

## Highlights of Bihar Leather and Textile Policy-2022 Policy Period:- May 2022 To April 2027

### General Provisions

- The appraisal report prepared by the bank/ financial institute shall form the basis for ascertaining the project cost for calculation of incentives.
- For units, not availing the benefits of bank loan, and not having Bank Appraisal Report, Department of Industries will facilitate the empanelled agencies, which will assess the Detailed Project Report (DPR) of units.
- In case of special class entrepreneurs, the maximum limit of all kinds of incentive/s (except for land) shall be increased by additional 5% over the given limit across all categories.
- Incentive/s under this Policy shall be offered after commencement of commercial production by the Unit (except Stamp duty & Registration charges and land conversion charges).

### **New addition w.e.f 16.03.2024**

**The incentives shall be disbursed over a period of seven years from the date of operation.**

**Category B units are also eligible for Power tariff subsidy and Employment generation subsidy.**

- Fixed Capital Investment includes investment in land (max. 20% of project cost excluding land), plant & machinery, electrical installations and all other assets necessary to set up the unit but shall exclude cost of working capital, contingencies, interest during construction period, and any other unexplained cost component.
- Plant and Machinery shall be considered as specified under ATUFS scheme of Ministry of Textiles, Gol
- All the eligible units shall be encouraged to apply for incentives under the different Gol schemes along with the incentive under the Bihar Industrial Investment Promotion Policy (Textile & Leather Policy) to get the maximum benefits.
- To avail the benefits, there must be a capacity diversification/ expansion/ modernization of at least 25% of the capacity of the existing unit.

## Coverage & Scope

Following activities are targeted under this Policy:

<b>Sectors</b>	<b>Investment Opportunities (Indicative List)</b>
Fiber Production/ Spinning/ Weaving/ Knitting/ Processing	<ul style="list-style-type: none"> <li>• Cotton/ jute/ silk / banana / bamboo and other natural fiber production</li> <li>• Production of man-made fiber and filament</li> <li>• Polyester</li> <li>• Acrylic</li> <li>• Viscose</li> <li>• Rayon</li> <li>• Yarn Spinning</li> <li>• Power loom and knitting</li> <li>• Dyeing &amp; Printing</li> <li>• Yarn and fabric processing</li> </ul>
Production of apparel and home textile including hosiery	<ul style="list-style-type: none"> <li>• Woven and knitted apparel manufacturing</li> <li>• Hosiery products manufacturing</li> <li>• Saree</li> <li>• Carpets, mattresses, cushions/pillows, curtains, and other home textiles</li> <li>• Narrow woven</li> <li>• Non-Woven</li> <li>• Production of ready-made garments</li> </ul>
Natural Fiber / Blending of various types of fiber	<ul style="list-style-type: none"> <li>• Integrated units for processing Banana Fiber /Jute Fiber / Bamboo Fiber / Coconut Fiber etc. and manufacturing of products using Banana Fiber / Jute Fiber / Bamboo Fiber / Coconut Fiber etc.</li> </ul>

<p>Manufacturing of Technical textile</p>	<p>Production of items under following categories:</p> <ul style="list-style-type: none"> <li>• Agro tech (agriculture, horticulture, and forestry etc.)</li> <li>• Build tech (building and construction etc.)</li> <li>• Cloth tech (technical components of shoes and clothing etc.)</li> <li>• Geo tech (geo-textiles and civil engineering etc.)</li> <li>• Home tech (components of furniture, household textiles &amp; floor coverings etc.)</li> <li>• Indu tech (filtration, cleaning, and other industrial usage etc.)</li> <li>• Medi tech (hygiene and medical etc.)</li> <li>• Oeko tech (environmental protection etc.)</li> <li>• Pack tech (packaging etc.)</li> <li>• Pro tech (personal and property protection etc.)</li> </ul>
	<ul style="list-style-type: none"> <li>• Sport tech (sport and leisure etc.)</li> <li>• Defense tech (Related to defense)</li> </ul>
<p>Post Processing of Handlooms and Khadi Textile Products</p>	<ul style="list-style-type: none"> <li>• Post-production facilities using handloom and khadi cloth</li> </ul>
<p>Leather Processing</p>	<p>Pre-tanning Processes</p> <ul style="list-style-type: none"> <li>• Curing</li> <li>• Soaking</li> <li>• Painting</li> <li>• Liming</li> <li>• Fleshing</li> <li>• De-Liming</li> <li>• Bating</li> <li>• Pickling</li> <li>• De-Greasing</li> </ul> <p>Tanning</p> <p>Post Tanning</p> <ul style="list-style-type: none"> <li>• Splitting</li> <li>• Shaving</li> <li>• Neutralization</li> <li>• Dyeing</li> <li>• Fat liquoring</li> <li>• Summing</li> <li>• Setting Out</li> <li>• Final Drying</li> <li>• Staking &amp; Dry Drumming</li> <li>• Buffing &amp; Brushing</li> </ul>

	<ul style="list-style-type: none"> <li>• Finishing</li> <li>• Final Grading</li> </ul>
Leatherette Processing (PU Leather, PVC Leather, Faux Pas Leather, micro- Fiber leather etc.)	<p>Dry and wet method</p> <ul style="list-style-type: none"> <li>Mixing</li> <li>Past coating</li> <li>Calendaring</li> <li>Foaming Surface</li> <li>Coating</li> <li>Cutting &amp; Inspection</li> </ul>
Manufacturing of leather products	<p>Manufacturing of</p> <ul style="list-style-type: none"> <li>• Leather shoes, leather chappals, and other footwear items of leather</li> <li>• Leather footwear components</li> <li>• Leather garments</li> <li>• Leather for upholstery</li> <li>• Leather goods (for example: labels, tags, belts, bags, purses and gloves &amp; other accessories and fashion items)</li> <li>• Upholstery for automobile (cars etc.) &amp; furniture</li> <li>• Saddlery and harness items</li> </ul>
Manufacturing of leatherette products	<ul style="list-style-type: none"> <li>• Leatherette garments</li> <li>• Leatherette shoes, Leatherette chappals, and other footwear items of leatherette</li> <li>• Leatherette for upholstery</li> <li>• Leatherette goods (for example: labels, tags, belts, bags, purses and gloves &amp; other accessories and fashion items)</li> <li>• Upholstery for automobile (cars etc.) &amp; furniture</li> </ul>
Business Development Services	<ul style="list-style-type: none"> <li>• R&amp;D facilities, design studios/ facilities for prototyping, quality testing, labs, etc. for textile units</li> </ul>
Textile Parks/ Leather Park/Processing Park	<ul style="list-style-type: none"> <li>• Textile and Apparel Park</li> <li>• Leather and Footwear Park</li> <li>• Leather Park</li> <li>• Silk Park</li> </ul>
Wool processing	<ul style="list-style-type: none"> <li>• Scouring</li> <li>• Combing</li> <li>• Spinning</li> <li>• Weaving</li> <li>• Milling</li> </ul>

Manufacturing of Accessories in Textile & Leather & Leatherette	<ul style="list-style-type: none"> <li>• Manufacturing of accessories and supplying to textile firms (Bags, Zip, Button, Threads etc.)</li> <li>• Manufacturing of accessories and supplying to leather Firms (Zip, Button, laces, Threads etc.)</li> </ul>
All types of Footwear	<ul style="list-style-type: none"> <li>• All types of footwear - rubber, plastic, fabric, textiles (cotton, wool, polyester, nylon), synthetics, foam and blending of any materials</li> </ul>

### **Enabling Business Environment & Infrastructure Support**

- **Single Window System:** It aims to provide an integrated clearance system for providing all clearances at various levels
- **Udyog Mitra:** Consists of an “Entrepreneur Assistance Cell” for assisting the entrepreneurs in every stage
- **Udyog Samvad:** For grievance redressal
- **Capacity Building**
- **Plug and Play Infrastructure Development**
- **Common Effluent Treatment Plant & Hazardous Waste Disposal Facility**

### **Categorization of Units under Bihar Textile and Leather Policy**

<b>Category A</b>	<b>Category B</b>
Weaving, Knitting, Apparel & Garment, Apparel & Garment Accessories, Hosiery, Leather & Leatherette Garments, Leather & Leatherette Accessories and Leather & Leatherette Footwear and all kinds of Foot wears.	Spinning, Ginning, Textile Processing (Yarn, Printing), Man Made Fiber, Synthetic fiber, 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

S.	Incentives / Category	Incentive	Capping (In INR)	Policy
1	Capital Investment Subsidy – Micro	15% of plant and machinery	INR10 Crores	BIIPP  (Tex. & leather), 2022
	Capital Investment Subsidy – Small			
	Capital Investment Subsidy – Medium			
	Capital Investment Subsidy – Large			
	Capital Investment Subsidy – Mega			
2	Power Tariff Subsidy – Micro	Subsidy of Rs.2 per unit	INR 2.5 Lakhs	BIIPP  (Tex. & leather), 2022
	Power Tariff Subsidy – Small		INR 12 Lakhs	
	Power Tariff Subsidy – Medium		INR 35 Lakhs	
	Power Tariff Subsidy – Large		INR 60 Lakhs	
	Power Tariff Subsidy – Mega		INR 80 Lakhs	
3	Patent Registration (All Eligible Units)	50% of the expenditure incurred up to a maximum of INR 10 Lakh.	INR 10 Lakhs per patent	BIIPP  (Tex. & leather), 2022
4	Employment Generation Subsidy –Semi-skilled	300% of ESI and EPF paid against the employee  At least 75% of direct employees should be domicile of Bihar, Minimum employee should be at least 100 and shall be employed at least 1 year	INR3000/ month	BIIPP  (Tex. & leather), 2022
	Employment Generation Subsidy – Skilled		INR4000/ month	
	Employment Generation Subsidy – Highly-skilled		INR5000/ month	

5	Freight reimbursement Incentive(only for exports) <b>New addition w.e.f 16.03.2024</b>	30% reimbursement of freight for 5 years.	<b>Maximum INR 50 Lakhs/year</b>	BIIPP  (Tex. & leather)& BIIPP 2016
6	Tax Related Incentives(All Eligible Units)	100% of SGST	100% combined cap (130% for Micro and Small Units) for Freight Reimbursement& Tax related incentives	BIIPP 2016
7	Interest Subvention (All Units)	10% (12% for Micro and Small Units)	50% of FCI and up to 20 Crores whichever is less	BIIPP 2016
8	Skill Development Subsidy (All Eligible Units) – (Per employee per annum)	INR 20,000	INR 20,000	BIIPP 2016
9	Exemption from Stamp duty / Registration fees  (All Eligible Units)	100%	100%	BIIPP 2016
10	Exemption from Land Conversion fees (All Eligible Units)	100%	100%	BIIPP 2016

**Note: Tax related incentives and Freight reimbursement, together shall not exceed 100% of FCI in any case (130% in case of Micro and Small Units)**

- The total incentives drawn as per the provisions under this policy as well as Bihar Industrial investment Promotion Policy 2016 shall **not exceed 150%** of the Fixed Capital Investment (FCI) and shall not exceed 1/5th of total incentives paid, in a year.
- For availing incentive under this Policy, the eligible units would be required to submit online application for Stage I clearance.
- Eligible units which have availed Stage-1 clearance prior to the date of notification of this Policy shall also be covered under this Policy provided they have not availed Financial Clearance.

- The unit availing subsidy under this policy shall remain in operation for a minimum period of 5 years from the date of disbursement of the last installment of incentives under Bihar Industrial Investment Promotion Policy (Textile & Leather Policy) with the exception of a Force Majeure that is extraordinary events or circumstances beyond human control.

**New addition w.e.f. 16.03.2024**

- **Those units which shall start its production up to 30<sup>th</sup> June 2025 are entitled to take capital investment subsidy on Plant & Machinery with 30% or maximum of INR 30 crores.**
- **Those units which shall start its production after that aforesaid date, then these units are entitled to take capital investment subsidy on Plant & Machinery with 20% or maximum of INR 20 Crores.**
- If the unit shall become non-operational prior to **5 years** from the date of disbursement of the last installment of incentives under Bihar Industrial Investment Promotion Policy (Textile & Leather Policy), then all subsidies availed by the unit shall be covered along with interest compounded annually @ 18% per annum.

Read the complete policy [here](#)