



PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Providing "Industry" status to Logistics and Warehousing Sector in Karnataka - reg.

Read: Proposal of the Commissioner for Industrial Development and Director of Industries & Commerce Department dated 02.08.2021.

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PREAMBLE:

The draft National Logistics Policy has a vision "To build a modern, efficient and resilient logistics ecosystem in the Country that seamlessly integrates multiple modes of transport and leverages the best in class technology, processes and skilled manpower in order to significantly improve country's logistics performance and reduce logistics costs."

One of the measures of the draft National Logistics Policy is to provide Industry Status to Logistics and Warehousing Sector to support growth. Logistics and Warehousing facilities currently operate with a trade license and broadly classified as "Commercial activity" in all major regulatory departments / agencies in the State.

Providing an Industry status to this sector would streamline their functioning and provide the following impetus to the sector:

- i. Industrial land use charges - To attract investors, Government has simplified land acquisition for industrial projects, the same could be extended to the Logistics & Warehouse sector. It will lower the cost of setting up of Logistics and Warehousing in the State.
- ii. Deemed approval - Industrial Projects will be able to obtain deemed approval for land conversion, the same may be extended to this sector.
- iii. Floor Area Ratio Norms - Advantageous industrial FAR norms will enable units to plan better by optimizing land use.
- iv. Better Credit Access - This sector will be eligible for obtaining structured finance from financial institutions that are currently available to industries.
- v. Concessional electricity and water tariffs
- vi. Standardized Property Tax Rates
- vii. Applicability of Labour Laws

Other States like Gujarat, Uttar Pradesh, Haryana, Maharashtra, Madhya Pradesh and Chattisgarh have announced Logistics Policy and accorded the status of Industry to the Logistics and Warehousing sector.

The Commissioner for Industrial Development and Director of Industries & Commerce Department has requested the State Government to accord Industry status to the Logistics and Warehousing Sector as per the file read at above.

In Industrial Policy 2020-25, it is proposed to promote Logistics infrastructure development by attracting private developers for the development of multi modal logistics parks, logistics parks, dry ports, cold storages, warehouses, truck terminals and free trade warehouse zones. Also, incentives & concessions are extended for logistics facilities supporting to industries.

In the State Level Logistics Co-ordination Committee held under the chairmanship of Chief Secretary on 19.07.2021, it was decided that a proposal be submitted to Government for providing the Industry status to the Logistics and Warehousing sector.

The Government has examined the decision of State Level Logistics Co-ordination Committee.

Hence, the following order:

GOVERNMENT ORDER No. CI 242 SPI 2021,
BENGALURU, DATED 21.10.2021

In the circumstances explained in the preamble, Government is pleased to accord "Industry" status to the Logistics and Warehousing sector in Karnataka considering the necessity of having a strong logistic backbone for the successful operation of industries.

This order is issued with the concurrence of the Finance Department vide Note No. FD 329 Exp-1/2021, dated 20.09.2021.

By Order and in the name of the
Governor of Karnataka,

G. Nagarathnamma.
(Nagarathnamma.G) 21/10/2021
Desk Officer (Technical Cell),
Commerce & Industries Department.

To,

1. The Principal Accountant General (G&SSA), Karnataka, New Building, 'Audit Bhawan', Post Box No. 5398, Bengaluru-01.

2. The Principal Accountant General (E&RSA), Karnataka, New Building, 'Audit Bhawan', Post Box No. 5398, Bengaluru-01.
3. The Principal Accountant General (A&E), Karnataka, Park House Road, Post Box No. 5329, Bengaluru-01.
4. The Additional Chief Secretary to Government, Finance Department, Vidhana Soudha, Bengaluru.
5. The Additional Chief Secretary to Government, Urban Development Department, Vikasa Soudha, Bengaluru.
6. The Additional Chief Secretary to Government, Labour Department, Vikasa Soudha, Bengaluru.
7. The Additional Chief Secretary to Government, Energy Department, Vikasa Soudha, Bengaluru.
8. The Principal Secretary to Govt., Revenue Dept., M.S Building, Bengaluru.
9. The Principal Secretary to Govt., RDPR Department, M.S. Building, Bengaluru.
10. The Additional Secretary (Logistics), Department of Commerce, Ministry of Commerce and Industry, Udyog Bhavan, New Delhi.
11. The Commissioner for Industrial Development and Director of Industries and Commerce, Khanija Bhavan, Race Course Road, Bengaluru.
12. The Chief Executive Officer and Executive Member, Karnataka Industrial Areas Development Board (KIADB), Khanija Bhavan, Race Course Road, Bengaluru.
13. The Managing Director, Visvewaraya Trade Promotion Centre, VTPC Building, Kasturba Road, Bengaluru.
14. PS to Hon'ble Minister for Large & Medium Industries, Vidhana Soudha, Bengaluru.
15. PS to Chief Secretary, Vidhana Soudha, Bengaluru.
16. PS to Additional Chief Secretary to Govt., Commerce & Industries Department, Vikasa Soudha, Bengaluru.
17. PA to Director (Technical Cell), Commerce & Industries Department, Vikasa Soudha, Bengaluru.
18. Guard File / Spare Copies.