

Bihar Logistics Policy 2023

(Policy is effective from 09.12.2023 till 5 years)

Highlights

Coverage and Scope

Incentives shall be available to Multi Modal Logistics Park, Logistics Parks and Logistics Units as High Priority Sectors.

- **Multi Modal Logistics Park (MMLP)** 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
- **logistics park** 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
- **Logistics Units** mean either Grade A Warehouse, ICD, CFS, or Cold Chain Facility if not specifically mentioned.

❖ **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.

(For detailed information refer Circular No.50/2020 or its updated version by the CBIC, Department of Revenue, Ministry of Finance, Government of India.)

❖ **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:

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.

❖ **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.)

Incentives

• **Incentives for Logistics Parks**

S. No.	Incentives	Quantum of Incentives	Policy
1	Capital Investment Subsidy	<p>Proposals received during first two years from date of notification of this policy</p> <p><input type="checkbox"/> 20% of Fixed Capital Investment (FCI), subject to a maximum of INR 20 Crore</p> <p>Proposals received from third year onwards from date of notification of this policy</p> <p><input type="checkbox"/> 15% of Fixed Capital Investment (FCI), subject to a maximum of INR 10 Crore</p>	Bihar Logistics Policy, 2023
2	Interest Subvention	<p>Proposals received during first two years from date of notification of this policy</p> <p><input type="checkbox"/> Interest subvention shall be 10% or actual rate of interest on term loan, whichever is lower, to the extent 50% of the Fixed Capital</p>	Bihar Logistics Policy, 2023

		Investment subject to a limit of INR 60 Crore. Proposals received from third year onwards from date of notification of this policy <input type="checkbox"/> 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.	
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. maximum limit of 100% of the Fixed Capital Investment (FCI).	BIIPP, 2016
4	Skill Development Subsidy	Reimbursement 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 scheme for 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 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 land for 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 Instalment: 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 Instalment: 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 Instalment: 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

- **Incentives for Logistics Units:**

S. No.	Incentives	Quantum of Incentives	Policy
1	Capital Investment Subsidy	<p>Proposals received during first two years from date of notification of this policy</p> <p><input type="checkbox"/> ICD - 20% of FCI, subject to a maximum of INR 10 Crore whichever is lower</p> <p><input type="checkbox"/> Warehouse - 20% of FCI, subject to a maximum of INR 6 Crore whichever is lower</p> <p><input type="checkbox"/> Cold Chain - 20% of FCI, subject to a maximum of INR 4 Crore whichever is lower</p> <p><input type="checkbox"/> CFS - 20% of FCI, subject to a maximum of INR 3 Crore whichever is lower</p> <p>Proposals received from third year onwards from date of notification of this policy</p> <p><input type="checkbox"/> ICD - 15% of FCI, subject to a maximum of INR 8 Crore whichever is lower</p> <p><input type="checkbox"/> Warehouse - 15% of FCI, subject to a maximum of INR 4 Crore whichever is lower</p> <p><input type="checkbox"/> Cold Chain - 15% of FCI, subject to a maximum of INR 3 Crore whichever is lower</p> <p><input type="checkbox"/> CFS - 15% of FCI, subject to a maximum of INR 2 Crore whichever is lower</p>	Bihar Logistics Policy, 2023
2	Interest Subvention	<p>Proposals received during first two years from date of notification of this policy</p> <p><input type="checkbox"/> 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 30 Crore.</p> <p>Proposals received from third year onwards from date of notification of this policy</p> <p><input type="checkbox"/> Interest subvention shall be 10% or the actual rate of interest on term loan, whichever is lower, to the extent of 50% of the Fixed Capital Investment subject to a limit of INR 20 Crore.</p>	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.	BIIPP, 2016

		maximum limit of 100% of the Fixed Capital Investment (FCI).	
4	Skill Development Subsidy	Reimbursement 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 scheme for 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 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 land for 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	BIIPP, 2016

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

- ✓ First Instalment: 50% of eligible amount after 12 months or 50% of the project completion as per DPR whichever is earlier
- ✓ Second Instalment: 30% of eligible amount after 24 months or 80% of the project completion as per DPR whichever is earlier
- ✓ Third Instalment: 20% of eligible amount after 36 months or 100% of the project completion as per DPR whichever is earlier

• **Incentives for Multi Modal Logistics Parks (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 <input type="checkbox"/> 20% of Fixed Capital Investment (FCI), subject to a maximum of INR 25 Crore Proposals received from third year onwards from date of notification of this policy <input type="checkbox"/> 15% of Fixed Capital Investment (FCI), subject to a maximum of INR 15 Crore	Bihar Logistics Policy, 2023
2	Interest Subvention	Proposals received during first two years from date of notification of this policy	Bihar Logistics

		<input type="checkbox"/> 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 <input type="checkbox"/> 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 50 Crore.	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. maximum limit of 100% of the Fixed Capital Investment (FCI).	BIIPP, 2016
4	Skill Development Subsidy	Reimbursement 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 scheme for 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 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 land for 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 Multi Modal Logistics Park as per DPR as follows:

- ✓ First Instalment: 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 Instalment: 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 Instalment: 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

Notes:

1. 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 at least one Logistics Unit is in operational condition.
2. Incentives to the Logistics Units will be provided after the commencement of commercial operation by the logistics Units
3. 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
4. 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
5. Applicant need to establish a Logistics Park within 30 months and Multi Modal Logistics Park within 42 months from date of acceptance for establishment
6. The promoter shall not create residential units in the industrial park or convert the industrial park into a real estate project
7. 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.
8. 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
9. **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.**
10. **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.**
11. **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**
12. **The maximum value of total incentives that can be availed under this policy will not exceed INR 150 Crore**
13. **Fixed Capital Investment includes investment in Plant & Machinery, and other necessary expenditure accrued in setting up of a business unit including Land.**
14. **Facilities created under this policy will be granted "Industry Status"**
15. **If land is leased, the lease agreement should not be less than 30 years**

(For detailed notification, please refer our website)

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