

Uttar Pradesh introduces multi-modal logistics park policy with 30% land subsidy

Synopsis

The Uttar Pradesh cabinet has launched the Multi-Modal Logistics Park Policy-2024 to attract investments in the logistics sector. Key incentives include a 30% upfront land subsidy for logistics parks on government-leased plots and a 100% stamp duty exemption. Investors must commence operations within the stipulated timeframe or face subsidy recovery with 12% interest, ensuring timely execution. Exemptions from internal development charges further reduce setup costs. The policy aims to enhance infrastructure, generate employment, and streamline processes while maintaining accountability through interdepartmental evaluations. This initiative positions UP as a logistics hub, driving economic growth and supply chain efficiency.



The Uttar Pradesh cabinet has introduced the Multi-Modal Logistics Park Policy-2024 to incentivize companies investing in the logistics sector. This policy aims to foster infrastructure development by providing upfront financial benefits and other concessions. A significant highlight of the policy is the provision of a 30% upfront land subsidy for companies establishing multi-modal logistics parks on plots leased by industrial development authorities or state government agencies. This measure is intended to attract substantial investments and boost the state's logistics capabilities.

To ensure commitment from investors, the policy mandates that operations must commence within the stipulated investment period. Failure to meet this requirement will result in the recovery of the subsidy, along with a 12% interest charge. This clause ensures that only serious investors benefit from the policy and that projects are implemented within the designated timeframe. Additionally, companies under this policy will be exempt from internal development charges, reducing the financial burden during the setup phase.

Another key benefit is a 100% exemption on stamp duty for eligible projects. This exemption aims to make land acquisition and registration more cost-effective, thereby encouraging companies to invest in the sector. However, projects availing benefits under the Multi-Modal Logistics Park Policy will not be eligible for incentives provided under any other state government schemes or policies. This provision ensures that benefits under the new policy remain exclusive and streamlined.

Before granting any exemptions or subsidies under this framework, the approval process requires thorough evaluation and input from various government departments. These include finance, law, institutional finance, housing and urban planning, revenue, stamp and registration, state tax, planning, energy, and home departments. This interdepartmental coordination ensures comprehensive scrutiny and adherence to regulatory standards.

The policy reflects the government's commitment to enhancing Uttar Pradesh's logistics infrastructure while maintaining accountability and transparency. By addressing critical challenges faced by investors, such as high initial costs and regulatory hurdles, the policy aims to create an enabling environment for the development of logistics parks.

The initiative is part of a broader strategy to position Uttar Pradesh as a key player in India's logistics sector. By offering attractive financial incentives and simplifying regulatory processes, the government seeks to attract national and international players to invest in the state. This move is expected to generate employment opportunities, enhance supply chain efficiency, and contribute to the state's economic growth.

In summary, the Multi-Modal Logistics Park Policy-2024 combines financial incentives with robust oversight mechanisms to drive investment and development in Uttar Pradesh's logistics sector, setting the stage for long-term growth and competitiveness.