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



invest
BIHAR
A land of immense opportunities

Bihar: Land of Limitless Opportunities for Investors in Textile & Leather Industry

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संदेश

बिहार राज्य देश में तेज गति से विकास करने वाले राज्यों में से एक है। राज्य की विकास दर कोरोना महामारी के कारण हुये लॉकडाउन के बावजूद भी राष्ट्रीय औसत से काफी ऊपर रहा है। सरकार द्वारा राज्य में उद्योगों खासकर सुक्ष्म, लघु एवं मध्यम उद्यमों पर जोर दिया जा रहा है, जिससे राज्य के विकास के साथ-साथ युवाओं को रोजगार उपलब्ध हो सके। राज्य में निवेश को बढ़ावा देने के लिए बिहार राज्य औद्योगिक नीति, 2016 लागू की गयी है।

कोरोना काल में देश के विभिन्न राज्यों में औद्योगिक गतिविधियों के बंद पड़ जाने के कारण इन कामगारों की भारी संख्या में बिहार में वापसी के दौरान राज्य सरकार द्वारा उनकी स्किल मैपिंग करायी गयी तो पता चला कि देश के विभिन्न हिस्सों से लौटे हुये कामगारों में सबसे ज्यादा कामगार टेक्सटाईल हबों में वस्त्र एवं चमड़ा उद्योगों में ही कार्यरत थे। लौटे हुये कामगारों की सहायता के लिए जिला औद्योगिक नवप्रवर्तन योजना लागू की गयी जिसके अंतर्गत पश्चिम चम्पारण जिले के चनपटिया में स्टार्ट-अप जोन की स्थापना की गयी। चनपटिया स्टार्ट-अप को मुझे भी देखने का मौका मिला। राज्य के अन्य जिलों में भी जिला औद्योगिक नवप्रवर्तन योजना एवं मुख्यमंत्री उद्यमी योजना अंतर्गत टेक्सटाईल संबंधी कलस्टर्स एवं अन्य नए उद्यमों की स्थापना की जा रही है।

बिहार औद्योगिक निवेश प्रोत्साहन नीति, 2016 के अंतर्गत वस्त्र एवं चमड़ा प्रक्षेत्र को प्राथमिक प्रक्षेत्र का दर्जा प्रदान किया गया था। किन्तु, इस क्षेत्र में रोजगार की असीम संभावना को देखते हुये दिसंबर, 2017 में इसे उच्च प्राथमिकता प्रक्षेत्र में शामिल किया गया। वस्त्र एवं चमड़ा प्रक्षेत्र को बढ़ावा एवं निवेश को आकर्षित करने के लिए बिहार औद्योगिक निवेश प्रोत्साहन नीति (वस्त्र एवं चमड़ा नीति), 2022 लागू की गई है। यह नीति, देश के अन्य राज्यों से प्रतिस्पर्धात्मक रूप से लाभप्रद है। आशा करते हैं कि यह नीति वस्त्र एवं चमड़ा प्रक्षेत्र में नये निवेशकों को आकर्षित करेगा और इस प्रक्षेत्र में राज्य में निवेश होगा।

शुभकामनाओं के साथ।

(नीतीश कुमार)

सैयद शाहनवाज हुसैन

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संदेश

बिहार औद्योगीकरण के एक नए युग की ओर बढ़ रहा है। राज्य सतत औद्योगीकरण और आर्थिक विकास के पथ पर आगे बढ़ने के लिए तेजी से कदम उठा रहा है।

बिहार की छवि अब बदल रही है। यह एक नया बिहार है, जो व्यवसायों को स्थापित करने और तेजी से बढ़ने के लिए अनुकूल पारिस्थितिकी तंत्र की पेशकश के लिए पूरी तरह से तैयार है। निवेशकों के विश्वास को वास्तविकता में परिवर्तित करने के लिए बिहार रेड कार्पेट बिछा कर स्वागत के लिए तैयार रहा है। वर्तमान में, बिहार में 68 औद्योगिक क्षेत्र और मेगा औद्योगिक पार्क हैं, जो सभी प्रक्षेत्रों के औद्योगिक वातावरण को समाहित कर सकता है। राज्य ने बिहार में निवेश के अवसरों को आकर्षित करने के लिए अपने उच्च प्राथमिकता वाले प्रक्षेत्रों और तेजी से बढ़ते उद्योगों के रूप में इथेनॉल, आई०टी०, आई०टी०ई०एस० और इलेक्ट्रॉनिक सिस्टम डिजाइन निर्माण, वस्त्र और चमड़ा, ई-वाहन निर्माण और ऑक्सीजन उत्पादन सहित खाद्य प्रसंस्करण को परिलक्षित किया है।

राज्य में औद्योगिक मंजूरी और अनुमोदन को गति प्रदान करने के लिए एक बहुत ही मजबूत एकल खिड़की प्रणाली (सिंगल विण्डो सिस्टम) विकसित किया गया है। प्रोत्साहन/अनुबंध और लाइसेंस या मंजूरी के लिए समयबद्ध तरीके से मंजूरी देने की व्यवस्था है तथा राज्य निवेश प्रोत्साहन पर्थड उद्यमियों की सहायता हेतु सक्रिय है। उद्योग मित्र विभाग अन्तर्गत एक सक्रिय निवेशक शाखा है, जो निवेशक सुविधा प्रकोष्ठ और उद्योग विभाग और नए एवं मौजूदा उद्यमियों के बीच सीधे संवाद के लिए उद्योग संवाद मंच उपलब्ध कराता है। विभाग निवेशकों की सुविधा के लिए ई-ऑफिस के प्रभावी कार्यान्वयन और सभी प्रक्रियाओं के डिजिटलीकरण में सक्रिय रूप से लगा हुआ है। उद्योग विभाग उद्यमियों का समर्थन करता है तथा बिहार औद्योगिक निवेश प्रोत्साहन नीति, 2016 के माध्यम से वित्तीय प्रोत्साहन प्रदान करता है।

वस्त्र एवं चमड़ा प्रक्षेत्र से संबंधित उद्योग श्रम प्रधान उद्योग है एवं इनमें राज्य के आर्थिक विकास की अपार संभावनाएं हैं। चूंकि बिहार अपने सर्वोत्तम प्रकार के वस्त्र और चमड़े के उत्पादों, कच्चे माल की उपलब्धता और श्रम की प्रचूरता के लिए जाना जाता है, इसीलिए बिहार सरकार ने बिहार औद्योगिक निवेश प्रोत्साहन नीति (वस्त्र और चमड़ा नीति), 2022 लागू की है। यह नीति बिहार औद्योगिक निवेश प्रोत्साहन नीति, 2016 के साथ एकीकृत है, जो वस्त्र एवं चमड़ा व्यवसायों में निवेश करने वाले निवेशकों के लिए अनुकूल है। इस नीति के अन्तर्गत बिहार औद्योगिक निवेश प्रोत्साहन नीति, 2016 से प्राप्त वित्तीय प्रोत्साहनों के अतिरिक्त पूंजी निवेश अनुदान, रोजगार सृजन अनुदान, माल ढुलाई प्रतिपूर्ति और बिजली शुल्क अनुदान का प्रावधान भी है।

इस नीति के लोकार्पण के साथ मुझे विश्वास है कि वस्त्र एवं चमड़ा क्षेत्र के निवेशक बिहार को अपने अगले निवेश गंतव्य के रूप में देख सकेंगे एवं सरकार के साथ राज्य की विकास गाथा में भागीदार बन सकेंगे।

(सैयद शाहनवाज हुसैन)

Preface

Textiles & Leather sector is one of the highest employment providers in the Country. This industry plays an important role in the Indian economy and has immense potential for growth. The State is committed to provide the best infrastructure and facilities for Textile & Leather sector and has categorized this sector as “High Priority Sector.”

As the population of the State is about 14 crores, it is a big consumer market as well as a suitable place for sending textiles and leather goods to Nepal, Bhutan, Bangladesh and neighbouring States. There is an abundance of skilled craftsmen for the Textile & Leather industries in the State and the State Government is providing support in this through various schemes.

As compared to other sectors, maximum number of people can get employment from the Textile & Leather industry. At the same time, along with large industries, medium and small industries can also help in increasing production in this sector. A large number of industries can be set up in the State with the support of this new Textile & Leather Policy, 2022 by the Government of Bihar.

Assistance is being provided by the State Government to all industries to get necessary No Objection Certificate (NOC) and permissions through single window system. Apart from this, roads, electricity and other basic facilities are being provided for the establishment of industries. It is expected that the special policy for the textile&leather industry will prove to be effective in promoting the industries and will also provide employment to a large number of people in the State.



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Bihar: Land of Limitless Opportunities for Investors in Textile & Leather Industry

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**Government of Bihar, Department of Industries
Resolution**

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

1. Preamble

The Government of Bihar is committed to provide international standard infrastructure and facilities in the State. The State has planned initiatives for the development of various sectors such as Textile & Garment, Food Processing, Small Machine Manufacturing, Tourism, Information Technology, Renewable energy etc.

After Agriculture, Textiles & Leather sector and its ancillary manufacturing units provide the highest employment opportunities. Textiles & Leather sector related industries are labor intensive industries and have vast potential for the economic development of the State. Textiles & Leather sector plays a key role in the Indian economy by significantly contributing to GDP, manufacturing output, employment generation and export earnings.

The State has adopted best practices for making a conducive environment to facilitate investments, generate employment and work for the welfare of people. Measures such as State Investment Promotion Board (SIPB), Single Window Clearance (SWC), online payments, online verification, self-certification, time-bound approval of licenses/clearances, availability of information online, Standard Operating Procedures (SOP) for approvals, deemed approvals, etc. are being adopted by various departments and government agencies. Bihar Government is also keen to work towards focused skill development, enhancing skills and capacity building to give necessary impetus for employment generation and industrial development across the State.

This policy is proposed to make Textile/Power-loom/Silk/Garment/Leather & leatherette products/Footwear manufacturing in the State more attractive for potential investors. This policy is aimed at defining the broad contours of the government's mission towards augmenting the development of Textile & Leather Industry. The policy aims to establish Bihar as a competitive and favored investment destination, achieve regional development, diversify exports, and augment livelihood opportunities for its people through resilient economic development.

2. Background

The objective of the Bihar Industrial Investment Promotion Policy (Textile & Leather Policy) is to achieve holistic sectoral development in textile, apparel, silk, power loom, leather, all types of footwear and allied industries and promotes investment

facilitation. There are plenty of opportunities available for investors to set up textile, apparel, silk, power loom, leather, footwear, and allied units in the State. The State government is keen to add job opportunities in this sector and to add more value in the production base of the nation. To rejuvenate the textile, apparel, silk, power-loom, leather, footwear and allied industries of the State, there is a dire need of technology upgradation and fresh investment.

State-of-the-art infrastructure plays a crucial role in development of Industrial landscape of the State. The availability of State-of-the-art infrastructure enables industries to establish operations with lower operating costs and robust value chain which results in building efficiencies. In addition to social development and generation of new employment opportunities, it helps in attracting indigenous and foreign investments. The current policy proposes to leverage inherent strength of the State i.e. Labour (semi-skilled, skilled, and highly skilled) and raw material availability to create an ecosystem for attracting manufacturing opportunities.

3. Textile, Apparel, Leather & Footwear Sector in India

Indian textile industry is the 2nd largest manufacturing the world only next to China. India's strengths are abundance of raw material availability, manpower availability, large domestic market, presence of complete manufacturing value chain and government support. The abundant availability of raw materials such as cotton, wool, silk, jute, and skilled workforce has made India a leading sourcing hub for the global market. This sector also contributes significantly to the employment generation in the country by providing direct or indirect employment to more than 100 million people. Total contribution of Textile and Apparel (T&A) including handicrafts in India's total exports stands at a significant 11.8% in 2019-20. India's Textile & Apparel exports was USD 28.4 billion in 2019-20. India is the second largest exporter of leather garments, third largest exporter of saddlery & harness and 4th largest exporter of leather goods in the World. The Leather industry in India is one of the leading sectors which has significant young forces with 55% of the workforce below 35 years of age. National Manufacturing Policy identifies leather as a special focus sector for growth and employment generation. Export of footwear, leather and leather products from India was in tune of US \$ 5.07 Billion during 2019-2020 and US \$ 3.68 Billion during 2020-2021. The robust growth in this sector is attributed to large domestic market, abundance of raw material, readily available skilled and low-cost human resources, and focused government approach.

2%
Contribution
to
GDP

13%
Contribution to
Exports
Earning

100 million
Direct & Indirect
Employment

USD 300 Billion
Projected Exports
earning by 2024

4. Textile, Apparel, Leather and all types of Footwear Sector in Bihar

Bihar has ample potential to house textiles & garmenting units and other value chain activities. The presence of weaver's community is an important asset base in terms of availability of skilled and semi-skilled workers for textile units. Apart from the regular weaver community, a large number of youths (especially, the female youth) in the state can be employed in the Textile & Garment manufacturing units which can offer conducive employment opportunities such as sewing, stitching, cutting, and other tailoring requirements.

Bihar has huge potential for investment in the leather sector as well. With the availability of raw material base (in terms of hides and skins produced in the State), plenty of low cost as well as skilled and semi-skilled labour, and a huge domestic market for consumption, it offers both comparative and competitive advantage to a prospective investor in this sector. Currently the State has a very fragmented sectoral value chain. Some vital points are listed below:

- 53% of the population is below 35 years of age
- Bhagalpur silk is GI tagged
- Bhagalpur cluster holds 2nd position in India after Karnataka in production & export of silk fabric
- In Asia, only Bhagalpur weavers are expert in blending of silk with cotton, jute, viscose, linen, and wool
- The state has 26,929 weavers as per the 4th national handloom survey (2018-19)
- The state has approximately 8% of the country's total bovine population. According to the livestock census of 2012, the total livestock population in Bihar was 329.38 lakh. As per the census, the cow population was 122.31 lakh and that of buffalo was approx. 75.67 lakh. The goat population stood at 121.53 lakh. Bihar accounts for nearly 12% of the country's total goat population, ranked 3rd in the country.

5. Need for New Textile & Leather Policy

This Textile and Leather policy complements the existing Bihar Industrial Investment Promotion Policy 2016(amended in 2020).

- Under Bihar Industrial Investment Promotion Policy 2016, unit with investment of at least Rs 5 Crore and employing 50 core direct workers comes under high priority while in textile sector, small units, with lower investment between Rs (2–5) crore, have the potential to generate employment for 150 to 200 labors.

- To provide tax related incentives to export oriented units or those which are not able to avail SGST
- To leverage available land bank, skilled labor, single window clearances, competitive cost of doing business, transparent and effective administration etc.
- To create opportunities for migrant labors returned after Covid-19
- To support micro and small units
- To support the relocation of units from other states to Bihar
- To create an overall eco-system that accelerate the growth of textile, apparel, footwear, and leather sector in the State
- There is no provision of employment generation subsidy in the present policy (Bihar Industrial Investment Promotion Policy 2016), whereas there is such provision in policies of neighboring states
- The effective electricity rate in the state is higher compared to other states, and in the present policy (Bihar Industrial Investment Promotion Policy 2016), there is provision of electricity duty reimbursement only. To reduce the effective electricity rate, there is need for provision of electricity rate subsidy in the state.
- There are no provisions related to textile and leather accessories in the present policy.

6. Objective

This Policy aims to achieve following objectives for the overall growth & development of new and existing textile and its allied sectors, leather & footwear industries:

- Improve and create a sustainable ecosystem for textile and leather sector
- Create entire value chain from fiber to fashion
- Value addition to post-production of khadi, silk, handloom, powerloom
- Promote micro and small units
- Establish garmenting hubs similar to the one set up in “Chanpatia textile garmenting start up zone”
- Incentivize the big units from hosiery, garmenting and textile processing segments
- Emerge as one of the key investment destinations for the sector both domestically and globally

- Support industry with skilled/semi-skilled manpower by leveraging Covid-19 returned migrants
- Achieve state's vision of employment generation
- Create an opportunity in Bihar itself for the semi-skilled / skilled textile workers who have gone to other states for work

7. Focus Areas

Below are the focus areas:

- Traditional handloom, khadi, silk, fashion designing, dyeing etc.
- Cluster approach, textile / leather parks, plug and play, multi-story sheds
- Hosiery products
- Garmenting
- All kind of footwears
- Exports
- Technical textile
- Holistic and harmonious integrated textile / leather development
- Encouraging micro / small units in all districts
- Solid ecosystem to support all the stakeholders

8. Approach

Below mentioned points have been taken as approach to meet the requirement of this policy:

- Attractive incentives to encourage investment
- Provide state of the art infrastructure for support to micro and small units
- Leveraging Government of India incentives
- Enhancing skills by providing relevant training
- Providing more employment opportunities through employment generation subsidy
- Understanding the needs and wants of the industry by having stakeholders' consultation
- Providing post fabric value addition to handloom, powerloom, khadi and silk cloths and providing domestic and export markets

9. Coverage & Scope

Bihar Industrial Investment Promotion Policy (Textile & Leather Policy) is targeting to strengthen the following activities:

Sectors	Investment Opportunities (Indicative List)
Fiber Production/ Spinning/ Weaving/ Knitting/ Processing	<ul style="list-style-type: none"> • Cotton/ jute/ silk / banana / bamboo and other natural fiber production • Production of man-made fiber and filament • Polyester • Acrylic • Viscose • Rayon • Yarn Spinning • Powerloom and knitting • Dyeing & Printing • Yarn and fabric processing
Production of apparel and home textile including hosiery	<ul style="list-style-type: none"> • Woven and knitted apparel manufacturing • Hosiery products manufacturing • Saree • Carpets, mattresses, cushions/pillows, curtains, and other home textiles • Narrow woven • Non-Woven • Production of ready-made garments
Natural Fibre / Blending of various types of fibre	<ul style="list-style-type: none"> • Integrated units for processing Banana Fibre /Jute Fibre / Bamboo Fibre / Coconut Fibre etc. and manufacturing of products using Banana Fibre / Jute Fibre / Bamboo Fibre / Coconut Fibre etc.
Manufacturing of Technical textile	<p>Production of items under following categories:</p> <ul style="list-style-type: none"> • Agrotech (agriculture, horticulture, and forestry etc.) • Buildtech (building and construction etc.) • Clothtech (technical components of shoes and clothing etc.) • Geotech (geo-textiles and civil engineering etc.) • Hometech (components of furniture, household textiles & floor coverings etc.) • Indutech (filtration, cleaning, and other industrial usage etc.) • Meditech (hygiene and medical etc.) • Oekotech (environmental protection etc.) • Packtech (packaging etc.) • Protech (personal and property protection etc.)

Sectors	Investment Opportunities (Indicative List)
	<ul style="list-style-type: none"> • Sporttech (sport and leisure etc.) • Defencetech (Related to defence)
Post Processing of Handlooms and Khadi Textile Products	<ul style="list-style-type: none"> • Post-production facilities using handloom and khadi cloth
Leather Processing	<ul style="list-style-type: none"> ❖ Pre-tanning Processes <ul style="list-style-type: none"> • Curing • Soaking • Painting • Liming • Fleshing • De-Liming • Bating • Pickling • De-Greasing ❖ Tanning ❖ Post Tanning <ul style="list-style-type: none"> • Splitting • Shaving • Neutralization • Dyeing • Fatliquoring • Samming • Setting Out • Final Drying • Staking & Dry Drumming • Buffing & Brushing • Finishing • Final Grading
Leatherette Processing (PU Leather, PVC Leather, Faux Pas Leather, micro-Fibre leather etc.)	<p>Dry and wet method</p> <ul style="list-style-type: none"> ❖ Mixing ❖ Past coating ❖ Calendering ❖ Foaming ❖ Surface Coating ❖ Cutting & Inspection

Sectors	Investment Opportunities (Indicative List)
Manufacturing of leather products	Manufacturing of <ul style="list-style-type: none"> • Leather shoes, leather chappals, and other footwear items of leather • Leather footwear components • Leather garments • Leather for upholstery • Leather goods (for example: labels, tags, belts, bags, purses and gloves & other accessories and fashion items) • Upholstery for automobile (cars etc.) & furniture • Saddlery and harness items
Manufacturing of leatherette products	<ul style="list-style-type: none"> • Leatherette garments • Leatherette shoes, Leatherette chappals, and other footwear items of leatherette • Leatherette for upholstery • Leatherette goods (for example: labels, tags, belts, bags, purses and gloves & other accessories and fashion items) • Upholstery for automobile (cars etc.) & furniture
Business Development Services	<ul style="list-style-type: none"> • R&D facilities, design studios/ facilities for prototyping, quality testing, labs, etc. for textile units
Textile Parks/ Leather Park/Processing Park	<ul style="list-style-type: none"> • Textile and Apparel Park • Leather and Footwear Park • Leather Park • Silk Park
Wool processing	<ul style="list-style-type: none"> • Scouring • Combing • Spinning • Weaving • Milling
Manufacturing of Accessories in Textile & Leather & Leatherette	<ul style="list-style-type: none"> • Manufacturing of accessories and supplying to textile firms (Bags, Zip, Button, Threads etc.) • Manufacturing of accessories and supplying to leather firms (Zip, Button, laces, Threads etc.)
All types of Footwear	<ul style="list-style-type: none"> • All types of footwear - rubber, plastic, fabric, textiles (cotton, wool, polyester, nylon), synthetics, foam and blending of any materials

10. Enabling Business Environment & Infrastructure Support

10.1. Enabling business environment

Bihar has a unique location specific advantage because of its proximity to the vast markets of eastern & northern India and neighbouring countries, access to ports such as Kolkata and Haldia and to raw material sources. The state has a large base of cost effective, industrial labour, making it an ideal destination for a wide range of industries.

Bihar is progressively adopting practices to create an investor friendly environment in the State, to facilitate investments. Some of the key reform measures taken by the state are as :

- i. **Single Window System:** Formed with the objective of speedy processing of clearances and providing an investor-friendly environment. It aims to provide an integrated clearance system for providing all clearances at various levels.
- ii. **Udyog Mitra:** Disseminates relevant information to the investor pertaining to investment profiles for different industries and the various clearances required at the business entry stage. It also provides technical guidance in the form of relevant project profiles and policy information to entrepreneurs setting up all kinds of industries. Udyog Mitra consists of an “Entrepreneur Assistance Cell” for assisting the entrepreneurs in every stage.
- iii. **Udyog Samvad:** Implementation of UDYOG SAMWAD portal for grievance redressal. This is an initiative to resolve the issues of the existing entrepreneurs and to answer the queries of all potential entrepreneurs in the State.

10.2. Capacity Building

Some of the renowned institutions offering various courses related to Textile & Leather sector are as follows:

National Institute of Fashion Technology(NIFT)-Patna

Muzaffarpur Institute of Technology(MIT) Muzaffarpur

Footwear Design and Development Institute (FDDI), Patna

Apparel Training & Design Centre (ATDC) , Patna

10.3. Plug and Play Infrastructure Development

The state government shall aim to develop ready to move infrastructure which should have all necessary technological and basic infrastructure

required for running a unit such as electricity, testing centers, 3D printing, water treatment, power station, dump yard and many more. The state would also look for providing flatted factory option.

10.4. Common Effluent Treatment Plant & Hazardous Waste Disposal Facility

The Government of Bihar shall support creation of infrastructure for treating the industrial wastewater for its reuse or safe disposal to the environment at the cluster level and park level.

The cost of setting-up Effluent Treatment Plant (ETP) shall be included within the Approved project Cost as mentioned in Clause 6.1.(xxii) of Bihar Industrial Investment Promotion Policy, 2016. Assistance under the component shall be available only once during the operational period.

11. Sectors for Intervention

11.1. Traditional Sector

11.1.1. Traditional Weaving

Bihar is home to around one lakh handloom weavers. Policy aims to provide ample employment opportunity and supporting the growth of traditional weaving.

Opportunity exists for the growth of traditional weaving by taking following measures:

- Integration of production efforts on technology driven lines
- Upgradation of technology for enhancement of productivity and quality

11.1.2. Power-loom

The presence of power-loom weaver's community in the state is an important asset base in terms of availability of skilled and semiskilled workers for textile units. Following measure shall be taken to boost the growth of this segment:

- Providing incentive for technological upgradation and modernization of machinery
- Providing infrastructure support, pre weaving facilities, training centres, trade centres to group of weavers willing to set up Common Facilities Centre

11.1.3. Silk

There are three varieties of silk produced and woven in the state: Tassar, Eri and Mulberry. Tassar Silk of Bhagalpur and Banka is a special product of Bihar. Banka and Jamui are the major Tassar cocoon producing districts of the state. Silk presents a great opportunity for growth and employment generation. Steps to augment the Silk production shall include, taking following measures:

- Providing support for the upgradation of machinery in manufacturing
- Promoting organic farming and eco-friendly silk – Vanya Silk

11.1.4. Jute

Bihar is one of the largest Jute producing states of the country. Araria, Purnea, Kishanganj and Supaul are the major jute producing districts of the state. Investment opportunity exists in setting up of Integrated units for processing Jute Fibres and manufacture of products using Jute Fibres like cloth, shopping bags, floor coverings and other items.

11.2. Other sectors for intervention

- i. Yarn
- ii. Textile & Apparel
- iii. Technical Textiles
- iv. Natural/organic textile
- v. Leather, Leatherette & Footwear

12. Incentives

The Policy recognizes the need of additional incentives to eligible Units to further improve the investment prospects in the Textile & its allied manufacturing, Leather, Leatherette & Footwear sector in the state.

12.1. Guiding Principles

- i. These provisions / principles shall be applicable to all eligible projects / units under this policy.
- ii. This policy shall come into force from the date of its notification. The said date shall be considered as effective date of this policy from which its provisions shall come into force and shall be applicable till 5 years from the date of notification of this policy.
- iii. Unit applying for incentives shall provide a Detailed Project Report (DPR) accompanying the Bank Appraisal Report prepared by the scheduled nationalized bank or financial institution approved by RBI/SEBI, which is

supposed to extend the term loan to the unit. The appraisal report prepared by the bank/ financial institute shall form the basis for ascertaining the project cost for calculation of incentives.

- iv. For units, not availing the benefits of bank loan, and not having Bank Appraisal Report, Department of Industries will facilitate the empanelled agencies, who will assess the Detailed Project Report (DPR) of units.
- v. The fixed capital investment, as defined by the Department of Industries from time to time, shall be the base for determining the incentives.
- vi. In the fixed capital investment considered for incentive calculation under this policy, the cost of land shall not exceed a limit of 20% of the total proposed investment other than the land. Thus, in the fixed cost investment either the actual cost of land mentioned in the project report assessed by the bank/ financial institutions or 20% of the total proposed investment excluding the land, whichever is less, shall be considered.
- vii. 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.
- viii. Incentive/s under this Policy shall be offered after commencement of commercial production by the Unit.
- ix. Incentive/s under this Policy (any component) could be claimed by investors in combination with the Bihar Industrial Investment Promotion Policy 2016.
- x. 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
- xi. Plant and Machinery shall be considered as specified under ATUFS scheme of Ministry of Textiles, Gol.
- xii. 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.
- xiii. Department of Industries may engage a Project management agency (PMA) to handhold the investors applying under the Gol schemes.
- xiv. Foreign currency loan availed from overseas branch of the Indian / foreign bank having Indian branch shall be eligible for benefits under this scheme. However, the loan account should be operational from the Indian branch also

so as to make it possible to transfer the subsidy amount in INR into the account of the applicant in the Indian branch. Conversion of rupee term loan (RTL) into foreign currency loan (FCL) and vice-versa is permitted.

- xv. The outstanding principal loan amount can be transferred from one lending agency to another lending agency subject to the condition that portfolio remains unchanged.
- xvi. Any existing or new units, expanding its capacity, diversifying, or modernizing during the policy period shall be given the benefits as applicable to new units on their incremental fixed capital investment. To avail the benefits, there must be a capacity expansion/modernization of at least 25% of the capacity of the existing unit.
- xvii. Units may avail the benefits as per provisions in Bihar Industrial Investment Promotion Policy for:
 - Special incentive package for Micro & Small enterprises
 - Special incentive package for Special class entrepreneurs
 - Special incentive package in case of Special class entrepreneurs establishing Micro or Small units
 - Rehabilitation of Sick Units
 - Units relocating from other states to Bihar
 - Merger / takeover of management of the entity
- xviii. Dovetailing with Central and State Government policies and schemes :

Dovetailing with the Central and State Government policies and schemes is allowed in the following categories of incentives

 - Skill Development subsidy
 - Interest subvention
 - Tax related incentives
 - Patent Registration

12.2. Categorization of Units under new Bihar Industrial Investment Promotion Policy (Textile & Leather Policy)

Under the Bihar Industrial Investment Promotion Policy (Textile & Leather Policy), the units have been categorized as category A units or Category B units and the investors have the liberty to choose either of the categories depending upon their market orientation.

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 footwears.	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.

12.3. Incentives under Bihar Industrial Investment Promotion Policy (Textile & Leather Policy)

The incentives for investors under Bihar Industrial Investment Promotion Policy (Textile & Leather Policy) are as below :

S.N.	Incentives	Quantum of incentives		
1	Capital Investment Subsidy (For Category A & B units)	Industrial Units based on Investment as per The MSMED Act 2006 and BIIPP 2016 (Investment in P&M)	Capital Investment Subsidy as % of average annual turnover for last 2 preceding financial year	Capping on Capital Investment Subsidy (in INR Crores)*
		Micro Units (Investment is not more than INR 1 Crore)	15% of plant and machinery. To be paid in 5 years in 5 equal instalments.	Rs 10 Crores
		Small Units (Investment is more than INR 1 Crore and not more than INR10 Crores)		
		Medium Units (Investment is more than INR 10 Crores and not more than INR 50 Crores)		
		Large Units (Investment is more than INR 50 Crores and less than INR100 Crores)		
		Mega Units (Investment is more than INR 100 Crores)		
* The capping is only for Bihar component exclusive of incentive under Gol scheme				

S.N.	Incentives	Quantum of incentives												
2	Freight reimbursement Incentive (For Category A & B units)	30% reimbursement on freight charges from project location to port shall be given to all eligible units for the period of first 5 years only. (Maximum Rs.10 lakhs/year) (Only for exports)												
3	Employment Generation Subsidy (Inclusive of ESI& PF) (For Category A units only)	<p>The state will provide 300% of the ESI and EPF paid by the unit as employment subsidy subject to following capping for different categories for a period of 5 years. (Upto Rs. 5000/month/employee)</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Capping(INR)/month</th> </tr> </thead> <tbody> <tr> <td>Semi-skilled</td> <td>3000</td> </tr> <tr> <td>Skilled</td> <td>4000</td> </tr> <tr> <td>Highly skilled</td> <td>5000</td> </tr> </tbody> </table> <p>Eligible units for availing employment generation subsidy must have at least 75% of direct employees* with domicile of Bihar. The number of such employees must be at least 100 in numbers.</p> <p>(*Direct Employees comprises of employees directly involved in the manufacturing process such as Operator, Finisher, Packer etc. Employees/Workers like: Driver, Security guard, Sweeper, Peon etc. shall not be considered under employment generation subsidy)</p> <p>All the eligible unit shall have to employ the trained core employee/ staff for a period of at least 1 year.</p>	Category	Capping(INR)/month	Semi-skilled	3000	Skilled	4000	Highly skilled	5000				
Category	Capping(INR)/month													
Semi-skilled	3000													
Skilled	4000													
Highly skilled	5000													
4	Power Tariff subsidy (For Category A units only)	<p>Subsidy of Rs.2/unit will be given from the date of commencement of commercial production for a period of 5 years.</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Capping (INR in Lacs) per year</th> </tr> </thead> <tbody> <tr> <td>Micro</td> <td>2.5</td> </tr> <tr> <td>Small</td> <td>12</td> </tr> <tr> <td>Medium</td> <td>35</td> </tr> <tr> <td>Large</td> <td>60</td> </tr> <tr> <td>Mega</td> <td>80</td> </tr> </tbody> </table> <p>To claim the subsidy the unit shall furnish the GST return document (SGST as well as IGST) in support of its claim of turnover.</p> <p>(It is inclusive of Electricity Duty Subsidy as admissible as per Bihar Industrial Investment Promotion Policy 2016)</p>	Category	Capping (INR in Lacs) per year	Micro	2.5	Small	12	Medium	35	Large	60	Mega	80
Category	Capping (INR in Lacs) per year													
Micro	2.5													
Small	12													
Medium	35													
Large	60													
Mega	80													

S.N.	Incentives	Quantum of incentives
5	Patent Registration (For Category A & B units)	50% of the expenditure incurred up to a maximum of INR 10 Lakh per patent. Maximum of INR 4 Lakh shall be given for expenditure incurred in filing of patent, attorney fees, patent tracking etc. Maximum total amount for Patent subsidy will be INR 10 Lakhs.

12.4. Incentives under Bihar Industrial Investment Promotion Policy 2016

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. A summary of incentives is as following :

S.N.	Incentives (For Category A & B units)	Quantum of incentives
6	Interest Subvention	Maximum up to 10% (12% for micro and small units) or on actual rate of interest whichever is less up to 5 years for any unit. Subject to maximum 50% of the fixed capital investment (FCI) or maximum up to INR 20 Crores whichever is less.
7	Tax Related Incentives	All new units shall be entitled to avail 100% of the reimbursement against the admitted SGST deposited in the account of the State Government for a period of 5 years from the date of commencement of commercial production.
8	Exemption from Stamp duty / Registration fees	100% exemption of stamp duty/registration fees levied on lease/sale /transfer of industrial land/shed as also those outside the jurisdiction of Industrial Area Development Authority would be available to all the units only and given only for first time.
9	Exemption from Land Conversion fees	100% exemption on land conversion fees of agricultural land
10	Skill Development Subsidy	Skill development subsidy of INR 20,000 per employee or BSDM rates or on actual, whichever is low. All the eligible unit shall have to employ the trained core employee/ staff for a period of at least 1 year. This grant shall be payable only once against the original employees (except the support staff like drivers, guards etc.) who are the domicile of Bihar.

12.5. Incentives under Government of India Schemes

Investors may leverage benefits of any eligible scheme of GoI even if they are announced post notification of policy and shall claim during the policy period. These schemes/incentives/programs may change time to time as notified by Government of India.

12.6. Capping on Incentive

- I. The total incentives (total of incentives S.N. 1 to 7 and S.N.10) 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.
- II. The incentives claimed under the GoI schemes shall be in addition to the incentives claimed from the Bihar Industrial Investment Promotion Policy (Textile & Leather Policy) and Bihar Industrial Investment Promotion Policy 2016.
- III. The detailed guidelines to avail the sanctioned incentives shall be mentioned in the operational manual and the incentives shall be disbursed over a period of five years from the date of operation.

12.7. Submission of Application Under this Policy

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.

12.8. Timeline to be followed by entrepreneurs & Department of Industries

Stage 1: Application for stage -1 clearance should be submitted latest by 30.06.2023 on Single Window Clearance portal of department of industries (DoI).

Land allotment by BIADA: Entrepreneurs should submit application for land allotment on BIADA portal which shall be disposed by BIADA within next seven (07) working days.

Financial Clearance: Application should be submitted for Financial Clearance latest by 30.06.2024 on Single Window Clearance portal of Department of Industries.

13. Policy Implementation

- I. 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.
- II. 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.
- III. Units applying for incentive under this policy shall apply on the Single Window Clearance (SWC) portal of the Department of Industries, Government of Bihar.
- IV. To promote and attract investment, the State Investment Promotion Board (SIPB) constituted as per Section 4 of the Bihar Industrial Investment Promotion Act, 2016 shall be empowered to issue directions to concerned Departments/ Agencies of the State Government. All NOCs, permissions and clearances required by Textile/ Garment manufacturing units from other Departments/ Agencies of Bihar Government shall be provided through Single Window Clearance (SWC) portal of the Department of Industries, Government of Bihar.
- V. Department of Industries shall provide hand-holding support to the Investors setting up Textile and Leather / Garment manufacturing units; land allotment from Bihar Industrial Area Development Authority (BIADA), land registration for private land and land use conversion and other applicable clearances/ licenses /NOCs.

14. General Conditions

- I. If any false declaration is given for the purpose of availing incentives or if incentives are availed for a unit that was not eligible or any violation of the condition of this policy, the amount of incentive is liable to be recovered from the date of availing such benefit along with the interest compounded annually @ 18% per annum. In case of non-payment within the stipulated time, the State Government may recover such amounts including interest as arrears of land revenue.
- II. 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 such as an event described as

- an act of God (like a natural calamity) or events such as a war, strikes, riots, crimes (but not including negligence or wrong-doing, predictable/seasonal rain and any other events specifically excluded in the clause). 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 recovered along with interest compounded annually @ 18% per annum.
- III. Words used in this Policy shall have the same meaning as assigned to them under Bihar Industrial Investment Promotion Policy, 2016, as the context may require. All matters of interpretation/disputes shall be decided by the Industrial Development Commissioner/ Principal Secretary, Department of Industries. Such interpretation/decision shall be final.
- IV. Industries mentioned in the negative list of Bihar Industrial Investment Promotion Policy, 2016 would not be eligible for any incentive under this policy.
- V. In case of any discrepancy in the meaning and interpretation of the translated version of this policy, the English language version shall be binding in all respect and shall prevail
- VI. This policy shall come into effect from the date of issue of the policy in Bihar Gazette notification and shall remain in operation till 5 years from the date of such notification.
- 15.** The proposal has been approved by the State Cabinet in the form of item number-17 on 26.05.2022.

By the order of the Governor of Bihar


(SANDEEP POUNDRIK)
Principal Secretary,
Department of Industries,
Bihar, Patna.

Memo No-1275 /Patna, Dated- 03.06.2022

File No. - 4Tech./Textilepolicy/152/2021

Annexure 1 : Snapshot of Incentives by components and categories

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 (*For Category A units only)	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 (*For Category A units only)	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)	30% reimbursement of freight for 5 years.	INR 10 Lakhs/year	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	
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

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S.	Incentives / Category	Incentive	Capping (In INR)	Policy
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)

Annexure 2 : CHECK LIST (SIPB - STAGE I) – FOR INCENTIVES UNDER Bihar Industrial Investment Promotion Policy (Textile & Leather Policy), 2022

The components of checklist for Stage I are as below:

Website for Application and Information: swc.bihar.gov.in/Portal/#!/home

S.No.	Description	
1	Project Profile (max 10 pages) containing brief details of: <ol style="list-style-type: none"> i. Project details (sector, industry, product) ii. Proposed capacity of the unit and location iii. Brief details of Entrepreneur/ Promoter iv. Project cost and means of finance 	
2	Land documents (lease deed/ sale deed/ NOC) (if available)	
3	Power of attorney/ affidavit/ Board resolution for authorized signatory	
4	Address proof of authorized signatory	
5	Documents related to business entity:	
5.A	Proprietorship	<ol style="list-style-type: none"> i. PAN Card of the Proprietor ii. Aadhaar Card of the Proprietor iii. Address proof of the business iv. IT return of the Proprietor, if applicable v. Audited financial statements of the Proprietor (last 3 years), if applicable
5.B	Partnership	<ol style="list-style-type: none"> i. PAN Card of all Partners ii. Aadhaar Card of all Partners iii. Address proof of the business iv. IT return of the Partnership firm, if applicable v. Audited financial statements of the Partnership firm (last 3 years), if applicable vi. Firm registration certificate vii. Registered deed of the Partnership
5.C	Trust / Society	<ol style="list-style-type: none"> i. PAN Card of all Trustees / Managing Committee Members ii. Aadhaar Card of all Trustees / Managing Committee Members iii. Address proof of the business iv. IT return of the Trust / Society, if applicable v. Audited financial statements of the Trust/Society (last 3 years), if applicable vi. Society registration certificate vii. Registered deed / Memorandum + Bye laws of the Trust / Society

S.No.	Description
5.D	Company / LLP <ul style="list-style-type: none">i. PAN Card of all Directors / Designated Partnersii. Aadhaar Card of all Directors / Designated Partnersiii. Address proof of the businessiv. IT return of the Company / LLP (if existing company), if applicablev. Audited financial statements of the Company / LLP (last 3 years) (if existing company), if applicablevi. Certificate of Incorporation including Memorandum of Association and Articles of Association
6	Functional email id and mobile no
7	Statutory fees to be paid online on the portal

Annexure 3 : PRE-ESTABLISHMENT (STAGE II) LICENCES (19)

The clearances required in Stage II are:

- Allotment of Industrial Land, if applicable
- Conversion of Land from Agriculture to Non-Agriculture under The Bihar Land Conversion Act, 2010, if applicable
- Registration of Property
- Mutation of Land Ownership
- Approval of Land Development Plan under Bihar Building Bye-laws, 2014
- Approval of Building plan under Bihar Building Bye-laws, 2014
- Permission to construct, extend or take into use any building as a factory under the Factories Act, 1948
- NOC for Fire Safety (Provisional)
- Consent to Establish under Water (Prevention and Control of Pollution) Act, 1974
- Consent to Establish under Air (Prevention and Control of Pollution) Act, 1981
- Approval and sanction of electricity Connection (LT), if applicable
- Approval and sanction of electricity Connection (HT), if applicable
- NOC for tree felling from Tree Authority/ Appropriate Authority (prior to commencement of construction activities), if applicable
- Tree transit Permission, if applicable
- Road Cutting/Right of Way (RoW) permission for electricity connection, if applicable
- License for contractors under provision of The Contracts Labour (Regulation and Abolition) 1970
- Registration of establishment under The Inter State Migrant Workmen (RE&CS) Act, 1979, if applicable
- Supply of Municipal Water (for both Drinking and other purpose), if applicable
- Approval for water supply from river/public tank for industrial purpose, if applicable

Annexure 4 : PRE-ESTABLISHMENT (STAGE III) LICENCES (15)

The clearances required in Stage III are:

- Completion of Building for completion cum occupancy permission
- NOC for Fire Safety (Final)
- Consent to Operate under Water (Prevention and Control of Pollution) Act, 1974
- Consent to Operate under Air (Prevention and Control of Pollution) Act, 1981
- Registration under The Shops and Establishment Act
- Registration and grant of Factory License under The Factories Act, 1948
- Registration of principal employer's establishment and license for contractors under provision of Contract Labour (Regulation & Abolition) Act, 1970, if applicable
- Registration under The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
- Registration certificate to principal employer under Inter-state Migrant /workmen (Regulation of Employment and Conditions of Service) Act
- Registration under Bihar Professional Tax Rules, 2011, if applicable
- Registration under Bihar Electricity Duty Act
- Authorization for Municipal Solid Waste, if applicable
- Authorization under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, if applicable
- Certificate of Electrical Installation by Chief Electrical Inspector
- Registration of establishment under the Inter State Migrant Workmen (RE&CS) Act, 1979, if applicable

Annexure 5 : Financial Clearances

- Detailed Project Report (DPR)
- Bank Appraisal Report
- Bank Sanction Letter
- Land Documents in the name of the Units
- Constitution Document in case of

Partnership:

- Firm registration certificate
- Registered deed of the Partnership

Trust/ Society

- Society registration certificate
- Registered deed / Memorandum + Bye laws of the Trust / Society Registered deed of the Partnership

Company/ LLP:

- Certificate of Incorporation including Memorandum of Association and Articles of Association

Definition of Terminology

Terminology	Definition								
Accessories (further used in production)	Different type of accessories used in the garment and leather industry such as Thread, Zipper, Interlining, Buttons, Label, Pocketing fabric, Elastic, Ribbon, Rivet, Collar bone etc. (The list is just indicative)								
Accessories (used as a finished product)	Different types of accessories used in garment and leather industry such as Bags, Belts, socks, laces, PPE kits, masks, handbags, caps, gloves, automotive seats cover, roof linen, mats, rugs, scarfs, umbrellas, and others. (The list is just indicative)								
Apparel & Garment Industry Category A Unit	The Apparel & Garment industry consists of companies that design, manufacture and sell clothing, footwear and accessories. Weaving, Knitting, Apparel & Garment, Apparel & Garment Accessories, Hosiery, Leather & Leatherette Garments, Leather & Leatherette Accessories and Leather & Leatherette Footwear and all kinds of footwears are considered under category A Unit								
Category B Unit	Spinning, Ginning, Textile Processing (Yarn, Printing), Man Made Fiber, Synthetic fiber, Polyester, Acrylic, Viscose, Rayon, Technical textile, Leather processing (Tanning, finishing etc.) are considered under category B Unit								
Dyeing	Dyeing is the application of dyes or pigments on textile materials such as fibers, yarns, and fabrics with the goal of achieving color with desired color fastness. Dyeing can be done at any stage of the manufacturing of textile- fiber, yarn, fabric, or a finished textile product including garments and apparels.								
Fixed Capital Investment (FCI)	Fixed Capital Investment includes investment in land (maximum 20% of fixed capital investment 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								
Ginning	Ginning is the process of removing the seeds and debris from cotton								
Industrial Units	<table border="1"> <thead> <tr> <th>Industrial Units</th> <th>Classification based investment in Plant & Machinery and other equipment and turnover</th> <th>Definition as per notification</th> </tr> </thead> <tbody> <tr> <td>Micro</td> <td>where the investment does not exceed 1 crore rupees and turnover does not exceed 5 crores rupees</td> <td rowspan="2">As per amendment notification issued on 1st June 2020 of the 'Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006)</td> </tr> <tr> <td>Small</td> <td>where the investment is greater than 1 crore but does not exceed 10 crore rupees and turnover is greater than 5 crores but does not exceed 50 crores rupees</td> </tr> </tbody> </table>	Industrial Units	Classification based investment in Plant & Machinery and other equipment and turnover	Definition as per notification	Micro	where the investment does not exceed 1 crore rupees and turnover does not exceed 5 crores rupees	As per amendment notification issued on 1st June 2020 of the 'Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006)	Small	where the investment is greater than 1 crore but does not exceed 10 crore rupees and turnover is greater than 5 crores but does not exceed 50 crores rupees
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Integrated Unit	Textile, leather, apparel, and garmenting units housing more than one value chain activity at single location, by one entity/investor/unit would be defined as Integrated Units												
Leather	Leather is animal skins and hides that have been treated with chemicals to preserve them and make them suitable for use as clothing, footwear, handbags, furniture, tools, and sports equipment.												
Leatherette	Leatherette is typically made from natural or synthetic cloth fibers coated in PVC or polyurethane and contains no animal by-products, unlike real leather which is made from animal hide treated with chemicals												
Leather Processing	Leather processing is the process of converting raw animal skin into usable leather through various processes												
Made-up Textiles Unit	Made-up textile articles manufacturers create made-up articles of any textile materials. They manufacture products such as home textiles (e.g. bed linen, pillows, bean bags, carpets), and made up textile articles for outdoor usage.												
Non-woven textile	Non-woven are flexible, porous, products consisting of one or more fiber layers which are bonded by chemical, thermal or mechanical processes into textile products.												
Modern Garmenting & Textiles	Modern textiles & garments are manufactured using micro-fibers designed to maximize characteristics such as lightness, breathability, waterproofing or to react to heat or light. Modern Textile Industry deals with the design, production and distribution of yarn, cloth, and clothing. Power driven modern machines including power loom comes under modern textile industry. Apparel & Garmenting units, Technical Textiles units, Man Made Fiber units, Printing, and machine embroidery units												

Terminology	Definition
Plant and Machinery (P&M)	P&M means the investment made by the unit in the plant and machinery and equipment, quality certification and testing laboratories accredited by National Accreditation Board for testing and calibration laboratories excluding investment made in land and dwelling units
Printing	Printing is a process of decorating textile fabrics by application of pigments, dyes, or other related materials in the form of patterns
Special Class	Scheduled Caste and Scheduled Tribe (SC / ST), Extremely Backward Class (EBC), Economically Weaker Section (EWS), Women, differently abled persons, war widows, acid attack victims, third gender entrepreneurs
Traditional weaving	The traditional weaving is producing with a traditional instrument of wood, all kinds of traditional fabrics of wool, cotton, and silk. The items that weaver makes vary for a versatile use, such as shawls, scarves, tablecloths, bed sheets, curtains, handbags, and fabric pieces to produce traditional clothing
Knitting / Knitted fabrics	Knitting is a method by which yarn is manipulated to create a textile or fabric. It is used in many types of garments. Knitted fabric is a textile that results from knitting
Ready-made garments	Wearable clothes or non-wearable stitched clothes, in which at least two -ends of clothes have been stitched using a sewing machine
Spinning	Process of drawing out fibers from a mass and twisting them together to form a continuous thread or yarn
Traditional Garmenting & Textiles	Cotton and silk are mostly used fibers in traditional textile industry. Handloom fabrics like khadi also comes under traditional textiles. Activities and process related to conventional cotton & silk production process, jute production and process, conventional dyeing unit, and other related processes.
Technical Textiles	Technical textiles are functional fabrics that have applications across various industries including automobiles, civil engineering and construction, agriculture, healthcare, industrial safety, personal protection etc. Production of items under following categories: <ul style="list-style-type: none"> • Agrotech (agriculture, horticulture, and forestry etc.) • Buildtech (building and construction etc.) • Clothtech (technical components of shoes and clothing etc.)

Terminology	Definition
	<ul style="list-style-type: none"> • Defencetech (Defense usage Geotech (geo-textiles and civil engineering etc.) • Hometech (components of furniture, household textiles & floor coverings etc.) • Indutech (filtration, cleaning, and other industrial usage etc.) • Meditech (hygiene and medical etc.) • Oekotech (environmental protection etc.) • Packtech (packaging etc.) • Protech (personal and property protection etc.) • Sporttech (sport and leisure etc.)
Textiles Industry	Primarily concerned with the design, production and distribution of yarn, cloth, and clothing
Textile Processing	A textile process involves the production or conversion of textile fiber through a defined process into a product of finished fabrics
Weaving/ Woven fabrics	Weaving involves placing two threads or yarn made of fiber onto a warp and turning them in to cloth. Woven fabric is any textile formed by weaving. Woven fabrics are often created on a loom and made of many threads woven on a warp and a weft.

Acronym	Full form
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ATUFS	Amended Technology Upgradation Fund Scheme
BIADA	Bihar Industrial Area Development Authority
BIIPP	Bihar Industrial Investment Promotion Policy, 2016
BSDM	Bihar Skill Development Mission
BTech	Bachelor of Technology
BIIPP (Tex.&leather)	Bihar Industrial Investment Promotion Policy (Textile & Leather Policy)
CEPs	Continuing Education Programmes
CFC	Common Facility Centre
CIS	Capital Investment Subsidy
CM-MSI-CDP	Chief Minister-Micro and Small Industries-Cluster Development Programme
DoI	Department of Industries
DPR	Detailed Project Report
EBC	Extremely backward class
ESI	Employee State Insurance
ETP	Effluent Treatment Plant
EWS	Economically weaker section
FCI	Fixed Capital Investment
FDDI	Footwear Design and Development Institute
FOB	Free on Board
GDP	Gross Domestic Product
GoB	Government of Bihar
Gol	Government of India
JRMB	Jute Raw Material Bank
LLP	Limited Liability Partner
MMF	Minimum Marketable Feature
MSE-CDP	Micro & Small Enterprise-Cluster Development Programme
MSI-CDP	Micro Small Industries-Cluster Development Programme
MSME	Micro Small Medium Enterprises

Acronym	Full form
MTech	Master of Technology
NABET	National Accreditation Board for Education and Training
NIFT	National Institute of Fashion Technology
NOC	No Objection Certificate
OBC	Other backward caste
PG	Post-Graduate
PLI	Production Linked Incentive
P&M	Plant and Machinery
QCI	Quality Council of India
RBI	Reserve Bank of India
SBI	State Bank of India
SC	Schedule Caste
SGST	State Government Service Tax
SIAM	Scheme for Incubation in Apparel Manufacturing
SIPB	State Investment Promotion Board
SITP	Scheme for Integrated Textile Park
SMO	Social Media Optimization
SPELSGU	Scheme for Production & Employment Linked Support for Garmenting Units
SPV	Special Purpose Vehicle
ST	Schedule Tribe
SWC	Single Window Clearance
SOP	Standard Operating Procedures
T&A	Textile and Apparel
UG	Under-Graduate



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