

# Bihar Industrial Investment Promotion Policy 2016

Department of Industries, government of Bihar has implemented this fiscal incentive scheme to improve the competitiveness of the units operating in the state and to boost the next round of industrial growth.

This policy will remain in force for 5 years from the effective date.

## Nodal Agency

Department of Industries, Government of Bihar shall be the nodal agency responsible for implementation of this policy in the State.

## High Priority Sector under the Scheme:

- 1) IT, IT enabled Services (ITeS), and Electrical System Design and Manufacturing (ESDM) Sector.
- 2) Food Processing Sector and
- 3) Textile, Apparel and Leather Sector

## Priority Sectors under the scheme

- 1) Tourism Sector
- 2) Small Machine Manufacturing Sector
- 3) Plastic and Rubber Sector
- 4) Renewable Energy Sector
- 5) Healthcare Sector
- 6) Technical Education Sector
- 7) Wood Based Industries
- 8) General Manufacturing Industries

## General Provisions

- ✓ Units have to provide a Detailed Project Report (DPR) and Bank Appraisal Report prepared by the scheduled bank or Financial institution approved by RBI/SEBI. The project cost for calculation of incentives shall be ascertained from the bank appraisal report.
- ✓ For incentive calculation under this policy, the cost of land shall not exceed a limit of 10% of the total proposed investment excluding the land or the actual cost of land, whichever is lower.
- ✓ All incentives mentioned this policy under shall be provided post-production i.e. after the date of commercial production/ operations.
- ✓ 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.
- ✓ In the event of change in ownership or management of a unit, the same shall be intimated by the unit to the competent authority. A revised Letter/ Eligibility Certificate may be issued to the unit (in the name of new owner) for balance incentives.

- ✓ 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.
- ✓ Any existing or new units, expanding its capacity, diversifying, or modernizing will be given the benefits as applicable to new units on their incremental approved project cost.
- ✓ Dovetailing of incentives with the Central Government schemes would be allowed under this policy.

In case of grant availed/ to be availed on a particular asset under any scheme of GoI, the approved project cost for the purpose of calculation of incentive under state policy will be arrived at by deducting the value of that asset.

## Incentives

<b>Sl. No.</b>	<b>Incentive Component</b>	<b>General incentives</b>	<b>Special Incentive</b>
1.	Reimbursement Stamp Duty/ Registration	100 reimbursements.  <i>(Applicable to all the new units for the first time lease/sale/transfer.)</i>	For SC, ST, Women, Differently abled persons, War widows, Acid attack victims and Third gender entrepreneurs
2.	Land Conversion Fees	100 reimbursements.  <i>(Applicable for conversion of agricultural land)</i>	-
3.	Interest Subvention	<p>1) For Micro and Small units - 12% or actual rate of interest on term loan, whichever is lower.</p> <p>2) For all other units - 10% or actual rate of interest on term loan, whichever is lower</p> <p>The upper limit of this subvention -</p> <ul style="list-style-type: none"> <li>i) For High Priority Sector - 50% of the approved project cost.</li> <li>ii) For Priority sector units - 30% of the approved project cost.</li> <li>iii) For non-priority sector units - 15% of the approved project cost.</li> </ul> <p>The upper limit shall be Rs.10 Cr.</p>	<p>1) For Micro and Small units - 13.80% or actual rate of interest on term loan, whichever is lower.</p> <p>2) For all other units - 11.50% or actual rate of interest on term loan, whichever is lower.</p> <p>The upper limit of this subvention -</p> <ul style="list-style-type: none"> <li>i) For Priority sector units - 34.50% of the approved project cost.</li> <li>ii) For non-priority sector units - 17.25% of the approved project cost.</li> </ul>

		<i>Subvention will be instalments linked with the term loan repayment schedule</i>	The upper limit shall be Rs.11.50 Cr.
4.	Tax related incentive	<p><b>SGST Reimbursement</b></p> <p>1) Non-priority sector: 80% reimbursement of SGST upto70% of the approved project cost for a period of 5 years.</p> <p>2) Priority sector: 80% reimbursement of SGST, 100% of the approved project cost for a period of 5 years.</p> <p>3) High Priority Sector: 100% reimbursement of SGST,100% of the approved project cost for a period of 5 years.</p> <p>All new micro and small units will be given tax benefits by additional 30% of the approved project cost.</p> <p>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</p> <p><b>Electricity Duty</b> 100% reimbursement for 5 years.</p>	<p><b>SGST Reimbursement</b></p> <p>1) Non-priority sector: 92% reimbursement of SGST upto 80.50% of the approved project cost for a period of 5 years.</p> <p>2) Priority sector: 92% reimbursement of SGST upto 115% of the approved project cost for a period of 5 years.</p>

## Negative list of industries

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

*Any industry which impacts the environment adversely will not be eligible for any incentive under this policy and be placed in the above mentioned negative list.*