

Bihar

MARCH
2013

THE LAND OF BUDDHA



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Bihar

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THE LAND OF BUDDHA

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- ❖ Bihar – An Introduction
- ❖ Infrastructure Status
- ❖ Business Opportunities
- ❖ Doing Business in Bihar
- ❖ State Acts & Policies



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Bihar Factfile



Source: Maps of India

- Bihar is located in the Eastern part of India. The state is surrounded by Nepal in the North, West Bengal in the East, Uttar Pradesh in the West and Jharkhand in the South.
- The state has various rivers and the most important of which is the Ganges.

→ Gaya, Bhagalpur, Muzaffarpur and Darbhanga are some of the key cities in the state.

→ The most commonly-spoken languages in the state are Hindi, English, Urdu and Bhojpuri.

→ The four agro-climatic seasons and fertile soil of Bihar support cultivation of a wide range of crops.

Parameters	Bihar
Capital	Patna
Geographical area (sq km)	94,163
Administrative districts (No)	38
Population density (persons per sq km)*	1,102
Total population (million)*	103
Male population (million)*	54
Female population (million)*	49
Sex ratio (females per 1,000 males)*	916
Literacy rate (%)*	63.8

Sources: Government of Bihar Website - www.gov.bih.nic.in,
*Provisional Data – Census 2011

Bihar in Figures ... (1/2)

Parameter	Bihar	All-States	Source
Economy			
GSDP as a percentage of all states' GSDP	3.1	100	CMIE, 2010-11, current prices
Average GSDP growth rate (%)*	18.7	15.9	CMIE, 2004-05 to 2010-11, current prices
Per capita GSDP (US\$)	491.7	1,324.3	CMIE, 2010-11, current prices
Physical Infrastructure			
Installed power capacity (MW)	1,849.9	211,766.2	Central Electricity Authority, as of January 2013
Wireless subscribers (No)	61,020,297 [^]	864,720,186	Telecom Regulatory Authority of India, as of December 2012
Broadband subscribers (No)	97,603	13,350,938	Ministry of Communications & Information Technology, as of December 2011
National Highway length (km)	4,106	76,818	Ministry of Road Transport & Highways, as of June 2012
Airports (No)	2	133	Airport Authority of India

*Calculated in Indian Rupee Terms
[^]Including Jharkhand

Bihar in Figures ... (2/2)

Parameter	Bihar	All-States	Source
Social Indicators			
Literacy rate (%)	63.8	74.0	Provisional Data – Census 2011
Birth rate (per 1,000 population)	27.7	21.8	SRS Bulletin (www.censusindia.gov.in), 2012
Investment			
Outstanding investments (US\$ billion)	193.0	11,318.3	CMIE (2011-12)
Industrial Infrastructure			
PPP projects (No)	18	881	www.pppindiadatabase.com

PPP: Public-Private Partnership, SRS: Sample Registration System

Advantage Bihar

High Economic Growth

The economy of the state has grown at around 17.8 per cent between 2004-05 to 2011-12. The state provides investment opportunities in sectors such as agro-based industry, food processing, sugar, power, leather, manufacturing and tourism.

Policy Incentives

The state offers a wide range of policy incentives for businesses under the Industrial Incentive Policy, 2011. The state also provides incentives for the sugar, renewable energy, food processing and tourism sectors.

Rich Labour Pool

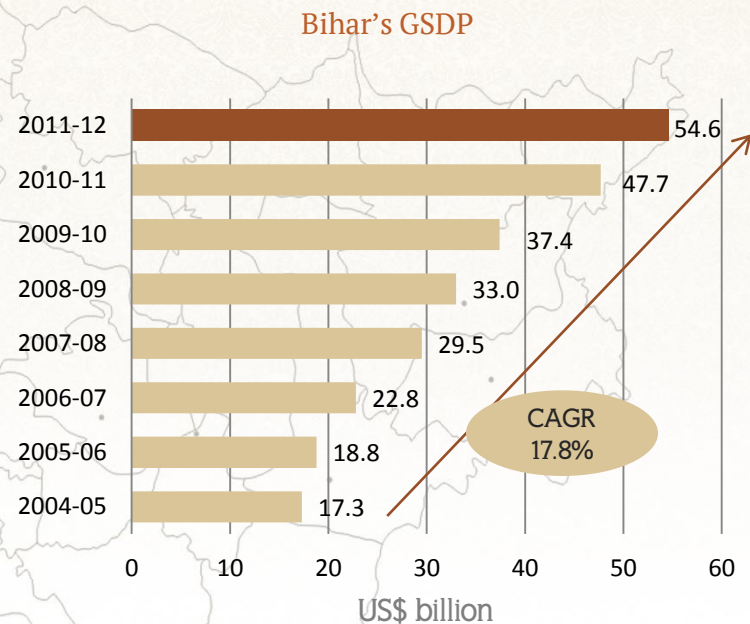
The state has a large base of industrial labour, making it an ideal destination for a wide range of industries. The state has institutes of national importance such as National Institute of Technology (NIT) and Indian Institute of Technology (IIT), which provide skilled manpower to the industries.

Location Advantage

The state enjoys a unique location-specific advantage because of its proximity to the vast markets of Eastern and Northern India, access to the ports such as Kolkata and Haldia, raw material sources and mineral reserves from the neighbouring states.

Economic Snapshot – GSDP

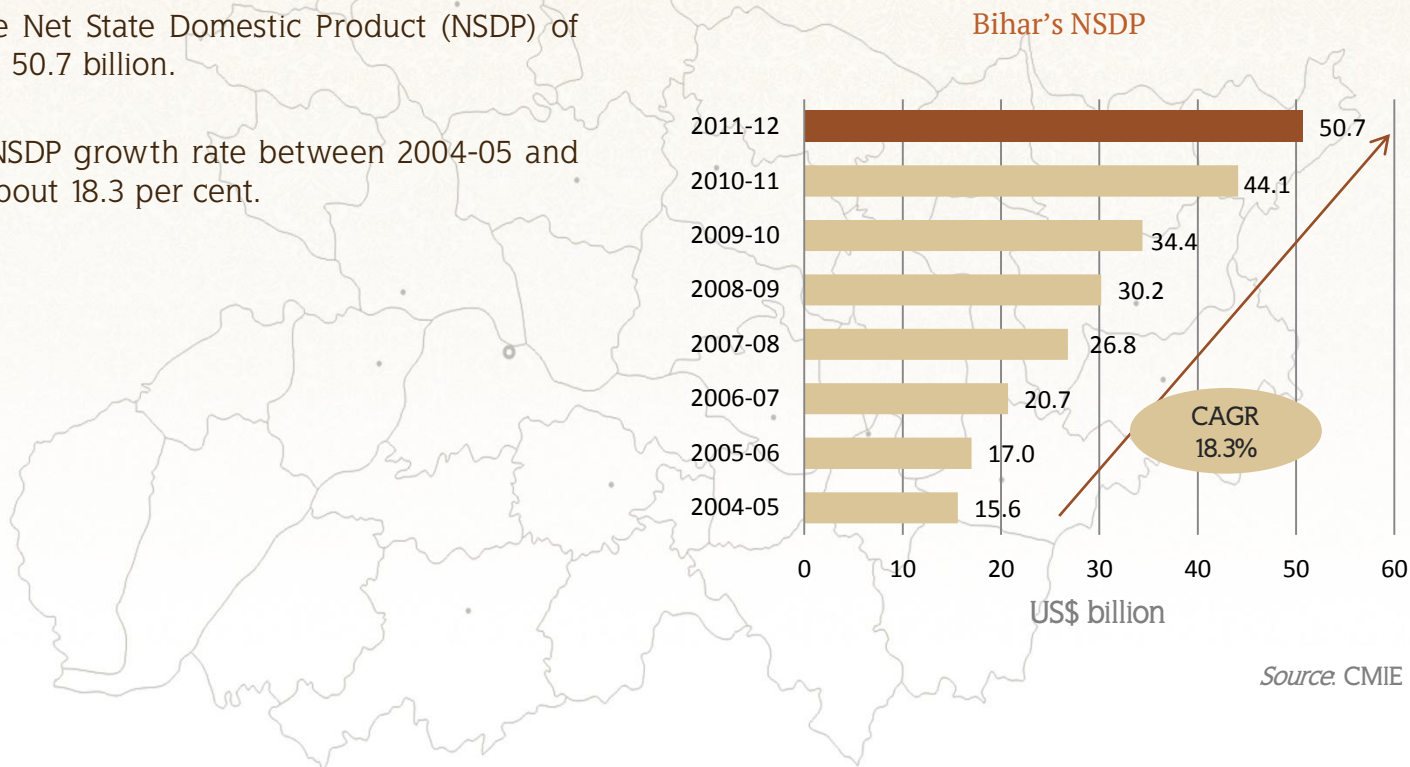
- In 2011-12, the Gross State Domestic Product (GSDP) of Bihar at current prices was US\$ 54.6 billion.
- Between 2004-05 and 2011-12, the average annual GSDP growth rate was 17.8 per cent.



Source: CMIE

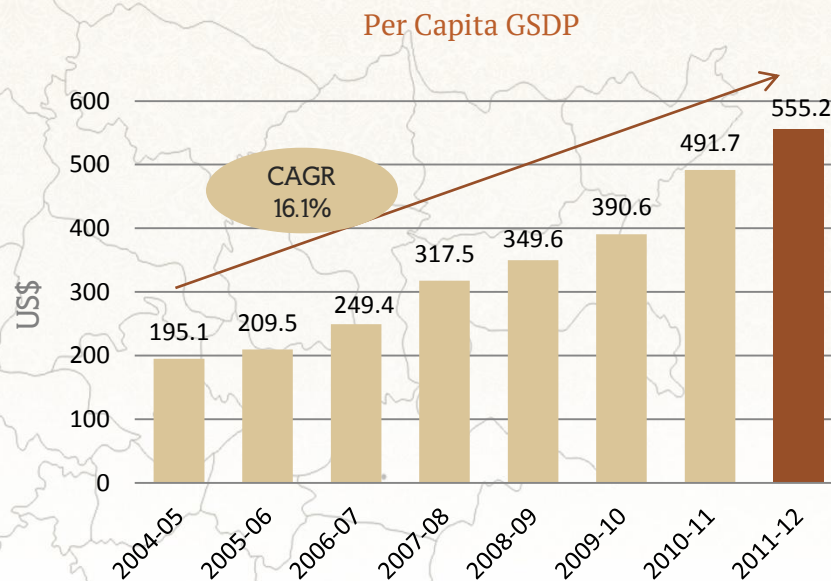
Economic Snapshot – NSDP

- In 2011-12, the Net State Domestic Product (NSDP) of Bihar was US\$ 50.7 billion.
- The average NSDP growth rate between 2004-05 and 2011-12 was about 18.3 per cent.



Economic Snapshot – Per Capita GSDP

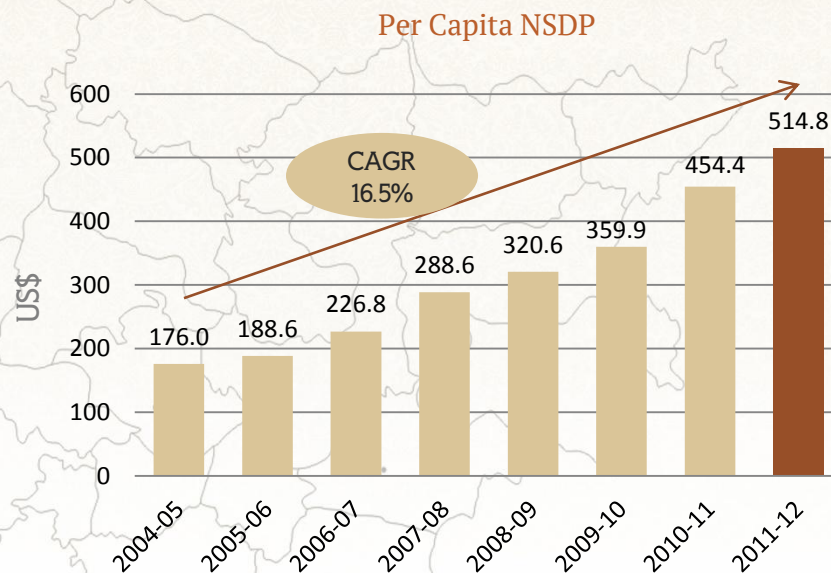
- Bihar's per capita GSDP increased from US\$ 195.1 in 2004-05 to US\$ 555.2 in 2011-12.
- The per capita GSDP increased at a Compound Annual Growth Rate (CAGR) of 16.1 per cent between 2004-05 and 2011-12.



Source: CMIE

Economic Snapshot – Per Capita NSDP

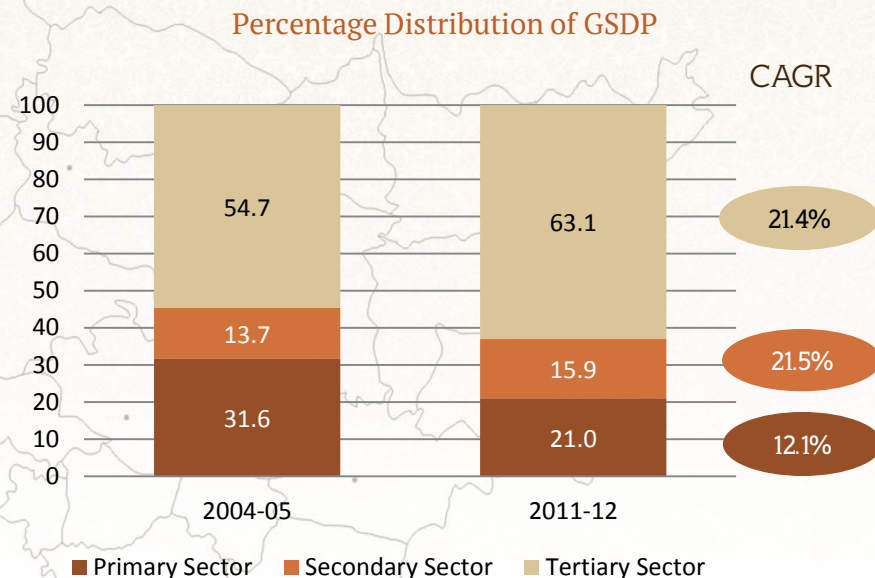
- Bihar's per capita NSDP increased from US\$ 176.0 in 2004-05 to US\$ 514.8 in 2011-12.
- A robust secondary and tertiary sector has helped Bihar to increase its average per capita NSDP by around 16.5 per cent between 2004-05 and 2011-12.



Source: CMIE

Economic Snapshot – Percentage Distribution of GSDP

- At US\$ 34.5 billion, the tertiary sector contributed 63.1 per cent to the GSDP (at current prices) in 2011-12, followed by the primary sector, contributing US\$ 11.4 billion (21.0 per cent), and the secondary sector contributing US\$ 8.6 billion (15.9 per cent).
- Between 2004-05 and 2011-12, secondary sector was the fastest growing sector with a CAGR of 21.5 per cent, followed by tertiary sector, with a CAGR of 21.4 per cent.
- This growth has been supported by the manufacturing, electricity, gas & water supply, construction and services.
- The primary sector grew at a CAGR of 12.1 per cent between 2004-05 and 2011-12.



Source: CMIE

Economic Snapshot – Agricultural Production

- In 2011-12, the total food grain production was estimated at 16.9 Million Tonnes (MT).
- Major crops produced in the state include sugarcane, rice, wheat, maize and potato.
- In 2011-12, total production of sugarcane, rice and wheat was estimated at 12.6 million tonnes, 8.3 million tonnes and 6.0 million tonnes, respectively.
- Bihar is one of the leading producer of fruit and vegetable in the country.
- In 2010-11, total production of fruits in Bihar was 3.9 million tonnes and total production of major vegetables was 14.6 million tonnes.

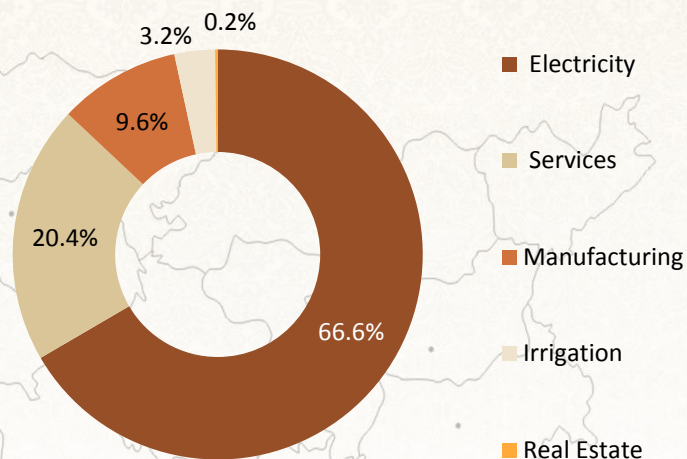
Crop	Annual Production - 2011-12 [^] (‘000 tonnes)
Sugarcane	12,607.6
Rice	8,305.3
Wheat	6,002.5
Potato	5,784.3**
Maize	2,111.2
Jute and Mesta	1894.0*
Onion	1,082.0**
Rapeseed and Mustard	103.7
Gram	63.4
Sunflower Seed	10.9
Total Pulses	509.3
Total Oil Seeds	139.7

Source: Department of Agriculture, Government of Bihar,
National Horticulture Board
[^]Fourth Advance Estimate
* ‘000 Bales of 180 kgs each
**In 2010-11

Economic Snapshot – Investments

- In 2011-12, total outstanding investments in Bihar were US\$ 193.0 billion.
- The electricity sector accounted for the largest share of investments around 66.6 per cent, followed by services sector at 20.4 per cent and manufacturing at 9.6 per cent.
- Between April 2008 and September 2011, 603 investment proposals with a total investment of more than US\$ 51.73 billion, were approved by the State Investment Promotion Board (SIPB). Of the total proposals approved, 55 have started operation and the remaining are at different stages of implementation.
- In 2011-12 (up to September 2011), SIPB has approved 142 proposals that are expected to strengthen the base of medium scale industry in the state.

Break up of Outstanding Investments by Sector (2011-12)



Source: CMIE

Year	Proposals (No) Approved by SIPB
2008-09	173
2009-10	127
2010-11	161
2011-12 (up to September 2011)	142

Source: Economic Survey of Bihar, 2011-12

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Physical Infrastructure – Roads

- The State Government aims to provide road infrastructure in Bihar, equivalent to 'best in the country' by 2015.
- According to the State Plan of the Road Construction Department of the state, the budgeted outlay for roads and highways is US\$ 795.5 million for 2012-13.
- As of September 2011, the total road length in the state was 112,733.58 km as compared to 94,009.42 km in October 2010.



Source: Maps of India

- There is 4,106 km of National Highways and 4,857 km of State Highways in Bihar. Besides, there are 8,505 km major district roads in the state.
- The East-West, four-lane, high-speed corridor and the Golden Quadrilateral road passes through Bihar.

Type of Road	Length (Km) as of September 2011
National Highway	4,106*
State Highway	4,857
Major District Roads	8,505
Other District Roads	15,508
Rural Roads	80,129

Sources: Economic Survey of Bihar, 2011-12,
Ministry of Road Transport & Highways,
*As of June 2012

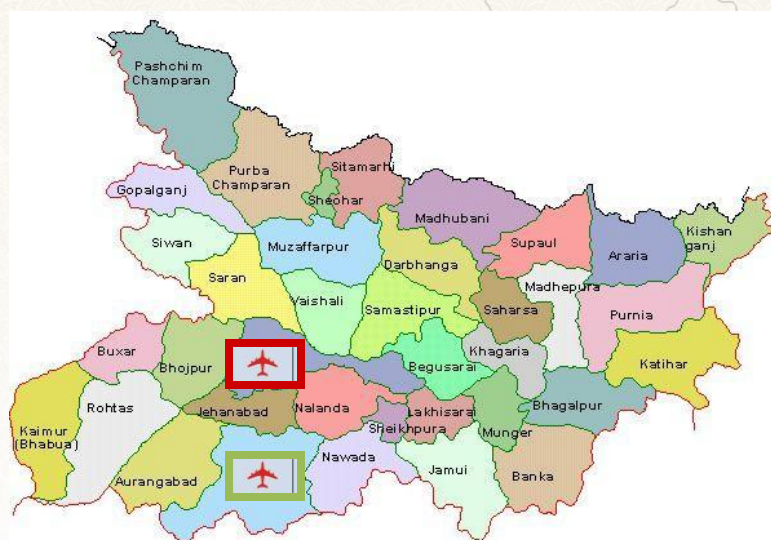
Physical Infrastructure – Railways



Source: Maps of India

- Bihar had an extensive railway network of 3,612 km, as of March 2011.
- Hajipur in Bihar is the headquarter of the East-Central Railway. The state's main railway junctions are at Patna, Gaya, Muzaffarpur, Katihar and Samastipur.
- In 2011-12 Railway Budget, the state has been given two major projects; an electric locomotive factory at Madhepura and diesel locomotive factory at Marhaura in Saran district on a Public-Private Partnership (PPP) basis.
- Several link-lines, such as Muzaffarpur-Samastipur-Barauni-Katihar and Muzaffarpur-Chapra-Siwan, have been converted to broad gauge from metre gauge.
- The work on railways wheel factory at Belapur in Chhapra is going on in full swing and production in the factory is likely to start shortly.

Physical Infrastructure – Airports



Domestic Airport



International Airport

Source: Maps of India

- Bihar has one domestic airport, located in Patna and one international airport in Bodh Gaya.
- Several domestic airlines connect Patna to Delhi, Kolkata, Mumbai, Lucknow, Bengaluru, Hyderabad and Ranchi.
- The airport in Bodh Gaya is used for international connectivity with Bangkok (Thailand), Colombo (Sri Lanka), Yangon (Myanmar), Dhaka (Bangladesh), Paro (Bhutan) and Kuala Lumpur (Malaysia).

Physical Infrastructure – Waterways



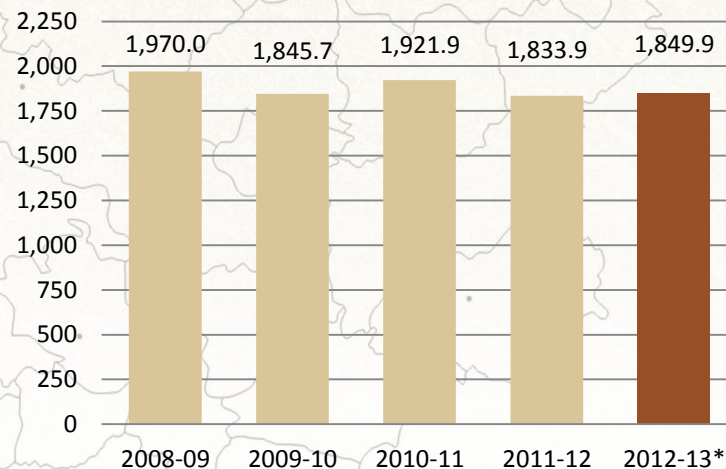
Source: Maps of India

- The 1,620 km stretch of the river Ganges – that flows between Allahabad in Uttar Pradesh and Haldia in West Bengal – has been declared 'National Waterway 1' and is being developed for navigation by the Inland Waterways Authority of India.
- Patna has a low-level fixed terminal on National Waterway-1 for handling containers. The National Inland Navigation Institute has been set up in Patna to train vessel crews.
- It has been proposed that waterways to be used to deliver coal to power plants located on the river-side.

Physical Infrastructure – Power

- As of January 2013, Bihar had a total power generation installed capacity of 1,849.93 MW, of which 1,324.13 MW was owned by central utilities, 496.30 MW was owned by state utilities and 29.50 MW was owned by private sector.
- The total installed power capacity comprised of 1,624.70 MW of coal-based power plants and 129.43 MW of hydropower plants. Besides, there was 95.80 MW of installed power generation capacity from renewable sources.
- The Bihar State Electricity Board (BSEB) is a vertically integrated agency and is responsible for generation, transmission and distribution of electricity in Bihar.
- As of March 2012, Bihar State Electricity Board served around 3.94 million consumers in the state.

Installed Power Capacity (MW)



Source: Central Electricity Authority
*As of January 2013

Physical Infrastructure – Telecom

- According to Telecom Regulatory Authority of India (TRAI), Bihar had nearly 61.0 million[^] wireless subscribers and 560,061[^] wire-line subscribers, as of December 2012.
- The teledensity in the state was 46.53[^] per cent, as of December 2012.
- There were 9,023 post offices in the state, as of January 2013.
- As of December 2011, the state had 62,389 Public Call Offices (PCOs), 1,197 telephone exchanges and 97,603 broadband subscribers.

Telecom Infrastructure (December 2012)	
Wireless Subscribers [^]	61,020,297
Wireline Subscribers [^]	560,061
Broadband Subscribers	97,603*
Telephone Exchanges	1,197*
Teledensity (per 100 population) [^]	46.53
Public Call Offices (PCOs)	62,389*

Sources: Telecom Regulatory Authority of India
Department of Telecommunications, Annual Report 2011-12,
Ministry of Communications & Information Technology
*As of December 2011
[^]Including Jharkhand

Some of the Major Telecom Operators in Bihar

Bharat Sanchar Nigam Limited (BSNL)
Bharti Airtel
Aircel Limited
Reliance Communications
Idea Cellular Services
Vodafone Essar
Tata Teleservices

Source: Telecom Regulatory Authority of India

Development Projects: Urban Infrastructure

- Under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), eight projects costing US\$155 million have been sanctioned for the urban centres such as Patna and Bodh Gaya. The key areas of development are solid-waste management system, water supply and sewage.
- In 2010-11, the state had total outlay of US\$ 49.0 million under state plan schemes for water supply and sanitation.

City	Water Supply	Solid Waste Management	Sewage
Patna	<ul style="list-style-type: none"> • The gross water supply in the city is around 186 MLD with about 91 LPCD • The public water supply system comprises 98 tube wells 	<ul style="list-style-type: none"> • Solid-waste generated in the city is 680 TPD • About 65.0 per cent of the waste generated is collected 	<ul style="list-style-type: none"> • The estimated sewage generation in the city is 224.6 MLD • The city has a sewer length of around 27.4 km
Gaya	<ul style="list-style-type: none"> • Gross water supply in the city is 3.4 MLD • Piped water supply coverage is 35.0 per cent while the remaining 65.0 per cent relies on hand pumps. 	<ul style="list-style-type: none"> • Solid waste generated in the city is 17.7 TPD • About 60.0 per cent of the waste generated is collected 	<ul style="list-style-type: none"> • The city generates about 6.3 MLD of waste water • A DPR of US\$ 20 million has been prepared under JNNURM and is under implementation

LPCD: Litre Per Capita per Day, MLD: Million Litre per Day, TPD: Tonnes Per Day, DPR: Detailed Project Report.

Sources: City Development Plans, JNNURM, Ministry of Urban Development, Government of India, Urban Development and Housing Department, Government of Bihar

Development Projects: Key Public Private Partnership Projects

Project Name	Sector	PPP Type	Project Cost (US\$ million)	Stage
Khagaria Bakhatiarpur Section	Roads	BOT	355.4	Under Bidding
Bridge across river Ganga connecting Bhaktiyarpur - Shahpur Patori	Roads	BOT-Toll	313.3	Construction
Hajipur-Muzaffarpur	Roads	BOT-Annuity	196.0	Construction
Chappra-Hajipur	Roads	BOT-Annuity	171.0	Construction
Khagaria Purnea Section	Roads	BOT -Annuity	138.5	Construction
Kosi Bridge Project	Roads	BOT-Annuity	90.9	Construction
Mokama-Munger	Roads	BOT-Annuity	74.3	Construction
Forbesganj-Jogbani	Roads	BOT-Annuity	15.6	Construction
Development of a new five Star Hotel at the site of Hotel Kautilya Vihar at Patna	Tourism	DBFOT	14.4	Under Bidding
Development of a four Star Hotel at the site of Gautam Vihar at Rajgir	Tourism	DBFOT	6.2	Under Bidding

BOT: Build-Operate-Transfer, DBFOT: Design-Build-Finance-Operate-Transfer

Source: www.pppindia.com

Social Infrastructure – Education

- The state has a literacy rate of 63.8 per cent according to the provisional data of Census 2011; the male literacy rate is 73.5 per cent and the female literacy rate is 53.3 per cent.
- In 2009-10, total number of students enrolled in primary and upper primary (up to class VIII) schools was 18.0 million.
- Budgeted plan expenditure on education in the state has increased from US\$ 736.6 million in 2010-11 to US\$ 838.7 million in 2011-12.
- The prestigious Indian Institute of Technology (IIT) has been established in Patna in August 2008. The institute offers B.Tech programmes in three disciplines – Computer Science and Engineering, Electrical Engineering and Mechanical Engineering. The Ph.D. programmes are in Engineering, Science and Humanities & Social Sciences.

Education Infrastructure (2010)

- Universities: 18*
- Research Institutions: 15
- Government Colleges: 451
- Engineering/Technical Colleges: 10
- Medical Colleges: 11^
- Local Body Colleges/Other Colleges: 364
- Teacher Training Colleges: 33
- Other Educational Institutions: 251

Source: Economic Survey of Bihar, 2011-12,
Medical Council of India, University Grants Commission

*As of August 2011

^As of October 2012

Reputed Technical Institutes in Bihar

- Indian Institute of Technology, Patna
- National Institute of Technology, Patna
- National Institute of Fashion Technology, Patna

Social Infrastructure – Health

- As of 2011, Bihar had 11,559 health centres of various categories including 533 Primary Health Centres (PHCs), 1,330 Additional Primary Health Centres (APHCs) and 9,696 Sub-Centres,
- As of 2011, there were 36 District Hospital, 70 Referral Hospitals and 55 Sub-Divisional Hospital in the state.
- On an average, there are 111 health centres for a population of one million.
- In 2010-11, the total budgeted expenditure for health services in the state was US\$ 154.2 million.
- AIIMS Patna is one of the six AIIMS established in the country under the Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) to provide the most sophisticated healthcare. There will be a medical college offering undergraduate, postgraduate and doctoral course.

Health Indicators (2011)	
Persons Served Per Doctor	25,000 [^]
Birth Rate*	27.7
Death Rate*	6.7
Infant Mortality Rate**	44
Life Expectancy at Birth (years)	
Male (2002-06)	62.2
Female (2002-06)	60.4

Sources: Economic Survey of Bihar, 2011-12, Sample Registration System (SRS) Bulletin 2012 (www.censusindia.gov.in), Planning Commission, Government of India

*Per thousand persons

** Per thousand live births

[^]As of September 2011

Government Initiatives in the Health Sector

- Increase in sanctioned manpower in departments such as medical, public health and family welfare.
- Higher level of personnel appointments and training.
- Involving private sector in support services related to cleaning, pathology and radiology.
- Free drug distribution and indoor treatment.

Cultural Infrastructure

- According to the 'Sports Policy, 2007', the State Government is undertaking various initiatives to promote sports in the state by augmenting sports infrastructure, providing coaching facilities and supporting the promising players.
- An international conclave on 'Experience Buddhism - In the land of its origin' was organised in February, 2010, to give major thrust to cultural tourism and explore potential related to the Buddhist circuits in India, especially in Bihar.
- The directorates under Youth, Art and Culture Department are Directorate of Museum, Directorate of Archaeology, Directorate of Cultural Affairs and Directorate of Student and Youth Welfare.
- The autonomous bodies under Youth, Art and Culture Department are Bihar State Sports Authority, Bihar Sangeet Natak Academy and Bihar Lalit Kala Academy.

Major Museums in Bihar

- Patna Museum, Patna
- Chandra Dhari Museum, Darbhanga
- Gaya Museum, Gaya
- Nardaha Museum, Nawada
- Bhagalpur Museum, Bhagalpur
- Maharaja Lakshmishwar Sing Museum, Darbhanga
- Sitaram Upadhyay Museum, Buxar
- Bihar Sharif Museum, Nalanda
- Chandra Sekhar Singh Museum, Jamui
- Ramchandra Shahi Museum, Muzaffarpur
- Jananayak Karpoori Thakur Memorial Museum, Deshratna Marg, Patna
- Chapra Museum, Chapra

Source: Youth, Art & Culture Department, Government of Bihar

Industrial Infrastructure ... (1/2)

- The Bihar Industrial Area Development Authority (BIADA) is responsible for promoting and assisting the rapid development of industries in the industrial areas and estates.
- Operations of BIADA are divided in four regions – Patna, Muzaffarpur, Darbhanga, Bhagalpur to facilitate quick services to entrepreneurs.
- As of September 2011, BIADA has acquired a total of 5,524.29 acres of land, out of which 4,039.15 acres of land has been allotted for setting up industrial units. Of the four regions, Patna reported the highest acquisitions of 2,494.45 acres of land.

Region	Acquired Land (Acre)	Land Reserved for Infrastructure, Administrative Block, Road etc. (Acre)	Allotted Land (Acre)	Total Vacant Land (Acre)	No of Running Units
Patna	2,494.45	241.98	2,050.09	202.38	462
Bhagalpur	1,577.51	104.67	1,199.61	273.23	177
Darbhanga	411.90	77.22	297.46	37.22	162
Muzaffarpur	1,040.43	155.58	491.99	392.86	206

Sources: Economic Survey of Bihar, 2011-12

Industrial Infrastructure ... (2/2)

Industrial Clusters in Bihar



-  Manufacturing
-  Textile/Sericulture
-  Sugarcane
-  Agro-based Industries (Except Sugarcane)

Centres	Industries
Patna	Major agricultural centre of trade, exporting grain, sugarcane, sesame and medium-grained rice; has also emerged as a manufacturing hub in Bihar with the highest number of industrial units.
Tirhut	Has the second-highest number of industrial units in the state; food/beverage processing and manufacturing units are located here.
Muzaffarpur	Important trade centre for cloth; famous for exporting fruits, particularly, mango and litchi.
Barauni	Has major industrial units including those of Indian Oil Corporation's refinery; capacity of the existing thermal power station has undergone major renovation and modernisation.
Bhagalpur	Famous worldwide for tussar silk; trading of agricultural produce and cloth is an important economic activity. Other major industries include rice, sugar milling and wool weaving.
Gaya	Major weaving centre, important tourist hub.

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Key Industries

- The natural resources and policy incentives support agro-based sector. Agro-based industry and petroleum products (primarily, Barauni oil refinery) account for around 85.0 per cent of the total industrial output in the state.
- As of March 2011, the state had about 36 large scale industries which are located in Patna, Gaya, Muzaffarpur, Ara, Rohtas, Banka, Vaishali, Purnea, Nalanda, East Champaran, Samastipur, Kaimur, Darbhanga, Hajipur, Araria, Munger and Bhojpur.
- Medium, small-scale industries, micro and artisan enterprises play a major role in terms of employment. As on December 2011, there were 189,271 permanent registered units with total investment of US\$ 309.0 million and providing employment to 0.61 million workers.
- Majority of industries are located in Patna. Tirhut, Magadh, Munger and Purnea are the other major industrial centres.

Key Industries in Bihar

- Food and Beverages
- Rubber and Plastics
- Transport Equipment
- Chemicals
- Tobacco
- Textiles
- Leather
- Paper, Printing and Publishing
- Mines and Minerals
- Dairy
- Tea
- Sugar
- Tourism

Key Industries – Food Processing and Dairy ... (1/2)

- Bihar is one of the largest producers of vegetables and fruits in the country. The factor advantages of the state make it a suitable place for setting up units in the food processing sector.
- The state is one of the leading producers of banana, mango, litchi and vegetables such as onion, tomato, potato and egg-plant in the country.
- In 2010-11, total production of fruits in Bihar was 3.9 million tonnes and total production of major vegetables was 14.6 million tonnes.
- Food processing is a priority sector for the State Government. Up to 40.0 per cent of the project cost for setting up food processing units is subsidised by the State Government.
- Besides food processing, the State Government promotes cooperative marketing of milk and dairy products.

Key Players

- Bihar State Cooperative Milk Producer's Federation (COMPFED)
- Usher Agro Limited

Source: Economic Survey of Bihar, 2011-12

Key Industries – Food Processing and Dairy ... (2/2)

Bihar State Cooperative Milk Producer's Federation (COMPFED)



- COMPFED is an organised milk processing cooperative, which collects milk through district level cooperative unions, processes and markets the same.
- It also supports members with interventions across technology, supply chain, marketing, training, etc.
- COMPFED covers five districts directly and 26 districts through six district level cooperative unions.
- In 2011-12, COMPFED has marketed around 0.86 million litres of daily average milk.

Usher Agro Ltd



- Usher Agro Limited is one of the largest basic food grain (rice and wheat) processing companies in India. The company established its rice processing mill in Buxar, Bihar in 2003.
- In 2011-12, the revenue of the company was US\$ 149.73 million.
- The products of the company are sold under the brand name 'Raso Raja'.

Key Industries – Chemical, Oil and Gas ... (1/2)

- The major drivers of chemical, oil and gas industry in Bihar are proximity to sea ports – Kolkata and Haldia – availability of labour and the vast market of Eastern India.
- Petroleum & allied sectors remain a large contributor to the state's industrial value output as it has one of the largest public sector refineries in the country – Indian Oil Corporation Limited (IOCL).
- IOCL is planning for augmentation of Paradip-Haldia-Barauni crude oil pipeline.
- Oil and Natural Gas Corporation Limited (ONGC) is carrying out exploration for petroleum and natural gas in an area of 2,537 sq kms in Purnea basin.
- The permission for investigation of natural gas and petroleum in 2,227 sq kms area in Betiah district has been accorded to Oil and Natural Gas Corporation and Petrodine.

Key Players

- Indian Oil Corporation Limited
- Graphite India Limited
- Krishi Rasayan Exports Private Limited

Source: Economic Survey of Bihar, 2011-12

Key Industries – Chemical, Oil and Gas ... (2/2)

Indian Oil Corp Ltd (IOCL)



- IOCL, a Fortune 500 company, is India's leading petroleum refinery. It has a refinery at Barauni, with an annual capacity of 6 million metric tonnes.
- Secondary processing facilities, such as a resid-fluidised catalytic cracker, diesel hydro-treating and a sulfur-recovery unit, have been added to the main refinery.
- The 498-km long Haldia-Barauni Crude Oil Pipeline (HBCPL) receives crude oil at the Haldia oil jetty and transports it to the Barauni refinery.

Graphite India Ltd (GIL)



- GIL was incorporated in 1963. The company has eight plants located across India and produces graphite products, coke and power.
- The coke division of the company at Barauni, in Bihar is engaged in manufacture of Calcined Petroleum Coke (CPC) and has an installed capacity of 30,000 tonnes per annum.
- In 2011-12, the company produced 26,885 tonnes of calcined petroleum coke in its Barauni plant, surpassing installed capacity.

Krishi Rasayan Exports Pvt Ltd (KREPL)



- KREPL is a flagship company of Krishi Rasayan Group. The company is one of the major agri-chemical manufacturer, with five composite technical manufacturing units. Total revenue of the Krishi Rasayan Group in 2011-12 was US\$ 138 million.
- In 1973, the company set up its plant at Muzaffarpur in Bihar for producing dusting powder formulation.
- The company operates a poultry feed unit in Muzaffarpur with a capacity of 150 tonnes per day in pellet-form.

Key Industries – Sugar ... (1/2)

- Sugar, the largest agro-based industry in the state plays a prominent role in Bihar's economy.
- The North of the state is climatically well-suited for producing good quality sugarcane with minimum inputs as compared to other states.
- In 2011-12, about 234,560 hectares were under sugarcane production and the state produced about 12.6 million tonnes of sugarcane.
- It is estimated that about 500,000 farmers are engaged in sugarcane cultivation and another 50,000 skilled and unskilled labours are working in sugar mills.
- The State Government offers incentive package to the sugar industry. The Sugarcane Institute in Pusa and Rajendra Agricultural University are engaged in sugarcane-related research activities.

Some of the Key Players

- K. K. Birla Group
- Riga Sugar Company Limited
- Vishnu Sugar Mills Limited
- Eastern Sugar & Industries Limited

Key Industries – Sugar ... (2/2)

K. K. Birla Group



- The K K Birla Group's sugar company, Upper Ganges Sugar & Industries Limited (UGSIL), has two units in Bihar – Bharat Sugar Mills at Sidhwalia, with a crushing capacity of 5,000 Tonnes Per Day (TPD) and Hasanpur Sugar Mills at Hasanpur, with a crushing capacity of 3,000 TPD.
- The Sidhwalia unit also has a 18 MW cogeneration power plant.

Riga Sugar Co Ltd



- The company belongs to the Dhanuka Group and was incorporated in 1980.
- It manufactures ethyle alcohol, molasses and sugar at Sitamarhi in Bihar.
- The plant has crushing capacity of 5,000 tonnes per day.

Vishnu Sugar Mills Ltd

- The company is promoted by the Bajoria family and was incorporated in 1932.
- It manufactures molasses and sugar at Gopalganj in Bihar.
- In 2011-12, the revenue of the company was US\$ 14.94 million.

Eastern Sugar & Industries Ltd



- The company was incorporated in 1964.
- It manufactures molasses and sugar at Purba Champaran, in Bihar.
- The plant has crushing capacity of 2,500 tonnes per day.

Key Industries – Manufacturing Industry ... (1/2)

- The state has leather, textile and handloom industries as its prominent sectors, apart from some engineering units.
- The state has ample raw materials (hides and skin of livestock), technical skills (leather technology institutes) and manpower, which are the major drivers for leather industry in the state.
- There are 85 leather units in the state of which 60 are manufacturing units and 25 units take up job-work.
- There are a large number of handloom units in Bihar, of which 10,850 are under cooperative sector and 25,503 units are outside. Besides, there are 11,361 powerlooms in the state.
- Between April 2008 and September 2011, 45 investment proposals in steel processing & cement sector were approved by the State Investment Promotion Board (SIPB).

Key Players

- Bata India Ltd
- Bharat Wagon and Engineering Company
- Gangotri Iron & Steel Company

Key Industries – Manufacturing Industry ... (2/2)

Bata India Ltd



- Promoted by the Toronto-based Bata Shoes, Bata is among India's largest manufacturer and marketer of footwear products.
- The company has a tannery at Mokamehghat, in Bihar and a leather footwear factory at Bataganj, in Patna.

Bharat Wagon & Engineering Co Ltd



- The Bharat Wagon and Engineering Company is a part of Bharat Bhari Udyog Nigam, a Government of India undertaking. It has a over 50 years of experience in heavy-steel fabrication.
- It has two units at Mokama and Muzaffarpur, which are ISO 9001 certified for manufacturing wagons; a third unit at Muzaffarpur, which manufactures gas cylinders. All three plants have captive-power generation capacity.

Gangotri Iron & Steel Co Ltd



- The company produces Mild Steel (MS) bars and billets.
- In 2010-11, the company produced 53,994 tonnes of MS bar and 41,482 tonnes of MS billet.
- In January 2009, the company set up a new unit in Bihta, in Bihar. In 2010-11, the company has installed capacity of 145,000 tonnes of MS bar, 108,900 tonnes of MS billet and 540,000 cubic metre of oxygen gas.

Key Industries – Tourism ... (1/2)

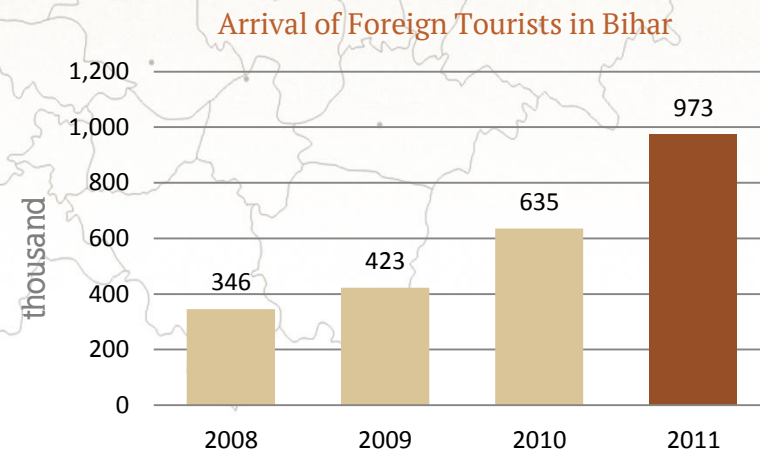


Source: Maps of India

- The state has a rich cultural heritage as it is associated with pilgrimages and historical monuments related to religious gurus such as the Buddha, Mahavir, Guru Gobind Singh.
- Tourism in the state revolves around the Buddhist circuit (Bodhgaya, Rajgir, Nalanda), the Jain circuit (Bisram, Mandar hill, Champanagar) and the Sufi circuit.
- Monuments of historical and religious significance present tremendous potential for attracting both domestic and foreign tourists.
- The State's Tourism Policy stresses on developing infrastructure and financing for tourism.
- The Bihar Government is preparing a 20-year Master Plan for promotion and development of tourism in the state.

Key Industries – Tourism ... (2/2)

- The State Government has established the Bihar State Tourism Development Corporation with the prime objective of developing hotels, transports, railways, swimming pools, health tourism, etc. and run them on commercial basis for the benefit of tourists.
- Eighteen projects have been sanctioned for the state by the Ministry of Tourism during the Eleventh Five Year Plan period (2007-2012, up to March 2011), at a project outlay of US\$ 12.6 million.
- In 2011, the total number of tourist arrival in the state was around 19.36 million.



Source: Ministry of Tourism, Government of India

Bihar

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Single-Window Approval Mechanism

- Bihar Single Window Clearance Act, 2006, and the Bihar Industrial Incentive Policy, 2011, promote industrial growth by giving rapid clearances, issuing of licenses and certificates and providing an overall investor-friendly environment in the state.
- The Industries Department of the state and the District Industries Centre (DIC) act as nodal agencies for investments.
- Proposals for investment greater than US\$ 21.7 million are routed through Chief Minister and the Cabinet for approval.

Investment Handled	Body	Chairman	Nodal Agency
US\$ 2.17 million to US\$ 21.7 million	State-Level Investment Promotion Board	Industries Development Commissioner	Industries Development (Udyog Mitra)
Below US\$ 2.17 million	District-Level Committee	District Collector	DIC



Key Investment Promotion Offices ... (1/2)

Agency	Description	Contact Information
<p>Industries Department, Government of Bihar</p>	<ul style="list-style-type: none"> • State-level nodal body under the single-window regime for investments of above US\$ 2.17 million. • Primary functions involve coordinating applications from investors, processing and facilitating the process of getting clearances from various departments. • The Department, headed by the Principal Secretary, supervises District Industry Centres (DIC), industrial area development authorities and industrial premises in the state. 	<p>Vikas Bhawan Bailey Road, Patna - 800 001, Bihar. Phone: 91-612-2215 211 Fax: 91-612-2217 991 Website: http://industries.bih.nic.in/</p>
<p>District Industry Centre (DIC)</p>	<ul style="list-style-type: none"> • District-level nodal agency for investments below US\$ 2.17 million. • DIC supports entrepreneurs in identifying local resources, supply of raw materials and equipment, arrangement of credit facilities, marketing, quality control, etc. 	<p>-</p>
<p>Bihar Industrial Area Development Authority (BIADA)</p>	<ul style="list-style-type: none"> • The organisation runs under the guidelines and policies of the Board of Director having directors nominated by the State Government under the chairmanship of the principal secretary, Department of Industries, Government of Bihar. • Supports entrepreneurs in setting up industries and availing incentives offered by the State Government. 	<p>1st Floor, Udyog Bhawan, East Gandhi Maidan, Patna - 800 004, Bihar Phone: 91-612-2675 991, 2675 002, 2675 352 Fax: 91-612-2675 889 E-mail: biada@rediffmail.com, Website: http://www.biadabihar.in/</p>

Key Investment Promotion Offices ... (2/2)

Agency	Description	Contact Information
Bihar State Finance Corporation	<ul style="list-style-type: none"> The main state-level institution that provides term lending facilities to industrial entrepreneurs. The Corporation has entered into an agreement with Small Industries Development Bank of India (SIDBI) under which joint financing will be done by SIDBI and BSFC in the proportion of 90:10. Under this scheme, a minimum of US\$ 0.3 million loan can be provided to one unit. 	<p>Fraser Road, Patna - 800 001, Bihar Phone: 91-612-2332 785 E-mail: bsfcpatna@gmail.com Website: http://bsfc.bih.nic.in/</p>
Bihar State Electricity Board (BSEB)	<ul style="list-style-type: none"> The Board is responsible for the synchronised development of generation, transmission and distribution of power in the state. 	<p>Vidyut Bhawan, Bailey Road, Patna - 800 001, Bihar. Phone: 91-0612-2504 036 Fax: 91-0612-2504 968 Website: http://bseb.bih.nic.in/</p>
Bihar State Pollution Control Board	<ul style="list-style-type: none"> The purpose of the organisation is prevention and control of pollution through inspection of treatment plants, standards application, research and development activities, etc. Headquartered at Patna, the organisation has seven zonal-offices. 	<p>Beltron Bhawan, Shastri Nagar Jawahar Lal Nehru Marg, Patna - 800 023, Bihar Phone: 91-0612-2281 250 Fax: 91-0612-2281 050 Email: bspcb@vsnl.net, Website: http://bspcb.bih.nic.in/</p>

Key Approvals Required

Approvals and Clearances Required	Departments to be Consulted	Estimated Time in Days
Incorporation of Company	Registrar of Companies	NA
Registration, Industrial Entrepreneurs Memorandum (IEM), Industrial Licenses	Nodal Agency (Industries Department)	NA
Allotment of Land	Bihar Industrial Area Development Authority	Seven to 21 days (up to 90 days for Acquisition of Non-Industrial Land)
Permission for Land Use	Revenue and Land Reforms Department, Government of Bihar	30 Days (45 Days for conversion of Non-Industrial Land for use)
Registration under Factories Act and Boilers Act	Offices of Inspector of Factories, Inspector of Boilers	Up to 120 Days
Site Environmental Approval, No Objection Certificate and Consent under Water and Pollution Control Acts	Bihar State Pollution Control Board and Ministry of Environment and Forests, Government of Bihar	60 Days
Approval of Construction Activity and Building Plan	Urban Development and Housing Department, Government of Bihar	Seven Days
Sanction of Power	Bihar State Electricity Board	Up to 30 Days
Sanction of Water	Water Resources Department, Government of Bihar	Up to 30 Days
Fire Service Clearance	State Fire Service Headquarters, Government of Bihar	Up to 15 Days
Registration under State's Sales Tax Act, and Central and State Excise Act	Sales Tax Department, Central and State Excise Departments	Seven Days

NA: Not Available

Cost of Doing Business in Bihar

Cost Parameter	Cost Estimate	Source
Industrial Land (per acre)	US\$ 407,780 in Patliputra, US\$ 88,339 in Muzaffarpur	Bihar Industrial Area Development Authority
Labour (minimum wages per day)	US\$ 2.5 to US\$ 3.9	Ministry of Labour and Employment, Government of India
Office Space Rent (per sq ft per month)	US 50 cents to US\$ 1.2	Industry Sources
Residential Rent (2,000 sq ft per month)	US\$ 175 to US\$ 350	Industry Sources
Five-Star Hotel Room (per night)	US\$ 180	Leading Hotels in the State
Commercial and Industrial Electricity (per kWh)	Industrial: US 10.3 cents to US 11.1 cents Commercial: US 9.8 cents to US 11.2 cents	Bihar State Electricity Board

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State Acts & Policies ... (1/3)

Bihar State Hydro-Power Policy - 2012

Objectives

- To enhance the over all generation capacity of the state including hydro power.
- To obtain optimal thermal-hydro generation mix of 60:40 ratio.
- To encourage the participation of Independent Power Producers by offering them best policy frame work, and support.

[Read more](#)

Bihar Industrial Incentive Policy - 2011

Objective

- To promote balanced industrial development and enable industries to contribute towards the social and economic development of the state.

[Read more](#)

Bihar Policy for Promotion of New and Renewable Energy Sources 2011

Objective

- To develop all forms of new and renewable energy sources including biomass & biogas based projects, cogeneration projects, mini/micro/small hydro projects (up to 25 MW) wind power projects, solar projects, municipal solid waste based projects and any other renewable resources based projects.

[Read more](#)

State Acts & Policies ... (2/3)

Information and Communication Technology Policy 2011

Objectives

- To create a world class IT infrastructure in the state.
- To promote investment in the IT/ITeS/Electronic Hardware Manufacturing (EHM) units by private industry to accelerate the pace of IT enablement of the state.

[Read more](#)

Food Processing Policy

Objective

- To address the infrastructure, technology, skills and marketing constraints being faced by rice, maize, pulses, honey, makhana, fruits and vegetables, and other food processing units in the state by facilitating the setting up of new food processing units. To aid the expansion and up-gradation of existing units.

[Read more](#)

Sugar Incentive Package

Objective

- To serve the sugar industry by building on the factor advantages of the state.

[Read more](#)

Annexure

Exchange Rates

Year	INR equivalent of one US\$
2004-05	44.95
2005-06	44.28
2006-07	45.28
2007-08	40.24
2008-09	45.91
2009-10	47.41
2010-11	45.57
2011-12	47.94

Average for the year

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