



invest
BIHAR
A land of immense opportunities

POLICIES OF INDUSTRIES DEPARTMENT



SINGLE WINDOW SYSTEM

State government is committed for "effective" and "functional" single window system to promote and facilitate clearances required for setting up of Industrial undertakings for the promotion of an around development of the state through industrial development and also to provide for an investor friendly environment in the State of Bihar.

It is expedient to provide for speedy implementation of industrial and other projects in the State, by providing single point clearances to promoters and to ensure early commercial production of such projects.

Entrepreneurs who put up their problems and grievances, hailed from various sectors of industries. so that entrepreneurs do not face any problems. "SIPB should clear the proposals at the earliest.

Under the mechanism, people would not only get opportunity of their complaints/grievances to be heard, but would also get right to get their grievances redressed by deemed approval.

Please Visit : <https://swc2.bihar.gov.in/investor/homepage>





SIPB Stage-1 Check List

For Incentives under Bihar Industrial Investment Promotion Policy, 2016

<http://swc.bihar.gov.in>

1	Project Profile (max 10 pages) containing brief details of: - Project details (sector, industry, product) - Proposed capacity of the unit and location - Brief details of Entrepreneur/ Promoter - Project cost and means of finance	
2	Land documents (lease deed/ sale deed/ NOC) (if available)	
3	Power of attorney/ affidavit/ Board resolution for authorized signatory	
4	Address proof of authorized signatory	
5	Documents related to business entity:	
	Proprietorship	a PAN Card of the Proprietor
		b Aadhaar Card of the Proprietor
		c Address proof of the business
		d IT return of the Proprietor
		e Audted financial statements of the Proprietor (last 3 yrs)
	Partnership	a PAN Card of all Partners
		b Aadhaar Card of all Partners
		c Address proof of the business
		d IT return of the Partnership firm
		e Audted financial statements of the Partnership firm (last 3 yrs)
		f Firm registration certificate
		g Registered deed of the Partnership
	Trust/Society	a PAN Card of all Trustees/ Managing Committee Members
		b Aadhaar Card of all Trustees/ Managing Committee Members
		c Address proof of the business
		d IT return of the Trust/Society
		e Audted financial statements of the Trust/Society (last 3 yrs)
		f Society registration certificate
		g Registered deed/ Memorandum+Bye laws of the Trust/Society
	Company/LLP	a PAN Card of all Directors/ Designated Partners
		b Aadhaar Card of all Directors/ Designated Partners
		c Address proof of the business
		d IT return of the Company/LLP (if existing company)
		e Audted financial statements of the Company/LLP (last 3 yrs) (if existing company)
		f Certificate of Incorporation
		g Memorandum of Association and Articles of Association
6	Functional email id and mobile no	
7	Statutory fees to be paid online on the portal	
	For Investment	Statutory fees
	Up to Rs. 50 lacs	Rs. 1000
	between Rs. 50 lacs and Rs. 20 crores	Rs. 3000
	Above Rs. 20 crores	Rs. 5000

Bihar Industrial Investment Promotion Policy 2016

Govt. of Bihar is committed towards improving business eco-system in the state. Multiple initiative are being taken to build investor friendly environment in the state with strong intent to promote investment and employment opportunities in the state. The state Government has taken a serious of measures to further improve the investment climate in the state.

To establish Bihar as the **most preferred investment destination** by leveraging the state's comparative advantages and **maximising employment** opportunity for attaining a balanced regional and sustainable development. State government has formulated the Bihar Industrial Investment Promotion Policy-2016 (BIIPP).

Incentives under this Policy

1. **100% Reimbursement of Stamp Duty / Registration Fees**
2. **100% Reimbursement of Land Conversion Fees**
3. **Interest Subvention Incentive** on term loan availed from a bank / Financial Institution subject to the following condition-
Rate of Interest: 10% (12% for MSME) or actual rate of Interest whichever is lower
Overall Limit: 30% of the approved project cost for Priority Sector and 15% for Non Priority Sector or 10Cr. whichever is lower
4. Tax related incentive: For Priority Sector 100% and Non Priority Sector 70% of approved project cost:
 - 4a. **Electricity Duty Reimbursement-**
100% Reimbursement of electricity duty on power including captive power for a period of 5 years.
 - 4b. **SGST Reimbursement-**
80% Reimbursement of admitted SGST for a period of 5 years.

Bihar Industrial Investment Promotion Policy 2016 for High Priority Sector

HIGH PRIORITY SECTORS:

In order to promote accelerated investment in Bihar, State Govt. has amended the Bihar Industrial Investment Promotion Policy 2016 for three broad sectors namely:

- 1) IT, IT enabled Services (ITes) and Electronic System Design & Manufacturing (ESDM)
- 2) Textiles, Apparel & Leather Sector
- 3) Food Processing Sectors

For IT, ITes, ESDM & Textiles, Apparel & Leather Sector :

A unit in which investment in Fixed Assets & Plant and Machinery (Excluding Land) is more than 5 Crore and creating direct employment at least 50 core workers excluding support staff such as Drivers, Guard etc.

For Food Processing Sectors:

A unit in which investment in Fixed Assets & Plant and Machinery (Excluding Land) is more than 5 Crore.

INCENTIVES:

- » **Pre-Production Incentives** : 100% Exemption of Stamp Duty, Registration Fees levied on lease/Sale/Transfer/Conversion Fees of Industrial Land.
- » **Post Production Incentives**
- » **Interest Subvention** : @ 10% or actual rate of interest on Term Loan, whichever is lower. Overall limit of this subvention will be 50% of the approved project cost with maximum 20 Crore.
- » **Tax Related Incentive** : 100% reimbursement against the admitted SGST deposited in the Account of State Govt. for a period of 5 years from the date of Commercial production. This shall have a maximum limit of 100% of the approved project cost.
- » **Employment Cost Subsidy** : ESI & EPF contribution of employee will be reimburse for 5 years (For male 50% & 100% for female employee contribution).
- » **Skill Development** : Rs. 20,000/- subsidy per employee for Training.

New Textile & Leather Policy

This Textile and Leather policy complements the existing Bihar Industrial Investment Promotion Policy 2016 (amended in 2020).

- Under Bihar Industrial Investment Promotion Policy 2016, unit with investment of at least Rs 5 Crore and employing 50 core workers comes under high priority while in textile sector, small units, with lower investment between Rs (2-5) crore, have the potential to generate employment for 150 to 200 labors.
- To provide tax related incentives to export oriented units or those which are not able to avail SGST
- To leverage available and bank, skilled labor, single window clearances, competitive cost of doing business, transparent and effective administration etc.
- To create opportunities for migrant labors returned after Covid-19
- To support micro and small units
- To support the relocation of units from other states to Bihar
- To create an overall eco-system that accelerate the growth of textile, apparel, footwear, and leather sector in the State
- There is no provision of employment generation subsidy in the present policy (Bihar Industrial Investment Promotion Policy 2016), where as there is such provision in policies of neighboring states
- The effective electricity rate in the state is higher compared to other states, and in the present policy (Bihar Industrial Investment Promotion Policy 2016), there is provision of electricity duty reimbursement only. To reduce the effective electricity rate, there is need for provision of



electricity rate subsidy in the state.

- There are no provisions related to textile and leather accessories in the present policy.

OBJECTIVE

This Policy aims to achieve following objectives for the overall growth & development of new and existing textile and its allied sectors, leather & foot wear industries:

Incentives under Bihar Industrial Investment Promotion Policy (Textile & Leather Policy)

The incentives for investors under Bihar Industrial Investment Promotion Policy (Textile & Leather Policy) areas below:

S.N.	Incentives	Quantum of incentives		
1.	Capital Investment Subsidy (For Category A & B units)	Industrial Units based on Investment as per The MSMED Act 2006 and BIIPP 2016 (Investment in P&M	Capital Investment Subsidy as % of average annual turn over for last 2 preceding financial year	Capping on Capital Investment Subsidy (in INR Crores)*
		Micro Units (Investment is not more than INR 1 Crore)	15% of plant and machinery. To be paid in 5 years in 5 equal instalments.	Rs 10 Crores
		Small Units (Investment is more than INR 1 Crore and not more than INR 10 Crores)		
		Medium Units (Investment is more than INR 10 Crores and not more than INR 50 Crores)		
		Large Units (Investment is more than INR 50 Crores and less than INR 100 Crores)		
		Mega Units (Investment is more than INR 100 Crores)		
		* The capping is only for Bihar component exclusive of incentive under Gol scheme		
2.	Freight reimbursement Incentive (For Category A & B units)	30% reimbursement on freight charges from project location to port shall be given to all eligible units for the period of first 5 years only. (Maximum Rs.10 lakhs/year) (Only for exports)		

S.N.	Incentives	Quantum of incentives												
3.	Employment Generation Subsidy (Inclusive of ESI & PF) (For Category A units only)	<p>The state will provide 300% of the ESI and EPF paid by the unit as employment subsidy subject to following capping for different categories for a period of 5 years. (Upto Rs.5000 / month / employee)</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Capping</th> </tr> </thead> <tbody> <tr> <td>(INR)/month Semi-skilled</td> <td>3000</td> </tr> <tr> <td>Skilled</td> <td>4000</td> </tr> <tr> <td>Highly skilled</td> <td>5000</td> </tr> </tbody> </table> <p>Eligible units for availing employment generation subsidy must have at least 75% of direct employees* with domicile of Bihar. The number of such employees must be at least 100 in numbers.</p> <p>(*Direct Employees comprises of employees directly involved in the manufacturing process such as Operator, Finisher, Packer etc. Employees/Workers like: Driver, Security guard, Sweeper, Peon etc. shall not be considered under employment generation subsidy)</p> <p>All the eligible unit shall have to employ the trained core employee / staff for a period of at least 1 year.</p>	Category	Capping	(INR)/month Semi-skilled	3000	Skilled	4000	Highly skilled	5000				
Category	Capping													
(INR)/month Semi-skilled	3000													
Skilled	4000													
Highly skilled	5000													
4.	Power Tariff subsidy (For Category A units only)	<p>Subsidy of Rs.2/unit will be given from the date of commencement of commercial production for a period of 5 years</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Capping (INR in Lacs) per year</th> </tr> </thead> <tbody> <tr> <td>Micro</td> <td>2.5</td> </tr> <tr> <td>Small</td> <td>12</td> </tr> <tr> <td>Medium</td> <td>35</td> </tr> <tr> <td>Large</td> <td>60</td> </tr> <tr> <td>Mega</td> <td>80</td> </tr> </tbody> </table> <p>To claim the subsidy the unit shall furnish the GST return document (SGST as well as IGST) in support of its claim of turn over. (It is inclusive of Electricity Duty Subsidy as admissible as per Bihar Industrial Investment Promotion Policy 2016)</p>	Category	Capping (INR in Lacs) per year	Micro	2.5	Small	12	Medium	35	Large	60	Mega	80
Category	Capping (INR in Lacs) per year													
Micro	2.5													
Small	12													
Medium	35													
Large	60													
Mega	80													
5.	Patent Registration (For Category A & B units)	<p>50% of the expenditure incurred up to a maximum of INR 10 Lakh per patent. Maximum of INR 4 Lakh shall be given for expenditure incurred in filling of patent, attorney fees, patent tracking etc. Maximum total amount for Patent subsidy will be INR 10 Lakhs.</p>												

Incentive under Bihar Industrial Investment Promotion Policy 2016

Textile and leather units (of both categories A & B) under this policy will also be eligible for incentives under the Bihar Industrial Investment Promotion Policy 2016. A summary of incentives is as following:



S.N.	Incentives (For Category A & B Units)	Quantum of incentives
6.	Interest Subvention	Maximum up to 10% (12% for micro and small units) or on actual rate of interest whichever is less up to 5 years for any unit. Subject to maximum 50% of the fixed capital investment (FCI) or maximum upto INR20Crores which ever is less.
7.	Tax Related Incentives	All new units shall be entitled to avail 100% of the reimbursement against the admitted SGST deposited in the account of the State Government for a period of 5 years from the date of commencement of commercial production.
8.	Exemption from Stamp duty / Registration fees	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 units only and given only for first time.
9.	Exemption from Land Conversion fees	100% exemption on land conversion fees of agricultural land
10.	Skill Development Subsidy	Skill development subsidy of INR 20,000 per employee or BSDM rates or on actual, whichever is low. All the eligible unit shall have to employ the trained core employee/staff for a period of at least 1 year. This grant shall be payable only once against the original employees (except the support staff like drivers, guard setc.) who are the domicile of Bihar.

Incentives under Government of India Schemes

Investors may leverage benefits of any eligible scheme of Govt even if they are announced post notification of policy and shall claim during the policy period. These schemes /incentives /programs may change time to time as notified by Government of India.

Ethanol Production Promotion Policy 2021

This Ethanol Production Promotion Policy- 2021 aims to achieve the overall growth and development of green field new 100% Ethanol manufacturing Industries in the state with a goal of providing remunerative returns to investors, farmers and all other stakeholder.

Capital Subsidy:

- Subsidy at 15% of the cost of plant and machinery maximum of Rs 5 Crs.

All other incentives (if applicable) as per High Priority sector as per Bihar Industrial Investment Promotion Policy amended in 2020.

Bihar Wood Based Industries Investment Promotion Policy, 2021

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

Capital Subsidy:

- » Existing Wood Based-35% of Project cost up to INR 70 lacs
- » New Integrated Wood Based-35% of Project cost up to INR 175 lacs
- » Support to Small Furniture & artifacts: Grant of up to INR 2 lacs / unit for tools & Equipments including skill development
- » Individual Artisan: Grant of up to INR 50,000 per individual including skill upgradation



Oxygen Production Promotion Policy - 2021

To promote, facilitate and financially incentivize investment in medical and Industrial Oxygen Manufacturing units in Bihar through creating an enabling environment and offering fiscal incentive. The sector and investment opportunities eligible for incentives under this Policy are as follows:

CAPITAL SUBSIDY:

30% of cost of Plant & Machinery whichever is lower

- » Cryogenic Oxygen Plant producing liquefied medical oxygen up to INR 25 Cr.
- » PSA/ VPSA based oxygen generator including air separation units- up to INR 5 Cr
- » Storage tanks by existing hospitals, up to INR.0.25 Cr
- » Cylinder manufacturing: up to INR 75 Cr
- » Oxygen Concentrators and auxiliary devices Up to Rs.75 Cr
- » Oxygen Logistics Units: 30% of the cost of Cryogenic oxygen tanker or Rs. 0.20 Cr, per tanker whichever is lower

All other incentives (if applicable) as per High Priority sector as per Bihar Industrial Investment Promotion Policy amended in 2020



Chief Minister MSME Cluster Development Scheme

OBJECTIVE:

To enhance the competitiveness of MSMEs by way of facilitating access to modern technology and providing marketing support through establishment of Common Facility Centres (CFCs)

COMMON FACILITY CENTRE (CFC):

Based on the cluster requirements, CFC may primarily include:

- Plant and Machinery for common uses by cluster entrepreneurs
- Packaging Centre, Design Centre and Testing Centre
- Effluent Treatment Plant
- Skill Development cum Training Centre
- Raw Material Depot

BENEFITS:

- Financial Assistance up to 90% of the approved project cost or Max. Rs. 10 Crore for establishment of CFC
- In case all the cluster entrepreneurs belong to below poverty line, financial assistance shall be 100% of the project cost of CFC or Max. Rs. 10 Crore.
- Support of Project Management Agency (PMA) for:
 - » Formation of Special Purpose Vehicle for Operation and Management of CFC
 - » Preparation of Detailed Project Report
 - » Coordination with the Department of Industries for sanction of Grant
 - » Guidance and supervision of construction and Installation of machinery at CFC
 - » Progress Reporting of CFC to Deptt. Of Industries





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DEPARTMENT OF INDUSTRIES

2nd Floor, Vikas Bhawan, Bailey Road,
Jawaharlal Nehru Marg, Patna, Bihar, 800015
Call Center No. : 1800 345 6214
E-mail : sipb.care@bihar.gov.in

BIADA (Bihar Industria Area Development Authority)

1st Floor, Udyog Bhawan, East Gandhi Maidan,
Patna - 800 004, Phone : 0612-2675002
E-mail : biada-bih@gov.in

UDYOG MITRA

Ground Floor, Indira Bhawan, RCS Path,
Patna, Bihar - 800 001, Tel : 0612-2547695
E-mail : udyogmitrabihar@yahoo.co.in