: Post Notification of this Policy, Guidelines shall be issued for further implementation structure as applicable. The sanctity of this policy document shall prevail across the entire period of Policy applicability.

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*** Business Units availing of these benefits / Incentives would require a minimum operational timeline/timeframe of 5 Years from the commencement of Operations, otherwise, the benefits being availed have to be forfeited/reversed back to the Government of Uttarakhand. Guidelines for the same shall be summarily notified against this forfeiture/reversal.*