



Government of Rajasthan

# Rajasthan Logistics, Warehousing and Logistics Park Policy - 2021





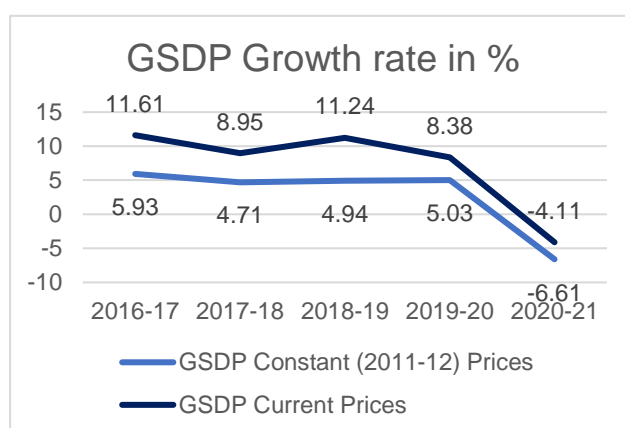
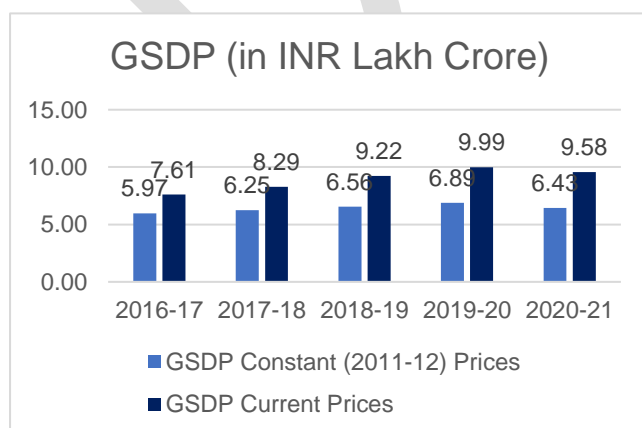
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## 1. Preamble

With the potential to facilitate domestic and foreign trade, promote global competitiveness, enhance income, and reduce economic disparities across geographies, an effective and efficient logistics ecosystem can be a key contributor to robust economic growth in the country. Logistics sector is one of the most important accelerators of trade in the country. Specifically, an efficient supply chain network has the potential to increase farmer's income which can lead to a domino effect on overall economy. A reliable, efficient, and cost-effective logistics infrastructure is critical to India's inclusive and rapid economic growth.

- An efficient and reliable logistics network coupled with transparent and consistent cross border trade facilitation is a key driver of export competitiveness in the State
- It acts as an enabler for expanding to foreign markets for indigenous goods. An efficient logistics ecosystem also encourages investments in the country, especially FDI and creates a positive impact on international trade.
- Despite the recognition of logistics as a critical driver of economic development, logistics cost in India (estimated at 13-14% of GDP) is very high compared with more efficient global environments (USA 9-10%, Europe 10%, Japan 11%), and the sector continues to be highly unorganized.
- India also has a skewed modal transportation mix with 60% of freight moving on roads, which is significantly larger than the developed economies.

Rajasthan shares an international border with Pakistan and the State border with five other States of India (Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, and Gujarat). Rajasthan provides connectivity between Northern & Western India with support of Major Road & Rail projects which pass through the State.



Source: Rajasthan Economic Review 2020-21

The nominal Gross State Domestic Product (GSDP) or GSDP at current prices for the year 2020-21 is estimated to attain a level of **INR 9.58** Lakh Crores, against **INR 9.99** Lakh Crores in the year 2019-20. It is a decline of **4.11%** in comparison to 2019-20 which may be attributed to COVID-19 related disruption. However, it is estimated that after recovery from the COVID-19 disruption, the economy of Rajasthan shall grow at a much faster pace and shall showcase a higher growth rate.

**To leverage the potential of Logistics sector and to provide support for development of its ecosystem in the State, Government of Rajasthan has framed this dedicated sector policy which shall be termed as “Rajasthan Logistics, Warehousing and Logistics Park Policy – 2021”.**

## **2. Definitions**

**“Logistics Park”** means an estate which is developed in minimum area of 10 acres for the establishment of minimum five enterprises engaged in or propose to be engaged in logistics services like cargo aggregation / segregation, distribution, open storage, closed storage, ambient condition storage for transit period, container freight station, Material handling equipment and have infrastructure like internal roads, power line, water distribution, sewage and drainage lines.

**“Multi-Modal Logistics Hub”** means logistics infrastructure serving as or proposed to serve as logistics facility with access to more than one mode of transport comprising of mechanized warehouses, specialized storage solutions including cold storage, facilities for mechanized material handling and inter-modal container transfer terminals, bulk or break-bulk cargo terminals developed in minimum area of fifty acres.

**“Warehouse”** means any standalone building structure or other protected enclosure which is or may be used for the purpose of storing goods on behalf of depositors, but does not include the premises of public carriers, and the like or the premises of an Aartiya or of a commission agent.

**“Inland Container Depot (ICD)”** means an off seaport (or Port) facility having such fixed installation or otherwise, equipment, machinery etc. providing services for handling / clearance of laden import, export containers for home use, warehousing, temporary admissions, re-export etc. under custom control and with storage facility for customs bonded or non-bonded cargo.

## **3. Vision**

To develop cost effective, integrated, equipped and sustainable logistics services to make Rajasthan the most preferred investment destination in India with the most conducive eco-system for industrial development. The Policy envisages to attract Investment of INR 3000 Crores from Logistics, Warehousing and Logistics Parks.

#### 4. Objectives

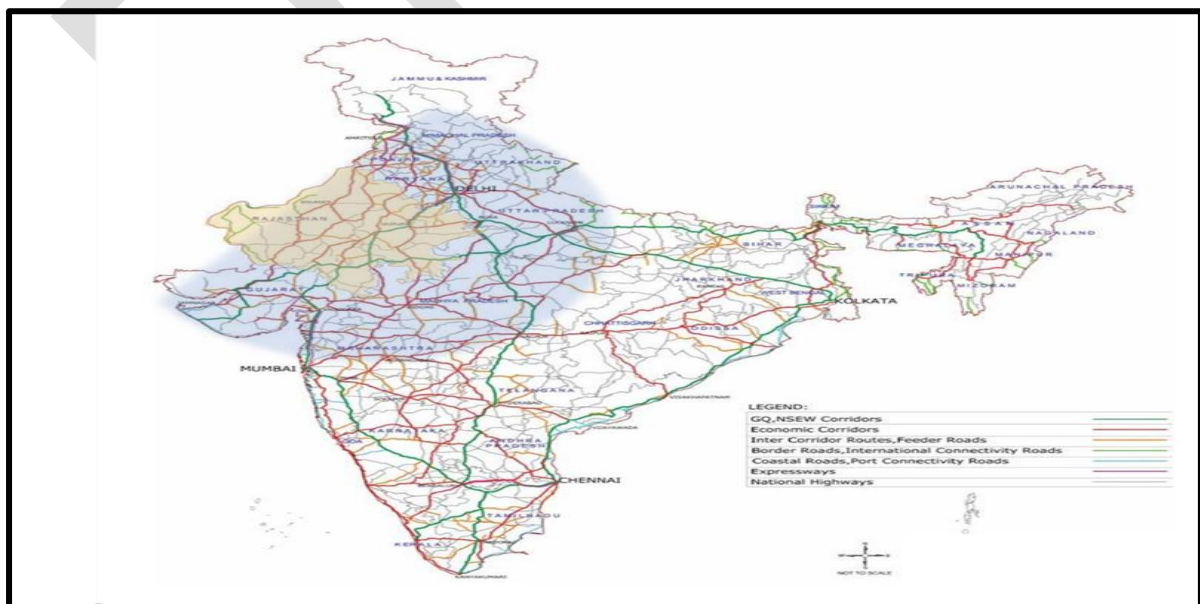
- To make an integrated, seamless, efficient, reliable, and cost-effective logistics network.
- To improve first mile and last-mile connectivity to expand market access of farmers, MSMEs, and small-businesses.
- To enhance efficiency across the logistics value chain through increased digitization and technology adoption.
- To ensure standardization in logistics (warehousing, packaging, 3<sup>rd</sup> Party Logistics (3PL), freight forwarding).
- To facilitate the development of logistics and warehousing sector with industrial and economic development
- To generate employment opportunities for the local populace.
- To Simplify documentation for exports / imports and drive transparency through digitization of processes involving Customs.
- To create a data and analytics centre for transparency and continuous monitoring of key logistics metrics.
- To encourage industry, academia, and government to come together to create a logistics Center of Excellence, and drive innovation in the logistic sector

#### 5. Operative Period of Policy

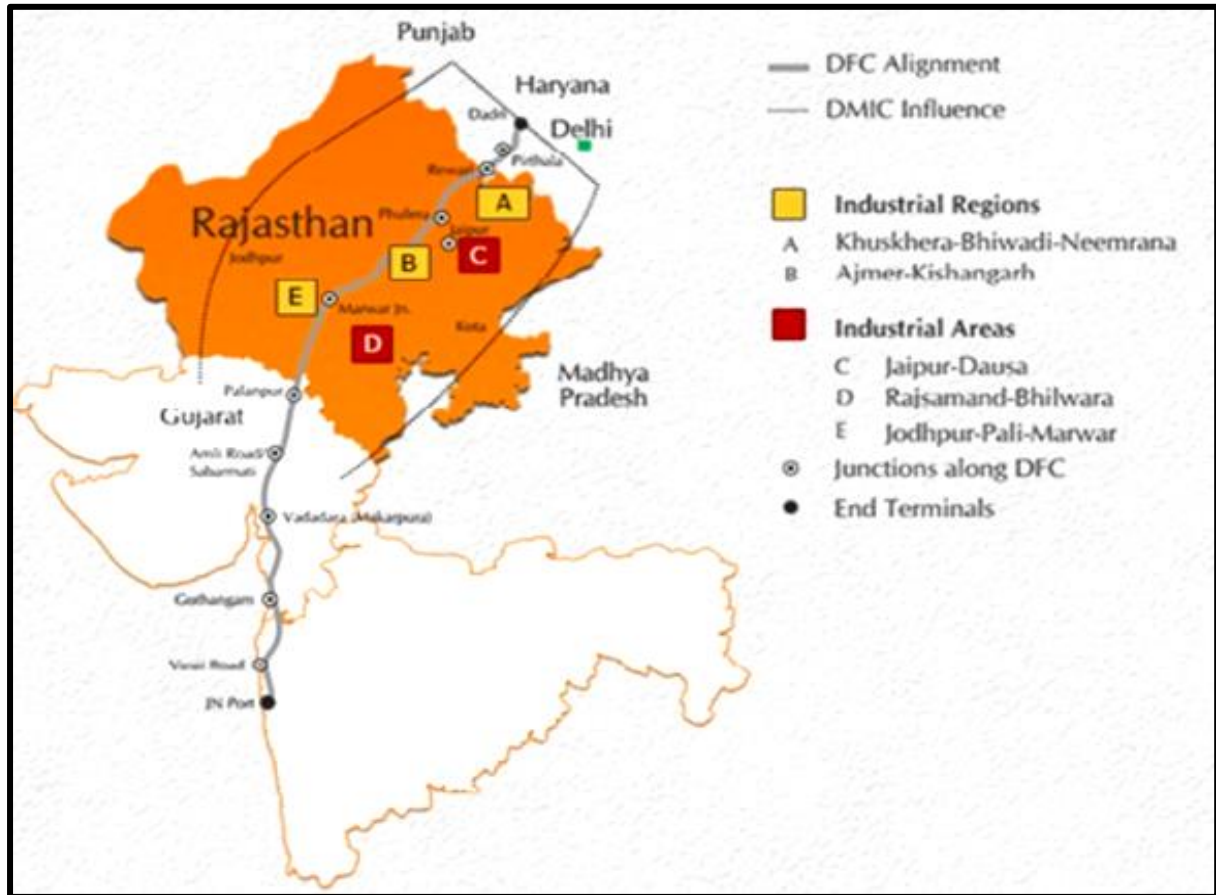
The policy shall come into effect from the date of its notification in the official gazette and shall remain in force until it is amended or superseded by the **State** Government.

#### 6. Locational Advantages for Logistics

Rajasthan shares its boundary with six major States of the northern, western and central India. It is a natural corridor between the northern and western States of the country, which makes it an important trade and commerce centre.



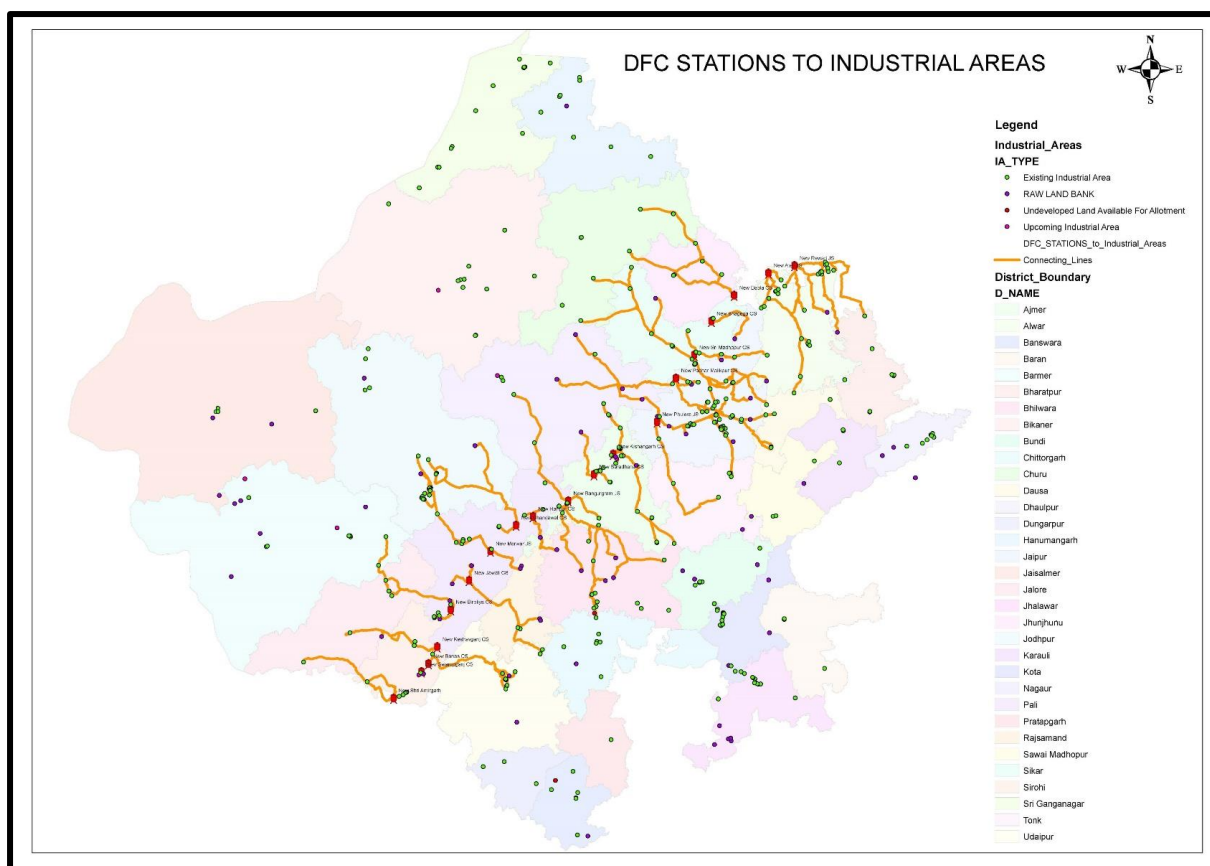
Dedicated Freight Corridor (DFC) is 1,483 kms long rail corridor connecting Jawaharlal Nehru Port, Mumbai to Dadri, New Delhi. DFC shall allow high-speed connectivity for high axle load wagons (25 Tonnes) of double-stacked container trains supported by high-power locomotives.



A band of 150 kms on both sides of the DFC is being developed as the Delhi-Mumbai Industrial Corridor (DMIC).

### 6.1. Delhi-Mumbai Industrial Corridor (DMIC) in Rajasthan

With nearly 39% of DFC passing through Rajasthan, opportunities for industrial establishment along the route are eminent as the corridor shall make Rajasthan easily accessible to western and northern markets. About 60% of the State's area falls within the project influence area of DFC. With this, the State shall become an attractive destination for setting up logistics, industrial, and support infrastructure units.



In the Khushkhera-Bhiwadi-Neemrana Investment Region (KBNIR), an integrated industrial township is being developed along with supporting infrastructure and projects.

#### 6.1.1. Development plans under DMIC

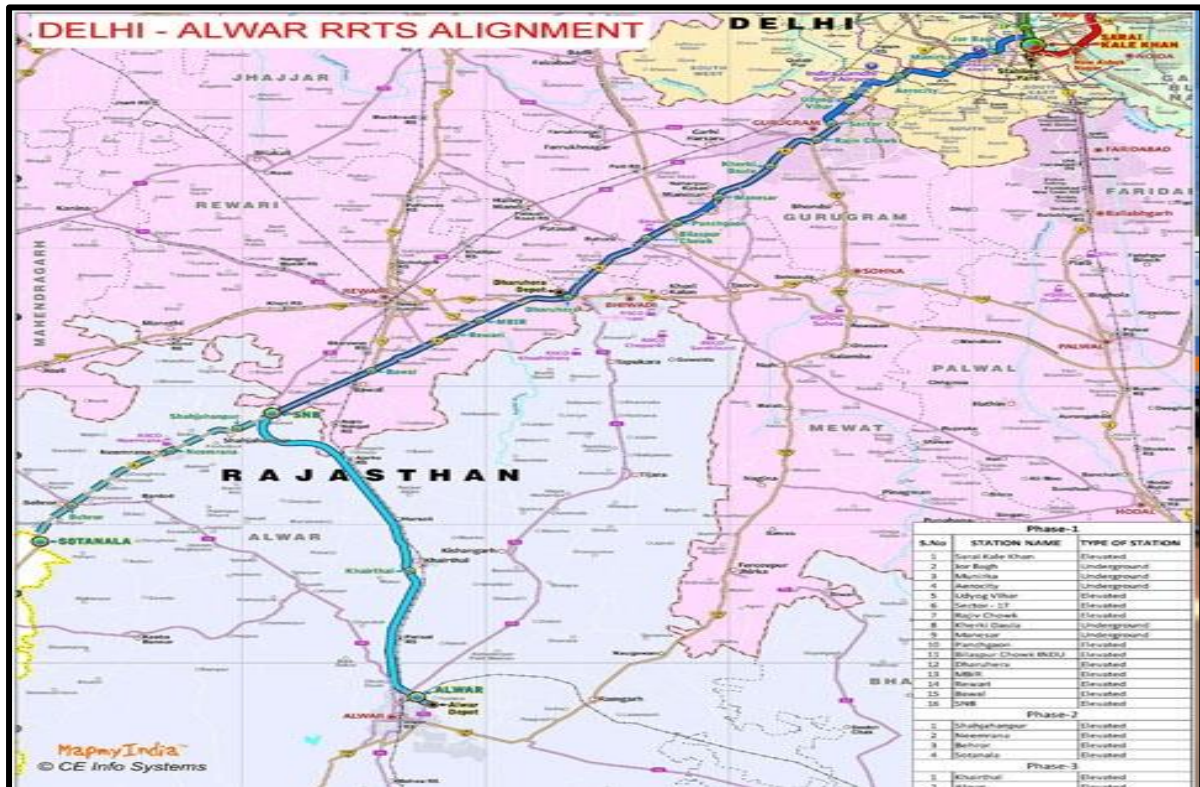
Greenfield integrated township within the investment region of Khushkhera-Bhiwadi-Neemrana, is proposed to be developed as model future city, which shall be spread over 165 sq. kms, housing a world-class knowledge city along with support infrastructure, residential, commercial, industrial and institutional zones. The master plan for the same has been notified.

Salient features of the investment region:

- Good connectivity with road, air & rail networks.
- Adequate availability of power, gas, etc.
- Proposed greenfield airport / aerotropolis with a world-class integrated logistics warehousing hub.
- Central Spine, a road corridor to connect the Shahjahanpur-Neemrana-Behrur urban complex in Neemrana and Bhiwadi-Tapukara Industrial complex.



- Jodhpur-Pali-Marwar node shall be developed as second node under DMIC project. The region is proposed to have a civil airport, an integrated Multimodal Logistics Hub (MMLH) and a Mass Rapid Transit System (MRTS) with a well-connected road network.



DMIC shall do away with the limitation of Rajasthan being a land-locked State and shall generate enormous developmental opportunities.

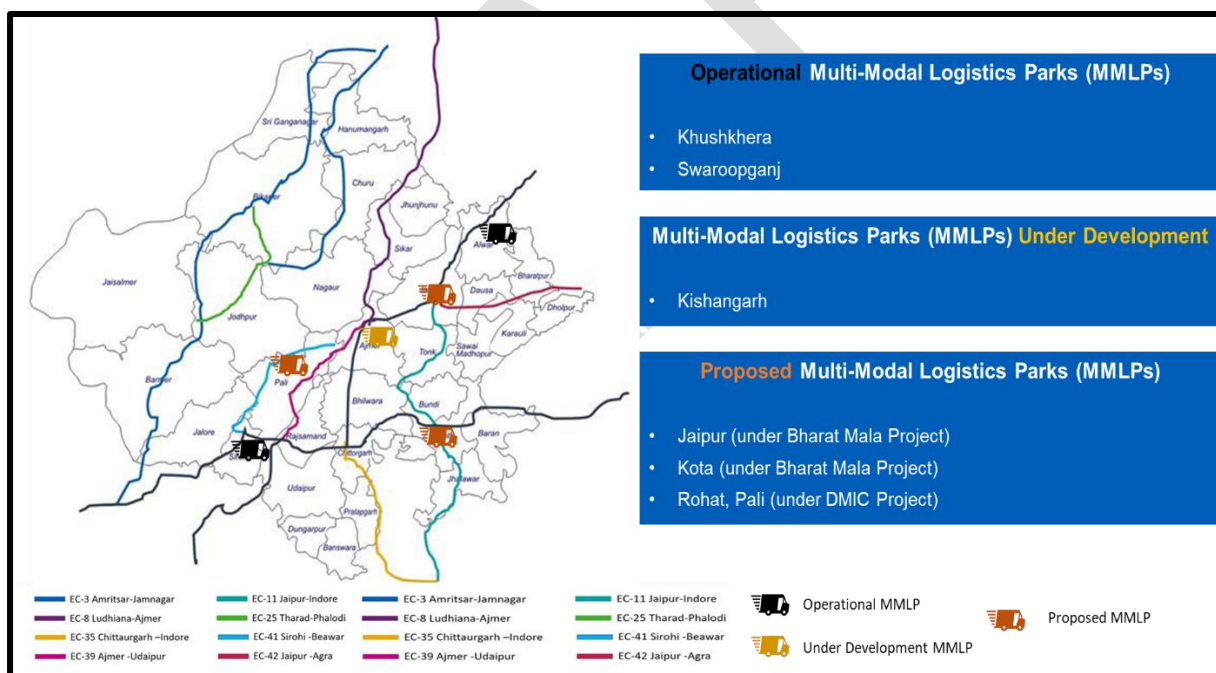
## 6.2. Bharatmala Economic Corridors in Rajasthan

The Ministry of Road Transport and Highways, Government of India, has taken up a detailed review of National Highways network with an intent to develop the road connectivity in border areas, development of coastal roads including road connectivity for non-major ports, improvement in the efficiency of National Corridors, development of Economic Corridors, Inter Corridors and Feeder Routes along with integration with Sagarmala, etc., under Bharatmala project. The Bharatmala project envisages the development of Economic Corridors (EC), which along with Golden Quadrilateral (GQ) and North-South & East-West (NS & EW) corridors are expected to carry the majority of the freight traffic on roads. Further, Inter Corridors and Feeder Routes have been identified for improving the effectiveness of EC, GQ, and NS-EW corridors.

Out of the proposed 44 Economic Corridors, 9 are passing through Rajasthan. Details of these 9 Economic Corridors are mentioned below.



#	Economic Corridor	Alignment	Length (km)
1.	Amritsar-Jamnagar	Amritsar – Faridkot – Bhatinda – Abohar – Sri Ganganagar – Bikaner – Nagaur – Jodhpur – Radhanpur – Samkhiyali – Jamnagar	1,316
2.	Ludhiana - Ajmer	Ludhiana-Sangrur-Hisar-Sadulpur-Ajmer	618
3.	Jaipur-Indore	Jaipur - Tonk - Bundi - Kota - Jhalawar - Ujjain – Indore	574
4.	Tharad-Phalodi	Phalodi - Balotra - Tharad	394
5.	Nagaur - Mandi Dabawli	Nagaur - Sujargarh - Ratangarh - Pallu - Rawatsar - Hanumangarh - Mandi Dabwali	387
6.	Chittaurgarh - Indore	Chittaurgarh-Pratapgarh-Ratlam-Indore	303
7.	Ajmer – Udaipur	Ajmer - Beawar - Rajsamand - Udaipur	286
8.	Sirohi – Beawar	Sirohi - Sumerpur - Pali - Beawar	255
9.	Jaipur – Agra	Jaipur - Dausa - Bharatpur - Agra	240

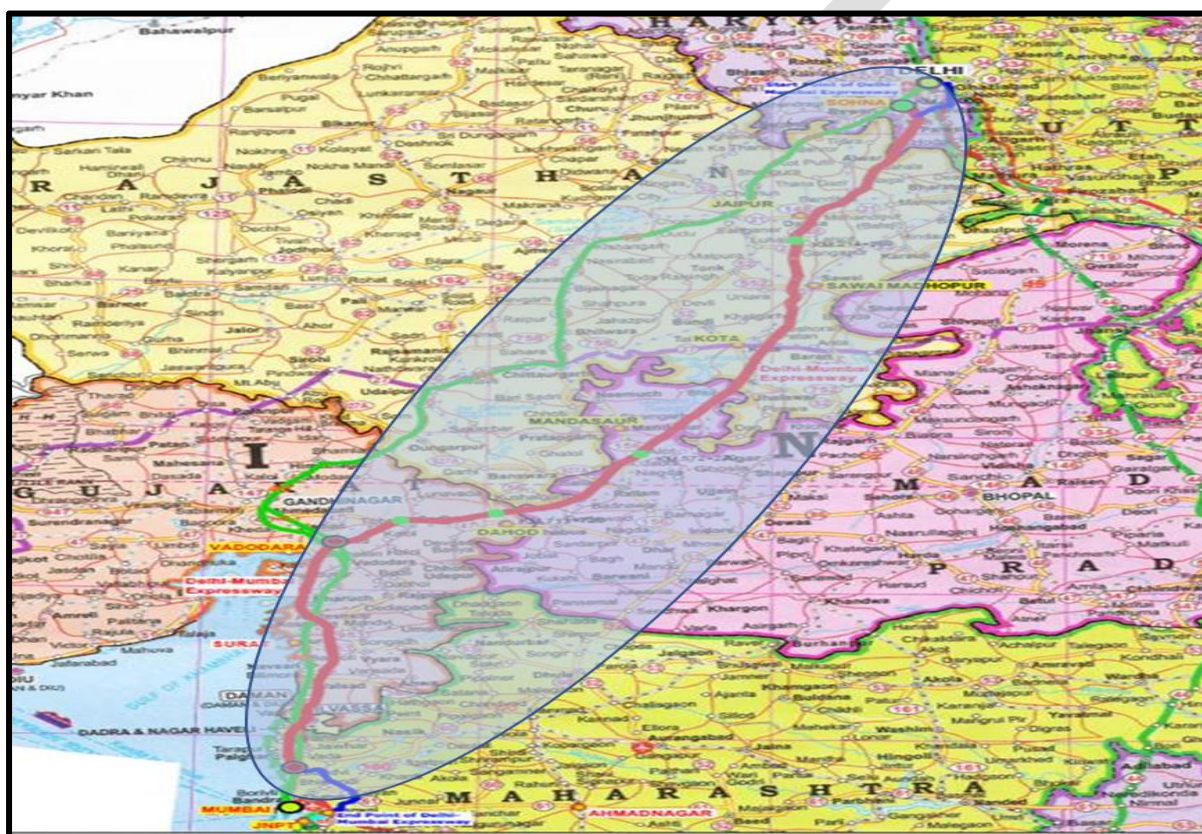


These corridors will assure seamless internal connectivity and connectivity with the port and nearby States/ major markets. The programme envisages the development of Ring Roads / bypasses and elevated corridors to decongest the traffic passing through Jaipur, Kota, and Udaipur to enhance logistics efficiency. Further, to reduce congestion on proposed Corridors, enhance logistics efficiency and reduce logistics costs of freight movements, Delhi – NCR, Jaipur, and Kota have been identified for the development of Multimodal Logistics Parks. The Rajasthan Government shall

support the development of infrastructure projects under the Bhartmala Project in Rajasthan.

### 6.3. Delhi – Mumbai Expressway in Rajasthan

The Delhi - Mumbai expressway is expected to be complete by 2023, It will be an access-controlled expressway and shall provide connectivity to India's national capital New Delhi with financial capital Mumbai. The proposed Delhi - Mumbai Expressway shall be the world's longest expressway and shall provide 8-lane road connectivity with the greenfield-alignment route in backward areas and reduce the current 24 hours travel time to 12 hours.



It shall connect Delhi - Noida Direct Flyway (DND) in New Delhi to Jawaharlal Nehru Port in Maharashtra and shall cover 373 Kms length through the State of Rajasthan. This expressway, along with Western Dedicated Freight Corridor (Western DFC), shall be the backbone of the Delhi–Mumbai industrial corridor.

### 6.4. Special Economic Zones (SEZ) in Rajasthan

Special Economic Zones are set up to promote infrastructural development and a hassle-free environment best suited for export trade from the State with a primary focus in the fields of Gems and Jewelry, Woolen Carpets, Handicrafts etc. Six SEZs with an investment of INR 165.15 billion have been notified out of which following three SEZs are currently operational in the State.



1. Mahindra World City (Jaipur) Ltd - Multi Product SEZ at Jaipur
2. RIICO Ltd (Phase-I) - Multi Product SEZ at Sitapura, Jaipur
3. RIICO Ltd (Phase-II) - Multi Product SEZ at Sitapura, Jaipur

### 6.5. Inland Container Depots (ICD) in Rajasthan

Rajasthan has a strong network of ICDs with facilities at Jaipur, Bhiwadi, Jodhpur, Bhilwara, Kota, Ajmer and Hindaun City. ICD Kanakpura, Jaipur is one of the flagship ICDs of Container Corporation of India Ltd. (CONCOR), a Government of India undertaking under Ministry of Railways, which has been a front leader in setting up new standards for logistics in the country. The State Government shall conduct survey to identify the potential location to provide ICD connectivity of each district of the State and continue to explore opportunities for establishment of new ICDs on need basis.



- 1 ICD Concor New Powerhouse Bhagat Ki Kothi Jodhpur
- 2 ICD Bhilwara, Sector 5 Azad Nagar Bhilwara
- 3 ICD Rajsico Sector 9 UIT Colony Bhiwadi Alwar
- 4 ICD Khatuwas, Mandhan Village, Distt, Alwar
- 5 ICD Sanganer, Plot No. Sp7 Sia Jaipur
- 6 ICD Rajsico Basni Phase -II Jodhpur
- 7 ICD Concor, Kanakpura, Jaipur
- 8 ICD Concor Rawatha Road, Post Mandana Kota
- 9 ICD Thar, Dry Port Barmer Road Pal Goan Jodhpur





The State Government shall also co-ordinate with the Ministry of Railways and facilitate development of railway infrastructure and promote warehouse establishment at strategic locations. (e.g. Bhilwara, Banswara etc.)

## 7. Ease of Doing Business for Logistics & Warehousing Sector

7.1. The Government of Rajasthan has taken various initiatives to improve the business environment in the State through regulatory reforms and simplification of procedures of registrations. The State Government shall improve Ease of Doing Business for Logistics & Warehousing sector in the State.

7.2. The State Government has established one stop shop facility with IT application, 'RAJNIVESH', for all investment related matters such as business information to investor, investor queries, expediting regulatory approvals, facilitating meetings with relevant Government departments, hand-holding support for matters related to fiscal incentives and investor's feedback.

7.3. The State Government shall set up a dedicated logistics division under the Department of Industries and Commerce, Government of Rajasthan. This division shall ensure better coordination between State departments including Civil Aviation, Transport, Urban Development & Housing (UDH), Rajasthan State Warehousing Corporation (RSWC), Agriculture, Revenue, Rajasthan State Industrial Development and Investment Corporation Ltd. (RIICO),

Bureau of Investment Promotion (BIP), Public Works Department (PWD), Rajasthan State Road Development & Construction Corporation Limited (RSRDC) and other related departments in setting up logistics infrastructure and ensure efficient approval process.

7.4. The State Government shall evaluate department-wise regulations / compliances for Logistics, Warehouse, and Logistics Park Sector and shall work towards reducing the total number of regulations and compliances.

7.5. The State Government shall co-ordinate between the Logistics, Warehousing and Logistics Park related State and Central Government departments such as Department of Road and Transport, National Highway Authority of India, Indian Railways etc. and shall develop a mechanism for inter-departmental coordination.

## **8. Support for Development of Logistics & Warehousing Sector**

8.1. Given the importance of Logistics & Warehousing sector, Department of Economic Affairs, Ministry of Finance, Government of India, vide gazette notification dated 14<sup>th</sup> November 2017, has granted infrastructure status to the sector. The Government of India has included “Logistics Infrastructure” as a new item in the renamed category of ‘Transport and Logistics’. Under this, Multimodal Logistics Park comprising Inland Container Depot (ICD) with minimum investment of INR 50 Crores and minimum area of 10 acres, Cold Chain Facility with minimum investment of INR 15 Crores and minimum area of 20,000 sq. ft., and / or Warehousing Facility with investment of minimum INR 25 Crores and minimum area of 1 lakh sq ft. has been granted infrastructure status. This will enable the Logistics sector to avail infrastructure lending at easier terms with enhanced limits, access to larger amounts of funds as External Commercial Borrowings (ECB), access to longer tenor funds from insurance companies, pension funds and be eligible to borrow from India Infrastructure Financing Company Limited (IIFCL).

8.2. Warehousing and Logistics units satisfying the ‘Infrastructure Status’ conditions laid out by the Government of India (as mentioned in clause no. 8.1) shall be granted ‘Industry’ status in the State. The industry status shall be for the purpose of extending the benefit of Utility charges (Power and Water), service charges, city planning etc., however for any land related matter, it shall be up to prevailing policies / decision of the concerned authorities / departments / corporations. Ground coverage of up to 70% shall also be allowed for Warehousing and Logistics units by development authorities at selected locations.

- 8.3. To prevent delays for vehicles carrying export-import (EXIM) cargo, the State Government shall identify EXIM Logistic Channels for EXIM cargo which shall provide a route with less inspection during transit.
- 8.4. To reduce vehicular congestion and strengthen parking facilities, the vacant plot(s) in residential / commercial / industrial / institutional / agriculture areas shall be permitted for parking, at predetermined rates, without the need for conversion and conversion charges.
- 8.5. The State Government shall identify appropriate land near the consumption zones in all divisions for the development of Logistics parks and warehousing facilities.
- 8.6. The State Government shall facilitate the development of dedicated Transport Zones / Nagar in all major industrialized cities / towns, including truck terminals near major national and State highways, expressways, investment zones, economic corridors, and industrial corridors. These dedicated transport zones and terminals shall have common facilities for goods vehicles such as warehouses, parking, workshops, etc.
- 8.7. The State Government shall support the development of logistic and warehousing zones at strategic locations. The State Government shall identify the locations with inherent advantages for the development of the Logistics and Warehousing sector and the RIICO / Department of Industries & Commerce shall develop Logistics and Warehousing zones by providing land and other common facilities at a competitive cost.
- 8.8. The State Government envisages to provide seamless connectivity, excellent social and physical infrastructure, adequate water & power availability, and other required facilities in the Logistics and Warehousing zones. The 'Private Logistics Parks' and 'Warehouses' shall be facilitated by the State Government in obtaining peripheral external link infrastructure (e.g., road, facilities for drawl of water, drawl of power including substation, gas, effluent disposal etc.)

## **9. Strengthening of Logistics and Warehousing Infrastructure**

- 9.1. The State Government shall create a Logistics master plan for the State. The logistics master plan shall strengthen the logistics ecosystem of the State and provide adequate support to sector for tapping its potential.
- 9.2. The State Government shall provide adequate space, preferably around the city centre, for establishment of Logistics & Warehousing facilities.



9.3. RIICO shall provide provision for adequate space at New / proposed Industrial Areas for development of Logistics & warehousing facilities considering requirements of the industries.

9.4. Delhi Mumbai Industrial Corridor (DMIC) and Dedicated Freight Corridor (DFC), Bharatmala Economic Corridors, Rajasthan Petroleum, Chemicals and Petrochemicals Investment Region (Rajasthan - PCPIR) are being developed by the State Government. The State Government shall facilitate development of sector and product-specific special warehousing and logistic hubs in identified locations.

9.5. The State Government shall co-ordinate with Ministry of Road & Transport, Govt of India and facilitate the establishment of Multi-Modal Logistics Hub at Jaipur and Kota under Bharatmala Project.

9.6. Inland Container Depots (ICDs): The State Government shall explore the establishment of new ICDs on a need basis and support the development of Logistics Park & warehousing zones near these ICDs.

9.7. The State Government currently has one functional MMLP with export facility at Khatuwas (CONCOR), Alwar. MMLP at Swaroopganj (CONCOR), Sirohi is under implementation and Kishangarh (Adani), Ajmer is also available for domestic freight. In addition, MMLPs at Kishangarh & Rohat (DMIC node of Marwar Industrial cluster (MIC)) under DMIC project and at Jaipur & Kota under Bharatmala project are proposed to be developed in future. The State Government shall provide assistance for establishment of MMLP at Dausa, nearby the Delhi-Mumbai Expressway. The State Government shall continue to explore opportunities for the establishment of new MMLPs on need basis.

9.8. To facilitate the import and export of goods and services, the State Government shall facilitate establishment of Free Trade and Warehousing Zones (FTWZs) at strategic locations in the vicinity of the existing DFC, DMIC, Industrial & economic corridors and upcoming Mumbai-Delhi expressways. The FTWZs shall be developed with facilities like customized warehousing, office spaces, transportation and handling facilities including support facilities such as medical centres, canteen etc.

## **10. Fiscal Incentives for Logistics Sector**

To promote private sector contributions in establishment of Logistics and warehousing infrastructure in the State, following incentives are provided under Rajasthan Investment Promotion Scheme – 2019 (RIPS – 2019).

- i. Investment Subsidy of 75% of State tax due and deposited, for seven years.

- ii. Employment Generation Subsidy in the form of reimbursement of 50% of employer's contribution towards employees EPF and ESI, for seven years:

Provided that the Employment Generation Subsidy in the form of reimbursement of 75% of employer's contribution towards EPF and ESI shall be granted

- a) For employees belonging to Women, Schedule Caste (SC), Schedule Tribe (ST), Person with disability (PwD); and
- b) For all employees if the enterprise is providing more than 75% direct employment to persons domiciled in Rajasthan.

Provided further that the Employment Generation Subsidy shall not be granted for those employees for which employer is receiving reimbursement under any other scheme of Government of India or Government of Rajasthan.

- iii. Exemption from payment of 100% of Electricity Duty for seven years.
- iv. Exemption from payment of 100% of Land Tax for seven years.
- v. Exemption from payment of 100% of Stamp Duty:
  - a. On purchase or lease/sub-lease of land and construction or improvement on such land; and
  - b. On purchase or lease of floor area/space in any constructed commercial building for setting up of enterprise in: -
    - i. IT Sector; or
    - ii. Entertainment Sector; or
    - iii. Industry 4.0; or
    - iv. Tourism Sector; and
- vi. Exemption from payment of 100% of conversion charges payable for change of land use and conversion of land.

In addition to this, below mentioned incentives are also applicable for Multi-Modal Logistics Hub, Logistic Park and Warehouses.

- a. Multi-Modal Logistics Hub developed or proposed by an enterprise or Special Purpose Vehicle making an investment equal to or above rupees fifty crore shall be granted the following benefits: -
  - 5% interest subsidy on term loan, for making an investment in equipment, for a period of 5 years, subject to a maximum of INR 1 crore per year; or
  - Capital Subsidy equivalent to 20% of the investment made for building common infrastructure, subject to maximum INR 4 crore.

- b. Logistics Park developed or proposed by an enterprise or Special Purpose Vehicle making an investment equal to or above rupees thirty crore shall be granted the following benefits: -
- 5% interest subsidy on term loan, for making an investment in equipment's, for a period of 5 years, subject to a maximum of INR 50 lakh per year; or
  - Capital Subsidy equivalent to 20% of the investment made for building common infrastructure, subject to maximum INR 2.5 crore.
- c. Warehouse developed by an enterprise or Special Purpose Vehicle with an investment equal to or more than rupees two crore, having capacity of at least 3000 MT shall be granted Capital Subsidy equivalent to 20% of the investment made in equipment, subject to a maximum of INR 2 lakh, for Warehouse in land measuring up to two acres; and Capital Subsidy equivalent to 20% of the investment made in equipment, subject to a maximum of INR 5 lakh, for Warehouse in land measuring above two acres.

## **11. Policy Implementation**

- 11.1. Rajasthan Logistics, Warehousing and Logistics Park Policy Monitoring Committee shall be constituted under the Administrative Secretary- Industries, Government of Rajasthan to periodically review (at least once in every quarter) implementation and assess impact of the policy.
- 11.2. The committee shall be empowered to take all necessary decisions for the smooth implementation of policy such as:
- a. To monitor progress of all institutions involved in the process
  - b. To assign roles and targets to institutions involved and monitoring of work being performed
  - c. To interpret and/or relax any provision of the Policy
  - d. To frame and/or amend any guidelines or schemes under the Policy
  - e. To review various measures for favorable business environment in the State for Logistics, Warehousing and Logistics Park sector