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Bihar **Biofuels Production Promotion (Amended) Policy 2025**



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#BiharHaiTaiyar



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ABOUT POLICY

Building on the success of the Bihar Biofuels Production Promotion Policy, 2023, the state government has introduced the **Bihar Biofuels Production Promotion (Amended) Policy, 2025**, to further catalyze investment in **CBG** and unlock the sector's renewable energy potential in state.

WHY CBG ?

Compressed Bio-Gas (CBG) is a purified and compressed biogas produced from organic waste (agricultural waste, municipal waste, etc.) through anaerobic digestion

CBG – PERCEIVED BENEFITS

Environmental Benefits : Reduces greenhouse gas emissions, mitigating climate change and its detrimental effects, in line with the post-harvest crop residue management

Economic Opportunities : Domestic source of energy, decreasing dependence on imported fossil fuels and enhancing energy security.

Rural Development : Integrating CBG with rural livelihood programs can boost local economies and improve living standards



Waste Management Solution : State generates significant organic waste. CBG production offers a sustainable waste management alternative. Agricultural and municipal waste can be utilized for clean energy generation.

WHY CBG IN BIHAR ?

Raw Material Availability

-  Bihar has potential of 32.57 million tonnes of annual biomass waste availability, distributed across following major crops including Paddy, Wheat, Maize, Sugarcane etc
(Data source: National Biomass Atlas of India)
-  Bihar's growing agro-processing industries generate organic waste, which is suitable for biogas production

Large Rural Population Base

-  Bihar has a large rural livelihood base illuminating the abundant availability of waste that can be used as an energy source
-  With a large rural population and livestock base, animal manure is readily available.

Strategic Location and Market Access

-  Easy access to markets in neighbouring states (Uttar Pradesh, Jharkhand, West Bengal) and proximity to Nepal, Significant Impact on lowering the Transportation cost of Raw Material
-  **Growing demand for CBG:** With increasing energy needs, there is significant potential to replace traditional fuels with CBG in industries and transportation.



HUGE SCOPE OF BIOMASS USAGE

Bihar, an agrarian state with a rich agricultural landscape, holds tremendous potential for biomass utilization as a sustainable energy source. With abundant agricultural residues, animal waste, and growing industrial needs, biomass offers Bihar an opportunity to address energy demands, reduce environmental degradation, and foster rural economic growth. The state's unique strengths position it as a key player in India's bioenergy revolution.



Key Extensions Under Bihar Biofuels Production

Promotion (Amended) Policy, 2025
for **CBG** Units Only

SIPB Stage-1

clearance: Extended
until March 31, 2027

Financial Approval:

Extended until
March 31, 2028

Key incentives for eligible CBG Units



Capital subsidy:

15% of the cost of Plant and
Machinery up-to Rs. 5 crores



Interest Subvention incentive:

10% of Term loan for 5 years,
up-to 50% of Project Cost



Tax related incentives:

100% SGST reimbursement
and 100% Electricity
Duty reimbursement



Employment cost subsidy:

50% reimbursement
(for male workers) and
100% reimbursement
(for female workers)



Skill development subsidy:

Rs 20,000
per employee



Land Conversion Fee:

100% Exemption of
Land conversion fees














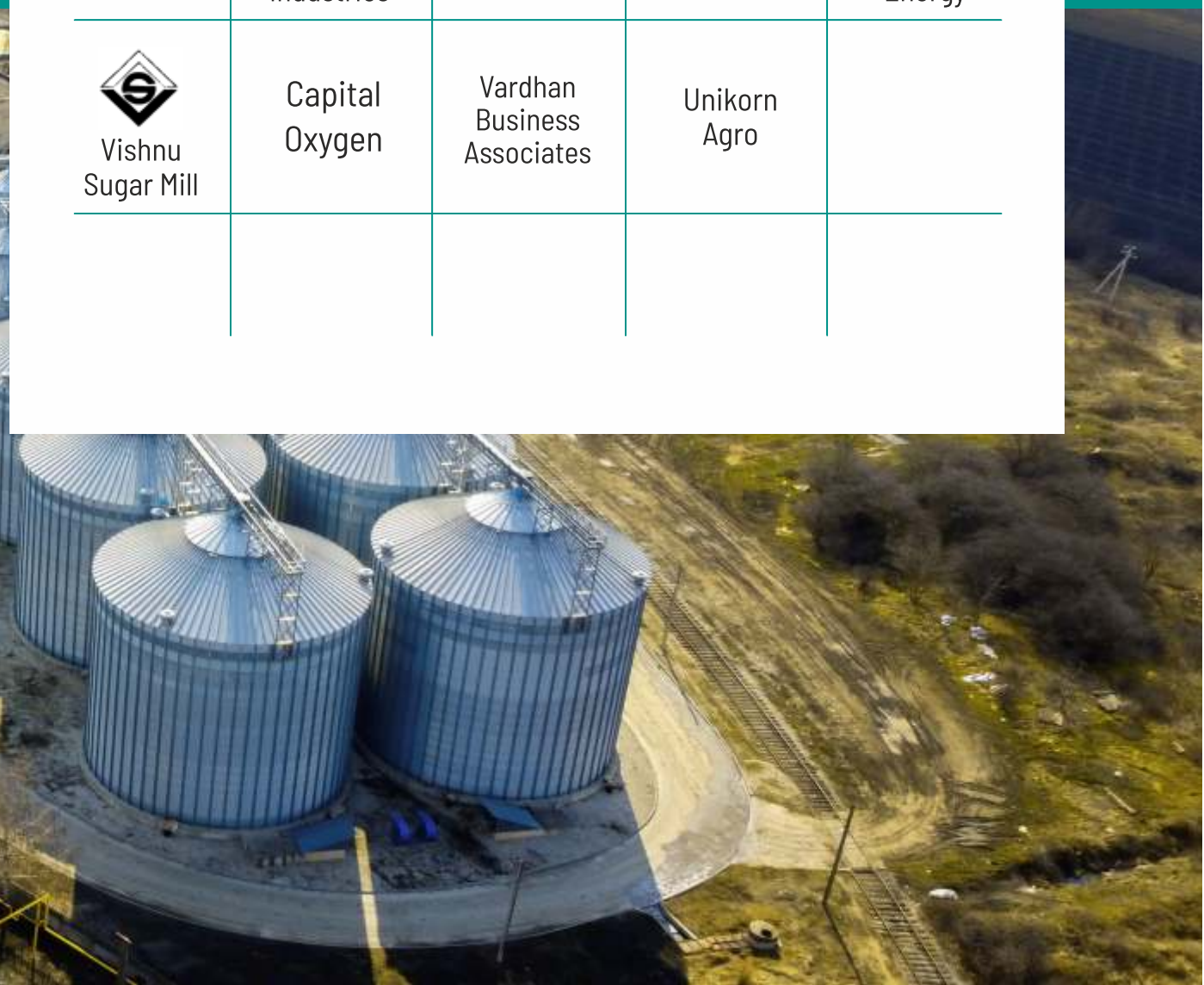
Stamp duty & Registration Fee:

100% Exemption

List of Operational Biofuel Plants

S.N.	Name of Unit	District	Capacity (KLPD)
1	M/S Eastern India Biofuels Pvt Ltd	Purnia	65
2	M/S Bihar Distillers & Bottlers Pvt Ltd	Bhojpur	400
3	M/S Bharat Oorja Distillers Pvt Ltd	Muzaffarpur	110
4	M/s Sonasti Organics Pvt Ltd.	Gopalganj	167.5
5	M/S Muzaffarpur Biofuels Pvt Ltd	Muzaffarpur	110
6	M/S Chandrika Power Pvt Ltd	Nalanda	65
8	M/S Patel Agri Industries Pvt Ltd	Nalanda	250
9	M/S Magadh Sugar & Energy Ltd	Gopalganj	75
10	M/S Micromax Biofuels Private Ltd	Muzaffarpur	100
11	M/S Bharat Plus Ethanol Private Ltd	Buxar	65
12	M/S New Way Homes Private Ltd	Begusarai	150
13	M/S Brajendra Kumar Builders Pvt Ltd	Patna	60

				
BPCL	HPCL	Reliance	Dayton Mining	Integri Group
				
Sahu Agro Business	Anmol Industries	Savitri Renewal	Pifore Pvt Ltd	Aishra Green Energy
	Capital Oxygen	Vardhan Business Associates	Unikorn Agro	
Vishnu Sugar Mill				



List of industrial areas under BIADA available for CBG units

Sl. No	Industrial Area	District
1	Bariarpur	Muzaffarpur
2	Korra	Muzaffarpur
3	Vishnupur Dharam	Muzaffarpur
4	Kumarbagh	West Champaran
5	Banmankhi	Purnia
6	Supaul	Supaul
7	Parbatta	Khagaria
8	Gopalganj Phase 3	Gopalganj
9	Lohat Phase 1	Madhubani

BIADA to lease **25%** of industrial land to OMCs and **private** companies for **30 years** at **₹75,000** /acre/year in selected industrial area for CBG units.



COVERAGE AND SCOPE

Eligibility for type of Units

- ▶ Only standalone distilleries (single feed or dual feed) producing 100% fuel-grade Ethanol which will be developed as Greenfield project shall be eligible for incentive under this Policy.
- ▶ Units producing Compressed Bio-Gas (CBG)/ bio-CNG shall be eligible for incentive under this policy.
- ▶ Eligibility for type of feedstocks Ethanol and compressed bio-gas (CBG) / bio-CNG production from all feedstocks permitted under National Policy on Biofuels, 2018 and by the National Biofuel Coordination Committee shall be allowed in the State of Bihar. –
 - ▶ Subsequent permission of any additional feedstock for Ethanol and compressed bio-gas (CBG)/ bio-CNG production by National Biofuel Coordination Committee will be automatically allowed for Ethanol and compressed bio-gas (CBG) / bio-CNG production in the State of Bihar.

Other eligibility conditions and incentives mentioned under Bihar Industrial Investment Promotion Policy, 2016 shall also be considered for eligibility under this policy.

CM Nitish Kumar inaugurated nation's first ethanol plant in Purnia, Bihar

Bihar's Chief Minister Nitish Kumar has inaugurated India's first ethanol plant in Purnia district, Bihar. The plant has been set up by Eastern India Biofuels Private Limited at a cost of Rs 105 crores. Bihar came up with an ethanol production promotion policy in the first half of 2021. It is the country's first grain-based ethanol plant.



*Bihar
Is A Leading
State In The Region
In Food Grain-based
Bioethanol
Production.*

Bihar, a state of plenty, is blessed with an abundance of sugarcane, maize, and rice.

Traditionally, Bihar has been leader in Sugarcane production in India and is also home to large number of Molasses based Distillery units. Ethanol manufacturing in the State using Sugarcane Juice, Maize, Broken Rice and agricultural residue as feedstock has significant potential for growth. The state also has abundant water resources, which is an advantage for Biofuel units.

In 2021, Bihar became the first state in India to introduce an Ethanol Production Promotion Policy. This policy has been further updated and approved as the Bihar Biofuels Production Promotion Policy, 2023. This new policy brings compressed biogas (CBG) under the ambit of government policy support.

Biodiesel, primarily derived from non-edible oilseed crops

like jatropha, pongamia, and mahua, is another promising source of biofuel in Bihar. The state is also investing in research and development to find suitable feedstock options and production technologies for biofuels.

Bihar is poised to become a major hub of the biofuel production. With its abundant resources and government support, the Indian state is well-positioned to meet the growing demand for clean energy.