



**Government of Jammu and Kashmir
Industries and Commerce Department
Civil Secretariat, Jammu/Srinagar**

Subject: Introduction of J&K Logistics Policy-2023 by the Industries and Commerce Department

Notification

Whereas, the department is contemplating to introduce J&K Logistic Policy with the aim to position J&K as aspiring *investment destination* in the country and to create better employment opportunities in the Union Territory;

Now, therefore, the draft copy of the policy, as **Annexure I** is hereby put in the public domain, through the official website of Industries and Commerce Department, <http://jkindustriescommerce.nic.in> for a period of 21 days i.e. till 28th March 2023, for inputs / comments/ recommendations from the business community, industrialists and other stakeholders before giving effect to such a policy after due approval from competent authority.

The valuable inputs/comments/recommendations, if any, may be sent on the email address principalsecretaryindustryjk@gmail.com. The subject of email should clearly mention "Inputs on Draft JK Logistics Policy".

**Sd/
(Prashant Goyal)IAS
Principal Secretary to the Government
Industries & Commerce Department**

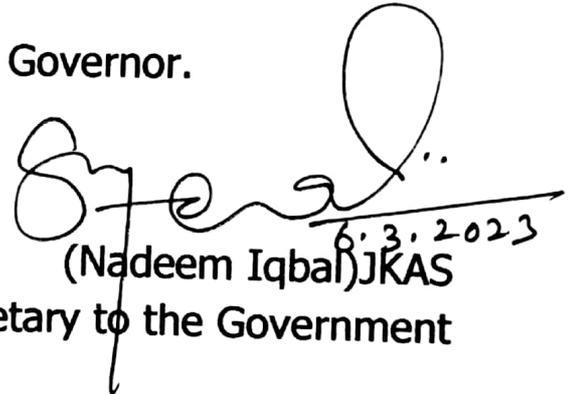
No. IC-DIC/17/2023-01

Dated:06.03.2023

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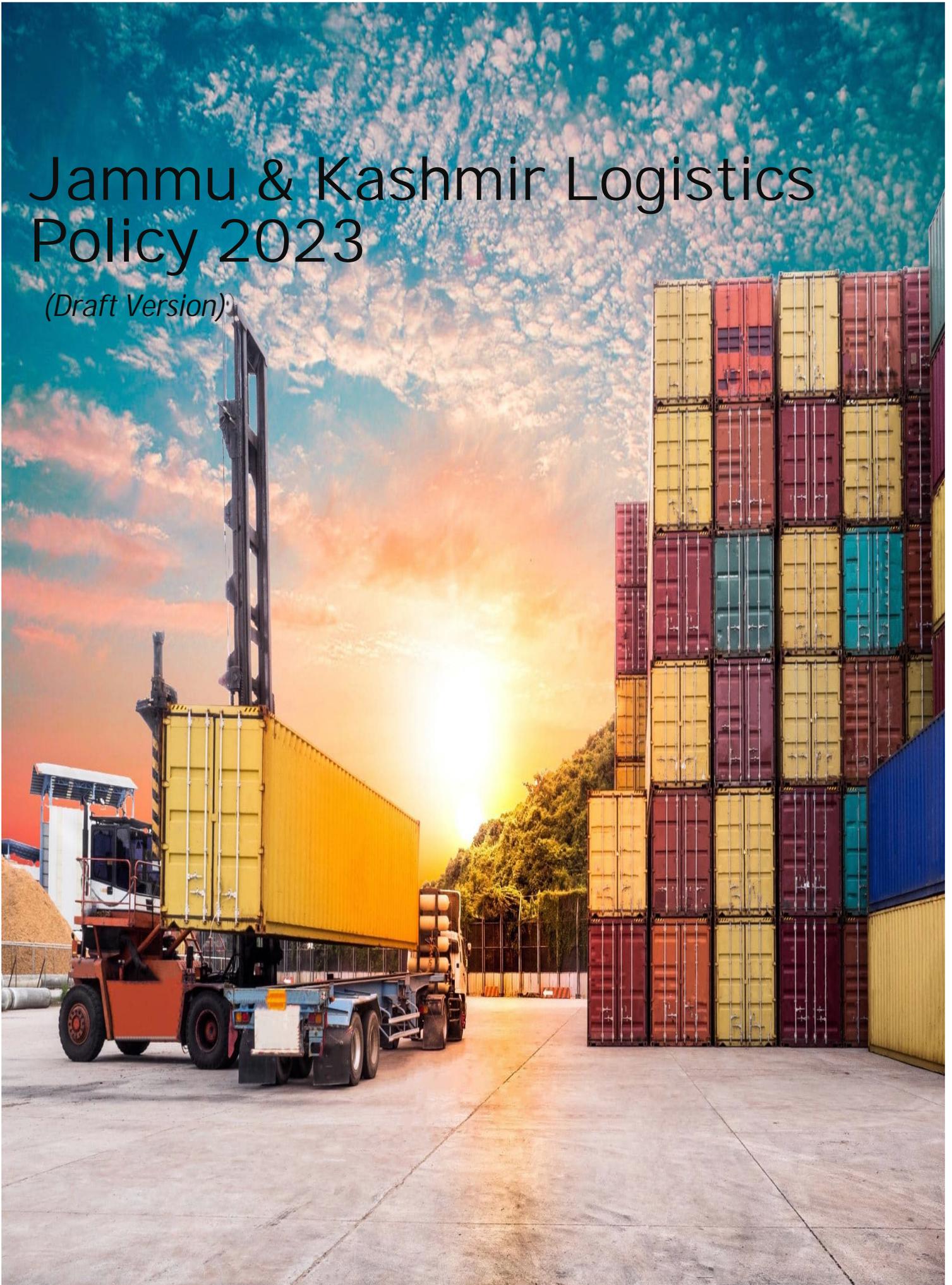
1. All Financial Commissioners (Additional Chief Secretaries).
2. Director General of Police, J&K.
3. All Principal Secretaries to the Government.

4. Director General, J&K Institute of Management, Public Administration and Rural Development.
5. Principal Resident Commissioner, J&K Government, New Delhi.
6. All Commissioners/Secretaries to the Government.
7. Chief Electoral Officer, J&K.
8. Chairman, Special Tribunal, J&K.
9. Joint Secretary (J&K), Ministry of Home Affairs, Government of India.
10. Divisional Commissioner, Kashmir/Jammu.
11. All Heads of Departments/Managing Directors.
12. All Deputy Commissioners.
13. Director, Information, J&K.
14. Director, Archives, Archaeology and Museums, J&K.
15. Principal Private Secretary to the Lieutenant Governor.
16. General Manager, Government Press, Jammu/Srinagar.
17. Private Secretary to the Chief Secretary.
18. Private Secretary to Principal/Secretary to the Government, I&C Department.
19. Private Secretary to Advisor (B) to Lieutenant Governor.
20. Website In-charge I&C Department.


(Nadeem Iqbal) JKAS
6.3.2023
Deputy Secretary to the Government

Jammu & Kashmir Logistics Policy 2023

(Draft Version)

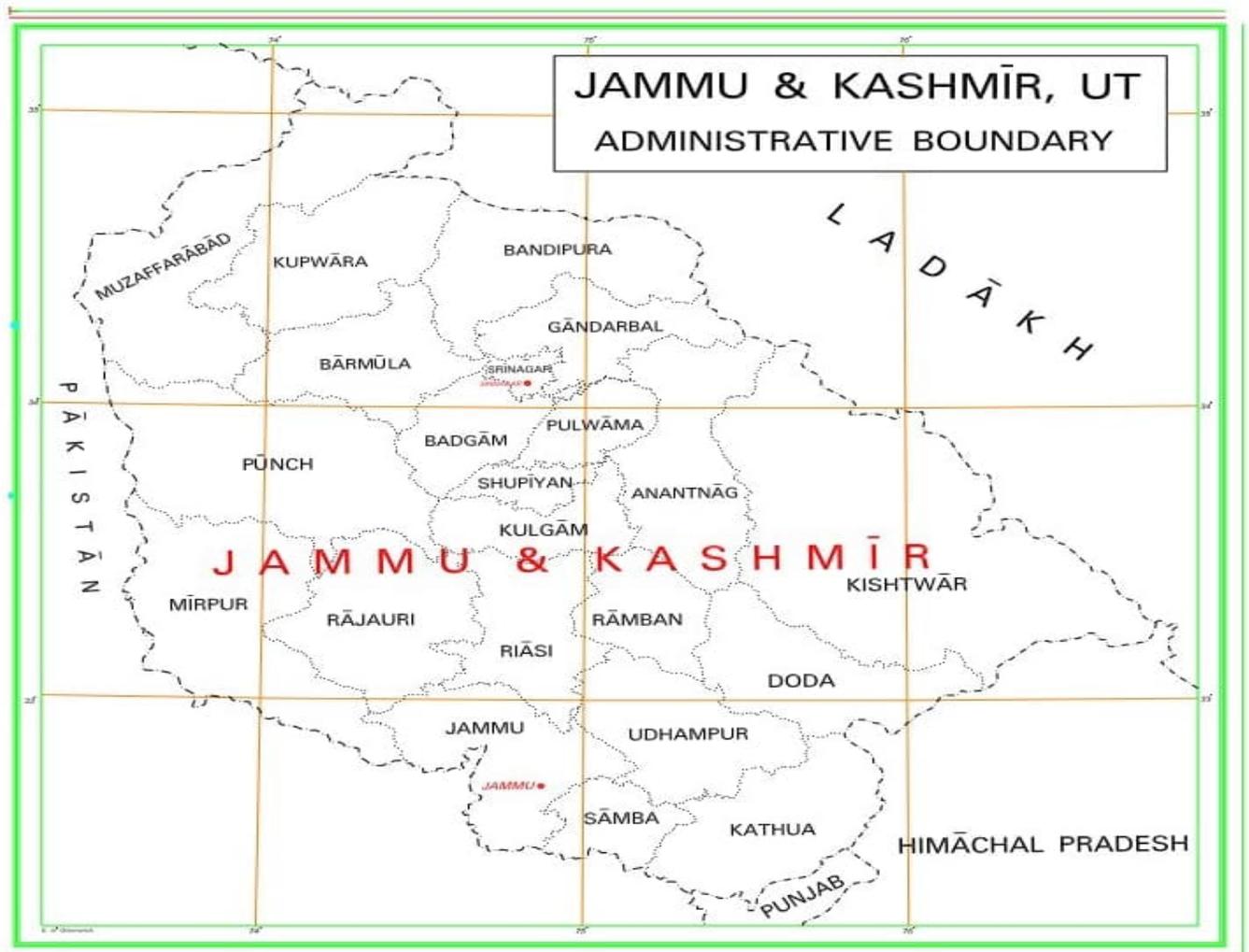


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1. Preface

Located in the northern part of the country, Jammu & Kashmir is one of India's most popular travel destinations. The union territory covers an area of 42,241 sq km (16,309 sq mi) and comprises a population of 12,267,013 as of the 2011 census. It has two capitals - Jammu is the winter capital, and Srinagar is the summer. The UT is almost mountainous with stretches of valleys and some mountain lakes.



Jammu and Kashmir is home to several valleys such as the Kashmir Valley, Tawi Valley, Chenab Valley, Poonch Valley, Sind Valley and Lidder Valley. The Kashmir valley is 15,948 sq km in area. The Himalayas divide the Kashmir valley from the Tibetan plateau while the Pir Panjal range, which encloses the valley from the west and the south, separates it from the Punjab Plain of the Indo-Gangetic Plain. This valley has an average height of 1,850 meters (6,070 ft) above sea-level. The Chenab, Tawi and Ravi are the important rivers flowing through the Jammu region.

2. National Logistic Policy

Logistics efficiency is a function of infrastructure, services (digital systems / processes / regulatory framework) and human resource. PM Gati Shakti National Master Plan (NMP) for multimodal connectivity infrastructure to various economic zones, has been launched. It is a transformative approach for improving logistics efficiency and reducing logistics cost, with focus on integrating existing and proposed infrastructure development initiatives of different agencies, to ensure first and last mile connectivity, for seamless movement of people and goods. While development of integrated infrastructure and network planning is envisaged to be addressed through the PM Gati Shakti National Master Plan, for efficiency in services (processes, digital systems, regulatory framework) and human resource, the National Logistics Policy is the logical next step. This will provide a comprehensive agenda for development of entire logistics ecosystem.

1. Comprehensive Logistics Action Plan (CLAP) The Policy will be implemented through a Comprehensive Logistics Action Plan (CLAP).
2. Integration of Digital System (IDS): This system will look forward to integrating 30 different systems of different departments, which are road transport, railway, customs, aviation, foreign trade, and commerce ministries. The digital data from these departments will be integrated under IDS. This will directly affect movement through shortest route in a positive way.
3. Unified Logistics Interface Platform (ULIP): This system will monitor smooth cargo movement.
4. Ease Of Logistics (E-logS): Under this, the new policy will simplify the rules, which is expected to simplify basic business.
5. Service Improvement Group (SIG): This system will be used to monitor all logistics-related projects regularly and will facilitate the removal of any hurdle.

An empowered group of secretaries (EGoS), constituted under the PM Gati Shakti, would monitor, and review the implementation of the policy. A service improvement group would also be constituted for resolution of issues faced by the users.

National Policy Thrust Areas

1. Integrated Digital Logistics Systems: Develop a system of unified logistics interface to link multiple data sources and develop cross sectoral use cases for logistics stakeholders.
2. Standardization of physical assets & benchmarking service quality standards: Enhance interoperability, minimize handling risks, undertake process optimization, and improve ease of doing business, through standardization of physical assets and benchmarking of service quality standards in logistics including transportation infrastructure (fixed and rolling), terminal handling, warehousing, temperature-controlled logistics, packaging, etc.

3. **Logistics Human Resources Development and Capacity Building:** Develop an overarching logistics human resource strategy and under its guiding principles, line ministries to develop action plans to address skill development related and internal capacity building challenges in the respective sector.
4. **State Engagement:** Provide support for development of state/city level logistics plans, set up institutional framework to act at city/state level, measure and monitor action by states and rank them.
5. **EXIM (Export-Import) Logistics:** Addressing infrastructure and procedural gaps in India's EXIM connectivity and create efficient and reliable logistics network, with transparent and streamlined cross-border trade facilitation, for improved trade competitiveness and greater integration of India with regional and global value chains.
6. **Service Improvement framework:** Improving regulatory interface to enable seamlessness between sectors, promote standardization, formalization, inter-operability; eliminate fragmentation in documentation, formats, processes, and liability regimes, reduce gaps in regulatory architecture.
7. **Sectoral Plan for Efficient Logistics:** Sectoral Plans for Efficient Logistics (SPEL) aligned with PM Gati Shakti, will be developed for each sector with underlying philosophies of inter-operability, resiliency, sustainability, and innovation. Specifically, SPEL would
 - (i) Address logistics issues pertaining to infrastructure, processes, digital improvements, policies and regulatory reforms, and capacity building for better workforce, and
 - (ii) Prioritize cross-sectoral cooperation to complement and not duplicate efforts and focus on optimization of modal mix.
8. **Facilitation of Development of Logistics Parks:** Logistics parks (e.g., Multi Modal Logistics Parks, Air Freight Stations, Inland Container Depots, Container Freight Stations, cargo terminals, etc.) are hubs for intermediary activities (storage, handling, value addition, inter-modal transfers, etc.) in the supply chain connected by a transportation network. It is envisaged to take following steps to facilitate development of logistics parks:
 - a. Guidelines to facilitate Draft framework development of Logistics Parks in the country with focus on encouraging private investment.
 - b. Create a network of logistics parks by mapping them on the PM Gati Shakti NMP, for enhanced visibility, improved logistics efficiency, optimum utilization, and connectivity.

An empowered group of secretaries (EGoS), constituted under the PM Gati Shakti, would monitor, and review the implementation of the policy. A service improvement group would also be constituted for resolution of issues faced by the users.

3. Initiatives by the Government of India

PM Gati Shakti National Master Plan:

A national multi-modal connectivity plan that brings together multiple ministries like railways, roads, and shipping to plan and implement infrastructure connectivity projects in a coordinated and integrated approach. It will represent all economic zones as well as the infrastructure necessary to support them, with the intent of holistically unifying all multimodal connectivity developments and empowering central and state stakeholders to overcome gaps in the movement of people, goods, and services.

Below is the list of mandatory layers which need to be uploaded on the PM Gati Shakti portal by every state and UT to synergize future infrastructure projects in the state / UT in line with the vision of a holistic countrywide development plan.

S. No	Mandatory Layers	S. No	Mandatory Layers
1.	Canals	2.	Soil Type
3.	Water Resources	4.	Industrial Parks
5.	Rivers	6.	Economic Zones
7.	Mining Areas	8.	Traffic Light Poles
9.	Tourism Sites	10.	Bus Terminals & Shelters
11.	Flood Maps	12.	Govt. Buildings/ Institutions
13.	ASI Sites	14.	Land Records
15.	Reservoirs Dams	16.	Sewer Lines
17.	Seismicity	18.	Water Supply Pipelines
19.	Embankments	20.	Power Transmission & Distribution
21.	Eco Sensitive Zones	22.	Roads
23.	Wildlife	24.	Drainage
25.	Reserve Forest	26.	Electric Poles

27.	Forest	28.	Coastal Regulation Zone
29.	Village Boundaries	30.	Petrol/Diesel Outlet
31.	Village Habitation		

Apart from above mandatory layers, additional layers identified by the UT are:

- 32. Government Schools
- 33. Health Institutions

The list is evolving and shall be updated as per the requirement. Various sub layers under each mandatory layers shall be identified and uploaded on Gati Shakti portal

LEADS (Logistics Ease Across Different States):

The "Logistics Ease Across Different States – LEADS" report has become a milestone which helps the States and UTs gauge their Logistics ecosystem. It acts as a litmus test for the State governments to check the actual impact of their programs and policies for promoting logistics vis-a-vis the perception feedback received from the Stakeholders.

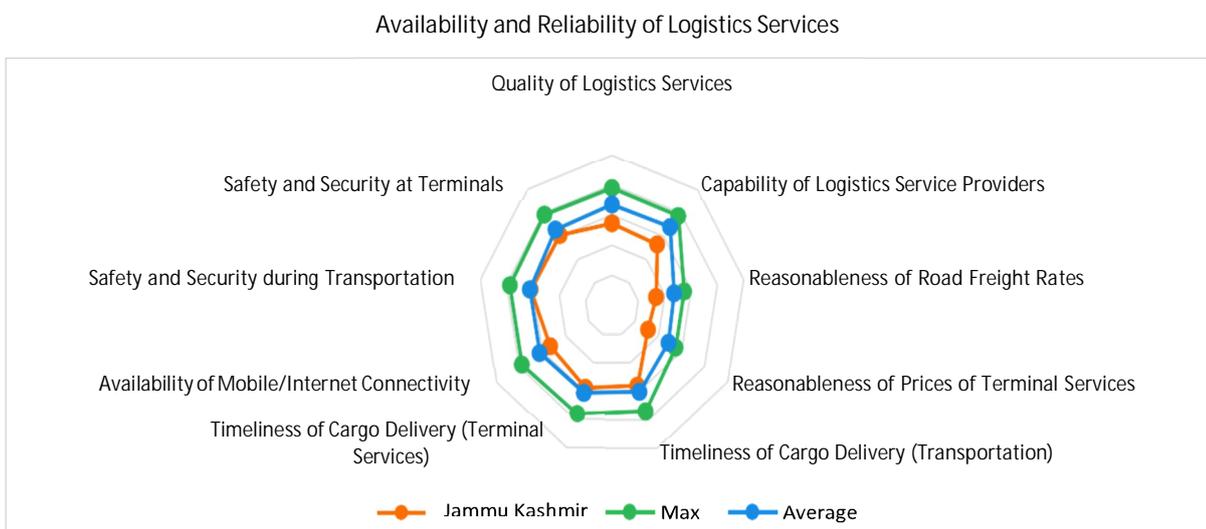
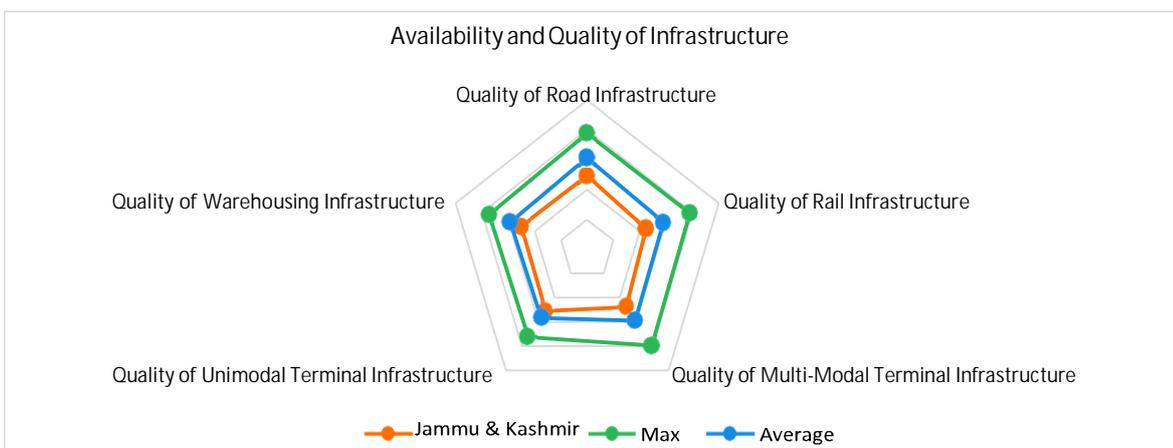
The purpose of the LEADS 2022 report is to analyse the business environment at the State / UT level pertaining to Logistics Infrastructure, policy framework and regulatory regime. It provides a further suggestive roadmap to States and UTs along with a detailed list of reforms and best practices followed by other States and UTs to learn from.

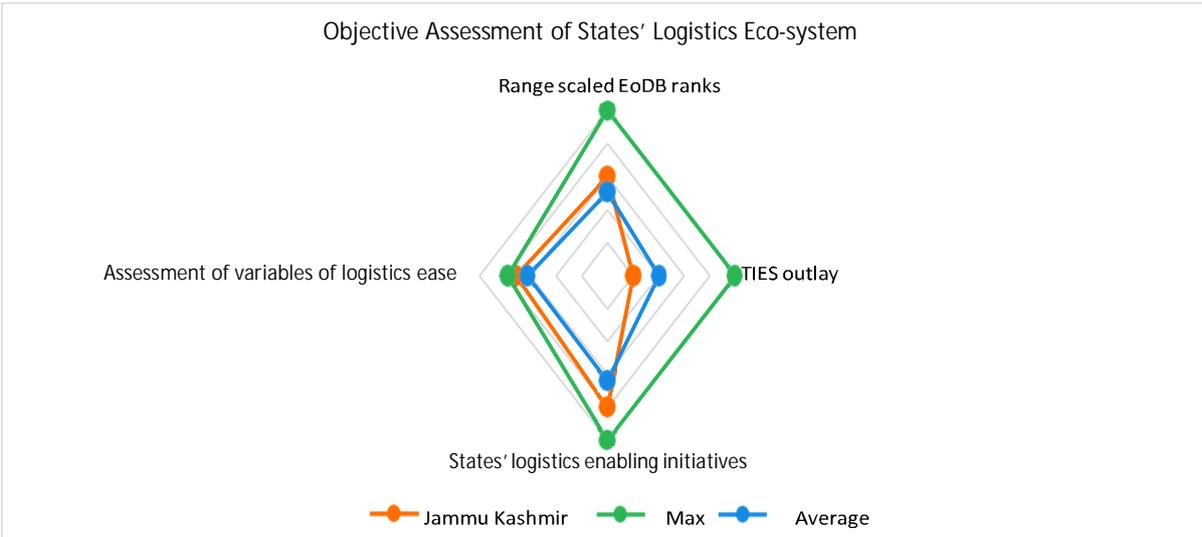
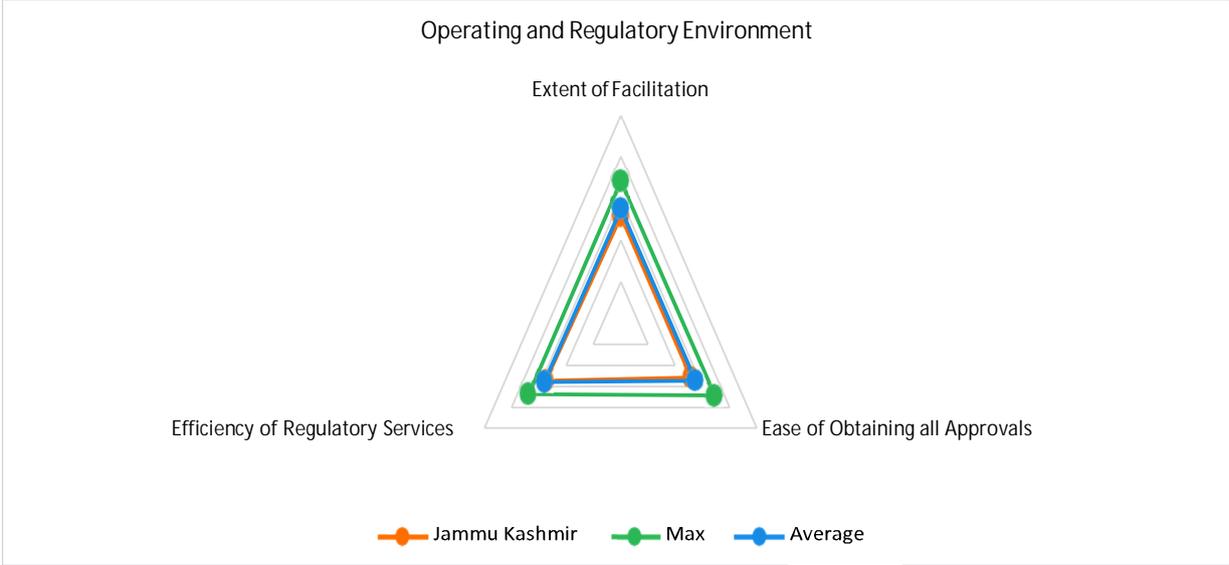
J&K has been graded as an Aspirers within the UT cluster. The UT has scored above average across indicators related to Quality of Infrastructure. (Road, Rail, Terminal, and Warehouse). The UT has scored above average across all indicators related to Reliability of Logistics Services. Reasonableness of Road freight rates and Prices of terminal services is perceived to be a challenge as is seen across the cluster. J&K has been rated below average on all indicators related to Operating and Regulatory Environment.

Jammu and Kashmir – a brief logistics profile:

Parameter	Unit	Value	Year	Source
Road length	km	NH= 1752 SH= 38,389	2020-21	MoRTH/NHAI
Railway track	Track-km	493	2019-20	MoR
Air cargo terminals	nos.	1	2020-21	AAI
Rail goods sheds	nos.	22	2019-20	MoR
Cold storage capacity	MT	2,50,169	2020-21	MoCAF&PD
Logistics training centres	nos.	15	2020-21	MoSDE
No. of individuals trained in logistics	nos.	1,158	2020-21	MoSDE

LEADS Report-2022 (Ministry of Industries and Commerce-DPIIT)





Focus areas to improve the logistics sector:

Bharatmala:

The Bharatmala Pariyojana project envisages the development of about 26,000 km length of roads through 50 new economic corridors connecting 550 districts nationally. The project aims to improve logistics efficiency by eliminating chokepoints on existing corridors and developing Multi-Modal Logistics Parks across strategic locations to reduce the logistics cost of freight.

Parvatmala:

Another connectivity project envisioned by the GOI for the development of ropeways in hilly areas to encourage tourism and encourage an efficient and safe alternate transport network. It is also eco-friendly compared to other transport modes and especially for ecologically sensitive mountainous regions. J&K has entered into MoU with National Highways logistics Management Ltd(NHLML) for development of Ropeway projects in J&K. New projects are expected to be sanctioned for J&K during this year by the Ministry of Road Transport and Highways. Works on two ropeway projects is expected to be sanctioned during current financial year.

Sagarmala:

Another ambitious plan is to develop and link India's vast coastline and hitherto underutilized inland waterways to reduce dependence on a single mode of transportation.

4. Logistics – India Perspective

The Indian logistics sector is valued at USD 150 billion, contributing 14.4 % of country's GDP. With the easing of FDI norms, implementation of GST, increasing globalization, growth of ecommerce, positive changes in the regulatory policies, and government initiatives such as "Gati shakti", "Sagarmala", "Make in India", the sector is expected to touch \$200 billion by end of 2022.

Out of this USD 150 billion logistics cost, almost 99% is accounted for by the unorganized sector (such as owners of less than 5 trucks, affiliated to a broker or a transport company, small warehouse operators, customs brokers, freight forwarders, etc.), and slightly more than 1%, i.e., approximately USD 1.5 billion, is contributed by the organized sector.

However, the industry is growing at a fast pace and if India can bring down its logistics cost from 14% to 9% of the GDP (level in the US), savings to the tune of USD 50 billion will be realized at the current GDP level, making Indian goods more competitive. Moreover, growth in the logistics sector would imply improved service delivery and customer satisfaction leading to growth of export of Indian goods and potential for creation of job opportunities.



5. Logistics Overview - J&K

Government of Jammu and Kashmir are taking serious efforts to accelerate the pace of development in the Union Territory of Jammu and Kashmir. The road connectivity is extremely essential for the development of any region. Till the year 2018, on an average, 1,500 to 1,600 kilometers of road length used to be constructed each year, the same has now more than doubled to 3,200 kilometers. Union Territory of J&K is marching ahead with its ambition of road to every village. With the availability of better road length & opening of Qazigund Banihal tunnel now travel time between Srinagar and Jammu has reduced from 10 hours to 5 hours.

It is expected that Kashmir will be connected to rest of the country through rail network by the next year. Elevated Light Metro Rail in Jammu & Srinagar cities is expected to be rolled out in 2022-23. The project is likely to be completed by 2026. This will reduce the traffic congestion in Srinagar & Jammu cities.

International flights have been started between Srinagar and Sharjah. Besides, two new Airport Terminals are coming up at Jammu and Srinagar. Cargo facility has been provided at Jammu and Srinagar Airports for the convenience of farmers and businessmen.

Road infrastructure by way of construction of mega highways and tunnel projects is in progress. A number of highway projects are presently under execution. Work on Srinagar Jammu National Highway is being completed in next 2-3 years.

Work on Zojila Tunnel on Srinagar- Leh road has commenced. With the construction of six-lane Delhi Amritsar-Katra Expressway, the travel time from Delhi to Jammu will be reduced to 6 hours only.

While J&K has notably come a long way, the logistics cost in the UT remains 10 -15% higher than the national average owing to the UT's lack of effective facilitation with regards to logistics- hindering the UT to meet its full potential.

J&K has been graded as an Aspirers within the UT cluster. The UT has scored above average across indicators related to Quality of Infrastructure (Road, Rail, Terminal, and Warehouse). The UT has scored above average across all indicators related to Reliability of Logistics Services. Reasonableness of Road freight rates and Prices of terminal services is perceived to be a challenge as is seen across the cluster.

With over 60% of the UT being mountainous, the goods in transit are subjected to rugged topography which is compounded by the vagaries of the weather which act as natural

deterrents to developing a robust logistics infrastructure. In the absence of adequate protection and roadside facilities, the cost efficiency of goods is affected.

In order to meet the J&K's developmental and security goals, it is in dire need to improve the standards of logistics services in the UT in terms of accessibility, connectivity, transport operation, and management.

UT of Jammu and Kashmir achieved 3rd national rank in 2021-22 in Pradhan Mantri Grameen Sadak Yojana scheme as compared to 12th rank in 2018-19

By 2025- Upgrading Srinagar Uri-LOC Road, Double Lanning of Srinagar Leh-Road Via Kargil and Uri-Kamanpost(LOC)

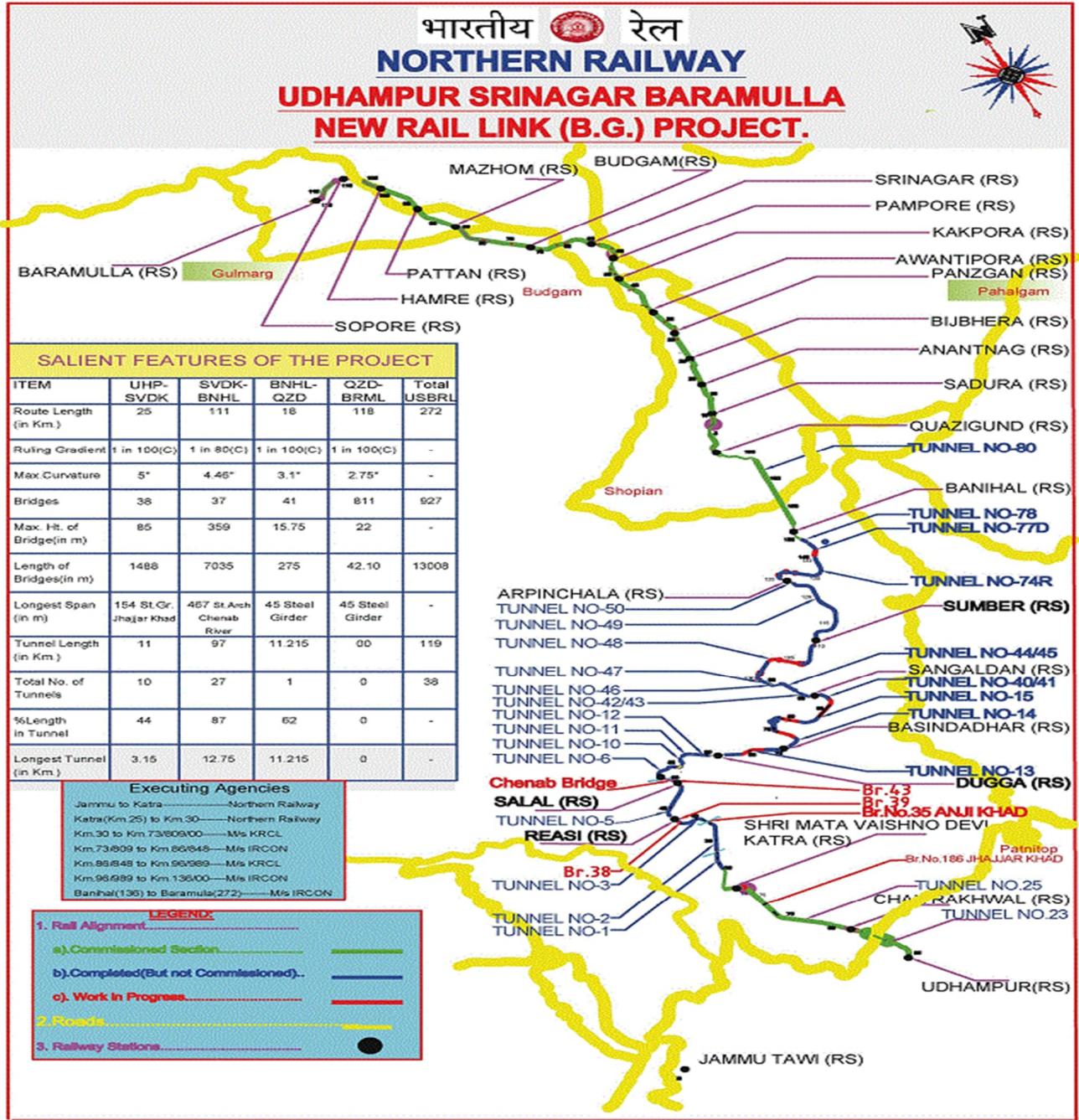
Construction of semi ring road in Jammu and Srinagar with project cost of 1400 Cr and 1860 Cr respectively.

Traffic decongestion plan for two cities (Srinagar and Jammu) of J&K UT as a part of " My Town My Pride" programme, under which the construction of bypass/flyovers/widening projects are envisaged.

16,861 Kms Macadamized in last five years and construction of 582 bridges completed with project cost of Rs 758.86 CR in last five years

The table below captures the salient aspects of different rail sections. Salient aspects of J&K rail sections

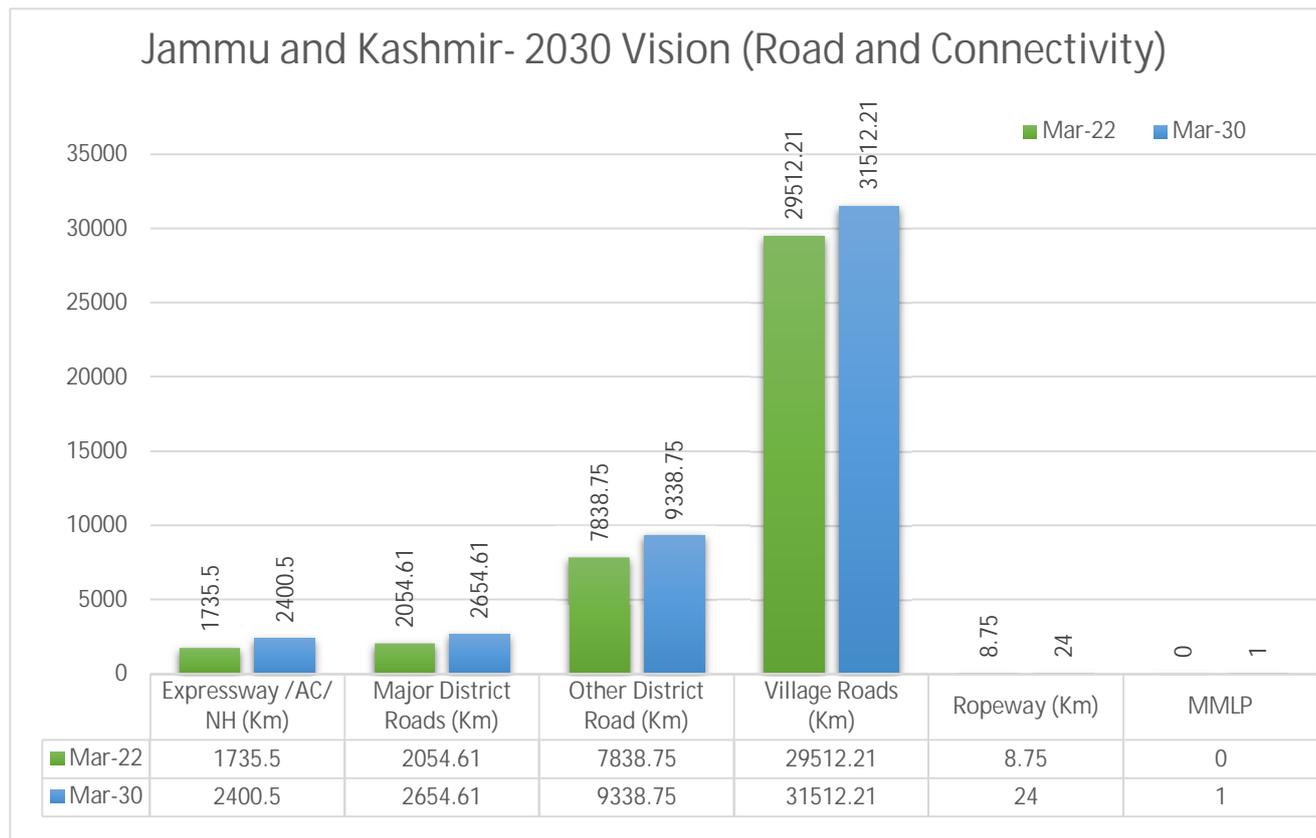
Railway Line Section	Gauge (Broad/ Narrow/ Meter)	Line (Single or Double)	Electrified or Non-Electrified
Kathua – Jammu Tawi	Broad	Double	Electrified
Jammu Tawi - Katra	Broad	Single	Electrified
Katra - Banihal	Under Construction		
Banihal - Baramulla	Broad	Single	Non-Electrified



6. Vision

“To drive economic growth and trade competitiveness of Jammu and Kashmir through a truly integrated, seamless, efficient, reliable and cost-effective logistics network, leveraging best in class technology, processes and skilled manpower.”

6.1. Jammu and Kashmir- 2030 Vision (Road and Connectivity)



6.2. Strategy to achieve Vision-2030 for roads and connectivity

6.2.1. Improvement in average distance travelled by freight vehicles from 250 km/ day to 500 km/ day through barrier less movement initiatives such as

- GPS based tolling to enable distance linked toll collection and zero waiting time.
- Dynamic toll rate based on congestion, time of the day etc.
- Digital clearances at inter-state borders, customs checkpoints.

6.2.2. Provision of integrated mobility solutions through

- Obliteration of siloed land ownership by individual transportation ministries (Road, Rail, Civil Aviation, Ports etc.) and creation of land banks for development of multi-modal infrastructure for seamless freight and passenger movement
- Mobility cards linked to bank accounts for seamless transportation across modes.

- Multimodal transportation planning and booking platforms.

6.2.3. Implementation of smart transportation solutions such as

- Advanced traffic management systems for surveillance, speed, congestion and weather detection
- AI based real time traffic diversion through lane control systems (incident isolation) and tunnel management system

6.2.4. Provision of electronic highway infrastructure such as optical fiber cables and integrated power (and other utility) lines

6.2.5. Creation of national centres of excellence for capacity building of stakeholders across highway design, management & standards & policies

- Big Data/ AI/ ML based highway planning and design including advanced safety protocols such as crash modelling.
- Predictive road and structure performance measurement and management with automated data capture and processing.

7. Mission

1. Provide logistics in a responsive and responsible manner to enable the seekers to obtain the services they require in time and with value for money.
2. Regularly review the way and cost effectiveness of delivering our services so that they adopt the industries' best practices and advances in technology while remaining competitive amongst those being provided in the market.
3. Improve continuously our performance in respect of environmental protection in the delivery of our services and provide a healthy and safe working environment to the people engaged in the field of logistics industry.
4. Foster a customer-focused and team-building culture by maintaining effective communication in the stakeholders of the logistics industry, customers, and the government agencies.
5. Continue to improve the standards of logistics services in the UT in terms of accessibility, connectivity, transport operation and management by recognizing it as the most important asset for the government which is vital to the successful achievement of developmental and security goals of the UT.
6. To keep abreast of advances in technology, management and operational practices in the logistics services provided in the UT as a lifetime learning commitment

8. Objectives

1. Reduce the Logistics costs by at least 50% of the current value in next 5 years.
2. Identify key issues and bottlenecks impacting logistics efficiency in the Jammu & Kashmir UT.
3. Continuously explore the possibilities of improving ground, air, and inland waterways connectivity (wherever possible/viable) across the UT and to prioritize decision making in this regard, to build a robust logistics infrastructure on modern lines such as chain of logistics parks, transport yards, warehouses, controlled atmosphere stores etc.
4. Make suitable interventions for improving logistics performance of the UT on key parameters, viz. Quality Logistics infrastructure, Quality of Logistics service providers, Efficiency of regulatory processes, Operating Environment favourability, Ease of arranging logistics at competitive rates, Timeliness of cargo delivery, safety/security of cargo movement and Ease of track and trace.
5. Use of Information Technology to make processes more dynamic, agile, and practical.

9. Policy Strategies

- 9.1. Extension of AKIC (Amritsar Kolkata Industrial Corridor) to Jammu
Government of India is developing various industrial corridor projects as part of the National Industrial Corridor Programme aimed at development of futuristic industrial cities in India. The same will create employment opportunities and economic growth leading to overall socio-economic development. GOI plans to connect Jammu with AKIC as per the National Industrial Corridor Development Program and UT government shall declare the existing alignment of Amritsar - Jammu highway as a freight corridor and identify at least one Mega Industrial Zone as Investment Node on the dedicated corridor. The objective would be to create state-of-the-art world-class infrastructure to promote local commerce, enhance investment, generate employment, and attain sustainable development.
- 9.2. Provide a simplified, proactive, and responsive institutional mechanism for rapid growth of logistics
 - i. To map logistics facilities across the UT to identify areas for intervention/ improvement and development.
 - ii. To identify capacity and operational bottlenecks of existing logistics facilities, services and the proposed development of road and rail network at UT and national levels.
 - iii. To assess future need of logistics infrastructure such as rail network, airports, and logistics facilities.
 - iv. To consider the focus areas of MSME Incentives as extended by the J&K Industrial Investment Policy 2021-30 and other such policies issued by the Government of J&K.

Action By:

Industries and commerce, Transport department, Aviation, HUDD, Planning Department, PWD, Revenue Department, Finance Department, law Department, NHAI, Railways, Agriculture production Department, PDD

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

- This policy aims at improving utilization of existing logistics facilities under the control of private developers and various UT government departments/ agencies. The existing facilities shall be evaluated on various performance parameters to improve their utilization through relevant stakeholder consultations.

Action By:

Industries and commerce, Transport department, Aviation, HUDD, Planning Department, PWD, Revenue Department, Finance Department, NHAI, Railways, Agriculture Production Department, PDD.

9.4. Promote green and innovative practices to develop a competitive logistics infrastructure in the UT.

- i. The Govt of J&K UT aims at building an eco-friendly and sustainable logistics and transportation system in the UT through minimizing ecological impact of logistics activities, incentivising, eco-friendly transportation, reducing carbon emissions, solid liquid waste management, scientific disposal techniques, use of bio-degradable items, adopting recycling techniques, using renewable energy, etc. Thereby, green logistics initiatives will be promoted under this policy. Further, the use of electric and hybrid vehicles will be promoted at Multimodal Transport & Logistics Parks.
- ii. The UT will implement smart systems for efficient movement of cargo through Checkpoints. "Green Channels" will be identified for vehicle carrying EXIM / Defence cargo
- iii. The UT will develop sustainable & resilient Infrastructure to minimize environmental impact and disruption in transportation by Green Expressways and NH's including solar power generation, mandatory tree cover and rain water harvesting etc.

Action by:

Industries and commerce, Pollution control Board, Research Institutes, Transport department, HUDD, Planning Department, PWD, Finance Department, Railways, NHAI

9.5. Promoting private investments in setting up logistics facilities in the UT with forward and backward linkages

- i. The Government of UT will encourage public private partnership in construction of modern logistics facilities in the UT.

- ii. Development of storage and handling facilities - The policy focuses on development of storage and handling facilities at strategic nodes to improve logistics efficiency in focus sectors such as pharmaceuticals, e-commerce, agriculture, and dairy products etc.
- iii. Development of Air Freight Stations and Air Cargo Complexes at strategic locations - Assessment of air cargo potential, current capacity constraints, air connectivity, etc. shall be carried out. Accordingly, the development of air cargo terminals and air freight stations shall be incorporated while mapping the facilities to boost air cargo.
- iv. Support growth of e-commerce - This policy promotes development of e-commerce hubs in high movement zones, closer to demand locations and around the periphery of cities. This would address the needs of e-commerce sector and prevent traffic congestion in cities.
- v. Development of truck terminals, driver rest areas and parking spaces - The policy aims to promote development of truck terminals for their repair & maintenance, driver rest areas and parking spaces at strategic locations (national/ highways, expressways intersection points, etc.), near industrial parks and around the periphery of high cargo density areas. This will ease out congestion and provide proper waiting areas to trucks during city timing restrictions.

Action by:

Industries and commerce, Aviation, Transport Department, HUDD, Revenue Department, Finance Department, Agriculture Production Department, PDD.

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

- i. Govt of UT will provide fiscal and non-fiscal incentives to logistic companies to boost the sector. Policy promotes and incentivizes use of new technologies to improve sector efficiency in UT.
- ii. Types of technology that may be adopted for this purpose include:
- iii. Robotics and automation in material handling, cargo transportation and de-congesting cargo traffic at logistics facilities.
- iv. Blockchain technology-based systems for transaction validations, exchange of documentation and information in a secured manner.
- v. Digital twin technology for building simulations and measuring impact of new experiments in layouts and new machinery etc. in a risk-free manner. This technology identifies recurring trends and reflects potential weaknesses in the operating environment, thereby providing inputs for future improvements.
- vi. Artificial and augmented intelligence tools for improved demand planning, route planning, operations planning, etc. leading to reduction in time spent, human errors and cost. AI based technologies also provide best route options for low carbon emissions, thereby supporting the environmental sustainability initiatives.

Policy also aims to promote innovation in logistics by incentivizing technical patent registrations by technology providers, start-ups and other business units developing and/ or implementing specialized technology solutions during the policy period. Further, annual awards/ rewards for best technology & innovative solutions in the logistics sector shall also be introduced. Action by:

Industries and commerce, Aviation, Information Technology department, Transport Department, HUDD, Finance Department, Law Department

9.7. Provide handholding support to existing and new logistics operators of the UT (Ease of Doing Logistics)

- i. J&K UT has been consistently ranked amongst the top states in India by DPIIT in its assessment for Ease of Doing Business and was ranked at 1st among NER in 2021.
- ii. As a part of its ongoing business reforms and to streamline the current logistics procedures involved in getting the required approvals from the concerned Departments.
- iii. The UT Government intends to reduce the procedural formalities by re-engineering and digitizing the current processes involved in application submission and approval. An online system integrated with Single Window System is already in place and will be strengthened for online application submission, payment, tracking and approval etc., which shall remove the physical touch points across levels unless there is a need for physical verification.
- iv. To make sure that the application is approved within time limit, fixed timelines as per the provisions of Jammu & Kashmir Single Window (Industrial Investments and Business Facilitation), Act 2018 & Jammu and Kashmir Public Service Guarantee Act, 2011 and will be enforced by the Committees under the Jammu & Kashmir Single Window (Industrial Investments and Business Facilitation) Act, 2018.

Action by:

Industries and commerce Department, Transport Department, All line Departments

9.8. Coordinate with all national and global agencies connected with promotion of logistics

- i. The UT Government will assist in identifying the potential export markets. It will establish linkages with export promotion desks by tying up with trade centres in embassy offices of foreign countries.
- ii. To enhance logistic competitiveness in J&K, Government will leverage schemes like Trade Infrastructure for Export scheme (TIES), Micro & Small Enterprises Cluster Development Program (MSE-CDP) etc.
- iii. The UT Government will also collaborate with relevant Logistic and other Export Promotion organizations such as FIEO, IIFT, EEPC, SEPC, ECGC, Tea Board etc. for strengthening the existing logistic and export ecosystem and setting up of camp offices of relevant export councils in the UT.

Action by:

Industries and commerce, Aviation, Information Technology department, Transport Department, HUDD, Finance Department, NHAI, Railways, PWD.

9.9. With inclusion of the above objectives in the sight, J&K UT is to develop and implement a comprehensive Logistic Plan for the UT

The Government of UT will be developing and implementing Comprehensive Logistic Plan with prime focus on four key area of Logistics:

1. Driver's Empowerment and Employment
 - i. Earmark dedicated Parking spaces along highways and major roads for trucks and resting places for drivers
 - ii. Schemes for Training and Skill Upgradation
 - iii. Development of Highway Amenities / centres along highways providing basic facilities
 - iv. UT Specific schemes for Health and well-being of Drivers
 - v. UT Skill mission to impart driver training programs

2. Warehousing
 - i. Ensure ease availability of land and facilitative environment for conversion of land use, FAR (Floor area restriction) relaxation for warehousing, relation in height of warehouses etc.

 - ii. Development of a Single Window clearances for securing applicable licenses and approvals for establishing and operating warehouses
 - iii. Creating an e-Directory of warehouses in the UT

3. Smart Enforcement
 - i. Move towards an eco-system of minimal inspection and stoppages of trucks on road; Identify truck movement check points & address these bottlenecks; and effective implementation of Carriage of Goods by Road Act, 2007 and Indian Motor Vehicles Act.
 - ii. Simplification of Existing processes for Road enforcement
 - iii. Initiatives to address protruding cargo
 - iv. Prepare a roadmap for adoption of an alternative/innovative methodology of enforcement
 - v. Provision of Wi-Fi / CCTVs / WIMs for remote enforcement
 - vi. Integration of GSTN / FASTag / VAHAN and SARATHI databases and use in Smart Enforcement

4. City Logistic
 - i. Logistics Parks with truck parking/ warehousing in Peri-urban area near cities / Transport infrastructure and traffic for last mile delivery
 - ii. Development of transport infrastructure and traffic planning for last mile deliver within the city boundaries.
 - iii. Identification of peri-urban locations for development of warehouses / fulfilment / aggregation centres to enable shift out in-city warehouses
 - iv. Transportation of goods through sustainable modes etc.

Action by:

Industries and commerce, Aviation, Information Technology department, Transport Department, HUDD, Finance Department, Revenue Department, NHAI, Railways, PDD.

- 9.10. Increase in air cargo traffic to be targeted
- i. Investment from private investors to be facilitated at airport terminals.
 - ii. Increase in air cargo traffic to be targeted for easy movement of goods.
 - iii. Multimodal integration with airport to be facilitated.
 - iv. Sharing of logistics services with other players to reduce cost.

Action by:

Aviation, Industries and Commerce Transport Department, Finance Department, Revenue Department, NHAI, Railways.

10. Policy Implementation

Duration of Policy

- i. This policy will come into effect on the date of its notification and will remain in force for a period of 05 (five) years.
- ii. This policy may be amended or superseded as may be required, and notified from time to time
- iii. In case of any amendment in this policy, if any package of incentives is already committed by the UT government to any unit, it shall not be withdrawn, and the unit shall continue to remain entitled to the benefits.

However, Incentives availed from J&K Industrial Policy 2021 and New Central Sector Scheme (NCSS) will be governed by terms and conditions of respective policies.

11. Logistics Institutional Setup

UT Logistics Coordination Committee

In order to create a conducive & favourable logistics ecosystem, a UT logistics co-ordination committee is constituted, and Administrative Secretary, Industries and Commerce as the nodal officer for the integrated development of the sector. (Annexure 3)

1	Administrative Secretary to the Government, Industries, and commerce	Chairman
2	Administrative Secretary to the Government, Agriculture Production department	Member
3	Administrative Secretary to the Government, Public works (R&B) department	Member
4	Administrative Secretary to the Government Transport Department	Member
5	Divisional Commissioner, Kashmir	Member
6	Divisional Commissioner, Jammu	Member
7	Director Industries and Commerce, Kashmir	Member
8	Director Industries and Commerce, Jammu	Member
9	Representative of Logistic Division of Ministry of Commerce and Industry, Govt of India	Member

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

The Logistics Policy Cell shall undertake the role of unifying the direction of development of logistics sector in J&K. It shall thus play a crucial role in easing the logistics challenges in J&K and undertaking activities that will boost the development of this sector.

The broader terms of reference of the committee may include:

- i. Review and Monitoring of UT Logistics Policy
- ii. Ease of cargo movement via Green Channel
- iii. Development of Transport Nagar
- iv. Development of Logistics and Warehousing hubs
- v. Development of Dry Ports
- vi. Develop UT logistics plan.

A grievance redressal mechanism for providing time bound and effective resolution to issues and challenges shall also be established under this policy.

12. Ease of Doing Business

As illustrated in J&K industrial Policy 2021-30, the Jammu & Kashmir has been taking multiple Initiatives in Ease of Doing Business. Jammu & Kashmir Single Window (Industrial Investments and Business Facilitation), Act 2018 focusses on creating an Investor friendly environment and improve ease of doing business in the Jammu & Kashmir. This is being facilitated by providing accelerated and time bound grant of various licenses, permissions & approvals, promoting Industrial development and facilitating new investments as well as by simplifying the regulatory framework by reducing procedural requirements and rationalizing documents.

- i. Single Window – All required approvals to logistics units shall be provided under one roof through single window system of the UT, directly monitored at the highest level
- ii. Time bound clearances – Providing speedy and time bound clearances is one of the prime intentions of this policy. Towards this goal, timely delivery of services, clearances, approvals, permits, etc. will be guaranteed through single window act and Jammu and Kashmir Public Service Guarantee Act, 2011.
- iii. Quality Power – Govt of Jammu and Kashmir is committed to supply 24X7 reliable, quality power to warehousing and logistics sector.
- iv. Industrial Security – Govt of Jammu and Kashmir will provide safe and secure industrial environment in the UT.

13. Definitions

Eligible Unit/ Project: Eligible unit/ project means a legal entity registered as proprietorship, Partnership firm, Cooperative Society, Company, Trust, Non-Government Organization (NGO).

New unit/ project: A new unit/ project means a unit which commences operation during the operative period of this policy, provided it satisfies all the following conditions:

- i. Should have obtained a separate Letter of Intent or Letter of Approval as prescribed by the competent authority.
- ii. Should have separate and identifiable fixed capital investment which means new plant and machinery/ equipment should be housed in separate premises/ building and shall have to maintain separate books of accounts.

Existing unit/ project: Unit which commenced commercial operations prior to the date of announcement of this policy and is registered under GST in the UT of Jammu and Kashmir.

New building: means a new building constructed, or the acquisition of a new and unused building, for the project, including administrative building. The cost of the new building shall be calculated as per the actual cost or the Schedule of Rates (SOR) of the relevant year of the Roads & Buildings Department, Government of J&K, whichever is lower.

- i. The cost of new buildings constructed for installation of plant and machinery, R&D activities, in-house testing facilities, storage facilities, and other buildings related to logistics operation, shall be considered as per the actual expenditure incurred.
- ii. Building acquired under lease or on rental basis, will not be considered as eligible fixed capital investment. No cost incurred on acquisition of old building, or the expenditure incurred on repairing a building, will be considered as eligible fixed capital investment.

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

Plant and machinery: means new plant & machinery as erected at site which are newly purchased from open market at an arm's length price.

Plant and machinery shall include:

- i. Plant for non-conventional energy.
- ii. Vehicles for transportation only within the premises of the unit, and material handling equipment exclusively used in transporting goods within such premises.
- iii. Plant for captive power generation/ co-generation.
- iv. Plant for pollution control measures, including facility for collection, treatment, disposal.

- v. Diesel generating sets of capacity not more than 50% of the connected electric load or 25 MW, whichever is less.

Project related infrastructure: Fixed capital investment made in the following assets/ items will be considered as project related infrastructure. Direct expenditure incurred for the following items will also be considered to determine the eligibility under this head:

- i. Facilities created for workers and staff.
- ii. Roads to the new unit/ project from the nearest approach road.
- iii. Dedicated facilities created for carrying water and gas required by the project through pipeline.
- iv. Non-refundable deposit paid to the electricity company for transmission of electricity from the nearest sub-station.
- v. Expenditure on electronic telephone exchange and laying of telecommunication/network cables.

Date of commencement of operation (DCO): Means the date when the unit starts, operation/delivering of services on commercial basis which should fall under the operative period of this policy

14. Logistics Facilities

Definition of 'Logistics'

'Logistics Services' or 'Logistics' means the transport or carriage of goods from origin to destination through intermodal, multimodal or single mode of transportation and includes storage, loading or unloading of goods for the purpose of delivery of goods to the consignee, or related value-added or allied services. The logistics infrastructure comprises of nodes and connections, more recognizable as ports, stations, warehouses, and other business premises, connected by roads, railways, shipping, inland waterways, air routes, pipelines, etc., that are used by a wide range of carriers. This system is operated under a framework through a workforce with a wide range of knowledge of skills and technologies.

- a. Logistics Parks means facilities which provide services such as cargo aggregation/ segregation, distribution, open and/ or closed storage, temperature controlled and/ or ambient storage, custom bonded warehouse, material handling equipment, parking, value added services and other related facilities for efficient movement and distribution of semi-finished or finished products. Logistics parks shall be equipped with supporting infrastructure including internal roads, communication facilities, open and green spaces, water pipelines, sewage and drainage lines, power lines, feeder, and other facilities as per the requirements of the park.

- b. Multi-Modal Logistics Park means a logistics facility with multimodal freight handling facility and accessibility to more than one mode of transport with a minimum area of 15 acres.

Multi Modal Logistics Park (MMLP) shall have the following provision:

- MMLP's should have a minimum of 2-lane paved internal road (minimum 10 m wide), and be approachable by an external road of minimum 20m width .
 - FAR on different components of the Warehouse/Logistics Park/MMLP shall be applicable as per the prevailing norms notified by the Government.
 - MMLP's should have access to a rail siding.
- c. Inland Container Depot means an off seaport (port) facility having such fixed installations or otherwise, equipment, machinery etc. providing services for handling and/or clearance of laden import/ export containers, under customs control and with storage facility for customs bonded or non-bonded cargo. These facilities shall have road connectivity, rail connectivity, customs/non-customs bonded warehousing, truck terminals etc. and other common user facilities required to carry out efficient operations.
- d. Container Freight Station means an off seaport (or port) facility having such fixed installations or otherwise, equipment, machinery etc. Providing services for handling /clearance of laden import, export containers under customs control and with storage facility for customs bonded or non-bonded cargo, parking area and such other facilities desired to carry out the operations.
- e. Air Freight Station means an off-airport common user facility equipped with fixed installations of minimum requirement and offering services for handling and temporary storage of import and export cargo, etc. These facilities shall be equipped with customs/ non-customs bonded warehousing, parking area etc. and other common user facilities required to carry out efficient operations. These facilities shall be developed at strategic locations to provide smooth connectivity to the airports and may also have extended area leased out to e-commerce zones.
- f. Private Freight Terminal: A terminal notified under the Private Freight Terminal (PFT) policy of GoI to deal with rail-based cargo including containers. "Greenfield PFT means a new PFT commissioned on private land under the provisions of the PFT policy. Brownfield PFT is used to refer to an existing private siding (including the private sidings dealing with container traffic) converted into PFT under the policy.
- g. Air Cargo Complexes means such facilities developed to enhance air cargo movement capacity of the state. These facilities may be located within airport/ off airport location and provide facilities such as handling, storage, clearance of cargo, among others.
- h. Cold Chain Facility means a facility for storage and minimal processing of perishable/ temperature sensitive cargo such as agriculture, horticulture, dairy, fish & marine, poultry & meat products, pharma etc. with a linkage from source to the consumer. The key components of a Cold Chain Facility may include:
- i. Controlled Atmosphere (CA)/ Modified Atmosphere (MA) chambers, Variable Humidity Chambers, Ambient Storage, Individual Quick Freezing (IQF), blast freezing, etc.

- ii. Minimal Processing Center may have facilities for weighing, sorting, grading, cleaning, waxing, packing, pre-cooling, fog treatment, irradiation facility, etc.
- iii. Mobile pre-cooling vans and reefer trucks may also be attached to cold chain facilities on dedicated basis to provide end-to-end services.
- i. Warehouse means open/closed area developed to provide storage facilities for any cargo. Warehouses shall provide facilities for handling and storage of cargo in bulk/ break bulk form.
- j. Truck Terminals means such facilities which are developed in order to ease traffic congestion on strategic locations such as the district logistics nodes, industrial areas, national/ state highways, expressways intersection points, etc. Truck terminals may provide facilities such as repair and maintenance of the trucks, stores for spare parts, ATMs, fuel stations, parking spaces, transport offices, sanitary facilities, weigh bridges etc. These facilities may also have lodging facilities for drivers and helpers along with areas for loading/unloading (cross docking) of cargo among other facilities. Facilities to check vehicle fitness automatically may also be provided at truck terminals.
- k. Silos are structures for storing bulk cargo in both solid and liquid form and can be constructed of various materials such as concrete/ steel depending on the cargo type to be stored.
- l. EGoS (Committee of Empowered group of Secretaries) constituted under Gati Shakti shall be empowered through this policy to declare any new category of assets as Logistics assets: The infrastructure built for connectivity to any SEZ/ Industrial Area/Economic zone or any other Industrial clusters in the UT will be identified as part of the logistics corridor. The infrastructure created will support and facilitate the movement of goods between the said economic zones along with establishing the backward and forward linkages which are vital for its success. (EGoS) constituted under Gati-shakti would be empowered through this policy to declare the infrastructure built as logistic infrastructure and approval of Incentives for the same.

14.1 Ineligible Expenditure for Assistance:

- a. Expenditure incurred towards purchase of land and land development.
- b. Goodwill fees, commissioning fees, royalty, preliminary and pre-operative expenses.
- c. Interest capitalized, technical fees/consultant fees and working capital.
- d. Any amount not specifically expressed as eligible investment, or any other expenditure specified as non-eligible expenditure by the State Level Empowered Committee will not be eligible.

15. Eligibility

- 15.1. Unit/ project registered as Proprietor, Partnership firm, Cooperative Society, Company, Trust, Non-Government Organization (NGO) can avail incentives under this policy. State Government/ Central Government departments shall not be eligible for any incentives under the policy.

15.2. A unit that has availed any incentive for the same assets under any other scheme of the UT government, Central Government or any agency of the UT government shall not be eligible for incentive under this scheme.

Incentives to Logistic Facilities (Indicative)

15.3. Freight Terminals, Logistics Parks & Warehousing (including Cold Store Services) enjoy the status of Industry under the New Central sector Scheme , 2021 as applicable to J&K. Accordingly, all such logistics and warehousing units in the UT shall be eligible for the incentives available under the J&K Industrial Policy 2021 and New Central Sector Scheme (NCSS), 2021.

15.4. Additional Incentives

15.4.1. Incentives on purchase of Transport Vehicles:

The developer shall be entitled to claim the following onetime incentives for the fleet of vehicles purchased and registered in UT of J&K:

- i. Reimbursement of 50% of vehicle registration fee on purchase of minimum fleet of 15 vehicles with minimum load capacity of at least 9MTs per vehicle.
- ii. Reimbursement of 30% Road tax on purchase of aforementioned fleet of vehicles.
- iii. Reimbursement of 25% on vehicle insurance fees on aforementioned fleet of vehicles annually for a maximum period of 3 years.
- iv. Reimbursement of 100% road tax in case of purchase of at least 10 Hybrid or Plug-in-Electric or Electric Cargo Vehicles of minimum load capacity of at least 1MT per vehicle.

15.4.2. Land use conversion charges:

- Reimbursement of 50% concession on land use conversion charges (if any paid) to the developer.

15.4.3. Skill Development incentives:

- Reimbursement up to 5 years for a maximum of 50 employees/ year.
@ Rs 12,000 /employee/ year and Rs. 24,000/ employee / year for women/
Handicapped employee.

15.4.4. EPF reimbursement facility to the extent of 50% of employer's contribution to all new Logistics units providing direct employment to atleast 50 unskilled workers, and additional 10% of employer's contribution on direct employment to 100 skilled and unskilled workers.

- 15.4.5. Incentives for MMLP's: With an intent to encourage large investments of strategic importance to economy of UT, the EGoS may suggest customized incentives package for MMLPs, with minimum investment of ₹ 100 Cr.(excluding value of land) to the Government for due consideration.
- 15.4.6. One time reimbursement in case of new MMLPs where investment is more than ₹50 Cr. but less than ₹100 Cr.(not covered under New Central Sector Scheme, 2021)
- a) ₹5 Cr. to be provided on fixed capital investment in zone A.
 - b) ₹7.5 Cr. to be provided on fixed capital investment in zone B.

Zone A and Zone B shall be as under J&K land Allotment Policy 2021.

16. Power to Relax

The Government may if deemed fit relax or modify any of the provisions of this policy in larger public interest.

Annexure 1

Institutional Setup for Logistic Sector

J&K Govt vide Government Order No: 573 -JK(GAD) of 2022 Dated: 18.05.2022 and Government Order No:1438-JK(GAD) of 2022 Dated:28.11.2022 constituted an Empowered Group of Secretaries (EgoS), Network Planning Group (NPG) & Technical Support Units (TSUs) for implementation of the Master Plan of Prime Minister's Gati Shakti Programme in J&K Union Territory.

Industries and Commerce Department shall be the Nodal Department and Administrative Secretary, Industries and Commerce Department shall be the UT Level Nodal Officer for effective implementation of PM Gati Shakti UT Master Plan.

Empowered group of Secretaries (EgoS): -

1	Chief Secretary	Chairman
2	Administrative Secretary, Agriculture Production Department	Member
3	Administrative Secretary, Finance Department	Member
4	Administrative Secretary, Industries and Commerce Department	Member
5	Administrative Secretary, Jal Shakti Department	Member
6	Administrative Secretary, Housing and Urban Development Department	Member
7	Administrative Secretary, Public Works (R&B) Department	Member
8	Administrative Secretary, Civil Aviation Department	Member
9	Administrative Secretary, Transport Department	Member
10	Administrative Secretary, Department of Forest, Ecology and Environment	Member
11	Administrative Secretary, Mining Department	Member
12	Administrative Secretary, Revenue Department	Member
13	Administrative Secretary, Planning, Development and Monitoring Department	Member Secretary
14	Administrative Secretary, Tourism Department	Member
15	Any other Administrative Secretary as may be co-opted	Co-opted Member

Terms of Reference

1. To review and monitor implementation of the plan to ascertain the logistics efficiency accruing thereof and adopting framework and norms for undertaking any amendments in the plan.
2. To coordinate for any changes in the project already included in the plan within the prescribed framework and norms.
3. To set out a procedure and a definitive time frame for synchronization of various activities for construction of roads, rail etc along with all utility services in an area-based approach for development of infrastructure on pilot basis.
4. To align various initiatives on development of a common integrated portal which serves the needs of all stakeholders.
5. To issue appropriate directions for achieving the objectives and for compliance to guiding principles of the PM Gati-Shakti NMP and in addressing demand side requirements of concerned Department.

Network Planning Group (NPG):

1.	Administrative Secretary, Industries and Commerce Department	Chairperson
2.	Administrative Secretary, Planning, Development and Monitoring Department	Member
3.	Representative of the Agriculture Production Department (not below the rank of Additional Secretary)	Member
4.	Representative of the Finance Department (not below the rank of Additional Secretary)	Member
5.	Representative of the Industries and Commerce Department (not below the rank of Additional Secretary)	Member Secretary
6.	Representative of the Jal Shakti Department (not below the rank of Additional Secretary)	Member
7.	Representative of the Housing & Urban Development Department (not below the rank of Additional Secretary)	Member
8.	Representative of the Public Works (R&B) Department (not below the rank of Additional Secretary)	Member
9.	Representative of the Civil Aviation Department (not below the rank of Additional Secretary)	Member
10.	Representative of the Transport Department (not below the rank of Additional Secretary)	Member

11.	Representative of the Forest, Ecology and Environment Department (not below the rank of Additional Secretary)	Member
12.	Representative of the Mining Department (not below the rank of Additional Secretary)	Member
13.	Representative of the Revenue Department (not below the rank of Additional Secretary)	Member
14.	Representative of the Planning, Development and Monitoring Department (not below the rank of Additional Secretary)	Member
15.	Representative of the Tourism Department (not below the rank of Additional Secretary)	Member
16.	Representative of any other Department as may be co-opted	Member

Terms of Reference:

1. The group will be responsible for sharing their specific Action Plans for 2020-21 to 2024-25 with each other for facilitating integration of networks, enhance optimization through modification/expansion/new network creation to avoid duplication of works for holistic development of any region as well as reducing logistic costs through micro-plan detailing.
2. This group, after examining all the interventions proposed to be taken by various Departments shall delineate all projects where synchronization of efforts are required and propose any changes in the PM Gati Shakti NMP for consideration and approval of the EGoS.
3. The representatives of the concerned Department will be responsible to ensure that the data inputs of the progress pertaining to be respective departments have been correctly mapped in the PM Gati Shakti NMP.
4. This group shall assist EGoS in coordination for any changes in the Projects already included in the Master Plan. While close coordination with the UT Government will be done, private sector Industries, experts will also be closely associated and during planning and implementation

Technical Support Unit(s) (TSU) for Jammu/ Kashmir Divisions:

1	Director, Industries & Commerce Jammu/Kashmir	Chairperson for respective division
2	Representative of the Agriculture Production Department (not below the rank of Joint Directors/Deputy Directors)	Member
3	Representative of the Finance Department (not below the rank of Joint Directors/Deputy Directors)	Member
4	Representative of the Industries and Commerce Department (not below the rank of Joint Directors/Deputy Directors)	Member

5	Representative of the Jal Shakti Department (not below the rank of Joint Directors/Deputy Directors)	Member
6	Representative of the Housing and Urban Development Department (not below the rank of Joint Directors/Deputy Directors)	Member
7	Representative of the Public Works (R&B) Department (not below the rank of Joint Directors/Deputy Directors)	Member
8	Representative of the Civil Aviation Department (not below the rank of Joint Directors/Deputy Directors)	Member
9	Representative of the Transport Department (not below the rank of Joint Directors/Deputy Directors)	Member
10	Representative of the Forest Ecology and Environment Department (not below the rank of Joint Directors/Deputy Directors)	Member
11	Representative of the Mining Department (not below the rank of Joint Directors/Deputy Directors)	Member
12	Representative of the Revenue Department (not below the rank of Joint Directors/Deputy Directors)	Member
13	Representative of the Planning, Development and Monitoring Department (not below the rank of Joint Directors/Deputy Directors)	Member
14	Representative of the Tourism Department (not below the rank of Joint Directors/Deputy Directors)	Member
15	Representative of any other Department as may be co-opted (not below the rank of Joint Directors/Deputy Directors)	Member

Annexure 2

Incentives available in New Central Sector Scheme (NCSS) J&K Industrial Policy 2021

NCSS- Incentives under the Scheme

Subject to eligibility, the following incentives are provided under this scheme.

- (i) Capital Investment Incentive (CII).
- (ii) Capital Interest Subvention (CIS).
- (iii) Goods & Services Tax Linked Incentive (GSTLI).
- (iv) Working Capital Interest Subvention (WCIS).

Capital Investment Incentive (CII):

A. Eligibility:

I. The following units will be eligible to avail this incentive

- a. New units with investment of not more than Rs.50.00 (Fifty) crore in Plant & Machinery (for manufacturing sector) or building and all other durable physical assets (for service sector) will be eligible to avail this incentive in both Zone A and Zone B.
- b. Existing units undertaking substantial expansion with investment of not more than Rs.50.00 (Fifty) crore in Plant & Machinery (for manufacturing sector) or Building and all other durable physical assets (for service sector) will be eligible to avail benefit under this incentive in both Zone A and Zone B.

(ii). Subject to proviso in Clause 6.8(c), a unit will be eligible for this incentive only if it installs new plant and machinery (for manufacturing sector) or constructs new building and other durable physical assets (for service sector), where purchases have been made based on Arm's Length Pricing,.

(iii) A service sector unit will be eligible for this incentive only if it makes investment of not less than Rs. 1.00 crore in new building and other durable physical assets

- B. All eligible units located in Zone A category blocks in the UT of Jammu & Kashmir will be provided Capital Investment Incentive @30% of the investment made in plant and machinery (for manufacturing sector), or for construction of building and installation of other durable physical assets (for services sector) with maximum limit of Rs. 5.00 crore.
- C. All eligible units located in Zone B category blocks in the UT of Jammu & Kashmir will be provided Capital Investment Incentive @50% of the investment made in plant and machinery (for manufacturing), or for construction of building and installation of other durable physical assets (for services sector) with maximum limit of Rs.7.50 crore.
- D. An existing unit can avail this benefit for substantial expansion only once during the validity period of the scheme.
- E. A new unit registered under the scheme will not be eligible to avail the benefit under substantial expansion.
- F. Physical verification of the units is mandatory before availing this incentive. However, under special circumstances, on recommendations by UT, with due justification, Steering Committee may consider electronic modes, or any other method as deemed appropriate in lieu of physical verification.
- G. Detailed procedure for registration and availing this incentive shall be laid down in the guidelines.

Capital Interest Subvention (CIS)

(a) Eligibility:

(i) New units will be eligible for this incentive on the loan availed on investment made in eligible plant and machinery (for manufacturing sector), or construction of building and other durable physical assets (for service sector).

(ii) Existing units undertaking substantial expansion will also be eligible for the incentive as per clause 10.2(a)(i).

(iii) Interest on loan up to the principal amount of Rs. 500 crore for investment in eligible plant and machinery shall be eligible for Capital Interest subvention. If the total principal amount of loan (loan being defined as a whole and not as per draw-down amount in each

tranche) is more than Rupees 500 crore, then interest on the loan amount exceeding Rs. 500 crores would not be eligible for Capital Interest Subvention.

(iv) The Capital Interest Subvention would be eligible on amount disbursed and not on the principal amount sanctioned for the term loan.

(v) A unit will be eligible for this incentive only if it installs new plant and machinery (for manufacturing sector) or constructs new building and installs other new durable physical assets (for service sector) where purchases have been made based on Arm's Length Pricing.

(vi) A service sector unit with an investment of not less than Rs. 1 crore in new building and other new durable physical assets will be eligible for this incentive.

(b) All eligible units can avail Capital Interest Subvention at the annual rate of interest of 6% for a maximum of 7 consecutive years from any date after the date of application for registration under this scheme. However, disbursement of eligible amount under this incentive shall begin only after commencement of commercial production.

(c) In future, if the annual rate of interest falls below 8%, an eligible unit will still be liable to pay a minimum amount of interest at the annual rate of interest of 2%. (Illustration: In future in case the annual lending rate by a bank for an eligible unit falls to 7%, the amount of interest subvention will be limited to 5%, and the unit will bear 2% interest burden).

(d) This incentive is applicable on the loans availed from a Scheduled Commercial Banks or Financial Institutions registered by Reserve Bank of India.

(e) Detailed procedure for availing this incentive shall be laid down in the guidelines.

Goods & Services Tax Linked Incentive (GSTLI)

(a) Eligibility: New units registered under the scheme irrespective of the value of investment in plant and machinery (for manufacturing sector) and construction of building and other durable physical assets (for service sector) and having a GST registration will be eligible for benefit under this incentive.

(b) Upper limit of incentive under this component shall be 300% of the eligible value of investment made in plant and machinery (for manufacturing sector) or construction of building and other durable physical assets (for services sector). The value of Plant and Machinery for manufacturing or building and durable physical assets in Services sector units will be as per the eligible value determined under Capital Investment Incentive or Capital Interest Subvention, whichever is applicable.

(c) All eligible units will be granted Goods & Services Tax Linked Incentive (GSTLI) equal to 100% of Gross payment of GST, i.e., GST paid through cash and input tax credit for a maximum period of 10 years from the date of commencement of commercial production/operation or till the validity of the scheme whichever is earlier. However, GST paid on exported goods or services will not be counted towards eligible incentive amount under this component.

(d) The amount of incentive paid in a financial year will not exceed one-tenth of the total amount of eligible incentive under this component subject to full payment of GST as per GST return filed for the claim period.

(e) The quantum of incentive will be the same irrespective of the fact whether the unit is located in Zone A or Zone B in the UT of Jammu & Kashmir.

(f) In case gross GST paid by any unit in a financial year is more than one-tenth of the total amount of eligible incentive, the balance can be carried forward to the subsequent financial year(s). Further, in case the unit is not able to claim full eligible amount of incentives in the first 3 year, the same can be carried forward to subsequent years. However, this will not be carried forward beyond the eligible period of 10 years or beyond the validity of scheme, whichever is earlier.

(g) In order to avail benefit under this incentive, a unit will be required to have a new registration number for GST. If an applicant has another unit registered within the UT of Jammu & Kashmir, existing GST number shall not be used for the new unit which has been registered under this scheme. (Illustration: If an existing unit A starts another unit with name B then GST number of unit A will not be applicable for availing GSTLI for unit B. A new GST number will be required by unit to avail GSTLI.)

(h) Detailed procedure for availing this incentive shall be laid down in the guidelines.

Working Capital Interest Subvention (WCIS)

(a) Eligibility: All existing units in the UT of Jammu & Kashmir registered under GST prior to the date of notification of this scheme will be eligible for this incentive, subject to the registration and other conditions as detailed in the guidelines.

(b) Units located both in Zone A and Zone B in the UT of Jammu & Kashmir are eligible for this incentive

(c) All existing eligible units can avail interest subvention @ 5% on working capital loan for a maximum of 5 consecutive years from the date of grant of registration under this scheme. Existing eligible units availing benefits under this component will be eligible for five years period, even when they are undertaking substantial expansion.

(d) In case, if the annual rate of interest charged by a bank falls below 6%, a minimum amount @1% per annum of interest will still have to be paid by the eligible units (Illustration: If in future, bank rate of interest for a unit becomes 5%, the interest subvention will be limited to 4% and the unit will bear the burden of 1% interest).

(e) The maximum benefit under this component for manufacturing as well as service sector units is Rs. 1 crore in 5 years. The methodology for calculation of the eligible amount of working capital interest subvention will be prescribed in the detailed guidelines issued there under.

Package of Incentives under J&K Industrial Policy, 2021

Eligibility

- i. All eligible Manufacturing and Service sector units will be granted incentive(s) under this scheme as defined under clauses of respective incentives of this policy.
- ii. The incentives shall not be applicable to the units which manufacture the products listed in the Annexure -I (Negative List for Manufacturing Sector).

- iii. The incentives shall be applicable only in case of such service units from sectors as listed in the Annexure -II (Positive List for Service Sector).
- iv. The incentives shall be disbursed only after certification of commencement of Production/Operation of the unit by the concerned GM DIC.

Subsidy on DG set

- i. All new units, existing units and existing units undertaking substantial expansion will get 100% subsidy on purchase and installation of a single new DG set having capacity ranging from 10 KW to 2000 KW, with the capping of Rs. 40 lakhs in Zone A and Rs. 45 lakhs in Zone B. The incentive can be availed only once under the Policy.
- ii. In case of units undergoing substantial expansion, the unit holder shall be incentivized on DG Sets only on incremental power load in case the Incentive has already been availed by the unit on existing Power Load (Incremental Power load shall mean, Power load comprising of expansion part only).
- iii. If the existing unit undertakes Substantial Expansion but has not availed the DG Set subsidy earlier, the DG Set subsidy shall be applicable on aggregate power load of the unit (Aggregate power load shall mean total power load of the unit after Substantial Expansion)
- iv. The subsidy shall be available to the unit after it has been verified that the DG set has been installed in the unit.
- v. The incentive shall, however, be extended, subject to installation of Retrofitted Emission Control Devices/ Equipment, as per the condition laid down by the Hon'ble National Green Tribunal for DG Sets of 125 KVA capacity and above.
- vi. The amount of subsidy on purchase of one (01) DG set shall be paid to the Unit only through a bank (or the concerned financing agency, if any) even if the promoter may not have taken any loan for purchase of the DG set.
- vii. Existing units not undertaking substantial expansion which have availed this incentive earlier will not be eligible for this incentive under the Policy.

Exemption of Stamp Duty and Court Fee

- i. New units and existing units undertaking substantial expansion shall be eligible for 100% exemption of Stamp duty on land transactions in Government Industrial Estates, including lease deed and mortgage deed.
- ii. New units and existing units undertaking substantial expansion shall be eligible for exemption of payment of court fee for registration of documents relating to land transactions.

Subsidy on procurement of Quality Certificate

- i. New units, existing units and existing units undertaking substantial expansion, procuring Quality Certification like ISO, ISI, BIS, FPO, BEE, AGMARK, ECOMARK, ZED Rating etc. shall be given a subsidy of 30% of the total cost incurred for obtaining the said certificate, subject to a maximum of Rs 2 lakhs, as certified by the Chartered Accountant. This incentive, however, can be availed only once.
- ii. Existing units not undertaking substantial expansion which have availed this incentive earlier will not be eligible for this incentive.

Subsidy on Automation

- i. New units, existing units and existing units undertaking substantial expansion incurring expenditure on automation I software / hardware /Business process re-engineering (BPR) through computers/IT/ Online Pollution Control Devices shall be provided subsidy of 25% of expenditure incurred on the same up to a limit of Rs. 2 lakhs, after due verification by the Industries & Commerce Department/Pollution Control Board, if the same has not been claimed under Capital Investment Incentive (CII) or similar subsidy scheme of the Central or Jammu & Kashmir Government.
- ii. Existing units not undertaking substantial expansion which have availed this incentive earlier will not be eligible for this incentive.

Subsidy on Pollution Control Devices

- i. New units, existing units and existing units undertaking substantial expansion shall be eligible for subsidy on the cost of new Pollution Control Devices (PCD), @ 60% of the cost of Pollution Control Devices subject to a maximum of Rs. 50 lakhs, if this has

not been already claimed under Capital Investment Incentive (CII) or similar subsidy scheme of the Central or Jammu & Kashmir Government.

- ii. Existing units not undertaking substantial expansion which have availed this incentive earlier will not be eligible for this incentive.

Green and Environment Protection Initiative

- i. New units, existing units and existing units undertaking substantial expansion shall be eligible 50% subsidy on the expenditure incurred on installation of new equipment of rainwater harvesting, wastewater recycling, zero discharge process/ solid waste management.
- ii. Existing units not undertaking substantial expansion which have availed this incentive earlier will not be eligible for this incentive again.

Turnover Incentive

- i. For existing Micro units, 3% Turnover incentive shall be provided for all existing units registered under GST in the LIT of Jammu & Kashmir on or before 31.03.2021. Units can avail incentive for 5 years, maximum up to Rs. 10 lakhs per annum.
- ii. For existing SME and Large Units, 2% Turn over incentive shall be provided for all existing units registered under GST in the UT of Jammu & Kashmir on or before 31.03.2021. Units can avail incentive for 5 years, maximum up to Rs. 50 lakhs per annum.
- iii. Units can avail the incentive for 5 consecutive years within the applicable time period of this policy. This incentive shall however be subject to an annual overall capping of Rs 50.00 crore.

SGST Incentive

- i. Existing units registered under GST in the UT of Jammu & Kashmir on or before the date of 31.03.2021 shall be eligible for 100% Net SGST reimbursement for 10 years from 01.04.2021.
- ii. The negative list of activities under which a business enterprise shall not be allowed to avail the benefit, shall be reviewed from time to time.

Sanction of Incentives under Jammu & Kashmir Package

- i. All the incentives under the Jammu & Kashmir Package up to Rs. 5.00 lakhs shall be sanctioned and disbursed by the concerned General Manager.
- ii. The incentives above 5.00 lakhs and up to 50.00 lakhs shall be sanctioned by the Divisional Level Committee of respective Directorates of Industries and Commerce, Jammu/Kashmir.
- iii. The incentives above 50.00 lakhs shall be sanctioned by the UT Level Committee of Department of Industries and Commerce, Jammu and Kashmir.
- iv. The composition of committees shall be detailed in the guidelines.
- v. The sanctioned amount shall be disbursed by concerned General Manager within a period of 15 days from date of sanction.
- vi. The committee shall meet once in a month for each district in the division. The concerned General Manager shall submit the cases, which are required to be placed before the Divisional Level Committee, to the Director, Industries and Commerce within the period of 30 days and the same shall be disposed of by the Divisional Level Committee within one month.
- vii. 10% audit of all incentive claims sanctioned at District level shall be conducted by Directorate of Industries and Commerce Jammu/Kashmir before disbursement. The Director Industries & Commerce concerned shall constitute a committee of officers for the purpose.
- viii. The incentive approval committee viz. District Level, Divisional Level and UT Level reserves the power to reject the claim.

Marketing Support

With a view to create more business opportunities for Micro and Small enterprises, the Jammu & Kashmir Government Intends to initiate the following measures: ;

- i. Industrial trade fairs shall be organized, and Jammu & Kashmir's participation would be promoted on a regular basis at national and international level.
- ii. Jammu & Kashmir would organize marketing events for MSMEs like buyer-seller meets, trade fairs, exhibitions etc. All the MSMEs and other industrial units shall be encouraged to participate in such marketing events.

- iii. MSEs goods and services shall be procured as per the policy, Government of Jammu and Kashmir as issued and amended from time to time.
- iv. Local filter has been provided in the GeM portal in order to give boost to the local manufacturers.

Entrepreneur and Skill Development Fund

- i. An entrepreneur and skill development fund shall be created for incorporating entrepreneurial skills to the local youths for sustained industrial growth in the UT. 10% of the premium charged by Industrial Corporations as per land policy for allotment of the land to entrepreneurs shall be transferred to this fund. The Entrepreneurs shall be provided training and skill development in industrial entrepreneurship from JK Entrepreneur institute (JKEDI) and other premier institutes of the country.

Annexure 3

**GOVERNMENT OF JAMMU AND KASHMIR,
GENERAL ADMINISTRATION DEPARTMENT,
Civil Secretariat, Jammu.**

Subject: **Constitution of a Logistic Coordination Committee for integrated development of logistic sector in the UT of Jammu and Kashmir.**

**Government Order No:361-JK(GAD) of 2021
Dated:23.04.2021**

Sanction is hereby accorded to the constitution of a Logistic Coordination Committee, comprising the following, for integrated development of logistic sector in the Union territory of Jammu and Kashmir:-

1.	Principal Secretary to the Government, Industries and Commerce Department	Chairman
2.	Principal Secretary to the Government, Agriculture Production & Farmers Welfare Department.	Member
3.	Principal Secretary to the Government, Public Works (R&B) Department.	Member
4.	Commissioner/Secretary to the Government, Transport Department.	Member
5.	Divisional Commissioner, Kashmir.	Member
6.	Divisional Commissioner, Jammu.	Member
7.	Director, Industries and Commerce, Kashmir.	Member
8.	Director, Industries and Commerce, Jammu.	Member
9.	Representative of Logistic Division of Ministry of Commerce, Government of India.	Member

Terms of Reference:-

- To finalize the Union territory Logistic Policy and Logistic Plans.
- To facilitate Ease of Cargo Movement via Green Channels.
- To develop the Transport Nagar for promotion of logistic services.
- To develop the Logistic and Warehousing hubs.
- To develop the Dry Ports.

It is further ordered that Director, Industries and Commerce, Jammu shall set up a logistic cell under her Chairpersonship which shall liaise with the Logistic Division of the Ministry of Commerce, GoI. The cell shall prepare a draft Integrated Union territory Logistic Plan for submission to the Logistic Coordination Committee for consideration.

By order of the Government of Jammu and Kashmir.

Sd/-

(Manoj Kumar Dwivedi)IAS

Commissioner/ Secretary to the Government

No. GAD(Adm)77/2021-IV

Dated:23.04.2021

Copy to the:

- Principal Secretary to the Government, Industries and Commerce Department. **The file No. Ind/GR/46/2021 is returned herewith.**

