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**Secretary General, AEPC**

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 10th June, 2022

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

Dear Members,

Government of Bihar has announced Bihar Industrial Investment Promotion Policy (Textile & Leather Policy) 2022 on 08.06.2022. The key highlights of the policy are as given below:

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.*

Incentive Type	Quantum of Incentive																
Capital Investment Subsidy (For Category A & B units)	<ul style="list-style-type: none"> <li>Industrial units will be classified based on investment as per MSMED Act 2006 and Bihar Industrial Investment Promotion Policy (BIIPP) 2016 (Investment in P&amp;M)</li> <li>Quantum of Subsidy is as below;</li> </ul> <table border="1"> <thead> <tr> <th>Unit Type</th> <th>Investment (Rs Cr)</th> <th>Quantum</th> <th>Cap</th> </tr> </thead> <tbody> <tr> <td>Micro Unit</td> <td>&lt;= 1</td> <td rowspan="5">15% of Plant &amp; Machinery to be paid in 5 years in 5 equal instalments</td> <td rowspan="5">Rs 10 crore</td> </tr> <tr> <td>Small</td> <td>&gt; 1 but &lt;= 10</td> </tr> <tr> <td>Medium</td> <td>&gt; 10 but &lt;= 50</td> </tr> <tr> <td>Large</td> <td>&gt; 50 but &lt;= 100</td> </tr> <tr> <td>Mega</td> <td>&gt; 100</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Capping does not include incentive under GOI schemes</li> </ul>	Unit Type	Investment (Rs Cr)	Quantum	Cap	Micro Unit	<= 1	15% of Plant & Machinery to be paid in 5 years in 5 equal instalments	Rs 10 crore	Small	> 1 but <= 10	Medium	> 10 but <= 50	Large	> 50 but <= 100	Mega	> 100
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Freight Reimbursement (For Category A & B units)	<ul style="list-style-type: none"> <li>30% on freight charges from project location to port for 5 years subject to a ceiling of Rs 10 lakh/year (Only for Exports)</li> </ul>																
Employment Generation Subsidy (Inclusive of ESI and PF) (For category A units only)	<ul style="list-style-type: none"> <li>300% of the ESI and EPF for 5 years subject to below given capping;</li> </ul> <table border="1"> <thead> <tr> <th>Category</th> <th>Capping (Rs/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>	Category	Capping (Rs/Month)	Semi-Skilled	3000	Skilled	4000	Highly Skilled	5000								
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Incentive Type	Quantum of Incentive												
	<ul style="list-style-type: none"> <li>Eligible units must have at least 75% of domiciled employees of Bihar (Minimum 100 in number) and must employ them for a period of atleast 1 year</li> <li>Applicable only for employees engaged in manufacturing process like Operator, finisher, packer, etc. and not to employees like driver, security guard, sweeper, peon etc.</li> </ul>												
Power tariff Subsidy (For Category A units Only)	<ul style="list-style-type: none"> <li>Rs 2 per unit for 5 years from the date of commencement of commercial production with the below ceiling:</li> </ul> <table border="1"> <thead> <tr> <th>Category</th> <th>Capping (Rs Lac/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> <ul style="list-style-type: none"> <li>It is inclusive of Electricity Duty Subsidy admissible under BIIPP 2016</li> <li>Units shall furnish GST document in support of claim of turnover</li> </ul>	Category	Capping (Rs Lac/year)	Micro	2.5	Small	12	Medium	35	Large	60	Mega	80
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Patent Registration (For Category A and B units)	<ul style="list-style-type: none"> <li>50% of expenditure with a cap of Rs 10 lakh per patent</li> <li>Expenditure incurred in filing of patent, attorney fees, patent tracking etc will be capped at Rs 4 lakh</li> </ul>												

Textile Units (Both category A & B) under this policy will also be eligible for incentives under the BIIPP 2016 summary of which are given below:

Incentive Type	Quantum of Incentive
Interest Subvention	<ul style="list-style-type: none"> <li>Upto 10% (12% for micro and small units) or on actual rate of interest whichever is less for a period of 5 years subject to maximum ceiling of 50% of fixed capital investment or Rs 20 cr.</li> </ul>
Tax Related	<ul style="list-style-type: none"> <li>100% Reimbursement of SGST for 5 years from the date of commencement of commercial production</li> </ul>
Exemption from Stamp Duty/Registration fees	<ul style="list-style-type: none"> <li>100% exemption available to all the units given only for first time</li> </ul>
Exemption from Land Conversion Fees	<ul style="list-style-type: none"> <li>100% exemption on land conversion fees of agriculture land</li> </ul>
Skill Development Subsidy	<ul style="list-style-type: none"> <li>Rs 20,000 per employee or Bihar Skill Development Mission (BSDM) rates or on actual whichever is low payable only once against the domiciled employees of Bihar provided units employ the trained core staff for atleast 1 year</li> </ul>

*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)*

Click here for the document of [Bihar Textile & Leather Policy 2022](#)

This is for your information please.

With warm regards,

Yours sincerely,

Dr. L. B. Singhal,  
Secretary General, AEPC