

## Highlights of Bihar Wood Based Industries Investment Promotion Policy, 2020

### Eligibility and General Provisions

- 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
- The net worth of the applicant(s) should not be less than the subsidy amount sought.
- 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.
- Any investor / applicant who has availed financial assistance for a project under this policy, shall not be eligible to apply for another project under the same policy until one month after operationalization of the earlier project.
- Whatever is not defined / mentioned here will have the same meaning as given in the Bihar Industrial Investment Promotion Policy, 2016 for all purposes.
- This policy will come into effect from 26 August, 2020 and will remain in operation till 31st March, 2025.
- Department of Environment, Forest and Climate Change, Government of Bihar shall be the nodal agency responsible for implementation of this policy in the State.
- The time schedule for completion and operationalization of project will be a maximum of 24 months from the date of approval.
- 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.

- 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

## Financial Assistance

Category	Units	Subsidy	Project Requirements
<b>A</b>	Existing Wood based Industrial Units	<p>35% of project cost maximum upto Rs. 70 lacs</p> <p>1st Instalment : 50% (after purchase and installation of plant and machinery)</p> <p>2nd Instalment : 50% (after commencement of commercial production of the unit / project)</p>	<ul style="list-style-type: none"> <li>• Minimum project cost should be Rs. 10 lacs</li> <li>• Expansion / diversification / modernization/ Technology upgradation of existing Wood based Industry/ Unit to reduce wastage, waste utilization, quality improvement, value addition and synergy</li> <li>• Skilling and Job creation</li> </ul>
<b>B</b>	New Integrated Wood based Industrial Units	<p>35% of project cost maximum upto Rs.175 lacs</p> <p>1st Instalment : 50% (after purchase and installation of plant and machinery)</p> <p>2nd Instalment : 50% (after commencement of commercial production of the unit / project)</p>	<ul style="list-style-type: none"> <li>• To be eligible for subsidy project has to be approved by SIPB and minimum project cost should be Rs 50 lacs.</li> <li>• Set up new Integrated wood based industrial Units.</li> <li>• Skilling and Job creation</li> </ul>

<b>C</b>	Support to Small Furniture and other wood based artifacts making units employing not less than 10 labour	Grant upto Rs 2,00,000/Unit for tools and equipments including skill upgradation	<ul style="list-style-type: none"> <li>• Quality improvement , waste reduction and/or value addition using Modern tools and Equipment</li> <li>• Skill Upgradation</li> </ul>
<b>D</b>	Individual Artisans	Grant of upto Rs. 50,000 per individual for modern tools and equipments including skill upgradation	<ul style="list-style-type: none"> <li>• Quality improvement , waste reduction and/or value addition using Modern tools and Equipment</li> <li>• Skill Upgradation</li> </ul>

**Note:**

- Cost norms for tools, plant and machinery shall be fixed by the department to calculate the investment in the project under all categories
- 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% additional subsidy for Extremely Backward Classes, Scheduled Caste, Scheduled Tribe, Women, Differently abled persons, War widows, Acid attack victims and Third gender investors. However, the overall monetary ceiling of the subsidy shall remain the same.
- 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 as provided above.
- Eligible units under this policy shall avail the subsidies upto a maximum of 2 yrs after the end of the policy term, i.e. 31st March, 2025.
- An investor shall not be eligible for applying under this policy for availing capital subsidy beyond 31st March, 2025.
- Artisans working on wood based products shall be eligible for skill upgradation, certification and provision of tools and equipment

- Small furniture and artifact making units employing not less than 10 labour shall be eligible for one time grant for modern tools and equipment

## Definitions

- **"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.
- **"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.
- **"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.
- **"Technology upgradation"** means use of efficient, waste reducing, quality improving, power efficient tools, plants and Machinery in in existing wood based units.
- **"Department"** means Department of Environment, Forest and climate change, or any successor department.
- **"Expansion of existing unit"** means enhancement of capacity by at least 25% of the existing capacity of the said unit.
- **"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. 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.

- **"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:
  - ✓ working capital for this purpose of calculating project cost for the subsidy shall be maximum of 20% of the projected annual turnover
  - ✓ cost of land shall not exceed a limit of 10% of the total proposed investment other than the land
  - ✓ Land value shall be taken as the MVR of the area or the cost of the land of industrial area, as the case maybe
  - ✓ the department shall prepare an indicative unit cost for tools, plants and machinery for the purpose of evaluating project cost

**Note:**

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

Read the complete policy [here](#)