

Incentives to Industries in Bihar, 1986

BIHAR

India

Incentives to Industries in Bihar, 1986

Rule INCENTIVES-TO-INDUSTRIES-IN-BIHAR-1986 of 1986

- Published on 9 September 1986
- Commenced on 9 September 1986
- [This is the version of this document from 9 September 1986.]
- [Note: The original publication document is not available and this content could not be verified.]

Incentives to Industries in Bihar, 1986Published vide Notification No. Bihar Gazette (Extraordinary) No. 513, dated 9th September, 1986This Resolution will come into force on the 1st September, 1986Government of Bihar Department of Industries Resolution

1. Objective and Strategy.

(1)The State Government's objective is to have accelerated growth of industries in the State in all sectors, namely, Large, Medium, Small and Tiny. Development of Khadi, Village and Cottage Industries, Handloom, Sericulture and Handicrafts will receive special attention.(2)Our twin strategy to achieve the above objective is to remove constraints and to give due incentives to industrialists and entrepreneurs to set up industries in the State. The growing incidence of sickness among industries is a matter of grave anxiety and the State Government is deeply concerned about this. Government will take a serious view of managerial inefficiency leading to sickness. At the same time, due attention will be given to rehabilitation of an unit wherever there is a case for it.(3)To promote industries, State Government will pay special attention to the growth of infrastructure and development of entrepreneurship. Inadequate power supply, delayed and inadequate sanction of working capital loan, lack of entrepreneurship, inadequate supervision and monitoring, lack of market information and assistance and lack of proper infrastructure have been the main constraints. Different kinds of training courses will be required to be imparted to develop entrepreneurial skill and improve the managerial capability of the entrepreneurs to run industries efficiently and profitably.(4)There is tremendous scope for growth of industries in this State which is so richly endowed by nature in various forms, including fertile land, sizeable forest and mineral resources. Necessary steps will be taken to remove the constraints so that these potentialities are fully utilised.(5)The State has lagged behind in different areas of industrial growth, particularly in electronics, chemical and mineral based industries etc. Special attention, therefore, will be given to these areas. There is potential for agro-industries in different parts of the State. They have to be tapped.(6)One of the main hurdles in the industrial growth of this State is the lack of infrastructure. As the State Government resources are limited, it is felt that no tangible results will be achieved if

the limited resources are thinly spread over. The desirable course, therefore, is to have the maximum advantage of the available resources. With this objective in view, the State Government would like to promote certain centres which already have some infrastructural facilities and have potential for growth. Such Centres, for example, at present may be Ranchi, Bokaro, Jamshedpur, Dhanbad, Patna, Barauni, Muzaffarpur, Hajipur, Samastipur, Buxar and Jasidih etc.(7)The Central Government have categorised the districts into A, B and C categories and the rate of Central Capital Investment Subsidy depends on this categorisation. This categorisation needs revision. Even in the so-called developed districts, there are areas where there is no industry at all. The State Government, therefore, feels that the unit should be sub-division. The State Government has made recommendation to the Central Government on this line. Till a decision in this regard is taken by the Government of India, the State Government feels that in certain sub-divisions. Where the level of industrial development is very low, the same facilities should be extended as are admissible in 'A' category districts irrespective of the fact whether such a sub-division is in category 'A' or not. Government will determine the criteria to identify such sub-division.(8)To channelise energy of our young educated people in industrial activity, State Government will give them special incentives to attract them to industries. Scheduled Castes and Scheduled Tribes will continue getting special attention. As a legacy of the past, the educated young people are shy to take to industries. To encourage them, special incentives will be given to them in different forms.(9)The State Government attaches utmost importance to quick clearance of proposals received from entrepreneurs and removal of difficulties faced by them. To achieve this and to help the entrepreneurs to have a correct choice of industries to be set up, 'Single Window System' has been established at different levels. At the level of the districts, a Committee, has been set up headed by the District Officer with representatives from Electricity Board, Commercial Taxes Department, Labour Department, Financial Institutions and Banks to advise and help the entrepreneurs. A similar Committee has been set up at the level of Industrial Area Development Authority and finally, there is a Committee at the State head-quarters with Chief Secretary as the Chairman. Officers from various departments and organisations concerned with the development of industry in the State are on the committee. The decisions taken by this committee will be binding on all departments and organisations. All promotional institutions and bodies will be housed in Udyog Vikas Bhawan and a team of officers will be working there every day under the "Single Window System" scheme to help entrepreneurs. The Industrial Development Commissioner alongwith senior officers from the Industries Department/Corporations/Financial Institutions/Banks/Boards will also be available there on fixed days to help and advise them. A Data Bank and an Industrial Library etc. will also be set up for giving necessary assistance to the entrepreneurs.(10)100 per cent export oriented industries will get priority treatment.(11)Due attention will also be given to improvement in quality of goods produced so that they are competitive and are to the full satisfaction to the consumers. Suitable incentives will be provided to promote services connected with promotion to tourism in the State. Suitable arrangements at the State, districts and Industrial Area Development Authorities levels have been made for proper and regular monitoring of projects and schemes.(12)The State Government have established 6 Industrial Area Development Authorities in the State and it will be State Government's endeavour to build suitable infrastructures through these agencies.(13)It is State Government's hope that with these incentives there will be adequate response from industrialists within the country or Indians living abroad. Similarly, the educated young men and women will take advantage of the opportunities and take to industry to earn their own living and

promote the economic growth of the State.

2. Concessions and Incentives.

- The incentives and concessions which the Government will consider giving to the industries in the next five years with effect from 1st September, 1986 are as follows:-

- (1) Concessions and Subsidies:-
 - (a) Subsidy on the cost of preparing feasibility/Project Report.
 - (b) Subsidy on Technical know-how fee.
 - (c) Seed money assistance.
 - (d) Capital investment subsidy.
 - (e) Subsidy on electricity consumption.
 - (f) Subsidy on the purchase and installation of generating sets.
 - (g) Sales tax relief.
- (2) Other Financial Assistance:-
 - (a) Guarantee of loans.
 - (b) Under-writing and purchase of shares.
 - (c) Sponsoring of the hire purchase applications to the National Small Industries Corporation.
 - (d) Seed Money under the State Aid to Industries Act.
 - (e) Helping the industries in obtaining credit facilities from nationalised banks and other financial institutions.
 - (f) Exemption from the payment of stamp duty and registration fee for mortgage bonds on loans and seed money upto Rs. 50,000/- under the Bihar State Aid to Industries Act.
 - (g) Loans from Bihar State Financial Corporation and -Bihar State Credit and Investment Corporation.
 - (h) Advance payment to the extent of 75% to 80% to suppliers of machinery on hire purchase basis on production of R/R/ provided they are registered with NSIC or the Industries Department (Bihar) and are from standard manufacturers.
 - (i) Participation in equity finance in deserving cases.
- (3) Marketing Assistance:-
 - (a) Stores Purchase Preference Rules.
 - (b) Quality Control.
- (4) Incentive for Diversification/Expansion.
- (5) Assistance for the rehabilitation of Sick/closed units.
- (6) Incentive to SSI growing into medium industries.
- (7) Water rate.

3. Infrastructural Assistance.

(1) For Small-scale and Tiny Industries.- (a) Sheds in Industrial Estates/Industrial Areas would be made available to the new small-scale units on concessional rate of rent at 50 per cent for the first five years from the date of allotment after which full rent will be payable.

d Caste/Scheduled Tribe/Graduate entrepreneurs/entrepreneurs having diploma in any technical branch or in business management and entrepreneurs having tiny units (a maximum of Rs. two lakhs in fixed assets) will pay only 25% of the rent for the first two years, 50% of the rent for the next three years and full rent thereafter.

(b) Sheds would also be available for outright purchase or on hire purchase basis on payment of 5% of the cost in each of the first two years, 7% of the cost in each of the next two years and rest of the cost in the next eight years in equal instalments. Cost payable by Scheduled Caste/Scheduled Tribe and other entrepreneurs as mentioned in (a) above or by entrepreneurs having tiny units or in respect of units in 'A' category districts will be @ 5% each in the first three years, 7% each in the next

three years and the remaining amount in the next eight years. The rate of interest will be 5% with 2% rebate for timely payment.(c)The developed land in Industrial Area/Estates would be given on lease for 99 (ninety-nine) years and the cost and interest will be realised in instalments in the same manner as mentioned in (b) above.(d)In calculating the cost of shed as in (b) or land as in (c) above, a rebate of 25% will be admissible in 'A' category, 20% in 'B' and 'C' categories and 15% in remaining districts.(e)Instalments for shed/land will be paid every six months, by the 30th of September and 31st of March. 2% penal rate of interest will be charged if the instalment is not paid by the due date.(f)If any loan has been obtained by a unit from any financial institution/bank and the cost of the shed/land is one of the components of loan, the amount of loan received on account of such shed/land will straightway be paid to the Authority concerned notwithstanding the number of instalments fixed. The number of instalments will thereafter be suitably adjusted.(g)If a unit fails to pay the amount received from financial institution/bank towards the cost of shed/land after having received disbursement for such shed/land from financial institution/bank or on the expiry of the repayment period (where such loan has not been sanctioned by a financial institution/bank), the lease with respect to the shed/land will be liable to be cancelled.(h)Where an estate/area has been developed by taking loan from financial institution/bank on a high rate of interest, higher rate of interest not exceeding 12% will be charged in respect of the amount due in respect of such shed/land. Interest paid by the Authority in excess of 12% will be subsidised by the Authority.(i)No separate permission will be required either of the Government or of the Authority for mortgaging the lease land to the financial institutions provided the unit is taking loan for the purpose for which the land is allotted.(j)In area where industrial area/estate has not been established the Government may acquire land for an entrepreneur either at the cost of the entrepreneur or at its own cost. If the land is acquired at the cost of Government, the cost will be realised from the entrepreneur in 12 (twelve) instalments and 15 (fifteen) instalments in(A) category districts with interest @ 12% and a rebate of 2% for timely payment of the instalments. If the instalments are not paid on time a penal interest @ 2% will be charged on over dues. The initial payment will be 5% in the first two years and the remaining amount in equal annual instalments over the remaining period.(k)Government will encourage establishment of Industrial Estate in private sector through Co-operative Societies or Public Limited Companies for which following facilities would be made available:-The members of the Co-operative Societies/Companies will contribute a minimum of 20% of the total cost of the industrial estate (including the cost of land) as share capital, the next 20% would be available as Government contribution towards the share capital, and the remaining amount would be obtained from the Life Insurance Corporation of India/Unit Trust of India and other financial institution.(2)For Large and Medium Industries:-(a)Plots in Industrial Areas/Estates will be leased out to Large and Medium Sector entrepreneurs on long term basis on a token annual rent. Price of land will be realised in 10 (ten) annual instalments, 5 per cent of the cost will be paid in each of the first two years and the remaining amount in the next 8 (eight) years. In 'A' category districts, the price will be realised in twelve instalment, 5 per cent will be realised in each of the first three years and the remaining amount in the next 9 (nine) years.Possession will be given only after the 1st instalment has been paid. The rate of interest and the manner of realisation will be the same as in respect of Small Scale Industries.(b)Where an industrial area or industrial estate has not been established Government may acquire land for the entrepreneurs either at their cost or at its own cost. If the land is acquired at Government cost, the price will be realised in instalments and in the manner as explained in 3-1 (j). Such acquired land would be leased out to the entrepreneurs on a

long term basis and on a token annual rent.(c)Government Land.-Wherever available, Government land may also be leased out to entrepreneurs for establishment of industries. The terms and conditions on which the land will be leased in such cases, will be decided by the Government in each case on merit, keeping in view the area and location of the land, the prevailing market rate and the type of industries for which land is needed.Subsidy on the Cost of Preparation of Feasibility Reports/Project Reports

4. Concessions and Subsidies.

(1)Feasibility Reports available in or prepared by the Industries Department will be supplied free of cost. Generally no subsidy will be admissible for the preparation of such project reports/feasibility reports as are available in the department, but in special cases where it is felt that in spite of the availability of such reports, for a particular industry, it is essential to get a special report prepared and in all other cases where no such report is available in the department, subsidy will be admissible on the following scale:-(i)The cost of the preparation of reports in respect of Small-Scale Industries will be reimbursed subject to a limit of 1 per cent of the fixed capital investment or Rs. 20,000 whichever is less, The limit of Rs. 20,000 will not apply in category (A) districts as also in respect of units set up wholly by Techno-entrepreneurs/diploma holders in any technical branch or in Business Management/Scheduled Caste/Scheduled Tribe entrepreneurs and entrepreneurs of the first generation in any part of the State.(ii)For the projects with fixed capital investment of less than Rupees one crore, the cost of the preparation of the report would be reimbursed subject to a maximum of one per cent of the fixed capital investment or Rs. 50,000 whichever is less.(iii)For the projects with fixed capital investment of more than rupees one crore, the reimbursable amount would be limited to half per cent of the fixed capital investment subject to a maximum of Rs. 3 lakhs.(iv)75 per cent of reimbursable amount would be paid after the term loan is sanctioned by the Financial Institution and 25 percent after the project is set up.(v)If after disbursement of subsidy, the entrepreneur does not implement the scheme, necessary legal steps will be taken for recovery of the disbursed amount along with interest at the rate of 12 per cent.(vi)Entrepreneurs availing of this facility will have to execute an agreement at the time of filing application for grant of subsidy.(2)Subsidy on technical know-how fee.-A subsidy at the rate of 75 per cent of the lump-sum know-how fee charged by the National Research and Development Corporation and National Research Laboratories and Organisations recognised by the Government imparting technical know-how, will be available to small industrial units subject to a maximum of Rs. 30,000.In case of industries set-up in 'A' category districts as also in respect of units set-up wholly by graduate entrepreneurs, diploma holders in Business Management, Scheduled Castes/Scheduled Tribes and entrepreneurs of the first generation in any part of the State, 90 per cent of the lump-sum know-how fee subject to a maximum of Rs. 40,000 will be allowed as subsidy.The reimbursement of subsidy will be made on sanction of loan.

5. Capital Investment Subsidy.

- Some districts of this State have been categorised as 'A', 'B' and 'C' backward districts by the Government of India vide their notification issued on 27th April, 1983. In these districts, Central Capital Investment subsidy is admissible to the industrial units. In the remaining districts, as also in

category 'C' districts, State Capital Investment subsidy is admissible. The scale of Central/State Capital Investment subsidy is as follows:-(a)Category 'A' (No Industry) Districts (Central Capital Subsidy).-Under this category are the districts of Nalanda, Aurangabad, Bhojpur, Khagaria, Purnea, Saharsa and Madhepura. For these districts, Central Capital Investment subsidy at the rate of 25 per cent subject to a maximum of Rs. 25 lakhs is admissible to an industrial unit on fixed capital investment made on or after 1st April 1983. Investment made prior to 1st April, 1983, will not qualify for subsidy at the above rate. However, subsidy at the rate of 15 per cent, subject to a maximum of Rs. 15 lakhs, will be available on the fixed capital investment made prior to 1st April 1983, and the new rate will be applicable in respect of assets created on or after 1st April, 1983 subject to the overall ceiling of Rs. 25 lakhs, provided production commenced on or after 1st April, 1983.(b)Category 'B' Districts (Central Capital Subsidy).-In this category are eleven districts viz., Bhagalpur, Darbhanga, Madhubani, Samastipur, East Champaran, West Champaran, Palamau, Dumka, Deoghar, Sahebganj and Godda. In these districts, Central Capital Investment subsidy at the rate of 15 per cent is admissible to an industrial unit subject to a maximum of Rs. 15 lakhs.(c)Category 'C' Districts (Central and State Capital Subsidy).-In this category there are districts viz., Muzaffarpur, Vaishali, Sitamarhi, Saran, Siwan, Gaya, Nawadah, Gopalganj, Begusarai (except Barauni Block) and Munger. In these districts, Central subsidy at the rate of 10 per cent of the investment made on fixed capital assets on or after 1st April, 1983 is admissible to an industrial unit, subject to a maximum of Rs. 10 lakhs. Investment made prior to 1st April, 1983 will not qualify for the subsidy. Besides this, an additional amount of 5 per cent of the investment on the fixed assets made on or after 1st April, 1983 will be admissible to the industrial unit subject to a maximum of Rs. 5 lakhs as the State Capital subsidy, thus making a total of 15 per cent subject to a maximum of Rs. 15 lakhs.(d)Districts other than those falling in 'A', 'B' and 'C' categories (State Capital Subsidy).-In the following districts of the State viz., Patna, Katihar, Rohtas, Hazaribagh, Dhanbad, Giridih, Ranchi, Gumla, Lohardaga and Singhbhum and Barauni Block of Begusarai District, State capital investment subsidy at the rate of 15 per cent of the capital investment will be admissible to all new industrial units coming into production on/or after the 17th November, 1980 subject to a maximum of Rs. 15 lakhs.Note.-(1) The Central Capital Subsidy including the categorisation of districts is subject to modifications as may be made by the Government of India from time to time.(2)Where additional central subsidy is available in 'B' and 'C' districts on the ground of the unit being a nucleus plant, the State subsidy will be reduced to that extent.(3)If in the opinion of the State Government, the level of industrial development in a particular sub-division is so low that accelerated assistance is necessary for its industrial growth, the State Government may grant State Capital Subsidy in such a sub-division as admissible in 'A1' category districts at present. For this purpose, the State Government will lay down suitable guidelines in consultation with planning and Finance Departments of the State Government based on objective criteria.

6. Seed Money.

- In several cases entrepreneurs are not in a position to invest requisite amount of promoters' contribution. To help such entrepreneurs, the following schemes are in operation:-(1)Seed Capital assistance from Financial Institutions as a part of the promoter's contribution.(2)Seed Money loan given through D.I.C. and Industrial Area Development Authority, wherein loan is sanctioned on easy terms to entrepreneurs to meet a part of the promoters' contribution. The maximum limit of

such seed money is Rs. 1,12,500. In all such cases the entrepreneurs will have to invest at least 50 per cent of the promoters' contribution. Seed Money will be sanctioned by the Directorate of Industries, Industrial Area Development Authority or D.I.C. on satisfying themselves on the basis of reports from the financial institution and or banks that there still exists a gap in the promoters' contribution and the entrepreneur is unable to invest the amount from his own resources. The loan amount will be repaid in 12 (twelve) equal annual instalments with 8 per cent per annum rate of interest with a rebate of 3 per cent on interest for timely payment of instalments. In case of default in repayment of loan, penal interest would be charged at the rate of 2 per cent on the overdue instalments.

7. Relief in Respect of consumption of electric power.

(1)Exemption from payment of minimum guarantee charges.-Small Scale industrial units will remain exempted from the payment of minimum guarantee charges for a period of 5 (five) years from the date of their going into production. However, the maximum admissible amount of exemption will not exceed Rs. 1,000 (One thousand) in one year. The amount in excess of Rs. 1,000 (One thousand) per annum, if any, will continue to be borne by the entrepreneurs.(2)Exemption from payment of Electricity Duty.-Large, medium, small and tiny industrial units will be exempted, to the extent of 25 per cent or Rs. 1 (one) lakh whichever is less per annum, from payment of Electricity Duty for a period of 5 (five) years with effect from 1st September 1986 or after the date on which the unit goes into production. The exemption will be limited to electricity used for production purpose.(3)Power Subsidy.-(a) Small Scale and Tiny industrial units will get subsidy at the rate of 15 (fifteen) paise per unit of the power consumed by them in the process of manufacture for a period of 5 (five) years from the date of commencement of their production after 1st September, 1986.(b)Large industrial units will get subsidy at the rate of 9 (nine) paise per unit and medium units at the rate of 12 (twelve) paise per unit in respect of power consumed in the process of production for 5 (five) years from the date of production on/or after 1st September, 1986 or for the unexpired period of five years from the date of production if the production commenced prior to 1st September, 1986.(4)The benefits mentioned in 7.1, 7.2 and 7.3 (a) (b) will not be available to the Atta Chakkies, Hullers, Cold storage, Cinemas and Hotels.

8. Subsidy on purchase and installation of captive Diesel/K. Oil Generating Sets.

(1)Small Scale Industries will get subsidy at the rate of 25 per cent of the cost of purchase and installation of captive diesel/K. oil Generating sets, subject to a limit of Rs. 5 (five) lakhs.(2)Large and Medium Industries will get subsidy at the rate of 20 per cent of the cost of purchase and installation of captive diesel/K. oil Generating sets, subject to a maximum of Rs. 5 (five) lakhs.(3)Atta Chakkies, Hullers, Cold storage, Hotel, Cinemas will not be eligible for the subsidy on purchase and installation of captive diesel/K. oil Generating set.

9. Sales-tax Relief.

(1) Sales Tax Relief on purchase of raw materials (whether processed or unprocessed).-Large, Medium Small and Tiny industrial units going into production on or after 1st September, 1986 will have the option either to avail of total exemption from payment of sales-tax on the purchase of raw materials (whether processed or unprocessed) or to get set-off of the amount paid as Bihar Sales Tax on purchase of raw-materials against the amount of Bihar Sales Tax payable on the sales of finished products. This facility will be available to the industrial units for a period of 5 (five) years on such raw-materials in respect of which facility of exemption or set-off is at present available under existing Government's Orders.(2) Interest-free Sales Tax Loan.- Large, Medium, Small and Tiny industrial units joint into production on or after 1st September, 1986 will get interest-free sales-tax loan without security equivalent to the Bihar Sales Tax paid after set-off, if any, and the amount realised by the State Government under Central Sales Tax Act will also be included for computing the amount of interest-free loan. This concession will be available for a period of 5 (five) years from the date of their production.(a) In case of small and tiny industrial units, the amount of loan will be subject to a maximum of Rs. 10 (ten) lakhs for the total eligibility period of 5 (five) years. In respect of 'A' category districts, the maximum limit will be Rs. 15 (fifteen) lakhs.(b) In case of large and medium industries, the maximum limit of sales-tax loan will be 10 per cent of the initial investment in fixed assets, subject to a maximum limit of Rs. 25 (twenty five) lakhs for the total eligibility period of 5 (five) years. In case of industrial units located in 'A' category districts, this limit will be Rs. 30.00 (thirty) lakhs for the total eligibility period of 5 (five) years. Note.-(a) Investment in fixed assets means investment in land, building, plants, machinery. The valuation of such investment will be as indicated in the balance-sheet duly audited and verified by an approved Chartered Accountant for the financial year for which the concession is being claimed.(b) In case of small scale industries, if in any particular year, a unit does not pay a minimum of Rs. 5,000 (five thousand) as sales tax on the sales of finished products after set-off, if any, the unit will not be entitled to sales tax loan for lesser amount so paid. However, the amount so paid will be carried forward to the next year for the purpose of eligibility of sales tax loan and the unit will be entitled to sales tax loan, if the sales tax paid amounts to at least Rs. 5,000 (five thousand).(c) The repayment of the sales tax loan will commence from the 6th year of the loan taken and will be repaid in five annual equal instalments. In case of default, interest @ 16% per annum will be charged.(d) Only such industrial units will be entitled to sales tax loan as are registered with the Department of Commercial Taxes for payment of Sales Tax.(e) The unit which went into production before 1st September, 1986 but which have not completed the period of eligibility for such concessions available to them in Resolution No. 1153 dated the 20th January, 1981 of Industries Department, will get such concessions for the remaining period of their eligibility according to Resolution No. 1153 dated 20th January 1981.

10. Other Financial Assistance.

(1) Small/Tiny Industries- The Small/ Tiny Industrial units will continue to get the following assistance on merit:-(a) Guarantee for loans.(b) Under-writing and purchase of shares.(c) Seed Money under Bihar State Aid to Industries Act.(d) Sponsoring of the Hire-purchase application with the National Small Industries Corporation.(e) Assistance to Industries in obtaining credit facilities from Nationalised Banks and Financial institutions.(f) Loans from Bihar State Financial

Corporation.(g)Seed Money up to Rs. 50,000 (fifty thousand) under Bihar State Aid to Industries Act will remain exempted from payment of stamp duty and registration fee for mortgage bonds thereof and the existing relaxation in respect of interest and security for loan under Bihar State Aid to Industries Act will continue.(2)Large and Medium Industries.-The Government will continue to consider favourably under-writing of share participation in equity, grant of loans and guarantee for loan raised by industries in suitable cases. Financial institutions of the State i.e., Bihar State Financial Corporation and Bihar State Credit and Investment Corporation will continue to advance term loans in suitable cases. In order to enlarge the area of coverage the sanctioning limit of the Bihar State Credit and Investment Corporation has been raised from Rs. (sixty) lakhs to Rs. 90 (ninety) lakhs.

11. Marketing Assistance.

(1)The State Government have made Rules with regard to the purchase of products of small scale/large and medium scale units and joint sector units located in the State. The Rules will be reviewed with a view to make them more effective and equitable in respect of the products of different sectors. Suitable steps will be taken to ensure timely payment of price to the units selling their products to Government Departments/Organisations. A high level Committee has been set up by the Department of Industries to keep watch on the purchase made by Government Departments/Corporations/Boards/Authorities, etc.(2)In order to remove the difficulties faced by small-scale and tiny sector units in marketing their products, the State Government will provide marketing consultancy and disseminate marketing intelligence. The agencies like the Bihar State Small Industries Development Corporation, Bihar State Export Corporation and Bihar State Electronics Development Corporation will be properly geared to provide these services.(3)In order to make small scale units quality conscious and improve the quality of its products, the State Government will reimburse 25% of the cost of the plant and equipments of the testing laboratories set up by the units, subject to maximum of Rs. 6,000 (six thousand).(4)50% of the expenditure incurred by the SSI units in obtaining ISI/quality marking certificate will be reimbursed by the Government subject to a maximum of Rs. 2,000 (two thousand) per annum.

12. Water rate.

- If an industry takes water from a source maintained by the Government, water will be supplied to it on 'No Profit No Loss' basis.

13. Promoting Khadi and Village Industries.

(1)All out efforts will be made for development of Khadi and Village and Cottage industries. Through Special Component Schemes and the scheme for the employment of educated youth, a network of village and cottage industries would be established, particularly in the rural areas. Government will welcome the participation of voluntary agencies working in the field of rural development. Initially, 45 blocks will be selected for intensive development of village and cottage industries and their number would increase in subsequent years. Proper co-ordination would be established between the Department of Industries and the Department of Rural Development for the purpose.A high power

Co-ordination Committee has been set up under the Chairmanship of the Development Commissioner. This Committee will pay attention to various aspects of cottage and village industries including availability of raw materials/and marketing. Khadi Board will be particularly activated. There will be careful selection of the trades on which they should concentrate. Adequate attention will be given to field work through proper supervision and monitoring. (2) Government will bring about necessary structural changes at appropriate levels so that there is accelerated growth of handloom and sericulture in the State and the Village and Cottage Industries come up in a big way. Particular attention will be given to inspection and monitoring and there will be adequate delegation of administrative and financial powers for quick implementation of various programmes.

14. Assistance for rehabilitation of sick and closed Units.

- The State Government will consider extending such concessions and assistance as may be necessary to registered sick industries for their revival and rehabilitation keeping in view the policies of the Government of India and the Financial Institutions in this regard. Such facilities, however, will not be available to units which have become sick because of managerial lapses. The State Government will monitor the rehabilitation programme of units in this category. The State Government will consider extending such concessions reliefs and incentives as may be considered necessary for revival and rehabilitation of a sick unit by the agencies concerned with the rehabilitation programme, namely: Banks, Financial Institutions and Government Organisations etc. and such assistance will be available for a limited period only.

15. Incentive for Expansion or Diversifications.

- Incentives will be allowed to old units for expansion or diversification. Expansion implies an increase of at least 25 per cent of the rated capacity of the unit for the item for which it is registered. Diversification implies production of a new item or items not envisaged in the project report on which such loan was sanctioned or not capable of being manufactured by existing machinery. The incentives will be available on the following conditions:-(a) The expansion/diversifications programme has been duly registered and approved by the competent authority prescribed by the Government. (b) The facilities relating to sales tax as mentioned in paragraphs 9.1 and 9.2 will be available for a period of 5 (five) years from the date of commencement of production after expansion/diversification and shall be limited to the extent of expansion/diversification. (c) In respect of incentives relating to power consumption, incentive will be admissible on the additional consumption of power relating to production purposes consequent upon expansion/diversification of the unit. The facility will be available for a period of 5 (five) years from the date of commencement of production after expansion/diversification and shall be limited to the extent of expansion/diversification.

16. Facilities to SSI Units growing into medium Industry.

- In order to encourage small-scale industries to develop and convert themselves as medium scale industries, the State Government will give them the following incentives for the first two years of their conversion and registration as a medium scale industry:-(a) Allotment of raw materials as

before. They should in the meanwhile make efforts to obtain raw materials from DGTD.(b)Stores Purchase Preference as to SSIs in Government purchases.(c)Facilities regarding power consumption as admissible to SSI units for a period of two years or for the remaining period of eligibility whichever is earlier.

17. Special Facilities to non-resident Indians.

- With a view to attracting by non-resident Indians (NRIs), Government has set up a 'single window system as one point contact service for such entrepreneurs. Industrial plots already developed and being developed in industrial areas/estates will be made available to them on a priority basis. Power connection to units promoted by NRIs will be sanctioned on priority basis. BSIDC/Bihar State Pharmaceutical and Chemical Development Corporation/Bihar State Electronic Development Corporation will participate in the equity of NRIs in suitable cases. Loans and other facilities will also be made available to such entrepreneurs on priority basis.

18. Special facilities to 100 per cent Export Oriented Units.

- Units established in the State of Bihar which fall within the definition of 100 per cent export-oriented units as laid down by the Central Government are eligible for various incentives announced by the Central Government. These units will have the facility of sanction and disbursement of assistance on a priority basis. Power connection and land will also be made available to them on a priority basis.

19. Special facilities for Electronics Industry.

(1)Raw materials used for the manufacture of Electronic goods and the electronics goods manufactured in the State will be exempted from Sales Tax for a period of five years (effective from 1st September, 1986). Only such raw materials and such electronic products will get this concession as are approved and notified as electronics raw materials and electronics products by the Department of Electronics, Government of India.(2)Market Assistance to Electronics Industries.-Since this sector is still to develop in the State, there is an obvious handicap of market goodwill. It is, therefore, necessary to have a central agency for marketing the goods manufactured by the Small and Medium units which should also anticipate the future trends and undertake the necessary market research. It has, therefore been decided to consider setting up a marketing division with the State Electronics Development Corporation which will act as marketing agency for these units and provide professional marketing intelligence and expertise.(3)Technical Support Services.-Another strategy to achieve overall development of electronics in the State would be to provide technical support services to small and medium scale units through the Electronics Test and Development Centre, Patna. The testing facilities for standardisation and quality control at EITDC, Patna will be strengthened. It is also decided to consider setting up a new EITDC centre at Ranchi with assistance of Electronics Commission, Government of India to meet the growing needs of Small/Medium Electronics Units and to help them in upgrading their product quality.(4)Raw material depot.-The Government is aware of the difficulties faced by the small entrepreneurs in respect of raw materials. Hardly an electronics hardware is manufactured in Bihar and the

entrepreneurs have to depend on markets mostly in Bombay and Delhi. Therefore, it has been decided to consider opening a raw material depot particularly, for critical materials, with a suitable mechanism which would be accessible to all entrepreneurs.(5)Man power development centre.-The Government has also decided to consider setting up a man power development centre for electronics at Patna to meet the increasing demand for qualified electronics technicians in collaboration with Tele-Communication India Ltd., a Government of India undertaking. More such centres would be set up in coming years in different parts of the State.(6)Computer services.-Under the NIC's plan for data processing, Patna may be considered for being equipped with a medium capacity computer system hooked on to the NIC's Computer Network.

20. Promotional activities.

- The Government are also considering the following:-(a)Data Bank.-The set up a Data Bank to make available all industrial and market statistics and technical information to entrepreneurs under one roof.(b)EDP.-To establish an institute for Entrepreneurship Development for training of local entrepreneurs desirous of entering into industrial activities. Graduate or Diploma holders, women, Scheduled Caste and Scheduled Tribes, first generation entrepreneurs will be given preference in getting such training.(c)Electronic City.-To set up two Industrial Estates exclusively for electronics.These Estates would be provided with suitable industrial sheds and raw materials' bank and common facilities like upto date testing facilities and necessary assistance in standardisation and quality control of electronics goods.(d)Science and technology entrepreneurs park (step).-To set up a special complex at Ranchi for development of high technology based industries in the State. This centre will be setup as a nucleus for transfer of high technology from other developed countries to the entrepreneurs in the State keeping in view the local needs of transfer assimilation and up-gradation of high technology within the resources constraints. It will aim at providing the answer to the long felt need of many scientists, technologists and non-resident Indians.(e)Growth centres and infrastructural facilities in 'no industry districts"- The State Government, with suitable assistance from the Government of India and the IDBI, will develop growth centres in "No Industry Districts' so that industries are attracted in these areas and there is proper industrial growth. The districts selected for the purpose are: Purnea, Khagaria, Saharsa, Madhepura, Nalanda, Aurangabad and Bhojpur. All infrastructural facilities like road, water, electricity, school, post office etc. will be provided and the centre would be over an area of 200 acres if feasible at places selected for the purpose, in these districts.

21. Effective monitoring.

- For effective monitoring of the developmental activities in the Industrial sector, Committees have been set up at the State Authority, and District levels which will meet periodically and take appropriate measures for setting up new industries and to ensure their smooth running. A suitable reporting system has been built up for the purpose.

22.

No Department of the Government will issue any instruction or order varying/changing/modifying any of the provisions contained in this Resolution without prior consultation with the Department of Industries. Order.-Ordered that a copy of the Resolution be published in the Bihar Gazette and in reputed journals and newspapers and circulated to all departments of Government/Heads of the Department and Subordinate Offices.