

# Bihar Agri Investment Promotion Policy 2020



AGRICULTURE DEPARTMENT  
Government of Bihar

## **Preamble**

Bihar is one of the important agricultural states in the country with around 80% population engaged in agriculture (more than the national average). Being a major producer of food grains, pulses, fruits and vegetables, the agricultural sector in the State is growing at 13.8%, thereby contributing 19.26% of GSDP. It is one of the leading producers of vegetables & fruits in India, including many GI tagged crops. However, with very minimal primary and secondary processing happening here, the existing potential for agri-based enterprises in the State remains untapped.

The state has Bihar Industrial Investment Promotion Policy, 2016 (BIIPP 2016), which identifies food processing sector as a under high-priority sector and priority sector. The Government of Bihar is committed to promote investment towards agribusiness in the State by way of extending additional assistance to the investors coming in this sector.

Assessing the State's potential of capitalizing on the surplus production of various crops and the potential of increasing the level of processing, reduction of wastage, value addition and promote exports, the State government has realized the need to re-visit the provisions of BIIPP 2016 and make the incentives more lucrative for agribusiness investors including Farmer Producer Companies (FPCs) in Bihar. In this context, Government of Bihar has decided to launch Bihar Agri Investment Promotion Policy (BA-IPP) 2020.

The BA-IPP 2020 aims to enhance income of farmers through better returns gained through better processing of produce and create enabling environment in the state for setting-up of agribusinesses. This policy also promotes FPCs as potential investors in agribusiness sector, through added financial assistance.

## **Bihar Agri Investment Promotion Policy, 2020**

### **1. Vision of the Policy**

'To encourage and promote agribusiness sector in Bihar through creating an enabling environment for the same and enhancing the level of processing, storage, waste reduction, value addition and export promotion thereby generating higher income returns to farmers and creating more employment opportunities'

### **2. Objectives**

The policy aims to achieve the following objectives for the overall growth and development of agribusiness sector in the State with a goal of providing remunerative returns to farmers' produce:

- 2.1. To promote and facilitate investment in agribusiness sector in Bihar through financial assistance and an enabling environment
- 2.2. To increase the level of processing, reduction of wastage, value addition and promote exports thereby resulting in overall development of agro processing sector.
- 2.3. To extend financial assistance for establishment of new agro-processing units as well as technology upgradation and expansion of existing units in the State in the identified sectors of Agriculture.
- 2.4. To enhance income of farmers through better returns gained through better processing of produce
- 2.5. To create employment opportunities through promotion of agro based industries

### **3. Salient features of Bihar Agri Investment Promotion Policy, 2020**

- 3.1. The policy provisions under the current policy shall be available to investors in addition to the Bihar Industrial Investment Promotion Policy, 2016, but there shall be no overlapping supports, i.e. investors shall not be eligible to avail same incentives under both policies.
- 3.2. The policy shall provide capital subsidy to the eligible individual investors /entrepreneurs or registered farmer-based companies for setting up /modernization /diversification/expansion of agro processing units in the identified sectors of Agriculture, in the state of Bihar. The investors/ entrepreneurs may set-up their units as Proprietorship, Partnership firm, Limited Liability Partnership (LLP), Company including Farmer Producer Company (FPC).
- 3.3. Capital subsidy under the said policy is allowed for expansion/modernization of existing projects in the identified sectors, only if the existing capacity of the said project is increased by at least 25% by way of such modernization or expansion or diversification (definition of expansion and modernization same as BIIPP 2016).

- 3.4. The Capital subsidy support shall be entirely credit linked.
- 3.5. The projects with minimum approved project cost of Rs. 0.25 cr. and maximum of Rs. 5 cr. shall be eligible for availing the benefits under this policy.
- 3.6. Bihar Horticulture Development Society (BHDS), Agriculture Department, Government of Bihar will be the nodal agency for implementation and monitoring of this policy in the state.

## 4. Coverage and Scope

This policy shall be applicable in the entire state and considering the Bihar's leading position across the country in terms of agri produce, the Policy identifies the following seven agribusiness sectors for extending the financial assistance:

## 5. Incentives under Bihar Agri Investment Promotion Policy, 2020

S No.	Sector*	Indicative processing industries**
1.	Makhana	Processed makhana, makhana powder, ready to eat makhana (different flavours), confectionaries, breakfast mix, chips, kheer mix, etc.
2.	Fruits and Vegetables	<ul style="list-style-type: none"> <li>• Litchi (Pulp, juice, nectar, beverage, jam, jelly, pulp slabs, etc.);</li> <li>• Guava (Juice, Beverage, Jam, jelly, nectar, ayurvedic medicines etc.);</li> <li>• Banana (Pulp, baby food, banana fiber, packing material, banana flower vegetables (Ready to eat), banana trunk vegetables &amp; pickles);</li> <li>• Potato (Potato flakes, powder, granulated);</li> <li>• Spices - Cryo grinding (All medicinal &amp; Culinary spices);</li> <li>• Tomato (Tomato paste, puree, dehydrated, etc);</li> <li>• Mushroom (canning, drying, etc.);</li> <li>• Tamarind (paste, de-seeded, etc.);</li> <li>• Fruit &amp; Vegetables Fresh / Processed (Frozen, pulp, washed, cut, dried, canned, packaged fruits and vegetables)</li> <li>• Pickle unit (Mixed pickle, mango, lemon, chilli pickle, etc.)</li> </ul>

S No.	Sector*	Indicative processing industries**
3.	Honey	Processed honey for consumption, honey for industrial use (pharmaceutical, food processing, cosmetics, etc.), bee venom, royal jelly, bee-wax, propolis, pollen
4.	Medicinal and Aromatic Plants	Medicinal and aromatic plant-based products
5.	Maize	Cattle feed, fish feed, Poultry feed, Corn flakes, corn grits/ corn suji, corn starch, Post-harvest management infrastructure including storage
6.	Tea	Modern tea processing units, Teabags, loose tea, compressed tea, Instant tea, bottled and canned tea, processed tea for industrial use (cosmetics, pharmaceuticals, food processing, etc.)
7.	Seeds	Seed processing units (cereals, pulses, fruits, vegetables, etc.)

**Note:**

\* Government of Bihar may modify the identified sectors under the policy from time to time, as per requirement and the sectors identified herewith shall be considered as priority sector in BIIP also.

\*\*List is indicative and all the products coming under the gamut of above identified 7 sectors shall be included under the policy.

- a) Units/ enterprises set up for the purpose of packaging/ repackaging of food items imported from other states or countries shall not be considered eligible under this policy (as mentioned in BIIPP 2016).
- b) If a unit/ enterprise is setting up two or more kinds of facilities in an integrated manner/for captive use purpose, the facilities would be treated as a single project and combined cost of the facilities would be considered for grant calculation purposes. The classification of the units/ enterprises into eligible units under this policy would be as per the nature of the main/mother facility, i.e. the core facility (as mentioned in BIIPP 2016).
- c) Units for manufacturing any food item fit for human/ animal consumption which does not contain maize, fruits and vegetables or any processed/preserved items (like pulp concentrate, extract) made from maize/Fruits & Vegetables as its main ingredient would not be considered eligible for getting benefit under this policy (as mentioned in BIIPP 2016).
- d) In the maize sector, priority shall be given to cattle feed and fish feed units/industries.
- e) Dedicated ancillary units (packaging, laminates, etc.) at makhana producing districts shall be promoted with targeted support from BIIPP-2016

S No.	Sector*	Indicative processing industries**
		<p>f) Unit established for processing of by-products of the main agribusiness facility will be considered for a grant only under the BIIPP 2016 (under the non-priority sector) if the end product resulting from the processing of the by-product is not a food product fit for human/ animal consumption (with any exceptions defined above). If the final product is fit for human/ animal consumption it would be categorized as per the allowed sectors (as mentioned in BIIPP 2016).</p> <p>g) In case an existing unit migrates from non-agri based sector to agri-based sector i.e. as identified in Clause 4 of this policy, through capacity expansion and/or facility addition and/or diversification etc., it would enjoy the incentives as provisioned in this policy.</p>

The Policy recognizes the need of capital subsidy to improve the investment prospects in the agribusiness sector / corresponding units in the state.

### **5.1 Guiding Principles**

- 5.1.1 These provisions /principles shall be applicable to all eligible projects /units under this policy.
- 5.1.2 This policy shall come into force from the date of its notification. The said date shall be considered as effective date of this policy from which its provisions coming into force and will be applicable till 31st March 2025. Eligible units under the policy shall avail the capital subsidies up to a maximum of 2 yrs. after the end of the policy term, i.e. 31st March 2025.
- 5.1.3 The capital subsidy support to the units falling under the seven identified agribusiness sectors (in clause 4) will be in addition to the wide range of benefits eligible under the Bihar Industrial Investment Promotion Policy, 2016.
- 5.1.4 Projects having procured SIPB (State Investment Promotion Board) stage - I approvals will be eligible to apply for BAIPP screening with requisite documents and pre-conditions.
- 5.1.5 An investor shall not be eligible for applying under this policy for availing capital subsidy beyond 31st March 2025.
- 5.1.6 Investor applying for benefit under this policy shall provide a Detailed Project Report (DPR) accompanying the Bank Appraisal Report prepared by the scheduled nationalized bank or financial institution approved by RBI/SEBI, which is supposed to extend the term loan to the unit. The appraisal report prepared by the bank/ financial institution shall form the basis for ascertaining the project cost for calculation of incentives.
- 5.1.7 For the purpose of calculation of capital subsidy under this policy, the approved

project cost shall mean the project cost as defined in Clause 5.2 and approved by the competent authority. The approved project cost shall be the basis for determining the disbursal amount.

- 5.1.8 In the approved project cost considered for capital subsidy calculation under this policy, the cost of land shall not exceed a limit of 10% of the total project cost, excluding the land cost. While the land development cost would be capped at 2.5% of the total project cost excluding such land development cost. Thus, in the approved project cost either the actual cost of land mentioned in the project report assessed by the bank/ financial institutions or 10% of the total project cost excluding the land, whichever is less, will be considered. This principle shall be followed for examining all investments under this policy.
- 5.1.9 The capital subsidy under this policy shall be credit linked and released in two instalments (linked to installation of P&M – 1st instalment, and at commencement of commercial production/ operations – 2nd instalment) to the Bank / FI extending the term loan to the investor. The subsidy released under this policy shall go to term loan account towards principal component of loan.
- 5.1.10 In case of Scheduled Castes (SC), Scheduled Tribes (ST) and Extremely Backward Castes (EBC) investors, the maximum limit of capital subsidy shall be increased by additional 5% across all categories. For more details, please refer to Clause 5.4.
- 5.1.11 In case of women, differently abled entrepreneurs, war widows, acid attack victims and third gender entrepreneurs, the maximum limit of capital subsidy shall be increased by additional 2% across all categories. For more details, please refer to Clause 5.5.
- 5.1.12 The benefits under this policy shall cease either on the exhaustion of the applicable quantum or on the completion of the eligible period, whichever is earlier. Any unutilized incentive at the end of eligibility period shall lapse. The sanctions to eligible investors would be accorded as per budget availability under each financial year.
- 5.1.13 Any existing or new unit, expanding its capacity, diversifying, or modernizing during the policy period will be given the benefits as applicable to new units on their incremental approved project cost. To avail the benefits, there must be a capacity expansion/modernization of at least 25% of the capacity of the existing unit (provisions as mentioned in the BIIPP 2016).
- 5.1.14 All the sectors (and the respective processing units) as stated in clause 4 of this policy shall be considered as part of priority sector in the Food Processing sector of the Bihar Industrial Investment Promotion Policy, 2016.
- 5.1.15 The time schedule for completion and operationalization of project will be a

maximum of 24 months from the date of approval.

5.1.16 Other subsidies/grants/soft loans and other benefits as applicable in other schemes shall be valid for Agri industries and infrastructure established in the State of Bihar, however, the upper limit to receive benefit from all the permissible sources shall be capped as per the following specifications:

5.1.17 In the event of change in ownership or management of a unit, the same shall be

S No.	Type / Category of Investor	Capping of incentives
1.	Individual – General	50 %
2.	Individual – SC / ST / EBC	55%
3.	Individual - Women, differently abled persons, war widows, acid attack victims and third gender investors	52%
4.	FPC (Farmer Producer Companies)	60%

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 production.

5.1.18 In the event of 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. In case the new shareholders are not from the same category, the amount of incentive extended to such units shall become liable to be recovered from the date of availing such incentives along with interest compounded annually @ 18% per annum (as provisioned in BIIPP 2016).

5.1.19 If any false declaration is given for the purpose of availing incentives or if any incentives are availed for a unit that was not eligible, the amount of incentives are liable to be recovered from the date of availing such incentives along with interest compounded annually @ 18% per annum. In case of non-payment within the stipulated time, the State Government may recover such amounts including interest as arrears of land revenue (as provisioned in BIIPP 2016).

5.1.20 Any attempt to break/ divide or merge units only for the sake of availing higher amount of capital subsidy without substantial operational reasons shall be treated as misrepresentation of facts and will attract penal action as decided by the competent authority (as provisioned in BIIPP 2016).



5.1.21 Negative list of industries/sectors which shall not be eligible for any incentives under this policy are stated in Annexure II. These industries/sectors shall not be eligible for any benefit under this policy.

5.1.22 All matters of interpretation/disputes shall be decided by the Agricultural Production Commissioner/ Development Commissioner, Government of Bihar. Such interpretation/decision shall be final.

## 5.2 Assistance under this policy

The Policy aims to promote investment in agribusiness units in the state through extending an additional support (apart from those enshrined in the BIIPP, 2016) for the individual investors as well as to create an enabling environment for promoting agribusiness in Bihar.

### 5.2.1 Capital Subsidy

a) Capital subsidy shall be made available to the individual / FPC investors for the identified sectors (in Clause 4) as per the following details:

Subsidy/Support	Quantum	Purpose of the support
Capital subsidy* for project cost (land value, land development, plant and machinery, factory building, civil construction, Miscellaneous Fixed Assets) – credit linked	<p><b>i) for individual investors, Partnership firms LLP, companies - 15%</b> of the project cost (project cost – min. Rs. 0.25 cr. and maximum of Rs. 5 cr.)</p> <p>1st installment – 50% (after purchase and installation of plant and machinery)</p> <p>2nd installment – 50% (after commencement of commercial production of the unit / project)</p> <p><b>(ii) for Farmer Producer Companies (FPCs) - 25%</b> of the project cost (project cost – min. Rs. 0.25 cr. and maximum of Rs. 5 cr.)</p> <p>1st installment – 50% (after purchase and installation of plant and machinery)</p> <p>2nd installment – 50% (after commencement of commercial production of the unit / project)</p>	Setting up /expansion & diversification / modernization for agro and food processing units

b) The capital subsidy will be credit linked and will be released to eligible promoters on achievement of defined milestones. The said subsidy shall be calculated against the eligible Fixed Capital Investment (FCI) of the total project cost. The components of FCI eligible for seeking subsidy will include the following components:

Sl. No.	Fixed Capital Investment against which subsidy/grant shall be calculated*
1	Land value (registered value of land; in case of leased land, the cost to be excluded from project cost and may be included in operating cost)
2.	Land Development
3.	Plant and machinery (including imported machinery)
4.	Factory building
5.	Civil construction
6.	Miscellaneous Fixed Assets (MFA): only those which are associated with production line such as DG set, transformer, electrical wiring, packaging unit, bar coding unit, etc.

\*Above mentioned components shall be the base for subsidy/grant calculation, however the Application against the policy, appraisal note from the Bank, DPR, CA's certificate, etc. shall include the complete list of components of Project cost.

**c) Ineligible components**

- i. The following items under civil construction will be considered ineligible for calculation of subsidy for the project (The list is only indicative and not exhaustive):
  - a) Compound Wall
  - b) Approach Road/Internal Roads
  - c) Administrative Office Building
  - d) Canteen
  - e) Labour Rest Room and quarters for workers
  - f) Security/ Guard Room or enclosure
  - g) Consultancy fee, taxes, etc.
  - h) Other Non-technical civil works not related to processing unit or storage infrastructure
- ii. The following items will also not be considered eligible for calculating the grant for the project (The list is only indicative and not exhaustive):
  - a) Margin money, working capital and contingencies
  - b) Fuel, consumables, spares and stores
  - c) Transport vehicles other than the reefer trucks/vans/refrigerated carrier/insulated vans/milk tankers
  - d) Pre-operative expenses

- e) Second hand/ old machines
- f) All types of service charges, carriage and freight charges, etc.
- g) Expenditure on painting of machinery
- h) AC ducting, furniture, computers and allied office items.
- i) Closed Circuit TV Camera and security system related equipment.
- j) Consultancy Fee, Taxes, etc. on plant and machinery.
- k) Stationery items
- l) Plant & machinery not directly related to cold chain infrastructure
- m) Erection, installation and Commissioning charges.
- n) Fire-fighting equipment, fly catchers, hand washer, laundry etc.
- o) Reconditioned and refurbished plant & machinery.

### **5.2.2 Land availability**

- a) BIADA shall create dedicated land banks for agri based industries as mentioned in Clause 4 of this policy.

### **5.3 Dovetailing with Central and State Government policies and schemes**

5.3.1 Dovetailing with Central Government policies and schemes: Dovetailing of incentives with the Central Government schemes would be allowed under this policy. In case of grant availed / to be availed by the promoter under any scheme of the Government of India which has a state share or is further linked to the state Government schemes, the approved project cost for the purpose of calculation of incentive for this policy shall be arrived at by deducting the project cost corresponding to the incentives availed from the state Government.

5.3.2 Dovetailing with State Government policies and schemes: Dovetailing of incentives with the State Government policy and schemes would be allowed under this policy. It would be done in congruence to the provisions laid out in BIIP 2016. Investors shall have to submit declaration on not having obtained or applied for capital subsidy for the same component / purpose / activity from any other Ministry or Department of the Government of India or State Government or their agencies.

### **5.4 Special Incentive Package for Scheduled Caste and Scheduled Tribe investors**

5.4.1 In order to promote Scheduled castes (SC), Scheduled Tribes (ST) and Extremely Backward Castes (EBC) investors in the State, entrepreneurs under the said categories shall avail 5% additional subsidy under the policy subject to the condition that entrepreneurs under these categories shall hold 100% stake in the project.

### **5.5 Special Incentive Package for Women, Differently abled persons, War widows, Acid attack victims and Third gender investors**

- 5.5.1 In order to promote agribusiness investment amongst the women, differently abled persons, war widows, acid attack victims and third gender investors, entrepreneurs under above categories avail 2% additional subsidy under the policy, subject to the condition that entrepreneurs under these categories shall hold 100% stake in the project.

## **6. Institutional support**

- 6.1 The State Government shall strive to create an enabling environment for improved investment in agro-processing industries. The department of Agriculture shall work in coordination with other concerned departments and stakeholders to ensure this.
- 6.2 The State Government shall promote marketing of agriculture produce, including by setting up a dedicated platform for collecting market information, marketing and brand development for the focused produce (as listed in Clause 4) of the State such as raw honey (and other honey products), makhana.
- 6.3 The State Government shall facilitate and oversee contract farming for the identified produce (as listed in the clause 4), between the interested farmers and the agro-processors, to ensure transparent price discovery mechanism.
- 6.4 The State government shall explore the possibility of having Customs services at Raxaul to facilitate smoother export of the agri based commodities including makhana from the State.
- 6.5 The State Government shall be supporting dedicated schemes to improve the storage facilities for different crops. The state government shall explore and promote alternative storage models to facilitate warehousing at farmgate levels, for maize and other commodities.
- 6.6 The State Government shall promote formation of Farmer Producer Companies (FPCs) for various produce including the list mentioned in clause4, to ensure effective backward and forward linkages for the farmers.
- 6.7 The State Government shall strive to obtain GI tag for more crops including makhana and promote branding of the produces based on their nutritional and glycemic indicators.
- 6.8 The State Government shall promote research and development in the production input interventions including high yielding varieties, harvesting machines and technology transfers.
- 6.9 The State Government shall give priority to makhana production (if feasible in combination with fish cultivation) in settling the new water bodies created under Jal Jeevan Hariyali Abhiyan in the potential districts.
- 6.10 The State Government shall explore RPL (recognition of prior learning) based skill building programme for the manpower involved in various activities including makhana popping, to recognize (and certify) the existing skill set and promote capacity building.

- 6.11 The State Government shall promote setting up of mother plant based downstream industries in the State, for example, promoting paper and textile industries in the state to promote starch units. The State Government shall also explore setting up of these units through joint venture (JV) between the State PSUs and private investors.
- 6.12 A dedicated task force to promote maize based industries in the State of Bihar shall be constituted by the State Government.
- 6.13 The State Government shall explore to establish a NABL accredited food testing laboratory in the State. The food testing laboratory shall be run through a public private partnership model.
- 6.14 The training and capacity building of farmers to improve the quality of produce (as listed in the Clause 4) from field to fork (factory) and the proper storage of the produce, shall be carried out through Krishi Vigyan Kendras / BAMETI / Agriculture Universities.
- 6.15 The State Government shall sensitize SLBC (State Level Bankers Committee) for facilitating financial linkages for farmers under KCC coverage. Further, the SLBC shall facilitate adequate financing and bank linkages for farmers and entrepreneurs pertaining to the focused sectors in Clause 4.

## **7. Investor(s) / Applicants and eligibility**

### **7.1. Investor(s) / Applicants**

- 7.1.1. Individual investors / LLPs/ Partnership firms/ entrepreneurs and Farmer based registered companies or Farmer Producer Companies shall be eligible for financial assistance under this policy. Units with common partners/ directors would not be allowed to avail the assistance under this policy for more than once.
- 7.1.2. Government of Bihar has decided to earmark requisite funds for extending benefit of this policy to SC, ST, EBC, Women, Third Gender, Differently abled, Acid attack victim. Therefore, subject to meeting the basic eligibility criteria, SC / ST /EBC beneficiaries will be given preference in sanction of the projects under the policy to the extent of earmarked fund allocation for each category.
- 7.1.3. The Investor / Applicant would be responsible for the following:
  - a) Read all the policy related documents and details carefully and submit the applications as per the requisite guidelines.
  - b) Formulate the Detailed Project Report (DPR) and ensure timely execution of the project as per the submitted schedule of implementation in the application format.
  - c) Ensure timely and judicious end-usage (as decided) of the finance and grant procured for the project and ensure timely payback and profitability.

- d) Obtain statutory approvals/clearances including environmental clearances, which are prerequisite for commencement and operation of the Project.
- e) Achieve financial closure and ensure timely completion of the project in specified timelines.
- f) Own and maintain the enabling infrastructure and common facilities.
- g) Maintain proper accounts of the project implementation and the maintenance of infrastructure and common facilities after commissioning of the project.
- h) Report to the GoB- BHDS the timely progress of project (Submit due progress report with pictures / photographs of site) and facilitate monitoring and inspection, as and when required.
- i) Support the value addition in identified commodity (as mentioned in clause 4) and ensure benefits to the participating farmers and consumers, thereby making it a respectable business.
- j) The selected investor will adhere to all the Terms and Conditions signed in the agreement with BHDS, Department of Agriculture, Government of Bihar.

## **7.2. Eligibility**

- 7.2.1. The applicant should have a sound financial background. The net worth of the applicant(s) should not be less than the grant amount sought.
- 7.2.2. The project proposals being submitted to BHDS under this policy are required to be duly appraised by the bank/financial institution and avail term loan. The term loan from the Bank/Financial Institution should not be less than 20% of the project cost.
- 7.2.3. Project Appraisal Report from the Bank / Financial Institution must contain all the project components for which the capital subsidy is sought.
- 7.2.4. The date of the commercial production of the proposed project shall not be prior to the date of submission of application.
- 7.2.5. The land for the project 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.
- 7.2.6. Any investor / applicant who has availed financial assistance for a project under this policy of Government of Bihar, shall not be eligible to apply for another project under same policy until one month after operationalization of earlier project.
- 7.2.7. The proposals, meeting the cut off score of at least 60% as per the criteria for assessment, defined by PMC, will be considered eligible subject to fulfillment of other conditions prescribed in the policy guidelines. The proposals will be selected in order of merit on a monthly basis till the time number of projects as per the annual targets gets exhausted. Further, the proposals will be selected in order of merit of total marks (descending order of total marks).

## 8. Policy Implementation, Monitoring and Grievance Redressal

### 8.1. Policy Implementation

- 8.1.1. Bihar Horticulture Development Society (BHDS), Agriculture Department, Government of Bihar shall be the nodal agency responsible for implementation of this policy in the State. BHDS, as the nodal agency for this policy may revise the provisions and guidelines with inclusion /modification/ deletion through executive order looking to the changing circumstances.
- 8.1.2. The Joint Director (Horticulture) /Deputy Director (Horticulture), BHDS shall be the nodal officer for this policy under the guidance and supervision of Director Horticulture cum Mission Director, Bihar Horticulture Development Society, Government of Bihar.
- 8.1.3. Department of Industries, Government of Bihar shall forward the list and details of the projects (falling under sectors mentioned in clause 4 of this policy) which have received SIPB – I sanctions, to the Agriculture Department / BHDS for further assessment of their eligibility under BAIPP 2020.
- 8.1.4. The Department shall constitute a Project Monitoring Committee (PMC) for scrutiny of the proposals received and providing clearances on release of capital subsidy under this policy to the applicant investors. The constitution of the PMC shall be as follows:

S No.	Designation	Status
1.	Principal Secretary / Secretary, Agriculture Department, GoB	Chairman
2.	Director, Directorate of Agriculture, GoB	Member
3.	Director cum Mission Director, Bihar Horticulture Development Society, GoB	Member
4.	Representative from Finance Department (not below the rank of Joint Secretary)	Member
5.	Representative from Industries Department (not below the rank of Joint Secretary)	Member
6.	Representative from NABARD	Member
7.	Representative from APEDA	Member
8.	Joint Director (Horticulture) / Deputy Director (Horticulture) cum Nodal Officer, Bihar Horticulture Development Society	Member Secretary
9.	Technical experts of the concerned agribusiness sector to be invited as nominated members (maximum of two per sector)	

- 8.1.5. After the investor's project / unit attains the SIPB stage – I sanction, Project Monitoring Committee, constituted under this policy, shall undertake subsidy sanction and disbursal decision based on the applicant's eligibility as per this policy's conditions. The decision taken by the PMC shall then be communicated to Industries Department and the investor(s).
- 8.1.6. BHDS shall place Technical Support Group (TSG) to facilitate investors under this policy and to support PMC and BHDS in scrutiny of the proposal, subsidy calculation and disbursal as per the provisions of BA-IPP 2020.
- 8.1.7. Department of Agriculture shall issue detailed guidelines for implementation of this policy and disposal of claims for capital subsidy.
- 8.1.8. BHDS would act as the single contact point for the investors regarding claims of eligible capital subsidy under this policy and will also facilitate investors in the sectors supported under this policy getting support under BIIPP 2016.

## **8.2. Policy Monitoring and Grievance Redressal**

- 8.2.1. The implementation of the policy will be reviewed from time to time basis and necessary facilitation and course correction shall be undertaken as found necessary to achieve the objectives of this policy. The PMC with support from TSG shall undertake implementation and monitoring of the sanctioned projects / units and facilitate grievance redressal.
- 8.2.2. Agribusiness Investor facilitation desk' shall be established in BHDS to provide hand holding support to the investors at various stages of application / clearances from concerned authorities and liaising with the related agencies as part of Government's effort to ensure Ease of Doing Business.
- 8.2.3. The grievance redressal in regard to this policy will be done under the purview of the Bihar Lok Shikayat Nivaran Adhikar Adhiniyam, 2015. Additionally, BHDS will develop web-based interaction mechanism where suggestions and complaints can be directly addressed to the Agricultural Production Commissioner/Development Commissioner, Government of Bihar. All the matters of interpretation / disputes shall be decided by the Agricultural Production Commissioner (APC), Agriculture Department / Development Commissioner, Government of Bihar.

## **8.3. General Conditions**

- 8.3.1. Following general conditions shall be applicable for availing the capital subsidy under this policy:

If any false declaration is given for the purpose of availing incentives or if incentives are availed for a unit that was not eligible or any violation of the condition of this policy, the amount of capital subsidy is liable to be recovered from the date of availing such benefit along with the interest compounded annually @18% per annum. In case of non-payment within the stipulated time, the State Government may recover such amounts including interest as arrears of land revenue (or as provisioned in BIIPP 2016).



- 8.3.2. Whatever is not defined / mentioned here will have the same meaning as given in the Bihar Industrial Investment Promotion Policy, 2016 for all purposes.
- 8.3.3. In case of any discrepancy in the meaning and interpretation of the translated version of this policy, the English language version shall be controlling in all respect and shall prevail.

- 9. The definitions given in the Annexure – I to this policy and the definitions provided in BIIPP 2016 shall be treated as part of the policy.**
- 10. Industries mentioned in the negative list in Annexure – II and the Negative list of BIIPP 2016 would not be eligible for any incentive under this policy.**
- 11. This policy will come into effect from the date of issue of this notification and will remain in operation till 31st March 2025.**

Sd/-  
Dr. N. Saravana Kumar, I.A.S.  
Secretary, Agriculture Department

## Annexure I - Definitions

The various terms used in this policy would carry the same meaning as in the Bihar Industrial Investment Promotion Policy, 2016 unless specified otherwise in this Policy. Some of the agri sector specific definitions meant for extending different benefits under this Policy are being given here under:

- a) "Agriculture products" means produce of Agriculture and allied sectors including Horticulture, Sericulture, Floriculture, Aromatic, Herbal & Medicinal plants, Fisheries, Poultry, Apiculture, Dairy and shall include minor forest produce and livestock-based products;
- b) "Agri-business" means business that derives most of its revenue from agriculture products and may cover processing, manufacturing and distribution of agricultural products;
- c) "Agro-processing or Agri industries" means processes that use agriculture products, agri-waste and intermediate agriculture products to produce products in a manner that there is a transformation in the nature of the agriculture product;
- d) "Agribusiness sector" means the sector comprising enterprises engaged in such agro-processing and Agri-business activities as defined above;
- e) "Farmer" means a person actively engaged in the economic and/or livelihood activity of growing crops and producing other primary agricultural commodities;
- f) "Farmer Producer Company" means a company of Farmer Producer Members as defined in part IXA of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) and incorporated with the Registrar of Companies (RoC). Other categories of farmer producer organizations (such as cooperatives) shall be considered for inclusion at a later stage. FPC should have 50 or more farmers for the purpose of availing benefits under this Policy;
- g) "Food Processing Sector" means the sector comprising enterprises engaged in such manufacturing processes in which raw product of agriculture, animal husbandry or fisheries is transformed to make it edible for human consumption;
- h) "Investment" or "Fixed Capital Investment (FCI)" means the investments made in required new building, new plant and machineries and other related fixed assets required to manufacture end product or render services up to the date of commencement of commercial production (as described in clause 5.2.2).
- i) "Women/ Schedule Caste (SC)/ Schedule Tribe (ST)/ EBC enterprise" means an enterprise other than a Company constituted under the Companies Act, 1956 and other association of persons by whatsoever name it may be called, having:
  - Women/ Schedule Caste (SC)/ Schedule Tribe (ST)/ EBC as proprietor, in case of proprietorship enterprise; or
  - Majority of partners who are Women/ Schedule Caste (SC)/ Schedule Tribe (ST)/ EBC and such partners are working partner(s) having more than 50% investment in the capital of the enterprise, in case of partnership including limited liability partnerships;
- j) "Year" means financial year (From 1st April to 31st March) and quarter means the period of three months ending on 30th June 30th September 31st December and 31st March;

## Annexure II

### **List of industrial activities / enterprises not eligible for benefit under this policy.**

*(Subject to amendment from time to time)*

- Breweries and Distilleries of all types.
- Masala making without Cold Process Grinding, powder of Chilly, Turmeric, Masala, Spices, Curry, Sambar, Papad etc., except those having FSSAI certification.
- Preparation of Sweetmeat and Salted Snacks, Mixture, Bhujia.
- Mineral Water and aerated Soft Drinks, Alcoholic Beverages.
- Production of Popcorn, Ice Block, Production of Ice Candy and Ice Fruits etc.
- Units connected with Raw-Tobacco and Tobacco Based Products.
- Fertilizer Mixing Units.

### Abbreviations

APC	Agriculture Production Commissioner
APEDA	Agricultural and Processed Food Products Export Development Authority
BAIPP	Bihar Agri Investment Promotion Policy 2020
BAMETI	Bihar Agriculture Management & Extension Training Institute
BHDS	Bihar Horticulture Development Society
BIADA	Bihar Industrial Area Development Authority
BIIPP	Bihar Industrial Investment Promotion Policy 2016
DPR	Detailed Project Report
EBC	Extremely Backward Castes
FCI	Fixed Capital Investment
FI	Financial Institutions
FPC	Farmer Producer Companies
FPO	Farmer Producer Organizations
FSSAI	Food Safety and Standards Authority of India
GI	Geographical indication
GSDP	Gross State Domestic Product
JV	Joint Venture
KCC	Kisan Credit Card
MFA	Miscellaneous Fixed Assets
NABARD	National Bank for Agriculture and Rural Development
NABL	National Accreditation Board for Testing and Calibration Laboratories
PMC	Project Monitoring Committee
RBI	Reserve Bank of India
RPL	Recognition of Prior Learning
SC	Scheduled Caste
SEBI	Securities and Exchange Board of India
SGST	State Goods and Services Tax
SIPB	State Investment Promotion Board
SLBC	State Level Bankers Committee
ST	Scheduled Tribe
TSG	Technical Support Group