



Bihar Industrial Investment Promotion Package 2025 | Bihar | 28 Aug 2025

Why in News?

The Bihar Cabinet, on **26th August 2025**, approved the **Bihar Industrial Investment Promotion Package 2025** aimed at boosting industrial growth and attracting large-scale private investment in the state.

- The initiative, a continuation of the **Bihar Industrial Investment Promotion Policy 2016**, will remain in effect until **31st March 2026** and is part of Bihar's efforts to **create 1 crore employment opportunities** over the **next five years**, positioning the state as a significant industrial hub.

Key Highlights of Bihar Industrial Investment Promotion Package 2025

- **Free Land for Investors:** Investors can avail of land at a nominal fee of Rs 1 for setting up industries, with schemes offering up to **10 acres of land** for investments of **Rs 100 crore** and **1,000 jobs**.
 - Larger projects investing over **Rs 1,000 crore** will be allotted up to **25 acres**.
 - Fortune 500 companies will receive **10 acres** of land.
- **Discounts on Land:** Investors not opting for the aforementioned schemes will get land at a **50% discount** of the (Bihar Industrial Area Development Authority) BIADA's land rate.
- **Fin Tech City Development:** The Cabinet also sanctioned **Rs 408.81 crore** for acquiring **242 acres** of land for the **Fin Tech City** project near **Fatuha** in **Patna**.
 - Modeled after [\(Gujarat International Finance Tec-City\) GIFT City](#) in Gujarat, the project will enhance financial services and enable direct cargo movement to Patna, boosting exports.
- **Viability Gap Funding for International Flights:** The Cabinet also approved [Viability Gap Funding \(VGF\)](#) for airlines promoting international routes from **Patna** and **Gaya** airports.
 - Airlines operating **Patna-Kathmandu**, **Gaya-Sharjah**, **Gaya-Bangkok**, and other international routes will receive funding for round trips with a minimum capacity of **150 passengers**.
- **Financial Incentives:** Investors can opt for one of the three financial incentive models:
 - **Interest subvention** of up to **₹40 crore** and **SGST reimbursement** up to **100%**.
 - **300% SGST reimbursement** of the approved project cost over **14 years**.
 - **30% capital subsidy** based on the approved project cost.
- **Export Incentive:** Export incentives have been increased to **₹40 lakh annually**, doubled from the previous amount, with benefits extended for **14 years**.
- **Employment Support:** ₹5,000/month per worker for eligible industries and up to **300% ESI/EPF support**.
 - Other units will receive ₹2,000 per month per worker, along with social security benefits.
 - A **₹20,000 skill development grant** per employee is also included.
- **Green Incentives:** 25% reimbursement (up to ₹1 crore) for **environmental protection** and up to ₹6 lakh for [renewable energy](#) usage.

Note: In another development, the Cabinet approved an increase in the honorarium for **Kisan**

Salahkar (Farmer Advisors) from **Rs 13,000** to **Rs 21,000** per month to further support and empower agricultural advisors in the state.

PDF Reference URL: <https://www.drishtiias.com/statepcs/31-08-2025/bihar/print>

