

**NOTIFICATION**  
**Bihar Industrial Area Development Authority**  
**Government of Bihar**  
**BIADA Land Allotment Policy 2021**

The Bihar Industrial Area Development Authority ('BIADA') created under the Statute by the State of Bihar for the purpose of planned development of Industrial Areas, promotion of industries and matters appurtenant thereto. As part of its activity, the Authority has developed the land handed over to it by the Government as industrial areas, provided basic infrastructure and plots of different sizes for allotment to investors/entrepreneurs to set up industries. The plots in the respective Industrial Estates/ Areas are allotted to the intending entrepreneurs.

In exercise of powers conferred u/s Section 6 (3a) of Bihar Industrial Area Development Authority (BIADA) Act, 1974, (herein after referred to as the Act) as amended from time to time, the Authority is pleased to issue the policy and procedure for allotment of land by BIADA, in the Industrial Area/Estates under its control; keeping in view the increasing demand for industrial plots in relation to availability of land. BIADA Land Allotment Policy, 2021 shall be effective from the date of its notification.

**1. Category of industrial plots**

1.1 The total plots available with BIADA in new industrial areas shall be divided in various categories, as under:-

- Size up to 0.25 Acres
- Size larger than 0.25 acres up to 0.50 acre
- Size larger than 0.50 acres up to 1.00 acre
- Size larger than 1.00 acres up to 2.00 acre
- Size larger than 2.00 acres up to 5.00 acre
- Size larger than 5.00 acres

**1.2 Division of plots**

- (a) 25% of the allottable land will be divided in plots measuring an area of 0.5 acre or less than that, and
- (b) Balance 75% of the available allottable land may be divided in different sizes of plots as per demand and requirement of the entrepreneurs as may be decided by the BIADA from time to time.
- (c) BIADA will reserve 25% plots for Micro and small industries and within that 5% plots will be reserved for unit promoted by SC/ST and EBC women/differently abled persons/ war widows/ acid attack victims/ third gender entrepreneur/Plug and Play.
- (d) Allotment of Plots to Micro Units, Startups, shall only be made for a land maximum up to an area of 0.50 Acres only.
- (e) Existing Plots may be merged together or may be demerged/divided depending upon the requirement of the applicants and as per recommendations of the Project Clearance Committee (P.C.C.). Moreover, preference for allotment of sheds/flatted factory complex shall be given to the Micro and small Units and rest of the allotment shall be open ended.
- (f) In the case of Micro units on demand, the plug and play facility may be given on rental basis. Rate of rent, period of rent and conditions of Agreement to be decided by the Managing Director with the approval of the Authority.

1.3 Applications should be invited for a single plot or part thereof for a particular Industrial Area/Estate. The Authority may decide not to make allotment of the entire available land / plot in an industrial area at one time and the allotment for various categories and plots in an industrial area may be done in different stages / period.

## **2. Demarcation/Purposes of allotment**

2.1 The State Government and/or Authority shall have the right to declare any particular industrial area or a part of it to be reserved for a specific activity, and in that case, that area or part of that, would be allotted only for that specific activity, unless changed or de-reserved by the government/Authority.

2.2 In case a category of industry to be established is in wider interest of the state, the government may issue directions for allotment of specified area of land in a specific industrial area for such category of industries, and that shall be binding on the Authority.

2.3 The Authority may declare Industrial Parks and decide on the sectors for which allotment can be made. Further, it is clarified that the allotment shall be made industrial Area wise.

However, once a decision has been taken, it shall be kept frozen for at least a year and may be reviewed within the year or after one year, keeping in view,

- (i) the availability of land,
- (ii) the demand for land in various sectors and
- (iii) the Industrial Policy of the state and the thrust sectors.

## **3. Competent Authority for allotment**

"The Bihar Industrial Area Development Authority (Financial, Service and Technical)

Regulations," provides, inter alia for, a Project Clearance Committee (PCC) comprising of:-

- (i) Managing Director, BIADA,
- (ii) All Executive Directors,
- (iii) Director of Industries or his representative,
- (iv) Nominee of Finance Department not below the rank of Joint Secretary,
- (v) Chairman, Bihar State Pollution Control Board or his representative,
- (vi) Head, Bihar Industries Association,
- (vii) Head, Bihar Chamber of Commerce and Industries
- (viii) Head, Confederation of Indian Industries
- (ix) Consultants of the BIADA - to be nominated by the Managing Director,

All allotment of land has to take place through the PCC. Further, the meeting of PCC shall be convened at least once in a month or if needed it may convene meeting even more than once in a month. The competent sanctioning authority for allotment of land after due clearance/recommendation from PCC is the Managing Director, BIADA. Managing Director, by giving reasons, may refer any recommendation of PCC back for reconsideration.

## **4. Procedure of allotment**

4.1 BIADA shall place the list of plots available for allotment to prospective applicants, on its website ([www.biadabihar.in](http://www.biadabihar.in)). The number of available plots with area of the plot shall be available on the website and the same would be updated on the last working day of every month.

4.2 The allotment of land up to 20 Acres shall be done through P.C.C by the Managing Director. and above 20 Acres the allotment of land shall be referred for the concurrence of the Authority.

#### **4.3 Procedure of submission of required documents/payment of fee :**

- i) All allottable Plots of Industrial Area shall be displayed on official website i.e., [www.biadabihar.in](http://www.biadabihar.in) for which online application shall be invited.
- ii) BIADA shall provide format of online application for allotment. The applicant is required to fill up the online application and select the plot/area for allotment.
- iii) Only online application will be considered, offline mode for submitting application shall be highly discouraged.

#### **4.4 Submission of required documents with online application:**

The applicant has to register online his/her application on the prescribed application form along with the following documents:

##### **A) Detailed Project Report (DPR)**

The DPR should include details of the following:

1. Introduction
2. Promoter's Profile
3. Constitution of the Company/Firm: Proprietary, Partnership Firm, LLP, Pvt./Public Ltd Co., Society etc.
4. Registration details- Registration of Company, Partnership firm, Society, Charitable Trust etc.
5. Unit Registration Details- Udyog Aadhar, IEM, Lol, EM, IT/BT Registration, State Excise Registration etc whichever is applicable.
6. Existing Business of the Promoters and the details thereof.
7. Location and its Selection.
8. Details of the products with capacities.
9. Details of raw materials with required quantity.
10. Markets and its analysis.
11. Project cost detail with expenditure on land, land development, building, plant and machinery, electrification, technical know-how, utilities, other fixed assets, preliminary and pre-operations, contingencies etc.
  - a) Land and its developments- area required, rate, value, justification of area, land development to be carried out and its cost, special land requirements.
  - b) Building: Built up area, rate, cost of construction, block layout plan of all facilities required,
  - c) List of plant and Machinery with Supplier, Quantity, value, imported/indigenous etc.
  - d) Electrification - List of items, Supplier, Service line charges, electricity charges etc.
  - e) Technical know-how imported /indigenous, nature, supplier, cost etc.
  - f) Utilities- Compressed Air, Water, Steam and such other installations.
12. Means of Finance: Equity (Rupees/FDI), Term Loan, ECB, Unsecured Loan, Internal Cash Accruals etc.
13. Implementation Schedule with time chart.
14. Financial Analysis- Cash flow, fund flow, profitability, breakeven and ratio analysis, debt servicing etc.
15. Extra land requirement in specific cases:
  - a) For raw material storage, Method of Storage, storage layout and area calculations etc.

- b) Finished products storage method, stacking, storages layout and area calculations etc.
- c) Statutory requirement such as explosive control requirement etc.
- 16. For expansion projects- Utilization of existing plot;
- 17. Employment generation
- 18. Environmental category

**B. Constitution of the applicant:**

- 1. Self-declaration, if the applicant is Proprietor.
- 2. Self-declaration of Partners if applicants are Partners of proposed Partnership firm/LLP.
- 3. Partnership Deed with Registration proof or notarized Affidavit, if the applicant is a Partnership firm.
- 4. Certificate of incorporation from the Registrar of Companies, if the applicant is a Pvt. Ltd. / Public Ltd. /LLP company or other legal entity, under the Companies Act.
- 5. Self-declaration if the applicant is Promoter of the proposed Pvt. Ltd./Public Ltd./LLP Co. or other legal entity, under the Companies Act.
- 6. Registration Certificate from the Registrar of Co-op. Societies, if the applicant is Co-operative Society.
- 7. Details of utilization of area of plot asked for in online application and Block Plan of the proposed construction, Phase-wise development plan of project etc.

Note:- The applicants applying for an area upto **1 Acre (Micro/Startup/Small)** can submit Preliminary Project Report (PPR) and the applicants applying for an area above **1.00 Acre** shall submit Detailed Project Report (DPR).

**C. The PPR should include details of the following:**

- 1. Introduction
- 2. Promoter's Profile
- 3. Unit Registration Details- Udyog Aadhar, IEM, LoI, EM, IT/BT Registration, State Excise Registration etc whichever is applicable.
- 4. Existing Business of the Promoters and the details thereof.
- 5. Details of the products with capacities.
- 6. Details of raw materials with required quantity.
- 7. Markets and its analysis.
- 8. Project cost detail with expenditure on land, land development, building, plant and machinery, electrification, technical know-how, utilities, other fixed assets, preliminary and pre-operations, contingencies etc.
- 9. Building: Built up area, layout plan of all facilities required,
- 10. Means of Finance: Equity (Rupees/FDI), Term Loan, ECB, Unsecured Loan, Internal Cash Accruals etc.
- 11. Implementation Schedule with time chart.
- 12. Employment generation
- 13. Environmental category

**D. Processing fee shall be non-refundable & non-adjustable and shall be chargeable as under:-**

| S.No. | Area in acres                 | Processing fee<br>Payable |
|-------|-------------------------------|---------------------------|
| 01.   | Up to 0.25 Acres              | Rs. 1,000/-               |
| 02.   | Above 0.25 Acres to 0.5 Acres | Rs. 5,000/-               |
| 03.   | Above 0.5 to 2 Acres          | Rs. 10,000/-              |
| 04.   | Above 2 Acres to 5 Acres      | Rs. 15,000/-              |
| 05.   | Above 5 Acres to 15 Acres     | Rs. 25,000/-              |
| 06.   | Above 15 Acres to 20 Acres    | Rs. 50,000/-              |
| 07.   | Above 20 Acres                | Rs. 1,00,000/-            |

E. Earnest money shall be 2% (two percent) of the lease premium which shall be refundable, adjustable and payable in the form of DD/Bank draft/online Payment for the relevant amount.

F. Special provision for startup and micro units: The Startup and Micro Units shall be exempted from depositing earnest money.

##### 5. Scrutiny of the Online Application

The Managing Director, BIADA shall form a scrutiny committee. The aforesaid scrutiny committee/Project Management Agency (PMA) shall conduct the scrutiny of online application received based on the pre-qualification criteria prescribed below. In this regard, in case of any discrepancy, the scrutiny committee/PMA shall raise query and intimate the applicants through email for rectification of such discrepancy:-

##### 5.1 Pre-Qualification Criteria

- Net-worth of investor/Promoter - should be at least 20% of the proposed investment.
- The average annual turnover of the investor in the preceding three years should be as below:-

|                                     |                                   |
|-------------------------------------|-----------------------------------|
| ➤ Less than 1 Acre                  | - No turnover.                    |
| ➤ More than 1 Acre- upto 2 Acres    | - Turnover of more than 2 Crores. |
| ➤ More than 2 Acres- upto 5 Acres   | - Turnover of more than 5 Crores  |
| ➤ More than 5 Acres- upto 10 Acres  | - Turnover of more than 20 Crores |
| ➤ More than 10 Acres- upto 20 Acres | - Turnover of more than 25 Crores |
| ➤ More than 20 Acres                | - Turnover of more than 50 Crores |

The applications which do not qualify the pre-qualification criteria shall be summarily rejected.

##### 5.2 Scrutiny of Application shall be done on the following criteria:

- Financial credibility
- Innovative projects - Green & Clean energy
- Industrial Background and experience
- Nature of industry/production - Export
- Investment Size

6. FSI consumption
7. Employment generation
8. Pollution category

## 6. Evaluation Criteria

The applications meeting the pre-qualification criteria will be evaluated based on the following criteria and weightage for each category before being placed at the PCC:-

|   |                 |
|---|-----------------|
| (i) Investment size                             | - 25 Marks      |
| (ii) Investment to area of land ratio           | - 20 Marks      |
| (iii) Core Employment generation                | - 25 Marks      |
| (iv) High Priority/Priority Sector              | - 10/5 Marks    |
| (v) Pollution Category (White/Green/Orange/Red) | - 5/4/3/2 Marks |
| (vi) Green Energy                               | - 5 Marks       |
| (vii) Zero Effluent discharge                   | - 5 Marks       |
| (viii) Units with more than 75% export          | - 5 Marks       |

6.1 Each proposal shall be given marks based on the above criteria Industrial Area wise. P.C.C. shall fix minimum cut off marks for 1 (one) Year. The minimum cut off marks shall be fixed in the last week of March taking into consideration the number of plots left in Industrial Area. However, it can be raised as and when required.

6.2 Those units which are already working in BIADA and are desirous of expansion with expansion plan involving investment in plant and machinery of minimum 25% or minimum of 50% of capacity enhancement of the existing project shall be given preference in allotment. They will get priority in allotment of adjoining vacant plots.

## 7. Issue of Allotment Letter

Applications will be screened by a scrutiny committee designated/constituted for this purpose as per above criteria. Projects which are *prima facie* cleared by this committee will be put forth before the P.C.C. for its recommendation. Further, after the recommendation by the P.C.C. and its approval by the Managing Director, the applicants who have been allotted Plots/Land will be issued allotment letters. Unsuccessful applicants will be informed along with a refund of the Earnest Money amount deposited.

On the approval of the Managing Director, Allotment letter will be issued within 7 working days of such approval, by the Regional Executive Director.

## 8. Payment terms and possession

### 8.1. Definition

- (a) 'Total premium' includes lease premium, infrastructure charges, administrative charges and taxes as applicable.
- (b) 'Land premium' is the price paid for obtaining the lease of land of the Authority which excludes infrastructure charges, administrative charges, lease rent, maintenance charges, demarcation charges as applicable.
- (c) 'Maintenance Charges' means a charge levied for the purpose of upkeep, repair, maintenance, operations of infrastructure and other amenities in an Industrial Area/Industrial Estate etc; The Maintenance charges shall be allocated to Industrial Area

Management Committee ('IAMC') for upkeep and maintenance in terms of the guidelines issued by the Authority for the said purposes.

- (d) '**Lease Rent**' means charges levied by the Authority for permitting the right to use the asset belonging to it by the allottee for a certain period,
- (e) '**Infrastructure Charges**' means a charge levied for the purpose of development of industrial infrastructure in the form of amenities in an Industrial Area/Industrial Estate etc. These may include road, drainage, street light etc as per IPRS 2.0.
- (f) '**Administrative Charges**' means a charge that an allottee is required to pay to the Authority to cover the costs of various administrative activities of the Authority.
- (g) '**Demarcation charges**' means one time charge levied at the time of handing over the physical possession of the allotted land for the purposes of demarcation of such land.

8.2 (a) The infrastructure charges shall be 25% of the Land premium. Infrastructure charges shall be charged one time only.

(b) The maintenance charges shall be chargeable @ 0.15 % for micro, small scale Industries and for medium and large scale industries maintenance charges shall be chargeable @ 0.25% of the prevailing land premium per year along with the applicable taxes. It shall be computed every year from 1<sup>st</sup> April till 31<sup>st</sup> March.

(c) Administrative charges shall be charged @ 10% of the land premium.

(d) 'Lease Rent' shall be chargeable @ Rupees 5,000/- (Rupees five thousand) per acre per year along with the applicable taxes.

(e) Demarcation charges shall be charged @ Rupees 5,000/-.

(f) Land Reservation charges shall be computed @ 5% of the land premium per year.

8.3 The allottee must ensure upfront payment of 30% of the total premium within 60 days (after adjusting the Earnest Money already paid), from the date of issue of the allotment letter. There will be no interest incident for this period. The allotment would stand cancelled under Section 6 (2) (a) of the BIADA Act, 1974, as amended from time to time in case of non-payment of the upfront 30% of the total premium within the stipulated time of 60 days. In general no extension will be given for the deposit of the Upfront 30% of the total premium. However, under special circumstances, the Managing Director, or the officer authorized by him, can grant one time extra period of 2 (two) months for deposit of upfront 30% of the total premium. In such cases, the allottee will have to pay interest @ 9% yearly for such extended period.

8.4 The balance of the total premium will be payable in 12 half-yearly installments with interest @ 9% p.a. The rate may be revised as and when deemed necessary. However, the maintenance charges, lease rent shall be chargeable quarterly as mentioned above.

The Authority reserves the right to cancel the allotment/lease in case of any delay of payments by the allottee. The first such installment with interest will become due on 30th June or 31st December, whichever comes first, after six months of the date of issue of the allotment letter.

8.5 Any extension granted for the payment of installments and other charges after the due date will bear a penal interest @ 2% p.a. The interest will be charged on the defaulted amount for the defaulted period.

8.6 If an investor desires to pay full total premium upfront, he shall be entitled to 15% discount on the total premium.

8.7 If there is any subsequent increase in the rate of land acquisition, the allottee will pay the additional amount proportionately with the cost of the land.

8.8 Industrial plots will be allotted on lease for 90 years on an "as-is, where-is" basis.

8.9 The lease rent amount may be increased every 10 years.

8.10 The allottee shall be given the actual physical possession of the land within 15 days after deposition of either full total premium or upfront 30% of the total premium.

#### 9. Lease Deed

9.1 The lease deed shall only be executed after the payment of upfront 30% of the total premium, upto date dues and 30% of the investment of the promoter's contribution of the project excluding the payment of land premium or after full payment of the total premium.

9.2 Execution of the lease deed is essential within 18 months of the date of allotment. An extension of 6 months can be granted on payment of a penalty equal to 2.5% of the land premium. In case the lease deed has not been executed even on the expiry of 24 months, allotment of plot will be cancelled.

#### 10. Time limit for commencement of production and extension of time

10.1 In general it will be essential for the units to become functional within 36 months of the date of allotment. If the unit has not become functional even after exerting every effort, the unit may submit a written request with adequate and valid grounds for extension of the period. The extension may be allowed on the following conditions:

1. One year's extension can be granted on the payment of a penalty equal to 5% of the total premium with the approval of the Managing Director or officer designated by the Managing Director by speaking order.
2. A second extension of a maximum of one year can be granted on justified grounds of delay and on payment of a penalty equal to 10% of the total premium with the approval of Managing Director or officer designated by the Managing Director.
3. In case the unit is not made functional even after two extensions, the unit may apply for a third extension with adequate explanations of the grounds of delay. A further extension of a maximum of one year may be granted by the Managing Director on the payment of a penalty equal to 15% of total premium if the special circumstances are found convincing.
4. No extension shall be granted after the above three stated extensions and the allotment of the unit shall be cancelled after the expiry of 3<sup>rd</sup> extension. If any extension is denied it shall be by a speaking order of the Managing Director and the allotment shall be cancelled if extension is not given.

#### 11. Early-Production Incentive

11.1 For early commencement of production by the unit, an incentive at the rate of 2% of the land premium, maximum upto Rupees 5,00,000/- (Rupees five Lakhs only) will be given on the following conditions:

1. The unit has to start production within two years of the date of allotment.
2. A minimum 50% of the permitted covered area as per layout plan of the allotted plot has to be constructed.
3. The unit has to apply for production incentives within 6 months of the date of commencement of production.

## **12. Land reservation by any allottee**

12.1 In order to facilitate the establishment of the Industry and augment industrialization in the State of Bihar, if any allottee wishes to avail land reservation for the purposes of future expansion, it shall submit an application along with Detailed Project Report wherein after the approval from P.C.C., deposition of land reservation charges. Land Reservation charges to be computed @ 5% of the land premium per year. Land may be reserved for a maximum period of 5 (Five) years from the date of allotment of the Principal land. If in case it is found that industrial activity is being carried out proportionately as per Detailed Project Report on the aforesaid land reserved area within 5 (Five) years then, land reservation charges shall be adjusted towards total premium to be deposited at the time of confirmation of land allotment at the prevailing rate existing at the time of confirmation on the same conditions as in new allotment procedure as envisaged under Clause 4, 8.3, 8.4, 8.5 of this Policy. However, if the allottee fails to commence production within 5 years then the reservation of land shall be cancelled, reservation charge shall be forfeited. It is clarified that the reservation of land is not transferable. The reservation charge is not refundable.

12.2 Reservation of land for future expansion is not a right but will be granted as per the availability of land if it is denied, it shall be by a speaking order.

## **13. Surrender of Industrial Plots:**

13.1 The allottee shall be given the facility for surrender of allotment of land to BIADA before cancellation of the allotment. If an allottee wishes to surrender his/her plot within 3 (three) years from the date of allotment then after deduction of 5% (five) of the land premium, the rest of the deposited land premium shall only be refunded.

13.2 If the allottee surrenders the allotment in the 4<sup>th</sup> year from the date of allotment then after deduction of 10 % (ten) of the land premium, the rest of the deposited land premium amount shall only be refunded.

13.3 If the allottee surrenders the allotment in the 5<sup>th</sup> year from the date of allotment then after deduction of 12% (twelve) of the land premium, the rest of the deposited land premium amount shall only be refunded.

13.4 If the allottee surrenders the allotment in the 6<sup>th</sup> year from the date of allotment then after deduction of 15% (fifteen) of the land premium, the rest of the deposited land premium amount shall only be refunded.

13.5 If the lease deed has been executed, then the original lease deed shall be submitted to the Authority, prior to approval of the surrender.

13.6 The allottee opting to surrender the plot has to remove the movable assets within a time frame of 90 (Ninety) days from the date of approval, failing which all such assets shall be forfeited and no further claim shall be entertained. It is also clarified that after lapse of 6 (six) years from the date of allotment the allottee shall not be allowed to surrender the allotment and the allotment of land shall be cancelled, possession shall be resumed and deposited amount shall be forfeited in terms of statutory provisions of Section 6 2 (a) and (b) of BIADA Act, 1974 and allied provisions as amended from time to time.

13.7 It is clarified that the Infrastructure charges and administrative charges shall not be refunded. However, only the aforesaid deduction on land premium shall be made and the rest amount shall be refunded.

13.8 Surrender may be accepted by the Managing Director or officer designated by the Managing Director within 30 days of the date of receiving the application.

13.9 After approval of surrender by the Managing Director or officer designated by the Managing Director, Managing Director or officer designated by the Managing Director the rest of the amount as per the above clause shall be refunded within 30 days of the date of approval.

#### **14. Transfer of Industrial Plot/Unit**

14.1 Permission for transfer of Unit will be granted only after making the unit functional (certificate of functional should have been obtained by the allottee). For this, the application must be submitted to the Executive Director in the requisite format along with processing fee of Rupees 10,000/- (Rupees ten thousand only) plus applicable GST shall be paid.

14.2 Transfer will only be allowed after making full payment of the land premium of the plot and other dues if any.

14.3 The Authority will charge 10% of the prevailing circle rate as per the Minimum Value Register of the plot as transfer charges on every transfer.

14.4 If the shareholding of the allottee concerned is altered within the family members (having direct blood relationship), including wife, husband and vice versa, such change shall be construed as transfer or change in constitution. However, no transfer fee or any other fee shall be chargeable for such change.

14.5 In case of transfer of ownership of a proprietorship firm and/or majority of shares (51% or above) or appointment of a managing partner in case of partnership firm/LLP having a capital or 51% and above of share in the capital, profit and loss of the partnership firm/LLP, BIADA shall treat it as a case of transfer. Thus in all such cases, a transfer fee equivalent to 10% of the prevailing circle rate as per the Minimum Value Register of the plot along with old dues shall be chargeable.

14.6 In any other case of induction, transfer of otherwise affecting the constitution, management and control of proprietorship firm or a partnership firm not covered by above conditions the BIADA shall charge 10% of the prevailing circle rate as per the Minimum Value Register of the plot along with payment of old dues in the aforesaid manner.

14.7 In case of same promoters or group of promoters having ownership and control over two or more incorporated companies the lease/allotment granted in favour of one of the companies may be allowed to be transferred in favour of another company of the same promoter or group of promoters for the rest of the period of lease by charging a fee of Rs. 50,000/- with a condition that the promoters in the transferee company shall not transfer their controlling shares of both the companies (transferor and transferee) to any other person, firm or body corporate. A fresh lease deed shall be executed at the cost of the transferee company with a condition that in case of transfer of controlling share holding by the promoter after grant of lease, the BIADA shall charge 10% of the prevailing circle rate as per the Minimum Value Register of the Plot.

14.8 In those cases where after allotment/lease of the land by BIADA in favour of a company, further shares are issued either within the authorized capital disclosed to the BIADA or by increasing the authorized capital after allotment/lease, the promoters having ownership, management and control over the company, shall maintain the ownership management and control all the times either directly or indirectly (through different closely held companies). In case of transfer of ownership, management or control through transfer of existing shares or issuance of further shares it will be taken as a case of change of

ownership and the same will attract levy of charge @ 10% of the prevailing circle rate as per the Minimum Value Register of the plot along with payment of old dues. The relevant date would be the date of application for transfer.

14.9 In case of de-merger of an industrial unit existing on the allotted or leased land of BIADA by a company, the transferee company shall be liable to pay 10% of the prevailing circle rate as per the Minimum Value Register of the plot along with payment of old dues. However, only Rs. 10,000/- will be charged in case of demerger under same management control. Similarly in case of merger of two or more companies under the same management shall have to pay a fee of Rs. 10,000/- only.

14.10 In case of transfer of allotted shares of lease hold land by a company (original allottee) for transfer to its subsidiary company, a fee of Rs. 10,000/- will be charged subject however that the original allottee must maintain its character of being holding company throughout the subsistence of lease, and the ownership, management and control of holding company is not changed so as to attract clause.

14.11 An original allottee cannot transfer the allotted or lease hold land in favour of its subsidiary without executing a registered document.

14.12 In those cases where a fresh lease deed is required to be executed because of the changes as envisaged hereinabove, all cost, charges, dues, and fees applicable on the execution and Registration of the fresh deed or document shall be borne by the transferee/new lessee.

14.13 All changes in the name of the proprietorship firm, partnership firm or changes in respect of their construction, formation, partnership deeds etc., should be communicated to BIADA in advance as a condition precedent before making application for recording changes in the records of BIADA and only on approval of BIADA, the same shall be recorded.

## 15. Change in Constitutions of Industrial Units:

15.1 An application to Managing Director has to be made for a change in constitutions. With changes in constitutions where ownership rights should not be changed, otherwise provisions of transfer will be applicable. Ownership rights means original allottee/allottees should possess a minimum 51% shares. If it is observed that the change of ownership rights is made through a change in constitution before the unit has become functional, such a transfer will be considered void and the allotment will be cancelled. After making the unit functional, such a change in constitution may be permitted on depositing 10% of prevailing circle rate as per the Minimum Value Register of the Plot.

## 15.2 Proprietorship to partnership:

Change in constitution from proprietorship to partnership is proposed to be allowed with following conditions. A certified copy of the partnership deed should be submitted along with a request for a change in constitution. Apart from above the affidavit of relationship of the new incumbent has to be given. It is clarified that any change in partnership shares upto 49% and whereas 51% of the Partnership shall remain with the original allottee, The aforesaid change of constitution shall be allowed after payment of a fee of Rupees 10,000/- (Rupees Ten Thousand) only.

**15.3 Change of partner in partnership deed:**

A certified copy of the dissolution deed, new partnership deed, along with an affidavit showing the relation among partners are required to be submitted along with a request to change the partner or partnership deed. It is clarified that in case of any new induction of partnership upto 49% and whereas 51% of the Partnership shall remain with the original allottee, The aforesaid change of constitution shall be allowed after payment of a fee of Rupees 10,000/- (Rupees Ten Thousand) only.

**15.4 Transfer of unit in Pvt. Ltd./Ltd. Company:**

Copies of the Articles and Memorandum of Association, certificate of Incorporation, list of shareholders/ director duly certified by a CA, form 32 duly acknowledged by the R.O.C., and Board Resolution duly signed by the company president, unequivocal undertaking for no any liability of financial institution/certificate cases are required to be submitted along with the request for a change by the current allottee. It is clarified that only nature of the Company shall be allowed to be changed and not the shareholders and in this case a processing fee of Rupees 10,000/- (Rupees Ten Thousand). Further, the majority shares should all the time remain with the original allottees and in otherwise situation it would be treated as the case of transfer. It is clarified that any change in shareholding pattern upto 49% shall attract fee of Rupees 10,000/- (Rupees Ten thousand only).

**16. Name Change**

On submission of the application along with valid documents and substantial cause, the name of the firm may be allowed to be changed subject to the payment of Rupees 10,000/- (Rupees Ten thousand only).

**17. Change/Addition of product:**

- 17.1 On submission of the application along with the Detailed Project Report, new product change/addition of product can be allowed.
- 17.2 Change of products will be allowed only for the products which are allowed under the prevailing Industrial Policy and not classified in the negative list.
- 17.3 Permission for the change of product will be granted by the Executive Director within 15 (Fifteen) days subject to deposition of processing fees of Rupees 10,000/- (Rupees Ten thousand only).

**18. Mortgaging the plot**

- 18.1 Permission for Mortgage of the plot can only be granted after the execution of the lease deed and provided that the allotment is not cancelled, or the time-limit for coming into production has not expired.
- 18.2 In the case of mortgaging the plot, the Authority will have first charge and the allottee will make the due payments regularly from time to time to the Authority. Permission for mortgage will be granted for project financing by the Managing Director.

**19. No Objection Certificate:**

The Bank/financial institution which mortgages the lease hold/ allotted land or any part thereof shall obtain a No Objection Certificate (NOC) from BIADA prior to mortgaging the allotted/leasehold land. Moreover, in the event of sale, shall obtain prior information about the dues including the cost of the land from Bihar Industrial Area Development Authority to be paid. Sale certificate under the Securitization Act 2002 or any other law shall only be issued after the payment of dues of the BIADA and payment of the transfer fee and other charges of BIADA. The dues of BIADA shall have first charge over the lease/allotted land".

Notwithstanding above, the Bihar Industrial Area Development Authority may take necessary action as prescribed under the provisions laid down in BIADA Act 1974, as amended up to date. However, the NOC shall be issued subject to the condition that at the time of mortgaging to bank/financial institution for loan, bank/financial institution shall pay the full amount within one month from the sanction of loan.

**20. Declaring functional units:**

Industrial units will be declared functional by the competent Authority.

**21. Industrial Facilities:**

The following industrial facilities as envisaged under Industrial Park Rating System may be allowed in the industrial sector:

- a) Research and Development Centre
- b) Test Lab
- c) Weigh Bridge
- d) Telephone/Internet Service
- e) Dormitory
- f) Gas Pipe Line
- g) Bank/ ATM
- h) Fire Fighting Station
- i) Power Sub Station
- j) Mobile Tower

**22. Cancellation**

22.1 If the allottee do not take necessary effective steps within the fixed period to establish the Industry or all dues, rent, charges of the Authority have not been paid within time or unregistered product is manufactured or any construction contrary to the approved plan has been carried out or an activity injurious to industries has been engaged into; the Authority or Managing Director of the Authority or delegated official shall in such condition cancel the allotted plot/shed and also forfeit the amount deposited in this connection.

22.2 Before the cancellation of land under Section 6 (2) (a) of the BIADA Act, 1974, as amended from time to time by Managing Director or officer designated by the Managing Director, the show cause in writing shall be given with due adherence to the principles of natural justice.

22.3 Notwithstanding herein before the Managing Director of BIADA may cancel the land allotment of any allottee on violation of terms of allotment, rules, regulations, directions of BIADA in terms of Section 6 2 (a) and (b) of BIADA Act, 1974 and allied provisions. As a consequence of cancellation of allotment the possession shall be resumed and deposited amount shall be forfeited.

**23. Appeal**

For cancellations or order passed under Clause 8.3/8.4/9.2/10.1 of this Policy or any order by the Managing Director under Section 6 2 (a) of BIADA Act, 1974 pertaining to violation of allotment terms and conditions, Appeal shall lie with the Appellate Authority as per BIADA Act, 1974.

**24. Policy Monitoring**

The implementation of the policy will be reviewed from time to time by Authority and necessary facilitation and course correction shall be undertaken as found necessary to

achieve the objectives of this policy. The Authority may develop web-based interaction mechanism where suggestions and complaints can be directly addressed to the Authority.

**25. Redressal Committee**

The Managing Director of the Authority may form a committee under his chairmanship pertaining to interpretation of any of the provisions of this Policy.

**26. The words used under this Policy shall have the same connotation and meaning as per the definition envisaged under the BIADA Act, 1974 as amended from time to time.**

Decision of 69<sup>th</sup> BIADA Board of Director's

  
B. Mehrab 27/11/21

Chairman cum Managing Director

BIADA, Patna

Date:- 27/11/2021

Memo No:- 3905/1

Copy forwarded to:- Director of Industries, Govt. of Bihar/Director, Technical, Govt. of Bihar/P.S. to Hon'ble Minister, Department of Industries, Govt. of Bihar/Executive Director [H.O.], BIADA/ Chief Administrative Officer, BIADA/ Executive Director, Muzaffarpur/ Executive Director, Darbhanga/ Executive Director, Bhagalpur/Chief Accounts Officer, BIADA/Law Officer, BIADA/I.T. section, BIADA/President, Bihar Industries Association/President, Bihar Chamber of Commerce and Industries for information.

  
B. Mehrab 27/11/21

Chairman cum Managing Director

BIADA, Patna

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