

BIHAR INDUSTRY POLICY 2016 HIGHLIGHTS (OLD)

HIGH PRIORITY SECTORS	
<p>Food Processing <i>Maize Processing, Fruits & Vegetable (F&V) Processing, Poultry and Fish Processing</i></p> <p>Services IT, IT enabled Services (ITeS) , Electronic System Design and Manufacturing (ESDM) Sector</p> <p>Textile, Apparel, Leather Sector <i>Weaving/ Knitting/ Stitching, Production of Apparel, Banana/ Jute Fibre, Leather/ Artificial Leather/ Leather substitute material</i></p>	
Nature of Incentive	Benefits
Reimbursement of Stamp duty/ Registration	100% Reimbursement
Land Conversion Fee	100% Reimbursement
Interest Subvention on Term Loan from the Bank/Financial Institution registered under RBI/SEBI	<ul style="list-style-type: none"> • Rate of interest @10% or actual, whichever is lower • Maximum of 50% of approved project cost subject to a maximum of Rs 20 Cr.
Tax Incentives	<ul style="list-style-type: none"> • 100% of SGST admitted for a period of 5 years subject to maximum limit of 100% of approved project cost
Employment Cost Subsidy	<ul style="list-style-type: none"> • 50% reimbursement for male workers and 100% for female workers of contribution towards ESI and EPF for a period of 5 years for employees who are domicile of Bihar • Maximum limit of Rs. 1,000 for Sc/ST and women and Rs. 500 for general employees per month
Skill development Subsidy	<ul style="list-style-type: none"> • Rs 20,000 per employee or BSDM rates, whichever is lower • Minimum period of employment is 1 year

Read the full notification [here](#)

Note: The industrial units can be categorized into High Priority provided:

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) (ii) creating direct employment of at least 50 core workers (excluding support staff such as Drivers, Guards etc.)

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) (ii) creating direct employment of at least 50 core workers (excluding support staff such as Drivers, Guards etc.)

Food Processing Sector A unit in which investment in Fixed Asset and Plant and Machinery (excluding Land) is more than Rs 5 Crore

PRIORITY SECTORS

Food Processing *Food-grains (Cereals and pulses) and oilseed , Milk Processing and Dairy Product Manufacturing , Honey Processing , Meat Processing, Spice and Herbs Processing, Tea Processing, Other edible preparations, Sugarcane Processing, Warehousing, General/ Business Development Services related to food processing sector*

Manufacturing *Small Machine Manufacturing Sector, Electrical and Electronic Hardware Manufacturing Sector, Textile Sector, Plastic & Rubber Sector*

Tourism Sector, Renewable Energy Sector, Healthcare Sector, Technical Education Sector

Nature of Incentive	Benefits
Reimbursement of Stamp duty/ Registration	100% Reimbursement
Land Conversion Fee	100% Reimbursement
Interest Subvention on Term Loan from the Bank/Financial Institution registered under RBI/SEBI	<ul style="list-style-type: none"> • Micro & Small@12% or actual, whichever is lower • Others @10% or actual, whichever is lower • Overall limit of 30% of approved project cost subject to maximum of Rs 10 Cr • For SC/ST/Women/Differently Abled Person/War Widow/Acid Attack Victim/Third Gender <ul style="list-style-type: none"> ○ Micro & Small@13.8 % or actual whichever is lower ○ Others @11.5% or actual whichever is lower ○ Overall limit will be 34.5% of approved cost for priority sector subject to maximum limit is Rs. 11.5 Cr
Tax Incentive	<ul style="list-style-type: none"> • Tax benefits subject to 100% of approved project cost • Micro & Small Units/Solar power generation or Renewable energy generation unit for commercial purpose –additional 30% of approved project cost • 80% VAT/ CST/Entry Tax reimbursement for five years (GST notification still pending) • 100% reimbursement on electricity duty for five years. Not eligible, if captive power exported to entities other than BSPHCL. • For SC/ST/ Women /Differently Abled Person/War Widow/Acid Attack Victim/Third Gender <ul style="list-style-type: none"> ○ 92% VAT/ CST/Entry Tax reimbursement for five years with maximum limit of 115% of approved project cost for Priority Sector
Private Industrial Park	Interest subvention of 10% or actual which is lower, maximum up to 30% for Non priority /35% for Priority sector units or Rs. 50 Cr. whichever is lower

NON PRIORITY SECTORS	
Nature of Incentive	Benefits
Reimbursement of Stamp duty/ Registration	100% Reimbursement
Land Conversion Fee	100% Reimbursement
Interest Subvention on Term Loan from the Bank/Financial Institution registered under RBI/SEBI	<ul style="list-style-type: none"> • Micro & Small@12% or actual, whichever is lower • Others @10% or actual, whichever is lower • Overall limit of 15% of approved project for Non priority sector subject to a maximum of Rs. 10 Cr. • For SC/ST/Women/Differently Abled Person/War Widow/Acid Attack Victim/Third Gender <ul style="list-style-type: none"> ○ Micro & Small@13.8 % or actual whichever is lower ○ Others @11.5% or actual, whichever is lower ○ Overall limit will be 17.25% for Non priority sectors ○ Maximum limit is Rs. 11.5 Cr
Tax Incentive	<ul style="list-style-type: none"> • Tax benefits subject to 70% of approved project cost for Non Priority sectors • Micro & Small Units/Solar power generation or Renewable energy generation unit for commercial purpose –additional 30% of approved project cost • 80% VAT/ CST/Entry Tax reimbursement for five years (GST notification still pending) • 100% reimbursement on electricity duty for five years. Not eligible, if captive power exported to entities other than BSPHCL.

	<ul style="list-style-type: none"> • For SC/ST/ Women /Differently Abled Person/War Widow/Acid Attack Victim/Third Gender <ul style="list-style-type: none"> ○ 92% VAT/ CST/Entry Tax reimbursement for five years with maximum limit of 80.50% of approved project cost
Private Industrial Park	Interest subvention of 10% or actual which is lower, maximum up to 30% for Non priority /35% for Priority sector project or Rs. 50 Cr. whichever is lower

Read the full policy [here](#)

General Conditions

1. All the above mentioned incentives shall be post production except interest subvention scheme, which shall be linked with the repayment schedule of the Term Loan.
2. No capital subsidy is available
3. No MMG/AMG benefit is available

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
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.

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