Modified West Bengal Textile Incentive Scheme, 2022 (WBTIS-2022)

The modified West Bengal Textile Incentive Scheme, 2022 (WBTIS-2022) extend financial incentives to textile sector across the entire value chain starting from fibre to stitched garments. The scheme is effective on and from the date of official notification (i.e., from 13th December 2022) and will in force for 5 years.

Eligible Enterprise

Modified WBTIS 2022 for textile shall be applicable to both new and expansion units started manufacturing and processing of Textiles, Apparels and Technical Textile Products on or after 1st day of April 2022.

The enterprises may be in the proprietorship/partnership, private sector, LLP, cooperative sector and joint sector undertaking as also companies/undertakings owned and managed by the State Government.

Types of Subsidies Available

1) State Capital Investment Subsidy

Type of Manufacturing Activities	Quantum of Subsidy	Maximum Admissible Amount
Spinning (short staple)	10%	Rs. 20.00 Cr.
Weaving & Knitting (wrap and flat-bed) and Texturizing and Twisting	20%	Rs. 10.00 Cr.
Circular Knitting	10%	Rs. 5.00 Cr.
Dyeing & Processing of Fibers, Yarn, Fabric & Garment	20%	Rs. 20.00 Cr.
Technical Textile (Agrotech, Buildtech, Indutech, Geotech and Medi-tech) and non-woven fabric manufacturing.	20%	Rs. 25.00 Cr.
Technical Textile (All categories except Agrotech, Buildtech, Indutech, Geotech and Medi-tech)	10%	Rs. 10.00 Cr.
Polymerization	20%	Rs. 50.00 Cr.
Composite type of textile unit comprising spinning, weaving, processing (dyeing, and processing of fibres, yarn, fabric and garments), technical textile etc.	10%	Rs. 50.00 Cr.

Note – Composite unit means a unit in process of spinning, weaving or knitting or both and dyeing & processing.

2) Waiver of Electricity Duty

100% waiver of electricity duty for 5 years from the date of commencement of production subject to a maximum of Rs. 100.00 Lakh per year.

3) Power Subsidy

Power Subsidy on electricity consumption for 5 years from the date of commencement of production from any license power supplier on reimbursement basis for the different manufacturing activity as follows:

Type of Manufacturing Activities	Quantum of Subsidy	Upper Limit
Spinning (short staple)	Rs. 2/unit	Rs. 1.00 Cr. per annum for 5 years
Weaving & Knitting (wrap and flat-bed) and Texturizing and Twisting	Rs. 2/unit	
Circular Knitting	Rs. 1.5/unit	
Dyeing & Processing of Fibers, Yarn, Fabric & Garment	Rs. 2/unit	
Technical Textile (Agrotech, Buildtech, Indutech, Geotech and Medi-tech) and non-woven fabric manufacturing.	Rs. 1.5/unit	
Technical Textile (All categories except Agrotech, Buildtech, Indutech, Geotech and Medi-tech)	Rs. 1.5/unit	
Polymerization	Rs. 2/unit	
Composite type of textile unit comprising spinning, weaving, processing (dyeing, and processing of fibres, yarn, fabric and garments), technical textile etc.	Rs. 1.5/unit	
Garment Manufacturing	Rs. 1/unit	Rs. 50.00 Lakh per annum for 5 years

To promote speedy investment in textile sector, power subsidy for the first 3 (three) eligible enterprises of each type of manufacturing activities on first come first serve basis, details as given below:

Type of Manufacturing Activities	**Quantum of Subsidy**	**Minimum Cap of Investment in Plant & Machinery for new or expansion unit**	**Upper limit**
Spinning (short staple)	Rs. 2/unit	Rs.100.00 Cr	Rs. 2.00 Cr. per annum for 5 years
Weaving & Knitting (wrap and flat-bed) and Texturizing and Twisting	Rs. 2/unit	Rs.50.00 Cr	
Circular Knitting	Rs. 1.5/unit	Rs.50.00 Cr	
Dyeing & Processing of Fibers, Yarn, Fabric & Garment	Rs. 2/unit	Rs.50.00 Cr	
Technical Textile (Agrotech, Buildtech, Indutech, Geotech and Medi-tech) and non-woven fabric manufacturing.	Rs. 1.5/unit	Rs.20.00 Cr	
Technical Textile (All categories except Agrotech, Buildtech, Indutech, Geotech and Medi-tech)	Rs. 1.5/unit	Rs.20.00 Cr	
Polymerization	Rs. 2/unit	Rs.750.00 Cr	
Composite type of textile unit comprising spinning, weaving, processing (dyeing, and processing of fibres, yarn, fabric and garments), technical textile etc.	Rs. 1.5/unit	Rs.300.00 Cr	

Note: Power subsidy shall not be available for units already enjoying lower power tariffs under DVC area or areas where the state DISCOM or other license DISCOM has offered reduced rates for industry compared to rest of the State.

4) Incentive for Energy Efficiency:

- ❖ 50% re-imbursement of the cost of energy audit undertaken by a certified agency for its approved project with an upper limit of Rs. 2.00 Lakh.
- ❖ 25% reimbursement of the cost of installations for energy conservation as per energy audit subject to a ceiling of Rs. 10.00 Lakh.

5) Re-imbursement of Stamp Duty & Registration Fees

Reimbursement of 100% of the stamp duty & registration fees paid for -

a) Purchase of land and /or building for setting up of the approved project.

b) Land/Building/Shed taken on lease (minimum 10 years) anywhere in the state for setting up of the approved project.

Note: The Amount admissible will be calculated proportionately based on the percentage of land/building used for setting up of the approved project.

6) Waiver of Fess for Land Conversion & Mutation

100% waiver of fees for conversion and mutation of the land.

7) Subsidy for Water Conservation / Environment Compliance

Reimbursement of 25% of expenditure incurred towards cost of captive Effluent Water Treatment Plant (Max Rs. 1.50 Crore) for waste water recycling and /or other pollution control devices.

Note: In case of cluster of units with a minimum of 5 units, State Govt. MSMET Department will set up a CETP to be run by SPV of the clustered units as well as running cost is to be borne by them, if total investment in such units is at least Rs. 200.00 Crore.

Incentive for approved Expansion Project of an Existing Enterprise

An eligible textile unit shall be entitled for –

- Capital Subsidy
- Re-imbursement of Stamp Duty & Registration Fees
- Power Subsidy and Waiver of Electricity Duty if the unit takes a separate metering (not sub-meter) arrangement for the expansion portion of the unit.
- Incentive for water conservation and environment compliance provided such measures are taken for the new expanded unit.

Important Notes:

1. A new /expansion unit in textile sector can apply incentive under WBTIS 2022 shall commence its commercial production on or after 01.04.2022. Investment towards the project should be made on or after 01.04.2021.
2. A new / expansion unit shall submit first application within 12 months from the date of commencement of commercial production or from the date of notification of amendment, whichever is later.
3. In case of expansion the following criteria should be fulfilled –

   a. At least 25% increase in investment in new plant & machinery as per ITR of the previous financial year and the additional new investment should be reflected in the ITR of same year or subsequent year.

   b. At least 25% increase in turnover of the produced items.
4. Handloom Sector will get special incentive under this scheme i.e. Interest Subsidy, additional marketing incentives and export assistance.