

HIGHLIGHTS OF BIHAR IT POLICY – 2024

Policy Period: - 09.01.24 to 08.12.29

Eligibility criteria:-

- IT / ESDM units having GST registration of Bihar post notification of this policy shall be considered as New units and shall be eligible for the incentives under this policy.
- Existing IT / ESDM units having GST registration of Bihar and with minimum expansion over and above 50 % of existing manpower subject to minimum 25 fresh direct employment post notification of this policy.
- Employment means direct employment of manpower having minimum qualification of BE/ BTECH/ MCA/ MBA with minimum CTC of 2.4 lakhs per annum for IT units whereas minimum qualification for ESDM units shall be ITI/ Diploma / BE / BTECH with minimum CTC of 1.8 lakhs per annum.
(Employment must be for a minimum continuous period of 6 months)
- The minimum turnover per employee per annum for the IT unit must be INR 20 lakh whereas minimum turnover per employee per annum for the ESDM unit must be INR 50 lakh.
- To avail any benefits under this policy, minimum 25 direct Employment must be generated and at least 50 % of total employment must be for persons having permanent domicile of Bihar.
- The fulfillment of employment condition would be determined on the basis of average annual direct employment generated. average annual direct employment is average no. of employments generated by the eligible units in that particular year as per EPF register.
- IT / ESDM units shall have to ensure that minimum 60% of employees must be stationed in Bihar. The organization must provide self declaration and maintain biometric records at the unit level.
- Additional 5 % incentives, shall be provided to SC / ST / BC/ EBC/ Women / Divyangjan / War widow / Acid attack survivors / Third gender entrepreneurs who must have hold minimum 51 % of shareholding in IT / ESDM units and should also hold Director or equivalent position in the co.
- Additional 10 % incentives shall be provided to IT/ ESDM units established outside Patna and Danapur Municipal area.
- Units which have availed benefits under this policy shall not be eligible to avail benefit for the same investment under any other policy/scheme of the state and vice versa.
- Any disbursement in this policy shall be made on yearly basis.
- Dovetailing with the central government schemes shall be allowed.

INCENTIVES UNDER THIS POLICY SHALL BE RESTRICTED TO FOLLOWING FOCUSED AREA:

IT/ITes SECTOR	ESDM SECTOR
IT products, software and services	Chip Manufacturing and Design
Knowledge Process Outsourcing (KPO)	Computer or Peripherals and other office equipments manufacturing
Call Centres (BPOs)	Semi conductors
Software Development Centers	Server and Storage device
Digital Content Development	Communication and Networking devices
Smart Technologies	Automotive Electronics
Internet of Things (IoT)	Medical Electronics
Data Centres	Industrial Electronics
Big Data and Analytics	Telecom Electronics
PC Gaming, Console Gaming, Online /Multiplayer Gaming, Mobile Gaming, Video Games	Strategic electronic and devices
Animation	Electronic manufacturing services
Visual Effects (VFX)	Solar Photo Voltaic Cells and Solar Panels
Web-Designing	Electronics Consumer devices and gadgets
E-Learning and E-Education	LEDs
IT Platform/Aggregators	Embedded Software
	Defense Electronic Equipment
	Information and Broadcasting electronic devices
	Drone Manufacturing
	E-waste Recycling

Negative list:-

- It includes functions such as Business Development, Sales Office, Common Service Centers, Training exam centers and cyber cafes and may be amended from time to time.

INCENTIVES:-**i. Capital investment subsidy :-**

- The eligible IT / ESDM units with minimum fixed capital investment of INR 5 crores shall be entitled for one time capex support of 30 % on the fixed capital investment incurred by such units' up to a maximum limits of INR 30 crores.

NOTES:

1. *The incentives shall be reimbursed in five equal annual installments post production / operation.*
2. *Fixed capital investment includes Land purchase, Building purchase/construction, Plant & Machinery, Stamp duty and land conversion fee, if paid.*
3. *The cost of land shall be **lower of** 20% of total proposed investment excluding land cost or actual cost assessed by scheduled commercial bank/registered financial institutions.*

ii. Interest subvention subsidy :-

- Rate of interest for interest subvention will be 10 % or actual rate of interest on term loan, whichever is lower.
- The overall limit of this subvention will be 50 % of the approved project cost as approved by Bank or INR 40 crore, whichever is lower.
- Interest shall not be paid on promoter's contribution in any form in the unit.
- In case the promoters do not avail any term loan for the unit, they would not be eligible for this incentive.
- The reimbursement of incentive shall commence post production / operation and shall be reimbursed annually for 5 years.

NOTES:

- **Either Capital Subsidy OR Interest subvention will be allowed to the units**
- *Term loan to be availed by RBI registered Bank / financial institution*

iii. LEASE RENTAL SUBSIDY :-

- Eligible IT / ITES / ESDM units operating from leased office / commercial space shall be reimbursed lease rental incentive of 50 % of the lease rental amount paid and will be provided for a period of 5 years.

iv. POWER TARIFF SUBSIDY :-

- Eligible IT / ITES / ESDM units will be provided annual reimbursement of 25 % of the energy bill for a period of 5 years.

v. EMPLOYMENT GENERATION SUBSIDY :-

- The state will provide 100 % reimbursement on account of employer's contribution towards EPF and ESI (whichever applicable) subject to a maximum limit of INR 5000 per employee per month for a period of 5 years.

NOTE: - Mega Enterprises, projects with an investment above INR 100 crores or generating a minimum of 1000 direct employment on its payroll in the state shall be eligible for tailor – made package of incentives.

STAGE OF PROJECT CLEARANCE AND DISBURSEMENT :-

i. Stage 1 clearance :-

- All the application shall be accepted through state SIPB portal for stage 1 clearance wherein the proposed project would be examined for feasibility and issuance of necessary approval to the investor.
- The IT Department shall examine all the investment proposals and those worth up to INR 5 Cr, shall be placed before the SIPB Secretariat, which would be presided by the Additional Chief Secretary (ACS) principal secretary, Department of Information Technology.
- Whereas investment proposal more than INR 5 Cr, shall be placed before the SIPB for a decision.

ii. FINANCIAL INCENTIVE CLEARANACE :-

- Financial incentives clearance for investment of INR 5 Cr. or less shall be approved by the ACS / Principal Secretary / Secretary, Department of IT, whereas the applications for investment more than INR 5 Cr. Shall are placed before the SIPB and the SIPB shall recommend the quantum of incentives applicable to the investment proposal.

The competent authority to accord final approval on incentives shall be as follows:-

Eligible Investment Size	Competent Authority
Up to INR 5 Cr.	ACS / Principal secretary / Secretary, Department of IT
More than INR 5 Cr. And up to a limit of INR 15 Cr.	Minister, Department of IT
More than INR 15 Cr. And up to a limit of INR 30 Cr.	Jointly by the minister, Department of IT and minister, Department of Finance.
More than 30 Cr.	Cabinet