Govt. of Bihar
Department of Industries

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DEPARTMENT OF INDUSTRIES
GOVERNMENT OF BIHAR

BIHAR
LOGISTICS POLICY
2023

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Bihar Logistics Policy 2023

1. Preamble

Bihar Government is committed to providing international standard infrastructure and facilities in the State for industrial and social growth. The State has planned initiatives for the development of various sectors such as Textile & Garment, Logistics, Food processing, small machine manufacturing, Tourism, Information Technology, Renewable energy etc.

Logistics plays a crucial role in the economic development of any region and is a key determinant for creating efficient backward and forward linkages. There have been a significant number of investments, with domestic and global companies looking at India as a favorable market, especially with the shifts brought about by the rise of the e-commerce retail sector. Innovative ideas to improve end-to-end logistics are the need of the hour especially since a larger share of demand is expected from tier II and tier III cities, and customers are looking at a bouquet of hybrid services including air cargo, time-determined delivery, etc.

This policy is proposed to make the logistics sector in the State more attractive to potential investors. This Policy is aimed at defining the broad contours of the Government's mission towards augmenting the development of the logistics Industry. The policy aims to establish Bihar as a competitive and favored investment destination, achieve regional development, diversify exports and augment livelihood opportunities for its people through resilient economic development.

2. Background

The Logistics Sector comprises of warehousing, shipping, rail, road, air freight, express cargo and other value-added services. Globally it generates an average annual turnover of more than USD 8 trillion and accounts for 11 percent of the global GDP in 2019. The Logistics market is expected to reach USD 15522.02 billion by 2023. The market is expected to reach 92.10 billion tons by 2024.

2.1 Indian Scenario

The Indian logistics sector was valued at USD 160 billion in 2019. India's rank has improved from 54 in 2014 to 44 in 2018 in the World Bank's Logistics Performance Index (LPI), in terms of overall logistics performance.

The sector has come a long way since the economic liberalization, from being a mere transportation services provider to a fully integrated services provider, recording stupendous growth as the consumer market shifts from retail markets to e-retail. Even after new initiatives and policy frameworks, the sector, however, continues to remain highly fragmented and demands more reforms to stabilize and pick up a greater growth velocity.

The logistics sector in India is an area of priority and has benefitted from reforms such as the award of 'infrastructure' status in 2017, easing of FDI norms, implementation of GST, positive changes in the regulatory ecosystem, Bharatmala, Sagarmala, Make in India, etc. These reforms have provided the stimulus for growth opportunities in all facets of logistics including transportation, warehousing, freight forwarding, express cargo delivery, container services, shipping services, etc.

The context of logistics including warehousing and allied activities plays a vital role in the overall development of the economy by facilitating the dismantling of barriers to the acquisition of land, labor, capital, and entrepreneurship.

2.2 Bihar Scenario

Bihar has a unique location-specific advantage because of its proximity to the vast markets of Eastern, Central, and Northern India, Nepal, and South East Asia. The state is well connected to the rest of India and international markets. As per Bihar Economic Survey 2020-21, Bihar's Gross State Domestic Product (GSDP) grew by 10.5% (constant prices) in 2019-20 which is higher than the national average growth rate. Air Transport, Storage, and other services rank amongst the fastest sub-sectors in Bihar's GSDP.

The state can further leverage its location next to land-locked Nepal by taking advantage of the Bangladesh, Bhutan, India, and Nepal Motor Vehicles Agreement (BBIN MVA) through the Inland Container Depot (dry port) at Birgunj, Nepal which is less than 10 km from the town of Raxaul in Bihar.

2.2.1 Enabling Infrastructure

Rail

Rail is second to only waterways when it comes to per km cost of freight transport. Bihar boasts of a total of 3794 km of Rail lines, which is around 5.6% of the total rail network in India. The Eastern Dedicated Freight Corridor (EDFC) also passes through the state spanning a length of 240 km.

Road

Bihar is strategically located and boasts of a large road network. Easy accessibility, the flexibility of operations, door-to-door service, and reliability have earned road transport an increasingly higher share of both passenger and freight traffic, vis-a-vis other transport modes in Bihar. A network of National Highways (NH) crisscrosses the state, and as per Bihar Economic Survey 2021-22, the total length is 5948 Km. The NH is supplemented by a network of State Highways (SH) spanning 37134 Km to complement the already existing NH stretches of the Golden Quadrilateral and East-West Corridor in the state, a total of 751 km of NH are being additionally upgraded to world-class standards under the Bharatmala initiative of the Government of India. Further SAARC Corridor 4 Tranche 1 and SAARC Corridor Tranche 2 which pass through India provide Bihar connectivity to the international market of Bangladesh, Nepal, Bhutan, and Myanmar.

Air

The state has air connectivity through 3 existing Airports at Patna, Gaya, and Darbhanga. As per the Bihar Economic Survey Bihar has registered a massive growth in air transport sector, as the GSDP of this sector has increased from Rs. 31 crores in 2011-12 to Rs. 252 crores in 2018-19. This implied an annual growth rate of 35.6 percent. The domestic passenger traffic registered an annual growth rate of 36.6 percent during the period 2014-15 to 2018-19. Similarly, aircraft movements increased by 31.0 percent annually during the same period. The freight movement has also increased by more than six times, from 1.04 thousand tons in 2004-05 to 6.32 thousand tons in 2018-19

Waterways

Waterways provide a size-flexible, cost-effective, and environment-friendly option for transporting freight. Bihar is blessed with several rivers that flow through the state, and with the implementation of the National Waterways Act, 2016 seven rivers of Bihar have been declared National Inland Waterways. Amongst these 7 National Waterways (NW), NW 1 (Allahabad-Haldia) is already operational with a fixed Jetty at Patna and Floating Terminals at Bateshwarsthan, Bhagalpur, Munger, Barh, Saran and Buxar.

3. Need for the Policy

The Government of Bihar realizes that to achieve the vision of sustainable industrialization in the state, the development of warehousing and logistics infrastructure shall be a critical factor. A vibrant warehousing and logistics sector would increase the competitiveness of goods produced in the state, both in the domestic as well as international market. The Sector has high potential to boost manufacturing and job creation in the state and can therefore be instrumental in further improving the state's GSDP. With this view, the Government of Bihar envisions the "Bihar Logistics Policy 2023" to maximize the benefit accorded by the strategic geographical location of the state and spur far-reaching economic benefits.

The rapid industrialization in Bihar has also created a higher demand for more sophisticated logistics infrastructure. With the introduction of GST, India has become a unified market, and Bihar has immense potential to emerge as a manufacturing and warehousing hub of the nation given its locational advantage. The current storage and warehousing capacity in the state is not sufficient to meet the rising storage demand. Therefore, expanding the storage capacity in the state shall be further emphasized through this policy.

Through this policy, the Government of Bihar envisages attracting investments in the following categories but not limited to:

(i) Warehousing, Cold storage and associated infrastructure

(ii) Technological solutions in real-time logistics, upgrading supply chain management and process improvement

(iii) Robotics & Automation technologies in the warehousing and logistics sector

(iv) Skill development and training

This policy takes ahead the vision and objectives of the state's Industrial Investment Promotion Policy 2016 (BIIPP 2016) and further provides strategic direction for the development of the warehousing and logistics sector in the state over the next 5 years.

4. Objective

a) Promoting private investments in setting up logistics facilities in the state for further streamlining the forward and backward linkages

b) Upgrading and improving the existing warehousing and logistics infrastructure to boost economic activities and generate mass employment opportunities

c) Enhancing the warehousing capacity to promote the interests of both primary and secondary sectors

d) Promoting green and innovative practices to develop a competitive logistics infrastructure in the State

5. Policy Framework

5.1 Infrastructure status of the logistics sector

Given the importance of the sector, the Government of India has included' Logistics Infrastructure' as a new item in the renamed category of 'Transport and Logistics. Accordingly, under this policy, multi-modal logistics parks and Logistics Park comprising of Inland Container Depot (ICD), cold chain facility, and warehousing facility as defined under this policy have been granted infrastructure status. This shall enable the logistics sector to avail of 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 and shall be eligible to borrow from India Infrastructure Financing Company Limited (IIFCL). The Government of Bihar shall complement the Government of India's vision in developing the logistics industry through this policy.

5.2 High priority status to the Logistics Sector

The logistics sector in the state comprising Logistics Units, Logistics Park and Multi-Modal Logistics Park satisfying the conditions laid out in this policy will be granted high priority status in the state.

5.3 Dedicated agency for the development of logistics

The State intends to set up a dedicated logistics division headed by an officer, not below the rank of Director under the Department of Industries, Government of Bihar. The logistics division shall ensure better coordination between various departments including Civil Aviation, Transport, Power, Food & Agriculture, and other related departments in setting up logistics infrastructure in the state.

5.4 Development of Green Channel for EXIM Cargo

The State shall identify green channels (with less inspection during transit) to prevent delays for vehicles carrying export-import cargo. Further, the Government of Bihar envisages the development of comprehensive transport zones in all major cities, including truck terminals near major national and state highways, expressways, investment zones and Industrial corridors. These comprehensive transport zones and terminals shall have common facilities for goods vehicles such as lay-byes, workshops, canteens, rest-houses, etc.

5.5 Logistics Zones

With the operationalization of certain sections of the Eastern Dedicated Freight Corridor, the Government of Bihar shall lay special emphasis on developing the regions lying in its periphery as Dedicated Logistics Zone (DLZ). The Government of Bihar shall identify and declare such logistics zones from time to time. The State envisages providing seamless connectivity, excellent social and physical infrastructure, 24X7 water-power availability, and other required facilities in these zones. The private logistics parks as defined under this policy shall be facilitated by the Government in obtaining peripheral external link infrastructure such as roads, facilities for uninterrupted water and power supply including substations, etc.

5.6 Identification of logistics infrastructure requirement

In order to assess the requirement of additional logistics zones, as mentioned above and related facilities, particularly along the Eastern Dedicated Freight Corridor, existing and upcoming expressways, National Waterway-1 and other strategic locations such as Integrated Check Posts (ICP), the Government of Bihar shall commission regular studies and surveys.

5.7 Promotion of Inland Container Depots (ICDs)

The Government of Bihar shall focus on establishing and strengthening dry ports and ICD at suitable locations with access to road/rail/waterway corridors, a quality network of 4-lane and 6-lane highways, interlinking roads, etc.

5.8 Quality Storage facilities

In order to meet the requirements of the rapidly growing agro and food market and other industries such as pharmaceuticals, electronics manufacturing, etc., the Government of Bihar envisions the promotion and development of quality storage facilities particularly, food storage facilities in rural areas. The storage facilities shall include warehouses, cold storage, cold rooms, and related infrastructure. The State shall encourage private entities to develop these facilities at appropriate locations, as well as improve the existing storage facilities, as per prescribed quality standards.

5.9 Encouraging Public Private Partnership (PPP)

The Government of Bihar shall encourage Public Private Partnerships in the construction of modern logistics facilities in the state. In addition, the State shall sponsor the Project for the release of the Viability Gap Fund from the Govt. of India. The government of India now allows FDI in most infrastructure sectors to the extent of 100% and there are immense opportunities for private investment in infrastructure projects. In order to provide financial support for quality project development activities to the States and the Central Ministries, a corpus fund titled 'India Infrastructure Project Development Fund' (IIPDF), with an initial contribution of INR 100 crore is being set up by the Department of Economic Affairs, Ministry of Finance, Government of India.

5.10 Encouraging Innovations and Intelligent Logistics

In order to enable accesstoefficiency-enhancingmechanismsandadoptmoderntechniques, the State shall encourage the acquisition of state-of-the-art equipment such as larger and well-equipped trucks, higher load capacity railway wagons, etc. The Government of Bihar shall also promote the development of a standardized layout for multimodal transport and logistics hubs to include containers, pallets, cranes, etc. with consistency. Also, the State shall encourage the development of improved supporting infrastructure such as interlinking roads, drive-through weighbridges, etc.

5.11 Promoting Green Logistics

The Government of Bihar aims at building an eco-friendly and sustainable logistics system in the State. Green logistics are techniques that aim at minimizing the ecological footprint of logistics activities, including eco-friendly transportation, reducing carbon emissions, solid-liquid waste management, scientific disposal techniques, use of biodegradable items, adopting recycling techniques, promotion of renewable energy, etc.

5.12 Promoting Solar Powered Logistics Park

Supporting the cause of clean energy, the Government of Bihar shall encourage private logistics park developers to use non-conventional and renewable sources of energy.

5.13 Training for Logistics

With the expansion in the logistics industry, demand for skilled personnel in warehouse management, logistics management, precision heavy vehicle drivers, etc. is rising continuously. Therefore, the Government of Bihar shall introduce the sector-specific course and shall emphasize upgrading the existing training infrastructure as per the needs of the industry

5.14 Industry status to Logistics Sector

Multi-Modal Logistics Park, Logistics Park and Logistics Units satisfying the conditions laid out in this policy will be granted Industry status in the state.

5.15 Creating a favorable perception of the Logistics Industry in Bihar

In order to improve the perception of the Logistics Industry in Bihar and to attract more investment and industrial growth, Bihar aims to improve its ranking in the Logistics Ease Across Different States (LEADS) Survey being conducted by the Ministry of Commerce & Industry, Department of Commerce.

Following steps shall be taken to improve the ranking of Bihar:

a) Earmarking separate fund for the investment fund in the Logistics sector

b) Preparing a State logistics Master Plan for 5 years

c) Constituting the State Logistics Cell for 5 years

d) Constituting the State Logistics Co-ordination committee and City Logistics Co-ordination committee for the implementation of the City Logistics Plan for all identified cities

e) Earmarking of land area in various State Industrial Development Areas for the development of logistics infrastructure

f) Deemed conversion of Change of Land Use within 30 days of application

g) Ensuring that the majority of the terminals in the state have first/last mile connectivity to the National/State highways

h) Taking measures to alleviate the bottlenecks and to map the choke points in road freight movement

i) Improving state Single Window mechanism for processing of approval for Logistics facilities

j) Framing grievance redressed and dispute resolution mechanism for the Logistics sector

k) Undertaking initiatives for enforcement of the Central Motor Vehicle Rule for the restriction of protruding cargo

6. Coverage and Scope

Taking a cue from the Government of India's definition of logistics units considered as logistics infrastructure, this policy shall incentiveize Multi Modal Logistics Park, Logistics Parks and Logistics Units.

6.1 Multi Modal Logistics Park

Multi Modal Logistics Park (MMLP) is defined as a multi-modal freight-handling facility with a minimum area of 30 acres with a minimum investment of INR 60 Crore and comprising mechanized warehouses, specialized storage solutions such as cold storage, facilities for mechanized material handling and inter-modal transfers container terminals, bulk / break-bulk cargo terminals. Integrated/ Multi Modal Logistics Park (MMLP) shall have the following provision:

a. MMLP's should be accessible, at minimum, by a 2- lane paved road, with a minimum approach road of 60 ft.

b. MMLP's should have access to a rail siding. The development of the rail siding should be completed within three years of initiating the MMLP development.

Below is the minimum list of the activities or facilities that can constitute a Multi Modal Logistics Park:

i. Logistics services like cargo aggregation/segregation, distribution/ consumer distribution, multi-modal transfer of material and container, open and closed storage, apt condition for storage in cargo transit period, material handling equipment, Container freight station, sorting, grading, packaging/repackaging, tagging/labelling, custom bonded warehouse

ii. Supporting infrastructure including internal roads, mobility facilities, water pipelines, sewage and drainage lines, effluent treatment and disposal facilities, setting up power, lines, feeder, parking, solar panels and others as per the requirements of the park.

iii. Common facilities include Computer/IT center, Subcontract exchange, Container freight station, Skill development center, Production inspection center, Weigh Bridge

6.2 Logistics Park

A logistics park that includes Container Freight Station (CFS) and/or Inland Container Depot (ICD) and/or warehouses and/or cold chains and related infrastructure, developed on at least 25 acres of land with a minimum investment of INR 50 Crore shall be eligible for incentives under this policy.

Below is the list of the activities or facilities that can constitute a logistics park:

a) Logistics services like cargo aggregation/segregation, distribution/ consumer distribution, multi-modal transfer of material and container, open and closed storage, apt condition for storage in cargo transit period, material handling equipment, Container freight station, sorting, grading, packaging/repackaging, tagging/labelling custom bonded warehouse

b) Supporting infrastructure including internal roads, mobility facilities, water pipelines, sewage and drainage lines, effluent treatment, and disposal facilities setting up power, lines, feeder, parking, solar panels, Weigh Bridge and others as per the requirements of the park.

6.3 Logistics Units

Logistics Unit as mentioned in this Policy shall mean either Grade A Warehouse, ICD, CFS, or Cold Chain Facility if not specifically mentioned.

6.3.1 Container Freight Station (CFS) and Inland Container Depot (ICD)

It shall have a minimum area of 5 acres and a minimum investment of 10 crores for CFS and 17 acres and a minimum investment of 20 crores for ICD. Detail information regarding the guidelines, infrastructure requirements and regulatory compliance regarding the setting up of ICD and CFS can be referred from Circular No. 50/2020 or its updated version by the CBIC, Department of Revenue, Ministry of Finance, Government of India. The following information regarding regulatory compliance and infrastructure requirement for setting up of ICD and CFS has been taken from Circular No. 50/2020 by the CBIC :

1. For the land requirement for the construction of ICD or CFS the applicant must have the legal rights if the land is owned. If the land is not owned and the land is leased, the lease agreement should be for minimum of 30 years.

2. Rail Linkage:In case of rail-linked ICDs, rail infrastructure provided inside a container depot should allow receipt and dispatch of full-length unit container trains running between a single origin and a single destination, without requiring to be broken up or remarshaled outside the ICD/CFS. Container Yard (CY) should be designed around rail access and not the reverse. Loading and unloading of trains would ideally take place in centrally located sidings comprising at least three tracks -loading, unloading and locomotive release. For a reach-stacker served facility, container stacks at the CY shall be located on either side of the tracks (to allow for separation of import and export containers and for loading and unloading on both sides at a time). Rail loading/unloading tracks shall be centrally located, permitting the operation of handling equipment on either side. The layout described above is only indicative of best practice. Additionally, all operational and other requirements as per extant rules of Indian Railways need to be complied with.

3. Access Road/ Connection with State Highways or National Highways: An approach road of indicative 15 meters width with proper drainage on each side will be provided for the gate complex. If the entry & exit gates of the ICD are planned in vicinity of each other, then additional space to enable smooth flow of traffic will be factored into the design. Road connections to ICD/CFS will be via slip roads off local or national highway system. Road connections should be suitable for container and break-bulk trucks conveying containers or break-bulk cargo between cargo sources and the ICD/CFS port.

4. Direct Port Delivery (DPD) & Direct Port Entry (DPE) Area: Separate area for DPD & DPE containers as per land requirements of this policy should be provided in ICD. The nominated DPD & DPE area should have separate entry/exit gates with clear demarcation from customs notified area. Further, DPD & DPE traffic should not impact the regular ICD operations.

5. Truck Circulation Area: Internal roads shall be constructed with indicative width of 15 meters, to allow handling equipment and trucks to pass safely.

6. Storage of containers with Hazardous goods in yard: Storage space for minimum 50 TEUs should be marked, this yard location should have unhindered transportation access, round the clock monitoring, fire hydrant facility, fixed firefighting equipment 86 sensors to cater for gas leakage and fire detection capabilities. All regulatory approvals from State Pollution Control Board should be in place before handling, storage & Transportation of Hazardous goods within ICD premises.

7. Marked Container repair yards & tank container cleaning stations: The allied services of container repair stations, and tank container cleaning stations should be clearly marked in the yard plan.

Other essential infrastructure requirements for ICD and CFS

a. Weighbridges: Static weighbridges above 60 MT capacity should be installed in all facilities. These should always be remain calibrated & certified by the respective states' Weight & Measurement department.

b. Yard Paving: Yard paving must utilize Pavement Quality Concrete grade of M40 or dry lean concrete with M30/M50 blocks or higher specification.

c. Container location: All ICDs & CFSs shall have a container location tracking system and accurate information availability to all stakeholders through an electronic or smartphone application interface. All events of physical movement of the container shall be recorded and accessible to customs officers via such an electronic interface.

d. For handling scrap cargo, provision of a compact track loader of reputed make in good working condition and equipped with a telescopic spreader for operations in both 20 ft and 40 ft boxes should be ensured.

e. Handling equipment: An applicant should propose the most modern handling equipment for land loading, unloading of containers from rail flats, chassis, their stacking, movement, cargo handling, stuffing/ de-stuffing, etc. Equipment must have a minimum residual life of 8 years duly certified by the Original Equipment Manufacturer or a recognized inspection agency.

f. High Masts: Adequate numbers of 30 meters high mast lighting towers with LED flood lights should be installed. The LED should have a minimum lumen level of 20 lux on the ground up to 50 meters from the center of the high mast. The beam angle of luminaries/ lamps positioning must be suitable to cover illumination on the ground as well as stored containers in the yard up to 16 meters high.

g. CCTV Coverage: The CCTV network should at minimum cover the ICD entry/ exit gates,

warehouse gates, warehouse storage area, admin building entry points, commercial transaction area, container storage yard area, and e-sealing work zones. CCTV equipment must have night vision recording capabilities. The system should have minimum capability to record & hold data for three months and 24×7 hours access and remote monitoring facility shall be provided to Customs, in addition, to access within the admin building of the ICD.

h. Access control: Entry to the customs notified area shall be controlled by KYC based/RFID-enabled tags for all authorized personnel including customs, custodians, manual workmen, vehicle drivers, etc. Entry/ exit data should always be electronically available to customs authorities.

6.3.2 Warehousing facility

It shall have a minimum storage capacity of 5000 MT with a minimum investment of INR 30 Crore and built on a minimum area of 1 Lakh square feet.

The warehouse facility should satisfy the Grade A norm and should preferably have the following features to avail of the incentives under this policy:

1. Use of Warehouse Management system for the enterprise resource planning
2. Alternate power back-up for at least 8 hours
3. Loading & Unloading bay for the Commercial Vehicles arriving at the Warehouse facility
4. Sufficient lighting system for each using energy efficient lighting system
5. Storage grading and tracking system for each unit
6. Storage and retrieval system using battery-operated Material Handling Equipment (MHEs) in case of the multi-storage facility

7. CCTV system for each unit for continuous monitoring with storage back-up of at least 1 month

6.3.3 Cold Chain

It shall have a minimum storage of 1000 MT with minimum investment of INR 20 Crore and built on a minimum area of 20,000 square feet.

The cold chain facility should be multi chamber for the storage facility of Multi Commodity with following features :

1. Continuous temperature and humidity monitoring system and alarm system connected with automatic and manual switching system with each inner storage unit
2. Alternate Power back-up for at least 12 Hours
3. All Electrical installations with Power Factor not less than 0.95
4. Air curtain system at the loading/unloading bay
5. Loading & Unloading bay for the Commercial Vehicles arriving at the cold chain facility
6. Air Shower room is optional for products or operators if requirement is for air shower, for cleaning of dust during operation
7. Sufficient lighting system using energy efficient lighting system
8. Storage grading and tracking system for each unit.
9. Storage and retrieval system using battery-operated Material Handling Equipments (MHEs) in case of multi-storage facility.
10. CCTV system for each unit for continuous monitoring with storage back-up of at least 1 month

Note: State Investment Promotion Board (SIPB) may take decision regarding the criteria of minimum land requirement for different projects on case to case basis depending on parameters like availability of land, urban/ rural area, etc.

7. Incentives for Multi Modal Logistics Parks, Logistics Parks and Logistics Units

This Policy recognizes the need for additional incentives to eligible Multi Modal Logistics Parks, Logistics Parks and Logistics Units to further improve the investment prospects in Bihar's logistics sector.

7.1 Guiding Principles

These provisions/ principles shall be applicable to all eligible Multi Modal Logistics Park, Logistics Parks, and Logistics Units under this policy.

i. This policy shall come into force from the date of its notification. The said date shall be considered as the effective date of this policy from which its provisions shall come into force and shall be applicable for 5 years.

ii. The incentives under this Policy to Logistics Park and Multi Modal Logistics Park shall be offered after the completion of the facility as per the submitted Detailed Project Report (DPR) and atleast one Logistics Unit is in operational condition.

   Incentives to the Logistics Units will be provided after the commencement of commercial operation by the logistics Units.

iii. Shareholding value of Multi Modal Logistics Park or Logistics Park of more than 50% of asset cost cannot be transferred until 5 years from last payment of incentive.

iv. In the event of change in ownership or management of a unit, the same shall be intimated by the unit to the competent authority as defined by the Department of Industries from time to time.

If required, a revised Letter/ Eligibility Certificate shall be issued to the unit (in the name of new owner) for balance incentives. The eligibility period shall not be extended under any circumstances and shall continue to be defined with effect from the original date of production.

v. BIADA will provide the land above the minimum land requirement as per this policy, for setting up of MMLP, Logistics Park, ICD, CFS, Warehouse and Cold Chain as mentioned in this policy. BIADA can also develop and lease the Logistics Park and Multi Modal Logistics Park by developing the basic infrastructure as submitted in the Detailed Project Report.

vi. The private industrial park can be established by an individual promoter/ partnership firm/ LLP/ company or any entity registered under the Companies Act/ Societies Act.

vii. Applicant need to establish a Logistics Park within 30 months and Multi Modal Logistics Park within 42 months from date of acceptance for establishment. Competent authority of the Department of Industries, Government of Bihar may extend project execution period for the maximum period of 6 months subject to merit.

viii. The promoter shall not create residential units in the industrial park or convert the industrial park into a real estate project. The industrial park shall only be used for industrial use. All private industrial parks shall be notified as industrial lands. Under no circumstances a private industrial park shall be put into any other use other than for industrial purposes.

ix. The rates for the industrial plots in the private industrial park would be ascertained by the promoter. The State Government would not have any role in this.

x. The incentives under this Policy to the eligible Multi Modal Logistics Park, Logistics Park and Logistics Units covered under clause 7 shall be in addition to the benefits eligible under the Bihar Industrial Investment Promotion Policy, 2016 (BIIPP 2016). However, the maximum limit of incentive under this Policy shall be subject to capping as per clause 7.2, 7.3, 7.4, and 7.5of this Policy.

xi. The promoter of the park would create a fund called "Development Reserve Fund (DRF)" for the development of external infrastructure of the park. The promoter would contribute 5% of the fund collected through land allotment and 10% of the Annual Net Profit in the DRF. The DRF would be maintained in the form of a fixed deposit. A committee would be constituted for the operation of the DRF. The committee would consist of promoter/ representatives of the promoter and units operating in that park. At any point of time, a maximum of 33% of DRF can be used for the development of the appropriate infrastructure. Further, the promoter would charge a maintenance fee from the operating units in the park. The same committee would be responsible for the operation of the fund created from the maintenance fee collected.

xii. The maximum value of total incentives that can be availed under this policy will not exceed INR 150 Crore.

xiii. For the purpose of calculation of incentive under this policy, the approved project cost shall mean the project cost finally approved by the State Government. The approved project cost shall be the basis for determining the incentives.

xiv. Completion of Logistics Park and Multi Modal Logistics Park here will mean the completion of the construction of infrastructure as per DPR before the first Logistics unit is allotted.

xv. Investor(s) availing incentives under any other Bihar State policies/schemes shall not be eligible to avail incentives under this policy, as the policy is unilateral and binding. Investor(s) availing any incentives under Government of India policies/schemes has to notify the same to Department of Industries, Government of Bihar before availing incentives under this policy.

xvi. All the infrastructure projects for the development of Logistics Park, Multimodal Logistics Park and Logistics Units viz Warehouse, Cold Chain, Inland Container Depot and Container Freight Station which qualifies as per the minimum criteria defined in this policy, shall be updated by BIADA on the portal of PM Gati Shakti National Master Plan.

7.2 Incentives for Logistics Park

S. No.	Incentives	Quantum of Incentives	Policy
1.	**Capital Investment Subsidy**	**Proposals received during first two years from date of notification of this policy** • 20% of Fixed Capital Investment (FCI), subject to a maximum of INR 20 Crore whichever is lower **Proposals received from third year onwards from date of notification of this policy** • 15% of Fixed Capital Investment (FCI), subject to a maximum of INR 10 Crore whichever is lower	Bihar Logistics Policy, 2023
2.	**Interest Subvention**	**Proposals received during first two years from date of notification of this policy** • Interest subvention shall be 10% or actual rate of interest on term loan, whichever is lower, to the extent 50% of the Fixed Capital Investmentsubject to a limit of INR 60 Crore. **Proposals received from third year onwards from date of notification of this policy** Interest subvention shall be 10% or actual rate of interest on term loan, whichever is lower, to the extent 40% of the Fixed Capital Investment subject to a limit of INR 50Crore.	Bihar Logistics Policy, 2023
3.	**Tax-related Incentives**	100% reimbursement against tax related incentives (SGST deposited and Electricity duty on power including captive power) for a period of 5 years from the date of commencement of commercial operation. This shall have a maximum limit of 100% of the Fixed Capital Investment (FCI).	BIIPP, 2016

S. No.	Incentives	Quantum of Incentives	Policy
4.	**Skill Development Subsidy**	Logistics Park Developer providing skill training in warehouse management & logistics management will be reimbursed up to Rs. 20,000 per employee/BSDM rates / actual rate whichever is lower for employee/staff domiciled in Bihar. The employment period should be a minimum 1 year.	BIIPP, 2016
5.	**Employment Cost Subsidy**	50 % reimbursement (in case of male workers) and 100% reimbursement (in case of female workers) of expenditure on account of contribution toward ESI and EPF schemefor a period of 5 years for new units for those employees who are domicile of Bihar. The maximum limit for reimbursement will beRs. 1000 - per month for SC/ST and women employees and Rs. 500/- per month for a general employee.	BIIPP, 2016
6.	**Exemption of Stamp duty/ Registration fees**	100% exemption of stamp duty/registration fees levied on lease/ sale /transfer of industrial land/shed and also those outside the jurisdiction of Industrial Area Development Authority. This would be available to all the new units only and given only for first time.	BIIPP, 2016
7.	**Exemption of Land Conversion Fees**	100% exemption on land conversion fees of agricultural land after completion of the Logistics Park as per DPR.	BIIPP, 2016

Capital Investment Subsidy will be disbursed after completion of Logistics Park as per DPR as follows:

✓ First Installment : 50% of the eligible amount after 12 months from allotment to the first unit of a minimum 12 acres or 50% of the Logistics Park area whichever is lower

✓ Second Installment : 30% of the eligible amount after 24 months from allotment to the next unit of cumulative 20 acres or 80% of the total of the Logistics Park area whichever is lower

✓ Third Installment : 20% of the eligible amount after 36 months from allotment to the next unit of cumulative 25 acres or 100% of the total of the Logistics Park area whichever is lower

S. No.	Incentives	Quantum of Incentives	Policy
1	**Capital Investment Subsidy**	**Proposals received during first two years from date of notification of this policy** • ICD - 20% of FCI, subject to a maximum of INR 10 Crore whichever is lower • Warehouse - 20% of FCI, subject to a maximum of INR 6 Crore whichever is lower • Cold Chain - 20% of FCI, subject to a maximum of INR 4 Crore whichever is lower • CFS - 20% of FCI, subject to a maximum of INR 3 Crore whichever is lower **Proposals received from third year onwards from date of notification of this policy** • ICD - 15% of FCI, subject to a maximum of INR 8 Crore whichever is lower • Warehouse - 15% of FCI, subject to a maximum of INR 4 Crore whichever is lower • Cold Chain - 15% of FCI, subject to a maximum of INR 3 Crore whichever is lower CFS - 15% of FCI, subject to a maximum of INR 2 Crore whichever is lower	Bihar Logistics Policy, 2023
2.	**Interest Subvention**	**Proposals received during first two years from date of notification of this policy** • Interest subvention shall be 10% or actual rate of interest on term loan, whichever is lower, to the extent 50% of the Fixed Capital Investment subject to a limit of INR 30Crore. **Proposals received from third year onwards from date of notification of this policy** Interest subvention shall be 10% or the actual rate of interest on term loan, whichever is lower, to the extent of50% of the Fixed Capital Investment subject to a limit of INR 20 Crore.	Bihar Logistics Policy, 2023
3	**Tax related Incentives**	100% reimbursement against tax related incentives (SGST deposited and Electricity duty on power including captive power) for a period of 5 years from the date of commencement of commercial operation. This shall have a maximum limit of 100% of the Fixed Capital Investment (FCI).	BIIPP, 2016

7.3 Inventive for Logistic Units

S. No.	Incentives	Quantum of Incentives	Policy
4.	**Skill Development Subsidy**	Logistics Unit providing skill training in warehouse management & logistics management will be reimbursed up to Rs. 20,000 per employee/BSDM rates / actual rate whichever is lower for employee/staff domiciled in Bihar. Employment period should be minimum 1 year.	BIIPP, 2016
5	**Employment Cost Subsidy**	50 % reimbursement (in case of male workers) and 100% reimbursement (in case of female workers) of expenditure on account of contribution toward ESI and EPF schemefor a period of 5 years for new units for those employees who are domicile of Bihar. The maximum limit for reimbursement will be Rs. 1000 - per month for SC/ST and women employees and Rs. 500/- per month forgeneral employees.	BIIPP, 2016
6	**Exemption of Stamp duty/ Registration fees**	100% exemption of stamp duty/registration fees levied on lease/ sale /transfer of industrial land/shed and also those outside the jurisdiction of Industrial Area Development Authority would be available to all the new units only and given only for first time.	BIIPP, 2016
7	**Exemption of Land Conversion Fees**	100% exemption of land conversion fees of agricultural land.	BIIPP, 2016

Capital Investment Subsidy will be disbursed after completion of Logistics Units as per DPR as follows:

✓ First Installment: 50% of eligible amount after 12 months or 50% of the project completion as per DPR whichever is earlier

✓ Second Installment: 30% of eligible amount after 24 months or 80% of the project completion as per DPR whichever is earlier

✓ Third Installment: 20% of eligible amount after 36 months or 100% of the project completion as per DPR whichever is earlier

7.4 Incentives for Multi Modal Logistics Park (MMLP)

S. No.	Incentives	Quantum of Incentives	Policy
1.	**Capital Investment Subsidy**	**Proposals received during first two years from date of notification of this policy** • 20% of Fixed Capital Investment (FCI), subject to a maximum of INR 25 Crore whichever is lower **Proposals received from third year onwards from date of notification of this policy** 15% of Fixed Capital Investment (FCI), subject to a maximum of INR 15 Crore whichever is lower	Bihar Logistics Policy, 2023
2.	**Interest Subvention**	**Proposals received during first two years from date of notification of this policy** • Interest subvention shall be 10% or actual rate of interest on term loan, whichever is lower, to the extent 50% of the Fixed Capital Investment subject to a limit of INR 60 Crore. **Proposals received from third year onwards from date of notification of this policy** Interest subvention shall be 10% or actual rate of interest on term loan, whichever is lower, to the extent 40% of the Fixed Capital Investment subject to a limit of INR 50Crore.	Bihar Logistics Policy, 2023
3	**Tax related Incentives**	100% reimbursement against tax related incentives (SGST deposited and Electricity duty on power including captive power) for a period of 5 years from the date of commencement of commercial operation. This shall have a maximum limit of 100% of the Fixed Capital Investment (FCI).	BIIPP, 2016
4	**Skill Development Subsidy**	MMLP developer providing skill training in warehouse management & logistics management will be reimbursed up to Rs. 20,000 per employee/BSDM rates / actual rate whichever is lower for employee/staff domiciled in Bihar. Employment period should be minimum 1 year.	BIIPP, 2016

7.4 Incentives for Multi Modal Logistics Park (MMLP)

S. No.	Incentives	Quantum of Incentives	Policy
5.	**Employment Cost Subsidy**	50 % reimbursement (in case of male workers) and 100% reimbursement (in case of female workers) of expenditure on account of contribution toward ESI and EPF scheme for a period of 5 years for new units for those employees who are domicile of Bihar. Maximum limit for reimbursement will beRs.1000 - per month for SC/ST and women employee and Rs. 500/- per month for general employee.	BIIPP, 2016
6.	**Exemption of Stamp duty/ Registration fees**	100% exemption of stamp duty/registration fees levied on lease/ sale /transfer of industrial land/shed and those outside the jurisdiction of Industrial Area Development Authority would be available to all the new units only and given only for first time.	BIIPP, 2016
7.	**Exemption of Land Conversion Fees**	100% reimbursement of land conversion fees of agricultural land.	BIIPP, 2016

Capital Investment Subsidy will be disbursed after completion of Multi Modal Logistics Park (MMLP) as per DPR as follows:

✓ First Installment: 50% of eligible amount after 12 months from allotment to the first unit of minimum 12 acres or 50% of the MMLP area whichever is lower

✓ Second Installment: 30% of eligible amount after 24 months from allotment to the next unit of cumulative 20 acres or 80% of the total of the MMLP area whichever is lower

✓ Third Installment: 20% of eligible amount after 36 months from allotment to the next unit of cumulative 25 acres or 100% of the total of the MMLP area whichever is lower

7.5 Special Incentive Package for Special Class Entrepreneurs

Special Class Entrepreneurs shall be entrepreneurs belonging to scheduled caste, scheduled tribe (SC / ST), extremely backward class (EBC), economically weaker section (EWS), women, differently abled persons, war widows, acid attack victims and third gender section of the society. Following special incentive package will be admissible to Special class entrepreneurs

Interest Subvention:

- The rate of interest for Special class entrepreneurs will be increased by 15% of the applicable rates, i.e., it will be 11.5% or actual rate of interest on term loan, whichever is lower

- The maximum limit of interest subvention shall also be increased by 15% of the applicable limits, i.e., for Logistics Unit it shall be 57.5% of the Fixed Capital Investment or INR 23 Crores whichever is lower.

7.6 Submission of Application under this Policy

For availing incentive under this Policy, the eligible units would be required to submit Stage-1 application . Every application for Stage-1 clearance submitted by an entrepreneur for setting up a Multi Modal Logistics Park, Logistics Park or Logistics Units shall be processed in the next seven (7) working days. Applications that are complete in all respects shall be accorded Stage-1 clearance and the same shall be communicated to the concerned entrepreneur.

Eligible units that have availed Stage-1 clearance prior to the date of notification of this Policy shall also be covered under this Policy provided they have not availed the Financial Clearance.

7.7 Timeline to be followed by Entrepreneurs and Department of Industries

(i) **Stage-1 Clearance:** For availing incentive under this Policy, the eligible units would be required to submit Stage-1 application. Application for Stage-1 clearance should be submitted on the Single Window Clearance portal (swc2.bihar.gov.in) of Department of Industries (DoI). Every application for Stage-1 clearance submitted by an entrepreneur under this policy shall be processed in the next seven (7) working days.

(ii) **Land allotment by BIADA:** Entrepreneurs should submit an application for land allotment of the Logistics Park, Multi Modal Logistics Park or Logistics Unit on the BIADA portal (http://biadabihar.in). The application shall be disposed of by BIADA within the next thirty (30) working days.

(iii) **Financial Clearance:** Entrepreneurs should submit an application for Financial Clearance on the Single Window Clearance portal (swc2.bihar.gov.in) of the Department of Industries.

8. Policy Implementation, Monitoring and Grievance Redressal

8.1 Policy Implementation

i. The Department of Industries, Government of Bihar shall be the nodal agency responsible for the implementation of this policy in the State.

ii. The Director Technical Development, Department of Industries shall be the nodal officer for the Policy. A logistics division shall be created for inter-department coordination which shall work under the overall supervision of an Empowered Committee headed by the Additional Chief Secretary/Principal Secretary/Secretary, Department of Industries, and an Executive Committee headed by the Director Technical Development, Department of Industries. The logistics division may engage services of a Project Management Agency (PMA) for implementation of the Policy.

iii. Incentives under this policy shall be processed as per the provisions of Bihar Industrial Investment Promotion Act, 2016 and Bihar Industrial Investment Promotion Rules, 2016.

iv. Units applying for an incentive under this policy shall apply on the Single Window Clearance (SWC) portal of the Department of Industries, Government of Bihar.

v. The Government of Bihar shall promote logistics parks/ units in the State. For this purpose, the

State Investment Promotion Board (SIPB) constituted as per Section 4 of the Bihar Industrial Investment Promotion Act, 2016 shall be empowered to issue directions to concerned Departments/ Agencies of the State Government. All NOCs, permissions and clearances required by logistic parks/ units from other Departments/ Agencies of Bihar Government shall be provided through Single Window Clearance (SWC) portal of the Department of Industries, Government of Bihar.

vi. Department of Industries shall extend hand-holding support to the Investors setting up MMLP, logistics parks or Logistics Units in land allotment from Bihar Industrial Area Development Authority (BIADA), land registration for private land and land-use conversion and other applicable clearances/ licenses/ NOCs.

9. Policy monitoring and grievance redressal

i. The implementation of the policy shall be reviewed from time to time and necessary facilitation and course correction shall be undertaken as found necessary to achieve the objectives of this policy.

ii. Department of Industries shall develop a web-based interaction mechanism where suggestions and complaints can be directly addressed to the Department of Industries.

10. Empowered Committee

The structure and term of reference of empowered committee for logistics such as State Logistics Coordination Committee/ EGOS-(Empowered Group of Secretaries), State Logistics Cell/ NPG (Network Planning Group) and Technical Support Unit (TSU) shall be as per Letter No. 1399 dated 16-June-2022

The structure and term of reference of City Logistics Co-ordination committee shall be as per the letter number 1339 dated 25-June-2021

Mentioned in Annexure 1 of the Document as Addendum

11. General Conditions

i. If any false declaration is given to avail incentives or if incentives are availed for a unit that was not eligible or any violation of the condition of this policy, the amount of incentive is liable to be recovered from the date of availing such benefit along with the interest compounded annually @ 18% per annum. In case of non-payment within the stipulated time, the Government of Bihar may recover such amounts including interest as arrears of land revenue.

ii. If a Unit after availing incentive under this Policy diverts the production facility to produce any product other than logistics park/unit, the amount of incentive is liable to be recovered from the date of availing such benefit along with the interest compounded annually @ 18% per annum.

iii. In case of non-payment within the stipulated time, the Government of Bihar may recover such amounts including interest as arrears of land revenue.

12. Policy Wording

Words used in this Policy shall have the same meaning as assigned to them under Bihar Industrial Investment Promotion Policy, 2016, as the context may require. All matters of interpretation/disputes shall be decided by the Additional Chief Secretary/ Principal Secretary/ Secretary, Department of Industries. Such interpretation shall be final and binding.

13. Negative List

Industries mentioned in the negative list of Bihar Industrial Investment Promotion Policy, 2016 would not be eligble for any incentive under this policy.

14. Interpretation

In case of any discrepancy in the meaning and interpretation of the translated version of this policy, the English language version shall be binding in all respects and shall prevail.

15. Policy Period

This policy shall come into effect from the date of issue of this notification and shall remain in operation for 5 years from the date of issue of notification.

16. The proposal has been approved by the State Cabinet in the form of item number-26 on 22.11.2023.

By the order of the Governor of Bihar

(Sandeep Poundrik)

Additional Chief Secretary,

Department of Industries, Bihar, Patna

DEFINITION

Terminology	Definition
Logistics Park	Alogistics park that includes Container Freight Station (CFS) and/or Inland Container Depot (ICD) and/or air freight stations and/or warehouses and/or cold chains and related infrastructure, developed on at least 25 acres of land and having minimum investment of INR 50 Crores
Logistics Unit	Logistics Unit as mentioned in this Policy mean either grade A warehouse, ICD, CFS Or Cold Chain Facility if not specifically mentioned
Air Freight Station (AFS)	Air Freight Station (AFS) is an off-Airport common user facility equipped with fixed installations of minimum requirements and offering services for handling and temporary storage of import/export goods loaded and empty Unit Load Devices (ULDs) and cargo in bulk / loose for home consumption, warehousing, temporary admissions, re-export, temporary storage for onward transit and outright export.
Inland Container Depot (ICD)	An ICD is a “self-contained Customs station” like a port or air cargo unit where filing of Customs manifests, Bills of Entries, Shipping Bills and other declarations, assessment and all the activities related to clearance of goods for home use, warehousing, temporary admissions, re-export, temporary storage for onward transit and outright export, transshipment, etc., take place. An ICD would have its own automated system with a separate station code (such as INTKD 6, INSNF6 etc.) being allotted by Ministry of Commerce and with in-built capacity to enter examination reports and enable assessment of documents, processing of manifest, amendments, etc.
Container Freight Station (CFS)	CFS is 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 for home use, warehousing, temporary admissions, re-export etc. under customs control and with storage facility for customs bonded or non-bonded cargo. A CFS cannot have an independent existence and has to be linked to a Customs station within the jurisdiction of the Commissioner of Customs. It is an extension of a Customs port set up with the main objective of decongestion. In a CFS only a part of the Customs processes mainly the examination of goods is normally carried out by Customs besides stuffing/de-stuffing of containers and aggregation/ segregation of cargo
Multimodal Logistics Park (MMLP)	Multimodal Logistics Park is defined as a multi-modal freight-handling facility comprising mechanized warehouses, specialized storage solutions such as cold storage, facilities for mechanized material handling

	and inter-modal transfers container terminals, bulk / break-bulk cargo terminals. Multimodal logistics parks are expected to provide the following key services: Freight aggregation and distribution, Multimodal freight transportation, ICD, Storage and Warehousing, Value added services etc. MMLP, by definition is a logistics facility with access to more than one mode of transport. This allows it to serve as a point of intermodal change and will help drive higher usage of rail, coastal shipping, inland waterway and higher capacity trucks for long haul
3PL	A 3rd party logistics is a supply chain that primarily concerns the transportation and delivery of different products but also includes various types of additional services as well. The functions of 3PL include warehousing, terminal operations, customs brokerage, supply chain management and many more. It also includes logistics IT software products and analysis services, for tracking and tracing the delivery status of different products. These 3rd party logistics delivers all the above-mentioned services and also manages various obstacles that come in the way. They specialize in domestic and offshore warehousing and also takes care of your other supply chain management systems.
Domicile of the State	Domicile of the State means those who have been defined by the State Government, from time to time, as original domiciles of the state and who hold the certificate issued for this purpose by the competent authority.
Approved project cost	For the purpose of calculation of incentive under this policy, the approved project cost shall mean the project cost finally approved by the State Government. The approved project cost shall be the basis for determining the incentives.
Women Entrepreneur	Women entrepreneur means such domicile women of the state who are 1st generation entrepreneurs and who have established units as sole proprietor or invariably have a100% share in partnership/private limited companies.
Differently Abled Entrepreneur	Differently abled means such domicile of the state who comes under the purview of the Persons with Disabilities (Right of equal opportunity, Protection and Full Participation) Act, 1995 of the Government of India and holds certificate for such purpose, issued by competent authority. Differently abled entrepreneurs mean such entrepreneurs who have established units as sole proprietor or invariably have a 100% share in partnership/private limited companies.
Term Loan	Term Loan means term loan sanctioned and disbursed by banks/financial institutions for financing.

Domicile of the State	Domicile of the State means those who have been defined by the State Government, from time to time, as original domiciles of the state and who hold the certificate issued for this purpose by the competent authority
Scheduled Caste / Scheduled Tribe Entrepreneurs	Scheduled Caste / Scheduled Tribe entrepreneurs mean such entrepreneurs who have established units as sole proprietor or invariably have a100% share in partnership/private limited companies.
Fixed Capital Investment (FCI)	Fixed Capital Investment includes investment in Plant & Machinery, and other necessary expenditure accrued in setting up of a business unit including Land. Notation for the definition is mentioned herewith for reference of this Policy : Eg : For Consideration Purpose, if INR 100 is expenditure on Plant & Machinery, electrical installations and all other assets necessary to set up the unit but shall exclude cost of working capital, contingencies, interest during construction period, and any other unexplained cost component then INR 20 can be the Maximum Consideration for Land.

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