



Bihar Industrial Investment Promotion Policy, 2016

Bihar Industrial Investment Promotion Policy, 2016 for High Priority Sectors

Bihar Industrial Investment Promotion Act, 2016

Bihar Industrial Investment Promotion Rules, 2016

Policy for Joint Venture with State Public Sector Enterprises, 2020

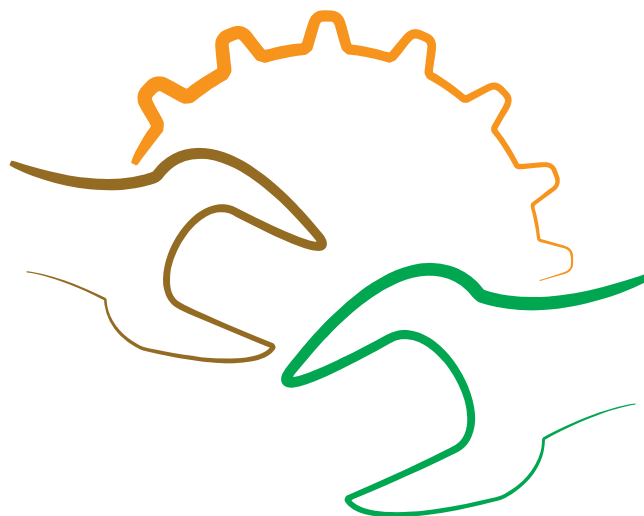
Special Land Allotment and Amnesty Policy, 2020

Bihar Start-Up Policy, 2017

Bihar Agri Investment Promotion Policy, 2020

Bihar Wood Based Industries Investment Promotion Policy, 2020

Guidelines for allotment of Built-up Office Space, 2019



Disclaimer:

This Book is a compilation of various Acts, Policies, Rules and Guidelines of the Department of Industries and other Departments. It is a simplified version of all the Policies and amendments notified till date, meant for easy understanding for the Investors and stakeholders.

In case of any discrepancy, the original resolution/notification shall prevail, which can be referred on the website of the Department of Industries
(<https://state.bihar.gov.in/industries/CitizenHome.html>)



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DEPARTMENT OF INDUSTRIES
Government of Bihar

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BIHAR

Industrial Investment Promotion Policy 2016



DEPARTMENT OF INDUSTRIES
Government of Bihar

Resolution

Bihar Industrial Investment Promotion Policy, 2016 for promoting industrial development in the State

The Government of Bihar is committed for the inclusive economic development of the State. Though the state is primarily an agrarian state but contribution of secondary sector i.e. industries, in inclusive economic development of the state is of equal importance and therefore can't be ignored. The State Government has taken a series of measures to further improve the investment climate in the state and envisages achieving the industrial development growth rate of 15% per annum. This means, increase contribution of secondary sector in the GSDP to more than 25% in line with the National Manufacturing Policy and “Make in India” initiative.

To achieve this goal the State Government has formulated the Industrial Investment Promotion Policy, 2016. The main strategy for achieving the goals of this policy is to focus on development of support infrastructure, prioritizing core sectors of future development with emphasis on advanced technology, skill development, a modified structured package of assistance and balanced regional development i.e. uniformly extending the benefits of investment to all geographical areas of the State. This policy also focuses on uplifting the socially marginalised groups & women entrepreneurs by offering specialized package of assistance to them. The policy has well-defined provisions for effective implementation, monitoring & grievance redressal for the entrepreneurs. Thus the Industrial Investment Promotion Policy, 2016 has an integrated approach towards industrial development in the state and offers a wide range of benefits to the investors coming to Bihar.

1. Introduction

Bihar is one of the fastest growing states in India. During the period 2005-06 to 2014-15, the GSDP of Bihar at constant prices grew annually at 10.5 percent, which is one of the highest among all major Indian states. The scale and pace of economic change that Bihar has witnessed over the past few years has been the result of a comprehensive, home-grown reform program initiated by the government. These reforms ranged from changes in managing public finance and reforming government expenditures, public investments in building infrastructure, and most importantly revamping the law and order machinery. All these changes have provided an enabling environment for private investment in the state and greater industry commitment.

Bihar has a unique location specific advantage because of its proximity to the vast markets of eastern and northern India, access to ports such as Kolkata and Haldia and to raw material sources and mineral reserves from the neighbouring states. Bihar is primarily an agrarian

state and is one of the largest producers of vegetables and fruits in India. Bihar is endowed with water resources – both ground and surface water– as it receives an average rainfall of 1009 mm each year. Ganga is the main river that flows through the state, joined by tributaries that originate in the Himalayas. Some of the other major rivers are Saryu, Gandak, Budhi Gandak, Bagmati, Kamla and Mahananda. The state has a large base of cost effective, industrial labour, making it an ideal destination for a wide range of industries. Food processing, dairy, manufacturing, healthcare are some of the fastest growing industries in the state. The State has planned initiatives for the development of other sectors such as agricultural implements and small machine manufacturing, tourism, information technology, renewable energy etc.

Bihar is aggressively working on developing supporting infrastructure in the state. In the absence of adequate roads no state can amplify its economic growth. With this background, the State Government has resolved to connect the capital city of Patna to the remotest areas in the state, so that people can reach the capital within a maximum of six hours from any place. In recent years, the State Government has been making endeavors to achieve this goal and, as a result, the network of roads and bridges has expanded at a rapid pace. The State Government has also adopted the Bihar Road Resource Protection Policy, 2013 to ensure better maintenance of the growing road network. The total length of the State Highways (SH) is 4253 km (in 2015) and approximately 65% of these highways are double-lane roads. The National Highways, on the other hand, have a strategic significance in the state's economic development as they connect Bihar with other states. The total length of National Highways in the state is 4595 km (as of 2015) and efforts are being made to further increase the network at a rapid pace.

Golden Quadrilateral Highway that passes through Bihar is in close proximity to some of the districts, viz. Kaimur, Sasaram, Aurangabad, Gaya & Patna. These districts are well connected to this highway via branch roads. This serves as a high logistical advantage in catering to the markets within as well as in the adjoining states of Uttar Pradesh, West Bengal, Orissa, and Jharkhand. It provides connectivity to major industrial, agricultural, and cultural centres of India. The length of Golden Quadrilateral Highway that passes through the State, i.e. 204 km, has been widened.

Eastern Dedicated Freight Corridor passes through the state and would connect Bihar with West Bengal, Jharkhand, Uttar Pradesh, Haryana and Punjab and is expected to be immensely beneficial for industries in the state. It would facilitate the transport of finished products to ports in Bay of Bengal in lesser time; thereby, bringing down the transportation cost, significantly.

State Government has embarked on an ambitious plan to add substantial electricity generating capacity in the next few years. It is targeting to achieve a total generating capacity of 1330 MW by 2016-17, 3310 MW by 2017-18 and 7270 MW by 2021-22. In order to turn its vision into reality, Bihar State Power Generation Corporation Limited (BSPGCL) has

entered into joint ventures with reputed companies in the power sector, like National Thermal Power Corporation (NTPC) and National Hydro Power Corporation (NHPC). Some of the major power sector projects, at different stages of commissioning, are Nabinagar Stage-1 Plant, power projects in Buxar, Bhagalpur, Lakhisarai and Banka. On completion of all these projects, Bihar's dependence on the centre for its power requirements will reduce significantly and the state would become self-sufficient in meeting its power requirements.

For the industrialization of the state, availability of land is an important factor. Consequently, land acquisition assumes greater significance and it necessitated the establishment of a land bank for which a corpus fund with a limit of INR 1500 crore was mooted. Later, this limit was raised to INR 2500 crore to meet the increasing demand of land by industries and other allied sectors. The State Government, in the last few years, have sanctioned a sum of INR 1650+ crore to Bihar Industrial Area Development Authority (BIADA), for land acquisition to ensure rapid creation of the land bank and industrial areas.

There has been large scale change in industrial environment due to economic liberalization, privatization and globalization. Strong emphasis is being placed on Micro, Small and Medium Enterprises (MSME). Cluster based development is being promoted by the State Government and it is in the process of setting up specialized clusters for development of leather, small machinery, plastics, garments, jute & textiles, and food processing to boost the manufacturing sector and well-being of MSME entrepreneurs.

Bihar is progressively adopting practices to create an investor friendly environment in the state, so as to facilitate investments. Some of the key reform measures taken are implementation of UDYOG SAMWAD portal for grievance redressal; effective implementation of single window system, development of an online inspection system; provision for submission of single integrated return under various labour laws; differentiated compliance inspection requirement based on risk profile of industries; provision of synchronized/joint inspection under various labour laws etc.

The present policy aims at creating industry-friendly environment for maximizing investment, especially, in priority sectors i.e. food processing; tourism; , small machine manufacturing; IT, ITeS, electrical and electronic hardware manufacturing; textile; plastic and rubber; renewable energy; leather and technical education sector. The overall objective is to maximize the value addition to state's natural resources by setting up industries across the state, generating revenue and creating employment. This policy has been drafted in consultation with representatives of industries; industry association, investors, subject matter experts, etc. and efforts have been made to accommodate their views. It is expected that implementation of the policy will facilitate industrialization of the state, generate employment and add to its overall growth.

2. Our Vision, Mission and Strategy

2.1. Our Vision

To establish Bihar as the most preferred investment destination by leveraging the state's comparative advantages and maximizing employment opportunities for attaining a balanced regional and sustainable development.

2.2. Our Mission

- Achieve industrial development growth rate of 15% per annum.
- Increase contribution of the secondary sector to the GSDP to more than 25% in line with the National Manufacturing Policy and “Make in India” initiative.
- Create direct employment opportunities for 5 lakh people across all economic sectors.
- Attract on-ground investment of Rs.15,000 crore.
- Create high-end infrastructure facilities to attract investments in the state.
- Eradicate regional industrial imbalance by uniformly extending the benefits of investment to all geographical areas of the state.
- (Provide relatively more economic benefits to the priority sections of society such as SC/ST/EBC, women, differently abled, war widows, acid attack victims and third gender entrepreneurs.)
- Ensure that industries facilitate skill development of local people, so as to achieve the target of 15 million skilled youths as per the “Seven commitments” of the State Government.
- Increase the competitiveness of MSMEs and adoption of “Zero Defect Zero Effect” manufacturing practice.

2.3. Our Strategy

We will work with investors who share our vision of the future of Bihar as a vibrant economy, ready to take off on the path of sustained development. In particular, our strategy will consist of:

- Encouraging investments that add value to the farm produce and increase the income of the cultivators through processing and preservation of food crops, particularly vegetables and fruit crops.
- Utilising the traditional skills of artisans by finding a wider market for handloom and handicrafts.
- Investing in skill development and technical education so as to make Bihar the preferred

() Substituted vide Amendment approved in Cabinet Meeting dated 08.09.2020 and Notification dated 11.09.2020

source for skilled manpower - for which an acute shortage has been forecasted not only in different parts of the country but even markets abroad.

- Creating preference for Micro, Small and Medium Enterprises (MSME) in view of their limited requirement of land, and their capacity to absorb more labour per unit of capital and energy.
- Encouraging cluster development in MSME sectors.
- Emphasising on industries that rely on local production, local skills, and local consumption.
- Providing preference to low energy and non-polluting industries
- Encouraging large scale industrial units in the proposed Integrated Manufacturing Cluster under the proposed Amritsar- Kolkata- Industrial Corridor (AKIC). While, the State Government will assist investors in finding suitable land for setting up units, they will be expected to find land on their own for units outside these designated areas.
- Encouraging new investment in developing heritage tourism for which the state offers tremendous opportunities.
- Investments in developing new facilities and/or managing existing facilities under PPP mode will be encouraged.
- Promoting development of ancillary units to cater to the upcoming investments in public and private sector
- Establishing the Udyog Samwad Portal, a one stop platform for investors to resolve problems/ difficulties faced in establishment of industrial projects in the State.

2.4. Scope of Policy

The policy would be applicable to all the new units in the state, with the following conditions:

- a. Any unit manufacturing any item, wherein the manufacturing activity does not contribute in value addition shall not be considered under this policy. Units involved only in trading activities will not come under the purview of this policy.
- b. Units promoted by individuals/ firms/ companies etc. that at any point in the past were black listed by the government(state or central) will not be eligible to avail the benefits of this policy.
- c. Units promoted by individuals/ firms/ companies etc. that at any point in the past has defaulted on any loan availed from any bank or Financial Institutions (FIs) or has any dues payable to government will not be eligible to avail the benefits of this policy.
- d. Incentives under this policy would be applicable only for the investments made in the state.

- e. Incentives under this policy cannot be claimed as compensation for any loss caused to the unit on account of any kind of natural calamity or business reason.
- f. This policy shall be applicable only for private investment, including foreign investment, but shall not apply to public sector investment by Central or State Governments either alone or in partnership with the private sector.
- [g. Any unit making an investment of INR 25 Lakhs or more OR providing employment to 25 workers/persons will be eligible to apply under this policy. These conditions shall not be applicable for units sponsored under State Government schemes. Proposals which were already approved by SIPB prior to the date of this notification shall not be affected by these conditions.]

[] Inserted vide amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

3. Our Priority Sectors

Bihar enjoys a natural advantage in some sectors like food processing, leather, tourism, etc. and the State Government would like to leverage upon these advantages to ensure maximum employment generation and improve the standard of living of the people. A brief overview of the priority sectors is presented below:

3.1. Food Processing Sector

Bihar, fundamentally an agrarian economy, has a large agricultural and animal production base offering abundant supply of raw material to be processed for human consumption. Despite these natural advantages, the level of food processing is very low and there is scope to improve the food processing levels to meet the increasing requirements of the state's growing population, while at the same time offering a sustainable consumption market. Further, the rising income and changing life style in the cities as well as rural Bihar is changing the consumption demand towards processed food. Therefore, the state offers a substantial opportunity for the food processing industry and is expected to play a leading role in the industrialization drive of this state. Some of the strategic advantages in this sector across key product offerings are listed below.

Key Agro Produces	Our Strategic Advantage
Food-grains (Cereals and pulses) and oilseeds	(a) The production level of cereals in the state has grown annually at 5.65% in the last 5 years i.e. 2010-11 to 2014-15. Total cereal production of the state was 143.21 lakh tonnes in 2014-15 which is one of the largest in the country. (b) Some of the major products of the state are-Rice: 82.41 lakh tonnes; Wheat: 35.70 lakh tonnes; Maize: 24.78 lakh tonnes; Pulses: 4.28 lakh tonnes; and Oilseeds: 1.27 lakh tonnes. (c) Bihar has the highest maize productivity amongst all the Indian states.¹
Fruits (Mango, Guava, Litchi and Banana) & Vegetable (Potato, Cabbage, Cauliflower, Okra) ²	(a) Bihar ranks first among all the Indian states in terms of vegetable production. The total vegetable production in the state was 144.99 lakh tonnes in 2014-15. (b) Some of the major vegetables produced in the state are Potato: 63.46 lakh tonnes; Onion: 12.47 lakh tonnes; Cauliflower: 10.03 lakh tonnes; and Tomato: 10.46 lakh tonnes. Other vegetables such as cabbage, okra, carrot, and pea are also grown in the state which can be used for commercial processing. (c) Some of the major fruits produced in the state are-Banana: 15.27 lakh tonnes; Mango: 12.72 lakh tonnes; Guava: 3.7 lakh tonnes; and Litchi: 1.98 lakh tonnes.

1. All figures are annual production in FY 2014-15;

2. According to livestock census 2012;

Key Agro Produces	Our Strategic Advantage
	(d) The state is well known- in India and in international markets - for its litchi produce, which presents a potential opportunity to set up units for litchi pulp, juice, pulp slab, nectar, jam, jelly, etc.
Makhana	(a) Makhana/Gorgon Nut is an exclusive offering of the state and has a strong potential to be placed in the wellness food category and can fetch premium pricing if marketed, appropriately. (b) Makhana/Gorgon Nut is quite nutritive and compares well with fish/ mutton in terms of protein content. In China, raw makhana seed powder is considered to be an essential ingredient of baby food.
Animal Products(Milk, Meat, Fish, Eggs, Honey)	(a) The total livestock population in the state is 329.38 lakh and it is expected to grow significantly. (b) Approximately 52% of the total livestock population is that of milch animals, with a cow population of 122.31 lakh, goat population of 121.53 lakh and buffalo population of 75.67 lakh. (c) Milk is one of the most important food product of the state with an average production of 79.172 lakh tonnes/ day, and this presents a sizeable processing opportunity (d) Large population of buffalo, goat and poultry presents a significantly large opportunity for meat processing (e) The state has a total water area of 10, 71, 000 hectares or 26, 77, 000 acres. This includes ponds (95,000 hectares), oxbow lake (9,000 hectares), reservoirs (26,000 hectares) and wetland (9.41 lakh hectares). The total river length in the state is approximately 3,200 km. The huge water wealth of the state presents gainful opportunity for fresh fish processing facilities/units. In 2014-15, the average fish production in the State from various water bodies was 5 lakh tonnes/annum. (f) Bihar is the 4th largest producer of honey in the country and produces approximately 6,500 tonnes per annum. Honey is becoming an important ingredient in today's world and is placed in the wellness food category. This product has the potential to be the first choice amongst the 1st generation entrepreneurs due to low investment requirement and higher revenue potential.

Priority sectors in the food processing sector

The food processing units discussed below shall be considered under the priority sectors for the purpose of availing the incentives under this policy.

Sectors	Investment Opportunities
Food-grain (Cereal and pulses) and oilseed processing	(a) Maize processing units with installed capacity of more than 100 TPD, including units for manufacturing starch and cattle and/or poultry feed (b) Any other cereal processing/flour/starch/dough mixes, breakfast food manufacturing unit with installed capacity more than 100 TPD. (c) Pulses processing unit (d) Modern unit for oilseeds processing or extraction from raw materials obtained locally; like Vanaspati oil manufacturing from rice bran and vegetables like soya-bean, safflower/sunflower, mustard, ground nut, etc. as well as fats and oils extracted from bovine/sheep/goat/fish/marine animals, etc. Unit for solvent extraction for edible oils with or without integrated refining facility. Note: Processing units purely for sorting, cleaning, and packaging that do not generate any substantial value addition shall not be considered under the priority sector.
Fruits & Vegetable (F&V) Processing	(a) All kinds of F&V processing units (including units for manufacturing dehydrated and frozen F&V items using IQF/Blast Freezer/Spiral Freezer, etc.) (b) Dehydration and powdering of vegetables like onions, mushrooms, etc. (c) Unit for processing litchi (e.g. units for manufacturing litchi pulp, juice, pulp slabs, jam, jelly, beverage, nectar, candies, powder, etc.) (d) Unit for processing local variety of mangoes into pulp, juice, pulp slabs, jam, jelly, beverage, nectar, candies, powder, etc. (units using mango pulp imported from other states or countries shall not be considered under the priority sector.) (e) Unit for banana processing (e.g. banana chips, pulp, powder, baby food, jam, jelly, banana flower vegetables, banana trunk vegetables & pickles, etc.) (f) Unit for makhana processing (e.g. unit for producing makhana pops, making flavoured and/or roasted makhana snacks, RTC kheer, baby food etc.)

Sectors	Investment Opportunities
Milk Processing and Dairy Product Manufacturing	(a) Milk processing units with installed capacities of more than 50 thousands litres per day (b) Units for manufacturing pasteurized milk, milk powder, ice cream powder, condensed milk, infant food, milk cream, butter, butter milk, lassi, yogurt, cheese, ghee, khoya, ice-cream, kulfi, flavoured milk and other dairy products. (c) Units that manufacture products out of milk powder imported from other states or countries shall not be considered under the priority sector. Only products manufactured from milk procured or milk powder manufactured by another unit within the state shall be considered under the priority sector. Note: For consideration under the priority sector, procurement of milk by the units shall not be carried out in areas where dairy co-operatives formed by COMFED are already in operation.
Honey Processing	Natural honey processing unit
Meat, Poultry and Fish Processing	(a) Meat, poultry and fish processing units (e.g. fresh, chilled, and frozen fish; fish fillets and pieces; fish cured or smoked and fish meal fit for human consumption; fresh and chilled meat of bovine animals such as sheep or goat; meat & edible offal of poultry meat; dried eggs; etc.) (b) Modern slaughter house & abattoir.
Spice and herbs Processing	(a) Modern processing unit for spices (for e.g. extracts essence & concentrates of spices, powder and paste manufacturing etc.) (b) Unit for extraction of food flavors, colours, oleoresins, etc. (c) Health and wellness food supplements made from herbs
Tea Processing	Modern tea processing units
Other edible preparation	(a) Modern unit for manufacturing of biscuits/cookies, etc. (b) Modern bakery unit (e.g. bread, pastries and cakes manufacturing) (c) Modern unit for manufacturing ice-cream (d) Modern unit for manufacturing chocolate & non-chocolate based confectionery items (e) Unit for manufacturing of frozen or non-frozen and packaged ready to eat (RTE) meals and snacks, ready to cook (RTC) food, powdered energy concentrate, instant drink concentrate, etc.

Sectors	Investment Opportunities
Sugarcane Processing	(a) Manufacture of sugar (b) Manufacture of ethanol
Warehousing	(a) Fruit ripening chambers (b) Controlled atmosphere (CA)/modified atmosphere (MA) chambers, cold rooms/ deep freezers/ pre-cooling chambers (c) Multiple cold storage facilities/infrastructure including pre-cooling chambers, ripening chambers, CA/MA chambers, cold rooms, deep freezers, bulk chillers, etc. including cold chain logistic arrangements (d) Modern grain silos [(e) Dry warehouse with cleaning and drying facilities]
General/Business Development Services	(a) Research & development facilities, quality control laboratories/ testing laboratories, training / incubation centres/skill development centres, etc. related to the food processing sector (b) Food machinery manufacturing (c) Irradiation unit
[Cold Chain	Integrated farm level processing, transportation, distribution of vegetables and horticulture produces. (Only fixed processing facilities at farm gate shall be entitled to such facilities)]
[Bottling unit	Juices, Ketchup and Squash based bottling units]

Notes:

1. The above list of units/ enterprises is only indicative and the State Government may suitably revise the list under the priority sector from time to time.
2. Units/ enterprises set up for the purpose of packaging/ repackaging of food items imported from other states or countries shall not be considered under the priority sector.
3. If a unit/ enterprise is setting up two or more kinds of facilities in an integrated manner/for captive use purpose, the facilities would be treated as a single project and combined cost of the facilities would be considered for grant calculation purposes. The classification of the units/ enterprises into priority or non-priority would be as per the nature of the main/mother facility, i.e. the core facility.
4. In case a unit migrates from non-priority sector to priority sector through capacity expansion and/or facility addition etc., it would enjoy the incentives as per the priority sector for the portion that falls under the priority sector.

[] Inserted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

5. Units for manufacturing any food item fit for human/ animal consumption which does not contain any grain, F&V or any processed/preserved items (like pulp concentrate, extract.) made from grain/F&V as its main ingredient would be considered under the non-priority sector.
6. Unit established for processing of by-products of the main food processing facility will be considered for a grant under the non-priority sector if the end product resulting from the processing of the by-product is not a food product fit for human/ animal consumption (with any exceptions defined above). If the final product is fit for human/ animal consumption it would be categorized as per the above list.

3.2. Tourism Sector

Bihar has a potential for tourism in view of its rich cultural heritage, religious and historical monuments. Bihar's great competitive strength from tourism point of view is its ancient and yet living civilization that gave rise to two of world's great religions, namely Buddhism and Jainism. Bihar has been the centre of religious activities of Hindus, Buddhists, Jains, Sikhs and Muslims. Endowed with a rich cultural and religious heritage, Bihar was a seat of power of the vast and powerful Magadh Empire. This is a land of ancient universities of Nalanda and Vikramshila, which spread knowledge far and wide through students coming from different countries of the world. The remnants of these two ancient universities, the antiques and artefacts attract tourists in huge numbers. The state has a rich tapestry of product offerings across its strengths of culture, heritage, nature, wildlife, wellness, as well as other unique products. Some of the key products offered by the state that attract travellers are:

Tourism Segments	Our Strategic Advantage
Spirituality	Tourism in Bihar has traditionally thrived upon travellers visiting places of spiritual interest. Some of the identified tourism circuits focussing on this aspect are: (a) <u>Buddha Circuit-</u> Bodh Gaya (Gaya), Rajgir (Nalanda), Nalanda, Vaishali, Lauriya Nandangarh (East Champaran), Lauriya Arreraj (East Champaran), Kesaria (East Champaran) Vikramshila (Bhagalpur), Jehanabad; (b) <u>Sufi Circuit-</u> Manersharif (Patna), Khankahmujibia (Patna), Mittan Ghat (Patna), Hajipur Karbala (Vaishali), Hasanpura (Nalanda), Bibi Kamal Shahib (Jehanabad), Badi Dargah (Nalanda), Chhoti Dargah (Nalanda); (c) <u>Jain Circuit-</u> Vaishali, Rajgir (Nalanda), Pawapuri (Nalanda), Nathnagar (Bhagalpur), Mandar Hill (Banka), Champanagar (Bhagalpur), Kundal Gram (Nalanda), Samosaran (Nalanda) and Lachhuar (Jamui); (d) <u>Ramayan Circuit-</u> Valmikinagar (West Chaparan), Pret Shila (Gaya), AhilyaAsthan (Darbhanga), Sitamarhi, Kako (Jehanabad), Sita- kund (Sitamarhi), Shingheshwar (Saharsa), Ramshila (Gaya), Buxar, Giddheshwar (Jamui); (e) <u>Shakti Circuit-</u> Mundeshwari Asthan (Kaimur), Chandi Asthan (Munger), Ugratara Asthan (Mahishi, Saharsa), Aami (Saran), Thave (Gopalganj), Tarachandi Asthan (Rohtas), Bakhorapur (Bhojpur), Shyamakali (Darbhanga), Bhagwati Asthan (Nayanagar, Madhepura), BadiPatan Devi (Patna), ChhotiPatan Devi (Patna), Matsyagandha Raktkali Temple (Saharsa), Uchchait (Madhubani); (f) <u>Sikh Circuit-</u> Patna Sahib (Patna city, Patna), Ballila Sahib (Patna), Guru Teg Bahadur Gurudwara (Gaighat, Patna), Gurunanak Kund (Rajgir, Nalanda), Ara, Katihar, Gaya and Sasaram, Bhagalpur, Guru ka Bagh (Patnacity, Patna), Gurudwara Pacci Sangat (Munger), Gurudwara Handi Sahib (Danapur, Patna) ; (g) <u>Gandhi Circuit-</u> Motihari (East Champaran), Bettiah (West Champaran), Bhitiharwa Aashram (West Champaran), Vrindavan (West Champaran), Sadakat Aashram (Patna), Gandhi Sangrahalaya (Patna);

Tourism Segments	Our Strategic Advantage
	(h) <u>Shiv Circuit-</u> Guptadham (Kaimur), Baijudham (Gaya), Koteswardham (Gaya), Singheshwardham (Madhepura), Kusheshwar Asthan (Darbhanga), Siddheshwar Asthan (Jehanabad), Ajgaibinath (Sultanganj, Bhagalpur), Ashok dham (Lakhisarai), Garibnath (Muzaffarpur), Mahendranath (Saran),Bramheshwarnath (Buxar) ; (I) <u>Mandar and Ang Circuit-</u> Munger, Bhagalpur and Banka; (j) <u>Kanwariya Route-</u> Sultanganj (Bhagalpur) to Banka;
Culture & Heritage	• Bihar has a vast array of protected monuments, world heritage sites and several other sites, like the ruins of Nalanda and Vikramshila (oldest universities in the world), which have the potential of being world heritage sites. • Special heritage zones with converted heritage buildings and suitable activities can be developed, while retaining the originality of the structures • Development and promotion of museums in co-ordination with ASI and other State Government departments to promote our culture. The newly inaugurated “Bihar Museum” is an important attraction. • With a view to promote handloom and handicrafts of Bihar, “Shilp Grams” (Craft villages) and handicrafts markets is being promoted near tourist places.
Rural/ Village	Art and crafts of Bihar could help develop and promote rural tourism and extend the socio-economic benefits of tourism to rural areas. For example, villages engaged in Tehta (Jehanabad), Nepura (Nalanda), Ranti and Jitwarpur (Madhubani), Patharkatti (Gaya), Nathnagar (Bhagalpur) etc. could be targeted for development of rural tourism.
Wellness	“Wellness Tourism” based on yoga and aqua therapy using sulphur water from hot water springs in Rajgir and Munger can be promoted. This has the potential to be Bihar's most unique tourism offering, with holistic healing and rejuvenation of the individual from every dimension- physical, mental, and spiritual.

Tourism Segments	Our Strategic Advantage
Eco and Wildlife	Eco-Tourism could be promoted through integration of wildlife sanctuaries to offer a potential tourist places. Some of the identified tourist places are: Rajgir (Nalanda), Bhimbandh Sanctuary (Munger), Kaimur Sanctuary (Kaimur), Gautam Budhh Sanctuary (Gaya), Naktidham (Jamui), Gogabill Sanctuary (Bhagalpur), Kanwar lake (Begusarai), Ghora Katora Lake (Nalanda), Kakolat Waterfall (Nawada), Telhar Waterfall (Rohtas), Gangetic Dolphin Sanctuary (Bhagalpur) and Valmiki National Park (West Champaran).
Ganga Based	• The Ganga has a unique value in terms of tourism and could be leveraged by introducing a cruise along the river, connecting historical sites near its banks such as Patna, Bhagalpur, etc. • Dolphin watching is another unique tourism product offered by the state that could be further strengthened.
Adventure	Water sports such as river rafting, para sailing, etc. could be developed to create more economic opportunities.
Fairs & Festivals	Bihar has unique events, fairs and festivals like Sonapur fair, Chath festival, Saurat Sabha, Rajgir festival and Boudh festival, all of which have the potential to attract domestic as well as international tourists, upon development of adequate facilities.
Cinematic	Film shootings at tourist destinations in Bihar should be further encouraged through single-window clearances along with necessary incentives, as provided for under the relevant government notifications. • <u>The gourmet trails of Bihar can be promoted to showcase the rich culinary heritage of the state.</u>
Cuisine Based	• The unique cuisines of the state, like khaja, lai, belgrami, tilkut, litti-chokha, sattu, makhana preparations etc. have the potential to generate economic opportunities upon being promoted through organisation of food festivals.

These identified products and circuits, at present, stand largely as green fields for various kinds of infrastructural and service related investments. Apart from these identified circuits there are many other geographical areas of the state which can be developed as future destinations from tourism point of view. Looking at the existing and prospective investment potential, and future growth opportunity along with the capacity to generate large number of employments in various sub-sectors of the tourism industry, the State Government has considered it as one of the thrust areas for the purpose of promotions and facilitations under its investment promotion policy. The policy, therefore, has made provisions to facilitate and incentivize private investment in the sector.

Priority sectors in the tourism sector

The priority sectors of investment in the tourism sector value chain are as follows:

Sectors	Investment Opportunities
Transportation	• Taxi operators at tourist places • Cab aggregators/ radio taxis at tourist places • Luxury coaches & cars plying on tourist circuits • Air taxis and helicopter services for the tourist circuits • Special tourist trains, boats, steamers, etc.
Accommodation	• Hotels, motels, resorts, guest houses, home stays, etc. within 10 km radius of the identified tourist circuits. • Caravans, camping facilities/tent accommodations, heritage homes, etc.
Tours & Travels	Travel agencies, tour operators, tourist taxis, etc. at tourist places
MICE facilities	Meeting hubs, convention centres, exhibition centres, event organizers, etc. at the tourist places.
HRD Institutions	Hotel management institutes, food craft institutes, travel & trade institutes, manpower training centres, tourist guide training centres, management institutes providing tourism sector related education and trainings etc.
Souvenir shops	Handicraft shops, souvenir shops, ethnic boutiques, traditional jewellery shops etc. at tourist places
Wayside amenity (On the National Highways and State Highways)	Wayside amenity centres, wayside restaurants, snack bars, dhabas, pay-and-use toilets, utility shops, parking areas and shops of handloom and handicraft items produced in the state at tourist places.
Wellness centres	Ayurveda centres, wellness spas, treatment centres, yoga university, etc. at tourist places
River Attraction	Cruise, floating restaurant, floating cottages, water sports (like river rafting, para sailing), recreational facilities (like fishing, dolphin watching) etc.
Entertainment	Amusement parks, water parks, theme parks, craft village, ropeway, science center, museum, planetarium etc. at tourist places.
Cinematic	Film city

Notes:

1. Tourist places under this policy shall mean the places (districts or blocks or villages) mentioned in the above table that lists the various “Tourism segments” and “Our strategic advantage”.
2. Any units (mentioned above) under the tourism sector located in the metropolitan area of Patna shall be excluded from the priority sector related benefits.
3. The above list of units/ enterprises is only indicative and the State Government may suitably revise the list under the priority sector from time to time.

3.3. Small Machine Manufacturing Sector

Agriculture is the mainstay of the economy of Bihar. However, high cost of agricultural practices and low productivity of crops has been an issue. The relationship between agricultural output and input, as compared to many other states of the country/ world and their averages, has been problematic. Among others, provision of irrigation facilities, use of high yielding variety of seeds, use of pesticides and insecticides, use of fertilizers and better techniques of farming, use of modern agricultural machinery and implements, etc. play a vital role in increasing the productivity of agriculture. Thus optimal level of mechanization is an imperative for ushering in the regime of low-cost agriculture in Bihar.

In the recent past, the modern agriculture implements have registered a sharp increase in their presence in the fields of Bihar. The State Government has been providing incentives -- over and above the incentive provided under the centrally sponsored schemes-- for power tillers, tractors, sprayers, winnowing machines, power weeders and power threshers. The focus is on zero tillage machines which are more suitable for farmers with small and marginal land holdings. Because of easy availability of incentive and progressive outlook of the farmers, use of latest equipment is now becoming common in the state. The increase in electrification has led to increase in usage of electrical pumps and electricity based farm equipment. The agricultural implements market in the state is now witnessing a high growth which is poised to further growth in the time to come. Looking at this growing domestic consumption market and the lack of investment in this sector in the state till date, Government of Bihar has categorized the small machine manufacturing sector related to agriculture as one of the priority sectors in the industrial investment promotion policy.

Priority sectors in the small machine manufacturing sector

The priority sectors of investment in the value chain of the small machine manufacturing are as follows:

Sectors	Investment Opportunities
Land/ Seed bed preparation	Tractors, power tillers, levelers, ploughs, harrow, rotavator, cultivator, ridger, dozers, scrapers.
Seeding/ planting/ sowing	Drill, seeders, planters, dibblers, trans-planters, seed cum fertilizer drills, zero tillage machines.
Spraying and dusting Equipment	Weeders, conoweeders, tillers, sprayers, dusters, mist blowers
Harvesting	Harvesters/combine harvesters, threshers, potato diggers, reapers, sheller, sickles/ straw reapers,
Post-harvest Equipment	Seed extractors, de-huskers, hullers/de-hullers, cleaners, graders, dryers, winnowers, trailers, grain bins.
Irrigation	Diesel pumps, electric pump-sets, solar pump sets, sprinklers, drip irrigation equipment, HDPE irrigation pipes, etc.
Small machines and components	Ancillary units for automobiles and automobiles components, diesel and electric locomotives related ancillary units, cycle manufacturing.
General/ Business Development Services	Research & development facility, quality control laboratory/ testing laboratory, design studio/ prototyping facility, training centre/ incubation centre/skill development centre
[Agri-input Manufacturing units]	Tissue culture labs and crop care chemical units]
[Non-Agricultural Machinery]	Manufacture of machinery and equipment n.e.c.]

Notes:

1. The above list of units/ enterprises is only indicative and the State Government may suitably revise the list under the priority sector from time to time.
2. Units manufacturing parts/ components that are directly used in other small machines would also be considered under priority sector.

3.4. IT, ITeS, Electrical and Electronic Hardware Manufacturing Sector

Globally, the IT & ITeS industry, along with the hardware manufacturing sector, is the largest and fastest growing industry in the world. It is expected to reach around USD 2.4 trillion by 2020. The demand in the Indian market is poised to reach more than USD 400 billion by 2020. The importance of IT/ITeS sector is not that of a standalone sector, rather as an integral part of other industries. It has a significant penetration in to all walks of life. It has been established now that the growth in IT/ITeS sector would spur further growth in the fields of

[] Inserted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

agriculture, education, healthcare, energy, telecommunication, rural development, tourism, textile, etc. The sector is yet to take off and move in the desired direction with a pace that offers potential for many entrepreneurial ventures and start up units. The availability of educated youth and cheap labour in the state pose a clear advantage to the investment in this sector, in the state. The State Government has also notified land for two IT Parks at Bihta(Patna) and Rajgir.

Priority sectors in the IT, ITeS, electrical and electronic hardware manufacturing sector

The priority sectors for investment identified by the State Government in this sector are as follows:

Sectors	Investment Opportunities
IT & IT enabled Services	• IT products, Software and services • ITeS such as back office operation/ business process outsourcing (BPO)/ knowledge process outsourcing (KPO), call centres, digital content development / animation etc.
Electronic Hardware Manufacturing	• Computers • Computer peripherals and other office equipment • Server and storage devices • Networking • Automotive electronics • Medical Electronics • Industrial Electronics
Other Electronics Manufacturing	• Mobiles, DTH, televisions, radios and consumer electronics.
Electrical Goods	• Motors, pumps, fans, consumer durables, UPS etc. • [Manufacture of electric generators, transformers and electricity distribution and control apparatus • Manufacture of electric lighting equipment • Manufacture of electrical equipment • Manufacture of wiring and wiring devices]

Note: The above list of units/ enterprises is only indicative and the State Government may suitably revise the list under the priority sector from time to time.

3.5. Textile Sector

The textile sector plays a key role in the Indian economy by way of significant contribution to GDP, manufacturing output, employment generation, and export earnings. The sector contributes 14% to industrial production, 4% to India's GDP and constitutes 13% of the country's export earnings. The textile sector is one of the largest source of employment generators in India; it employs over 4.5 crore

[] Inserted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

people, directly.

Bihar has ample potential to house textile units and other value chain activities. Silk is the focus product in Bihar, for textile units. Bihar has been famous for the production of silk. Bhagalpur district of Bihar has been a centre of silk fabric manufacturing. Tassar silk of Bhagalpur is an exclusive product of Bihar which has the potential to fetch premium prices. Bihar had produced around 60 tonnes silk during 2014-15.

Jute is another fibre product produced in the state. Bihar produced around 1420 thousand tonnes of jute in 2014-15. A jute park is being establishing in Maranga, Purnea with an investment of INR 42.36 crore, by registered SPV M/s Punrasar Jute Park Ltd. Under PPP mode, the State Government has provided 44.30 acres land as equity and INR 2 crore as a grant. In the jute park, at present, two units M/s Tirupati Commodities Private Ltd. & M/s Punrasar Jute Park Training Centre have been established and are functional. They are producing jute yarn, jute twin, jute cloths and other jute products.

There are 14,000 power-loom in Bihar concentrated mainly in Bhagalpur, Gaya, and Banka districts. Their main products are staple chadar/bed sheets, furnishing clothes, etc. There is a training centre at Nathnagar (Bhagalpur), run by the Ministry of Textiles, where 120 power-loom weavers are trained each year.

Textile industry is a highly labour-intensive industry. Bihar is home of around one lakh weavers for whom manufacturing and dealing with fabric and garment is their livelihood. The presence of weavers' community is, therefore, an important asset base in terms of availability of skilled and semi-skilled workers for textile units. Apart from the regular weaver community, a large number of youths (especially, the female youth) in the state can be employed in the textile manufacturing units which can offer conducive employment opportunities such as sewing, stitching, cutting, and other tailoring requirements.

Priority sectors in the textile sector

The priority sectors for investment identified by the State Government in this sector are as follows:

Sectors	Investment Opportunity
Fibre Production/ Spinning/ Weaving/ Knitting/ Processing	(a) Cotton/ jute/ silk / banana and other natural fibre production (b) Production of man-made fibre and filament (c) Yarn Spinning (d) Power loom and knitting (f) Yarn and fabric processing
Production of apparel and home textile	(a) Woven and knitted apparel manufacturing (b) Hosiery products manufacturing (c) Saree (d) Carpets and other home textiles

Sectors	Investment Opportunity
Manufacturing of Technical textile	Production of items under following categories: (a) Agrotech (agriculture, horticulture and forestry etc.) (b) Buildtech (building and construction etc.) (c) Clothtech (technical components of shoes and clothing etc.) (d) Geotech (geo-textiles and civil engineering etc.) (e) Hometech (components of furniture, household textiles & floor coverings etc.) (f) Indutech (flotation, cleaning and other industrial usage etc.) (g) Meditech (hygiene and medical etc.) (h) Mobiltech (automobiles, shipping, railways and aerospace etc.) (i) Oekotech (environmental protection etc.) (j) Packtech (packaging etc.) (k) Protech (personal and property protection etc.) (l) Sporttech (sport and leisure etc.)
Post Processing of Handlooms and Khadi Textile Products	Post production facilities using the handloom and khadi cloth

Note: The above list of units/ enterprises is only indicative and the State Government may suitably revise the list under the priority sector from time to time.

3.6. Plastic and Rubber Sector

Plastic and rubber are versatile products used for everything from packaging other products to life sustaining equipment used in hospitals. Accelerated globalization, rapid change in technology and growing consumerism have brought with it sweeping changes and abundant opportunities for plastic industry to grow domestically. A major percentage of the population in Bihar has been engaged in agriculture. Though the land is very fertile, the farmers are affected with problems of low productivity and low return on investment, primarily, due to high dependence on monsoons. Plasticulture applications have the potential to offer them the much needed solution to improve productivity and reduce dependence on monsoons and therefore, drive the demand for plastics. The increase in electricity supply has led to increase in usage of electric pumps and irrigation systems.

The distribution pipes for these electric water pumps have increased the demand for plastic pipes. Beyond this, plasticulture offers various benefits like increase in the yield, reducing water losses, cleaner produce due to reduced soil contact, etc. As per industry estimates, 35-40% of the food products produced in India are wasted due to deficient infrastructure and lack of food processing capabilities. Plastic has applications in packaging which protects the longevity and quality of food. This sector also offers significant potential for growth leading to increase in demand for plastic. The State Government's programme to connect every household with piped water supply would require plastic pipes for distribution of water. This implies that there is potential of growth for the plastic and rubber industry in the state.

Priority sectors in the plastic and rubber sector

The priority sectors for investment identified by the State Government in this sector are:

Sectors	Investment Opportunities
Irrigation Products	Manufacturing of ISI standards PVC/CPVC pipes, emitting pipes, drippers, emitters, valves, fittings, nozzles, UV films, plant protection nets, crates, Hoses etc.
Packaging & Food Storage Products	Packing/ wrapping products for food items like tetra packs, containers, bags, etc.
Water Supply Products	Manufacturing of ISI standards PVC/ CPVC pipes
Electrical Fittings	PVC pipes and electrical fittings.
Automobile Products	Plastic automobile parts
Medical Supplies	Disposable syringes, gloves, blood storage pouches, catheters/ pipes, etc. and plastics used in medical field.
Building Construction	Plastic and rubber components for building construction
Sports and leisure	Manufacture of plastics and rubbers items for sports and leisure
Plastic Testing	Plastic testing laboratories accredited with ISO/IEC-17025 standards

Note: The above list of units/ enterprises is only indicative and the State Government may suitably revise the list under the priority sector from time to time.

3.7. Renewable Energy Sector

Bihar, with approximate peak deficit of 669 MW of electricity is significantly dependent on the power supplied by the central generation stations as of now. Currently, the state is majorly dependent upon the conventional sources for electricity generation. The deficit of electricity poses an enormous

constraint for all future development including industries. The per capita electricity consumption of the State is approx. 203 kWh, which is still below the national average and the demand will be much higher in the foreseeable future. The state realizes the importance of electricity on the overall economic growth and has initiated steps to address this gap by implementing large power projects which are primarily based on conventional sources, and are in various stages of implementation. These large power projects have long gestation period, while the demand continues to rise; therefore, the state has a unique opportunity to meet this requirement through rapid deployment of modular RE system. Bihar has RE potential of more than 12.559 GW (solar: 11.2 GW, biomass gasifier/ co-generation: 619 MW, bagasse co-generation: 300 MW, wind power: 144 MW, waste to energy: 73 MW etc.) which is yet to be harnessed. Further, there is a potential consumption market for solar off-grid applications such as SPV pumps, solar water heaters, solar street lights, etc. This presents an enormous opportunity to the industries, for setting up units for RE modular product manufacturing, RE projects, etc.

Priority sectors in the renewable energy sector

The following kinds of facilities/ units would be considered under the priority sector:

Sectors	Investment Opportunities
Solar Power	Solar photovoltaic and Solar Thermal Power Generation, Solar Hybrid Systems and Solar applications in Domestic and Industrial Sector.
Bio-mass	Biomass and Biogas projects, Biomass Hybrid Systems and biomass applications in Domestic and Industrial Sector.
Hydel Power	Small Hydropower projects (up to 25 MW)
Others	- Co-generation in sugar and other industries, Waste to Energy projects including municipal solid waste, industrial waste etc. based energy projects, Wind power projects, - RE modular product manufacturing

Note: The above list of units/ enterprises is only indicative and the State Government may suitably revise the list under the priority sector from time to time.

3.8. Healthcare Sector

Bihar is the third most populous state in India, with a population density of 1,106 persons per sq. km. The major health & demographic indicators of the state, like the infant mortality rate (42), maternal mortality rate (219), total fertility rate (3.5), etc. are much higher than the all India levels and presents an enormous opportunity to the investors to play a major role in improving these indicators. The public health facilities in Bihar are already overburdened and are in the process of being strengthened in terms of infrastructure and essential health requirements like manpower, equipment,

⁴ In 2014-15

⁵ In 2014-15

⁶ MNRE Annual Report, 2015-16

drugs and consumables. Hence, these facilities are not adequate to cater to the health care requirements of the population, at present. An overview of the healthcare related infrastructure requirement and gaps is presented in the table given below:

Particulars	Required	In position (Functional)	Shortfall
Medical colleges and hospitals	40	9	31
District hospitals	38	36	2
Sub-divisional hospitals	212	44	168
Referral hospitals	70	57	13
Community health centres	838	0	838
Primary health centres	3,314	533	2,781
Additional primary health centres	2,787	1,350	1,437
Health sub centres	20,997	9,729	11,268

Besides, there are very few private hospitals in the state; most of the organised private healthcare infrastructure is confined to the capital town, Patna. Patients seeking secondary & tertiary healthcare services have to go to Patna or move to other states for treatment. Also, most of the healthcare needs of the state are being provided by the nursing homes, run mostly by individual private practitioners, which mostly cater to the general healthcare needs of individuals. Very few of these provide speciality services. Therefore, there is a great need and substantial opportunity for private sector interventions in healthcare industry of the state.

Priority sectors in the healthcare sector

To reinforce the State Government's vision to improve accessibility to affordable, quality healthcare services and promote medical tourism in the state, the following components have been identified as priority sectors:

Areas	Investment Opportunities
In-patient Health Care Facilities	Specialty hospitals, super-specialty hospitals, multi- specialty hospitals, ultra-modern trauma centres
Emergency Medical Services	Mobile medical units, blood banks
HRD/Skill Development Services	HRD/ skill development centres (hospital services, bio-medical equipment maintenance etc.)
Manufacturing Units	Medicines

Areas	Investment Opportunities
Manufacturing Units-Equipment & Supplies	- Medical equipment like patient monitors, anaesthesia machine, surgical microscope, electro-surgical equipment etc. - Service equipment like blood collection tubes, gloves, catheter, urology disposable products, mouth piece for endoscopes, etc.
Hospital Waste Management Services	Bio-medical waste management units
Educational Institutes	Grade A Nursing Colleges

Note: The above list of units/ enterprises is only indicative and the State Government may suitably revise the list under the priority sector from time to time.

3.9. Leather Sector

Leather sector has a massive potential for employment, output growth and export. In India, the sector is one of the top foreign exchange earners. Bihar has a huge potential for investment in the leather sector. On account of large raw material base (in terms of hides and skins produced in the state), plenty of cheap as well as skilled and semi-skilled labour, and a huge domestic market for consumption, it offers both comparative and competitive advantage to a prospective investor in this sector. Our strategic advantages in this sector across factors of production are as follows:

Key Factors	Our Strategic Advantage
Availability of Raw hides and skins	(A) Bihar has approximately 8% of the country's total bovine population. According to the livestock census of 2012, the total livestock population in Bihar was 329.38 lakh. As per the census, the cow population was 122.31 lakh and that of buffalo was approx. 75.67 lakh. The goat population stood at 121.53 lakh. Bihar accounts for nearly 12% of the country's total goat population, ranked 3rd in the country. These figures will improve when a new census would take place in 2017. (B) According to a recent survey conducted by the Central Leather Research Institute (CLRI), Chennai, Bihar annually produces 2.64 million bovine hides and 5.09 million bovine skins. The state is known for best quality goat skins, cow hides and buffalo's calf skins. Goat skins are smaller in size and the best material for the production of glazed kid's leather products, which are mostly exported.

Key Factors	Our Strategic Advantage
	(C) According to a rough estimate, 3 trucks loaded with 7-8 thousand pieces of goat skins and 2-3 thousand pieces of cow hides are transported from Muzaffarpur to other destinations, daily. The leather units in the state export raw materials to Kolkata, Kanpur and Chennai depriving Bihar of the benefits.
Availability of Labour	(A) Leather industry is a highly labour intensive industry. The small scale, cottage and artisan sectors account for over 75% of the total production from this industry and a majority of them belong to the unorganized sector. The main strength of these unorganized small cottage units has been the availability of the cheap labour, mostly from the weaker sections of the society. Women employment is predominant in leather industry with about 30% share. (B) Bihar, on account of its large, growing population is one of the largest labour base in the country. (C) At present, there are existing pockets in the state, in the districts of Patna, Gaya, Nalanda/Biharsharif, Muzaffarpur, etc. where artisans are involved in the production of leather footwear. Thus, there is availability of skilled labour who can be readily employed in the leather units.
Availability of Domestic Market	Almost all the goods produced by the leather sector are daily use items. Thus, the consumption rate of these products is very high. The large population of Bihar comprising of growing middle class, in both urban and rural areas, creates a significant local demand for the products. A leather unit established in the immediate neighbourhood of such big markets would, therefore, enjoy both the advantage of scale and cost cuttings.

Priority sectors in the leather sector

The leather industry mainly includes units that are involved in production of finished or semi-finished leather and manufacturing of various kinds of leather goods. The state govt. has a clear focus to promote all the facilities in the value chain, from raw material processing to finished-goods manufacturing. The following kinds of facilities/ units would be considered as under the priority sectors:

Sectors	Investment Opportunities
Manufacturing of Leather products	(a) Manufacturing of leather shoes, leather chappals, and other footwear items of leather (b) Manufacturing of leather footwear components (c) Manufacturing of leather garments (d) Leather for upholstery (e) Manufacturing of leather goods (for e.g. labels, tags, belts, bags, purses hand gloves & other accessories and fashion items) (f) Manufacturing of upholstery for automobile (cars, etc.) & furniture (g) Manufacturing of saddlery and harness items
Storage/ Warehousing	Modern warehouses for storage of raw hides and skins with or without temperature control/ refrigeration arrangements, finished and semi-finished leather and other leather goods
Business Development Services	R&D facilities, design studios/ facilities for prototyping, quality testing, labs, etc.

Note: The above list of units/ enterprises is only indicative and the State Government may suitably revise the list under the priority sector from time to time.

Apart from these, the GoB would strive for the promotion of rural technologies developed by CSIR-CLRI. Units using these technologies would be treated as a priority sector for incentivising purposes. Following is the list of important rural technologies developed by the CSIR-CLRI.

- Leather Mojari/Jooti footwear
- Leather Kolhapuri footwear
- General footwear (shoes)
- Leather footwear (sandals/chappals)
- Leather puppets manufacturing
- Leather goods
- Leather board
- Collection of fallen carcasses and their utilization

Note: The above list is only indicative and the State Government may take suitable decision with regard to inclusion of any other kind of technology in the list.

3.10. Technical Education Sector

Bihar, at present, has 13 universities along with 262 government colleges and 231 local body colleges affiliated to the State Government. However, the number of institutes for technical education are limited and there are only 10 colleges for engineering and technical education. Because of lack of institutes of higher education and learning in Bihar, thousands of students migrate from the state to other states like Delhi, Maharashtra, Karnataka, Tamilnadu, Punjab and Rajasthan to pursue their college and university education. This leads to missed opportunities for the state as a hub for higher education. As many as 25 districts out of 38 in Bihar are educationally backward.

Govt. of India has pegged the target for GER at 30% for higher education, by 2017. This would drive massive investments in the sector. At present, Bihar has a GER of 13%. According to an estimate, the state needs 373 general colleges (arts, science and commerce), 236 engineering colleges, 139 medical colleges, 253 education colleges and 163 polytechnics to attain the national levels of enrolment in higher education. It is, therefore, obvious that there is potential for newer institutes of higher learning in the state. Despite the high poverty levels in Bihar, most of the families, even in rural areas, send their children outside of Bihar for higher education and bear the additional financial burden of outstation travel and accommodation. Hence, if more institutes come up in the state, there would be enough demand for them to flourish. The education sector would also help in employment generation in the state as most of the higher education institutes would result in establishment of educational townships with facilitation of daily needs of its residents. Hence, there would be creation of many opportunities for small business owners and young entrepreneurs.

Priority sectors in the technical education sector

In the technical education sector, the following facilities/ units would be considered under the priority sector:

Sectors	Investment Opportunities
Technical Education	Engineering colleges and polytechnic institutes (registered under the AICTE Act)
Skill Development	Technical skill development centres imparting training with high end equipment and empanelled by BSDM or Department of Industries,

Note: The above list of units/ enterprises is only indicative and the State Government may suitably revise the list under the priority sector from time to time.

3.11. Wood based Industries Sector

Agro-based industries are an important driver of economic growth in Bihar. Cultivation of fibre, oilseeds, fruits and vegetables, sugarcane along with food grains give Bihar enormous opportunity to establish paper and pulp industries out of waste produced from agri based industries across the state. Additionally, the State's estimated tree cover is about 6,453 hectares which is about 6.85% of the total geographical area of the state outside the forest. Since 2012-13, the State has planted 882 lacs of trees under agro forestry on the lands of farmers besides a total plantation of about 13 crores outside the forest area during the period 2012-13 to 2018-19. In this context, there is a significant potential

[] Inserted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

for wood based industries. The wood based industries are poised to grow rapidly with the increasing demand for furniture, housing construction material, packaging, agriculture good, sports goods, plywood, veneer, matches, etc. Accordingly, the State Government has considered it as one of the thrust areas and has decided to facilitate and incentivize private investment in the sector.

Priority sectors in the wood based industries sector

The wood based industries listed below shall be considered under the priority sectors for the purpose of availing incentives under this policy.

Sectors	Investment Opportunities
Pulp and Paper industries	Establishment of Paper Mills for the production of Paper out of agro forestry and agro based produce
Matchwood Industries	Production of Matchsticks and Match Boxes
Timber and Sawn Wood Industries	Furniture, housing and construction material made of Timber and Sawn wood
Plywood, Plyboard, Laminate and Veneer Manufacturing	(a) For Furniture and Interior Decorations of offices and homes (b) To be used in Floors, walls and roofs in transport vehicles For Floors subjected to heavy wear in various buildings and factories
Bamboo based industries	Production of Bamboo based items
Particle Board Manufacturing	(a) To be used as a substitute for natural constructional wood To be used for Wood flooring/ Interior decoration/ Furniture
Fibre Board Manufacturing	(a) To be used as a roofing material for a low-slope roof. (b) To be used as wall slab, door board, floor, furniture and other decorations instead of wood To be used as heatproof or acoustical materials
Value Addition Industries	(a) Wood/ Bamboo seasoning and Preservation industries (b) Briquettes made of Plantation and industrial wood residues (c) Value added briquettes as feed stock for biomass power generation industry, boiler industries and other industries requiring biomass for meeting the energy demands.

Note:

- (i) For according the status of Priority Sector to Units under Wood Based industries, prior approval of Department of Environment, Forest & Climate Change, Government of Bihar will be required in the cases where they are regulated as per any Act/ Rules.
- (ii) The above list of units/enterprises is only indicative and the State Government may suitably revise the list under the priority sector from time to time.]

[] Inserted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

3.12. General Manufacturing Industries

Under the General Manufacturing Industries, following facilities/units would be considered as priority sectors:

Sectors	Investment Opportunities
Fly Ash Bricks Manufacturing	(a) Units manufacturing Fly Ash Bricks (b) Units manufacturing Autoclaved Aerated Concrete (AAC) blocks
Rice Straw Based Products	Disposable plates and containers made of rice straw
Agri residue including hay-Stack based products.	Agri residue including hay-Stack based units for Ethanol & Bio-fuel including Bio-Gas manufacturing.
Automobiles	(a) Manufacture of motor vehicles, trailers and semi-trailers, manufacture of bodies (coachwork) for motor vehicles; manufacture of powered two & three wheelers (b) Manufacture of Electric vehicles and EVSE (c) Manufacture of batteries and accumulators
Defence Ancillaries	Manufacture of weapons, ammunition and allied items
Jewellery	Manufacture of jewellery, precious and semi precious stone works
Metals & Fabrication	(a) Manufacture of basic iron and steel, basic metals, non ferrous metals, casting of metals (b) Manufacture of fabricated metal products, except machinery and equipment
Sports Goods	Manufacture of sports goods from items other than plastic & rubber
Telecommunication	Manufacture of telecommunication equipments

Note:

- (i) The above list of units/ enterprises under “Defence Ancillaries” sector will be governed by the over-arching framework of “Make in India” programme.
- (ii) The above list of units/enterprises is only indicative and the State Government may suitably revise the list under the priority sector from time to time.]

[] Inserted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

4. Ease of Doing Business Reform

4.1. Introduction

The Government of Bihar is committed to establish a conducive environment for the entrepreneurs in the state, in order to attract investments and create substantial jobs opportunities. A series of measures have been taken up to improve the ease of doing business in the state and the emphasis has been on simplification and rationalization of the existing rules/procedures for hassle free entry & operation of business units across the state. A brief summary of some of the key 'ease of doing business' reforms is given below:

4.1.1. Availability of Information

- a) The 'Udyog Samwad Portal (www.udyog.bihar.gov.in) – A one stop platform for investors” provides information on acts/rules/policies/circulars/notices/notifications published by all relevant departments of the state.
- b) Detailed procedures/ guidebooks covering all applicable steps, from application submission to application approval, have been published online to facilitate investors in their application process
- c) A comprehensive checklist of all the documents that need to be submitted as part of the application has also been made available on the websites.

4.1.2. Institutional strengthening to catalyse industrial development

- a) The Udyog Samwad Portal (www.udyog.bihar.gov.in) – A one stop platform for investors, also facilitates grievance redressal. This platform provides an option to directly interact with the Principal Secretary, Department of Industries.
- b) Empanelled professional project management agencies (PMAs) in the food processing sector could facilitate speedy project appraisal and clearances
- c) Defined punitive actions on non-compliance of services are covered under Bihar Right to Public Service Act
- d) Application process and documentation requirement along with reduced timelines for various clearances such as electricity connection, VAT registration, professional tax registration, etc. have been simplified.

4.1.3. Labour related reforms

Some of the key labour related reform measures undertaken by the State Government are:

- a) Online application for registration and licenses (including renewal) under the Factory Act & other labour laws.
- b) Application tracking facility & clear timelines mandated for issue of registration certificates and licenses including online facility to download the registration certificate & other licenses

- c) Single joint inspection and single annual return for various labour laws
- d) Online facility for verification of registered and licensed units
- e) Well defined inspection procedures, including online risk based differential compliance inspection of registered units including automatic allocation of inspectors, etc.

4.1.4. Tax Related Reforms

Some of the key tax related reform measures undertaken by the State Government are:

- Online application for Value Added Tax, Professional Tax, Entry Tax, Entertainment Tax & Luxury Tax registration
- Application tracking facility & clear timelines mandated for issue of registration certificates
- Online facility to download registration certificates and enquiry reports
- Online facility for verification of registered and cancelled dealers
- VAT refund to the dealers account within 60 days
- Computerized system to identify dealers for audit (based on publically notified risk parameters)

4.1.5. Environment Related Reforms

Some of the key environment related reform measures undertaken by the State Government are:

- Online consent management system for Consent to Establish (CTE) and Consent to Operate (CTO) under Water & Air Act; authorization under Hazardous Waste Rules
- Application tracking facility & clear timelines mandated for issue of CTE/CTO/ authorization certificates including online facility to download certificates
- {Industries under White category exempted from obtaining CTO & CTE}
- Validity of CTO increased from 3 years to 5 years
- Lowered compliance inspection requirement-Green: once in 5 years, Orange: once in 3 years & Red: once in a year)

4.2. Way forward

Reform measures will be taken to streamline procedures across departments so that the investors would be able to obtain statutory clearances and approvals in a transparent and time-bound manner. The following steps will be taken to facilitate ease of doing business in Bihar:

- **Single Window Clearance System:** A new and simplified system of single window clearances will be put in place with suitable changes in the legislative framework. The online

{ } Substituted vide Amendment approved in Cabinet Meeting dated 14.01.2020 and Notification dated 20.01.2020

system will also provide facility for online application, adjustment and reimbursement of incentives.

- **Provision of Common Application Form (CAF):** A Common Application Form (CAF) will be introduced which will ensure coordination among all agencies involved in providing clearance. CAF will be web-based and will gradually be aligned to the Government of India's e-biz portal (www.ebiz.gov.in) so that prospective investors can obtain all clearances from one source.
- **Provision of Programme Management Agency (PMA):** The DoI will empanel PMA(s) to provide technical assistance as well as secretarial services to the competent committee in finalising the investment proposals for the approval including monitoring and reporting the progress. The PMA(s) will be the single point of contact for the investors to coordinate with the government for their investment proposals.
- **Amendment in the BIADA Act:** The GoB will review the existing Bihar Industrial Area Development Authority Act, 1974 and amend it to further strengthen the legal framework for planned development of industrial areas.
- **Inclusion of industry related services under the Bihar Right to Public Services Act, 2011:** In order to ensure accountability for timely processing of requests, additional investor-related services will be included under the Bihar RTPS Act.
- **Provision of Self certification:** The new single window system will have provisions for self-certification with random check by the statutory authorities after commencement of production.
- **Rationalisation of rules & regulations:** Considerable rationalization of labour law compliances has been implemented in the state. However, a further review in order to possibly ease compliances will be conducted, in consultation with industry representatives.
- **Monitoring & Grievance Redressal System:** The grievance redressal in regard to this policy will be done under the purview of the Bihar Lok Shikayat Nivaran Adhikar Adhiniyam, 2015. Additionally the DoI will strengthen the existing web based interaction mechanism (www.udyog.bihar.gov.in) where suggestions and complaints can be directly addressed to the Industrial Development Commissioner/Principal Secretary, Industries Department.

5. Enabling Infrastructure for Industrial Investment

5.1. Introduction

Facilitation of high-end quality infrastructure facilities, including developed industrial land, availability of quality power, efficient transportation network, etc., is the prime focus of the current policy. These infrastructure facilities are keys to the growth of business and industry in the state. Following is the brief of the existing infrastructure in the state.

Particulars	Description of Existing Infrastructure
Industrial Land	(a) Bihar is one of the largest states of the country in terms of land area. Its total geographical area is around 93.6 lakh hectares. Because of its topographical nature, the proportion of total land put to agricultural use is high as compared to other states of India. Out of the total land area of the state, around 57% is under agriculture. Looking at the facts that agriculture is the mainstay of the economy and that the population of the state needs land for residential and other uses, it has been a challenge for the government to be able to carve out land for industrial uses or to convert open lands to industrial lands. (b) BIADA is the key agency for allotting lands/ industrial plots to the prospective units in Bihar. BIADA has four regional offices at Patna, Darbhanga, Muzaffarpur and Bhagalpur. At present, there are 50 Industrial Areas (IA)/ Industrial Estates (IE)/ Large Industrial Estates (LIE)/ Growth Centres (GC)/ Mega Industrial Parks (MIP) under the purview of BIADA. (c) Up to Dec. 2015, BIADA had acquired a total of 5851 acres of land, of which 3324 acres has been allotted to the investors. After allocating the land for infrastructure, 182 acres of vacant land is available at various industrial areas. BIADA to preferably allot lands to manufacturing units. (d) BIADA allots the land in an industrial area after developing necessary infrastructure like roads, power, water and drainage facilities, etc. As on Dec. 2015, 1544 industrial units were in operation in various industrial areas. (e) The State Government has given approval to setting up of industrial units in parks that have industrial plots available for allotment to investors. These are: - Pristine Mega Food Park: The Park is coming up in Khagaria district. It is spread over an area of 98 acres. The park is likely to be operational by this financial year. - Punraser Jute Park: This is the country's only jute park. It is situated in Purnea district. It is spread over an area of 44.30 acres. The park is operational at present.

Particulars	Description of Existing Infrastructure
	c. IT, ITeS and Electronic Manufacturing Park: The State Government has earmarked around 100 acres in Rajgir and 25 Acres in Bihta (Patna) for an IT, ITeS and Electronic Manufacturing Park. d. Leather Cluster: It is situated in Muzaffarpur with about 11 acres of land. e. Garment Manufacturing Park: It is situated in Bihta (Patna) having 25 acres of land. All these parks have well developed infra structural facilities for setting up of an industrial unit.
Power	(a) The installed power capacity in Bihar was 3704.63 MW in March, 2015. Out of this, 83.5 percent is coal based thermal power, 14.12 percent is hydro power, and the remaining 2.3 percent is renewable energy. (b) In terms of ownership, central sector has the largest share, i.e. 77.9%, followed by the private sector/ IPPs (14.7%) and the state sector (7.4%). (c) The State Government has entered into short term, medium term and long term contracts for power purchases so that power availability does not remain a problem for the state. Due to increased availability of power, the per capita consumption of power in Bihar has risen from 145 kWH in 2012-13 to 203 kWH in 2014-15, implying a growth of about 40% in two years, which is the highest among states in the country. (d) There are 13 minor hydel projects that are currently operational in the state, with a total installed capacity of 54.3 MW. Presently, Bihar State Hydroelectric Power Corporation (BSHPC) is also engaged in exploring the possibilities of bringing up more such minor hydel power projects in the state. There are 17 schemes under which exploration work is in progress. (e) The GoB has allowed open access for purchase of power in the state. It has also allowed the net metering arrangement for grid connected solar rooftop photovoltaic systems and has made regulations in this regard. Further, it has also notified the provisions for banking of solar power for captive use, group captive use, and for third party sale.

Particulars	Description of Existing Infrastructure
Road	(a) At present, the total road length in Bihar is around 2.26 lakh km. Out of this, the total length of NH is around 4595 km. Approximately 68% of NHs are double and multiple lane roads and the rest 32% single and intermediate lane roads. (b) The total length of the State Highways (SH) in Bihar is around 4253 km. Out of this approx. 65% is double-lane, 20% is single-lane and 15% is intermediate-lane road. (c) The state has a vast network of district roads also. The total length of Major District Roads (MDR) in the state is around 10,634 km with a major portion (54%) having a width of 3.75 meters. Out of the total length of MDR, 4897 km have been converted into intermediate or 2-lane width. Those roads which are yet to be converted into wider roads, have undergone surface renewal or repair work. The State Government is making endeavours to upgrade 5175 km of MDR to a minimum standard of intermediate lane with 5.50 meters width. (d) At present, the state has around 2.07 lakh Km. of rural roads. All the rural roads are being gradually upgraded to pucca roads, under different schemes like Mukhya Mantri Gram Sampark Yojana, Pradhan Mantri Gram Sadak Yojana and Grameen Tola Sampark Nischay Yojna.
Railways	(a) Bihar has an extensive railway network of 3,638.73 km. All the districts of the state are well connected to the rail network. Almost all the districts of the state are connected with major cities of the country through the rail network. (b) There are two major rail routes passing through the state: - Delhi –Guwahati Rail Route via Chapra-Barauni-Katihar - Delhi-Kolkata Rail Route via Ara, Buxar, Patna, including Grand chord line via Gaya (c) Hajipur in Bihar is the HQ of the ECR. The ECR commands a vast network of 5230 track kilometres and 3624 route kilometres spread across the states of Bihar, Jharkhand, Uttar Pradesh and Madhya Pradesh. (d) Quite recently, 3 major projects for rail-cum-road bridge have been commenced in Bihar at an estimated cost of INR 7000 crore. These rail-cum-road bridges would contribute in consolidating the transportation across the state. (e) The state is also speeding up on execution of the Patna metro rail project. State Government has already prepared the detailed project report (DPR) for the metro rail project and has also given it the in-principle approval.

Particulars	Description of Existing Infrastructure
Air way connectivity	(a) Bihar has one domestic airport in Patna and one international airport in Bodh Gaya. Several domestic airlines connect Patna to Delhi, Kolkata, Mumbai, Lucknow, Bengaluru, Hyderabad and Ranchi. (b) The number of aircraft movement in Bihar has increased to 11054 in 2014-15. Over the past two years, the number of passengers increased from 10.5 lakh to 12.0 lakh and freight also increased from 4849 tonnes to 5198 tonnes.

5.2. Measures for creation of enabling infrastructure during the policy period

In order to strengthen the existing infrastructure situation in the state, the government has proposed the following measures during the policy period:

5.2.1. Allotment of vacant industrial land for priority sector projects

During the policy period, BIADA would strive to allot all the available vacant land (around 182 acres) at the various industrial areas to the prospective and eligible projects. In this regard the meeting of “Project Clearance Committee of BIADA” will be convened in a time bound manner. These vacant lands shall be allotted to the manufacturing units. The Government would also put efforts to facilitate the allotment of lands in the industrial parks to manufacturing units.

5.2.2. Establishment of new industrial areas and expansion of existing industrial areas by BIADA

- (a) BIADA would strive to develop new industrial areas as well as expand existing industrial areas across the various districts of the state. It is envisaged that a total of 5000 acres of land would be acquired and developed by BIADA over the next 3 to 5 years/ during the policy period. For this, government land from the land bank would be alienated and transferred to BIADA. Appropriate budget provisions would be made for the development of the new industrial areas. BIADA would develop the land suitable for industrial manufacturing units and notify the final rates at which the land would be available to industrial units.
- (b) As a policy decision, lands in industrial area controlled by BIADA shall be used only for the allotment to the manufacturing units. BIADA has notified the objective criteria for the allotment of land in the industrial areas. It has also issued a notification for earmarking industrial areas on the basis of criteria like type of industries and pollution level. The State Government may notify from time to time the kind of industry that can be allotted land in the industrial area controlled by BIADA.
- (c) As a policy decision, 25% of the land in a newly established industrial area by BIADA would be allotted to the MSME units. Out of these 25% allotted to MSME units, 75% will be for Micro & Small enterprises and 25% will be for Medium enterprises.

5.2.3. Recovery of land from Sick/ Closed units

Wherever feasible, the Govt. would strive to recover land from sick and locked out industries, more so in the existing industrial areas. BIADA may also formulate a suitable “One time Settlement” process for this.

5.2.4. Promotion of private participation for increasing availability of industrial land: “Aao Bihar” Scheme

- (a) “Aao Bihar” Yojana is a flagship scheme of the Government of Bihar to facilitate private buyers and sellers of land in respect of setting up of industrial units in the state. The scheme was launched in 2011.
- (b) Under this scheme any person/ group of persons, who own 2 acres or more land and want to sell their land for establishment of industries or institutions, can enlist their land details on the “Aao Bihar” Portal. The information shall be made available to prospective buyers on the website. Entrepreneurs interested in buying land can locate the land on the portal. The State Government through its machinery shall help the entrepreneur to verify the title and ownership of the land so as to enable the buyer to buy the land.
- (c) The role of govt. would be that of a facilitator only. It would not have any role in fixing the rates of the land and in the allotment of the land.

5.2.5. Establishment of Air cargo complex

An air cargo complex has been proposed in the state in Patna/ Gaya for products of export oriented industrial units and transportation of perishable agriculture goods from the state. The government would strive for its establishment during the policy period.

5.2.6. Container Freight Terminal

There are two container freight terminals in the state at Fatuha & Bihta. The GoB would pursue to upgrade the facilities available at these terminals.

5.2.7. Promotion of Amritsar Kolkata Industrial Corridor& IMCs

The Government of India has proposed to develop the Amritsar-Kolkata Industrial Corridor along the Eastern Dedicated Freight Corridor. The proposed AKIC passes through three districts of the state viz Gaya, Jamui and Banka. The GoB would pursue to develop the influence area as an industrial hub. For this, the GoB would assess the infra structural needs in the influence area and formulate a suitable intervention plan. As of now, GoB has shortlisted a location near, Dobhi, Gaya District for an IMC.

5.2.8. Increase in the availability of quality/reliable power supply

- (a) At present, the work is in progress for four more generating units in Bihar that have been listed below. On completion of all these projects, the dependence of Bihar on the central sector for power will be lessened.

- i. **Nabinagar Stage-1 Plant:** This project is located in Aurangabad district of Bihar. For this power project, construction works of three units of 660 MW each is in progress.
 - ii. **Power Projects in Buxar, Bhagalpur and Lakhisarai:** An agreement has been signed with Satluj Hydro Electric Corporation for the construction of power project at Chausa (Buxar), having two units of 660 MW, each. In addition, an agreement has also been signed with NHPC and NTPC for the construction of two thermal power plants of 660 MW, each. The plant in Pirpainti (Bhagalpur) will be constructed by NHPC and that in Kajara (Lakhisarai) by NTPC.
 - iii. **Ultra-Mega Power Project (Banka):** A proposal has been sent for the establishment of a power project in Banka (approximately 4000 MW), for which 2500 acres of land has been identified.
 - iv. **Mathauli Hydel Power Project (West Champaran):** The construction work for this power project is nearing completion. It would have a capacity of 800 KW.
- (b) Efforts will be made to ensure availability of 24 hours of uninterrupted power supply to the industries situated in all industrial areas. All the industries getting electricity supply from 132/220 KVA feeders, will be exempted from power cuts, until necessary for safety of the grid. For this purpose, generation and distribution systems will be adequately upgraded.
 - (c) All such feeders of 33/11 KVA substations, which have more than 75 per cent industrial load, would be recognized as industrial feeders and exempted from power cuts. If consumers of other categories are connected to these feeders, then steps would be taken to separate them.
 - (d) **Open Access Policy:** The State Government shall allow power under the Open Access Policy as per the Electricity Act, 2003. This shall allow large users of power — typically having connected load of 1 megawatt (MW) and above — to buy cheaper power from the open market. It would help industry buy power at competitive rates and be competitive in the market.

5.2.9. Establishment of gas pipeline network

To ensure availability of natural gas as clean energy for industrial development, a gas grid will be developed in the state; necessary steps will be taken to ensure the supply of natural gas according to industrial and domestic demand in the state.

The Government of Bihar would coordinate with GAIL and other oil companies engaged in laying the proposed natural gas pipeline network from east coast of the country. Efforts would be made to make gas available through pipelines to maximum areas, especially to industrial locations. MoUs have been signed between GoB– IOC and GoB- GAIL to establish a gas pipeline network in the state. The main gas pipeline of GAIL shall pass through Gaya, Aurangabad, Rohtas and Kaimur districts of Bihar.

5.2.10. Promotion of MSME Clusters – Establishment of CFCs

- (a) The current industrial policy adequately recognizes the importance of the development of the MSME clusters; therefore, intends to promote them. There are several existing and potential MSME clusters in the state. For e.g.
 - i. Brass and Bronze Metal Utensils Industry Cluster, Pareb, District-Patna
 - ii. CFL& LED Bulb, Patna city, District- Patna
 - iii. Leather Footwear, Patna city, District- Patna
 - iv. Makhana, Located in four district (Darbhanga is the key center)/ Darbhanga
 - v. Leather Products Cluster, District- Chappra
 - vi. Agarbati Manufacturing Cluster, District- Gaya
 - vii. Lahathi (lac) Cluster, District- Muzaffarpur
 - viii. Leather Shoes and Chappal Cluster, District- Muzaffarpur
 - ix. Brass & German Silver Utensils Cluster, District- West Champaran
 - x. Rice Milling Cluster, District- East Champaran
 - xi. Rice Milling Cluster, District Lakhisarai
 - xii. Copper Bronze Alloy Utensil Cluster, District Vaishali
 - xiii. Leather Shoes and Chappal Cluster, District-Nalanda
 - xiv. Readymade Garment Cluster, Patna city, District- Patna
 - xv. Silaw ka Khaja Cluster, District- Nalanda
 - xvi. Sweet and Namkin Khaja Cluster, District-Madhepura
 - xvii. Bamboo Works Cluster, District Madhepura
 - xviii. Handloom and Khadi (Post processing) Clusters
 - xix. Handicraft Clusters
 - xx. Small Machines and tools manufacturing Cluster in Aurangabad and Raxaul, East Champaran
- (b) None of the existing, new or potential clusters have adequate facilities, primarily, in terms of CFC. The cluster actors are also technologically poor and there is a dire need of technology and skill up gradation in these clusters.

- (c) In order to promote the cluster, the GoB had launched a special scheme named “Chief Minister MSME Cluster Development Scheme” in the year 2013. The Government would strive to implement this scheme effectively during the current policy period.
- (d) The State Government would also extend all necessary support to a cluster of industries under the relevant schemes of Government of India viz Micro and Small Enterprises-Cluster Development Programme of Ministry of MSME and Industrial Infrastructure Upgradation Scheme of Department of Industrial Policy & Promotion, GoI.

5.2.11. Promotion of Private Industrial Parks

- (a) The current policy adequately recognizes the role of private participation in order to develop industrial plots/ land and other basic infrastructure facilities in the state.
- (b) To encourage private participation, the Government of Bihar had launched the “**Policies for Private Industrial Park**” in 2013. This policy would be treated as an integral part of the current industrial policy and the government would strive to implement this scheme effectively during the current policy period subject to certain revisions/ amendments. The government would also encourage the establishment of sector specific parks, especially, for the priority sectors (e.g. food parks, leather parks, IT parks, textile parks, etc.)
- (c) Under this policy, the Government of Bihar would provide incentives to the promoters of private industrial parks. A detail guideline about the incentives available to the private industrial parks and terms & conditions are furnished in chapter 6 (Section 6.7).

6. General Package of Incentives

Government of Bihar recognizes the need of fiscal incentives to improve the competitiveness of the units operating in the state. Accordingly, Government of Bihar has formulated a customized package of fiscal incentives which takes into cognizance state's comparative advantages and will trigger the next round of industrial growth in the state.

6.1. Guiding Principles/ General Provisions

- (i) These general provisions shall be applicable to all units eligible under this policy.
- (ii) Effective date means the date on which the provisions of this policy come into force. []
- (iii) The state would encourage the prospective promoters to avail term loan facility from the {scheduled commercial bank} or financial institution approved by RBI/SEBI for setting up a unit and availing incentive on the investment.
- (iv) Unit applying for incentives shall provide a Detailed Project Report (DPR) accompanying the Bank Appraisal Report prepared by the {scheduled commercial bank} or financial institution approved by RBI/SEBI, which is supposed to extend the term loan to the unit. The appraisal report prepared by the bank/ financial institute shall form the basis for ascertaining the project cost for calculation of incentives.
- (v) For the purpose of calculation of incentives under this policy, the approved project cost shall mean the project cost finally approved by the competent authority as defined by the Department of Industries from time to time. The approved project cost shall be the basis for determining the incentives.
- (vi) In the approved project cost considered for incentive calculation under this policy, the cost of land shall not exceed a limit of {20%} of the total proposed investment other than the land. Thus in the approved project cost either the actual cost of land mentioned in the project report assessed by the bank/ financial institutions or {20%} of the total proposed investment excluding the land, whichever is less, will be considered. This principal shall be followed for examining all investments under this policy.
- (vii) All incentives mentioned under this policy shall be provided post-production i.e. after the date of commercial production/ operations.
- (viii) In case of SC/ ST entrepreneurs, the maximum limit of all kinds of incentives (except for land) shall be increased by additional 15% across all categories (i.e. MSME & large units). For more details, please refer to Section 6.4.
- ((viiiia) In case of EBC entrepreneurs, the maximum limit of all kinds of incentives (except for land) shall be increased by additional 15% across all categories (i.e. MSME & large units). For more details, please refer to Section 6.4A.)
- (ix) In case of women, differently abled entrepreneurs, war widows, acid attack victims and third gender entrepreneurs, the maximum limit of all kinds of incentives (except for land) shall be increased by additional 15% across all categories (i.e. MSME & large). For more details, please refer to Section 6.5.
- (x) A unit will not get any incentive beyond a period of 5 years from the date of commencement of commercial production or 5 years from the date of end of this policy, whichever is earlier.
- (xi) The incentives will cease either on the exhaustion of the applicable quantum or on the completion of the eligible period, whichever is earlier. Any unutilized incentive at the end of eligibility period shall lapse.

[] Deleted vide Amendment approved in Cabinet Meeting dated 14.06.2020 and Notification dated 29.06.2020

{ } Substituted vide Amendment approved in Cabinet Meeting dated 14.01.2020 and Notification dated 20.01.2020

() Inserted vide Amendment approved in Cabinet Meeting dated 08.09.2020 and Notification dated 11.09.2020

- (xii) Any incentive under any other scheme/policy of the State Government or Central Government availed by a unit will not be considered for calculating the total accruable incentives to the unit.
- (xiii) In the event of change in ownership or management of a unit, the same shall be intimated by the unit to the competent authority as defined by the Department of Industries from time to time. If required, a revised Letter/ Eligibility Certificate shall be issued to the unit (in the name of new owner) for balance incentives. The eligibility period shall not be extended under any circumstances and shall continue to be defined with effect from the original date of production.
- ((xiv) In the event of any change in the shareholding pattern of a unit promoted by SC/ ST/ EBC/ women/ differently abled persons/ war widows/ acid attack victims/ third gender entrepreneurs within 5 years of start of the commercial production, the new shareholders should be from the same category. In case the new shareholders are not from the same category, the amount of incentive extended to such units shall become liable to be recovered from the date of availing such incentives along with interest compounded annually @ 18% per annum.)
- (xv) If any false declaration is given for the purpose of availing incentives or if any incentives are availed for a unit that was not eligible, the amount of incentives are liable to be recovered from the date of availing such incentives along with interest compounded annually @ 18% per annum. In case of non-payment within the stipulated time, the State Government may recover such amounts including interest as arrears of land revenue.
- (xvi) Any attempt to break/ divide or merge units only for the sake of availing higher amount of incentive without substantial operational reasons shall be treated as misrepresentation of facts and will attract penal action as decided by the competent authority.
- (xvii) Any existing or new units, expanding its capacity, diversifying, or modernizing during the policy period will be given the benefits as applicable to new units on their incremental approved project cost. To avail the benefits, there must be a capacity expansion/modernisation of at least 50% of the capacity of the existing unit.
- (xviii) Negative list of industries/sectors which shall not be eligible for any incentives under this policy are stated in —Annexure II - Negative list of industries. These industries/sectors shall not be eligible for any incentive, including under the GST regime.
- (xix) All matters of interpretation/disputes shall be decided by the Industrial Development Commissioner/ Principal Secretary, Department of Industries. Such interpretation/decision shall be final.
- {(xx) In order to promote setting up of new and renewable energy based units for catering to the captive energy requirement of the existing and new units, these will be considered as new projects under the Bihar Industrial Investment Promotion Policy, 2016 and all incentives/ facilities will be provided to them accordingly.}
- [(xxi) All licences/clearances required in setting up of industrial units in Bihar shall be provided "deemed clearance" as per Section 6(4) of Bihar Industrial Investment Promotion Act, 2016 and Rule 9 of Bihar Industrial Investment Promotion Rules, 2016.]

{ } Inserted vide Amendment approved in Cabinet Meeting dated 14.01.2020 and Notification dated 20.01.2020

[] Inserted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

() Substituted vide Amendment approved in Cabinet Meeting dated 08.09.2020 and Notification dated 11.09.2020

- [(xxii) Effluent treatment plant (ETP) or Air treatment plant (ATP) set up in any existing unit will be considered as new project under the Bihar Industrial Investment Promotion Policy, 2016 and all incentives/ facilities will be provided to them accordingly. For new units, cost of any such Effluent treatment plant (ETP) or Air treatment plant (ATP) shall be included in approved project cost.]

6.2. Package of incentives

State Government is committed to encourage the process of industrialization by assuring an entrepreneur-friendly regime and an attractive package of incentives for the entrepreneurs. The following package of incentive will be made available to the entrepreneurs:

Type of Incentive	Salient Features
Reimbursement Stamp Duty/ Registration	a) No stamp duty to be paid in respect of land allotted by the government to IDA/ BIADA. b) 100% reimbursement of stamp duty/registration fees levied on lease/ sale /transfer of industrial land/shed as also those outside the jurisdiction of Bihar Industrial Area Development Authority would be available to all the new units after the unit commences the commercial production. This reimbursement of stamp duty and registration fees will be granted only for the first time and will not be applicable in subsequent stages of lease/sale/transfer. This incentive will be available to new units only. c) The area of land required by the unit shall be fully described in the DPR and the Bank Appraisal Report prepared by the bank or financial institution which is supposed to extend the term loan to the unit.
Land Conversion Fees	a) 100% reimbursement of “land conversion fees”/ “change in land use” fees being levied for conversion of agricultural land after the unit commences the commercial production.
Interest Subvention	a) State shall extend “Interest Subvention” to all the eligible units on the term loan availed by the unit from a {scheduled commercial bank} or financial institution approved by RBI/SEBI. b) Rate of interest for interest subvention will be 10% or actual rate of interest on term loan, whichever is lower. For micro and small units, there shall an interest subvention of 12%. c) The overall limit of this subvention for priority sector units will be 30% of the approved project cost. The subvention limit for non-priority sector units shall be 15% of the approved project cost. The upper limit of this subvention shall be Rs.10 crore.

[] Inserted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

{ } Substituted vide Amendment approved in Cabinet Meeting dated 14.01.2020 and Notification dated 20.01.2020

Type of Incentive	Salient Features
	d) Disbursement of the subvention amount would be in instalments linked with the term loan repayment schedule stipulated by the concerned bank/financial institutions which extends the term loan to the unit. Interest shall not be paid on promoter's contribution in any form in the unit. e) In case the promoters do not avail any term loan for the unit, they would not be eligible for this incentive.
Tax related incentive	a) All new units can avail tax related benefits with a maximum limit as defined below: i. Non-priority sector: 70% of the approved project cost ii. Priority sector: 100% of the approved project cost b) All new micro and small units will be given tax benefits by additional 30% of the approved project cost. c) All units engaged in generation of solar and/ or renewable energy for commercial purpose will be given tax benefits by additional 30% of the approved project cost. d){ (1) All eligible units will be provided 80% reimbursement (100% in case of units in High-Priority Sector) against the SGST deposited in the account of the State Government from the Electronic Cash Ledger after adjustment of IGST and SGST credit available in the Electronic Credit Ledger, from the date of implementation of GST i.e. 01.07.2017. This reimbursement will be provided to eligible units up to 5 years from the date of commercial production of the units. Department of Industries will reimburse computed SGST based on the report received from the Commercial Taxes Department. The said reimbursement will be given subject to the following conditions :- i. Claim for reimbursement will be made by the Units in prescribed format on quarterly basis by the end of the month immediately succeeding the quarter. ii. Tax amount paid by the eligible unit from Electronic Cash Ledger will be certified by Commercial Taxes Department on the basis of the statements filed and the payment receipts. iii. At any stage after sale! supply by the unit, in case of an inter-state supply of such goods (sale or inventory transfer) by a registered dealer, amount equivalent to SGST utilized in payment of IGST liability in relation to such inter-state supply would be recoverable from the unit and such recovery will be made through adjustment from the next installment of reimbursement if the unit is eligible for next installment of reimbursement. In case the unit is

{ } Substituted vide Amendment approved in Cabinet Meeting dated 14.01.2020 and Notification dated 20.01.2020

Type of Incentive	Salient Features
	not eligible for next installment, the Promoters of the unit would be liable to deposit the said amount in the Government Treasury and in the event of default by the Promoters in depositing the amount, the said amount will be recoverable as dues of land revenue. iv. Units will first utilize the full amount of IGST and SGST credit lying in Electronic Credit Ledger for payment of SGST liability and the balance SGST liability will be paid through Electronic Cash Ledger. In case the available credit is not fully utilized, amount of such available and un-utilized credit will be deducted from the next reimbursable claim of the Unit, if the Unit is eligible for next installment of reimbursement. In case the Unit is not eligible for next installment of reimbursement, the Promoters of the unit would be liable to deposit the said amount in the Government Treasury and in the event of default by the Promoters in depositing the amount, the said amount will be recoverable as dues of land revenue. v. Calculation of reimbursable/adjustable/depositable amount as referred to in sub-clause (iii) and (iv) will be done by the Commercial Taxes Department based on the statements filed by the applicant unit and related dealers and the same will be intimated to the Department of Industries and if required, recovery in such cases will be made by the Department of Industries. Provided that other conditions of Clause 3.2.2 of Bihar Industrial Investment Promotion Policy, 2016 for High Priority Sectors vide Notification No. 1937 dated 27.12.2017 will remain intact; and (2) For the purpose of certification of IGST and SGST credit utilized in discharging SGST liability as referred to in above mentioned sub-clause (1) and (2), confirmation of receipt of amount inherent in such credit, and computation of reimbursable claim of the Unit and procedure related to its resources, guidelines may be issued by the Commercial Taxes Department, from time to time. (3) Industrial units having production less than 25% of installed capacity shall not be eligible for SGST reimbursement. } (e) {} (f) All new units shall be eligible for 100% reimbursement of the electricity duty on power including captive power consumed by the same unit or exported to the BSPHCL from the date of commencement of commercial production for a period of 5 years subject to the overall limit defined above. Electricity duty exemption will not be available on captive power exported to entities other than BSPHCL.

{ } Substituted/deleted vide Amendment approval in Cabinet Meeting dated 14.01.2020 and Notification dated 20.01.2020

6.3. Dovetailing with Central Government policies and schemes

[Dovetailing of incentives with the central Government schemes would be allowed under this policy. In case of grant availed/ to be availed by the promoter under any scheme of the Government of India which has a State share or is further linked to the State Government schemes, the approved project cost for the purpose of calculation of incentive for this state policy will be arrived at by deducting the project cost corresponding to incentives availed from the State Government.]

6.4. Special Incentive Package for Scheduled Caste and Scheduled Tribe Entrepreneurs

- 6.4.1. Efforts shall be made to promote entrepreneurship among the Scheduled Castes (SC) and Scheduled Tribes (ST).
- 6.4.2. In case of a new unit established by a SC/ ST entrepreneur, the rate of interest for interest subvention will be 11.5% or actual rate of interest on term loan, whichever is lower (except for Micro and Small units). In case of micro and small units being established by a SC/ ST entrepreneur, the rate of interest for interest subvention will be 13.8% or actual rate of interest on term loan, whichever is lower.
- 6.4.3. The overall limit of this subvention will be 34.5% of approved project cost (for priority sector projects)/ 17.25% of approved project cost (for non-priority sector projects). The upper limit of this subvention shall be INR 11.5 crore.
- 6.4.4. In case of a new unit established by a SC/ ST entrepreneur, she/ he will be entitled to avail 92% reimbursement against the admitted VAT/ CST/ Entry Tax deposited in the account of the State Government (strictly excluding any trading related taxes paid by them), with a maximum limit as defined below:
 - i. **Non-priority sector:** 80.5% of the approved project cost
 - ii. **Priority sector:** 115% of the approved project cost
- 6.4.5. The State Government will provide Project Management Consultancy support to SC/ST entrepreneurs to facilitate the establishment and operation of units.
- 6.4.6. Special clusters shall be created for such entrepreneurs with common facilities.

(6.4A) Special Incentive Package for Extremely Backward Class Entrepreneurs

- 6.4A.1. Efforts shall be made to promote entrepreneurship among the Extremely Backward Classes (EBC).
- 6.4A.2. In case of a new unit established by an EBC entrepreneur, the rate of interest for interest subvention will be 11.5% or actual rate of interest on term loan, whichever is lower (except for Micro and Small units). In case of micro and small units being established by an EBC entrepreneur, the rate of interest for interest subvention will be 13.8% or actual rate of interest on term loan, whichever is lower.
- 6.4A.3. The overall limit of this subvention will be 34.5% of approved project cost (for priority sector projects)/ 17.25% of approved project cost (for non-priority sector projects). The upper limit of this subvention shall be INR 11.5 crore.
- 6.4A.4. In case of a new unit established by an EBC entrepreneur, she/ he will be entitled to avail 92% reimbursement against the admitted SGST deposited in the account of the State Government (strictly excluding any trading related taxes paid by them), with a maximum limit as defined below:
 - i. **Non-priority sector:** 80.5% of the approved project cost
 - ii. **Priority sector:** 115% of the approved project cost

[] Substituted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

() Inserted vide Amendment approved in Cabinet Meeting dated 08.09.2020 and Notification dated 11.09.2020

6.5. Special Incentive Package for Women, Differently abled persons, War widows, Acid attack victims and Third gender entrepreneurs

- 6.5.1. Efforts shall be made to promote entrepreneurship among the women, differently abled persons, war widows, acid attack victims and third genders.
- 6.5.2. In case of a new unit established by women, differently abled persons, war widows, acid attack victims and third gender entrepreneurs, the rate of interest for interest subvention will be 11.5% or actual rate of interest on term loan, whichever is lower (except for Micro and Small units). In case of micro and small units being established by women, differently abled persons, war widows, acid attack victims and third gender entrepreneurs, the rate of interest for interest subvention will be 13.8% or actual rate of interest on term loan, whichever is lower.
- 6.5.3. The overall limit of this subvention will be 34.5% of approved project cost (for priority sector projects)/17.25% of approved project cost (for non-priority sector projects). The upper limit of this subvention shall be INR 11.5 crore.
- 6.5.4. In case of a new unit established by the entrepreneur, he/ she will be entitled to avail 92% reimbursement against the admitted VAT/ CST/ Entry Tax deposited in the account of the State Government (strictly excluding any tax paid by them arising out of a purely trading business), with a maximum limit as defined below:
 - i. **Non-priority sector:** 80.5% of the approved project cost
 - ii. **Priority sector:** 115% of the approved project cost

6.6. Dovetailing with State Government Schemes for MSME Cluster Development

[Dovetailing of incentives under various State's cluster development scheme would be allowed under this policy. Details of the incentive are as follows:

- (a) **Dovetailing of incentives under the Chief Minister Cluster Development Scheme for the establishment of the CFCs** would be allowed under this policy. It would however be subjected to the condition that the same asset should not be covered under both the industrial incentive policy and the said scheme. Thus, in case of incentives availed/ to be availed by the promoter on a particular asset of the CFC under the said scheme, the approved project cost for the purpose of calculation of incentive under industrial incentive policy will be arrived at by deducting the value of that asset.
- (b) **District Industrial Innovation Scheme:** In every District, an Innovation Fund shall be made available to all District Magistrates for innovation in setting up of micro (tiny) production units. The fund shall be used towards carrying out small interventions like setting up of Garments manufacturing, Paver Block equipment, Handloom Weaving Centre, Carpentry Centre etc. While setting up such micro (tiny) units, the backward and forward linkage will also be ensured on long-term basis so that these units survive in the long run.
- (c) **Development of Industrial Cluster by State's Public Sector Undertakings (PSUs):** All selected State's Public Sector Undertakings (PSUs) in Bihar shall adopt districts and take up cluster based manufacturing activities in these districts. A committee headed by the Development Commissioner shall allot districts to the PSUs. Care shall be taken

[] Substituted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

while allotting clusters to these PSUs so that they are sectorally aligned to the overall operations of these PSUs. For example – Handicraft related cluster shall be with Upendra Maharathi Shilp Anushandhan Sansthan as they are sectorally aligned to the operation of the PSU. Some of the areas in which these clusters are proposed are as follows: (i) Food Processing, (ii) Garment Manufacturing, (iii) Farm Machinery, (iv) Paver Blocks/ Cement Poles (Electrical), (v) Furniture Manufacturing, (vi) Handlooms, (vii) Handicrafts, and (viii) Leather Products. These PSUs shall use their own resources (Reserves and Surplus) to fund the infrastructure for these clusters. The PSUs shall identify the Artisans/ Skilled Manpower from the database of workers and create a cluster. The backward and forward linkages shall be facilitated and managerial support to these clusters at-least for three years shall be provided by these PSUs.]

6.7. Incentive for Private Industrial Park

Incentives shall be made available for setting up of Private Industrial Parks. The effective guidelines of the scheme during the current policy period would be as follows:

- (a) The private industrial park can be established by an individual promoter/ partnership firm/ LLP/ company or any entity registered under the Companies Act/ Societies Act.
- (b) The promoter of the park has to arrange for the land. The State Government would not have any role in arranging the land for the park.
- (c) The minimum area of the proposed private industrial park should be 25 acres (3 acres in case of IT parks).
- (d) The land proposed for the park should be under the absolute possession of the promoter and should be free from any encumbrances. It should not have been obtained/owned by the promoter on leasehold basis.
- (e) At least 20% of the land would be earmarked for the general use/development of basic infrastructure/ green area and future requirements.
- (f) The industrial park shall have a minimum of 5 independent production units.
- (g) The promoter would be responsible for the allotment of land/plots to the individual units. The State Government would not have any role in this.
- (h) The promoter shall not create residential units in the industrial park or convert the industrial park into a real estate project. The industrial park shall only be used for industrial use. All private industrial parks shall be notified as industrial lands. Under no circumstances a private industrial park shall be put into any other use other than for industrial purposes.
- (i) The rates for the industrial plots in the private industrial park would be ascertained by the promoter. The State Government would not have any role in this.
- (j) The promoter of the park would create a fund called “Development Reserve Fund (DRF)” for the development of external infrastructure of the park. The promoter would contribute 5% of the fund collected through land allotment and 10% of the Annual Net Profit in the DRF. The DRF would be maintained in the form of a fixed deposit. A committee would be constituted for the operation of the DRF. The committee would consist of promoter/ representatives of the promoter and units operating in that park. At any point of time, a maximum of 33% of DRF can be used for the development of the appropriate infrastructure. Further, the promoter

would charge a maintenance fee from the operating units in the park. The same committee would be responsible for the operation of the fund created from the maintenance fee collected.

- (k) A private industrial park would be eligible for an interest subvention at the rate of 10% or actual rate of interest on term loan, whichever is lower, to the extent of 30% of the approved project cost subject to a limit of INR 50 crore. A sector specific private industrial park for the priority sector units (for e.g. food parks, leather parks, textile parks, IT parks etc.) would be given an interest subvention to the extent of 35% of the approved project cost subject to a limit of INR 50 crore. The promoter of the private industrial park shall be eligible for the interest incentive after the completion of the park.
- (l) In addition to the above, the private industrial park would also be eligible for the incentives mentioned under Section 6.2. Interest subvention shall be payable as per clause (k) above.
- (m) All the units set up in a private industrial park would be eligible to avail incentives under the industrial investment promotion policy, based on their eligibility.

[6.8. Customized Incentive Package for Strategic Investment Projects]

Any strategic Investment project coming to Bihar shall be entitled to a Customised Package of Incentives, itemised details of which shall be recommended by the State Investment Promotion Board constituted under Section 4 of the Bihar Industrial Investment Promotion Act, 2016. The proposed list of incentives recommended by SIPB shall be approved by the Government before benefits are provided to these units. For this purpose, 'Strategic Investment Project' shall be defined as a new project having investment of above Rs. 500 crores in Plant and Machinery or providing employment to more than 500 persons which shall bring long term direct and indirect benefits to investment climate and employment generation in the state.]

[6.9 Joint Venture of State PSUs with reputed Private Companies]

The State PSUs shall be encouraged to form Joint Ventures with some of the leading private companies in labour intensive manufacturing sector who are willing to invest in the State. Some of the sectors to be considered under this clause are Food Processing, Medical Equipment, Automobiles, Garments, Farm Machinery, etc. The leaders in manufacturing shall be identified following a transparent process for forming the Joint Venture. The State PSUs shall jointly invest in equity of these JVs. This will provide a comfort to large multinational/national organisations to set up their manufacturing units in the State.]

[] Inserted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

[6A. Special Incentive Package for attracting Investments and retaining workers returning to Bihar on account of Covid-19 scenario

The current public health crisis (i.e. COVID-19) is causing an unprecedented impact on the overall economy of the State including workers. It is estimated that approx. 25 Lakhs workers working in other States have returned to the State. Therefore, it is important that necessary measures are put in place by the government which can restart various sectors of the economy resulting in employment opportunities for the workforce based on their skill profiles and diversity.

In the given context, there is an urgent need for the State Government to develop a customised incentive package which can revive and revitalise the economy while leveraging upon the strengths of the State i.e. abundant skilled and unskilled workforce returning to Bihar. Thus, the State Government has decided to come out with the customized incentive package which will help in achieving the abovementioned objective. The objective of this incentive package is to generate employment creating new means of livelihood and increasing industrial activities in the State.

A. General

- (a) “Special incentive package for attracting Investments and retaining workers returning to Bihar on account of Covid-19 scenario” shall remain valid for a period of 12 months from the date of notification of this amendment.
- (b) Any unit applying within this period will be eligible for availing the benefit under this special incentive package for a period of 12 months from the date of SIPB's approval subject to meeting the above conditions.
- (c) Any unit willing to avail benefits under this special package will have to mandatorily employ at least 20% of the total workers from the pool of workers returning to Bihar. The units should obtain the list of such workers from District Counselling Centres and include such list in their proposal after obtaining necessary confirmation from the respective workers.
- (d) The units shall commence full scale commercial production in 3 years from from the date of obtaining SIPB approval. The units shall attempt to initiate trial production at reduced capacity (say 25% of the overall capacity) by the end of 1st year to enable State retaining the workers returning to Bihar.
- (e) A Committee of Secretaries (CoS) under the chairmanship of Development Commissioner shall be formed for review and inclusion of any additional incentives under this **Special Incentive Package for attracting Investments and retaining workers returning to Bihar on account of Covid-19 scenario**. The CoS shall have representatives from all key departments in the state:
 - i. Development Commissioner - Chairman
 - ii. Principal Secretary/Secretary, Department of Industries - Member Secretary
 - iii. Principal Secretary/Secretary, Finance Department – Member

- iv. Principal Secretary/Secretary, Labour Resources Department - Member
- v. Principal Secretary/Secretary, Agriculture Department – Member
- vi. Principal Secretary/Secretary, Road Construction Department – Member
- vii. Principal Secretary/Secretary, Department of Environment, Forest & Climate Change – Member
- viii. Principal Secretary/Secretary, Rural Development Department – Member
- ix. Principal Secretary/Secretary, Commercial Taxes Department – Member
- x. Principal Secretary/Secretary, Transport Department – Member
- xi. Principal Secretary/ Secretary, Department of Science and Technology – Member

B. Skill mapping by District Counselling Centre

For effective implementation of this package, it is important that the list of workers returning to Bihar (along with their skill profiles) is maintained at the District level. District Counselling Centre shall examine the skill level of the workers (Skill Profiling) and suggest the options of employment available in the state. The Centre shall work under the supervision of the District Magistrate who shall monitor the progress of the Centre regularly. SIPB and any other committees (as appropriate) shall review the progress of the District Counselling Centers and ensure that a large number of workers are able to find work in the State.

C. District Industrial Innovation Scheme

In every District, an Innovation Fund shall be made available to all District Magistrates for innovation in setting up of micro (tiny) production units. The fund shall be used towards carrying out small interventions like setting up of Garments manufacturing, Paver Block equipment, Handloom Weaving Centre, Carpentry Centre etc. While setting up such micro (tiny) units, the backward and forward linkage will also be ensured on long-term basis so that these units survive in the long run.

D. Development of Industrial Cluster by State's Public Sector Undertakings (PSUs)

All the profit making State's Public Sector Undertakings (PSUs) in Bihar shall adopt districts and take up cluster based manufacturing activities in these districts. A committee headed by the Development Commissioner shall allot districts to the PSUs. Care shall be taken while allotting clusters to these PSUs so that they are sectorally aligned to the overall operations of these PSUs. For example – Handicraft related cluster shall be with Upendra Maharathi Shilp Anushandhan Sansthan as they are sectorally aligned to the operation of the PSU. Some of the areas in which these clusters are proposed are as follows: (i) Food Processing, (ii) Garment Manufacturing, (iii) Farm Machinery, (iv) Paver Blocks/ Cement Poles (Electrical), (v) Furniture Manufacturing, (vi) Handlooms, (vii) Handicrafts, and (viii) Leather Products. These PSUs shall use their own resources (Reserves and Surplus) to fund the infrastructure for these clusters. The PSUs shall identify the Artisans/ Skilled Manpower from the database of workers and create a cluster. The backward and forward linkages shall be identified and managerial support to these clusters at-least for three years shall be provided by these PSUs.”

E. Incentive Package for Units relocating from other States to Bihar

In order to promote relocation of existing operational Units from other States to Bihar, following incentives shall be made available to such units in addition to incentives as per Clause 6.2. Package of Incentives as may be applicable to them:

- (a) Eighty percent (80%) of cost of transportation and other costs involved in relocation of Plant and Machinery from other States to Bihar, and costs for their erection and commissioning shall be reimbursed to the Unit after they commence commercial production.
- (b) Eighty percent (80%) of cost of transportation of raw materials for starting the commercial operation will be reimbursed to the units. This can also include costs associated with transportation of finished goods in case it is traded outside the State. The upper limit of this incentive shall be INR 10 Lakhs only.
- (c) All licences/clearances required in setting up of industrial units in Bihar shall be provided “deemed clearance” as per Section 6(4) of the Bihar Industrial Investment Promotion Act, 2016 and Rule 9 of Bihar Industrial Investment Promotion Rules, 2016.
- (d) For a period of one year, such Unit shall be exempted from the requirement of inspection by various agencies (except Bihar State Pollution Control Board and Fire Directorate) unless specifically prescribed and approved by the SIPB.
- (e) Such units will not be required to avail fresh Employee State Insurance (ESI) registration in Bihar. Their ESI registration in previous State shall be valid for Bihar State also.
- (f) For a period of one year, employee contribution up to 12% of salaries, and corresponding employer contribution up to 12% to the employees' provident fund shall be reimbursed to the Unit.
- (g) In order to avail incentives as per (a) to (f) above, such Units shall apply on the SWC portal (www.swc.bihar.gov.in) of the Department of Industries, and their details along with applicable Package of Incentives shall be placed before State Investment Promotion Board for one-time approval.]

[] Inserted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

7. Preferential Purchase Policy

- (a) The purchase preference policy shall apply to only those MSME firms/units wherein the manufacturing activity results in significant value addition. Simply trading and packaging units shall not be eligible for price preference.
- (b) MSMEs quoting prices within 15% of the lowest eligible price bid of other bidder(s) shall be eligible for purchase preference in the state. In such cases the MSME unit shall be given an order of 15% of the total order value on the lowest eligible price bid. In case of a tie, the state based MSME units will be given the preference.
- (c) If it happens that two or more state based MSME units are within L1 + 15% range, all such MSMEs will be given an opportunity to accept the L1 price and the 15% of the total order value will be equally distributed amongst these MSME units.
- (d) The preferential purchase policy shall also apply to contractors and sub-contractors where at least 15% of the products should be procured from the local MSME units in case the product is manufactured in the State.
- (e) The criteria of turnover or age of the firm shall be relaxed by 50% for the MSME units based in Bihar if they meet the technical specifications of the products.
- (f) A list of products to be procured only from MSME sector in Bihar shall be notified by the State Government. Limited tenders amongst the MSME units based in Bihar shall be invited for the purchase of such products.
- [(g) Promotion of State Based Units: All the Departments of the state government shall identify within 30 days of this notification all such products which shall be manufactured and procured from the State-based units. The products listed shall be reserved for procurement from State-based Units only directly or indirectly by the State Government agencies. Any contractor engaged by the State Government Agencies for execution of any contracts which involves procurement of these products, need to ensure that these products are procured from the State-based units only. State Government Agencies in all bids shall clearly indicate items that shall be procured from State-based units in the bid documents. The provisions of the Public Procurement Policy for Micro and Small Enterprises, notified under section 11 of MSMED Act, 2006, as amended from time to time, shall be adopted to promote micro and small enterprises.
- (h) Provision of Prior Experience for Bihar based units: The prior experience and existence related clause should not be used to disqualify State-based MSME units in favour of units from other States. Any Bihar based MSME unit with a capacity to implement the government order shall be allowed to bid irrespective of the number of years of its existence in the State. It will be the sole responsibility of the State Government agencies in assessing and establishing that the capacity related requirement is met. State Government Agencies will be solely responsible for any dispute/audit observation arising out of this.
- (i) Review of DBT and Subsidy Schemes: All DBT and subsidy schemes of the various departments shall be reviewed to ensure that the products are procured only from State based units. This will ensure that the companies setting up their manufacturing units have a readymade market in Bihar.]

[] Inserted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

8. Carry forward of the existing policy

The following are the provisions with respect to carrying forward the existing policy:

- (a) All projects which have been approved by the competent authority (as defined vide Circular No. 128, dated 16.01.2006 of Department of Industries, Government of Bihar) but have not commenced commercial production as on the effective date of the new policy will be given a choice between the existing policy and the new policy. These units shall have to apply separately with their choice or else they will be covered under the Industrial Investment Promotion Policy, 2016 by default. Those units which opt to be governed under Incentive Policy, 2011 shall continue to be governed under that policy by the Department of Industries provided they shall commence Commercial Production/Operations by 31st March, 2017 or they shall complete the implementation and commence operations as per the timeline in the approved DPR (in case the approved timeline is beyond 31st March, 2017). Units that do not commence commercial production/operations till 31st March, 2017 shall not be eligible for any incentives under the Incentive Policy, 2011, subject to all existing conditions of the Department of Industries. Such units shall have to apply afresh under the current policy. Further, units which opt to be governed under this policy shall apply afresh to the competent authority as may be notified by the State Government.
- (b) Existing unit will continue to draw the incentive at rates and conditions of the Incentive Policy, 2011 till their limit is exhausted or on completion of the eligible period, whichever is earlier. A unit which has availed any incentive under the previous incentive policy shall not be eligible to apply under this policy, subject to the above mentioned clause.
- {(c) Units under Industrial Incentive Policy, 2011 will be reimbursed SGST exactly in the manner as stipulated under Bihar Industrial Investment Promotion Policy, 2016. However, the period of reimbursement and the maximum limit of such reimbursement will continue to be as prescribed under Industrial Incentive Policy, 2011 }

{ } Inserted vide Amendment approved in Cabinet Meeting dated 14.01.2020 and Notification dated 20.01.2020

9. Rehabilitation of Sick Units

Industrial sickness is a part of the process of industrialization. It leads to unemployment, blockage of capital, loss of state revenue and non-utilization of assets. Hence it is necessary to take proper steps in order to rehabilitate the sick industries. The State Government is anxious about this and would take the following steps to check the sickness and to revive sick industries. Besides, steps will be taken for rehabilitation of such sick units, which have become sick due to natural calamities.

9.1. Industrial Rehabilitation Fund (Corpus Fund)

In order to revive the sick industry, a corpus fund will be created with the cooperation of the commercial banks, the State Government, industry associations and others. This corpus fund will provide financial assistance, in the least possible time, to sick micro, small and medium industrial enterprises for which the rehabilitation package has been approved.

9.2. Sickness in Micro, Small and Medium Enterprises (MSME) units

- 9.2.1. State Level Committee: All decisions for the rehabilitation of micro, small and medium enterprises will be taken by the state level committee (apex body) constituted under the chairmanship of the Director of Industries.
- 9.2.2. The State Level Committee would be empowered with necessary statutory powers in order to rehabilitate the sick industry. This committee will select an agency for preparing a rehabilitation package that enables effective implementation.
- 9.2.3. The guidelines of the Reserve Bank of India / SIDBI would be relied upon to identify sickness in micro, small and medium units and provide assistance towards selecting an agency for preparation of the rehabilitation package, so that the above mentioned rehabilitation package is approved.
- 9.2.4. The sick industries being revived will not require sickness certificate on an annual basis, instead the revival package shall specify the period of revival of sick units.
- 9.2.5. The industry declared sick by the state level committee would be eligible to receive relief and concessions from banks and financial institution as per the guidelines of RBI. These reliefs and concessions will be considered within a fixed time frame.
- 9.2.6. After the identification of sickness, rehabilitation package would be prepared within a timeline of 3 months and the state level institutions would monitor the rehabilitation process of sick industries.
- 9.2.7. The sick units that have availed the benefits of any Industrial Policy in the past may avail the facilities under this policy for the second time. If any sick unit wants to avail the benefits under the Industrial Policy for the second time it will avail only the difference between the prior availed amount and the proposed amount under new policy. But this facility for rehabilitation to the unit will be made available only on the recommendation of the concerned committee constituted by the State Government. Such facility to the unit can be made available a maximum of two times only.
- 9.2.8. The date mentioned in the rehabilitation package will be considered as the cut-off date to determine the facilities.

9.3. Sickness in Large Industries

- 9.3.1. A committee would be constituted under the chairmanship of the Principal Secretary, Department of Industries to explore the possibility and to determine remedies for the revival of large scale industries and Public Sector Undertakings (PSUS) which are sick, not referred to the BIFR, and have a potential for revival. The committee will recommend the required relief provisions and concessions necessary for its rehabilitation, while considering the policy statement. The recommendations will be placed for final approval before the State Level High Powered Committee, under the Chairmanship of the Chief Secretary.
- 9.3.2. The rehabilitation package envisaged by BIFR or any statutory body constituted for this purpose such as BICICO/ BSFC / State Level Inter Institutional Committee of Bank shall be placed before the committee under the chairmanship of the Principal Secretary, Industry for consideration of selected relief and concessions and the same will be placed for government recommendation through the existing State Level High Powered Committee under the chairmanship of the Chief Secretary.
- 9.3.3. A sick industry means such industry, which has been registered by the Board for Industrial and Financial Reconstruction (BIFR). However, the relief and concession to the unit will be provided from the cut-off date mentioned in the Draft Rehabilitation Scheme (DRS) circulated by BIFR.
- 9.3.4. Those sick units which have availed the benefits of any Industrial Policy in the past may avail the facilities under this policy even a second time. If any sick unit wants to avail the benefits under the Industrial Policy for the second time it will avail only the difference between the prior availed amount and the proposed amount under new policy. But this facility for rehabilitation to the unit will be made available only on the recommendation of the concerned committee constituted by the State Government. Such facility to the unit can be made available a maximum of two times only.

{ } Inserted vide Amendment approval in Cabinet Meeting dated 14.01.20 and Notification dated 20.01.20

[] Substituted/Inserted vide Amendment approval in Cabinet Meeting dated 26.06.20 and Notification dated 29.06.20

10. Policy Implementation, Monitoring & Grievances

10.1 Policy Implementation

- 10.1.1. A high profile Industrial Advisory Council would be constituted. The council may comprise of the Hon'ble cabinet ministers, chief secretary, principal secretaries of various concerned departments, head of various concerned government agencies, representatives of the state and national level business associations, state chiefs of public & private sector banks and leading businessmen/entrepreneurs of the state/ consultancy organization(s) etc. The council would meet bi-annually.
- 10.1.2. A State Investment Promotion Board (SIPB) will be constituted for providing approvals and clearances on setting up of new businesses. The competent officials from the various concerned departments would be deputed to clear the applications for investment. The Secretariat of the State Investment Promotion Board would act as the single contact point for the investors regarding claims of eligible incentives under the policy.
- 10.1.3. The Department of Industries would issue a framework containing detailed guidelines for the implementation of policy and disposal of claims for incentives. Common Application Form (CAF) will be used to provide all necessary clearances including the incentives under this policy.
- 10.1.4. The Secretariat of the State Investment Promotion Board will look after the day to day implementation of the policy. The Department in consultation with the office of the Director, Technical Development, office of the Director, Industries, office of the Director, Food Processing, office of the Director, Handloom and Sericulture, BIADA, etc. would publish a quarterly report on the achievements under the policy.

10.2. Policy Monitoring & Grievance Redressal

- 10.2.1. A policy monitoring committee would be constituted to monitor the implementation and identify the hurdles/bottlenecks for appropriate grievance redressal.
- 10.2.2. The implementation of the policy will be periodically reviewed for necessary facilitation and mid-course correction, wherever necessary.
- 10.2.3. A state-of-the-art “Centralized Helpdesk Call Centre” would be made operational to handhold the investors at each stage of interaction with the government.
- 10.2.4. All matters of interpretation/disputes shall be decided by the Industrial Development Commissioner/ Principal Secretary, Department of Industries. Such interpretation/decision shall be final and binding for all concerned parties.

10.3. General Conditions

Following general conditions shall be applicable for availing the incentives under this policy:

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

11. The definitions given in the Annexure-I to this policy shall be treated as part of this policy.
12. Industries mentioned in the negative list in Annexure - II would not be eligible for any incentive/subsidy.
- [13. The policy will remain in operation till 31st March, 2025. The amendments to the policy will come into effect from the issuance of the respective notification and will remain effective during the entire period of operation of the policy.]
- {14. Amendments in respect of tax related incentives will be effective from the date of GST implementation, i.e. 01.07.2017. Amendments other than tax related incentives will be applicable from the date of release of this resolution.}
- [15 The Department of Industries would issue a framework containing detailed guidelines for the implementation of this amendment to the policy and disposal of claims for incentives.
- 16 If any false declaration is given for the purpose of availing incentives or if incentives are availed for a unit that was not eligible or any violation of condition of this policy, the amount of incentives will be liable to be recovered in accordance with Clause 10.3. of the policy.
- 17 All the above amendments in the Bihar Industrial Investment Promotion Policy, 2016 will be applicable from the date of issue of the resolution and will remain effective till the Bihar Industrial Investment Promotion Policy, 2016 remains in effect. The above amendments will not be applicable for investment proposals already approved by SIPB.]
- (18 All above amendments will be effective from date of notification of this resolution and will remain effective till the effective period of the policy.)

{ } Inserted vide Amendment approved in Cabinet Meeting dated 14.01.2020 and Notification dated 20.01.2020

[] Inserted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

() Inserted vide Amendment approved in Cabinet Meeting dated 08.09.2020 and Notification dated 11.09.2020

Annexure I - Definitions

A. General Definitions

1. Industrial Unit

Industrial units mean any unit / establishment engaged or to be engaged in manufacturing/processing/servicing industry under the following categories:

- a) Industries listed under the first schedule of the Industries (Development and Regulation) Act, 1951, as amended from time to time.
- b) Industries falling within the purview of the following boards/agencies: (i) Small Industries Board, (ii) Coir Board, (iii) Silk Board, (iv) All India Handloom and Handicraft Board, (v) Khadi and Village Industries Commission, (vi) Any other agency constituted by the Government of India or Government of Bihar for industrial development.
- c) **Other categories:**
 - (1) Mining or development of mines
 - (2) The maintenance, repair, inspection or servicing of any type of machinery of any description or vehicles or vessels or motorboats or trailers or tractors.
 - (3) The setting up or development of industrial area, industrial estate, integrated infrastructure development facility, export promotion industrial park, export promotion zone or growth centre.
 - (4) Providing special or technical knowledge or other services for the promotion of industrial growth.
 - (5) Providing engineering, technical, financial, managerial, marketing or other services or facilities for industry.
 - (6) Providing services relating to information technology (IT), telecommunication or electronics including satellite linkage and audio or visual cable communication.
 - (7) Tourism
 - (8) Healthcare
 - (9) Any activity defined under the priority sector of this policy

2. Industrial Unit Category

For the purpose of administration of fiscal incentives, the projects can be categorized as follows:

- a) **Micro, Small and Medium Enterprise (MSME):** Government of Bihar follows the MSME definition laid out by Government of India as per MSMED Act, 2006 (as updated from time to time).

b) **Large Industrial Unit:** Large project is a unit in which the investment in plant and machinery is more than the investment threshold for Medium Enterprises as in MSMED Act, 2006 and is less than INR100crore.

c) **Mega Industrial Unit:** Project with an investment of INR100 crore or more will be accorded Mega Industry status.

3. **New Industrial Unit**

New Industrial unit means an industrial unit, in which commercial production has commenced within five years from the effective date.

4. **Existing Industrial Unit**

An existing industrial unit means an industrial unit which has started their commercial production before commencement of this policy. An existing industrial unit which sets up a new unit in the same premises shall be considered as a new unit for administration of fiscal incentives if it is located in a distinct building/structure, maintains separately identifiable books of accounts, and separately deposits the taxes and duties that can be levied under any state act including the Provident Fund. Inclusion of new product in existing industrial unit will not be considered in the category of new units.

5. **Approved project cost**

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

6. **Expansion/ Modernization/ Diversification**

a. **Expansion Project:** Projects which undertake expansion shall satisfy the following conditions: There shall be a {minimum 25% increase} in the initial installed production capacity.

b. **Diversification Project:** Projects which undertake diversification shall satisfy the following conditions:- There shall be a {minimum 25% increase} in the approved project cost with respect to the original value without depreciation and establishment of new product line by the unit.

c. **Modernization Project:** Projects which undertake modernization shall satisfy the following conditions: There shall be a {minimum 25% increase} in the installed production capacity as a result of modernization.

7. **Date of Production**

The "Date of Production" of an industrial unit shall mean the date on which the unit actually commences commercial production of the item for which the unit has been registered. As

{ } Substituted vide Amendment approved in Cabinet Meeting dated 14.01.2020 and Notification dated 20.01.2020

regards the date of production of Micro, Small and Medium units, the certificate issued by the respective General Manager, District Industries Centre or Managing Director, Bihar Industrial Area Development Authority would be valid. For large industries, the certificate issued by Director Technical Development will be acceptable. In case of any dispute regarding the date of production, the decision of the Principal Secretary, Department of Industries shall be final.

8. Scheduled Caste / Scheduled Tribe Entrepreneurs

Scheduled Caste / Scheduled Tribe entrepreneurs mean such entrepreneurs who have established units as sole proprietor or invariably have a 100% share in partnership/private limited companies.

9. Women Entrepreneur

Women entrepreneur means such domicile women of the state who are 1st generation entrepreneurs and who have established units as sole proprietor or invariably have a 100% share in partnership/private limited companies.

10. Differently Abled Entrepreneur

Differently abled means such domicile of the state who comes under the purview of the Persons with Disabilities (Right of equal opportunity, Protection and Full Participation) Act, 1995 of the Government of India and holds certificate for such purpose, issued by competent authority. Differently abled entrepreneurs mean such entrepreneurs who have established units as sole proprietor or invariably have a 100% share in partnership/private limited companies.

11. Term Loan

Term Loan means term loan sanctioned and disbursed by banks/financial institutions for financing.

12. Domicile of the State

Domicile of the State means those who have been defined by the State Government, from time to time, as original domiciles of the state and who hold the certificate issued for this purpose by the competent authority.

13. Closed Industrial Unit

- i. In cases of incentive, exemptions and concessions given by the Department of Industries, the closed industrial unit means such unit which is established and holds Commercial Production Certificate issued by the competent authority of the Department of Industries and after the establishment of the industry, is closed for more than 6 months, without communicating any appropriate and acceptable reason to the General Manager, District Industries Centre.

- ii. "Sick unit" means an industrial unit declared sick by the Board for Industrial and Financial Reconstruction under the Sick Industries Companies (Special Provision) Act, 1985 / National Company Law Tribunal (NCLT) or by the State Level Committee for micro, small and medium industries headed by the Director of Industries or the High Level Empowered Committee headed by the Chief Secretary for large sector.

14. Permanent Employment

Permanent Employment means direct salary/wages given by industrial unit to officers / employees / labours in category of management/ skilled labour/ unskilled labour in the registered established industries, it means that the employment provided through contractors is not included.

15. Land Bank

Land Bank means private and government land acquired outside industrial areas for the purpose of projects related to manufacturing.

16. Effective date

Effective date means the date on which the provisions of this policy come into force. []

B. Definition-Tourism Sector

1. Tourist Places

Tourist places under this policy shall mean the places (districts or blocks or villages) mentioned in the table placed in section 3.2 of chapter 3 of this policy document that lists the various "Tourism segments" and "Our strategic advantage".

2. Tourism Service Provider

Any partnership firm or private limited company duly registered under law and providing any service related to travel and tourism, including that of a travel agent, transport operator, ticketing agent, tourist guide, or a home-stay owner.

3. Hotel

Hotel projects should have facilities expected of establishments in the one to five star categories, as per the prevailing guidelines of hotels laid down by the Ministry of Tourism, Government of India. Such hotels should also obtain necessary category certification from the competent authority.

[] Deleted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

4. Heritage Hotel

A heritage hotel is a hotel run in a fort, fortress, palace, haveli, castle, hunting lodge or residence with heritage features, built prior to January 1950 and approved by the Ministry of Tourism, Government of India. Such heritage hotels should also obtain necessary category certification from the competent authority.

5. Motel

A Motel project should have facilities conforming to the prevailing guidelines for motels laid down by the Ministry of Tourism, Government of India. Such motels should also obtain necessary category certification from the competent authority.

6. Meetings, Incentives, Conferences & Exhibitions (MICE)/ Convention Centres

A convention centre should have facilities as per the prevailing guidelines for convention centres, as laid down by the Ministry of Tourism, Government of India. Such convention centres should also obtain necessary category certification from the competent authority.

7. Resort

Resort projects should be of three-star category or above with facilities as per the prevailing guidelines of Ministry of Tourism, Government of India. Such resorts should also obtain necessary category certification from the competent authority.

8. Tented Accommodation

A tented accommodation project should have facilities as per the prevailing guidelines for tented accommodation, as laid down by the Ministry of Tourism, Government of India. Such tented accommodations should also obtain necessary category certification from a competent authority.

9. Tourism & Hospitality Training Institute

An institute that offers tourism/hospitality courses that are recognized/ certified by regulatory authorities.

10. Mega Tourism Unit

Projects capable of creating new employment for more than 150 persons with new investment of Rs. 75 crore and above (excluding the cost of land) will be construed as mega tourism units. Units which are set up and which commence commercial operations during the operative period of this policy only will be eligible under this category. Hotels and resorts, multiplexes and malls shall be excluded from the definition of a mega tourism unit.

11. Amusement Park

Amusement Park should have entertainment facilities such as rides, games, etc. built over a minimum plot area of 40,000 sq.m. (about 10 acres). Standalone commercial multiplexes shall not be treated as amusement parks.

12. Water Park

Water Park should have a minimum of three water slides with a plot area of at least 20,000 sq.m. (about 5 acres) and a capacity to handle at least 100 sliders simultaneously.

13. Theme Park

Theme Park should be based on a single or series of themes having a plot measuring at least 10,000 sq.m. (about 2.5 acres). It may have amusement rides, water slides, accommodation (at least ten lettable rooms), restaurant, theatre, shopping area, activity area and theme areas. It is, however, not mandatory for an amusement park to have all these features.

14. Adventure Sports (including water sports)

Adventure Sports should have the requisite infrastructure, equipment and trained staff, along with appropriate safety-and-rescue set-up, that will provide tourists with an opportunity to undertake permissible adventure and such other activities like mountaineering, river rafting, etc. All requisite permissions from various competent authorities as also a comprehensive insurance cover will have to be obtained beforehand.

15. Wayside Amenities

Wayside amenities would be a complex comprising resting areas, toilets, cafeteria, shops, first-aid facilities, parking, souvenir booths, etc. located on National/State Highways and other district roads. It is, however, not mandatory to have all these features.

16. Ropeway

A ropeway established under the prevailing act and rules.

17. Tourist Luxury Coach

A tourist luxury coach is an air-conditioned coach with push back seats, used for normal transportation of tourists to different tourist destinations and for sightseeing of various tourist places, with a minimum seating capacity of 13 seats. It should be operated by valid All India Permit holder Tourist Transport Operators, recognized by Indian Association of Tour Operators (IATO) and registered in the state of Bihar.

18. Caravan

A specially built vehicle, registered with any state transport department, which is used for the purpose of group oriented leisure travel and has at least 4 beds.

19. Health and Wellness Spa

A health and wellness spa is a short-term residential/lodging facility with the purpose of providing spa services such as massages, yoga, meditation and other related treatments for rejuvenating the body.

20. Cruise Boats

Any boat/yacht with a minimum seating capacity for 4 persons, which is licensed by the Transport Department, Government of Bihar, and has the capacity to operate in lakes/rivers of the state for pay-and-use facilities. Boats/yachts used by hotels to transport or entertain their guests and/or goods/raw materials will not be covered under this definition.

21. Science Centres, Planetariums, Museums

A building in which objects of historical, scientific, artistic or cultural interest are stored and exhibited and is open for general public with or without ticket

C. Healthcare Sector**1. Speciality Hospitals**

Speciality hospitals are hospitals which have minimum 60 beds, out of which at least 30* beds are specifically for speciality services and at least 30 other beds for non-speciality services. The examples of speciality services are:

- Cardiology, Cardiovascular and Cardiothoracic surgery.
- Urology including Dialysis and Lithotripsy.
- Orthopaedics Surgery including Arthroscopic surgery and Joint Replacement.
- Emergency care for trauma.
- Endoscopic Surgery.
- Neurosurgery.
- Oncology/Oncosurgery.
- Ophthalmology.
- Obstetrics & Gynaecology.
- ENT.
- Any other specialization approved by CGHS/MCI/State Govt.

**As per CGHS norms, 50 beds in metro cities and 30 beds in non-metro cities*

2. Super-speciality Hospitals

Super Speciality hospitals are hospitals that offer at least three of following super speciality services, in addition to cardiology & cardio-thoracic surgery and specialized orthopaedic treatment facilities that include joint replacement surgery. These hospitals should have minimum 210 beds with at least 30 beds for each super-speciality and 30 non speciality beds. The examples are:

- | | |
|-------------------------------|-----------------------------|
| 1. Cardiology | 2. Gastroenterology |
| 3. Endocrinology | 4. Neonatology |
| 5. Medical Oncology | 6. Neurology |
| 7. Nephrology | 8. Pulmonary Medicine |
| 9. Neuro Radiology | 10. Cardio Thoracic Surgery |
| 11. Rheumatology | 12. Neuro Surgery |
| 13. Paediatric Surgery | 14. Oncology |
| 15. Surgical Gastroenterology | 16. Plastic Surgery |
| 17. Urology | 18. Surgical Oncology |

3. Multi-Speciality hospitals

Multi-Speciality hospitals are hospitals that offer more than one of the following speciality services, along with a minimum of 90 beds out of which at least 30 beds are for each speciality and minimum 30 non-speciality beds. The examples of speciality services are:

- Cardiology, Cardiovascular and Cardiothoracic surgery
- Urology including Dialysis and Lithotripsy
- Orthopaedics Surgery including Arthroscopic surgery and Joint Replacement.
- Emergency care for trauma
- Endoscopic Surgery
- Neurosurgery
- Oncology/ Oncosurgery
- Ophthalmology
- Obstetrics & Gynaecology
- ENT

Annexure II - Negative list of industries

1. The following units will not be eligible for any support under this policy:

- a. Units manufacturing narcotic drugs.
- b. Units manufacturing alcoholic beverages.
- c. Tobacco based industries.
- d. Units manufacturing asbestos.

The above list will be called the negative list under the policy.

2. The State Government shall have the right to decide whether a unit falls under the negative list and can modify the above list accordingly.
3. As a general principle, any industry which impacts the environment adversely will be discouraged by the State Government for investment. Such industries will not be eligible for any incentive under this policy and be placed in the above mentioned negative list.

Bihar Industrial Investment Promotion Policy, 2016 for High Priority Sectors

(Information Technology, Information Technology enabled Services (ITeS),
Electronic System Design and Manufacturing (ESDM) Sector,
Food Processing Sector,
Textile, Apparel and Leather Sector)



DEPARTMENT OF INDUSTRIES
Government of Bihar

Bihar Industrial Investment Promotion Policy, 2016 for High Priority Sectors

(Information Technology, Information Technology enabled Services (ITeS),
Electronic System Design and Manufacturing (ESDM) Sector,
Food Processing Sector, Textile, Apparel and Leather Sector)

1. Introduction

In order to establish Bihar as the most preferred investment destination by leveraging the state's comparative advantages and maximizing employment opportunities for attaining a balanced regional and sustainable development, Government of Bihar had announced the Bihar Industrial Investment Promotion Policy, 2016 vide notification No.1822, Dated 01.09.2017. Further, The Bihar Industrial Investment Promotion Act, 2016 and The Bihar Industrial Investment Promotion Rules, 2016 were also formulated to facilitate the investment in the State.

The Bihar Industrial Investment Promotion Policy, 2016 is operational since last one year. Based on the assessments of their economic and employment generation potential, it is however, realised that an increased focus is required on the three broad sectors namely-

- a. IT, IT enabled Services (ITeS) and Electronic System Design and Manufacturing (ESDM) Sector
- b. Food Processing Sector and
- c. Textile, Apparel and Leather Sector

These sectors are manpower intensive requiring huge skilled manpower and are based on the huge production potential for the diverse agricultural commodities in the State. In order to promote accelerated investment in these three sectors the State Government has amended the Bihar Industrial Investment Promotion Policy 2016 for High Priority Sectors.

Details of the High Priority Sectors and Package of Incentives under the Bihar Industrial Investment Promotion Policy 2016 for High Priority Sectors are as follows:

2. High Priority Sectors

2.1. Definition of Industrial Unit under High Priority Sectors, Priority Sectors and Non-priority Sectors

The industrial units can be categorized into following categories:

Category	Characteristics
High Priority	For ESDM, Textile & Leather Sector A unit in which (i) Investment in Fixed Asset and Plant and Machinery (excluding Land) is more than Rs 5 Crore, and (ii) creating direct employment of at least 50 core workers (excluding support staff such as Drivers, Gu For IT and ITeS Sector A unit in which (i) Investment in Fixed Asset and Plant and Machinery (excluding Land) is more than Rs 5 Crore, and (ii) creating direct employment of at least 50 core workers (excluding support staff such as Drivers, Guards etc.). For Food Processing Sector A unit in which investment in Fixed Asset and Plant and Machinery (excluding Land) is more than Rs 5 Crore [For E-vehicle Manufacturing Sector A unit in which (i) Investment in Fixed Asset and Plant and Machinery (excluding Land) is more than Rs. 5 Crore, and (ii) creating direct employment of at least 50 core workers (excluding support staff such as Drivers, Guards, etc.).]
Priority	As defined in the Bihar Industrial Investment promotion Policy, 2016
Non-Priority	As defined in the Bihar Industrial Investment Promotion Policy, 2016

2.2. High Priority Sectors in IT, ITeS and ESDM Sector:

At the time when India is pushing hard to open up its markets, reduce regulatory roadblocks and develop innovative campaigns to attract more foreign direct investments in the IT, ITeS and ESDM sector in a bid to fuel growth in the country and create job opportunities, the State Government of Bihar is poised to make the State a major IT, ITeS and ESDM Hub of the country through targeted initiatives. The State Government's vision to develop the sector in the State revolves around:

- Spurring the growth of knowledge based economy in the State
- Bridging the digital divide between the urban and rural Bihar
- Developing Bihar into the next investment destination for IT/ ITeS, and allied industries, and
- Enabling good governance with technology-enabled reforms in the State

The State has already embarked on the development of the IT ITeS and ESDM industry with the implementation of several citizen-centric governance initiatives, and planning to set up state-of-the-art IT infrastructure, such as IT City, IT Tower, and IT Park. Besides these, to

[] Inserted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

promote industry-led growth in the State, Bihar is also in the process of implementing key reforms and strategic initiatives that will help the State accelerate its envisaged development plan in the sector.

The strategic initiatives in IT, ITeS and ESDM are targeted towards key investment opportunity areas within the sector, as listed below:

Sectors	Investment Opportunity
IT and IT-enabled Services (ITeS)	• IT Products, Software and Services • Knowledge Process Outsourcing (KPO) • Call-Centres • Software Development Centres • Digital content Development • Smart Technologies • Internet of Things (IoT) • Data Centres • Big Data and Analytics • PC Gaming, Console Gaming, Online/ Multiplayer Gaming, Mobile Gaming, Video Games • Comics and Animated Cartoon series, fully Animated Feature Films • Visual Effects or VFX • Web-Designing • E-Learning and E-Education
Electronic System Design and Manufacturing (ESDM)	• Computer peripherals and other Office Equipment • Chip Manufacturing and Design • Semiconductors • Server and storage devices • Communication and Networking devices • Automotive electronics • Medical Electronics • Industrial Electronics • Telecom electronics • Strategic electronics and devices • Electronic manufacturing services • Solar Photo Voltaic including thin film, polysilicon cells • Electronic consumer products • LEDs • Embedded software • Defense electronic equipment • Information, and broadcasting electronic devices

Note: Prior consent of the Information Technology Department, Government of Bihar shall be obtained through the single window clearance system before granting Stage-I approval under this policy. The above list of units/enterprises is only indicative and the State Government may suitably revise the list under the high priority sector from time to time.

2.3. High Priority Sectors in the Food Processing Sector:

The food processing units discussed below shall be considered under the High Priority Sectors for the purpose of availing the incentives under this policy.

Sectors	Investment Opportunity
Maize Processing	(a) Maize based Feed units (Cattle Feed, Fish Meal, Poultry Feed) (b) Maize related food products (c) Starch Manufacturing Unit and other maize related products except primary processing like grading sorting etc.
Fruits & Vegetable (F&V) Processing	(a) All kinds of F&V processing units (including units for manufacturing dehydrated and frozen F&V items using IQF/Blast Freezer/Spiral Freezer, etc.) (b) Dehydration and powdering of vegetables like onions, mushrooms, etc. (c) Unit for processing litchi (e.g. units for manufacturing litchi pulp, juice, pulp slabs, jam, jelly, beverage, nectar, candies, powder, etc.) (d) Unit for processing local variety (varieties from Bihar) of mangoes into pulp, juice, pulp slabs, jam, jelly, beverage, nectar, candies, powder, etc. (units using mango pulp imported from other states or countries shall not be considered under the priority sector.) (e) Unit for banana processing (e.g. banana chips, pulp, powder, baby food, jam, jelly, banana flower vegetables, banana trunk vegetables & pickles, etc.) (f) Unit for makhana processing (e.g. unit for producing makhana pops, making flavoured and/or roasted makhana snacks, RTC kheer, baby food etc.) (g) Natural Honey Processing (h) Processing and value addition of Spice and Herbs grown in Bihar.

Sectors	Investment Opportunity
	Note: There should be sufficient value addition to the agriculture produce. Units which carry out activities like washing, grading, sorting, cleaning, grinding and packing only shall not be considered under this sector. Accordingly all such units should also have the integrated processing/value addition and packaging facility like canning/ tinning, bulk packing, coding and labelling etc.
Poultry and Fish Processing	(a) Poultry and fish processing units (e.g. fresh, chilled, and frozen fish; fish fillets and pieces; fish cured or smoked and fish meal fit for human consumption; edible offal of poultry; dried eggs; etc.) Note: The end product for such units should be ready to the extent for consumption/sale in the retail market or for industrial sale. Units manufacturing products that are intermediary in nature shall not qualify under this category. Accordingly all such units should also have the integrated packaging facility like canning/ tinning, coding and labelling etc.
[Ethanol Manufacturing]	Ethanol manufactured from sugarcane, maize, rice, etc.]
[Pulses Based]	(a) Dal processing units (b) Snacks & Namkeen manufacturing units]
[Wheat Based]	(a) Pasta & Noodles manufacturing units (b) 2D & 3D fryums making units (c) Biscuits, Cakes and Bakery products (d) Snacks & Namkeen manufacturing units]
[Spices and Herb processing]	All branded agri based product processing units]

Note:

- a. Agriculture raw materials used by the units should primarily be grown in Bihar.
- b. Units purely engaged in washing, sorting, cleaning, and packaging those do not generate any substantial value addition shall not be considered under the high priority sector.

[] Inserted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

Note:

- c. Units/ enterprises set up for the purpose of packaging/ repackaging of food items imported from other states or countries shall not be considered under the high priority sector.
- d. If a unit/ enterprise is setting up two or more kinds of facilities in an integrated manner/for captive use purpose, the facilities would be treated as a single project and combined cost of the facilities would be considered for grant calculation purposes. The classification of the units/ enterprises into priority or non-priority would be as per the nature of the main/mother facility, i.e. the core facility.
- e. In case a unit migrates from non-priority sector to high priority sector or from priority sector to high priority sector through capacity expansion and/or facility addition etc., it would enjoy the incentives as per the high priority sector for the portion that falls under the high priority sector.
- f. Units for manufacturing any food item fit for human/ animal consumption which does not contain any F&V or any processed/preserved items (like pulp concentrate, extract etc.) made from F&V as its main ingredient would be considered under the non-priority sector.
- g. The above list of units/ enterprises is only indicative and the State Government may suitably revise the list under the high priority sector from time to time.

2.4. High Priority Sectors in the Textile, Apparel and Leather Sector:

The High Priority Sectors for investment identified by the State Government in Textile, Apparel and Leather Sector are listed below:

Sectors	Investment Opportunity
Weaving/ Knitting/ Stitching	(a) Power-loom and knitting (b) Production of Ready-made garments
Production of apparel and home textile	(a) Woven and knitted apparel manufacturing (b) Hosiery products manufacturing (c) Carpets and other home textiles
Banana Fibre/ Jute Fibre	(a) Integrated units for processing Banana Fibres and manufacture of products using Banana Fibres like cloth and other items.

Sectors	Investment Opportunity
	(b) Integrated units for processing Jute Fibres and manufacture of products using Jute Fibres like cloth and other items.
Leather and Artificial Leather and leather substitute material	(a) Manufacturing of garments/ Shoes/Slippers/footwear (b) Manufacture of furniture upholstery, upholstery for automobile (cars, etc.) (c) Manufacturing of leather goods (for e.g. labels, tags, belts, bags, purses hand gloves and other accessories, and fashion items)
[Textile based	(a) Yarn manufacturing (b) Dying and Printing]

Note:

- a. The end product for such units should be ready to the extent for consumption/sale in the retail market. Units manufacturing products that are intermediary in nature shall not qualify under this category. Accordingly all such units should also have the integrated packaging facility including coding and labelling etc.
- b. The above list of units/ enterprises is only indicative and the State Government may suitably revise the list under the high priority sector from time to time.

[2.5. High Priority Sectors in the E-vehicle Manufacturing Sector:

The High Priority Sectors for investment identified by the State Government in E-vehicle manufacturing sector are listed below:

Sectors	Investment Opportunity
E-Rickshaw	Manufacturing of Two-wheeler & Three-wheeler E-Rickshaw

Note:

- (1) Units engaged in mere assembly of e-rickshaw components or those which do not generate substantial value addition shall not be considered under the high priority sector.
- (2) The above list of units/enterprises is only indicative and the State Government may suitably revise the list under the high priority sector from time to time.]

[] Inserted vide Amendment approved in Cabinet Meeting dated 26.06.2020 and Notification dated 29.06.2020

3. Package of Incentives:

State government is committed to encourage the process of industrialization by assuring an entrepreneur-friendly regime and an attractive package of incentives for the entrepreneurs. The following package of incentive will be made available to the high priority category of Industrial Units.

3.1. Pre-production incentives:

	Type of Incentive	Salient Features
3.1.1	Exemption from Stamp Duty/ Registration Fees	a) No stamp duty to be paid in respect of land allotted by the government to IDA/ BIADA. b) 100% exemption of stamp duty/registration fees levied on lease/ sale /transfer of industrial land/shed as also those outside the jurisdiction of Industrial Area Development Authority would be available to all the new units. This exemption of stamp duty and registration fees will be granted only for the first time and will not be applicable in subsequent stages of lease/sale/transfer. This incentive will be available to new units only. c) The area of land required by the unit shall be fully described in the DPR and/or the Bank Appraisal Report prepared by the bank or financial institution which is supposed to extend the term loan to the unit.
3.2.1	Land Conversion Fees	a) 100% exemption of “land conversion fees”/ “change in land use” fees being levied for conversion of agricultural land.

3.2. Post-production incentives:

	Type of Incentive	Salient Features
3.2.1	Interest Subvention	(a) State shall extend “Interest Subvention” to the eligible units on the term loan availed by the unit from a bank/ financial institution registered by RBI/SEBI. (b) Rate of interest for interest subvention will be 10% or actual rate of interest on term loan, whichever is lower. (c) The overall limit of this subvention for high priority sector will be 50% of the approved project cost. The upper limit of this subvention shall be Rs 20 crore. (d) Disbursement of the subvention amount would be in instalments linked with the term loan repayment schedule stipulated by the concerned bank/financial institutions which extends the term loan to the unit. Interest shall not be paid on promoter's contribution in any form in the unit. (e) In case the promoters do not avail any term loan for the unit, they would not be eligible for this incentive.
3.2.2	Tax Related Incentive	(a) All new units will be entitled to avail 100% reimbursement against the admitted SGST deposited in the account of the state government (excluding strictly any tax paid by them arising out of a purely trading business), for a period of 5 years from the date of commencement of commercial production. The SGST reimbursement shall be applicable only to the net tax payable, after adjustment of input tax credit against the output tax liability. This shall have a maximum limit of 100% of the approved project cost.

	Type of Incentive	Salient Features
3.2.3	Employment Cost Subsidy	(a) For IT and ITES Sector, ESDM, Leather and Textile Sector and Food Processing, 50% reimbursement (in case of male workers) and 100% reimbursement (in case of female workers) of expenditure on account of contribution toward ESI and EPF scheme for a period of 5 years for new units for those employees who are domicile of Bihar. Maximum limit for reimbursement will be Rs. 1000/- per month for SC/ST and women employee and Rs. 500/- per month for general employee.
3.2.4	Skill Development Subsidy	(a) The State Government shall provide skill development subsidy of Rs 20,000 per employee/ Bihar Skill Development Mission (BSDM) rates whichever is lower. This incentive will be applicable for training of employees/ staffs who are domicile of Bihar (b) All the eligible unit will have to employ the trained core employee/ staff for a period of at least 1 year

3.3. The State Government shall also extend the Project Management Unit (PMU) support to the High Priority Sector Units. The State Government will set up an Investor Facilitation Cell cum PMU for investor facilitation. The Investor Facilitation Cell cum PMU for the IT, ITeS and ESDM sector shall be set up by the Department of Information Technology, Govt. of Bihar and the Investor Facilitation Cell cum PMU for the other two sectors shall be established by the Department of Industries, Govt. of Bihar. Some of the major responsibilities of the Investor Facilitation Cell cum PMU are mentioned below:

- i. Facilitating investment proposals and assisting entrepreneurs and investors in setting up their units in the State
- ii. Facilitation to addressing of investors' query, grievance redressal and handholding entrepreneurs through the entire process of compliance to statutory obligations

- iii. Disseminating information through mass media related to prospects of industries, prospective projects for investment, and statutory compliance requirements for setting up units etc.
- iv. Organizing, sponsoring, associating or participating in any fair, exhibition, celebration or campaign for the promotion of investment in the High priority sectors
- v. Reviewing and assessing the performance of the State in the sectors in terms of number of units set up, persons employed, amount of investments drawn and value of production
- vi. Deploying dedicated relationship officers for maintaining investor relationship in the State

4. General Conditions

This Amendment to the Bihar Industrial Investment Promotion Policy, 2016 for high Priority Sectors shall be an integral part of the Bihar Industrial Investment Promotion Policy, 2016. All other provisions, terms and conditions mentioned in the Bihar Industrial Investment Promotion Act-2016, Bihar Industrial Investment Promotion Rules-2016 and Bihar Industrial Investment Promotion Policy-2016 shall remain unaltered.

Following general conditions shall be applicable for availing the incentives under this policy:

- i. Dovetailing of incentives with the Central Government schemes would be allowed.
- ii. Units those have availed benefits under this policy shall not be eligible to avail benefits for the same assets under any other policy/scheme of the State.
- iii. Employees identified for State Government Projects or any of its undertakings and agencies cannot be considered for employment counting of a unit under this policy for the purpose of availing incentives in case the Company is implementing a project in the Government in which some resources are employed, the employed resources would not be eligible for the incentives. Any duplication in the counting of the employees for the purpose of availing incentive shall attract penalty as mentioned below in Section. 4(v). Tax related incentives shall not be available for projects related to the Government or any of its undertakings or agencies.

- iv. To avail the incentives under this policy, units shall have to commence their commercial operation within 3 (three) years of Stage-I of Clearance. The unit has to be under commercial production during the period of disbursement of incentives. Further, the unit shall have to remain in commercial operation for at least next 5 years from the date of last disbursement of all the eligible incentives to it under the policy.
- v. If any false declaration is given for the purpose of availing incentives or if incentives are availed for a unit that was not eligible or any violation of condition of this policy, the amount of incentive is liable to be recovered from the date of availing such incentives along with interest compounded annually @ 18% per annum. In case of non-payment within the stipulated time, the state government may recover such amounts including interest as arrears of land revenue.
- vi. For the purpose of this Policy:
 - a. Employees shall mean those employees who are on regular roll of the company. Daily wage employees or seasonal employees shall not be entitled to this concession. The employee strength shall be calculated on the basis of the employees involved in the core activities of the project. This shall be certified by the statutory auditor of the company as a support to the claim for incentive. Core activity shall be defined as those activities that are part of the production process. Support staff shall not be counted towards the employee's strength.
 - b. Domicile of the State of Bihar shall mean those who have been defined by the State Government from time to time as the original domiciles of Bihar and who hold the certificates issued for this purpose by the competent authority.

The Bihar Industrial Investment Policy 2016 shall be amended to this extent. These amendments to the Policy will come into effect from the date of issuance of this notification and will remain effective during the entire period of operation of the Bihar Industrial Investment Promotion Policy, 2016.

Bihar Industrial Investment Promotion Act 2016



DEPARTMENT OF INDUSTRIES
Government of Bihar

Bihar Industrial Investment Promotion Act - 2016

To provide for facilitating the promotion and development of investment in Bihar and for matters connected therewith or incidental thereto.

Whereas establishment of new enterprises by leveraging the abundant natural and human resources available in the state will lead to the generation of employment and improvement of the living standards of the people of the state;

And Whereas, it is expedient to simplify the procedures for establishment and running of industrial, service and business units in the state in order to make the state an attractive investment destination;

Be it enacted by the Legislature of the State of Bihar in the Sixty Seventh Year of the Republic of India as follows:

Chapter I: Preliminary

1. Short title, extent and commencement:

- (1) This Act may be called the Bihar Industrial Investment Promotion Act, 2016.
- (2) It shall extend to the whole of the State of Bihar.
- (3) It shall come into force on such date as the State Government may, by notification, appoint.

2. Definitions. – In this Act, unless the context otherwise requires:

- (a) “Act” means the Bihar Industrial Investment Promotion Act, 2016;
- (b) “Clearance” means grant or issue of no-objection certificate, allotments, consents, approvals, permissions, registrations, enrollments, licenses and the like, by any competent authority or authorities in connection with the setting up of an industrial undertaking in the State of Bihar and shall include all such clearances required till the industrial undertaking starts commercial production;
- (c) “Commissioner” means any person appointed by the State Government to act as Industrial Development Commissioner;
- (d) “Common Application Form” means such electronic form as may be prescribed under the act which combines individual application forms for all clearances;
- (e) “Company” means anybody corporate and includes a firm or other association of individuals;
- (f) “Competent Authority” means any department or agency of the State Government, which is entrusted with the powers and responsibilities to grant or issue clearances, and

shall include Gram Panchayats, Panchayat Samitis, Zila Parishads, Municipalities, Municipal Corporations and Development Authorities;

- (g) “Department” means the Department of Industries of the Government of Bihar;
- (h) “Enterprise” shall have the same meaning as in Section 2 (e) of The Micro, Small and Medium Enterprises Development Act, 2006 [No. 27 of 2006];
- (i) “Incentive” means such financial and non-financial benefits provided to the investor from time to time under the Policy;
- (j) “Policy” means the Bihar State Industrial Investment Promotion Policy.
- (k) “Public Authority” shall mean any office responsible for implementation of the various acts and it includes all Competent Authorities defined in section 2(e) of this Act;
- (l) “Secretariat” means Secretariat of State Investment Promotion Board as defined under Section 5 of this Act;
- (m) “State Board” means State Investment Promotion Board as defined under Section 4 of this Act;
- (n) “State Government” means the State Government of Bihar ;
- (o) “Udyog Aadhar” means such registration of industrial units as are laid down by the Union Ministry of Micro, Small and Medium Enterprises from time to time.

Chapter II:

Registration of Industrial Units, and Constitution, Powers and Functions of State Investment Promotion Board, Industrial Development Commissioner and Secretariat of State Investment Promotion Board.

3. Registration of Industrial Units:

- (1) Registration of an industrial unit shall be voluntary, except for those industries manufacturing items which require an industrial license under the Industries (Development & Regulation) Act, 1951.
- (2) However, a unit which requires clearances/assistance provided by the Union and State Governments shall file the Common Application Form (CAF) in electronic form.
- (3) The Micro, Small and Medium Enterprises unit shall also file the online Udyog Aadhar Memorandum after commencement of production.

4. Constitution of State Investment Promotion Board:

- (1) There shall be State Investment Promotion Board under the Chairmanship of the Development Commissioner in which Principal Secretaries of Industries, Finance, Commercial Taxes, Forest and Environment, Energy, Labour Resources, Urban

Development & Housing and Revenue & Land Reforms will be the members. Principal Secretary Industries shall be the member secretary of the Board. The State Government shall nominate five members to this Board two of which shall be representatives from the Industry.

- (2) The following shall be the functions and powers of the State Investment Promotion Board:
 - (a) All proposals placed before it by the Secretariat of the State Board shall be approved or appropriate decision shall be taken on the proposal.
 - (b) The State Board shall meet at least once a month.
 - (c) It shall guide and advise the Department on Bihar State Industrial Investment Policy.
 - (d) State Board in each meeting shall also review the progress in the working of the Secretariat of the State Investment Promotion Board and shall give appropriate instructions to ensure speedy processing of investment proposals.
 - (e) The state board shall recommend action against the competent authority if the competent authority has not carried the prescribed responsibility under this act.

5. Secretariat of the State Investment Promotion Board: Secretariat of the State Investment Promotion Board shall be constituted, which shall assist the Chairman and the Board Members in examining and appraising the investment proposals received. The Secretariat shall be bound to place the investment proposal before the State Board within a period of 30 days from the date of receipt of such proposal. The composition of the Secretariat, its functions in regard to promotion and facilitation of investment, its remuneration and incidental matters shall be as laid down in the rules.

6. Constitution of Secretariat of the State Investment Promotion Board:

- (1) **Industrial Development Commissioner:** There shall be an Industrial Development Commissioner who shall be the head of the Secretariat. Principal Secretary, Department of Industries, Government of Bihar shall ordinarily be the Industrial Development Commissioner unless otherwise decided by the State Government.
- (2) **Constitution:** The Secretariat of the State Board shall be constituted consisting of the following members:
 - (a) An officer of the Finance Department not below the rank of Joint Secretary,
 - (b) An officer not below the rank of Environmental Engineer of the Bihar State Pollution Control Board,
 - (c) An officer not below the rank of Town Planner/ Architect/ Urban Planner of the Urban Development and Housing Department.
 - (d) An officer not below the rank of Joint Labour Commissioner of the Labour

Resources Department.

- (e) An officer not below the rank of Deputy Commissioner of the Commercial Taxes Department.
- (f) An officer not below the rank of Superintendent Engineer of the Bihar State Power Holding Corporation Limited.
- (g) An officer not below the rank of Deputy Secretary to be deputed by Revenue and Land Reforms Department.
- (h) An officer not below the rank of Deputy Chief Inspector of Factories of the Labour Resources Department.
- (i) Such other officers and staffs as may be required by the Secretariat to be appointed either on deputation or contract by the State Government.

(3) Functions of the Secretariat: The following shall be the functions of the Secretariat :

- (a) Receive, process and make available all required clearance to all new investment proposals including modernization, up gradation and expansion of existing industrial units.
- (b) Plan, design and implement campaigns to promote Bihar as investment destination within and outside the country;
- (c) Arrange to receive and process Common Application Forms and ensure that all clearances are given within the time limits to be prescribed under rules;
- (d) Collect prescribed fees and deposits on behalf of the competent authority for grant of clearance and transfer the fees and deposits to the respective accounts.
- (e) Convey such clearances to the applicant and where there are deficiencies in the application, convey such deficiencies to the applicant and get these rectified;
- (f) Collate and furnish statistical information on investment by sectors, product and scale, collect all relevant statistical information and provide to Union and State authorities as and when required; and
- (g) Prepare sector and product wise information for prospective investors and disseminate through web sites, print and visual media and other means as may be directed by the Department.

(4) The members of the Secretariat shall examine and recommend for clearance to the respective competent authority online. The respective competent authority shall be bound to take a decision within 30 days of receipt of such recommendation or within a time limit prescribed by the concerned acts or rules under which the clearance is being granted. The clearance shall be communicated to the secretariat online within the stipulated time which shall be made available to the investor. In case the concerned department fails to grant clearance or take a decision, the clearance would be deemed to

have been granted and the Secretariat shall issue a clearance in this regard. The concerned competent authority shall comply with the clearances issued by the Secretariat and shall not have any powers to review the decision of the Secretariat.

The above mode of giving clearance shall be applicable as and when a request for clearance will be received from the investor through a common application form.

- (5) The Commissioner shall have powers to direct a public authority to carry out investigation, enquiry and seek a report on issues related to clearance under the various acts required for investment proposals within a specified time limit. The Commissioner shall have powers to give directions to public authority to take decisions within a prescribed time limit.

7. Financial Incentives to eligible industrial units:

The Secretariat shall ensure the timely sanction and disbursement of financial incentives to eligible industrial units in terms of the Policy as notified from time to time. The investors shall apply for all financial incentives through the Common Application Form to the Secretariat. The Secretariat shall process the application for financial incentives. The competent authority for sanction and the time frame within which it shall be sanctioned shall be prescribed in rules.

Chapter III: Miscellaneous

8. Self-certification:

- (1) Application for clearances and any accompanying document may be self-certified by the applicant or authorized person.
- (2) Clearances will be issued on the basis of self-certification, and verification, where necessary, shall be conducted after the issue of such clearances.
- (3) The State Government may also by a notification indicate those provisions under which where self-declaration shall be deemed to be a sufficient document for compliance.
- (4) If on verification, the self-certification is found to be incorrect, clearances issued on the basis of such self-certification shall be cancelled and the person/s responsible for false self-certification shall be liable for prosecution under Section 197 of the Indian Penal Code.

9. Exemption :

The State Government may, by a notification exempt any clearance from any of the provision of the Act.

10. Authorisation:

The State Government may, by a notification authorise the secretariat for grant of any clearance required for investment.

11. Penalty:

- (1) Any public authority who fails to comply with the directions of the State Board and the Secretariat within the prescribed time shall on conviction be punishable with a fine which may extend to ten thousand rupees for the first offence and for second or the subsequent offence may extend to fifty thousand rupees.
- (2) Where an offence under this Act is committed by a Public Authority, if the Commissioner is satisfied that the authority has failed to discharge the duties assigned to him under this Act, without assigning sufficient and reasonable cause, may recommend action against him under the service rules applicable to him.

12. Rights of the Investor:

Notwithstanding anything contained in section 3(2) of this act, every investor is free to apply directly to the relevant Statutory Authority for obtaining necessary clearances for establishing and commencing operation of their enterprises.

13. Integrated clearance system:

An online system of giving clearance and approval shall be developed. The Common Application Form and the supporting documents shall be received online and the clearance shall be communicated online.

14. Power to give directions:

The State Government may, from time to time, issue to the State Board, Secretariat and Public Authority such general or special directions related to the policy which is not inconsistent with the provisions of this act and is necessary or expedient for the purpose of carrying out the objects of this Act and the concerned Board, Secretariat and Public Authority shall be bound to follow and act upon such directions.

15. Protection of action taken in good faith:

No suit, prosecution or other legal proceedings shall lie against any person for anything which is done or intended to be done in good faith under this Act or any rules made there under.

16. Power to make rules :

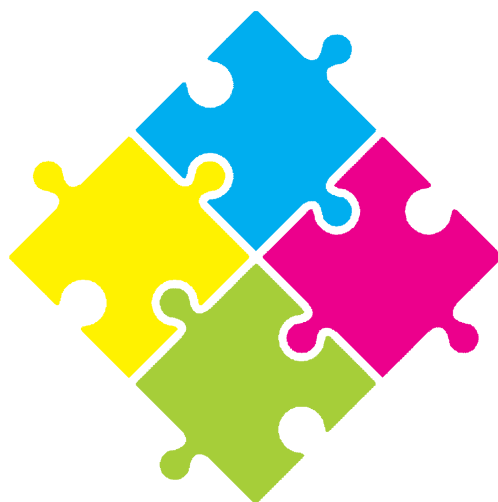
- (1) The State Government may by notification make rules for carrying out all or any of the purposes of this Act.
- (2) In particular and without prejudice to the generality of the foregoing power, provisions may be prescribed in such rules for all or any of the following matters, namely:
 - (a) The process for approving investment proposals by the State Board;
 - (b) The process of working of the Secretariat and the determination of staff strength, method of recruitment and service conditions including disciplinary and appeal powers of the commissioner;

- (c) The form and mode of filing of the Common Application Form and its processing by the Secretariat;
 - (d) The responsibilities of the Secretariat and the time frame for delivery of services;
 - (e) The manner and periodicity of verification by inspecting agencies under various Statutes and the penalties to be imposed for false and inaccurate self-declaration; and
 - (f) Online monitoring system and issue of clearances/approvals.
- (3) Every rule made under this Act shall be laid before the State Legislature by the State Government.

17. Repeal and Saving:

- (1) The Bihar Single Window Clearance Act, 2006 (Bihar Act 9 of 2006) is hereby repealed.
- (2) Notwithstanding such repeal, anything done or any action taken or purported to have done or taken under the said Act shall, be deemed to have been done or taken under this Act as if this Act was in force on such day on which such thing was done or such action was taken.

Bihar Industrial Investment Promotion Rules 2016



DEPARTMENT OF INDUSTRIES
Government of Bihar

Bihar Industrial Investment Promotion Rules - 2016

In exercise of the powers conferred by section 16 of The Bihar Industrial Investment Promotion Act, 2016 The State Government of Bihar is pleased to make the following Rules for carrying out all or any of the purposes of the Act:

1. Short title, extent and commencement:

- (1) These rules may be called "The Bihar Industrial Investment Promotion Rules, 2016."
- (2) It shall extend to the whole of the State of Bihar.
- (3) It shall come into force on such date of its publication in the Bihar Official Gazette.

2. Definitions:

(1) In these rules, unless otherwise requires in the context:

- (a) "Act" means the Bihar Industrial Investment Promotion Act, 2016;
- (b) "Board" or "State Board" means State Investment Promotion Board as defined under Section 4 of the Act;
- (c) "Clearance" means grant or issue of no-objection certificate, allotments, consents, approvals, permissions, registrations, enrolments, licenses and the like, by any competent authority or authorities in connection with the setting up of an industrial undertaking in the State of Bihar and shall include all such clearances required till the industrial undertaking starts commercial production;
- (d) "Commissioner" means any person appointed by the State Government to act as Industrial Development Commissioner;
- (e) "Common Application Form" means combined application form for investment and clearances as notified by the State Government from time to time.
- (f) "Company" means any body corporate and includes a firm or other association of individuals;
- (g) "Competent authority" means any department or agency of the State Government, which is entrusted with the powers and responsibilities to grant or issue clearances, and shall include Gram Panchayats, Panchayat Samitis, Zila Parishads, Municipalities, Municipal Corporations and Development Authorities;
- (h) "Department" means the Department of Industries of the Government of Bihar;
- (i) "Enterprise" shall have the same meaning as in Section 2 (e) of The Micro, Small and Medium Enterprises Development Act, 2006 [No. 27 of 2006];

- (j) “Fee” and “Deposits” shall mean the amounts prescribed by Acts and Rules of the respective competent authorities for according clearance/ approval/consent or any other type of statutory permission which are within the competence of that authority.
 - (k) “Incentive” means such financial and non-financial benefits provided to the investor from time to time under the Policy;
 - (l) “Online” means connected by computer to one or more other computers or networks such as the Internet.
 - (m) “Policy” means the Bihar State Industrial Investment Promotion Policy (n) “Public Authority” shall mean any office responsible for implementation of the various acts and it includes all Competent Authorities defined in section 2(f) of the Act;
 - (o) “Rule” means The Bihar Industrial Investment Promotion Rules, 2016;
 - (p) “Secretariat” means Secretariat of State Investment Promotion Board as defined under Section 5 of the Act;
 - (q) “State Government” means the State Government of Bihar ;
 - (r) “Udyog Aadhar” means such registration of industrial units as are laid down by the Union Ministry of Micro, Small and Medium Enterprises from time to time.
- (2) **All other words and expressions used herein but not defined shall have the same meanings respectively assigned to them in the Act.**

3. Constitution of State Investment Promotion Board:

- (1) The constitution of the State Investment Promotion Board shall be as per Section 4 of the Act.
- (2) The tenure of the nominated members shall be two years or as decided by the Government, whichever is earlier.

4. Procedure of the State Investment Promotion Board :

- (1) The Board shall meet every month on a fixed date to be announced by the Department at the previous meeting of the Board. In case the date so fixed falls on a holiday, the meeting shall be held on the next succeeding date without any further notice.
- (2) The State Board may hold more than one meeting in a month as decided by the Chairman of the State Board however it shall be mandatory to hold at least one meeting every month.
- (3) The meeting shall not be postponed due to the absence of any member including the Chairman. In the absence of the Chairman, the next senior most official member shall preside over the meeting.

- (4) Membership of the Board is by designation and substitution by another functionary may be permitted only in extra ordinary circumstances with the permission of the Chairman.
- (5) There shall be a quorum of five members excluding the Chairman for the meeting of the Board. No decision on an item shall be deferred for want of representation by any Department or Agency.
- (6) Proposals placed for consideration before the Board shall be either approved or appropriate decision shall be taken. In case the Board decides to defer the matter for any clarifications, the reason shall be properly recorded in the proceedings.
- (7) The Board shall review the working of the Secretariat monthly, with particular reference to the adherence to time limits and the completeness of proposals placed before the Board.
- (8) The Board shall take a decision on the following:
 - (i) Review the list of clearances to be provided by the Secretariat
 - (ii) Review the list of clearances to be provided on the basis of self declaration
 - (iii) Approval of Common Application Form
 - (iv) Review the Fees and Deposits for application under SIPB
 - (v) Guide and advise the Department on issues and clarifications related to the Policy
- (9) The Board shall review the following issues as part of the Agenda in every meeting of the Board:
 - (i) Review the status of investment proposal and its approval status
 - (ii) Review the status of investment proposals approved by the Board and their implementation status
 - (iii) Review the status of clearances accorded to the approved investment proposal
 - (iv) Review the number of investment proposals where deemed approval had to be granted and reason for according such deemed approval
 - (v) Review the bottlenecks in obtaining clearances for approved proposals and undertaking necessary actions to resolve
 - (vi) Review the status of loan sanctioned and approved by banks/ Financial Institutions to the approved proposals
 - (vii) Review the implementation of the policy

- (viii) Review the status of financial incentives processed and disbursed
- (ix) Any other functions as assigned by the State Government from time to time.
- (10) The Board shall recommend action against the competent authority if the competent authority has not carried the prescribed responsibility under the act.

5. Secretariat of the State Investment Promotion Board:

- (1) The Secretariat shall have the members mentioned in Section 6(2) of the Act. The Secretariat shall be assisted by professionals to carry out the appraisal of the projects and support the activities defined in Section 6(3) of the Act and rule 5(2). The State Government shall decide the staff strength of the secretariat.
- (2) The Secretariat shall undertake all the functions laid down below:
 - (i) receive, process and make available all required clearance to all new investment proposals including modernization, up gradation and expansion of existing industrial units.
 - (ii) Plan, design and implement campaigns to promote Bihar as investment destination within and outside the country;
 - (iii) arrange to receive and process Common Application Forms and ensure that all clearances are given within the time limits to be prescribed under this rule;
 - (iv) collect prescribed fees and deposits on behalf of the competent authority for grant of clearance and transfer the fees and deposits to the respective accounts.
 - (v) convey such clearances to the applicant and where there are deficiencies in the application, convey such deficiencies to the applicant and get these rectified;
 - (vi) collate and furnish statistical information on investment by sectors, product and scale, collect all relevant statistical information and provide to Union and state authorities as and when required; and
 - (vii) prepare sector and product wise information for prospective investors and disseminate through web sites, print and visual media and other means as may be directed by the Department.
- (3) The Secretariat shall also be responsible to prepare reports on a monthly basis for various activities listed in rule 4(9) which shall be placed before the Board for appropriate decision.
- (4) The Secretariat shall also be responsible for efficient management of the Department's online initiatives like Udyog Mitra and Udyog Samwad.
- (5) The Secretariat shall be responsible to ensure that the procedure laid down in section

6(4) of the Act is followed and the timelines prescribed are adhered to. It shall be the duty of the Secretariat to bring to the attention of the Chairman of the State Board any deviation in the procedure. The Chairman may issue suitable instruction for the day-to-day working of the Secretariat, not inconsistent with the procedure laid down in the Act.

6. Integrated Clearance System:

- (1) An online system will be used to provide clearance and approval to investment proposals as per provision made in Rule 6(3).
- (2) The clearances to the investment proposals will be provided online and in four stages as prescribed below:
 - (i) **Stage I Clearance:** Stage I clearances refers to examining the feasibility of the project by the State Board and providing necessary approval to the investor. The Secretariat shall examine the investment proposal in the manner prescribed by the State Board and place the proposal before the State Board for a decision as per provisions made in Rule 4. Stage I clearance will allow investor to apply for subsequent stages of approval. The Stage I shall necessarily identify the broad sector, quantum of investment and location etc. of the proposed investment. The Board may prescribe a list of information that may be required to be furnished along with the proposal for Stage I Clearance.
 - (ii) **Stage II Clearance:** Stage II clearance refers to clearances requested by an investor at the pre-establishment stage from the Secretariat before setting up of an industry. List of pre-establishment stage clearances will be notified by the Department from time to time. These clearances shall be provided as per the provisions made in Section 6(4) of the Act.
 - (iii) **Stage III Clearance:** Stage III clearance refers to clearances requested by an investor at the pre-operation stage from the Secretariat before commencement of commercial production. List of pre-operation stage clearances will be notified by the State Government from time to time.

These clearances shall be provided as per the provisions made in Section 6(4) of the Act.

- (iv) **Financial Incentive clearance:** Financial Incentive clearance refers to the clearance requested/accorded to an investor for availing financial incentives. The quantum of incentives to be given shall be decided at this stage as per the Policy. This clearance may be granted anytime after Stage I approval by the designated Authority of the State Government after completion of the required prerequisites as decided by the Board. This shall be an automatic process and no fresh

application shall be required from the investor. The proposals shall be placed before the State Board in its next meeting on fulfilling of the prerequisites for a decision. The State Board shall recommend the quantum of incentives applicable to the investment proposal. The final approval of the Financial Incentives shall be given as per the provision of Rule 7. The actual disbursement of incentives shall be as per actual implementation of the investment proposal.

(3) Processing and Monitoring of Common Application Forms An integrated online system will accept and electronically transfer applications to respective Competent Authorities as well as track & monitor status of the application. Under this system,

- (i) The common application form along with prescribed attachments shall be submitted/ uploaded online.
- (ii) The competent authority may ask for additional information from the applicant only once, within first 7 days, through the online portal only.

The reply to the additional information shall only be submitted online by the applicant.

- (iii) In case the additional information is not sought for by the competent authority within the prescribed time limit from the date of receipt of application, it will be construed that no additional information is required and original time limit for clearance shall apply and the competent authority shall decide on the basis of the documents submitted by the applicant.
- (iv) In case the additional information is sought for by the competent authority within the prescribed time limit, the time limit prescribed in Section 5 and Section 6(4) of the Act shall be counted from the date on which the additional information is furnished by the applicant online.
- (v) The competent authority shall process the application and communicate the decision (approve/reject the request along with his comments) within the time limit prescribed in Section 5 and Section 6(4) of the Act to the applicant.
- (vi) Applicant will be allowed an option to file for all clearances at once or may choose to apply at various intervals. In case an application for clearance is rejected the applicant may be allowed to file application for the clearance afresh.
- (vii) Every approval/ certificate will be given a unique Single Window Clearance ID which can be used for third party verification of approvals in public domain.

(4) Special provisions and measures to simplify process & procedures: Spot approvals shall be given in case of clearances which require only a scrutiny of basic documents. A list of such clearances will be notified by the Department on the advise of the State

Board from time to time.

- (5) Fees for processing applications: Fees and deposits shall be collected from the applicant during various stages of clearances by the secretariat. Application processing fees will be notified by the Department on the advise of the State Board from time to time.
- (6) Rationalization of the inspection for clearances: A joint inspection by all the competent authorities shall be encouraged for the clearances which require inspection.

7. Financial Incentives to eligible industrial units :

- (1) The proposals cleared under rule 6(2) (iv) shall be put up before the competent authority for a decision. All proposal approved in a meeting of the State Board shall be placed before the competent authority in one lot. Decisions shall be taken in the same sequence in which the State Board approves the proposals. In case a proposal has to be approved out of turn, sufficient reasons for such deviations shall be recorded and approved by the Commissioner.
- (2) The competent authority and the time limit to accord approval and decision of Financial Incentives shall be as follows:
 - (i) The Commissioner within a time limit of 15 days shall take a decision on the proposals, which involve investment of Rs. 2.5 Crore and less. If the decision on the proposal is not taken within the prescribed timeline, the reason for delay shall be recorded.
 - (ii) Proposals which involve investment of more than Rs. 2.5 Crore and up to a limit of Rs. 10 Crore shall be decided by the Minister, Department of Industries within a time limit of 15 days.
 - (iii) Proposals which involve investment of more than Rs. 10 Crore and up to a limit of Rs. 20 Crore shall be decided jointly by the Minister, Department of Industries and Minister, Department of Finance. The Minister, Department shall decide within 15 days and subsequently the Finance Minister shall take a decision within the next 15 days.
 - (iv) Proposals above Rs. 20 Crore shall be decided by the State Government.
- (3) The State Government shall revise the above mentioned time limits, financial limits and competent authority, from time to time, through notification.
- (4) Incentives, once sanctioned, shall be disbursed by the Secretariat without any further reference, to any authority in a time bound manner subject to any conditions which may be attached to the sanction.

8. Self-certification: The Commissioner shall issue instruction for random verification of self-

declaration under section 8 of the Act. Verification shall be conducted by the Secretariat or shall direct a public authority to conduct an enquiry, which shall submit its findings to the Chairman for necessary action.

9. Deemed Approval:

- (1) In case the competent authority fails to issue the clearance within the time limit as specified in Section 6(4) of the Act, the Secretariat shall communicate the deemed approval in the form prescribed by the concerned department with a copy to the concerned Department. The Secretariat shall designate officers for issuing all such deemed clearances.
- (2) The deemed approval shall take effect from the date on which the time limit for such clearance has expired.
- (3) In the eventuality of delay of clearances resulting in issue of deemed approval, the competent authority shall be liable for imposition of penalty as per extant rules.

10. Grievance/ Appeal:

- (1) In the first instance, all grievances will be referred to the Commissioner. All grievances will be disposed within 30 days by the Commissioner.
- (2) The applicant can submit and track his/her grievance through an online system.
- (3) In order to effectively answer the investor queries regarding policies, approvals, incentives, application process, single window etc., a centralized helpline number will be notified by the State Government.

11. Power to give directions:

- (1) The State Government may, from time to time, issue to the State Board or the Secretariat such general or special directions of policy as may be deemed necessary or expedient for the purpose of promoting investment in the State.
- (2) The Commissioner shall have power to give direction to the Public Authority to carry out investigation, enquiry and seek a report on issues related to clearance under the various acts required for investment proposals within a prescribed time limit.

12. Penalty :

- (1) Any public authority who fails to comply with the directions of the State Board and the Secretariat within the prescribed time shall be liable to conviction / punishment as per Section 11(1) of the Act.
- (2) Further, designated official(s) of the concerned Public Authority not complying with the defined timelines for providing clearances, without sufficient and reasonable cause, shall be liable for action as per their respective service rules.

Provided that the designated officer(s) of the Competent Authority shall be given a reasonable opportunity of being heard before any penalty is imposed.

- (3) Any applicant who fails to comply with the declarations or undertaking given to the Secretariat or other concerned departments shall be liable to conviction / punishment as per instant legal provisions.

Policy for Joint Venture with State Public Sector Enterprises, 2020



DEPARTMENT OF INDUSTRIES
Government of Bihar

Policy for Joint Venture with State Public Sector Enterprises-2020

1. Background

- 1.1. The current public health crisis (i.e. COVID-19) has presented the State with an opportunity to develop the manufacturing sector in the State and provide employment opportunities to the workers returning to the State. In this context, the State Government came out with an amendment to the BIIPP, 2016 policy to restart the manufacturing sectors of the economy vide memo No.883 dated 29th June, 2020. The overall objective of this amendment to the policy is to generate employment creating new means of livelihood and increasing industrial activity in the State.
- 1.2. In this regard, Para 11 of amendment to BIIPP-2016, memo no. 883, dated 29.6.2020, has proposed that the State Public Sector Enterprises (PSEs) shall be encouraged to form Joint Ventures with some of the leading private companies in manufacturing sector who are willing to invest in the State. Some of the sectors to be considered under this clause are Food Processing, Medical Equipment, Automobiles, Garments, Farm Machinery, IT & ITeS and areas identified as Priority Sector etc. The leaders in the respective manufacturing sector shall be identified following a transparent process for forming the Joint Venture. The State PSEs shall jointly invest in these JVs. This will provide a comfort to large multinational/national organisations to set up their manufacturing units in the State.
- 1.3. Accordingly, this policy called the POLICY FOR JOINT VENTURE WITH STATE PUBLIC SECTOR ENTERPRISES, 2020 is being published for establishment of JV companies with State Public Sector Entities (PSEs). The Policy will come into effect from the date of issue of the notification and will remain effective during the entire period of operation of Bihar Industrial Investment Promotion Policy, 2016 i.e. till 31st March, 2025.

2. Scope

- 2.1. This policy would be applicable in cases where the State Government Entity or an entity owned or controlled by it herein after referred to as the Public Sector Entity (PSE) and a private partner herein after referred to as the Private Partner (PP) desires to set up a Joint Venture Company (JV) to establish a manufacturing unit or services associated with it in the State.
- 2.2. The objective of this policy is to attract new investment from reputed Private Sector companies and operationalize clause 6.9 of Bihar Industrial Investment Promotion Policy-2016, with a view to enhance income and employment opportunities in Bihar.
- 2.3. This policy lays down criteria which need to be examined carefully while considering formation of JVs for establishing manufacturing units in the select sectors. Any deviation from these criteria would need to be adequately explained and justified by the concerned Departments/ State PSE to the SPSIPB [State Public Sector Investment Promotion Board] defined in the following paras and requisite approval of the competent authority should be obtained before proceeding further.

3. Institutional Structure

- 3.1. There shall be State Public Sector Investment Promotion Board (SPSIPB) under the Chairmanship of the Development Commissioner in which Principal Secretaries/Secretaries of Department of Industries, Finance Department, Commercial Taxes Department, Department of Environment, Forest & Climate Change, Road Construction Department, Building Construction Department, Labour Resources Department and Investment Commissioner will be the members. Additionally, the SPSIPB will have members of State PSE and the Principal Secretary/ Secretary of the administrative department of the State PSE who will be invited as and when their issues/proposals are being considered. Principal Secretary/ Secretary of the Department of Industries shall be the Member Secretary of the SPSIPB.
- 3.2. The following shall be the functions and powers of the State Public Sector Investment Promotion Board (SPSIPB)-
- a. Review the process of evaluation and selection of JV Partners;
 - b. All JV proposals placed before it by the Secretariat of the SPSIPB shall either be recommended for approval of the State Government or returned to the PSE with suggestions for appropriate changes;
 - c. The quorum shall be of 50% of the members with mandatory presence of Chairman, Principal Secretary/Secretary of Finance Department, Principal Secretary/ Secretary of the administrative Department including the Executive Head of the PSE and Principal Secretary/Secretary of Department of Industries. No representative of the designated official shall be allowed to participate in the board meeting.
 - d. After the receipt of recommendation from the SPSIPB, the administrative Department of the concerned PSE shall obtain necessary approval of the State Government on the JV proposal;
 - e. SPSIPB in each meeting shall also review the progress of the working of the Secretariat of the SPSIPB and shall give appropriate instructions to ensure speedy processing of investment proposals;
 - f. Review the status of investment proposals approved by the SPSIPB and their implementation status;
 - g. Review the implementation of this Policy, issue necessary clarification to remove difficulty in implementation of the Policy, settle dispute if any between PSE and PP; and
 - h. Guide and advise the Departments on this Policy.
- 3.3. **Secretariat of the State Public Sector Investment Promotion Board:** There shall be a Secretariat of the State Public Sector Investment Promotion Board under the Chairmanship of the Principal Secretary/Secretary, Department of Industries. The composition of the

Secretariat of the SPSIPB will be notified by the Department of Industries, Government of Bihar. The Secretariat shall assist the Chairman and the Board Members in examining and appraising the investment proposals received.

3.4. The following shall be the functions of the Secretariat :

- a. Scrutiny of all proposals put up before it by the PSEs for compliance of the provisions of this Policy;
- b. Place the proposals before the SPSIPB for approval or appropriate decision;
- c. Guide the concerned State PSEs and administrative department in implementation of this policy; and
- d. Any other duties assigned by the SPSIPB from time to time.

4. Detailed Nature and scope of JVs for establishing units in the State

4.1. For the purpose of this Policy, Joint Venture (JV) shall be an arrangement whereby two or more parties undertake an economic activity towards the stated objectives of this Policy, and which is subject to joint control. The JV in the present policy shall be limited to an incorporated joint venture, the PP shall hold more than 50% equity in the JV.

4.2. JVs shall preferably be established with an overall objective of mutually leveraging the strengths of the respective JV partners which they would be unable to achieve independently at lower cost or risk.

4.3. a) The participation of PSE in JVs should be limited to the lower of the following:

- (i) Rs.100 crores in any one JV,
- (ii) 5 per cent of the net worth of the PSE in any one JV,
- (iii) 15 per cent of the net worth of the PSE in all joint ventures put together.

If the Board of Directors of the PSE feels it necessary to exceed the levels of investment limits recommended above in a given case, it may refer the matter to the SPSIPB for an appropriate decision in cases deserving of special consideration on individual merit. This limit however shall not apply to BIADA or IDA.

b) Subsequent investments in Successful JVs: The above-mentioned limits may be applicable only for initial investments in the selected joint ventures. In case the JV Company is operating successfully for three years, any further investment in such successful and profitable Joint Ventures may be done with prior approval of the SPSIPB.

c) PSE shall also be able to do JVs with Navratna CPSEs.

4.4. Contribution of PSE in the JVs may include the following forms:

The JVs are to be established in the manufacturing sector in the State with a Private Partner, proposed under this policy. The Private Partner shall hold more than 50% equity in the company and these JVs will be private sector companies. Contribution of the State PSEs in these JVs can take the following forms:

- (i) Land being provided by BIADA as a secured debt
- (ii) Land being provided by BIADA as an equity
- (iii) Land and Equity Investment by State PSE

The details of the above forms of JV have been elaborated in the following paragraphs :

4.4.1. Land being provided by BIADA as a secured debt

Under this arrangement land shall be allotted to the JV company by BIADA as per the provisions mentioned at para 4.5. The value of the BIADA land as on the date of allotment shall be considered as Secured Debt to the Joint Venture Company. The State PSE will only hold a notional one percent share in the company. The Private Partner who makes all the investment shall hold 99% shares in the JV company. There shall be no Directors representing the State PSE on the Board of the Company. The Joint Venture company can repay the cost of the land within 5 year after the date of commencement of commercial production/operations with an interest of Bank Rate + 2% compounded annually as and when it desires to and get the land lease agreement signed in the name of JV. The lease agreement of the land shall be signed with BIADA at the time of disinvestment by BIADA. Till such time the land cannot be mortgaged for the purpose of raising debt by the JV partner. The State PSE shall disinvest the 1% share after 5 years from the date of commencement of commercial production/operations or when the land dues are settled whichever is later. The value of shares at the time of disinvestment shall be the highest of the following rates :

- (a) Market value of shares at the time of disinvestment
- (b) The price at which the shares were subscribed plus the portion of reserves and surplus in ratio of shares held on the date of disinvestment.
- (c) The value at which they were subscribed plus interest calculated on the basis of Bank Rate + 2% compounded annually.

4.4.2. Land being provided by BIADA as an equity

Under this arrangement land shall be allotted to the JV company by BIADA as per the provisions mentioned in para 4.5 below. The net value of the land as on date of allotment shall be considered as equity of the State PSE in the Joint Venture Company. The concerned State PSE/PSEs will hold shares in proportion to the equity held but total of all shares held by State PSEs shall not be more than 49% of the total shares of the JV company. The Private Partner shall invest the rest of the capital required for setting up the manufacturing unit. There shall be one Director representing the State PSE on the Board of the Company. The State PSE shall

disinvest 20% of the shares held by it every year for the next 5 years from the date of commencement of commercial production/operations. The State PSE being a JV partner shall obtain all clearances required before the commencement of commercial production/operation on behalf of the JV. The value of shares at the time of disinvestment shall be the highest of the following rates

- (a) Market value of shares at the time of disinvestment
- (b) The price at which the shares were subscribed plus the portion of reserves and surplus in ratio of shares held on the date of disinvestment.
- (c) The value at which they were subscribed plus interest calculated on the basis of Bank Rate + 2% compounded annually.

4.4.3. Land and Equity Investment by State PSEs

Under this arrangement land shall be allotted by BIADA to the JV company as per the provisions mentioned at para 4.5. The net value of the land as on date of allotment shall be considered as equity of BIADA in the JV. The State PSE in the Joint Venture Company shall also invest in the equity of the Joint Venture Company. The State PSEs will hold Shares in proportion to the equity held but the total of all PSEs shares will not be more than 49% of the total shares of the company. The Private Partner shall invest the rest of the capital required for setting up the manufacturing unit. There shall be one Director representing the State PSE on the Board of the JV Company.

The State PSE shall disinvest 20% of the shares held by it every year for the next 5 years from the date of commencement of commercial production/operation. The value of shares at the time of disinvestment shall be the highest of the following :

- (a) Market value of shares at the time of disinvestment
- (b) The price at which the shares were subscribed plus the portion of reserves and surplus in ratio of shares held on the date of disinvestment.
- (c) The value at which they were subscribed plus interest calculated on the basis of Bank Rate + 2% compounded annually.

The bank rate in all the above options shall be the bank rate as on 1st January of the year of the investment.

4.5 Procedure of allotment of land by BIADA

All the land allotted by BIADA to the JV shall be on long term basis i.e 99 year lease term. BIADA makes allotment of land under section 6(2) of BIADA Act, 1974 read with Allotment Policy, 2013 for the purposes of the Act. The lease deed with the JV shall only be signed at the time of disinvestment by BIADA.

4.6 All PSE will have option to select not more than two of the modes described above for JV.

4.7 The Joint Venture Agreement

The joint venture agreement shall include, inter alia, the following terms:

- a) The parties to the agreement
- b) The JV's management structure and members
- c) The parties' percentages of ownership
- d) The distributive share—the percentage of profit or loss—allocated to each party
- e) The bank account JV will use
- f) A list of resources
- g) How administrative records and financial statements will be produced and retained
- h) Pre-condition that Bihar state's laws will apply to the JV

5. Appraisal and approval process for selection of JV partner

5.1. In case it is decided to form a JV, the process of selection of the private partner must be fair and transparent, especially since the selection of a private partner to form a JV with a public sector entity confers financial and other advantages to the private partner. The selection of the private partner must be done on an open competitive basis so as to afford an equal opportunity to competing applicants and for securing the best outcome for the public sector entity. Selection through negotiations or on a nomination basis should not be considered.

5.2. General Principles

- (i) The selection of the private partner for joint venture and associated processes should be transparent. All such proposals must be presented to the State PSE's Board of Directors in writing and should contain evaluation report in terms of commercial expediency, quantification of the likely benefits and risk factors, if any. The proposal should be examined and appraised by a technical committee headed by the Managing Director of the PSE before putting it up before the Board of Directors for consideration.
- (ii) The rationale for approving or rejecting the proposal must be recorded in writing giving full justification. In the event of the objections and dissent are raised by the members that same be carefully examined and a decision taken by the board of directors.
- (iii) The proposal with the appraisal/ evaluation report with concurrence of Finance Department should be submitted to the Secretariat of the SPSIPB which shall recommend the proposal to the SPSIPB. After the receipt of recommendation from the SPSIPB, the Administrative Department of the concerned PSE shall obtain necessary approval of the State Government on the JV proposal.
- (iv) The policy and procedures of authorities like RBI, Foreign Investment Promotion Board (FIPB), Environment, SEBI etc., as laid down from time to time should be complied with.
- (v) It must be ensured that the proposal should be mutually beneficial and provide adequate

incentive to the private partner to enter into the Bihar market. Joint ventures may be formed with such companies/MNC(s) where there is synergy between Production /business line of the two partners and where both stand to gain.

- (vi) A comprehensive list of joint ventures formed and status thereof including yearly status on the progress and performance of JV should be submitted to SPSIPB through the Secretariat on half yearly basis.

5.3. Two stage selection processes will be followed through which JV partners will be screened before final selection. The overall process will be as follows:

- (i) First stage of evaluation will focus on assessing the JV partner on the “Minimum Eligibility/Qualification Criteria for JV Partner Selection”. Only those interested JV partner meeting the minimum eligibility criteria proceeds to the next stage of evaluation. Refer Clause 5.4 for detailed criteria.
- (ii) Second stage of evaluation will focus on evaluating the overall value proposition of the JV partner and its offer. Refer 5.5 for detailed matrix for evaluation.

5.4. Minimum Eligibility/Qualification Criteria for JV Partner Selection – The minimum criteria which should be met by the JV partner to be considered for 1st stage short-listing are as follows:

- (i) The entity should be a company incorporated under the Companies Act, 1956/2013.
- (ii) It should be an individual company. No group of companies or consortium shall be allowed.
- (iii) The company should be from amongst TOP TEN of the industry to which it belongs to in terms of either SALES TURNOVER or MARKET SHARE. The reference document for determining the market share shall be mentioned specifically in the bid document.
- (iv) The company must have an average turnover of at least Rs. 100 crores in the preceding three accounting years.
- (v) The company should have consistent operating profit history in the previous three years or more.
- (vi) The company should have a minimum net worth of Rs. 10 crore. Further, the net worth of the eligible company must at least be 20% of the proposed investment.
- (vii) The eligible company must be willing to share the brand with the JV company. The products manufactured by the JV shall bear the brand name of the Private Partner.
- (viii) In case a new company is incorporated for the above purpose, investment from GoB shall be at face value of the shares.

5.5. Evaluation Criteria for assessing overall value proposition: After the potential JV partners have met the minimum eligibility criteria, the potential JV partner will be evaluated on the following parameters with the following weightages:

- (i) Value of net investment in the JV by the partner (80%)
- (ii) Likely benefits to be accrued to the State (20%). Two criteria shall be considered while awarding points for evaluation. 10% shall be awarded for turnover and 10% shall be awarded for market share of the Private Investor.

5.6. Evaluation and combined scoring of proposals:

- A. If only one JV Partner meets the minimum eligibility criteria as stipulated above, in such case, the potential JV Partner will be considered for selection process.
- B. If more than two potential JV Partners meet the minimum eligibility criteria for same project/opportunity, the JV Partners will be evaluated on the basis of the criteria (refer 5.5) and proposals will be ranked in the following manner:
 - (i) The proposal meeting the following criteria will be ranked in the following manner:
 - a. **Parameter A:** Maximum value of Net Investment in the PP (Fa)
 - b. **Parameter B:** Maximum Turnover of the PP (Fb)
 - c. **Parameter C:** Maximum Market Share of the PP (Fc)
 - (ii) The formula for determining the scores (Sf) of all other Proposals against each of the parameter is calculated as following:

$$Sf^A = 100 \times F^a / Fa \mid Sf^B = 100 \times Fb' / Fb \mid Sf^C = 100 \times Fc' / Fc$$

Where Sf^A , Sf^B and Sf^C is the composite score against each of these parameters respectively; Fa' , Fb' and Fc' is the value of net investment, turnover and market share of PP whose proposal is under consideration respectively; and Fa , Fb and Fc is the value scored by the PP highest in each of these categories respectively.

- (iii) Proposals are ranked according to their combined scores using the weights given above in 5.5. (i) and (ii) as following: $S = Sf^A \times 80\% + Sf^B \times 10\% + Sf^C \times 10\%$

5.7. A combined score will be generated for evaluating the proposal for assessing the overall value proposition and the potential JV partner scoring the highest should be considered for necessary approval.

5.8. In case, multiple offers have been received, those proposals with the maximum score will be considered as the preferred partner.

5.9. Other guidelines for Scrutiny of JV proposal by the Secretariat of SPSIPB: In particular, the proposal for formation of a JV by any PSE, the Secretariat of SPSIPB should clearly identify and evaluate the following:

- (i) The objective for formation of the JV and the other potential options which may serve the purpose;
- (ii) JV option opted in by the Private Partner;

- (iii) The process of selection of the private partner is open and competitive (see paragraph 5);
 - (iv) The management Structure of the Joint Venture shall be outlined. Government officials would not be proposed as Chairpersons of a JV since the Private Partner shall have full control over the Joint Venture. The PSE shall not have more than 49% shares in the Joint Venture. The extent of shareholding necessary by the PSE in a JV with the private entity shall be indicated in the proposal.
 - (v) Valuation of assets being contributed by the PSEs has been carried out diligently and has the approval of the Board of Directors.
 - (vi) The total Resource Commitment (Financial) have been assessed and have the approval of the Board of Directors as may be applicable.
 - (vii) The implications of any actions which may give rise to potential liabilities, such as providing guarantees or warranties, or indemnifying the new company against any risks. An assessment of potential operating losses and the possible liability of the PSE to fund or support such losses;
 - (viii) Formulation of exit provisions and assessment of the possible recourse it would have for recovery of its investment in case the JV is unsuccessful.
 - (ix) Assessment of the liability and accountability of the public sector entity and the Government directors on the Board of the JV due to any lapses or failures of JV; and
 - (x) Whether the possibilities of any undue advantage or vitiating of the government Procurement Process have been evaluated and eliminated;
- 5.10.** Proposals for formation of a JV should be appraised and evaluated having regard to the issues raised above. Where an exception is to be made, approval of the competent authority should be obtained in accordance with extant procedures.

6. Accountability of Public Sector entity

A JV would be seen in the public eye as a partnership between the PSE and Private Partner. Any lapses or failures of JV would expose the PSE to legitimate criticism even though the JV is managed and controlled by the private partner. Moreover, even the Government Directors on the Board of the JV would be liable and accountable for certain actions and decisions of the JV. These aspects should receive due consideration while evaluating a proposal to form a JV. The following shall be the underlying guiding Principles for such evaluations:

- (i) The PSE shall not bear any financial liabilities beyond the equity committed. The PSE shall invest in proportion to the equity investment made by the Private Partner.
- (ii) Any time or cost overrun on the delay in construction or completion of the project shall be met by the Private Partner.
- (iii) The PSE shall not be a party to any legal dispute arising out of any commercial action of the JV and the PP shall be fully responsible to settle such disputes subject to limitations of 6 (i) above.

7. Shareholding in a JV

- 7.1.** The share of the public sector entity in a JV could be in any proportion, subject to the condition that the total of all shares of all PSEs in the JV will not be more than 49% share under any circumstances.
- 7.2.** The share of PSE will be kept at 49% or less so as to enable the JV to function as a private company with greater commercial freedom. However, this implies that though the public exchequer would contribute to the equity of such an enterprise, it would hardly exercise control over its functioning. It should be borne in mind that private Partner would find such a JV to be more attractive as it would provide them with government funds and support without any undue interference as noted above. It could also give them an undue advantage in government procurement as a JV would often be perceived to be a government or semi-government company. Such possibilities of undue advantage or vitiating of the government procurement process should be identified and eliminated in case a JV is proposed to be formed.
- 7.3.** Since, the share of PSE is 49 per cent or less, the JV is a private sector company. Such a JV must, therefore, be treated at par with other private companies.

8. Other assistance to JVs

- 8.1.** The concerned PSE shall be responsible for ensuring that all the necessary approvals, licenses, clearances etc. as applicable to the JV are obtained on time.
- 8.2.** A PSE should not encourage or advise other PSEs or external agencies to contribute to the resources of such JVs or to procure any goods or services from the JVs. In other words, the PSE should treat the JV like any other private entity operating in the State and ensure that it functions on a level playing field without getting any undue advantage on account of its partnership with the public sector entity.

9. Chairpersons of JVs

- 9.1.** In the case of JVs, Senior Government officials are often invited to function as Chairpersons of their Board of Directors. This can lead to situations wherein:
 - (i) Government officials function as chairpersons of the Boards of private companies, thus creating a perception that the JV is a Government Company;
 - (ii) The Private Partner may derive unintended benefits arising from the perception that it is an entity promoted and supported by the government; and
 - (iii) Such an entity would be allowed to get business from the Department whose Principal Secretary/Secretary or Additional/Joint Secretary is its chairperson, thus leading to a potential conflict of interest.
- 9.2.** Under no circumstances, Government Officials should become Chairpersons or hold other offices in a JV unless otherwise prescribed as per the agreement while forming the JV. In case of retired Government Officials, their respective Service Conditions shall be in operation.

10. Valuation of assets

- 10.1.** Where the PSE's contribution to a JV is in terms of assets, the valuation of assets should be carried out diligently and reflected appropriately. The public sector needs to ensure that its equity share properly reflects the value of the assets which it contributes. The valuation of all assets should be approved by the Board of Directors as may be applicable.
- 10.2.** In order to make a fair assessment of the potential value of the proposed JV, its projected revenue streams and business model should be assessed prior to the selection of the private partner. Further, the resource requirements, including funds, assets and staff, need to be considered at the outset. The total resource commitment should have the approval of the Board of Directors.
- 10.3.** The value of shares at the time of disinvestment shall be calculated on the basis of highest of the following options :
 - (a) Market value of shares at the time of disinvestment.
 - (b) The price at which the shares were subscribed plus the portion of reserves and surplus in ratio of shares held on the date of disinvestment.
 - (c) While evaluating the assets, the investments made by JV in form of debt and equity shall also be taken into account.
 - (d) The value at which they were subscribed plus interest calculated on the basis of Bank Rate + 2% compounded annually. The bank rate shall be as on 1st January of the year of investment.
- 10.4.** The investment of the Government shall be fully protected and at the time of signing the agreement it shall be clearly mentioned that the investment of the government shall be kept secure and shall be kept away from the liquidation proceedings and that any change in ownership due to bankruptcy, the new owners and the committee of creditors shall ensure return of government investment.

11. Contingent liabilities

- 11.1.** The PSE should be fully aware of the risks and responsibilities it is undertaking by entering into the JV. It needs to consider carefully the implications of providing guarantees or warranties or indemnifying the new company against any risks. Actions which may give rise to any potential liabilities should be avoided.
- 11.2.** A careful assessment of potential operating losses should be made and the liability, if any, of the PSE to fund or support such losses must be clearly spelt out.

12. Exit and termination

- 12.1.** All PSEs shall disinvest after 5 years from the commencement of commercial production/operations. The disinvestment can also be partial annually leading to full disinvestment at the end of 5 years. For example the PSE may decide to reduce its stake by

20% every year leading to full disinvestment. In case industrial land is taken as stake, the repayment of the value of the asset may be spread out over a period of 5 years.

- 12.2.** The process and modus of valuation of shares and assets at the end of the exit period needs to be clearly defined. A brief description has been indicated in the policy at Paragraph 10.
- 12.3.** The PSE will have to assess the possible recourse it would have to take for recovery of its investment in case the JV is unsuccessful.
- 12.4.** The exit provisions should also be formulated at the initial stage as per the provisions of the Companies Act. Some of such scenarios that may demand an exit are as below :
- (i) The project not getting completed and commercial production/operation not getting started
 - (ii) Private partner becomes Bankrupt
 - (iii) JV is not performing as envisaged in the aims and objects of the JV
 - (iv) Violation of terms and conditions by JV
 - (v) Mutually want to terminate agreement
 - (vi) Disinvestment of original owners/change in ownership in the original company
 - (vii) The JV goes for disinvestment through an IPO

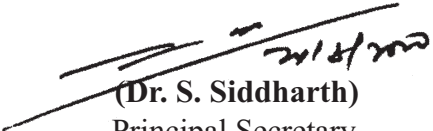
Detailed procedure for exit in the above scenarios may be notified by the Department of Industries, Government of Bihar in consultation with the SPSIPB. Safeguards to the scenarios mentioned in Para

12.4 shall be included in the agreement to be signed between the Private Partner and the PSE before formation of the JV.

13. Arbitration and Legal Recourse

- 13.1.** An agreement shall be signed between the Private Partner and the State PSE before formation of the JV. This agreement shall form the basis of dispute resolution.
- 13.2.** The Private Partner may raise issue of dispute before the SPSIPB which shall deliberate upon the issue of dispute raised and decide on the matter.
- 13.3.** In case the SPSIPB fails to resolve the dispute the same shall be decided as per the provisions of the Arbitration and Conciliation Act, 1996.

By the order of the Governor of Bihar


(Dr. S. Siddharth)
Principal Secretary,
Department of Industries, Bihar, Patna.

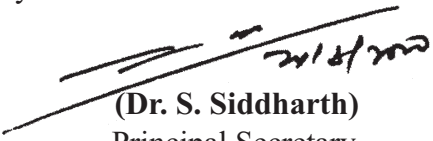
Memo No- 1151

/Patna, Dated- 24.08.2020

File No- 4/Tech./Joint Venture Policy /84 / 2020

Copy to: The Superintendent, State Printing Press, Gulzarbagh, Patna to publish in the special edition of Bihar Gazette. It is requested to print 1000 copies of the published gazette and make it available to the Department.

By the order of the Governor of Bihar


(Dr. S. Siddharth)
Principal Secretary,
Department of Industries, Bihar, Patna.

Memo No- 1151

/Patna, Dated- 24.08.2020

File No- 4/Tech./Joint Venture Policy /84 / 2020

Copy to: The Accountant General (Accounts & Title), Bihar, Patna/ Treasury Officer, Secretariat Treasury, Vikas Bhawan, Patna for information.


Principal Secretary,
Department of Industries, Bihar, Patna.

Memo No- 1151

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Copy to: All Heads of Departments/ All Corporations/ Authorities of the Department of Industries/ P.S. to Minister, Department of Industries/ P.S. to Secretary, Department of Industries, Bihar, Patna/ Director of Industries, Bihar, Patna/ Director, Technical Development, Bihar, Patna/ Director, Food Processing/ Director, Handloom & Sericulture/ All General Managers, District Industries Centres for information and necessary action.


Principal Secretary,
Department of Industries, Bihar, Patna.

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Copy to: All Divisional Commissioners/ All District officers/All Deputy Development Commissioners/ Resident Commissioner, Bihar Bhawan, New Delhi/ Director,

M.S.M.E.D.I, Patliputra, Patna/Muzaffarpur / Secretary to the Chief Minister, Bihar/
Chairman-Cum-Managing Director, Bihar State Power Holding Company Limited, Patna
for information and necessary action.



Principal Secretary,
Department of Industries, Bihar, Patna.

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/Patna, Dated- 24.08.2020

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Copy to: O.S.D to Chief Secretary, Bihar, Patna/ Principal P.S. to the Development
Commissioner, Bihar, Patna for information.



Principal Secretary,
Department of Industries, Bihar, Patna.

Memo No- 1151

/Patna, Dated- 24.08.2020

File No- 4/Tech./Joint Venture Policy /84 / 2020

Copy to: IT Manager, Department of Industries, Bihar, Patna for uploading the copy of the
resolution on the Departmental Website.



Principal Secretary,
Department of Industries, Bihar, Patna.

Special Land Allotment and Amnesty Policy 2020



DEPARTMENT OF INDUSTRIES
Government of Bihar

Special Land Allotment and Amnesty Policy, 2020

The Corona pandemic has created unprecedented situation before the world. Bihar is not untouched by it. Millions of workers have returned to Bihar from various corners of the country. Creating jobs for them is today's foremost requirement before the government. As the overwhelming majority of these workers are industrial workers, employment for them needs to be created in the industrial sector. In order to boost investment and job creation, the government has already amended Bihar Industrial Investment Promotion Policy, 2016. Availability of land at attractive prices and easier terms is another requirement for which industry associations have been demanding for quite some time. Hence, in exercise of powers conferred u/s 14(e) of Bihar Industrial Area Development Authority (BIADA) Act, 1974, (amended from time to time), the Government of Bihar is pleased to notify the following directions regarding the policy and procedure for allotment of land by BIADA, in the Industrial areas under its control; keeping in view the increasing demand for industrial plots in relation to availability of land.

1. Category of industrial plots

1.1 The total plots available with BIADA in new industrial areas shall be divided in various categories, as under :-

- a. Size upto 0.25 Acres
- b. Size larger than 0.25 acres upto 0.50 acres
- c. Size larger than 0.50 acres upto 1.00 acre
- d. Size larger than 1.00 acres upto 2.00 acres
- e. Size larger than 2.00 acres upto 5.00 acres
- f. Size larger than 5.00 acres

1.2 Division of plots

The plots categorized in para 1.1 above should be divided so that at least,

- (a) 25% of the allottable land will be divided in plots measuring an area of 0.5 acre or less than that, and
- (b) Balance 75% of the available allottable land may be divided in different sizes of plots as per demand and requirement of the entrepreneurs as may be decided by the Board of Directors from time to time.

1.3 Applications should be invited for particular plot size categories. The Board of BIADA may decide not to make allotment of the entire available land / plot in an industrial area at one time and the allotment for various categories and plots in an industrial area may be done in different stages / period.

2. Demarcation Purposes for allotment

2.1 BIADA shall place a list of plots available for allotment to a prospective applicant, on its website (www.biadabihar.in). The number of available plots with area of the plot shall be available on the website and the same would be updated on the last working day of every month.

- 2.2 BIADA shall reserve 10% of the total area of plots in the Industrial Area developed/acquired on or after 1st January 2020 and lands acquired from the Sugar Cane mills for the following category of entrepreneurs: (i) SC/ST Entrepreneurs, (ii) Extremely Backward Caste Entrepreneurs, (iii) Women Entrepreneurs. The size of these plots shall not be bigger than 0.25 acres. The reserved plots shall be further reserved in the ratio of 60% for SC/ST, 30% for EBC and 10% for Women and Differently abled.
- 2.3 Lands under category 1.2(a) shall be reserved for Micro and Small enterprises and startups.

3. Purposes for allotment

- 3.1 The land under this policy will be allotted to the following sectors/units:-
- (i) Manufacturing Industries which have significant job creation potential as mentioned in the list of Priority Sectors and High Priority Sectors under the Bihar Industrial Investment Promotion Policy, 2016.
 - (ii) Sectors in which the skilled workers working in manufacturing units in other states who returned to the State during COVID-19 were employed.
- 3.2 Some of the sectors/units which are eligible for allotment under this policy, based on the skill survey of the workers returning to the State, are as follows:-
- (i) Garment and Textile
 - (ii) Sports Goods
 - (iii) Leather Goods
 - (iv) Food Processing
 - (v) Furniture Manufacturing
 - (vi) Metal Fabrication
 - (vii) Gems & Jewellery
 - (viii) Electrical and Electronic Hardware manufacturing
- The Board of Directors of the Authority will have the right to revise the list based on the skill survey undertaken by the State Government Agencies from time to time during the policy period.
- 3.3 The State Government shall have the right to declare any particular industrial area or a part of it to be reserved for a specific activity, and in that case, that area or part of that, would be allotted only for that specific activity, unless changed or de-reserved by the government.
- 3.4 In case a category of industry to be established is in wider interest of the state, the government may issue directions for allotment of specified area of land in a specific industrial area for such category of industries, and that shall be binding on the Authority. This direction shall however not be in contravention of the Bihar Industrial Investment Promotion Policy, 2016.

4. Competent Authority for allotment

- 4.1 “The Bihar Industrial Area Development Authority (Financial, Service and Technical) Regulations, 2007” provides, inter alia, vide the Regulation 1.4.1, a Project Clearance Committee (PCC) comprising of:-
- (i) Managing Director, BIADA,
 - (ii) All Executive Directors,
 - (iii) Director of Industries or his representative,
 - (iv) Joint Secretary, Finance Department, Government of Bihar,
 - (v) Chairman, Bihar State Pollution Control Board or his representative,
 - (vi) Consultants of the BIADA - to be nominated by the Managing Director,
 - (vii) Two Representatives of Industries Associations in Bihar.
- 4.2 All allotment of land has to take place through the PCC. The competent sanctioning authority for allotment of land after due clearance from PCC is the Managing Director, BIADA.
- 4.3 BIADA shall call for application for allotment of land specifically under the categories mentioned in para 1.1 online and the scrutiny of application shall happen under each category.

5. Procedure of allotment

- 5.1 The Managing Director, BIADA shall conduct scrutiny of the application received online based on the pre-qualification criteria prescribed below:-
- (i) Net-worth of investor - should be at least 20% of the proposed investment.
 - (ii) The investor must have an average annual turnover of at least Rs. 50 crores in the preceding three accounting years.
 - (iii) The investor should have an operating profit in at least two of the previous three years.
 - (iv) For allotment of plots under category 1.2(a), the pre-qualification criteria mentioned in Sub-clause (i), (ii) and (iii) above shall not apply. The applicant should have a valid sanction under any government scheme, sanctioned bank loan or should have a bank deposit showing the source of funding of the project. New entrepreneurs and startups will also be considered for allotment of these plots.

All the applications meeting the pre-qualification criteria should be presented to the PCC for necessary clearance and approval. The documents required in this regard shall be prescribed by BIADA.

- 5.2 The applications meeting the pre-qualification criteria will be evaluated based on the following criteria and weightage for each category before being placed at the PCC:-

- (i) Investment size – 30%
- (ii) Investment to area of land ratio – 20%
- (iii) Employment intensive industries
 - (a) 10% if the industry falls under the category (as identified under Clause 3.2)
 - (b) 10% ratio of employment/ area of land applied
 - (c) 10% if 25% of labour which returned during Covid are employed [data from the related website of the State Government]
- (iv) Priority & High Priority Sectors– 10% (Units in High Priority Sectors and Priority Sectors in terms of Bihar Industrial Investment Promotion Policy, 2016, will get 10 points and 5 points respectively)
- (v) Turnover of the investor – 10% (Investors having turnover more than Rs. 100 crore shall get 10 points and the rest shall be prorated).

The weightage and the calculation methodology shall be published on the BIADA website.

- 5.3 Uniform minimum cut off marks shall be decided by the Project Clearance Committee (PCC) of BIADA and the same will be communicated to the applicants before preparation of ranking list. If the number of eligible applicants is more than the number of available plots in that category, the PCC shall decide the allotments on the basis of ranking of the applicants in that category. Any wrong declaration of data mentioned in para 5.2 shall invite penalty as mentioned in para 9.6
- 5.4 All unsuccessful applicants either eliminated at the pre-qualification stage or later on the basis of ranking shall be informed and their security money shall be refunded. Thereafter, whenever, there are more plots available, they would be eligible to submit fresh online applications.
- 5.5 Those applicants having investment proposals of more than Rs.500 crores in Plant and Machinery, or direct employment to more than 500 persons shall be given preference of 10 points in the matter of allotment of land subject to availability and also given priority in allotment.
- 5.6 JVs formed under Clause 6.9 of Bihar Industrial Investment promotion Policy, 2016 shall be eligible for land allotment under this Policy on priority basis and criteria mentioned in Clause 5.2 above shall not apply to them.
- 5.7 Those units which are already working in BIADA, having turnover exceeding Rs. 15 crores and are desirous of expansion with expansion plan involving investment in plant and machinery of Rs. 15 crores or more and direct employment of 50 persons or more shall be given preference of 10 points in allotment. They will get priority in allotment to adjoining vacant lands.

- 5.8 Allotment as per the provisions of Clause 2.2 above shall be allotted on the basis of the sanction orders under various State Government / Government of India schemes. The date of such sanction or recommendation by State Investment Promotion Board (SIPB) (in case the investment does not relate to a Government sponsored scheme) shall decide the seniority of the applications. All applications shall be processed under First-in-First-Out (FIFO) method. The SC/ST beneficiaries shall be given priority over all other categories of beneficiaries. No other qualifying criteria shall be required under this category of allotment.
- 5.9 Allotment under the provisions of Clause 5.1.(iv) above shall be done on the basis of the sanction orders under various State Government/ Government of India schemes. The date of such sanction or recommendation by SIPB (in case the investment does not relate to a Government sponsored scheme) shall decide the seniority of the applications. All applications shall be processed under First-in-First-Out (FIFO) method. The SC/ST beneficiaries shall be given priority over all other categories of beneficiaries. Other preconditions as mentioned in Clause 5.1(iv) shall apply.

6. Pricing and payment terms of the Plots

- 6.1 Following principles will be applied when determining the rates of industrial land:
- (i) Rate of industrial land in industrial areas of BIADA shall be 1.5 times that of adjoining agricultural land and wherever adjoining agricultural land is not available, the rate of BIADA land shall be equal to that of adjoining developing land rate. In case the developing land rate is not available then the adjoining residential land rate shall be considered.
 - (ii) In case, 1.5 times of the agricultural land rate is more than that of the developing land rate, the rate of BIADA land shall be capped at the rate of such adjoining developing land.
 - (iii) If due to this revision in pricing of land rate in BIADA, the rate gets discounted more than 50% of the rate as on the date of notification of this policy then the downward revision in BIADA land rate shall be capped at 50% of the pre-revision rate (rate existing prior to this policy).
 - (iv) The land shall not be offered to the allottee below the cost of acquisition of the land by BIADA.
- 6.2 For the purposes of calculation of stamp duty and other fees on BIADA lands, rates determined under this Policy only shall be taken by the Registrar of Lands {including the exemptions notified under The Bihar Agriculture Land (Conversions for Non-Agriculture Purposes) Act, 2010 (Amended from time to time)}.
- 6.3 All lands allotted under this Policy shall be exempt from stamp duty and registration charges before the Registrar of Lands {including the exemptions notified under The Bihar Agriculture Land (Conversions for Non-Agriculture Purposes) Act, 2010 (Amended from time to time)}.

- 6.4 If any land in an industrial area of BIADA comes within the territorial limits of or shares border with a Nagar Nigam, Metropolitan Authority (including Patna) or the industrial area is adjoining municipal (Nagar Nigam) limits, shall be kept out of the land rate discount mentioned in Clause 6.1 above and the previous rate prior to this policy shall continue to be in force.
- 6.5 During the operation of this Policy, BIADA shall levy only 25% of industrial land rate mentioned at Clause 6.1 towards Development charges attributable to the plot. The resultant resource gap for development of land shall be provided to BIADA by the Government towards development of industrial area. Other charges and levies of BIADA shall remain unchanged. An additional amount of 10% of industrial land rate mentioned at Clause 6.1 shall be charged by BIADA towards administrative cost which shall include maintenance charges of Industrial area. The taxes as applicable from time to time shall be payable by the allottee.
- 6.6 The allottee under this Policy shall get 10 years to repay the land allotment charges calculated by BIADA. The first installment in this case shall be 10% of the total allotment charge and all remaining 9 yearly installments shall be payable in advance through post dated cheques. The applicable rate of interest under this Policy shall be RBI declared bank rate (as on 1st January of the year of allotment) + 2% on reducing balance basis. If an allottee wants to prepay the allotment dues, there shall be no prepayment penalty, balance allotment dues shall be calculated from the date of payment without any interest.
- 6.7 If an investor desires to pay full allotment charges upfront, he shall be entitled to 25% discount on the allotment charge.
- 6.8 An investor getting land under this special Policy shall commence construction work within one year of date of allotment and commercial production within three years of date of allotment failing which the allotment shall be cancelled, allotment charges paid shall be forfeited and resumption of plot shall be taken immediately by BIADA on such cancellation. All the benefits availed/ being availed under this policy shall seize from the date of such default as per terms and conditions as declared by BIADA.
- 6.9 An investor who has been allotted land under this Policy shall not be allowed to transfer land before the start of commercial production. However, an investor will be entitled to transfer his land after commercial production. The transfer charges as prescribed by BIADA shall apply.

7. Procedure of receipt of applications

After these new procedures and prices are notified, fresh applications shall be invited online only for the existing plots. Thereafter, the applications received under this Policy shall be decided as per procedure and prices contained herein. The PCC shall decide all the applications received within a month within the next fifteen days. The PCC shall be free to decide the schedule for the meeting however it shall be ensured that at least one meeting is held every month.

8. One-time amnesty

A large part of the Industrial Areas is under various stages of litigation leading to the industrial areas remaining unutilized. In order to ease these lands under litigation, the following voluntary amnesty shall be available:

- (i) All allottees of industrial lands under the industrial area shall be allowed to transfer their industrial plots/sheds, irrespective of the status of the allotted plot/shed, to a transferee after settling all the dues of BIADA and after paying transfer charges. The allottee, under the amnesty scheme, can also transfer a vacant plot/shed to a transferee. The new allottee shall only use the plot/shed as per the provisions of the Bihar Industrial Investment Promotion Policy 2016. The allottee shall apply for permission for transfer. In case the permission is not granted within a month it shall be deemed to have been granted. However, deemed permission shall apply to only those activities for which industrial plots can be utilised as per Bihar Industrial Investment Promotion Policy, 2016.
- (ii) All allottees who possess an industrial plot/shed can change the activities to any activities identified under the Bihar Industrial Investment Promotion Policy, 2016. No permission shall be required for change of activity. The BIADA may be informed of the change of activity within one month of the change of the activity. All required fees for change of activity are waived.
- (iii) Any allottee whose land allotment was cancelled and has filed an appeal in any court of law can on the condition of withdrawal of appeal shall have the option to nominate an allottee for the plot under appeal. Such a nominee shall only be allotted afresh under this policy. The appellant shall have to forego the option of appeal in any court of law through an affidavit. The new allottee can only carry out activities as per the provisions of the Bihar Industrial Investment Promotion Policy 2016.

The amnesty scheme shall be purely voluntary. The appellant may continue to pursue their appeals in case they wish to not opt for this amnesty scheme. The above amnesty scheme shall only be valid for the period of this policy. BIADA shall prescribe necessary formats for application under each category.

9. Other Terms and Conditions

- 9.1 The applicants applying under this policy for land allotment will also be eligible for incentives under “Chapter 6A. Special Incentive Package for attracting Investments and retaining workers returning to Bihar on account of Covid-19 scenario” as notified under the amendment to the “Bihar Industrial Investment Promotion Policy, 2016” (Notification No. 883 dated 29th June 2020).
- 9.2 BIADA shall establish a “License Facilitation Desk” which will provide a one-stop-shop service for facilitating clearance from all concerned Departments/ Agencies to the successful applicant receiving land allotment under this policy.

- 9.3 All activities to be carried out in the allotted industrial areas plots shall be as per the provisions of the Bihar Industrial Investment Promotion Policy, 2016.
- 9.4 All the other terms and conditions of BIADA such as Cancellation Policy shall apply.
- 9.5 The present policy shall override allotment policy 2013 during the policy period. The rate for calculation for various provisions shall be at the current rate of allotment and the current MVR of the land as notified by the State Government.
- 9.6 This policy shall not be misused for the purpose of speculation of real estate. All the provisions of cancellation under the BIADA Act shall be strictly enforced in the case where provisions of this policy have been mis-utilized. BIADA shall decide the market rate and penalty for such squatters and speculators which shall not be less than twice the rate of allotment of the land as on the date of such violation.

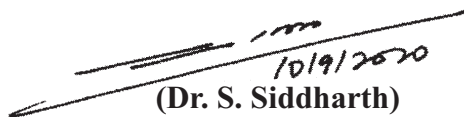
In case the land is obtained by a wrong declaration under para 5.2 the quantum of shortfall percentage multiplied by twice the rate of allotment, shall be recovered i.e (% shortfall in between declaration and actual implementation multiplied by two times of rate of allotment)

10. Period of the policy

This Policy shall be applicable for only one year from the date of notification. The Government of Bihar may from time to time issue such other and further directions which may facilitate implementation of this policy and/or found necessary to be followed in the interest of industrialization in the State of Bihar.

11. If there is any conflict between Hindi version and English version of the notification, notification in English version shall prevail over the Hindi version.

By the order of the Governor of Bihar



10/9/2020
(Dr. S. Siddharth)

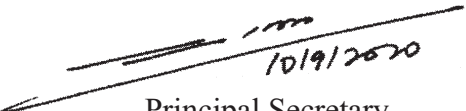
Principal Secretary,
Department of Industries, Bihar, Patna.

/Patna, Dated- 10.09.2020

Memo No- 2528

File No- 5/SM (SLP)-20/2012/(Part)

Copy to: The Superintendent, State Printing Press, Gulzarbagh, Patna to publish in the special edition of Bihar Gazette. It is requested to print 1000 copies of the published gazette and make it available to the Department.


Principal Secretary,
Department of Industries, Bihar, Patna.

Memo No- 2528

/Patna, Dated- 10.09.2020

File No- 5/SM (SLP)-20/2012/(Part)

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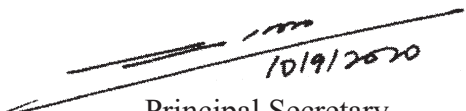

Principal Secretary,
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Principal Secretary,
Department of Industries, Bihar, Patna.

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/Patna, Dated- 10.09.2020

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M.S.M.E.D.I, Patliputra, Patna/Muzaffarpur / Secretary to the Chief Minister, Bihar/
Chairman-Cum-Managing Director, Bihar State Power Holding Company Limited, Patna
for information and necessary action.


Principal Secretary,
Department of Industries, Bihar, Patna.

Memo No- 2528

/Patna, Dated- 10.09.2020

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Commissioner, Bihar, Patna for information.


Principal Secretary,
Department of Industries, Bihar, Patna.

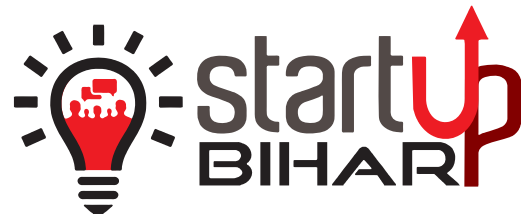
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Principal Secretary,
Department of Industries, Bihar, Patna.



BIHAR START-UP POLICY, 2017

Department Of Industries, Govt. Of Bihar



Govt. of Bihar

1. Preamble

- 1.1 Bihar is progressing fast on the track of development, with unrelenting efforts being made towards strengthening infrastructure and promoting industrial growth. Government of Bihar is committed to improve competitiveness of the state's economy and achieving inclusive growth. This can be realized by promoting innovation and creating an ecosystem that nurture startups from concept to commissioning.
- 1.2 Bihar has the advantage of a demographic dividend given the high proportion of youth in its population; there are limited employment opportunities for them to make productive economic contribution. Youth grow in a job-oriented society where entrepreneurship is not seen as a career option. Moreover, the current educational system is designed in a manner that places limited emphasis on entrepreneurship.
- 1.3 One of the most exciting features is the ability of these Startups to rapidly build scale and become global players. The chances of success are greatly increased when these businesses are supported with an appropriate eco system. Bihar has an opportunity to develop its own world class eco system, the talent; resources and ambition are most certainly present in the State. Startups are expected to play a vital role in the emergence of the Bihar economy. The development of this segment is most critical to meet the national imperatives of financial inclusion and generation of employment across urban, semi-urban and rural areas across the State. The new wave of Startups will act as a catalyst to bring about this socio-economic transformation.
- 1.4 In order to unlock the innovation potential of Bihar, a need of conducive and friendly Startup policy has been realized. With this policy framework along with private participation, the Government aims to enhance the depth and breadth of startup ecosystem in Bihar. Hence accelerating GSDP growth, contribute to the creation of thousands of jobs, counteract the process of brain drain and rejuvenating the next wave of economic growth in the State.
- 1.5 Government of Bihar formulated and notified Bihar Startup Policy, 2016 vide Resolution No. – 1849 dated 7th September, 2016. This is to create an independent and transparent eco system, where the State shall provide funding, promotion and policy support. The State has setup a Trust, with an initial corpus of INR 500 Cr., which acts as the nodal agency for implementation of this policy.
- 1.6 The State Government received very promising feedback including areas of improvement in implementation of the policy from various stakeholders. In order to address the feedback received and further strengthen the policy, Government of Bihar repeals the Bihar Startup Policy, 2016 and promulgates the Bihar Startup Policy 2017

2. Vision

2.1 The vision for the Bihar Startup Policy, 2017:

“To enable Bihar emerge as the most preferred destination for start-ups and entrepreneurs by leveraging the potential of local youth through a conducive startup ecosystem for inclusive growth in the State”

2.2 Bihar Startup Policy has been designed on following four pillars (YUVA)

YES to Start-ups (Awareness, Networking and Mentoring Campaign)

Unleash Regulatory Enablers for Supporting Start-ups

Vibrancy in Education System to encourage and facilitate Start-ups

Access to financing & incubation support

3. Policy Period

Bihar Start-Up Policy, 2017 will be effective from the date of Notification and will remain in operation for 5 years.

4. Objectives

- 4.1 Introduce, promote and encourage entrepreneurship education and career amongst the youth through various programs like “Udyami Bihar, Samridh Bihar Campaign”, Entrepreneurship Awards, Innovation Challenges and Business Plan Competitions etc.
- 4.2 Facilitate development of Entrepreneurship Development Centers in Divisional Towns and Nagar Nigam(s);and Entrepreneurship Facilitation Centers to increase awareness and promote entrepreneurship amongst the youth.
- 4.3 Create a sector-agnostic policy, enabling innovation in any and all possible sectors of development focusing upon: initiatives that leverage natural resources and human capital of the State, innovative and disruptive ideas with huge growth potential and initiatives in the areas which create multiplier impact.
- 4.4 Encourage Entrepreneurship through education by introducing learning modules in the university/ schools, MOOC (Massive Open Online Courses), Internships amongst others.
- 4.5 Facilitate development of new and support expansion of existing Incubators/common infrastructure spaces.
- 4.6 Provide a one stop comprehensive portal for startups to access financial support (SEBI

registered- Alternate investment funds, Empanelled Angel Investor, etc.), regulatory support, Network of mentors and Empanelled Project Management Consultants.

- 4.7 Enable hassle-free and time bound statutory clearances for startups.
- 4.8 Create a platform for accessing multiple avenues that provide financial support and encourage investors through incentives to invest in Bihar based startups.
- 4.9 Create an inclusive policy which embarks groups like SC/ ST, woman enterprise and differently-abled.
- 4.10 Provide appropriate institutional support to enable the nurturing of startups.

5. Definitions

- 5.1 **Angel Investor:** Angel Investor is (also known as business angel/informal investor) an individual or group of investors who invest in startups at an early commercialization stage in return of convertible debt/equity.
- 5.2 **Alternate Investment Funds:** Alternative investment funds (AIFs) are defined in Regulation 2(1) (b) of Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. It refers to any privately pooled investment fund, (whether from Indian or foreign sources), in the form of a trust or a company or a body corporate or a Limited Liability Partnership (LLP) which are not presently covered by any Regulation of SEBI governing fund management (like, Regulations governing Mutual Fund or Collective Investment Scheme) nor coming under the direct regulation of any other sectoral regulators in India-IRDA, PFRDA, RBI.
- 5.3 **Category I Alternate Investment Funds:** Category I Alternate Investment Funds are defined in Regulation 3(4) (a) of Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. It refers to AIFs which invest in start-up or early stage ventures or social ventures or SMEs or infrastructure or other sectors or areas which the government or regulators consider as socially or economically desirable and include venture capital funds, SME Funds, social venture funds, infrastructure funds and such other Alternative Investment Funds as may be specified;
- 5.4 **Commercialization Stage:** Commercialization Stage refers to an integral stage in lifecycle of startup wherein startups scale up their business and commercialize product/ services.
- 5.5 **Expert Committee:** An Expert Committee shall be constituted as per para 1.6
- 5.6 **Differently-abled:** As defined in “Person with disability (equal opportunities, protection of rights and full participation) Act, 1995 and any other statute enacted for the welfare of person with disability.
- 5.7 **Entity:** Entity refers to Private Limited Company (under The Companies Act, 2013) or a

- Registered Partnership Firm (under The Indian Partnership Act, 1932) or Limited Liability Partnership (under The Limited Liability Partnership Act, 2008).
- 5.8 **Family Business:** A family business is one in which the majority of the stake is held by the person who has established or acquired the company (or by his or her parents, spouse, child or child's direct heir) and at least one representative of the family is involved in the management (either directly or indirectly) administration of the business.
- 5.9 **Financial Management Company:** A Financial Management Company shall be created by the Trust as per para 11.3.
- 5.10 **Fund Manager:** Financial Management Company shall appoint one or more fund managers for managing the fund and also activities mentioned under this policy.
- 5.11 **Government:** Means Government of Bihar in this Policy unless otherwise specified.
- 5.12 **Idea Stage:** Idea Stage refers to an integral stage in lifecycle of startups wherein feasibility analysis of the idea is performed to evaluate the success/failure of the concept.
- 5.13 **Incubator:** Incubator means physical spaces which helps entrepreneurs to convert their ideas in becoming successful and profitable ventures by supporting them in business planning, mentoring, recruiting their top team, commercializing their technologies, developing their products, getting early seed funding, help in forging partnerships at the national and global level, advice on intellectual property, training and development and many other things. This could be a private agency or a government institution.
- 5.14 **Mentoring:** Mentoring is generally a pool of industry experts/ academicians that help startups by providing unbiased guidance, strategic support and thinking and help them build their network.
- 5.15 **Registered:** Registered refers to an entity registered with Registrar of Companies (RoC) Bihar.
- 5.16 **Seed Grant:** Seed Grant is a financial assistance provided to startups to develop a prototype product and generate sufficient investor interest for subsequent rounds of funding. Terms and conditions of the financial assistance are mentioned in para 10.5.1.
- 5.17 **Scheduled Caste (SC)/Scheduled Tribes (ST) Enterprise:** Enterprise fully owned by SC/ST. Partial shareholding of SC/ST in an enterprise shall not be treated as SC/ST enterprise.
- 5.18 **State Supported Incubators:** means incubator(s) supported by Government of Bihar and/or Government of India.
- 5.19 **TBI:** A Technology Business Incubator (TBI) as recognized by Department of Science and Technology, Government of India.

- 5.20 **Trust:** Trust means a nodal agency constituted by Department of Industries, Government of Bihar under The India Trusts Act, 1882 for the purpose of implementation of this Policy.
- 5.21 **Validation Stage:** Validation Stage refers to an integral stage in lifecycle of startups wherein the product/service is produced and delivered in a limited capacity which can be scaled up upon the success and requirement.
- 5.22 **Venture Capital:** Venture Capital is the fund invested in start-up at commercialization stage upon critical appraisal of the project undertaken by venture capital companies. The capital is generally invested in return of equity shareholding.
- 5.23 **Woman Enterprise:** An enterprise headed by woman where 100% stake is owned by woman. Partial shareholding of Woman in an enterprise shall not be treated as Woman enterprise.

6. What is Start-Up in Bihar?

- 6.1 Startup means an entity, incorporated or registered in Bihar not prior to five years with an annual turnover not exceeding INR 25 Cr. in any preceding financial year, working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.
- a. Provided also that an entity shall cease to avail further benefits under this policy if its turnover for the previous financial years has exceeded INR 25 Cr. and/ or it has completed 5 years from the date of incorporation/ registration unless the context otherwise stated;
 - b. Provided that such entity is not formed by splitting up, or reconstruction, of a business already in existence and should not have been formed by the demerger or reconstitution of a business already in existence;
 - c. Provided that such entity is not a holding company and it is not a subsidiary of any firm already in existence or except the subsidiary of any startup;
 - d. Provided further applicable taxes from the operations of the company are payable in Bihar.

6.2 Certification of Startups

All applications of potential startups received by the Trust shall undergo a preliminary examination by a committee set up by the Trust headed by the Principal Secretary/ Secretary, Industries Department. After preliminary examination a list of shortlisted applications shall be tagged to the concerned subject related incubators. The List of all such tagging (applicants with incubators) shall be approved by the Trust. The Incubators after the incubation process shall prepare a proposal on the following issues:

- a. The amount of funding assistance required at various stages
- b. Any requirement of common infrastructure or other infrastructure created under this policy.
- c. Any assistance as envisaged under this policy.
- d. Business Plan.

The list of such recommendations/proposals of the incubators shall be placed before the Expert Committee as mentioned in para 11.6. The Expert Committee shall examine these recommendations and recommend for certification of startups. The Trust on the recommendation of the Expert Committee shall certify Startups. It is only after this certification that the startups shall be eligible for financial incentives under this policy.

6.3 Exit Conditions

- a. If the company is found guilty on any charges of fraud or if the company is found to have made any false declarations to claim any benefits from or derived under this policy. Legal action shall be initiated to recover all financial assistance provided to such an entity.
- b. Once an entity ceases to be recognized as a start-up; the Government or entity through which the Government makes its investment will be eligible to exit its investment in the start-up and guidelines for exit will be framed by trust for channelizing investments into the start-up. When the Government or its representative entity exits its investment; the right to nominate a representative director on the board of the start-up will also be extinguished.

7. Yes to Start-Up

7.1 Promoting Awareness “Udyami Bihar, Samridh Bihar Campaign” and Facilitating Networking Platform for Startups

Bihar has the advantage of a demographic dividend given the high number of youth in its population and there are limited employment opportunities for them to make productive economic contribution. Youth in India grow in a job-oriented society where entrepreneurship is not seen as a career option. Moreover, educational system is designed in a manner that places limited emphasis on entrepreneurship. Government is committed to encourage entrepreneurship as an education and career both, for the youth across all economic and social segments of the population. It is essential to foster a culture that positively values entrepreneurs as a crucial factor to achieve inclusive economic growth. In order to reform the cultural perception of society towards entrepreneurship and inculcate entrepreneurial culture amongst youth, Government shall:

- a. Launch Startup outreach and awareness campaign “Udyami Bihar, Samridh Bihar ” at State level in collaboration with startup stakeholders
 - b. Recognize and promote achievements of successful local startups by organizing 'Entrepreneurship Awards'.
 - c. Organize state level challenges/ business plan competitions
 - d. Support business networks (Industry Associations/Organizations promoting Startups) to organize startup awareness activities such as startup fairs
- 7.1.1 A proper networking amongst various stakeholders' viz. investors, academia, industry and other stakeholders is critical for an effective startup ecosystem. The startup community needs a platform to inter communicate at a national and international level to exchange and collaborate amongst each other.
- 7.1.2 Government for creating an effective startup ecosystem shall organize 'Bihar Startup Fest', a platform to amalgamate the startup ecosystem and provide visibility to State startups.
- 7.2 **Assistance for Idea Development**
- Conducive startup ecosystem enables youth to convert their ideas into meaningful propositions. A proper guidance system is essential for youth to express and enhance their ideas. In order to spread awareness and provide guidance to potential entrepreneurs, State shall provide financial assistance to facilitate:
- a. Setting up Entrepreneurship Development Cells in Divisional towns and Nagar Nigam(s) in collaboration with Education Institutes, Bihar based industrial associations/organizations promoting startups.
 - b. Setting up Entrepreneurship Facilitation Centers at Educational & Professional Institutes.
- 7.2.1 These Cells/Centers shall:
- a. Organize various promotional events to disseminate awareness about entrepreneurship and promote startup culture in the state under “Udyami Bihar, Samridh Bihar Campaign”.
 - b. Provide assistance to students/potential entrepreneurs for presenting and enhancing their idea to various stakeholders of start-up ecosystem viz. Government, education institutes, incubators, industry experts, legal, tax and business consultants.
 - c. Support startups for preliminary mentoring and business plan support, company registration, market research support, business structuring advisory and management consultancy.

8. Unleash Regulatory Enablers for supporting Startups

8.1 Setting up comprehensive one stop portal for Startup- Ecosystem in Bihar

Statutory clearances from relevant regulatory authorities are pre-requisite for a start-up to commence operations. Limited awareness of the processes increases the turnaround time for registration, hence delays the commencement of operations for the Startups. A single window clearance system supported by interactive training manuals and checklist would enable Startups to register themselves in an easy and timely manner.

Start-up ecosystem needs a single platform for interaction and collaboration with each other. In order to establish a single platform for interaction and information sharing of various stakeholders, a Startup Bihar portal shall be launched. This portal shall provide instant accessibility to startups for:

- a. Accessing interactive tutorials for registration process and checklist for the various clearances required with specified timelines.
- b. Registering with relevant authority and filling various State Level compliances at State level through standardized forms.
- c. The portal shall also be integrated with other Government of India sponsored Startup Portals for connecting with various stakeholders of the ecosystem.
- d. Interacting and collaborating with various stakeholders viz. Registered network of mentors and professional experts, incubators, academia, empanelled Project Management Consultants and angel investors, SEBI-registered AIFs (Alternate Investment funds) and other stakeholders.
- e. Empanelled mentors of networks to startups having potential for growth and scalability.
- f. Accessing various State Government Schemes and Incentives available for Startups.

The portal shall also be made available in form of a mobile app and supported by a Toll free helpline to facilitate application/ assistance. Clearances for registration/ application shall be ensured in a time bound manner.

8.2 Optimizing Regulatory Framework- Enabling regulatory environment for Startup Ecosystem

Starting up a business involve getting various stages of departmental approval and clearances. Most of the startups are unaware of the complex policies and regulatory framework, which may hinder their regular operations. Therefore, it is imperative for Government to minimize the regulatory compliances, punitive actions and provide support /awareness to these propellers of next stage economic growth.

In line with above, Government shall enhance the ease of doing business by minimizing inspections and encouraging self-certifications:

- a. Startups shall be exempted from licensing/registration for operations under various State Acts for a period of 5 years. However, Statutory Licenses (such as Drug License, FSSAI, Building Plan, Fire Fighting) shall be required to be obtained by the startup if its nature of business/activity may lead to potential threat to life and safety, in such cases Government shall bear the cost of license(s).
- b. Startup shall be exempted from inspections by Government Regulatory Agencies for a period of five years unless there is threat to life and safety. In case a unit has to be inspected for certain reasons the permission of the District Magistrate shall be obtained.
- c. Self Declaration shall be submitted by Startups annually as per the format prescribed by State Government.
- d. State Government Departments/ PSUs shall be advised to give preference to Startups in procurement process for products/ services
- e. State Government shall allot 10% of spaces in forthcoming industrial parks, SME Clusters and Hub for Startups/Incubators/ Common Shared Infrastructure on preference.

9. Vibrancy in Education System

Education institutes provide an apt environment for introducing and educating entrepreneurship for promoting the culture of innovation. Government recognizes the importance of reforms in education for creating entrepreneurial spirit amongst students.

In order to promote startup culture and innovation in youth of Bihar, Government shall facilitate/recommend following interventions:

- a. Embed Entrepreneurship modules in high schools, university, skill training, and vocational training institutes' curriculums/ programs. Education institutes will be suggested to introduce Massive Open Online Courses (MOOCs) as electives and make internships/apprenticeship mandatory.
- b. Education / Professional Institutes shall be supported to formulate Entrepreneurship Facilitation Centre to guide and assist students to pursue entrepreneurship.
- c. Organize Business/Innovation Idea Competitions amongst students. Shortlisted ideas shall be provided support for prototyping and will be showcased in Start-up Fest organized by the State.
- d. Organize social innovation challenge through Entrepreneurship Development Cells to provide challenge grant to 20 social innovators to support their ideas.

10. Access to Funding and Incubation Support

10.1 Facilitating Incubation Centers for Startups

Incubation centers are crucial for nurturing promising Startups. They provide access to mentoring network, market network, shared physical infrastructure etc. Creation of Physical Infrastructure generally requires large capital investments. Considering this, following incentives/financial assistance shall be provided to startups:

- a. Financial assistance for setting up of new incubators and expanding State supported Incubators.
- b. Reimburse cost of incubating a startup maximum up to Rs 2 Lakhs per incubatee to Government recognized private / state supported incubators.
- c. Fiscal incentive to Incubators @2% of the investment received by its incubatee from SEBI registered AIFs (Alternate Investment Funds) into Bihar based startups.
- d. Fiscal Grant to State Supported Incubators @3% of the investment received by its incubatees from SEBI registered AIFs (Alternate Investment Funds) or Grant received from Government of India for promoting technology based (IPR) startups and @5% for startups in social sectors providing solutions to public service access problems in Bihar in areas like health, education and nutrition etc.
- e. The Government shall provide financial assistance to match the funding raised by Incubator(s) from Government of India and Multilateral donor agencies on 1:1 basis on same terms and conditions.

10.2 List of State Supported Host Institutes

Pilot Institutes (Phase-I)

- a) Indian Institute of Technology (IIT), Patna
- b) National Institute of Technology (NIT), Patna

Host Institutes (Phase-II)

- c) Rajendra Agricultural University, Pusa
- d) ICAR Research Complex for Eastern Region, Patna
- e) National Institute of Fashion Technology (NIFT), Patna
- f) Birla Institute of Technology, Patna
- g) Central Institute of Plastics Engineering and Technology (CIPET), Bihar
- h) UpendraMaharathi Institute, Patna
- i) Chandragupta Institute of Management, Patna
- j) Tool Room and Training Center, Patna

- k) Bihar Agricultural University, Sabour
- l) Apparel Training and Design Centre, Patna

The pilot institutes shall extend all possible handholding support to establish incubators in other State Supported Host Institutes in a phased manner. The State Government shall from time to time declare new institutions as State Sponsored institutions under this policy.

10.3 Common Infrastructure for Start-ups

Government shall facilitate creation of common infrastructure for Startups. The shared infrastructure shall include:

- a. Co-working spaces.
- b. Provide shared facilities like R&D labs, cubicles, conference rooms etc.
- c. Shared software and hardware like high-end printer, computers etc.
- d. Common testing labs and tool rooms.
- e. Shared services like legal, accounting, technology, patents, investment banking.
- f. Individual accommodation and hostel rooms
- g. Community events and promotional support for incubation and startups
- h. Common facilities Centers (warehouse, Storage, Quality Assurance labs)

Common infrastructure spaces shall be established either by Government or through PPP mode. This support shall be available on Free of Cost (FOC) basis to Startups for a period of 3 years.

- 10.4 Apart from the incubation centres, a “**Bihar Innovation Hub**” shall be developed preferably on PPP basis (viability to be assessed by trust) which shall provide all services of an incubator including shared work spaces, professional business advisory/consultancy; access to funding and also provide support at commercialization stage including networking and merger & acquisition, valuation advisory amongst others. This innovation hub shall be further expanded into virtual incubator to widespread its reach.

10.5 Funding Support to Start-ups

Funding support shall be provided to Startups in various stages of its business cycle.

Validation Stage:

10.5.1 Seed Funding Support

A Seed Grant upto Rs 10 Lakhs per start-up as interest free loan for 10 years shall be provided to startups. This financial assistance shall be released on achieving milestones/phases and performance parameters defined by Incubation Center and the trust. The financial assistance shall be provided to startups for validation of idea, prototype

development, assistance towards travelling costs and carrying out field/ market research/ skill training/ marketing and initial activities to setup a startup etc. The actual amount of funding shall be based on the assessment made jointly by the incubation centre and the Expert Committee. The loan shall be returned after 10 years. An amount equal to 5% of the seed grant shall also be contributed by the Incubatee into the startup.

Commercialization Stage

10.5.2 Early Stage Funding Support

- a. Free of cost Valuation for Startups.
- b. Facilitate access to Angel Investors.
- c. A success fee @2% of investment shall be provided to startups for mobilizing investments from state registered angel investors towards early stage funding.
- d. A financial assistance equal to the amount invested in startup by the Angel Groups and Category I Alternate Investment Fund shall be given as loan to the Startup. The rate of interest and terms and conditions of the loan shall be notified by the Trust from time to time.

10.5.3 Scale-up Funding Support

- a. The Trust may participate in SEBI registered AIFs (Alternate Investment Funds) and Venture Capital Funds, upto 25% as Limited Partner. The Venture Capital Fund so created shall invest at least 50% (i.e. equal to twice the contribution made by trust in the VC Fund) in startups located in Bihar.
- b. The Trust shall facilitate listing and public issue of Startups in collaboration with National Level Stock Exchanges such as BSE/NSE.

Incentives/ provisions under Bihar Industrial Incentive Policy in force will be available to startups. However the incentive for the same component cannot be claimed from more than one scheme.

Efforts will be made to leverage relevant benefits available under various schemes of Government of India.

10.6 Zero Cost for filing patents – Domestic and Foreign

Intellectual Property (IP) is an invaluable business tool for startups, or entrepreneurs, providing initial start to one's business. IP gives an exclusive right to the creator over the use of his/her' creation for a certain period of time. With increasing new avenues in businesses, “the Intellectual Capital” has become one of the key wealth drivers in present era. In today's competitive and dynamic environment, IP can be unique selling proposition (USP) of the

product or service allowing high entry barrier for startups to grow faster than competitors. Investors weigh IPs heavily and create good value for venture.

In order to encourage the registration of IPRs (Intellectual Property Right) by Startups and provide facilitation support for protection and commercialization of IPRs, Government shall:

- a. Bear all costs associated towards filing domestic patents.
- b. Provide additional financial assistance in form of reimbursement for awarded foreign patents towards filing fees.

10.7 Additional incentives to SC/ST/Women/Differently-Abled

Incentives listed below shall solely be applicable to startups which are fully owned by any one person of this category or a group/mix of the person defined in this category only. Efforts shall be made to identify persons belonging to the Scheduled Castes and Scheduled Tribe and promote entrepreneurship among them.

10.7.1 The Trust may set up Project Management Units to specifically handhold them in setting up their ventures.

10.7.2. Entrepreneurs under this category will avail additional grant / exemption / subsidy than the limit fixed under clause 10.5.1 and 10.5.2 of this policy

- a) Woman Enterprise-additional 5%
- b) SC/ST-additional 15%
- c) Differently Abled- additional 15%

10.7.3 Additionally, 22% (20% SC/2%ST) of the total corpus for funding startups shall be reserved for SC/ST.

10.7.4 Based upon the requirement, Government shall relax the eligibility criteria, as stated in clause 6.1, for certifying startups belonging to SC/ST/ women and differently abled.

11. Institutional Framework

11.1 A Trust is an autonomous body constituted under the Chairmanship of a professional with an experience in investments in companies. The composition of Trust shall be:

Expert in area of investment or the Development Commissioner till such appointment is made by the Government	Chairperson
Principal Secretary/ Secretary, Industries	Member- Secretary
Principal Secretary, Finance	Member
Principal Secretary, Planning	Member
Principal Secretary, Science and Technology	Member
Two Principal Secretaries/ Secretaries to be nominated by the Government	2- Members
Director IIT Patna, Director NIT Patna, Director CIMP.	3- Members
Representatives of Associations, Organisations and Institutions promoting Entrepreneurship	3- Members
Special Invitee members (Subject/Sector experts)	2- Members
Representative of Financial Management Company	2– Members

11.2 Single Window Clearance Committee

All Statutory Licenses/Clearances required by startups (if not exempted otherwise under this policy) shall be facilitated on priority basis. This committee shall constitute of:

- Principal Secretary, Industries
- Representative for concerned departments

The committee shall ensure time bound clearances for all the matters as stated in the policy.

11.3 Financial Management Company

The Trust shall set up a Financial Management Company to carry out the financial operations of the Trust. The Financial Management Company shall disburse incentives, loans and other financial assistance to the Startups as decided by the Trust.

11.4 **Role of Trust**

As the nodal agency for this Policy, Trust shall be entrusted with the following roles and responsibilities:

- a. Management of awareness campaign for promotion of entrepreneurship amongst youth of Bihar
- b. Support Entrepreneurship Development Cells and Entrepreneurship Facilitation Centers
- c. Creating and managing common infrastructure for Startups
- d. Recommend reforms encouraging entrepreneurship in education.
- e. Creation of customized index to track the quality of Startup ecosystem by benchmarking national and international level
- f. Setting up, Operations and Management of Startup Bihar Portal
- g. Certification of Startups
- h. Conduct quarterly review meetings with committee for progress in the policy implementation
- i. Alignment of the Policy with other policies of State Government
- j. Amendment(s) and Modification(s), if any, required of the policy
- k. Liaison with other State Departments for effective implementation of the policy
- l. Liaison with Government Agencies and other agencies at national level like SEBI, etc to create optimal policies for funding assistance to startup
- m. Liaison with Multilateral Financial Institutions like World Bank, IFC for financial support to Startups.
- n. Resolution of any difficulty faced by startups during establishment and operations in Bihar
- o. Annual review of the Policy
- p. Overall Monitoring and Implementation of the Policy
- q. Identify and develop new markets for Startups in the State

11.5 **Role of Financial Management Company**

The Financial management Company setup by the trust shall carry out the following

activities:

- a. Asset Management of the trust
- b. Appointment of Fund Manager
- c. Facilitation of incentives in the policy such as cost of registration and licensing, zero-cost IPR and all other fiscal incentives stated in the policy
- d. Assistance for funding to Startups such as seed grant, early stage and scale-up funding and other funding support stated in the policy
- e. Financial assistance to set up Entrepreneurship Development Cells and Entrepreneurship Facilitation Centers
- f. Financial assistance in Creating and managing common infrastructure for Startups
- g. Investments in Startups as per this policy.
- h. Facilitate Investment related decisions under the policy in a time bound manner.
- i. Periodic assessment of policy and startup ecosystem
- j. Timely amendment and suggestion of the policy
- k. Keeping vigilant eye on policy implementation procedure
- l. Raise funds from Multilateral and Donor Agencies

11.6 Startup Investment Advisory Committee (SIAC)

The State Government shall set up an Expert Committee called the Startup Investment Advisory Committee consisting of eminent and experienced professionals. The SIAC shall carry out the following activities:

- a. Recommend the list of applicants under this policy to be certified as startups
- b. Assist the Trust in creating of a panel of Private Incubators
- c. Assist the Trust in creating a panel of Angel Groups and Category I Alternate Investment Funds
- d. Assist the Trust and the Financial Management Company to create a panel of Venture Capital Funds and aid in decision making of investments in Fund of Funds for Startups in Bihar.
- e. Advise the Trust on various issues related to the implementation of the Policy
- f. Advise the Trust and review the performance of the policy.

The Committee shall meet frequently for such matter(s) and gap between the two

consecutive meetings shall not be more than 90 days. The meeting of the committee can be conducted in person or virtually using technology such as video conferencing, conference calls whereby the members can hear and be heard by the other members of the committee.

11.7 Responsibility Matrix

S No.	Task	Responsibility
1.	Certification of Start-ups	Trust on the advise of the SIAC
2.	Awareness Campaign. State Level Challenge/ Competition & Bihar Startup Fest	Trust with assistance of Financial Management Company /any other agency(s)
3.	Financial Assistance for setting up of Entrepreneurship Development Cell/ Entrepreneurship Facilitation Centre	Trust with assistance of Financial Management Company
4.	Setting up One Stop Bihar Startup Portal	Trust with assistance of Financial Management Company/any other agency(s)
5.	Statutory License/ Registration under various Acts required for running a business	Single Window Clearance Committee
6.	Recommend Reforms in Education System	Trust with assistance of Technical Higher Education Institutes
7.	Funding/Incentive(s) appraisal	Financial Management Company
8.	Investments in Startups	Financial Management Company
9.	Incubation Support for Startups	Financial Management Company
10.	Common Infrastructure and Bihar Innovation Hub	Trust/ Financial Management Company
11.	Zero Cost IP Registration	Financial Management Company

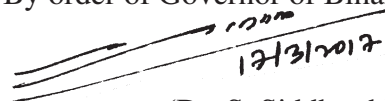
12. Protection of action taken in good faith

- a. No suit, prosecution or other legal proceeding shall lie against Trust, Financial Management Company, Startup Investment Advisory Committee or any official involved in the implementation of this policy in respect of anything which is done or intended to be done in good faith under this policy or in pursuance of any order, executive instruction or direction made or given thereunder.

- b. No suit or other legal proceeding shall lie against the Trust, Financial Management Company, Startup Investment Advisory Committee or any official involved in the implementation of this policy for a damage caused or likely to be caused by anything which is done or intended to be done in good faith under this policy or in pursuance of any order, executive instruction or direction made or given thereunder.

13. Bihar Startup Policy, 2016 has been repealed with effect from dated 17.03.2017.

By order of Governor of Bihar

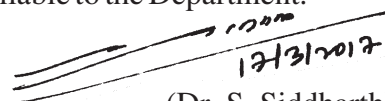


(Dr. S. Siddharth)

Principal Secretary, Department of Industries
Bihar, Patna.

No.: 357/ Patna, Dated - 17.03.2017

Copy to :- State Printing Press, Gulzarbagh, Patna to publish in the special edition of Bihar Gazette.
Request to print 1000 copies of the published gazette and make it available to the Department.

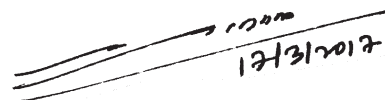


(Dr. S. Siddharth)

Principal Secretary, Department of Industries
Bihar, Patna.

No.: 357/ Patna, Dated - 17.03.2017

Copy to :- For information and necessary action - To all Department/ department Head/Commissioner, Commercial Taxes/Managing Director, all Corporations under Department of Industries/Bihar Industrial Area Development Authority/Chief Executive Officer, Bihar State Khadi and Village Industries Board, Patna/Chairman, Bihar State Electricity Board, Patna/ All Divisional Commissioner/All District Magistrates/All Deputy Development Commissioner/Director, Technical Development/Director Industries/Resident Commissioner, Bihar Bhawan, New Delhi/All General Manager, DIC/Director, MSME Development Institute, Patna/Muzaffarpur.



(Dr. S. Siddharth)

Principal Secretary, Department of Industries
Bihar, Patna.

Bihar Agri Investment Promotion Policy 2020



AGRICULTURE DEPARTMENT
Government of Bihar

Preamble

Bihar is one of the important agricultural states in the country with around 80% population engaged in agriculture (more than the national average). Being a major producer of food grains, pulses, fruits and vegetables, the agricultural sector in the State is growing at 13.8%, thereby contributing 19.26% of GSDP. It is one of the leading producers of vegetables & fruits in India, including many GI tagged crops. However, with very minimal primary and secondary processing happening here, the existing potential for agri-based enterprises in the State remains untapped.

The state has Bihar Industrial Investment Promotion Policy, 2016 (BIIPP 2016), which identifies food processing sector as a under high-priority sector and priority sector. The Government of Bihar is committed to promote investment towards agribusiness in the State by way of extending additional assistance to the investors coming in this sector.

Assessing the State's potential of capitalizing on the surplus production of various crops and the potential of increasing the level of processing, reduction of wastage, value addition and promote exports, the State government has realized the need to re-visit the provisions of BIIPP 2016 and make the incentives more lucrative for agribusiness investors including Farmer Producer Companies (FPCs) in Bihar. In this context, Government of Bihar has decided to launch Bihar Agri Investment Promotion Policy (BA-IPP) 2020.

The BA-IPP 2020 aims to enhance income of farmers through better returns gained through better processing of produce and create enabling environment in the state for setting-up of agribusinesses. This policy also promotes FPCs as potential investors in agribusiness sector, through added financial assistance.

Bihar Agri Investment Promotion Policy, 2020

1. Vision of the Policy

'To encourage and promote agribusiness sector in Bihar through creating an enabling environment for the same and enhancing the level of processing, storage, waste reduction, value addition and export promotion thereby generating higher income returns to farmers and creating more employment opportunities'

2. Objectives

The policy aims to achieve the following objectives for the overall growth and development of agribusiness sector in the State with a goal of providing remunerative returns to farmers' produce:

- 2.1. To promote and facilitate investment in agribusiness sector in Bihar through financial assistance and an enabling environment
- 2.2. To increase the level of processing, reduction of wastage, value addition and promote exports thereby resulting in overall development of agro processing sector.
- 2.3. To extend financial assistance for establishment of new agro-processing units as well as technology upgradation and expansion of existing units in the State in the identified sectors of Agriculture.
- 2.4. To enhance income of farmers through better returns gained through better processing of produce
- 2.5. To create employment opportunities through promotion of agro based industries

3. Salient features of Bihar Agri Investment Promotion Policy, 2020

- 3.1. The policy provisions under the current policy shall be available to investors in addition to the Bihar Industrial Investment Promotion Policy, 2016, but there shall be no overlapping supports, i.e. investors shall not be eligible to avail same incentives under both policies.
- 3.2. The policy shall provide capital subsidy to the eligible individual investors /entrepreneurs or registered farmer-based companies for setting up /modernization /diversification/expansion of agro processing units in the identified sectors of Agriculture, in the state of Bihar. The investors/ entrepreneurs may set-up their units as Proprietorship, Partnership firm, Limited Liability Partnership (LLP), Company including Farmer Producer Company (FPC).
- 3.3. Capital subsidy under the said policy is allowed for expansion/modernization of existing projects in the identified sectors, only if the existing capacity of the said project is increased by at least 25% by way of such modernization or expansion or diversification (definition of expansion and modernization same as BIIPP 2016).

- 3.4. The Capital subsidy support shall be entirely credit linked.
- 3.5. The projects with minimum approved project cost of Rs. 0.25 cr. and maximum of Rs. 5 cr. shall be eligible for availing the benefits under this policy.
- 3.6. Bihar Horticulture Development Society (BHDS), Agriculture Department, Government of Bihar will be the nodal agency for implementation and monitoring of this policy in the state.

4. Coverage and Scope

This policy shall be applicable in the entire state and considering the Bihar's leading position across the country in terms of agri produce, the Policy identifies the following seven agribusiness sectors for extending the financial assistance:

5. Incentives under Bihar Agri Investment Promotion Policy, 2020

S No.	Sector*	Indicative processing industries**
1.	Makhana	Processed makhana, makhana powder, ready to eat makhana (different flavours), confectionaries, breakfast mix, chips, kheer mix, etc.
2.	Fruits and Vegetables	- Litchi (Pulp, juice, nectar, beverage, jam, jelly, pulp slabs, etc.); - Guava (Juice, Beverage, Jam, jelly, nectar, ayurvedic medicines etc.); - Banana (Pulp, baby food, banana fiber, packing material, banana flower vegetables (Ready to eat), banana trunk vegetables & pickles); - Potato (Potato flakes, powder, granulated); - Spices - Cryo grinding (All medicinal & Culinary spices); - Tomato (Tomato paste, puree, dehydrated, etc); - Mushroom (canning, drying, etc.); - Tamarind (paste, de-seeded, etc.); - Fruit & Vegetables Fresh / Processed (Frozen, pulp, washed, cut, dried, canned, packaged fruits and vegetables) - Pickle unit (Mixed pickle, mango, lemon, chilli pickle, etc.)

S No.	Sector*	Indicative processing industries**
3.	Honey	Processed honey for consumption, honey for industrial use (pharmaceutical, food processing, cosmetics, etc.), bee venom, royal jelly, bee-wax, propolis, pollen
4.	Medicinal and Aromatic Plants	Medicinal and aromatic plant-based products
5.	Maize	Cattle feed, fish feed, Poultry feed, Corn flakes, corn grits/ corn suji, corn starch, Post-harvest management infrastructure including storage
6.	Tea	Modern tea processing units, Teabags, loose tea, compressed tea, Instant tea, bottled and canned tea, processed tea for industrial use (cosmetics, pharmaceuticals, food processing, etc.)
7.	Seeds	Seed processing units (cereals, pulses, fruits, vegetables, etc.)

Note:

* Government of Bihar may modify the identified sectors under the policy from time to time, as per requirement and the sectors identified herewith shall be considered as priority sector in BIIP also.

**List is indicative and all the products coming under the gamut of above identified 7 sectors shall be included under the policy.

- Units/ enterprises set up for the purpose of packaging/ repackaging of food items imported from other states or countries shall not be considered eligible under this policy (as mentioned in BIIPP 2016).
- If a unit/ enterprise is setting up two or more kinds of facilities in an integrated manner/for captive use purpose, the facilities would be treated as a single project and combined cost of the facilities would be considered for grant calculation purposes. The classification of the units/ enterprises into eligible units under this policy would be as per the nature of the main/mother facility, i.e. the core facility (as mentioned in BIIPP 2016).
- Units for manufacturing any food item fit for human/ animal consumption which does not contain maize, fruits and vegetables or any processed/preserved items (like pulp concentrate, extract) made from maize/Fruits & Vegetables as its main ingredient would not be considered eligible for getting benefit under this policy (as mentioned in BIIPP 2016).
- In the maize sector, priority shall be given to cattle feed and fish feed units/industries.
- Dedicated ancillary units (packaging, laminates, etc.) at makhana producing districts shall be promoted with targeted support from BIIPP-2016

S No.	Sector*	Indicative processing industries**
f)	Unit established for processing of by-products of the main agribusiness facility will be considered for a grant only under the BIIPP 2016 (under the non-priority sector) if the end product resulting from the processing of the by-product is not a food product fit for human/ animal consumption (with any exceptions defined above). If the final product is fit for human/ animal consumption it would be categorized as per the allowed sectors (as mentioned in BIIPP 2016).	
g)	In case an existing unit migrates from non-agri based sector to agri-based sector i.e. as identified in Clause 4 of this policy, through capacity expansion and/or facility addition and/or diversification etc., it would enjoy the incentives as provisioned in this policy.	

The Policy recognizes the need of capital subsidy to improve the investment prospects in the agribusiness sector / corresponding units in the state.

5.1 Guiding Principles

- 5.1.1 These provisions /principles shall be applicable to all eligible projects /units under this policy.
- 5.1.2 This policy shall come into force from the date of its notification. The said date shall be considered as effective date of this policy from which its provisions coming into force and will be applicable till 31st March 2025. Eligible units under the policy shall avail the capital subsidies up to a maximum of 2 yrs. after the end of the policy term, i.e. 31st March 2025.
- 5.1.3 The capital subsidy support to the units falling under the seven identified agribusiness sectors (in clause 4) will be in addition to the wide range of benefits eligible under the Bihar Industrial Investment Promotion Policy, 2016.
- 5.1.4 Projects having procured SIPB (State Investment Promotion Board) stage - I approvals will be eligible to apply for BAIPP screening with requisite documents and pre-conditions.
- 5.1.5 An investor shall not be eligible for applying under this policy for availing capital subsidy beyond 31st March 2025.
- 5.1.6 Investor applying for benefit under this policy shall provide a Detailed Project Report (DPR) accompanying the Bank Appraisal Report prepared by the scheduled nationalized bank or financial institution approved by RBI/SEBI, which is supposed to extend the term loan to the unit. The appraisal report prepared by the bank/ financial institution shall form the basis for ascertaining the project cost for calculation of incentives.
- 5.1.7 For the purpose of calculation of capital subsidy under this policy, the approved

project cost shall mean the project cost as defined in Clause 5.2 and approved by the competent authority. The approved project cost shall be the basis for determining the disbursal amount.

- 5.1.8 In the approved project cost considered for capital subsidy calculation under this policy, the cost of land shall not exceed a limit of 10% of the total project cost, excluding the land cost. While the land development cost would be capped at 2.5% of the total project cost excluding such land development cost. Thus, in the approved project cost either the actual cost of land mentioned in the project report assessed by the bank/ financial institutions or 10% of the total project cost excluding the land, whichever is less, will be considered. This principle shall be followed for examining all investments under this policy.
- 5.1.9 The capital subsidy under this policy shall be credit linked and released in two instalments (linked to installation of P&M – 1st instalment, and at commencement of commercial production/ operations – 2nd instalment) to the Bank / FI extending the term loan to the investor. The subsidy released under this policy shall go to term loan account towards principal component of loan.
- 5.1.10 In case of Scheduled Castes (SC), Scheduled Tribes (ST) and Extremely Backward Castes (EBC) investors, the maximum limit of capital subsidy shall be increased by additional 5% across all categories. For more details, please refer to Clause 5.4.
- 5.1.11 In case of women, differently abled entrepreneurs, war widows, acid attack victims and third gender entrepreneurs, the maximum limit of capital subsidy shall be increased by additional 2% across all categories. For more details, please refer to Clause 5.5.
- 5.1.12 The benefits under this policy shall cease either on the exhaustion of the applicable quantum or on the completion of the eligible period, whichever is earlier. Any unutilized incentive at the end of eligibility period shall lapse. The sanctions to eligible investors would be accorded as per budget availability under each financial year.
- 5.1.13 Any existing or new unit, expanding its capacity, diversifying, or modernizing during the policy period will be given the benefits as applicable to new units on their incremental approved project cost. To avail the benefits, there must be a capacity expansion/modernization of at least 25% of the capacity of the existing unit (provisions as mentioned in the BIIPP 2016).
- 5.1.14 All the sectors (and the respective processing units) as stated in clause 4 of this policy shall be considered as part of priority sector in the Food Processing sector of the Bihar Industrial Investment Promotion Policy, 2016.
- 5.1.15 The time schedule for completion and operationalization of project will be a

maximum of 24 months from the date of approval.

- 5.1.16 Other subsidies/grants/soft loans and other benefits as applicable in other schemes shall be valid for Agri industries and infrastructure established in the State of Bihar, however, the upper limit to receive benefit from all the permissible sources shall be capped as per the following specifications:

- 5.1.17 In the event of change in ownership or management of a unit, the same shall be

S No.	Type / Category of Investor	Capping of incentives
1.	Individual – General	50 %
2.	Individual – SC / ST / EBC	55%
3.	Individual - Women, differently abled persons, war widows, acid attack victims and third gender investors	52%
4.	FPC (Farmer Producer Companies)	60%

intimated by the unit to the competent authority as defined by the Department of Industries from time to time and to the Nodal agency for implementing this policy. If required, a revised Letter/ Eligibility Certificate shall be issued to the unit (in the name of new owner) for balance incentives. The eligibility period shall not be extended under any circumstances and shall continue to be defined with effect from the original date of production.

- 5.1.18 In the event of any change in the shareholding pattern of a unit promoted by SC/ST/ women/differently abled persons/ war widows/ acid attack victims/ third gender entrepreneurs within 5 years of start of the commercial production, the new shareholders should be from the same category. In case the new shareholders are not from the same category, the amount of incentive extended to such units shall become liable to be recovered from the date of availing such incentives along with interest compounded annually @ 18% per annum (as provisioned in BIIPP 2016).
- 5.1.19 If any false declaration is given for the purpose of availing incentives or if any incentives are availed for a unit that was not eligible, the amount of incentives are liable to be recovered from the date of availing such incentives along with interest compounded annually @ 18% per annum. In case of non-payment within the stipulated time, the State Government may recover such amounts including interest as arrears of land revenue (as provisioned in BIIPP 2016).
- 5.1.20 Any attempt to break/ divide or merge units only for the sake of availing higher amount of capital subsidy without substantial operational reasons shall be treated as misrepresentation of facts and will attract penal action as decided by the competent authority (as provisioned in BIIPP 2016).

5.1.21 Negative list of industries/sectors which shall not be eligible for any incentives under this policy are stated in Annexure II. These industries/sectors shall not be eligible for any benefit under this policy.

5.1.22 All matters of interpretation/disputes shall be decided by the Agricultural Production Commissioner/ Development Commissioner, Government of Bihar. Such interpretation/decision shall be final.

5.2 Assistance under this policy

The Policy aims to promote investment in agribusiness units in the state through extending an additional support (apart from those enshrined in the BIIPP, 2016) for the individual investors as well as to create an enabling environment for promoting agribusiness in Bihar.

5.2.1 Capital Subsidy

a) Capital subsidy shall be made available to the individual / FPC investors for the identified sectors (in Clause 4) as per the following details:

Subsidy/Support	Quantum	Purpose of the support
Capital subsidy* for project cost (land value, land development, plant and machinery, factory building, civil construction, Miscellaneous Fixed Assets) – credit linked	i) for individual investors, Partnership firms LLP, companies - 15% of the project cost (project cost – min. Rs. 0.25 cr. and maximum of Rs. 5 cr.) 1st installment – 50% (after purchase and installation of plant and machinery) 2nd installment – 50% (after commencement of commercial production of the unit / project) (ii) for Farmer Producer Companies (FPCs) - 25% of the project cost (project cost – min. Rs. 0.25 cr. and maximum of Rs. 5 cr.) 1st installment – 50% (after purchase and installation of plant and machinery) 2nd installment – 50% (after commencement of commercial production of the unit / project)	Setting up /expansion & diversification / modernization for agro and food processing units

b) The capital subsidy will be credit linked and will be released to eligible promoters on achievement of defined milestones. The said subsidy shall be calculated against the eligible Fixed Capital Investment (FCI) of the total project cost. The components of FCI eligible for seeking subsidy will include the following components:

Sl. No.	Fixed Capital Investment against which subsidy/grant shall be calculated*
1	Land value (registered value of land; in case of leased land, the cost to be excluded from project cost and may be included in operating cost)
2.	Land Development
3.	Plant and machinery (including imported machinery)
4.	Factory building
5.	Civil construction
6.	Miscellaneous Fixed Assets (MFA): only those which are associated with production line such as DG set, transformer, electrical wiring, packaging unit, bar coding unit, etc.

*Above mentioned components shall be the base for subsidy/grant calculation, however the Application against the policy, appraisal note from the Bank, DPR, CA's certificate, etc. shall include the complete list of components of Project cost.

c) Ineligible components

- i. The following items under civil construction will be considered ineligible for calculation of subsidy for the project (The list is only indicative and not exhaustive):
 - a) Compound Wall
 - b) Approach Road/Internal Roads
 - c) Administrative Office Building
 - d) Canteen
 - e) Labour Rest Room and quarters for workers
 - f) Security/ Guard Room or enclosure
 - g) Consultancy fee, taxes, etc.
 - h) Other Non-technical civil works not related to processing unit or storage infrastructure
- ii. The following items will also not be considered eligible for calculating the grant for the project (The list is only indicative and not exhaustive):
 - a) Margin money, working capital and contingencies
 - b) Fuel, consumables, spares and stores
 - c) Transport vehicles other than the reefer trucks/vans/refrigerated carrier/insulated vans/milk tankers
 - d) Pre-operative expenses

- e) Second hand/ old machines
- f) All types of service charges, carriage and freight charges, etc.
- g) Expenditure on painting of machinery
- h) AC ducting, furniture, computers and allied office items.
- i) Closed Circuit TV Camera and security system related equipment.
- j) Consultancy Fee, Taxes, etc. on plant and machinery.
- k) Stationery items
- l) Plant & machinery not directly related to cold chain infrastructure
- m) Erection, installation and Commissioning charges.
- n) Fire-fighting equipment, fly catchers, hand washer, laundry etc.
- o) Reconditioned and refurbished plant & machinery.

5.2.2 Land availability

- a) BIADA shall create dedicated land banks for agri based industries as mentioned in Clause 4 of this policy.

5.3 Dovetailing with Central and State Government policies and schemes

- 5.3.1 Dovetailing with Central Government policies and schemes: Dovetailing of incentives with the Central Government schemes would be allowed under this policy. In case of grant availed / to be availed by the promoter under any scheme of the Government of India which has a state share or is further linked to the state Government schemes, the approved project cost for the purpose of calculation of incentive for this policy shall be arrived at by deducting the project cost corresponding to the incentives availed from the state Government.
- 5.3.2 Dovetailing with State Government policies and schemes: Dovetailing of incentives with the State Government policy and schemes would be allowed under this policy. It would be done in congruence to the provisions laid out in BIIP 2016. Investors shall have to submit declaration on not having obtained or applied for capital subsidy for the same component / purpose / activity from any other Ministry or Department of the Government of India or State Government or their agencies.

5.4 Special Incentive Package for Scheduled Caste and Scheduled Tribe investors

- 5.4.1 In order to promote Scheduled castes (SC), Scheduled Tribes (ST) and Extremely Backward Castes (EBC) investors in the State, entrepreneurs under the said categories shall avail 5% additional subsidy under the policy subject to the condition that entrepreneurs under these categories shall hold 100% stake in the project.

5.5 Special Incentive Package for Women, Differently abled persons, War widows, Acid attack victims and Third gender investors

- 5.5.1 In order to promote agribusiness investment amongst the women, differently abled persons, war widows, acid attack victims and third gender investors, entrepreneurs under above categories avail 2% additional subsidy under the policy, subject to the condition that entrepreneurs under these categories shall hold 100% stake in the project.

6. Institutional support

- 6.1 The State Government shall strive to create an enabling environment for improved investment in agro-processing industries. The department of Agriculture shall work in coordination with other concerned departments and stakeholders to ensure this.
- 6.2 The State Government shall promote marketing of agriculture produce, including by setting up a dedicated platform for collecting market information, marketing and brand development for the focused produce (as listed in Clause 4) of the State such as raw honey (and other honey products), makhana.
- 6.3 The State Government shall facilitate and oversee contract farming for the identified produce (as listed in the clause 4), between the interested farmers and the agro-processors, to ensure transparent price discovery mechanism.
- 6.4 The State government shall explore the possibility of having Customs services at Raxaul to facilitate smoother export of the agri based commodities including makhana from the State.
- 6.5 The State Government shall be supporting dedicated schemes to improve the storage facilities for different crops. The state government shall explore and promote alternative storage models to facilitate warehousing at farmgate levels, for maize and other commodities.
- 6.6 The State Government shall promote formation of Farmer Producer Companies (FPCs) for various produce including the list mentioned in clause4, to ensure effective backward and forward linkages for the farmers.
- 6.7 The State Government shall strive to obtain GI tag for more crops including makhana and promote branding of the produces based on their nutritional and glycemic indicators.
- 6.8 The State Government shall promote research and development in the production input interventions including high yielding varieties, harvesting machines and technology transfers.
- 6.9 The State Government shall give priority to makhana production (if feasible in combination with fish cultivation) in settling the new water bodies created under Jal Jeevan Hariyali Abhiyan in the potential districts.
- 6.10 The State Government shall explore RPL (recognition of prior learning) based skill building programme for the manpower involved in various activities including makhana popping, to recognize (and certify) the existing skill set and promote capacity building.

- 6.11 The State Government shall promote setting up of mother plant based downstream industries in the State, for example, promoting paper and textile industries in the state to promote starch units. The State Government shall also explore setting up of these units through joint venture (JV) between the State PSUs and private investors.
- 6.12 A dedicated task force to promote maize based industries in the State of Bihar shall be constituted by the State Government.
- 6.13 The State Government shall explore to establish a NABL accredited food testing laboratory in the State. The food testing laboratory shall be run through a public private partnership model.
- 6.14 The training and capacity building of farmers to improve the quality of produce (as listed in the Clause 4) from field to fork (factory) and the proper storage of the produce, shall be carried out through Krishi Vigyan Kendras / BAMETI / Agriculture Universities.
- 6.15 The State Government shall sensitize SLBC (State Level Bankers Committee) for facilitating financial linkages for farmers under KCC coverage. Further, the SLBC shall facilitate adequate financing and bank linkages for farmers and entrepreneurs pertaining to the focused sectors in Clause 4.

7. Investor(s) / Applicants and eligibility

7.1. Investor(s) / Applicants

- 7.1.1. Individual investors / LLPs/ Partnership firms/ entrepreneurs and Farmer based registered companies or Farmer Producer Companies shall be eligible for financial assistance under this policy. Units with common partners/ directors would not be allowed to avail the assistance under this policy for more than once.
- 7.1.2. Government of Bihar has decided to earmark requisite funds for extending benefit of this policy to SC, ST, EBC, Women, Third Gender, Differently abled, Acid attack victim. Therefore, subject to meeting the basic eligibility criteria, SC / ST /EBC beneficiaries will be given preference in sanction of the projects under the policy to the extent of earmarked fund allocation for each category.
- 7.1.3. The Investor / Applicant would be responsible for the following:
 - a) Read all the policy related documents and details carefully and submit the applications as per the requisite guidelines.
 - b) Formulate the Detailed Project Report (DPR) and ensure timely execution of the project as per the submitted schedule of implementation in the application format.
 - c) Ensure timely and judicious end-usage (as decided) of the finance and grant procured for the project and ensure timely payback and profitability.

- d) Obtain statutory approvals/clearances including environmental clearances, which are prerequisite for commencement and operation of the Project.
- e) Achieve financial closure and ensure timely completion of the project in specified timelines.
- f) Own and maintain the enabling infrastructure and common facilities.
- g) Maintain proper accounts of the project implementation and the maintenance of infrastructure and common facilities after commissioning of the project.
- h) Report to the GoB- BHDS the timely progress of project (Submit due progress report with pictures / photographs of site) and facilitate monitoring and inspection, as and when required.
- i) Support the value addition in identified commodity (as mentioned in clause 4) and ensure benefits to the participating farmers and consumers, thereby making it a respectable business.
- j) The selected investor will adhere to all the Terms and Conditions signed in the agreement with BHDS, Department of Agriculture, Government of Bihar.

7.2. Eligibility

- 7.2.1. The applicant should have a sound financial background. The net worth of the applicant(s) should not be less than the grant amount sought.
- 7.2.2. The project proposals being submitted to BHDS under this policy are required to be duly appraised by the bank/financial institution and avail term loan. The term loan from the Bank/Financial Institution should not be less than 20% of the project cost.
- 7.2.3. Project Appraisal Report from the Bank / Financial Institution must contain all the project components for which the capital subsidy is sought.
- 7.2.4. The date of the commercial production of the proposed project shall not be prior to the date of submission of application.
- 7.2.5. The land for the project shall be arranged by the applicant either by purchase or on lease of at least 30 years and it should be registered in the name of the proposing unit.
- 7.2.6. Any investor / applicant who has availed financial assistance for a project under this policy of Government of Bihar, shall not be eligible to apply for another project under same policy until one month after operationalization of earlier project.
- 7.2.7. The proposals, meeting the cut off score of at least 60% as per the criteria for assessment, defined by PMC, will be considered eligible subject to fulfillment of other conditions prescribed in the policy guidelines. The proposals will be selected in order of merit on a monthly basis till the time number of projects as per the annual targets gets exhausted. Further, the proposals will be selected in order of merit of total marks (descending order of total marks).

8. Policy Implementation, Monitoring and Grievance Redressal

8.1. Policy Implementation

- 8.1.1. Bihar Horticulture Development Society (BHDS), Agriculture Department, Government of Bihar shall be the nodal agency responsible for implementation of this policy in the State. BHDS, as the nodal agency for this policy may revise the provisions and guidelines with inclusion /modification/ deletion through executive order looking to the changing circumstances.
- 8.1.2. The Joint Director (Horticulture) / Deputy Director (Horticulture), BHDS shall be the nodal officer for this policy under the guidance and supervision of Director Horticulture cum Mission Director, Bihar Horticulture Development Society, Government of Bihar.
- 8.1.3. Department of Industries, Government of Bihar shall forward the list and details of the projects (falling under sectors mentioned in clause 4 of this policy) which have received SIPB – I sanctions, to the Agriculture Department / BHDS for further assessment of their eligibility under BAIPP 2020.
- 8.1.4. The Department shall constitute a Project Monitoring Committee (PMC) for scrutiny of the proposals received and providing clearances on release of capital subsidy under this policy to the applicant investors. The constitution of the PMC shall be as follows:

S No.	Designation	Status
1.	Principal Secretary / Secretary, Agriculture Department, GoB	Chairman
2.	Director, Directorate of Agriculture, GoB	Member
3.	Director cum Mission Director, Bihar Horticulture Development Society, GoB	Member
4.	Representative from Finance Department (not below the rank of Joint Secretary)	Member
5.	Representative from Industries Department (not below the rank of Joint Secretary)	Member
6.	Representative from NABARD	Member
7.	Representative from APEDA	Member
8.	Joint Director (Horticulture) / Deputy Director (Horticulture) cum Nodal Officer, Bihar Horticulture Development Society	Member Secretary
9.	Technical experts of the concerned agribusiness sector to be invited as nominated members (maximum of two per sector)	

- 8.1.5. After the investor's project / unit attains the SIPB stage – I sanction, Project Monitoring Committee, constituted under this policy, shall undertake subsidy sanction and disbursal decision based on the applicant's eligibility as per this policy's conditions. The decision taken by the PMC shall then be communicated to Industries Department and the investor(s).
- 8.1.6. BHDS shall place Technical Support Group (TSG) to facilitate investors under this policy and to support PMC and BHDS in scrutiny of the proposal, subsidy calculation and disbursal as per the provisions of BA-IPP 2020.
- 8.1.7. Department of Agriculture shall issue detailed guidelines for implementation of this policy and disposal of claims for capital subsidy.
- 8.1.8. BHDS would act as the single contact point for the investors regarding claims of eligible capital subsidy under this policy and will also facilitate investors in the sectors supported under this policy getting support under BIIPP 2016.

8.2. Policy Monitoring and Grievance Redressal

- 8.2.1. The implementation of the policy will be reviewed from time to time basis and necessary facilitation and course correction shall be undertaken as found necessary to achieve the objectives of this policy. The PMC with support from TSG shall undertake implementation and monitoring of the sanctioned projects / units and facilitate grievance redressal.
- 8.2.2. Agribusiness Investor facilitation desk' shall be established in BHDS to provide hand holding support to the investors at various stages of application / clearances from concerned authorities and liaising with the related agencies as part of Government's effort to ensure Ease of Doing Business.
- 8.2.3. The grievance redressal in regard to this policy will be done under the purview of the Bihar Lok Shikayat Nivaran Adhikar Adhiniyam, 2015. Additionally, BHDS will develop web-based interaction mechanism where suggestions and complaints can be directly addressed to the Agricultural Production Commissioner/Development Commissioner, Government of Bihar. All the matters of interpretation / disputes shall be decided by the Agricultural Production Commissioner (APC), Agriculture Department / Development Commissioner, Government of Bihar.

8.3. General Conditions

- 8.3.1. Following general conditions shall be applicable for availing the capital subsidy under this policy:

If any false declaration is given for the purpose of availing incentives or if incentives are availed for a unit that was not eligible or any violation of the condition of this policy, the amount of capital subsidy is liable to be recovered from the date of availing such benefit along with the interest compounded annually @18% per annum. In case of non-payment within the stipulated time, the State Government may recover such amounts including interest as arrears of land revenue (or as provisioned in BIIPP 2016).

- 8.3.2. Whatever is not defined / mentioned here will have the same meaning as given in the Bihar Industrial Investment Promotion Policy, 2016 for all purposes.
- 8.3.3. In case of any discrepancy in the meaning and interpretation of the translated version of this policy, the English language version shall be controlling in all respect and shall prevail.
- 9. The definitions given in the Annexure – I to this policy and the definitions provided in BIIPP 2016 shall be treated as part of the policy.**
- 10. Industries mentioned in the negative list in Annexure – II and the Negative list of BIIPP 2016 would not be eligible for any incentive under this policy.**
- 11. This policy will come into effect from the date of issue of this notification and will remain in operation till 31st March 2025.**

Sd/-
Dr. N. Saravana Kumar, I.A.S.
Secretary, Agriculture Department

Annexure I - Definitions

The various terms used in this policy would carry the same meaning as in the Bihar Industrial Investment Promotion Policy, 2016 unless specified otherwise in this Policy. Some of the agri sector specific definitions meant for extending different benefits under this Policy are being given here under:

- a) "Agriculture products" means produce of Agriculture and allied sectors including Horticulture, Sericulture, Floriculture, Aromatic, Herbal & Medicinal plants, Fisheries, Poultry, Apiculture, Dairy and shall include minor forest produce and livestock-based products;
- b) "Agri-business" means business that derives most of its revenue from agriculture products and may cover processing, manufacturing and distribution of agricultural products;
- c) "Agro-processing or Agri industries" means processes that use agriculture products, agri-waste and intermediate agriculture products to produce products in a manner that there is a transformation in the nature of the agriculture product;
- d) "Agribusiness sector" means the sector comprising enterprises engaged in such agro-processing and Agri-business activities as defined above;
- e) "Farmer" means a person actively engaged in the economic and/or livelihood activity of growing crops and producing other primary agricultural commodities;
- f) "Farmer Producer Company" means a company of Farmer Producer Members as defined in part IXA of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) and incorporated with the Registrar of Companies (RoC). Other categories of farmer producer organizations (such as cooperatives) shall be considered for inclusion at a later stage. FPC should have 50 or more farmers for the purpose of availing benefits under this Policy;
- g) "Food Processing Sector" means the sector comprising enterprises engaged in such manufacturing processes in which raw product of agriculture, animal husbandry or fisheries is transformed to make it edible for human consumption;
- h) "Investment" or "Fixed Capital Investment (FCI)" means the investments made in required new building, new plant and machineries and other related fixed assets required to manufacture end product or render services up to the date of commencement of commercial production (as described in clause 5.2.2).
- i) "Women/ Schedule Caste (SC)/ Schedule Tribe (ST)/ EBC enterprise" means an enterprise other than a Company constituted under the Companies Act, 1956 and other association of persons by whatsoever name it may be called, having:
 - Women/ Schedule Caste (SC)/ Schedule Tribe (ST)/ EBC as proprietor, in case of proprietorship enterprise; or
 - Majority of partners who are Women/ Schedule Caste (SC)/ Schedule Tribe (ST)/ EBC and such partners are working partner(s) having more than 50% investment in the capital of the enterprise, in case of partnership including limited liability partnerships;
- j) "Year" means financial year (From 1st April to 31st March) and quarter means the period of three months ending on 30th June 30th September 31st December and 31st March;

Annexure II

List of industrial activities / enterprises not eligible for benefit under this policy.

(Subject to amendment from time to time)

- Breweries and Distilleries of all types.
- Masala making without Cold Process Grinding, powder of Chilly, Turmeric, Masala, Spices, Curry, Sambar, Papad etc., except those having FSSAI certification.
- Preparation of Sweetmeat and Salted Snacks, Mixture, Bhujia.
- Mineral Water and aerated Soft Drinks, Alcoholic Beverages.
- Production of Popcorn, Ice Block, Production of Ice Candy and Ice Fruits etc.
- Units connected with Raw-Tobacco and Tobacco Based Products.
- Fertilizer Mixing Units.

Abbreviations

APC	Agriculture Production Commissioner
APEDA	Agricultural and Processed Food Products Export Development Authority
BAIPP	Bihar Agri Investment Promotion Policy 2020
BAMETI	Bihar Agriculture Management & Extension Training Institute
BHDS	Bihar Horticulture Development Society
BIADA	Bihar Industrial Area Development Authority
BIIPP	Bihar Industrial Investment Promotion Policy 2016
DPR	Detailed Project Report
EBC	Extremely Backward Castes
FCI	Fixed Capital Investment
FI	Financial Institutions
FPC	Farmer Producer Companies
FPO	Farmer Producer Organizations
FSSAI	Food Safety and Standards Authority of India
GI	Geographical indication
GSDP	Gross State Domestic Product
JV	Joint Venture
KCC	Kisan Credit Card
MFA	Miscellaneous Fixed Assets
NABARD	National Bank for Agriculture and Rural Development
NABL	National Accreditation Board for Testing and Calibration Laboratories
PMC	Project Monitoring Committee
RBI	Reserve Bank of India
RPL	Recognition of Prior Learning
SC	Scheduled Caste
SEBI	Securities and Exchange Board of India
SGST	State Goods and Services Tax
SIPB	State Investment Promotion Board
SLBC	State Level Bankers Committee
ST	Scheduled Tribe
TSG	Technical Support Group

Bihar Wood Based Industries Investment Promotion Policy, 2020



Department of Environment, Forest & Climate Change
Government of Bihar

Bihar Wood Based Industries Investment Promotion Policy, 2020

Preamble

The Government of Bihar is investing heavily in the plantation schemes to improve the green cover in the State of Bihar, and bring the green cover to 17%. A systematic drive has been undertaken to improve the overall tree cover and timber availability in and outside the forest by giving a supply side push to the afforestation program. Further, to provide incentive to the farmers to grow more trees on their farmland, it is important that they get a better price of their tree crop- timber. This can be achieved by creating the demand side pull, which is possible by promoting the efficient and integrated wood based industry, which buys the tree crop at a competitive price, and the farmers are encouraged to grow and protect the tree on their farmland.

Bihar has a total of 2272 Licensed Saw Mills, 279 Veneer Mills, 142 Plywood Industries and several furniture making units in the 38 districts, which is mostly in the unorganized sector. The wood based industry is under the forest department and governed by The Bihar Saw Mills (Regulation) Act, 1990 , The Bihar saw mill (Regulation)(Amendment) Act, 2002 and The Bihar Saw Mills (Regulation) Rules, 1993 and various Supreme Court rulings. The Bihar Wood based Industries(Regulation) Act, Ordinance is being promulgated which shall ensure opening of new industries as well as ease in regulating the existing industry. The department till now, was mainly in the regulatory role regarding the saw mills, veneer mills and plywood units. The Forest department regulates the number of the units in the state through Licenses.

The technology penetration in the wood base industry is not upto the standards. Further inefficient plant and machinery results in low quality of value added product and more wastage of raw material, lack of integrated units result in inefficient business model. The bank does not support the investment project proposals as it is mostly in the unorganized sector and were also not covered under the priority sector of Bihar Industrial Investment Promotion Policy.

This policy will help to bring in investment and a positive business ecosystem to improve the existing saw mills, veneer and plywood units as well as furniture units. The support shall be in Expansion / diversification / modernization/technology upgradation / adding furniture making unit, value addition in existing Industry/ Unit and hence improving synergy.

The policy aims to support the new wood based industry to set up integrated units for improving overall efficiency and integration. In addition, the policy envisages to support the existing small Furniture and other modern artifacts making units in the unorganized sector and artisans. This sector has immense scope for the Job creation for the skilled and semi skilled labor.

Finally, the support provided under BWBI-IPP,2020 will help the citizens in getting good quality wood products and the farmers to realize a better price of their produce and thereby help to maintain the tree crop longer on their farmland, and induce them to plant more and more trees.

1. Vision of the Policy

'To encourage and promote wood based industries and artisans in Bihar through technology upgradation, waste reduction, value addition, storage, skill upgradation and export promotion thereby generating higher income returns to entrepreneurs and farmers, skill upgradation of artisans and creating more employment opportunities'

2. Objectives

The policy aims to achieve the following objectives for the overall growth and development of wood based industries in the State with a goal of providing remunerative returns to the entrepreneurs and farmers:

- 2.1. To promote and facilitate investment in wood based industries in Bihar through financial assistance and an enabling environment
- 2.2. To upgrade the technology, reduction of wastage, value addition, storage, skill upgradation and promote exports thereby resulting in overall development of wood based industry.
- 2.3. To extend financial assistance for establishment of new wood based industrial units as well as technology upgradation and expansion of existing units in the State.
- 2.4. To enhance income of entrepreneurs through better returns gained through waste reduction and value addition.
- 2.5. To create employment opportunities through promotion of wood based industries
- 2.6. To give remunerative price to the farmer for their tree crop-timber and encourage them to plant and maintain trees on their farmland.
- 2.7. To upgrade the skill level of artisans and equipping them with modern and efficient tools and equipment.
- 2.8. To support the small furniture and other modern artifacts making units through modern tools and equipments.

3. Definitions

The various terms used in this policy would carry the same meaning as in the Bihar Industrial Investment Promotion Policy, 2016 (BIIPP-2016) unless specified otherwise in this Policy. Other policy specific definitions meant for extending different benefits under this Policy are being given here under:

- 3.1. **"Wood Based industries/ Units"** means industries/ Units that involve processes that use bamboo or wood products, bamboo or wood-waste and/ or intermediate products to produce products in a manner that there is a transformation in the nature of the bamboo or wood

product, and shall include all those industries which are covered in the priority sector of the BIIPP-2016 as amended in 2020.

- 3.2. **“License”** means license granted under section 7 of the Bihar Saw Mills (Regulation) Act, 1990 or any succeeding Act.
- 3.3. **"Artisan"** means a person actively engaged in the economic and/or livelihood activity in a wood based / bamboo based skilled trade, including one that involves making things by hand.
- 3.4. **"Department"** means Department of Environment , Forest and climate change, or any successor department.
- 3.5. **“Skill upgradation”** means training and certification of artisans in National skill qualification framework level training or ITI/ Polytechnic training or Recognition of prior learning or training through any other center approved by the department.
- 3.6. **“Technology upgradation”** means use of efficient, waste reducing, quality improving, power efficient tools, plants and Machinery in existing wood based units.
- 3.7. **“Expansion of existing unit”** means enhancement of capacity by at least 25% of the existing capacity of the said unit.
- 3.8. **“Diversification of existing unit”** means establishing different activity/ product line on the same premises to improve the efficiency, viability of the existing unit, and/or ensure value addition.
- 3.9. **“Project Cost”**, for the purpose of calculation of subsidy shall mean and include the cost of plants and machinery, cost of civil construction, cost of land value and working capital, provided that the working capital for this purpose of calculating project cost for the subsidy shall be maximum of 20% of the projected annual turnover, provided that in the project cost considered for incentive calculation under this policy, the cost of land shall not exceed a limit of 10% of the total proposed investment other than the land. Thus in the approved project cost either the actual cost of land mentioned in the project report or 10% of the total proposed investment excluding the land, whichever is less, will be considered, provided that Land value shall be taken as the MVR of the area or the cost of the land of industrial area, as the case may be, provided that the department shall prepare an indicative unit cost for tools, plants and machinery for the purpose of evaluating project cost.
- 3.10. **"Women/Schedule Caste (SC)/Schedule Tribe (ST)/Extremely Backward Classes (EBC)/Differently abled persons/ War Widows/ Acid attack victims/ Third gender enterprise"** means an enterprise and other association of persons by whatsoever name it may be called, having:

- Women/ Schedule Caste (SC)/Schedule Tribe (ST)/Extremely Backward Classes (EBC)/ Differently abled persons/ War Widows/ Acid attack victims/ Third gender as proprietor, in case of proprietorship enterprise; or
- Majority of partners who are Women/ Schedule Caste (SC)/Schedule Tribe (ST))/ Extremely Backward Classes (EBC)/Differently abled persons/ War Widows/ Acid attack victims/ Third gender and such partners are working partner(s) having more than 50% investment in the capital of the enterprise, in case of partnership including limited liability partnerships;
- More than 50% stake by Women/ Schedule Caste (SC)/Schedule Tribe (ST))/Extremely Backward Classes (EBC)/ Differently abled persons/ War Widows/ Acid attack victims/ Third gender in a company formed under Companies Act, 2013.

3.11. **"Year"** means financial year (From 1st April to 31st March) and quarter means the period of three months ending on 30th June, 30th September, 31st December and 31st March.

4. Salient features of Bihar Wood based industries Investment Promotion Policy, 2020

- 4.1. The benefits as per provisions of this policy shall be available to eligible investors in addition to the benefits under the Bihar Industrial Investment Promotion Policy, 2016. However, if the investor avails interest subvention under BIIPP 2016, then the sum of incentive under interest subvention and capital subsidy under this policy shall not exceed the monetary ceiling provided in section 5.2.1 of this Policy.
- 4.2. The policy shall provide capital subsidy to the eligible individual investors / entrepreneurs for setting up / modernization / expansion/ technological upgradation/diversification of wood based industrial units in the state of Bihar. The investors/ entrepreneurs may set-up their units as Proprietorship, Partnership firm, LLP, or Company.
- 4.3. Subsidy under this policy shall be allowed only :
- a. For technology upgradation of existing tools, plants and Machinery of the existing wood based industrial units in the state.
 - b. In case of expansion of existing units where the existing capacity of the said unit is enhanced by at least 25% by way of such expansion or modernization.
 - c. In case of diversification of an existing unit where the project cost of the diversified unit should be at least Rs 10 lakhs in plants, machinery and civil construction for a new product line/ activity.
 - d. For setting up of new wood based industries in the state.

- 4.4. Artisans working on wood based products shall be eligible for skill upgradation, certification and provision of tools and equipment.
- 4.5. Small furniture and artifact making units employing not less than 10 labour shall be eligible for one time grant for modern tools and equipment
- 4.6. Environment, Forest and Climate Change Department, Government of Bihar will be the nodal agency for implementation and monitoring of this policy in the state.
- 4.7. This policy will come into effect from the date of issue of this notification which will be its effective date, and it will remain in operation till 31st March, 2025 and a suitable decision on continuation may be taken by the Department.
- 4.8. Department will be empowered to issue necessary guidelines to implement this policy.

5. Incentives under Bihar Wood based industries Investment Promotion Policy, 2020

The Policy recognizes the need of capital subsidy to improve the investment prospects in the wood based industrial units in the state.

5.1. Guiding Principles

- 5.1.1** These provisions/principles shall be applicable to all eligible units under this policy.
- 5.1.2** This policy shall come into force from the date of its notification. The said date shall be considered as effective date of this policy from which its provisions coming into force and will be applicable till 31st March 2025. Eligible units under the policy shall avail the subsidies upto a maximum of 2 yrs after the end of the policy term, i.e. 31st March 2025.
- 5.1.3** The subsidy support to the units falling under the identified wood based industrial units will be in addition to the wide range of benefits eligible under the Bihar Industrial Investment Promotion Policy, 2016. However, if the investor avails interest subvention under BIIPP 2016, then the sum of incentive under interest subvention and capital subsidy under this policy shall not exceed the monetary ceiling provided in section 5.2.1 of this policy.
- 5.1.4** An investor shall not be eligible for applying under this policy for availing capital subsidy beyond 31st March 2025.
- 5.1.5** For the purpose of calculation of capital subsidy under this policy, the approved project cost shall mean the project cost as defined in Clause 3.9 and approved by the competent authority. The approved project cost shall be the basis for determining the disbursal amount.

- 5.1.6** In case of SC/ ST/EBC investors, the maximum limit of capital subsidy shall be increased by additional 5% across all categories. However, the overall monetary ceiling of the subsidy shall remain the same.
- 5.1.7** In case of women, differently abled entrepreneurs, war widows, acid attack victims and third gender entrepreneurs, the maximum limit of capital subsidy shall be increased by additional 5% across all categories. However, the overall monetary ceiling of the subsidy shall remain the same.
- 5.1.8** The benefits under this policy shall cease either on the exhaustion of the applicable quantum or on the completion of the eligible period, whichever is earlier. Any unutilized incentive at the end of eligibility period shall lapse.
- 5.1.9** The time schedule for completion and operationalization of project will be a maximum of 24 months from the date of approval.
- 5.1.10** Any subsidies/grants/soft loans and other benefits as applicable in other schemes shall be valid for wood based industries and infrastructure established in the State of Bihar.
- 5.1.11** In the event of change in ownership or management of a unit, the same shall be intimated by the unit to the competent authority as defined by the Department of Industries from time to time and to the Nodal agency for implementing this policy. If required, a revised Letter/ Eligibility Certificate shall be issued to the unit (in the name of new owner) for balance incentives. The eligibility period shall not be extended under any circumstances and shall continue to be defined with effect from the original date of approval.
- 5.1.12** In the event of any change in the shareholding pattern of a unit promoted by SC/ST/ EBC women/differently abled persons/ war widows/ acid attack victims/ third gender entrepreneurs within 5 years of start of the commercial production, the new shareholders should be from the same category. In case the new shareholders are not from the same category, the amount of incentive extended to such units shall become liable to be recovered from the date of availing such incentives along with interest compounded annually @ 18% per annum. In case of nonpayment within the stipulated time, the state Government may recover such amounts including interest as arrears of land revenue.
- 5.1.13** If any false declaration is given for the purpose of availing incentives or if any incentives are availed for a unit that was not eligible, the amount of incentives are liable to be recovered from the date of availing such incentives along with interest compounded annually @ 18% per annum. In case of non-payment within the stipulated time, the State Government may recover such amounts including interest as arrears of land revenue.

- 5.1.14** Any attempt to break/ divide or merge units only for the sake of availing a higher amount of capital subsidy without substantial operational reasons shall be treated as misrepresentation of facts and will attract penal action as decided by the competent authority.

5.2. Assistance under this policy

The Policy aims to promote investment in wood based Industry/units in the state through extending an additional support (apart from those enshrined in the BIIPP, 2016) for the individual investors as well as to create an enabling environment for promoting wood based industries in Bihar.

5.2.1 Subsidy

- a) Subsidy shall be made available to the investors as per the following details:

	Designation	Subsidy	Scope of Project
Category A	Existing wood based industrial unit	To be eligible for subsidy the project cost has to be minimum of Rs 10 Lakhs. The subsidy shall be 35% of the project cost subject to a maximum of Rs 70 Lakhs. 1st Installment – 50% (after purchase and installation of plant and machinery) 2nd installment – 50% (after commencement of commercial production of the unit / project)	1. Expansion / diversification / modernization/Technology upgradation of existing Wood based Industry/ Unit to reduce wastage, waste utilization, quality improvement, value addition and synergy. 2. Skilling and Job creation
Category B	New Integrated wood based industrial Units	To be eligible for subsidy the project has to be approved by SIPB and project cost has to be minimum of Rs 50 Lakhs. The subsidy shall be 35% of the project cost subject to a maximum of Rs 175 Lakhs . 1st Installment -50% (after purchase and installation of plant and machinery) 2nd installment – 50% (after commencement of commercial production of the unit / project)	1. Set up new Integrated wood based industrial Units 2. Skilling and Job creation

	Designation	Subsidy	Scope of Project
Category C	Support to Small Furniture and other wood based artifact making units employing not less than 10 labour.	Grant upto Rs 2,00,000/Unit for tools and equipments including skill upgradation.	1. Quality improvement, waste reduction and /or value addition using Modern tools and Equipment 2. Skill Upgradation
Category D	Individual Artisans	Grant of upto Rs. 50,000 per individual for modern tools and equipments including skill upgradation	1. Quality improvement , waste reduction and /or value addition using Modern tools and Equipment 2. Skill Upgradation

Note: Cost norms for tools, plant and machinery shall be fixed by the department to calculate the investment in the project under all categories

5.2.2 Dovetailing with Central and State Government policies and schemes

Dovetailing of incentives with the Central Government and State Government schemes will be permitted and they shall be over and above the proposed subsidy.

5.3. Special Incentive Package for Extremely Backward Classes, Scheduled Caste and Scheduled Tribe investors

5.3.1 In order to promote EBC/SC/ST investors in the State, entrepreneurs under the said categories shall avail 5% additional subsidy under the policy. However, the overall monetary ceiling of the subsidy shall remain the same. The department shall earmark funds for these categories of entrepreneurs.

5.4. Special Incentive Package for Women, Differently abled persons, War widows, Acid attack victims and Third gender investors

5.4.1 In order to promote investment amongst the women, differently abled persons, war widows, acid attack victims and third gender investors, entrepreneurs under above categories avail 5% additional subsidy under the policy. However, the overall monetary ceiling of the subsidy shall remain the same. The department may earmark funds for these categories of entrepreneurs.

6. Institutional support

6.1 The State Government shall strive to create an enabling environment for improved investment in Wood based industries. The Department of Environment, Forest and Climate

Change shall work in coordination with other concerned departments and stakeholders to ensure this.

- 6.2** The State Government shall promote marketing of raw material-timber, including by setting up a dedicated platform for collecting market information, marketing and brand development through Forest Development Corporation or any other wing of the Department.
- 6.3** The State Government shall explore skill development programme for the manpower involved in various activities of wood base industries, to recognize (and certify) the existing skill set and promote capacity building and value addition.

7. Investor(s) / Applicants and eligibility

7.1. Investor (s) / Applicants

- 7.1.1.** New investors / entrepreneurs and existing wood based Units shall be eligible for financial assistance under this policy. The investors may apply as proprietorship, partnership, LLP or company.
- 7.1.2.** The Department may earmark funds for extending benefit of this policy to SC, ST, EBC, Women, Third Gender, Differently abled, Acid attack victim or war widows. Therefore, subject to meeting the basic eligibility criteria, beneficiaries will be given preference in sanction of the projects under the policy to the extent of earmarked fund allocation for each category.
- 7.1.3.** The Investor / Applicant would be responsible for the following:
- a) Read all the policy related documents and details carefully and submit the applications as per the requisite guidelines.
 - b) Formulate the Detailed Project Report (DPR) and ensure timely execution of the project as per the submitted schedule of implementation in the application format.
 - c) Ensure timely and judicious end-usage (as decided) of the finance and grant procured for the project and ensure timely payback and profitability.
 - d) Obtain statutory approvals/clearances including environmental clearances, which are prerequisite for commencement and operation of the Project.
 - e) Achieve financial closure and ensure timely completion of the project in specified timelines.
 - f) Own and maintain the enabling infrastructure.
 - g) Maintain proper accounts of the project implementation and the maintenance of infrastructure and facilities after commissioning of the project.

- h) Report to the Department the timely progress of the project (Submit due progress report with pictures / photographs of site) and facilitate monitoring and inspection, as and when required.
- i) The selected investor will adhere to all the Terms and Conditions signed in the agreement with the Department of Environment, Forest and Climate Change, Government of Bihar.

7.2. Eligibility

- 7.2.1.** The applicant should have a sound financial background. The net worth of the applicant(s) should not be less than the subsidy amount sought.
- 7.2.2.** The land for the project, if any shall be arranged by the applicant either by purchase or on lease of at least 30 years and it should be registered in the name of the proposing unit.
- 7.2.3.** Any investor / applicant who has availed financial assistance for a project under this policy of the Government of Bihar, shall not be eligible to apply for another project under the same policy until one month after operationalization of the earlier project.
- 7.2.4.** The proposals will be considered eligible subject to fulfillment of conditions prescribed in the policy guidelines. The proposals will be selected in order of merit and date of application subject to the availability of Budget till the time the number of projects as per the annual targets gets exhausted.

8. Policy Implementation, Monitoring and Grievance Redressal

8.1. Policy Implementation

- 8.1.1.** Department of Environment , Forest and Climate Change, Government of Bihar shall be the nodal agency responsible for implementation of this policy in the State.
- 8.1.2.** The Department shall constitute a Project Monitoring Committee (PMC) for scrutiny of the proposals received and providing clearances on release of capital subsidy under this policy to the applicant investors.
- 8.1.3.** For proposal under Category B, the application shall be considered after the investor's project / unit attains the SIPB approval. Project Monitoring Committee, constituted under this policy, shall undertake subsidy sanction and disbursement decision based on the applicant's eligibility as per this policy's conditions. The decision taken by the PMC shall then be communicated to the Industries Department and the investor(s).
- 8.1.4.** The Department of Environment, Forest and Climate Change shall place Technical Support Group (TSG) to facilitate investors under this policy and to support PMC in scrutiny of the proposal, subsidy calculation and disbursement as per the provisions.

- 8.1.5.** The Department of Environment, Forest and Climate Change shall issue detailed guidelines for implementation of this policy and disposal of claims for the subsidy.

8.2. Policy Monitoring and Grievance Redressal

- 8.2.1.** The implementation of the policy will be reviewed from time to time basis and necessary facilitation and course correction shall be undertaken as found necessary to achieve the objectives of this policy. The PMC with support from TSG shall undertake implementation and monitoring of the sanctioned projects / units and facilitate grievance redressal.

- 8.2.2.** 'Wood Based industries Investor Promotion facilitation desk' shall be established in the Department of Environment , Forest and Climate Change to provide handholding support to the investors at various stages of application / clearances from concerned authorities and liaising with the related agencies as part of Government's effort to ensure Ease of Doing Business.

- 8.2.3.** The department will set up a grievance redressal mechanism.

8.3. General Conditions

Following general conditions shall be applicable for availing the subsidy under this policy:

- 8.3.1.** If any false declaration is given for the purpose of availing incentives or if incentives are availed for a unit that was not eligible or any violation of the condition of this policy, the amount of capital subsidy is liable to be recovered from the date of availing such benefit along with the interest compounded annually @ 18% per annum. In case of non-payment within the stipulated time, the State Government may recover such amounts including interest as arrears of land revenue.
- 8.3.2.** Whatever is not defined / mentioned here will have the same meaning as given in the Bihar Industrial Investment Promotion Policy, 2016 for all purposes.
- 8.3.3.** The definitions given in this policy and the definitions provided in BIIPP 2016 shall be treated as part of the policy.
- 8.3.4.** This policy will come into effect from the date of issue of this notification and will remain in operation till 31st March 2025.

Abbreviations

BWBI-IPP	Bihar Wood Based Industries Investment Promotion Policy, 2020	LLP	Limited Liability Partnership
BIIPP	Bihar Industrial Investment Promotion Policy 2016	PMC	Project Monitoring Committee
DPR	Detailed Project Report	RPL	Recognition of Prior Learning
EBC	Extremely Backward Classes	SC	Scheduled Caste
FCI	Fixed Capital Investment	SIPB	State Investment Promotion Board
FI	Financial Institutions	ST	Scheduled Tribe
ITI	Industrial Training Institute	TSG	Technical Support Group

By order of the Governor

Sd/-
(Dipak Kumar Singh)
Principal Secretary

Memo No. 2/Van Vividh-16/2018.....E.F.C.C.Patna-15, Dated.....

Copy to Under Secretary, E-Gazette Cell, Finance Deptt., Bihar (With C.d. and hard Copy) for publishing it in the next extra ordinary issue of the Gazette of Bihar.

2. It is requested that 500 published copies of the same be made available to the Environment, Forest and Climate Change Deptt.

Sd/-
(Dipak Kumar Singh)
Principal Secretary

Memo No. 2/Van Vividh-16/2018.....E.F.C.C.Patna-15, Dated.....

Copy to The Principal Secretary to His Excellency, the Governor of Bihar/ Principal Secretary to the Hon'ble Chief Minister, Bihar/ The Advocate General, Bihar/Chief Secretary, Bihar/ The Development Commissioner, Bihar/The Additional Chief Secretary, Principal Secretary, Secretary, All Departments,/All heads of the Departments, Bihar/Principal chief Conservator of Forest, HoFF, Bihar/Principal chief Conservator of

Forest (Development), Bihar/All Additional Principal chief Conservators of Forests/ All Chief Conservators of Forests/ All Regional Chief Conservators of Forests/ Director, Ecology & Environment, Bihar/ All Divisional Commissioners, Bihar/All Conservators of Forests, Bihar/ All District Collectors, Bihar/ All Divisional Forest Officers, Bihar/ Private Secretary to the Hon'ble Deputy Chief (Environment, forest and Climate Change) Minister, Bihar/ All Officers of the Environment, forest and Climate Change Deptt./ Private Secretary to the Principal Secretary, Environment, forest and Climate Change Deptt./ Chairman, Bihar Chamber of Commerce for information and necessary action.

Sd/-

(Dipak Kumar Singh)

Principal Secretary

Memo No. 2/Van Vividh-16/2018.....E.F.C.C.Patna-15, Dated.....

Copy to I.T. Manager, Environment Forest & Climate Change Deptt. Bihar, Patna for uploading the resolution on the departmental website.

Sd/-

(Dipak Kumar Singh)

Principal Secretary

Guidelines for Allotment of Built-up Office Space, 2019



Guidelines for Allotment of Built-up Office Space, 2019

1. Background

Department of Information Technology, Government of Bihar in its vision to promote investment in the state is now allotting built-up office space and bare shell office space at Biscomaun Bhawan, Patna. The built-up office space allotment will be to startups and bare shell office space to companies working in the various areas of Information Technology.

2. Target Sectors for investments

Through this allotment, DIT Bihar will attract investments from IT/ ITeS and ESDM companies as well as Startups working in the area of Research and Development, IT/ ITeS Products and Services. Preference will be given to companies working in focus areas.

2.1 IT/ITeS companies

The focus areas for IT/ ITeS companies have been are:

- IT products/ software and services
- Business Process Outsourcing (BPO)
- Knowledge Process Outsourcing (KPO)
- Legal Process Outsourcing (LPO)
- Call-Centers
- Digital content development
- Smart technologies
- Internet of Things (IoT)
- Data Center Technologies
- Big Data
- Any other New & Innovative Technology

2.2 Corporate Office for IT, ITeS & ESDM Companies

Electronic hardware design and manufacturing (which shall include embedded software) for information technology, telecommunications, defense, medical, industrial automotive, robotics, consumer product, applications and components, part and accessories required for the aforesaid product and applications.

2.3 Startups

As defined in Bihar Startup Policy 2017. For reference please see the definition in annexure4.

3. Empowered Project Committee (EPC)

An Empowered Project Committee (EPC) with representation from the State Government Department(s), Industry Associations and other stakeholders will evaluate the proposals of the companies and take a time bound decision regarding space Allotment.

4. Selection of Startups for Allotment of Built-up Office Space

The Startups as defined under the Bihar Start-Up Policy 2017 will be provided 'Plug and Play' facility as detailed below.

The Plug and Play facility shall include Well-developed office space, Meeting rooms, break-out area, Washrooms & Reception Area. The other facilities include Fiber Optic cables with adequate bandwidth for high speed Internet Connectivity, Uninterrupted Power Supply with Power backup through Diesel generator, Dedicated Elevator and Facility Management Services such as Security Services, Operation and Maintenance, Housekeeping and Pest Control.

The initial period of allotment will be for six (6) months, which will be free of any charges and may be extended by another six (6) months basis the monitoring & evaluation report and decision of the Empowered Project Committee (EPC). Beyond this term the Startups have an option to extend their allotment by a further period of two (2) years by paying the rent at rates fixed by EPC.

4.1 Application & Allotment steps

The process of application and selection of Startups will be as follows:

- a) Interested startups will have to apply online in the prescribed format.
- b) Empowered Project Committee (EPC) will evaluate all the proposals as per the scoring criteria and would take the decision on space allotment accordingly.
- c) The Startups / Companies which intend to use the allotted space for marketing office purpose only will not be allotted any space.

4.2 Evaluation Criteria

The evaluation criteria are made on the following assumptions:

- Companies working in the Priority Sector and Core Area of R&D Services, Software Development and IT/ ITeS Service
- Status of funding received, accreditation, award etc.

4.3 Evaluation Method

A. Objective Evaluation

S.No.		Criteria	Marks
1	Core Area of work	R&D Services in IT & ITeS Sector (Annexure3)	30
		Product/ Software Development in Focus Areas (Annexure 2)	25
		Product/ Software Development in non-Focus Areas (Annexure 2)	20
2	Years of establishment (Duration will be calculated on the date of evaluation)	Less than 1 year	15
		More than 1 year or equal to 3 years	10
		More than 3 years and less than 5 years	05
3	Certified Startup under Bihar Startup Policy - 2017		05
	Total Points (A)		50

B. Subjective Evaluation

S.No.	Criteria	Max Points
1	- Detailed Business/ Project Plan - Promoter's Educational & Professional Background - Profitability and Investment Plan Description - Status of funding received, accreditation, award etc.	25
2	Product Description and Technology Area	25
	Total Points (B)	50

C. Cumulative Technical Score

Total Points Obtained (A)	
Total Points Obtained (B)	
Cumulative Technical Score (Out of 100)	

4.4 Eligibility

- a) Companies obtaining a **Cumulative Technical score more than 60** will be eligible for allocation of workstations/cabins/any such facility within the premises.
- b) Among all the applications received in a particular Allotment Cycle, company obtaining highest Technical Score under 'C' would be called technically most qualified (**TMQ**) and would have first right of allotment and its allotment requirement would be filled first.
- c) Requirement of other technically qualified companies will be fulfilled only once the requirement of the TMQ is fulfilled.
- d) Applications in the wait listed category would be intimated about their status and may be allotted space in case of any default or cancellation.

4.5 Allotment of Space

- a) On the basis of evaluation criteria a merit list will be prepared and the Startups obtaining highest Cumulative Score would have the first right of allotment.
- b) Notification about the Allotment list detailing the terms & conditions of allotment will be notified to each allottee on the basis of evaluation.

4.6 Timelines

S.No.	Categories	Timeline (in Days)
1	Opening of application window	T
2	Last date of submission of proposals	T + 21
3	Request for clarification from the company by Empowered Project Committee (EPC)	As required after T+21
4	Notification of details and Company wise allotment with waiting list	T + 45
5	Final Handover	T + 75

4.7 Periodic Evaluation Process

The Project Evaluation Committee will review the performance of the Startups at the end of 6 months to ensure compliance to the terms & conditions and take necessary action in the event of any violation of terms and conditions of allotment.

5. Selection of Companies and Allotment of Bare Shell Office Space

Bare shell office space will be allotted to attract IT/ ITeS and ESDM companies working in the area of Research and Development, IT/ITeS Products and Services.

5.1 Application Process

- a) All the interested companies will have to apply online.
- b) Companies will have to submit a proposal providing the indicative details required in application form, refer annexure 2.22.
- c) The applications will be examined by the Empowered Project Committee (EPC). The applications received shall be categorized into Focus Area and Non Focus Area.

5.2 Evaluation Criteria

The evaluation criteria are made on the below points:

- Companies working in the focus sectors
- Preference is given to established players creating more employment
- Optimum utilization of the space is preferred

Applications will be evaluated on a Technical-cum-Financial basis as follows:

S.No.	Criteria	Score	Weight
A	Technical Score (TS)	50.00	80%
B	Financial Score (FS)	50.00	20%
C	Cumulative Total Score (CTS)	(TS x 0.8) + (FS x 0.2)	

A. Technical Score (TS)

S.No.	Section	Criteria	Technical Score
1	Area of work within STP (Max score - 15)	IT, ITeS& ESDM Priority Focus Area	15
		IT, ITeS& ESDM Other Focus Area	10
2	Years of establishment (Max score – 10)	>= 5 years	10
		>=3 &<5 years	07
		<3 years	05
3	Team size - No. of seats required (max score - 15)	100 and above	15
		50 to 99	12
		25-49	9
		10 to 24	6
4	Deviation from 50 sqft per seat (max score - 10)	Less than 20% deviation	10
		20% - 30% deviation	08
		More than 30% deviation	05
		Total Technical Score (TS)	50

A. Financial Score (FS)

The Empowered Project Committee (EPC) will set a Minimum Base Price (MBP) per square feet of the space to be allotted. Quoted Price (QP) must be equivalent to or more than MBP. Proposals with QP less than MBP will be rejected.

The Financial Score (FS) will be calculated as follows:

S.No.	Quoted Price (QP) As a % of Minimum Base Price (MBP)	Financial Score (%)
1	$100\% \leq QP \leq 125\%$	50.00 %
2	$125\% < QP \leq 150\%$	55.00 %
3	$150\% < QP \leq 175\%$	60.00 %
4	$175\% < QP \leq 200\%$	65.00 %
5	$200\% < QP \leq 225\%$	70.00 %
6	$225\% < QP \leq 250\%$	75.00 %
7	$250\% < QP \leq 275\%$	80.00 %
8	$275\% < QP \leq 300\%$	90.00 %
9	$QP \geq 300\%$	100.00 %

C. Cumulative Total Score

Cumulative Total Score = (TS x 0.8) + (FS x 0.2)

5.3 Eligibility

- a) To be eligible for allotment, a company must obtain at least 60% of the Cumulative Total Score.
- b) While establishing the merit list in case of applicants receiving same score, the company obtaining highest Cumulative Technical Score will get the higher merit.

5.4 Allotment of Office Space

- a) On the basis of evaluation criteria a merit list will be prepared and the company obtaining highest Cumulative Score would have the first right of allotment.
- b) The Allotment letter detailing the terms & conditions of allotment will be issued to each allottee on the basis of evaluation.
- c) The allottee shall send an acceptance on the basis of the allotment letter along with Security deposit and undertakings, as prescribed therein.
- d) Failure to adhere to the timelines may lead to cancellation of the Allotment.

5.5 Cost Components

The cost components are as follows:

5.5.1 Lease Rent

The Lease Rental will be a fixed cost per unit of area allotted to the company. This amount shall be payable on a monthly basis after the initial buffer period of maximum of 6 months or start of operations whichever is earlier. The lease rentals will be fixed for the first 3 years of occupancy and will thereby be increased by maximum of 10% as decided by Empowered Project Committee (EPC).

5.5.2 Internet facility cost

Internet/ bandwidth facility if provided by BSEDC at the location will be charged on usage basis and would be payable on monthly basis.

5.5.3 Maintenance Charges

The Annual Maintenance charges will be will be a fixed cost per unit of area allotted to the company or, a fixed annual amount as decided and is subject to periodic revision. The charges would cover the facility management costs such as housekeeping, security, Operation and Maintenance and Pest Control. The amount will be paid on a monthly basis and the amount will be intimated in advance which will be as per the rate fixed by EPC from time to time.

5.5.4 Electricity Cost

Payment on actuals to be paid by the company directly to the Service provider and payment receipt to file for periodic review purpose.

5.5.5 Security Deposit

The allottee will be required to submit an upfront Security Deposit which will be equivalent to three month's lease rent or the base amount whichever is higher.

Note: Nonpayment of charges under above mentioned heads for a continuous period of 6 months or as decided by EPC may lead to cancellation of that facility including allotment.

5.6 Possession of Bare Shell Office Space

- a) Physical possession shall be given after the execution of the agreement.
- b) Possession certificate will be issued to the allottee with allotment details duly signed.

5.7 Timelines

S.No.	Categories	Timeline (in Days)
1	Opening of application window	T
2	Last date of submission of proposals	T+21
3	Request for clarification from the company by Empowered Project Committee	As required after T+21
4	Floor details and Company wise allotment with waiting list	T+30
5	Issue of Allotment Letter	T+45
6	Acceptance of Allotment letter with Security Deposit and other required documents	T+60
7	Lease Agreement will be executed between Empowered Project Committee and allottee	T+75
8	Final Handover	T + 90

5.8 Periodic Evaluation Process

- a) The Project Evaluation Committee will review the performance of the companies at the end of each year to ensure compliance to the terms of the contract and take necessary action in the event of any violation of terms and conditions of allotment.
- b) In case of any deviation in the actual deployment from the proposed number of employees, the allottee will need to obtain prior approval of Empowered Project Committee (EPC). All such cases will be reviewed and recommend necessary actions.



Govt. of Bihar

DEPARTMENT OF INDUSTRIES
Government of Bihar