

Bihar Industrial Investment Promotion Policy (Textile & Leather Policy), 2022

Department of Industries, government of Bihar has implemented this sector specific incentive Policy with the aim to boost the investment prospects in the Textile & its allied manufacturing, Leather, Leatherette & Footwear sector in the state.

This policy shall come into force from the date of its notification i.e. 03.06.2022 and shall be applicable till 5 years.

Nodal Agency

Department of Industries, Government of Bihar shall be the nodal agency responsible for implementation of this policy in the State. Director of Industries shall be the nodal officer for this policy.

General Provisions

- ✓ Units have to provide a Detailed Project Report (DPR) and Bank Appraisal Report prepared by the scheduled bank or Financial institution approved by RBI/SEBI. The project cost for calculation of incentives shall be ascertained from the bank appraisal report.
- ✓ In case of Self-Finance Projects, Department of Industries will facilitate the empanelled agencies who will assess the Detailed Project Report (DPR) of units.
- ✓ Incentive/s under this Policy shall be offered after commencement of commercial production by the Units.
- ✓ Plant and Machinery shall be considered as specified under ATUFS scheme of Ministry of Textiles, GoI.
- ✓ Foreign currency loan availed from overseas branch of the Indian / foreign bank having Indian branch shall be eligible for benefits under this scheme.
- ✓ The policy is applicable for both new or existing unit expanding its capacity, diversifying or modernizing during the policy period shall be given the benefits as applicable to new units on incremental Fixed Capital investment.
- ✓ To avail the benefits, unit must have capacity expansion/modernization of at least 25% of the capacity of the existing unit.
- ✓ To maximize the benefits, units can apply for incentives under the different GoI schemes along with the incentive under the Bihar Industrial Investment Promotion Policy (Textile & Leather Policy).

Categorization of Units

Category A	Category B
Weaving, Knitting , Apparel & Garment , Apparel & Garment Accessories, Hosiery, Leather & Leatherette Garments, Leather & Leatherette Accessories and Leather & Leatherette Footwear and all kinds of footwear.	Spinning, Ginning, Textile Processing (Yarn, Printing), Man Made Fibre, Synthetic Fibre, Polyester, Acrylic, Viscose, Rayon, Technical textile, Leather processing (Tanning, finishing etc.)

Note: Integrated Units can commensurate the incentives proportionately based on above mentioned categories.

Incentives

Textile and leather units (of both categories A & B) under this policy will also be eligible for incentives under the Bihar Industrial Investment Promotion Policy 2016.

Sl. No.	Incentive Component	% of incentives	Upper Cap	Policy
1.	Capital Investment Subsidy <i>(For Category A & B units)</i>	15% of plant and Machinery to be paid in 5 years in 5 equal instalments. <i>(For MSME, Large & Mega Industries)</i>	Rs. 10 Cr.	Bihar Industrial Investment Promotion Policy (Textile & Leather Policy) 2022
2.	Freight Reimbursement Incentive <i>(For Category A & B units)</i>	30% on freight charges for 5 years.	Rs. 10 Lakhs/year	
3.	Employment Generation Subsidy (Inclusive of ESI & PF) <i>(For Category A)</i>	300% of the ESI and EPF paid by the unit for 5 years.	Semi-Skilled – Rs. 3000/month. Skilled – Rs. 4000/month. Highly Skilled – Rs. 5000/month	
4.	Power Tariff Subsidy <i>(For Category A units only)</i>	Rs.2/unit for a period of 5 years.	For Micro – Rs. 2.5 Lakhs/year. For Small – Rs. 12 Lakhs/year. For Medium – Rs. 35 Lakhs/year. For Large – Rs. 60 Lakhs/year. For Mega – Rs. 80 Lakhs/year.	
5.	Patent Registration <i>(For Category A & B units)</i>	50% of the expenditure incurred.	Rs. 10 Lakhs/year	

6.	Interest Subvention	For Micro & Small Units – Max. up to 12% or actual rate of interest whichever is less. For Other Units – Max. up to 10% or actual rate of interest whichever is less. Benefits up to 5 years.	50% of the Fixed Capital Investment (FCI) or up to Rs. 20 Cr. whichever is less.	Bihar Industrial Investment Promotion Policy 2016
7.	Tax Related Incentives	100% reimbursement of SGST for a period of 5 years. (For all new units)		
8.	Exemption from Stamp duty / Registration Fees	100% exemption		
9.	Exemption from Land Conversion Fees	100%		
10.	Skill Development Subsidy	One-time subsidy of Rs. 20,000 per employee or BSDM rates or on actual, whichever is lower.		

Note - The total incentives mentioned in above table (Sl. No. 1 to 7 and Sl. No.10) shall not exceed 150% of the Fixed Capital Investment (FCI) and shall not exceed 1/5th of total incentives paid in a year.

Policy Implementation

- i) Incentives under this policy shall be processed as per the provisions of Bihar Industrial Investment Promotion Act, 2016 and Bihar Industrial Investment Promotion Rules, 2016.
- ii) Units applying for incentive under this policy shall apply on the Single Window Clearance (SWC) portal of the Department of Industries, Government of Bihar.