

Bihar

NOVEMBER
2011

THE LAND OF BUDDHA



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- ❖ Bihar – An Introduction
- ❖ Infrastructure Status
- ❖ Business Opportunities
- ❖ Doing Business in Bihar
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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	2.9	100	CMIE, as of 2009-10, current prices
Average GSDP growth rate (%)*	17.1	15.5	CMIE, 2004-05 to 2009-10, current prices
Per capita GSDP (US\$)	371.0	1,302.4	CMIE, as of 2009-10, current prices
Physical Infrastructure			
Installed power capacity (MW)	1,921.9	173,626.4	Central Electricity Authority, as of March 2011
GSM cellular subscribers (No)	42,894,586	618,284,322	Cellular Operators Association of India, as of September 2011
Broadband subscribers (No)	146,148 [^]	10,737,850	Ministry of Communications & Information Technology, as of November 2010
National Highway length (km)	3,642	70,934	Ministry of Road Transport & Highways, Annual Report 2010-11
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)	28.5	22.5	SRS Bulletin, 2009
Investment			
Outstanding investments (US\$ billion)	94.3	7449.3	CMIE (2009-10)
Industrial Infrastructure			
PPP projects (No)	18	808	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 15.8 per cent between 2004-05 to 2009-10. 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 Policy, 2006. The state also provides incentives for the sugar, renewable energy, food processing and tourism sectors.

Rich Labour Pool

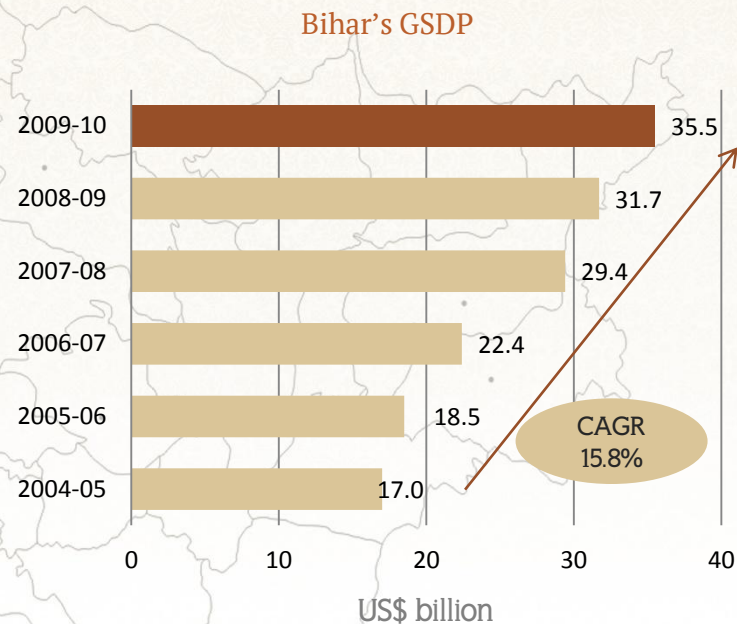
The state has a large base of industrial labour, making it an ideal destination for a wide range of industries. The state has institutes of national importance such as National Institute of Technology (NIT) and Indian Institute of Technology (IIT), which provide skilled manpower to the industries.

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

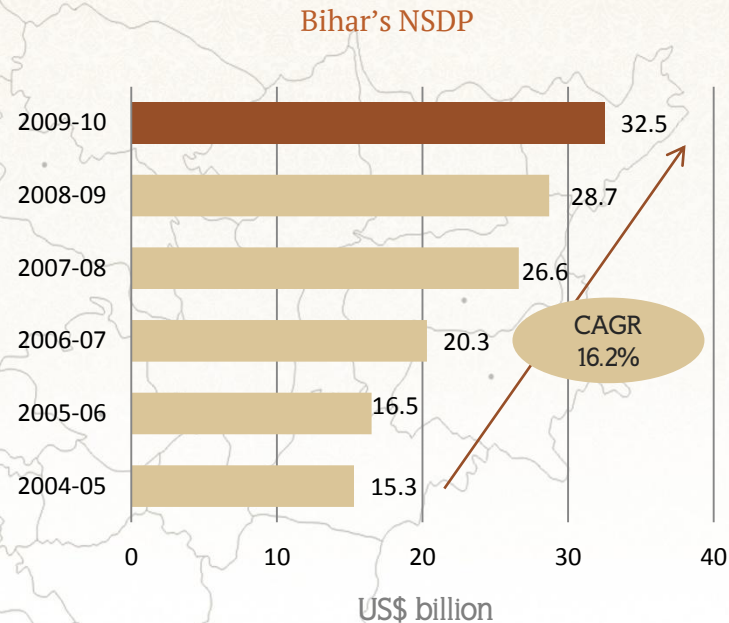
- In 2009-10, the Gross State Domestic Product (GSDP) of Bihar at current prices was US\$ 35.5 billion.
- Between 2004-05 and 2009-10, the average annual GSDP growth rate was 15.8 per cent.



Source: CMIE

Economic Snapshot – NSDP

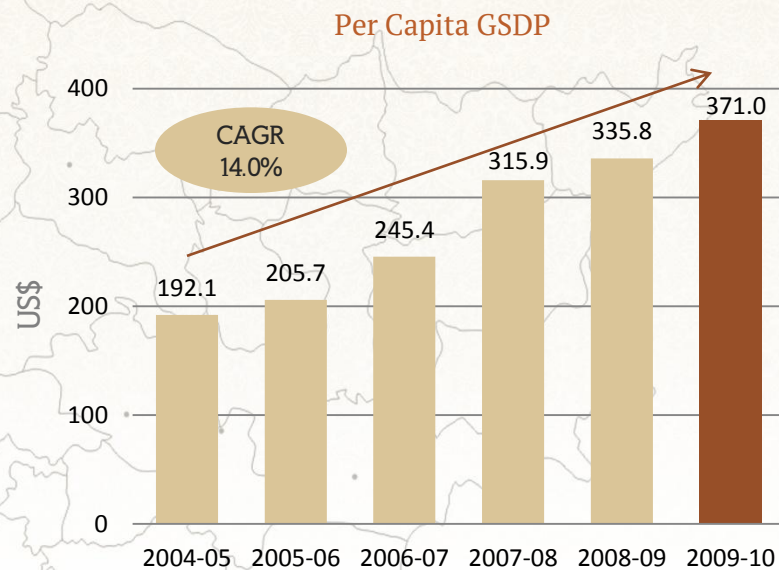
- In 2009-10, the Net State Domestic Product (NSDP) of Bihar was US\$ 32.5 billion.
- The average NSDP growth rate between 2004-05 and 2009-10 was about 16.2 per cent.



Source: CMIE

Economic Snapshot – Per Capita GSDP

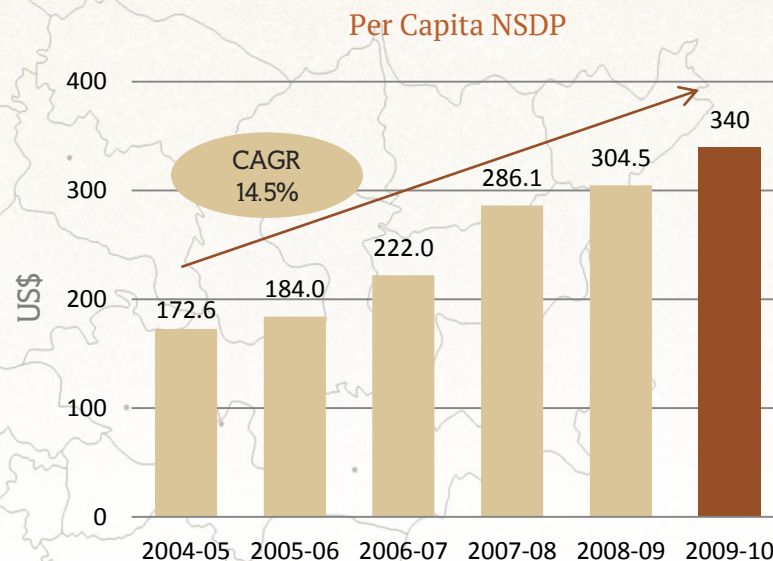
- Bihar's per capita GSDP increased from US\$ 192.1 in 2004-05 to US\$ 371.0 in 2009-10.
- The per capita GSDP increased at a CAGR of 14.0 per cent between 2004-05 and 2009-10.



Source: CMIE

Economic Snapshot – Per Capita NSDP

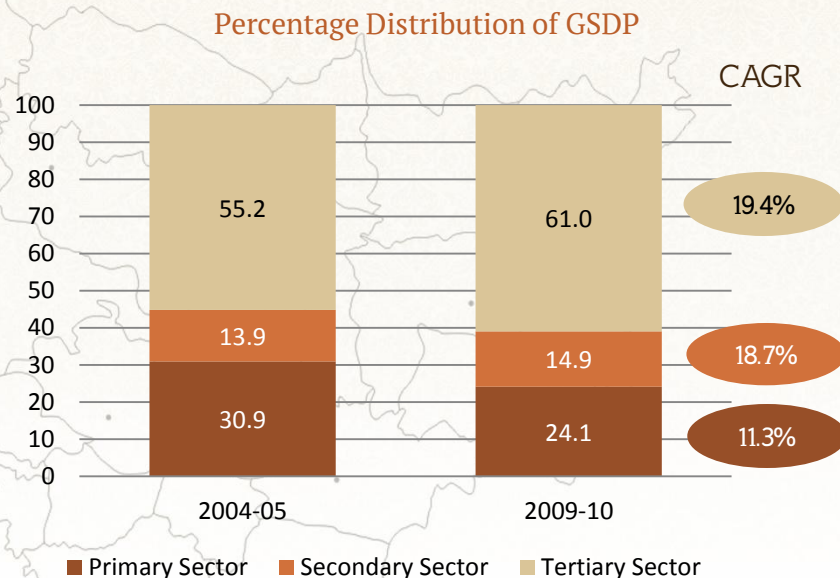
- Bihar's per capita NSDP increased from US\$ 172.6 in 2004-05 to US\$ 340 in 2009-10.
- A robust secondary and tertiary sector has helped Bihar to increase its average per capita NSDP by around 14.5 per cent between 2004-05 and 2009-10.



Source: CMIE

Economic Snapshot – Percentage Distribution of GSDP

- At US\$ 21.6 billion, the tertiary sector contributed 61.0 per cent to the GSDP (at current prices) in 2009-10.
- It was followed by the primary sector, contributing US\$ 8.5 billion (24.1 per cent), and the secondary sector contributing US\$ 5.3 billion (14.9 per cent).
- Between 2004-05 and 2009-10, tertiary sector was the fastest growing sector with a CAGR of 19.4 per cent, followed by secondary sector, with a CAGR of 18.7 per cent.
- This growth has been supported by the manufacturing, electricity, gas and water supply, construction and services.

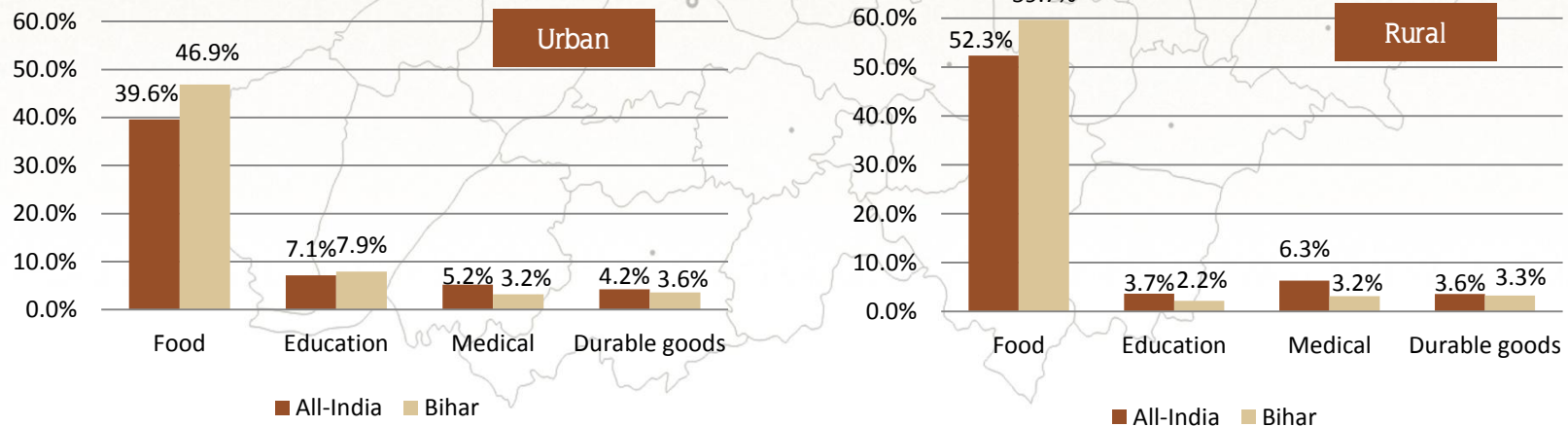


Source: CMIE

Economic Snapshot – Consumer Expenditure on Household Goods and Services

- In both rural and urban areas, Bihar’s expenditure on food has greater share compared to all-India.
- Share of expenditure on durable goods in rural Bihar is comparable to that of all-India.

Share of Average Monthly Per Capita Expenditure on Household Goods and Other Services



Source: Household Consumer Expenditure in India, 2007-08 NSS 64th Round

Economic Snapshot – Agricultural Production

- In 2009-10, the total food grain and cereals production was about 10.5 Million Tonnes (MT) and 9.9 million tonnes, respectively.
- Major crops produced in the state include sugarcane, wheat, rice, maize and potato.
- In 2009-10, total production of sugarcane, rice and wheat was 13.2 million tonnes .
- Bihar is one of the leading producer of fruit and vegetable in the country.

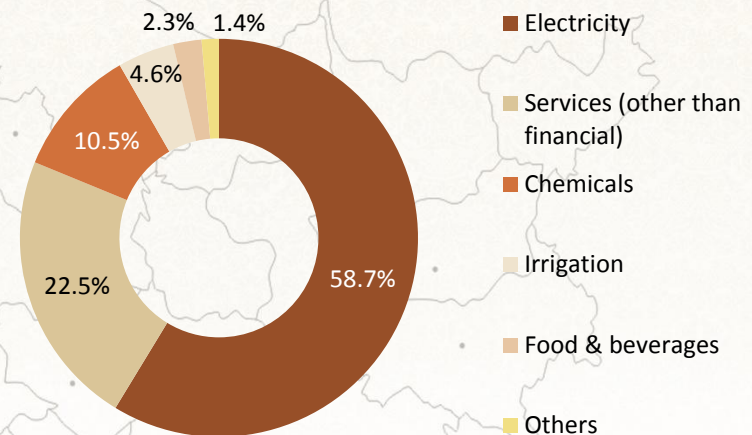
Crop	Annual Production (Estimated) as of 2009-10 ('000 tonnes)
Sugarcane	4,999.6
Wheat	4,623.0
Rice	3,620.6
Maize	1,713.9
Potato	1,259.7
Onion	155.8
Rapeseed and Mustard	90.8
Gram	60.6
Sunflower Seed	31.0
Total Pulses	513.8
Total Oil Seeds	148.5

Source: Department of Agriculture, Government of Bihar

Economic Snapshot – Investments

- In 2009-10, total outstanding investments in Bihar were US\$ 94.3 billion.
- The electricity sector accounted for the largest share of investments around 58.7 per cent, followed by services (other than financial) sector at 22.5 per cent and chemicals at 10.5 per cent.
- Between March 2008 and October 2010, 398 investment proposals were approved by the State Investment Promotion Board (SIPB).
- Of the total 398 proposals, 45 have started working, 104 are at an advanced stage and 249 at different stages of implementation, involving an investment of US\$ 241.9 million as of October 2010.
- In 2010-11 (up to October 2010), SIPB has approved 98 proposals that are expected to strengthen the base of medium scale industry in the state.

Break up of Outstanding Investments by Sector (2009-10)



Others include Non-metallic mineral products, Metals & metal products, Mining and Construction.

Source: CMIE

Year	SIPB Approved Proposals (No)
2008-09	173
2009-10	127
2010-11 (up to October 2010)	98

Source: Economic Survey of Bihar, 2010-11

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Physical Infrastructure – Roads



Source: Maps of India

- There is 3,642 km of National Highways and 3,989 km of State Highways in Bihar. Besides, there are 8,966 km major district roads in the state.
- The East-West, four-lane, high-speed corridor and the golden quadrilateral road passes through Bihar.

- 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 was US\$ 642.4 million for 2009-10, up from US\$ 544.9 million for 2008-09.
- In terms of physical achievement, compared to construction of 3,106.2 km of road in 2008-09, 3,473.8 km of road was constructed in 2009-10.

Type of Road	Length (Km) as of October 2010
National Highway	3,642*
State Highway	3,989
Major District Roads	8,966
Link Route	69,376

Sources: Economic Survey of Bihar, 2010-11,
Ministry of Road Transport & Highways,
Annual Report 2010-11,
*As of March 2011

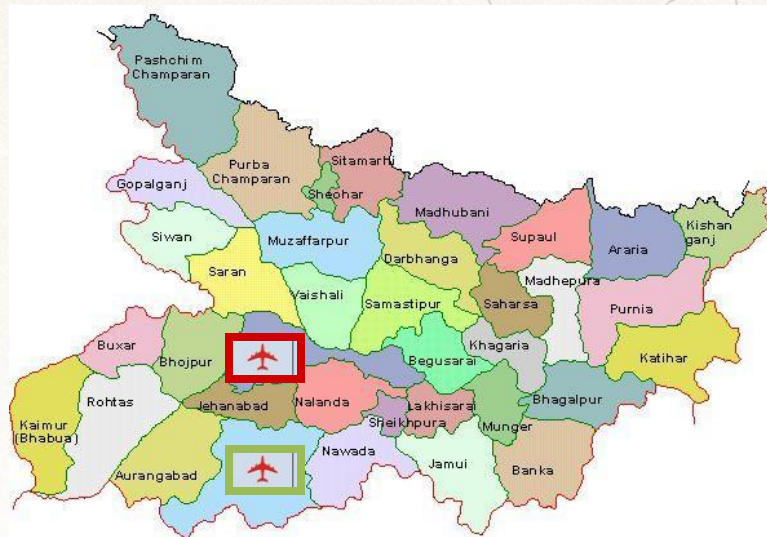
Physical Infrastructure – Railways



Source: Maps of India

- Bihar has an extensive railway network of 3,568 km as of 2009-10.
- 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.

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, Colombo and Kuala Lumpur.

Physical Infrastructure – Waterways

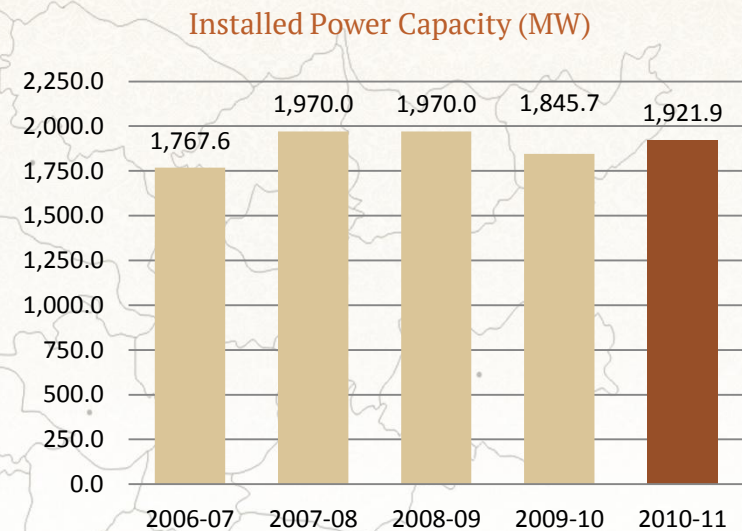


Source: Maps of India

- 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 be used to deliver coal to power plants located on the river-side.

Physical Infrastructure – Power

- As of March 2011, Bihar had a total installed power generation capacity of 1,921.9 MW, of which 1,324.1 MW was owned by central utilities, 588.3 MW was owned by state utilities and 9.5 MW was owned by private sector.
- The total installed power capacity comprised of 1,724.7 MW of coal-based power plants and 129.4 MW of hydro power plants.
- Besides, there was 67.8 MW of installed power generation capacity from renewable sources.
- As of March 2011, Bihar State Electricity Board served over 3.50 million consumers across eight transmission circles in the state.



Source: Central Electricity Authority

Physical Infrastructure – Telecom

- As of September 2011, Bihar had 42.8 million GSM cellular subscribers.
- The tele-density in the state was 50.07 per cent, as of December 2010.
- According to Department of Telecommunications, Government of India, there were 47.8 million wireless subscribers and 0.9 million wire-line subscribers in Bihar, as of December 2010.
- As of March 2010, the state had 9,056 post offices and as of December 2010, the state had 64,583 public call offices.

Telecom Infrastructure (December 2010)

GSM Cellular Subscribers	42,894,586*
Broadband Subscribers	146,148**
Wireless Subscribers	47,846,410
Wireline Subscribers	974,258
Telephone Exchanges	1,214
Tele-Density (per 100 population)	50.07

Sources: Department of Telecommunication, Annual Report 2010-11,
Cellular Operators Association of India,
*As of September 2011
**Including Jharkhand, as of November 2010

Some of the Major Telecom Operators in Bihar

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

Source: Economic Survey of Bihar, 2010-11

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.
- In 2009-10, US\$ 15.7 million was released for projects related to development of water supply and sewage system.
- The key areas of development are solid-waste management system, water supply and sewage.

City	Water Supply	Solid Waste Management	Sewage
Patna	<ul style="list-style-type: none"> • Per capita water supply of 107 lpcdd would be increased to 145 lpcdd • US\$ 116 million sanctioned for Patna and Danapur area for improvement of water supply 	<ul style="list-style-type: none"> • Solid-waste generated in the city is 646 tpd • US\$ 10.6 million sanctioned for improvement of solid waste management 	<ul style="list-style-type: none"> • Around 170 mld of sewage generated, of which 109 mld is treated • Planned investment of US\$ 96.5 million for improvement of sewage management
Gaya	<ul style="list-style-type: none"> • Total water supply in the city is 2.7 mld • US\$ 7.3 million sanctioned for Gaya to improve water supply 	<ul style="list-style-type: none"> • Solid waste generated in the city is 15.5 tpd • Planned investment of US\$ 2 million for solid waste management 	<ul style="list-style-type: none"> • US\$ 20.9 million has been sanctioned for improvement of sewage management

LPCD: Litre Per Capita per Day, MLD: Million Litre per Day, TPD: Tonnes Per Day.

Source: City Development Plans, JNNURM, Ministry of Urban Development, Government of India

Development Projects: Key Public Private Partnership Projects

Project Name	Sector	PPP Type	Project Cost (US\$ million)	Stage
Hajipur-Muzaffarpur	Roads	BOT-Annuity	141.7	Construction
Chappra-Hajipur	Roads	BOT-Annuity	121.3	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

BOT: Build-Operate-Transfer
Source: www.pppindiadatabase.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 2008-09, total number of students enrolled in primary and upper primary (up to class VIII) schools was 16.7 million.
- Budgeted plan expenditure on education in the state has increased from US\$ 74.6 million in 2007-08 to US\$ 239.4 million in 2010-11, of which 19.0 per cent has been utilised.
- The prestigious Indian Institute of Technology (IIT) has been established in Patna in 2008-09. 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 (2009)

- Universities: 14
- Research Institutions: 15
- Government Colleges: 451
- Engineering/Technical Colleges: 10
- Medical Colleges: 9
- Other Colleges: 364
- Teacher Training Colleges: 23
- Other Educational Institutions: 164

Source: Economic Survey of Bihar, 2010-11,
Medical Council of India

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 October 2010, Bihar had 10,632 health centres of various categories. There are 494 rural Primary Health Centres (PHCs), 37 urban PHCs, 1,234 additional PHCs and 70 Referral Hospitals.
- On an average, there are 110 health centres for a population of 1 million. At the district level, there is a wide variation in health coverage.
- Development of health infrastructure in Bihar has resulted into higher patient turnarounds in outpatient department, from 10.5 million in 2006-07 to 16 million in 2008-09.
- An institute on the lines of All India Institute of Medical Sciences (AIIMS) has been proposed to be set up in Patna. There will also be a medical college offering undergraduate, postgraduate and doctoral course.

Health Indicators (2009)	
Persons Served Per Doctor	20,000
Birth Rate*	28.5
Death Rate*	7
Infant Mortality Rate**	52
Life Expectancy at Birth (years)	
Male (2002-06)	62.2
Female (2002-06)	60.4

Sources: Economic Survey of Bihar, 2010-11, Planning Commission, Government of India

*Per thousand persons

** Per thousand live births

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.

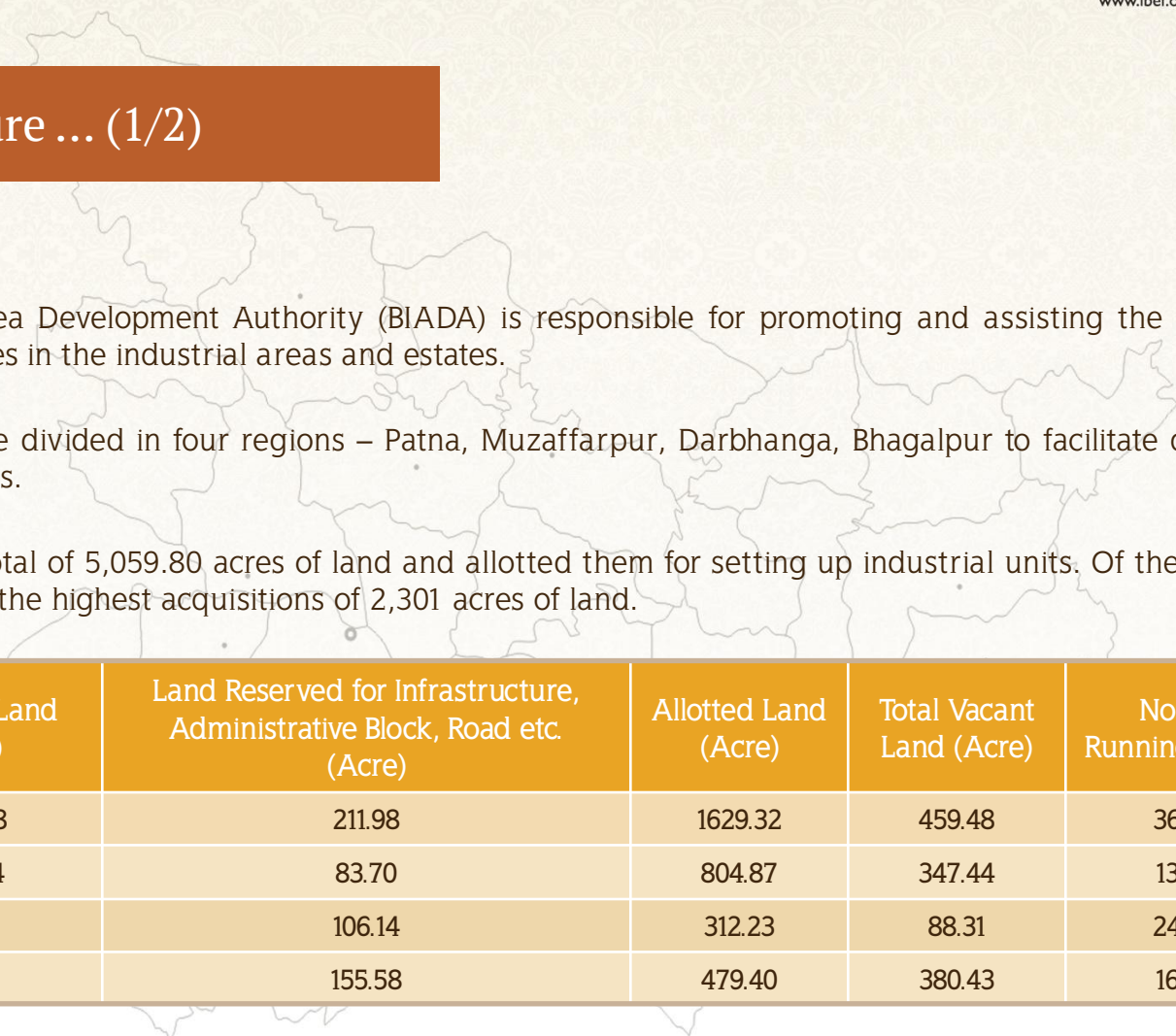
Cultural Infrastructure

- 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 Bihar government had released a 'Cultural Policy' in 2004, the purpose of which is to preserve and promote local culture.
- The State Government has taken steps for development of 20 museums owned by it.

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.
- BIADA has acquired a total of 5,059.80 acres of land and allotted them for setting up industrial units. Of the four regions, Patna reported the highest acquisitions of 2,301 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	2300.78	211.98	1629.32	459.48	362
Bhagalpur	1236.34	83.70	804.87	347.44	136
Darbhanga	507.27	106.14	312.23	88.31	242
Muzaffarpur	1015.41	155.58	479.40	380.43	169

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 per cent of the total industrial output in the state.
- There are about 272 large and medium industries, a majority of which are located in Patna. Tirhut is the other major industrial centre.
- Medium, small-scale industries, micro and artisan enterprises play a major role in terms of employment. As on October 2010, there were 183,729 permanent registered units with total investment of US\$ 269.12 million and providing employment to 0.59 million workers.

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

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 onions, tomato, potato and egg-plant in the country.
- In 2009-10, total production of fruits in Bihar was 3.4 million tonnes and total production of major vegetables was 13.9 million tonnes.
- Food processing is a priority sector for the State Government. Up to 40 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, 2010-11

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 2009-10, COMPFED has marketed around 0.70 million litres of daily average milk.

Usher Agro Ltd



- Usher Agro Limited is one of the large basic food grain (rice and wheat) processing companies in India. The company established its rice processing mill in Buxar, Bihar in 2003.
- In 2009-10, the revenue of the company was US\$ 72.27 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 remains a large contributor to the state's GSDP as it has one of the largest public sector refineries in the country – Indian Oil Corporation Limited (IOCL).
- IOCL is expected to set up a petrochemical complex at Begusarai.
- Oil and Natural Gas Corporation Limited (ONGC) is carrying out exploration for petroleum and natural gas in four districts in Purnea division.
- GAIL (India) Limited is considering setting up a gas based 300 MW power plant at Bettiah.

Key Players

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

Source: Economic Survey of Bihar, 2010-11

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 2009-10, the company produced 30,781 tonnes of calcined petroleum coke in its Barauni plant, surpassing installed capacity.

Krishi Rasayan Exports Pvt Ltd (KREPL)



- KREPL is one of the major agri-chemical manufacturer, with five composite technical manufacturing units. Total revenue of the Krishi Rasayan group in 2010 was US\$ 90 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 2009-10, about 273,958 hectares were under sugarcane production and the state produced about 13.8 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 P. L. 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 2009-10, the revenue of the company was US\$ 21 million.

Eastern Sugar & Industries Ltd

- The company was incorporated in 1932.
- 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)

- After bifurcation of Bihar, a number of large units (mostly mining and engineering) of erstwhile Bihar are now located in Jharkhand.
- 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.

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



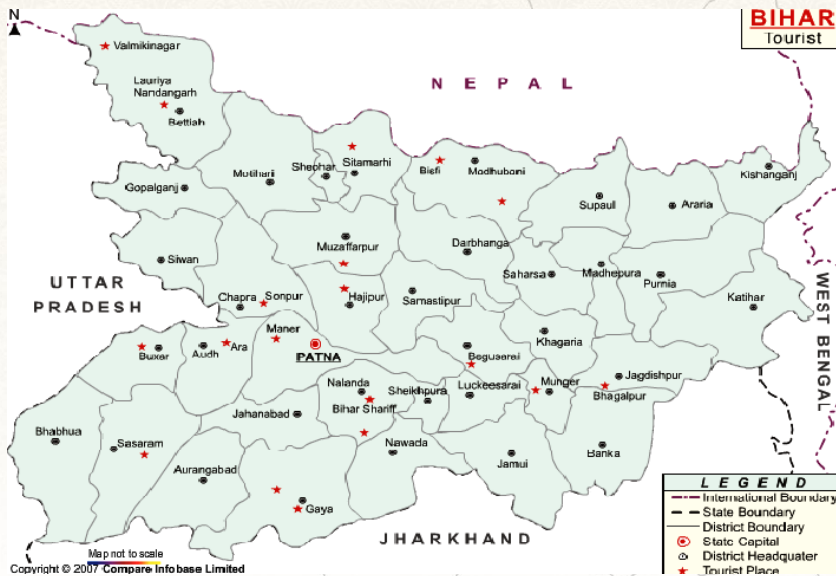
- The Bharat Wagon and Engineering Company is a part of Bharat Bhari Udyog Nigam, a Government of India undertaking . It has a over 50 years of experience in heavy-steel fabrication.
- It has two units at Mokama and Muzaffarpur, which are ISO 9001 certified for manufacturing wagons; a third unit at Muzaffarpur, 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 2009, the company produced 19,665 tonnes of MS bar and 8,888 tonnes of MS billet.
- In January 2009, the company set up a new unit in Bihta, in Bihar. The company has production capacity of 145,000 tonnes of MS bar, 108,900 tonnes of MS billet and 540,000 cubic metre of oxygen.

Key Industries – Tourism ... (1/2)



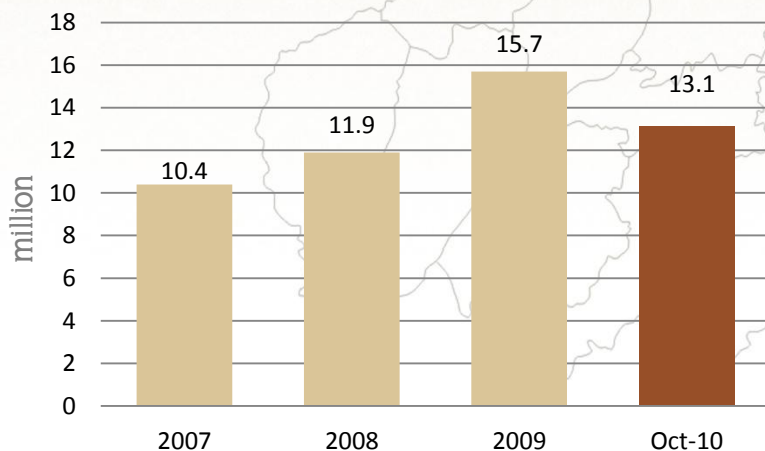
Source: Maps of India

- 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.

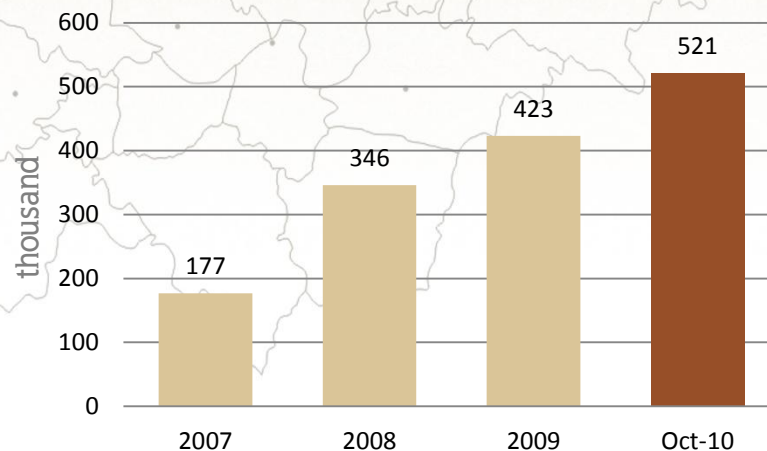
Key Industries – Tourism ... (2/2)

- In an effort to promote tourism in the state, the Department of Tourism, Government of Bihar, along with the Ministry of Tourism, Government of India, organised an International Buddhist Conclave in Nalanda and Rajgir in February, 2010.
- Seventeen projects have been sanctioned for the state by the Ministry of Tourism during the Eleventh Five Year Plan period (2007-2012, up to September 2010), at a project outlay of US\$ 11.3 million.
- As of October 2010, the total number of tourist arrival was around 13.6 million.

Arrival of Domestic Tourists in Bihar



Arrival of Foreign Tourists in Bihar



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 Policy, 2006, 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
Industries Department, Government of Bihar	<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: 91-0612-2215 211 Fax: 91-0612-2217 991 Website: http://industries.bih.nic.in/</p>
District Industry Centre (DIC)	<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. 	-
Bihar Industrial Area Development Authority (BIADA)	<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>6-7 Floor, Indira Bhawan, Ramcharitra Singh Path, Bailey Road, Patna, Bihar Phone: 91-0612-2221742 Fax: 91-0612-2205419 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\$ 0.2 million loan can be provided to one unit. 	<p>Fraser Road, Patna - 800 001, Bihar Phone: 91-0612-2332 785 Fax: 91-0612-2332 228 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 610 Fax: 91-0612-2504 968 E-mail: support@bseb.nic.in 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\$ 374,857 in Patliputra, US\$ 81,206 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	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 8.8 cents to US 9.2 cents Commercial: US 9.1 cents to US 10.5 cents	Bihar State Electricity Board

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State Acts & Policies ... (1/2)

Industrial Incentive Policy 2006

Objective

- To establish new industries and revive sick units, provide conducive environment to attract domestic and foreign investment and provide environment for a balanced development 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](#)

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

Bihar Tourism Policy

Objective

- To promote and develop tourism in Bihar and to transform tourism industry as a vital part of vibrant economic activities of the state.

[Read more](#)

Policy Guidelines for Private Sector Participation for Developing Non-Conventional Energy Sources

Objective

- To encourage private sector participation in decentralised generation of grid-grade power, through the use of the available inputs for renewable and non-conventional energy sources such as solar, wind, water, biomass and other wastes.

[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

Average for the year

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