Public Notice

Notice No:……………………… **Date :………………**

Invitation of Comments/Suggestions on the Draft Bihar MSME Policy, 2026

The Directorate of MSME, Department of Industries, Government of Bihar has prepared the **Draft Bihar MSME Policy, 2026** with the objective of creating a robust, inclusive and future-ready ecosystem for the growth of Micro, Small and Medium Enterprises (MSMEs) in the State. The draft policy focuses on MSME facilitation, ease of doing business, access to finance, technology adoption, export promotion, cluster development, employment generation, sustainability and strengthening the overall MSME ecosystem.

The Directorate invites comments, suggestions and recommendations from all the stakeholders to enrich the Policy and to ensure the effective implementation in the state. The Draft Bihar MSME Policy, 2026 is available for download on the Department's website.

Stakeholders are requested to submit their valuable comments and suggestions on email: dir-msme.ind-bih@gov.in ,

Last Date for Submission of Comments: 15 working days after publication of Draft MSME Policy 2026 on Public Domain.

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2026

BIHAR

MICRO, SMALL AND MEDIUM ENTERPRISES POLICY, 2026

Directorate of MSME, Department of Industries

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List of Abbreviations

Abbreviation	Full Form
MSME	Micro, Small and Medium Enterprises
GSDP	Gross State Domestic Product
GDP	Gross Domestic Product
MMUY	Mukhya Mantri Udyami Yojana
BLUY	Bihar Laghu Udyami Yojana
PMFME	Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme
PMEGP	Prime Minister's Employment Generation Programme
ODOP	One District One Product
RAMP	Raising and Accelerating MSME Performance
EDP	Entrepreneurship Development Programme
GSTIN	Goods and Services Tax Identification Number
PAN	Permanent Account Number
BIADA	Bihar Industrial Area Development Authority
EDC	Entrepreneurship Development Centre
SEBI	Securities and Exchange Board of India
AIFs	Alternative Investment Funds
IoT	Internet of Things
AI	Artificial Intelligence
ITR	Income Tax Return
TReDS	Trade Receivables Discounting System
GoI	Government of India
MOOCs	Massive Open Online Courses
IT/ITeS	Information Technology / Information Technology Enabled Services
MoU	Memorandum of Understanding
CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprises
B2C	Business-to-Consumer
B2B	Business-to-Business

1. Introduction

The Micro, Small, and Medium Enterprises (MSME) sector has transitioned into the foundational pillar of Bihar's modern industrial economy. Fueled by a surging Gross State Domestic Product (GSDP) that has reached nearly ₹9.92 lakh crore according to the Bihar Economic Survey 2025–26, the state is sustaining one of the sharpest economic growth trajectories in India. In a labor-intensive environment like Bihar, MSMEs perform a dual economic and social role; they act as powerful engines for localized manufacturing and service enterprises while simultaneously generating sustainable, grassroots livelihoods in rural and semi-urban zones, which actively mitigates historical distress migration.

The structural backbone of Bihar's MSME expansion rests upon its unique demographic dividend, highly competitive labor costs, and an expanding logistics network across highways, railways, and inland waterways. Geographically, the state serves as a strategic corridor to Eastern India and international markets through its borders with Nepal, West Bengal, Jharkhand, and Uttar Pradesh. Furthermore, Bihar leverages a massive agricultural footprint, dominating national production in high-value commodities like Makhana, maize, litchi, bananas, and honey. This resource wealth feeds a highly lucrative agro-processing pipeline, while celebrated traditional clusters like Bhagalpuri silk, Madhubani painting, and Muzaffarpur bag manufacturing preserve local cultural identity while scaling up employment for women and rural artisans.

To fully unlock this resource potential, the Government of Bihar has rolled out aggressive financial and structural interventions, spearheaded by the flagship Mukhya Mantri Udyami Yojana (MMUY). This model initiative provides aspiring entrepreneurs specifically targeting youth, women, minorities, and economically backward classes (EBC/SC/ST) with up to ₹10 lakh in financial assistance, which crucially includes a 50% grant and 50% of loan component to foster a new generation of self-starters. This is supplemented at the grassroots level by the Bihar Laghu Udyami Yojana (BLUY) for low-income households, and seamlessly integrated with Central frameworks such as the PMEGP, PM Vishwakarma, the Raising and Accelerating MSME Performance (RAMP) programme, and the One District One Product (ODOP) initiative to accelerate digital transformation and export readiness.

Concurrently, the state is overhauling its industrial infrastructure through the Bihar Industrial Area Development Authority (BIADA), which currently manages over 90 industrial areas equipped with modern "Plug and Play" manufacturing sheds and competitive, long-term land leases. In a massive forward-looking urban reform, the state cabinet has approved the development of Satellite and Greenfield townships across 11 major cities and 9 divisional headquarters to house high-growth sectors like IT Cities, Electronic Manufacturing Clusters, Medi-Cities, and specialized textile or logistics parks. When paired with sweeping ease-of-doing-business reforms such as centralized online single-window clearance, self-certification, and automated plot allotments Bihar is systematically building a modernized, friction-free ecosystem poised to become the premier manufacturing and MSME hub of Eastern India.

2. Definition

An "enterprise" as per section 2 (e) of MSME Act, 2006 of Government of India.

2.1 Classification of Micro, Small & Medium Enterprises

Under the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006, The Government of India has notified criteria for classifying the enterprises and through a notification dated on 1st April, 2025, as part of the Union Budget Announcements 2025-26 the GoI has revised the classification of MSME.

The revised classification criteria are as follows:-

Enterprise Category	Investment Limit	Turnover Limit
Micro Enterprise	₹2.5 Crore	₹10 Crore
Small Enterprise	₹25 Crore	₹100 Crore
Medium Enterprise	₹125 Crore	₹500 Crore

The classification of MSME enterprises will be as per notification issued by Government of India**.**

2.2 Composite Criteria of investment and turnover for classification

i. A composite criterion of investment and turnover shall be applied for classification if an enterprises as micro, small or medium.

ii. If an enterprises crosses the ceiling limits specified for its present category in either of the two criteria of investment or turnover, it will be cease to exist in that category and will be placed in the next higher category but no enterprises shall be placed in the lower category unless it goes below the ceiling limits specified for its present category in both the criteria of investment as well as turnover.

2.3Calculation of investment in plant and machinery or equipment

i. The calculation of investment in plant and machinery or equipment will be linked to the Income Tax Return (ITR) of the previous year's filed under the Income Tax Act, 1961

ii. In case of new enterprises, where no prior ITR is available, the investment will be based on self declaration of the promoter of the enterprises and such relaxation shall end after the 31st March of the financial year in which it files its first ITR.

iii. The expression plant and machinery or equipment of the enterprise shall have the same meaning as assigned to the plant and machinery in the income tax rules, 1962 framed under the Income Tax Act, 1961 and shall include all tangible assets (other than land and building, furniture and fittings).

iv. The purchase (invoice) value of plant and machinery or equipment whether purchase first hand or second hand shall be taken into account excluding Good and Services Tax (GST), on self-disclosure basis, if the enterprises is a new one without any ITR.

v. The cost of certain items specified in the explanation 1 to the sub-section (1) of section 7 of the MSMED Act, 2006 shall be excluded from the calculation of the amount of investment in plant and machinery.

2.4 Calculation of turnover

i. Calculation of Turnover will be calculated as per the CA Certificate provided by MSMEs.

3. Need for MSME Policy 2026

With the objective of strengthening the MSME ecosystem and improving the competitiveness of enterprises, the Government of Bihar has formulated the Bihar MSME Policy 2026. The policy aims to create a conducive environment for entrepreneurship, innovation, employment generation, and sustainable industrial growth across the state.

The policy provides comprehensive support to MSMEs throughout their business lifecycle by focusing on infrastructure development, access to finance, market linkages, technology upgradation, skill development, capacity building, ease of doing business, and sustainability. It also seeks to promote manufacturing, strengthening supply chain and exports under the vision of "Make in India" and "Make in Bihar" by enhancing the competitiveness of Bihar-based enterprises.

Special emphasis has been given to inclusive industrial development by supporting women entrepreneurs, SC/ST entrepreneurs, startups, micro and small enterprises, enterprises in backward regions, and revival of sick units through targeted interventions and institutional support.

The Bihar MSME Policy 2026, also supports the broader vision of "One Family One Enterprise" by promoting entrepreneurship at the grassroots level and creating sustainable livelihood opportunities for youth and local communities. The policy is expected to play a transformative role in accelerating industrialization, attracting investments, strengthening local industries, and establishing Bihar as a competitive MSME destination in India.

4. Policy period and Applicability

i. This policy shall remain valid for a period of 5 years from the date of notification of the policy or till a new policy is announced by the Government.

ii. The policy may be amended or modified during the course of implementation. However, all such amendments or modifications shall be applicable prospectively and shall not affect or curtail any benefits or concessions already granted under the policy.

iii. The Government of Bihar may extend the duration of this policy, as and when required. The policy shall be applicable across the entire state and shall provide direction for boosting economic and industrial development in Bihar.

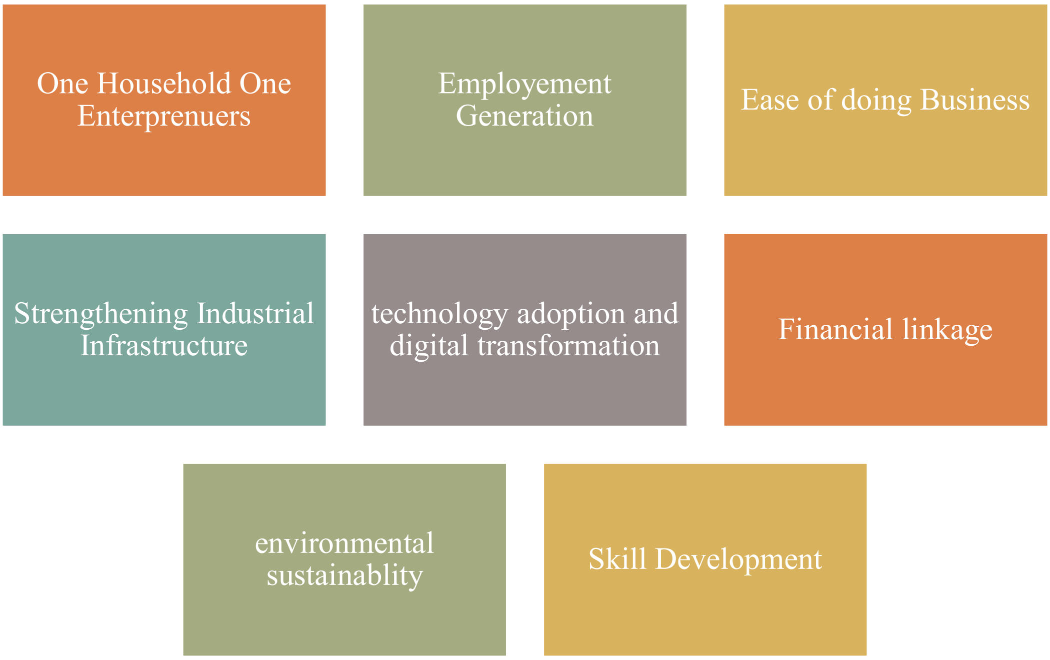
iv. This policy shall be applicable to both new and existing enterprises investing in or establishing new units, as well as existing enterprises undertaking expansion of their units.

5. Policy Roadmap

5.1 Vision

To transform Bihar into a leading entrepreneurial state by empowering every family with opportunities for enterprise, innovation, and economic prosperity.

5.2 Guiding principles of the policy



6. Targets of the Policy

The Policy intends to achieve the following targets during its operative period

i. 1 Crores MSMEs to be formalize (Including both manufacturing and service sector)
ii. Generate more than 1 crore direct and indirect employment.
iii. Facilitate integration of 500+ MSME Champions in Global Value Chains
iv. Setting up of 4 Technology Centre/Extension Centre (Koshi, Bhagalpur, Munger and Purnia) as per 7-Nishay of Government of Bihar.
v. Per year 1 Lakhs MSME will be trained on Industry 4.0. and Sector Specific Industrial Training.

7. Policy Pillars

7.1 MSME Facilitation

I. The State shall create dedicated divisions/cells to strengthen institutional capacity for policy formulation, programme implementation, Skill Development, Export Facilitation and Marketing of the MSMEs Product under the Directorate of MSME.

II. The State shall initiate a dedicated helpline and toll free number for MSMEs of the state, also a chatboat will be developed for the MSME where they can reach out for their grievances and solution.

III. A dedicated Project Management Unit (PMU) will be established in the Directorate of MSME for the effective implementation, monitoring, and coordination of MSME schemes.

IV. To provide doorstep support to MSMEs in registration, certification, training, and credit linkages, the State shall establish MSME Kendras at the District Industries Centres (DICs) in every district of Bihar and deploy MSME Mitras based on the number of blocks at the districts level. The MSME Mitras shall be trained by the Directorate of MSME as field-level facilitators and entrepreneurship support professionals to assist MSMEs and aspiring entrepreneurs. The creation of MSME Mitra positions at the DICs shall be undertaken with the approval of competent authority.

V. Grassroots volunteer/facilitator who will be recognized by the Directorate of MSME and certified for disseminating information on MSME schemes, entrepreneurship opportunities, government support programs, and industrial development and for providing free guidance to villagers, youth, and aspiring entrepreneurs will be deployed at the Panchayat level. These Grassroot volunteer will be known as “Udyog Salahkaar”. Directorate of MSME would formulate a separate guideline for selection of functioning of Udyog Salahkaar.

VI. The State will empanel Chartered Accountants (CAs) and Legal Advisors in all districts to provide professional handholding support to MSMEs and aspiring entrepreneurs on matters related to business registration, statutory compliances, taxation, accounting, financial management, loan documentation, contract management, intellectual property rights, dispute resolution, and other legal and regulatory requirements.

VII. The State would establish a dedicated MSME Development Corporation to support the promotion, facilitation, and development of MSMEs in the State. The Corporation would engage and deploy domain experts and professional personnel in areas such as finance, technology, marketing, exports, cluster development, entrepreneurship, and business advisory services to strengthen the delivery of MSME support programmes and initiatives. It will be main implementing agency for any MSME schemes whether its state or central schemes.

VIII. As per 7- Nischay II commitments of the Government of Bihar,The State shall establish four Technology and Extension Centres in the Koshi, Bhagalpur, Munger,and Purnia Divisions to provide training, technology dissemination, technical assistance, and business facilitation services to MSMEs.

IX. The Institute of Entrepreneurship Development (IED), Patliputra, shall be developed as a Centre of Excellence for entrepreneurship promotion, skill development, research, and MSME support services. The Institute shall also function as the awarding and certification body for approved training programmes.

X. To expand its outreach and service delivery, IED Extension Centres shall be established in all districts of the State. These Centres shall also engage with schools, colleges, and universities to implement entrepreneurship education programmes aimed at fostering entrepreneurial awareness and developing an entrepreneurial mindset among students from an early stage. The Directorate of MSME shall develop a separate curriculum and training framework.

XI. The State shall develop and operationalize a dedicated MSME Portal and Mobile Application to provide a unified digital platform for easy access to government schemes, registrations, approvals, grievance redressal, training, market linkages, and other MSME-related services. The Portal shall be integrated with relevant Central and State Government portals, databases, and digital platforms to enable seamless data exchange, single-windowservice delivery, real-time monitoring, and improved ease of doing business for MSMEs.

XII. In accordance with the provisions of the MSMED Act, 2006, Micro and Small Enterprises Facilitation Councils (MSEFCs) shall be established at the commissionery level under the chairmanship of the Divisional Commissioner to facilitate the timely resolution of grievances and delayed payment disputes of MSMEs. The Directorate of MSMEs would provide the necessary administrative and institutional support for the effective functioning of the Councils.

XIII. The State shall implement Ease of Doing Business (EoDB) reforms and recommendations from time to time to simplify regulatory processes, reduce compliance burden, improve service delivery, and create a business-friendly ecosystem for MSMEs.

XIV. The State shall encourage Micro, Small and Medium Enterprises (MSMEs) to obtain adequate insurance coverage to enhance business resilience against unforeseen risks, including fire, flood, natural disasters, machinery breakdown, accidents, theft, and other operational hazards that may result in significant financial losses and disruption of business operations. To facilitate wider insurance coverage, the State may empanel eligible insurance companies and develop suitable mechanisms to provide MSMEs with easy access to comprehensive and affordable insurance products. The State shall also undertake awareness, outreach, and facilitation initiatives to encourage MSMEs to avail themselves of appropriate insurance coverage for safeguarding their assets, business continuity, and employment.

7.2 Incubation / Mentoring

i. The Directorate would undertake targeted outreach and awareness initiatives to foster an entrepreneurial mindset and promote innovation through startup campaigns, innovation events, hackathons, demo days, pitching challenges, startup awards, and other ecosystem engagement programmes.

ii. It will be Facilitated creation of new ecosystem infrastructure such as Rapid Prototyping Labs, Startup cells, and B- Hubs, while strengthening and expanding existing facilities to support startup ideation, development, and growth.

iii. Strengthen incubation and acceleration capacity across the state by supporting the development and operational excellence of incubators and accelerators as critical ecosystem enablers.

iv. Establish a unified digital single-window platform enabling startups to access government financial schemes, SEBI-registered AIFs, empanelled angel investors, regulatory facilitation, mentor networks, and approved Project Management Consultants.

v. Integrate entrepreneurship and innovation into formal education by introducing dedicated learning modules in schools and universities, promoting MOOCs, facilitating internships, and encouraging experiential learning opportunities.
vi. Implement a responsive and structured grievance redressal mechanism to promptly address startup concerns and improve ease of doing business.
vii. Foster international collaborations, trade linkages, and global networking opportunities to help Bihar startups access global markets, technologies, and partnerships.

7.3 Enhance Unit Level Competiveness

i. The state shall offer a comprehensive package for new/existing MSMEs to enhance their competiveness. To encourage setting up/expansion and diversification of enterprises, a bouquet of incentives in being offered which has been detailed in financial incentives section of this documents,

7.4 Access to finance

i. Access to finance is the most critical challenges which MSME faces during the entire business/cycle from setting up to growth and transiting to the next level. Government of Bihar shall put in place to measure to ensure adequacy and availability to finance to the MSMEs.
ii. The State Government is committed to increase the Industrialization of the districts therefore the State Government shall provide additional 5% Capital Subsidy to the backward districts as defined in the BIPP Policy 2026.
iii. Directorate of MSME will design the State Specific Schemes to facilitate the MSMEs through credit linkages.
iv. The State will implement the Trade Receivables Discounting System (TReDS) and Government shall direct all the State PSUs, companies, NBFCs and financial institution to get on-boarded on the TReDS platform. The Government would also issue the guidelines for on-boarding the procuring entities in the TReDS Platform. A government order to this effect shall be released and MSMEs will be encouraged to start using the platform effectively.
v. CGTMSE has been a well establish institution supporting micro and small entrepreneurs by offering a collateral free loans and guarantee coverage of approximately 75% to 85%. For this purpose, Government of Bihar would set aside a corpus of INR 100 Crore with

CGTMSE which would be used for the additional guarantee issues on behalf of the state government.

vi. The State shall take focus measures to prevent incipient sickness in MSMEs and for the revival of the distressed/sick MSMEs.

vii. General Manager of DICs will hold regular review meeting in association with all concerned department every month to understand the issues faced by MSMEs and such issues will be brought to the notice of District Collector for resolution, the issues which require Government Intervention shall be forwarded to the MSME Director, Directorate of MSME, Department of Industries. Similarly the State would regularly hold the "Udyami Panchyat" at the State level under chairmanship of Additional Chief Secretary/Principle Secretary/Secretary of the Department of Industries.

viii. Regular SLBC meetings would held to discuss measures for revival of sick industries

ix. As per guideline and instruction of RBI, State Level Inter Intuitional Committee (SLIIC) would be constituted under the chairmanship of Director of Industries for revival and rehabilitation of Sick Industries with cooperation of Bankers.

x. Government will promote Digital lending platform for enhanced financial coverage to MSMEs. Additionally, Bihar State Financial Corporation will be strengthening to provide additional loans as per their norms and guidelines.

xi. The Micro, small and medium enterprises would be encouraged to raise funds through Stock Exchange. The Government will nominate a facilitation agency for this purpose.

7.5 Sustainability and Circularity

India has a global commitment of reducing emissions intensity of GDP by 45% by 2030 (2005 levels) and achieving net zero by 2070. Government of Bihar is committed to contribute towards a more sustainable and responsible Industrial Growth. Government Intends to encourage MSMEs to create business model with backward and forward linkages to the circular economy for this.

i. The Government will initiate an extensive energy mapping exercise to cluster parks /pocket of MSMEs industries with average energy consumption/practices indicating areas of higher energy intensity.

ii. The Government would Support for Energy/Water Audits and Adoption for solar roof top will be encouraged.

iii. The Government will prioritize regenerative resources and renewable for common infrastructure investment in the MSMEs Parks.
iv. The Government will create mechanism for leveraging technologies enabling material and energy recovery, optimization of consumption, waste minimization and re-use of waste as resources.

7.6 Import/Export Promotion/Marketing

i. As per GoI estimates, Global cross border e-commerce is estimated MSMEs to grow to USD 800 Billion by 2025 and up to USD 2 Trillion by 2030. Government of Bihar will encourage leveraging e-commerce exports opportunity to diversify their markets, earn better margins and get better visibility.
ii. The presence of MSMEs across all the major B2B and B2C export promotion platform will be enhanced through appropriate training s for digital marketing and catalogue management.
iii. Export specific collaborations will be initiated with all the major export marketplace and quarterly workshop/training will be instituted exclusively to promote MSME export through digital platforms.
iv. A dedicated Export Cell will be established in Directorate of MSME and Subject Matter Expert will be deputed to support the potential MSMEs.
v. Linkages with ODOP scheme will be promoted and cross border B2C e-commerce sales of MSME' Product will be promoted,
vi. The Bihar State Marketing Authority has been established in the State to strengthen the Marketing Ecosystem for MSMEs and facilitate the promotion of Bihar-made products in domestic as well as international markets
vii. The State will identify the products which are imported in the state from various countries and a roadmap will be made to reduce import of such products by manufacturing it in Bihar.
viii. The Directorate of MSME will identify potential exporters and develop them to Export Champion in the state.
ix. Directorate of MSME will organize global conference with leading brands, suppliers, distributors and complementary businesses to provide networking and business opportunities for these MSMEs.

x. The Directorate will conduct regular Buyer Seller Meets to encourage the opportunity for B2B and B2C marketing of the MSME Products.

xi. MSME Studio will be established in Patliputra Industrial Area for providing a dedicated platform to MSMEs for product showcasing, branding, digital marketing, content creation, e-commerce on boarding, product photography, videography, packaging design support, and promotion of Bihar-made products in domestic and international markets.

xii. The Directorate of MSME shall issue orders allowing state entities to float tenders for exclusive procurement from MSMEs. A list of 358 items for exclusive purchase from MSMEs has been notified by GoI and the same has been made available to SPSUs.

xiii. The state would implement Bihar Purchase Preference Policy and issue orders to all departments and SPSUs in the state. The Bihar Purchase Preference Policy 2024 prioritizes procurement from local industrial units, micro, small, and startup enterprises to boost local employment and manufacturing.

xiv. The Government shall mandate a minimum of 4% procurement from MSEs owned by disadvantage group (BC/SC/ST) and 3% from women owned MSEs within the total mandate of public procurement from MSMEs.

xv. The Directorate will develop state-led vendor development program in the state

xvi. The State will established Retail Market for MSME in PPP model based on the Integrated Production Promotion Marketing Hub Model for MSMEs. It will be designed as a one-stop ecosystem for micro and small enterprises. The Bihar State Marketing Authority will regulate the Retail Market and make a separate guideline and revenue model for the MSME.

7.7 Cluster Infrastructure Development

i. Government of Bihar recognizes the economic potential of Industrial clusters and aims to propel and support infrastructure development through adoption of cluster based approach in PPP mode. BIADA shall remain to be the nodal agency for infrastructure development of MSMEs and shall work closely with the Industry association to gauge evolving demand for industrial space.

ii. The State shall also formulate state specific scheme for Cluster Infrastructure Development known as Chief Minister Integrated Cluster Development Scheme (CM-ICDS).

iii. Government will provide support in establishment of Nano and Mega MSME Parks in with plug and play infrastructure and shared facility. The Nano MSME Park will be set up in 10 to 20 acres of land which could be developed on either Government land or Private land. The Mega MSME Park will be established on more than 20 acres of land. The parks will be provided with backward and forward linkages and aggregator models will be facilitated wherever possible. The MSME Parks will be developed in phased manner in every districts of Bihar.

iv. To revive and facilitate the Heritage Cluster of the State, the Government will provide support in infrastructure development and create raw material banks within the identified traditional and heritage clusters.

v. R&D Lab and Testing Infrastructure will be established in PPP mode to undertake quality improvements including standardization, accreditation, quality certification and testing services.

vi. Government will set up dedicated anchor buyer led ancillary parks for natural linkages between cluster linked and ancillary MSMEs through co-location and co-development.

vii. The cluster would be mapped on PM Gati Shakti Portal for effective Infrastructure Planning.

viii. All MSMEs and the clusters of the state will be mapped through GIS. This will help strengthening cluster development initiatives, and support balanced industrial development across the State..

7.8 Eligibility Criteria for Financial Incentives

i. To avail the benefits of the policy, the entity should meet the definition of Micro, Small and Medium Enterprises Development Act, 2006 and classified as micro, small, or medium enterprises on the basis of criteria defined by GoI and as amended by GOI from time to time.

ii. An entity will be considered as start up as per rule of Bihar Start Up Policy 2026.

7.9 Financial Incentives

Following Financial Subsidy/ Incentives are extended to Micro, Small and Medium Enterprises

S.No	Type of Subsidy/Incentives	Micro Enterprises	Small Enterprises	Medium Enterprises
1.	Capital Subsidy	30% of Fixed Capital Investment (Cap 25 Lakhs) in B Category District as defined in BIPP Policy	30% of Fixed Capital Investment (Cap 1.5 Crore) in B Category District as defined in BIPP Policy	30% of Fixed Capital Investment (Cap 5 croe) in B Category District as defined in BIPP Policy
		25 % of Fixed Capital Investment (Cap 25 Lakhs) in A Category District as defined in BIPP Policy	25 % of Fixed Capital Investment (Cap 1.5 Crore) in A Category District as defined in BIPP Policy	25% of Fixed Capital Investment (Cap 5 croe) in A Category District as defined in BIPP Policy
2.	Additional Subsidy for disadvantaged group	Additional 10% for women/ SC/ST/BC/PwD/Transgender with maximum cap of 7 Crore	Additional 10% for women/ SC/ST/BC/PwD/Transgender with maximum cap of 7Crore	Additional 10% for women/ SC/ST/BC/PwD/Transgender with maximum cap of 7 Crore
3.	Additional Subsidy for Scaling up	5% additional capital subsidy (Maximum Cap 25 Lakhs)	5% additional capital subsidy (Maximum Cap 25 Lakhs)	5% additional capital subsidy (Maximum Cap 25 Lakhs)
4.	Payroll subsidy	Reimbursement of employer's contribution to the EPF for the first three years from the date of commencement of the production, if the unit has employed more than 10 persons subject to a maximum of Rs, 24,000/- per employee per annum	Reimbursement of employer's contribution to the EPF for the first three years from the date of commencement of the production, if the unit has employed more than 20 persons subject to a maximum of Rs, 24,000/- per employee per annum	Reimbursement of employer's contribution to the EPF for the first three years from the date of commencement of the production, if the unit has employed more than 50 persons subject to a maximum of Rs, 24,000/- per employee per annum
5.	Low Tension Power Tariff Subsidy	20% of the power charges paid by the enterprises for the first 3 years from the date of commencement of production or from the date of power connection whichever is later	20% of the power charges paid by the enterprises for the first 3 years from the date of commencement of production or from the date of power connection whichever is later	20% of the power charges paid by the enterprises for the first 3 years from the date of commencement of production or from the date of power connection whichever is later
6.	Roof Top Solar Subsidy	25% of the cost of Roof Top Solar set up to the capacity of 300 Kw	25% of the cost of Roof Top Solar set up to the capacity of 300 Kw	25% of the cost of Roof Top Solar set up to the capacity of 300 Kw

S.No	Type of Subsidy/Incentives	Micro Enterprises	Small Enterprises	Medium Enterprises
		subject to a maximum limit of 5.0 Lakhs	subject to a maximum limit of 5.0 Lakhs	subject to a maximum limit of 5.0 Lakhs
7.	Energy Audit Incentive	75% of the cost of the audit subject to a maximum of 1 lakhs per energy audit	75% of the cost of the audit subject to a maximum of 1 lakhs per energy audit	75% of the cost of the audit subject to a maximum of 1 lakhs per energy audit
8.	Water Audit Incentive	75% of the cost of the audit subject to a maximum of 1 lakhs per water audit	75% of the cost of the audit subject to a maximum of 1 lakhs per water audit	75% of the cost of the audit subject to a maximum of 1 lakhs per water audit
9.	Stamp Duty	100% stamp duty reimbursement on land purchase to new manufacturing enterprises	100% stamp duty reimbursement on land purchase to new manufacturing enterprises	100% stamp duty reimbursement on land purchase to new manufacturing enterprises
10.	Quality Certification	100% reimbursement of certification and consulting charges subject to maximum of 2 lakhs for National Certification and 10 Lakhs for International Certification	100% reimbursement of certification and consulting charges subject to maximum of 2 lakhs for National Certification and 10 Lakhs for International Certification	100% reimbursement of certification and consulting charges subject to maximum of 2 lakhs for National Certification and 10 Lakhs for International Certification
11.	Subsidy for Asset creation for Intellectual Property	75% subsidy on the cost of filing of the application for patent registration including the cost of first time maintenance fee of the granted application subject to a maximum of Rs. 3 Lakhs per patent registration	75% subsidy on the cost of filing of the application for patent registration including the cost of first time maintenance fee of the granted application subject to a maximum of Rs. 3 Lakhs per patent registration	75% subsidy on the cost of filing of the application for patent registration including the cost of first time maintenance fee of the granted application subject to a maximum of Rs. 3 Lakhs per patent registration
12.	Trade Mark Registration for GI registration	50% subsidy on the cost of filing of the application for Trade Mark registration including the cost of first time maintenance fee of the granted application subject to a maximum of Rs. 25, 000 per Trade Mark if	50% subsidy on the cost of filing of the application for Trade Mark registration including the cost of first time maintenance fee of the granted application subject to a maximum of Rs. 25, 000 per Trade Mark if	50% subsidy on the cost of filing of the application for Trade Mark registration including the cost of first time maintenance fee of the granted application subject to a maximum of Rs. 25, 000 per Trade Mark if

S.No	Type of Subsidy/Incentives	Micro Enterprises	Small Enterprises	Medium Enterprises
		GI registration	GI registration	GI registration
13.	Incentive for SME exchange	-	One time assistance of 20% of the expenditure incurred for listing subject to a maximum of 5 Lakhs for successful listing on SME exchange	One time assistance of 20% of the expenditure incurred for listing subject to a maximum of 5 Lakhs for successful listing on SME exchange
14.	Net SGST Reimbursement	50% for 6 years with annual cap of 5% of Annual turnover	50% for 6 years with annual cap of 5% of Annual turnover	50% for 6 years with annual cap of 5% of Annual turnover
15.	E-Commerce Adoption	75% reimbursement of e-commerce platform subscription charges, subject to a maximum assistance of ₹1.00 lakh per unit for one time	75% reimbursement of e-commerce platform subscription charges, subject to a maximum assistance of ₹1.00 lakh per unit	75% reimbursement of e-commerce platform subscription charges, subject to a maximum assistance of ₹1.00 lakh per unit per unit one time
16.	Export Linked Performance Subsidy	Export performance incentive at 1% of incremental export growth, subject to a maximum assistance of ₹20.00 lakh per unit per financial year.	Export performance incentive at 1% of incremental export growth, subject to a maximum assistance of ₹20.00 lakh per unit per financial year.	Export performance incentive at 1% of incremental export growth, subject to a maximum assistance of ₹20.00 lakh per unit per financial year.
17.	Revival package for units	Revival package for unitsclosed for more than one yearwith investment up to INR 1 Crore	Revival package for units closed than 1 years with investment up to INR 5 Crore	Revival package for units closed than 1 years with investment up to INR 12 Crore

8. Residual Incentives and Support Provisions

Sl. No.	Incentive / Support Provision	Financial Assistance / Subsidy
8.1	R&D and Testing Centre Capital Incentives	State Government shall provide capital subsidy equivalent to 5% of eligible Plant & Machinery investment, subject to a maximum of ₹25 lakh.
8.2	Special Package for Emerging Industries	25% Capital Subsidy on eligible Plant & Machinery investment, subject to a maximum of ₹10 Crore.
8.3	Private MSME Park Development Subsidies	The State will provide ₹2 Crore assistance for Nano Clusters and ₹5 Crore assistance for Mega Clusters.
8.4	Heritage Cluster Infrastructure Grants	90% Grant-in-Aid of project cost up to ₹3 Crore for Mega Clusters and 90% Grant-in-Aid of project cost up to ₹1 Crore

Sl. No.	Incentive / Support Provision	Financial Assistance / Subsidy
		for Mini Clusters.
8.5	Export and Supply Chain Intervention Subsidies	Support to be provided as per approved project proposals and scheme guidelines.
8.6	MSME Retail Outlet Development Subsidies	Rental assistance, setup grants, and space allotment support as per approved norms and scheme guidelines.

9. Guiding Principle for availing the incentive benefits

9.1 General Conditions for Capital Investment Incentives

a. The incentive shall be admissible only on investment made in plant and machinery, equipment, and related building infrastructure. The cost of land shall not be eligible for any incentive under this category.
b. The eligible incentive shall be disbursed in two equal instalments. The first instalment shall be released upon achievement of the prescribed project implementation milestones, while the second instalment shall be released after the unit achieves at least 50% of its commercial production capacity.
c. The cost of land shall not be considered while calculating benefits under Capital Subsidy, Capital Interest Subsidy, or any other investment-linked incentive.
d. The aggregate financial assistance availed by any enterprise under this policy shall not exceed 50% of the eligible project cost or ₹10 Crore, whichever is lower.
e. An MSME that has availed assistance under the Capital Subsidy scheme shall not be eligible for assistance under the Special Capital Subsidy scheme for the same investment.

9.2 Interest Subsidy

a. Interest Subsidy shall be provided on an annual basis.
b. Eligible units shall be entitled to claim the subsidy only after payment of the full interest due to the lending institution.

9.3 Additional Incentive for Scaling Up

a. Incentives sanctioned under the Scaling Up category shall be over and above the eligible Capital Subsidy or Special Capital Subsidy available for expansion, diversification, or modernization resulting in graduation to a higher enterprise category.

b. Enterprises that have already availed Scaling Up incentives and subsequently move to a lower category due to annual updation of Udyam Registration arising from reduction in turnover or written down value of plant and machinery shall not be eligible to claim Scaling Up incentives again upon re-graduation to a higher category.
c. A Micro or Small Enterprise shall be eligible to avail the Scaling Up incentive only once for a particular enterprise category.

9.4 Payroll Subsidy

a. Eligible MSMEs shall submit claims for Payroll Subsidy within three months from the close of the relevant financial year.
b. Only regular employees shall be considered for determining eligibility under Payroll Subsidy.
c. As proof of employment, the enterprise shall furnish copies of valid returns filed under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
d. In case the employee strength falls below the prescribed threshold during any month, the subsidy shall be restricted proportionately to the months in which the eligibility conditions are fulfilled.

9.5 Low Tension Power Tariff Subsidy

a. Claims under the Low Tension Power Tariff Subsidy shall be submitted online once every six months.
b. Enterprises sharing a common electricity connection or occupying a part of another enterprise's premises and jointly consuming electricity shall not be eligible for this subsidy.

9.6 Roof Top Solar Subsidy

a. Roof Top Solar Subsidy shall be available only for new equipment purchased from the original manufacturer or an authorized dealer.

9.7 Energy Audit Subsidy

b. MSMEs undertaking a subsequent Energy Audit after a minimum interval of three years shall be eligible for subsidy.

c. Eligible units shall submit their claim after completion of one year from the date of the Energy Audit.

9.8 Quality Certification Reimbursement

a. Expenditure incurred for obtaining quality certifications relating to products, processes, or social standards shall be eligible for reimbursement, provided such certifications are recognized by the Quality Council of India or internationally recognized accreditation bodies.
b. Expenditure incurred towards renewal of quality certifications shall not be eligible for reimbursement.

9.9 Stamp Duty Reimbursement

c. Eligible enterprises shall submit applications for Stamp Duty Reimbursement within six months from the date of commencement of commercial production.

9.10 Incentive for Listing on SME Exchange

a. Eligible MSMEs shall submit applications for reimbursement within six months from the date of listing on a recognized SME Exchange.
b. Eligible expenditure for reimbursement shall include Merchant Banker Fees, Due Diligence Fees, Registrar and Transfer Agent Fees, Peer Review Auditor Fees, Exchange Fees, and Listing Charges.

10. Administration of the Policy

The Directorate of MSME, Government of Bihar, shall be the nodal agency responsible for the implementation, administration, coordination, monitoring, and overall supervision of this Policy. The Directorate shall facilitate effective execution of the policy provisions and ensure timely delivery of incentives, support services, and other benefits envisaged under the Policy. The Directorate shall work in close coordination with various State Government Departments, State Public Sector Undertakings, Financial Institutions, Industry Associations, District Administration, and relevant agencies of the Government of India to promote the growth and development of the MSME sector in the State. The Directorate shall be responsible for formulating operational guidelines, establishing implementation mechanisms, reviewing the progress of the Policy, maintaining a comprehensive database of MSMEs, monitoring outcomes, and addressing implementation-related issues. It may also engage technical institutions, professional agencies, and other stakeholders for capacity building, awareness generation, market development, technology adoption, cluster development, and facilitation of investment in the MSME sector. Further, the Directorate shall periodically assess the impact of the Policy and recommend necessary modifications, wherever required, to ensure that the objectives of industrial growth, entrepreneurship promotion, employment generation, competitiveness enhancement, and sustainable development of MSMEs in Bihar are effectively achieved.

11. Bihar MSME Development Corporation

Bihar MSME Development Corporation would be the agency for implementing the scheme under this policy in the states.

12. State Level empowered committee

A state level empowered committee under chairmanship of Secretary , Department of Industries of Government of Bihar will be constituted to monitor the progress of the implementation of the all the provisions of the policy regularly. The committee will recommend mid-course corrections, if any, for smooth implementation of the policy. The committee will be assisted by the different Divisions/Cells headed by Director, Directorate of MSMEs.

13. State Level Review and Monitoring Committee

A state level Review and Monitoring committee would be set up under the chairmanship of Secretary, Department of Industries and line Department Officers to address any ambiguity that arises in the policy and to strengthen the State's MSME ecosystem through a collaborative and an inclusive approach.

14. Annexure

Annexure I: District Categorization as per Bihar Industrial Investment Promotion Package (BIIPP).2025

S. No	Region	Districts
1	**Region A**	Aurangabad, Arwal, Banka, Bhagalpur, Bhojpur, Darbhanga, East Champaran, Gopalganj, Jamui, Jehanabad, Kaimur, Katihar, Khagaria, Kishanganj, Lakhisarai, Madhepura, Madhubani, Munger, Nawada, Nalanda, Purnea, Rohtas, Saharsa, Samastipur, Saran, Supaul, Sitamarhi, Sheikhpura, Sheohar, Siwan, West Champaran
2	**Region B**	Begusarai, Buxar, Gaya, Muzaffarpur, Patna, Vaishali

Annexure II: High Priority Sector

S. No.	High Priority Sector
1	Food Processing
2	Textiles and Leather
3	Creation for Media and Entertainment Houses
4	Logistics
5	Information Technology Enabled Services (ITeS), Electronics System Design and Manufacturing (ESDM), and Global Capability Centres (GCC)
6	Electric Vehicle (EV)
7	Pharmaceuticals and Medical Devices
8	Toys Manufacturing
9	Renewable and Green Energy (including CBG, Fuel-based Ethanol, and Methanol)

Annexure III: High Priority Sector

S. No.	Priority Sector
1	Automobiles
2	Small Machine Manufacturing
3	Mechanical Appliances
4	FMCG Products (Soap, Detergents, Washing Preparations, Organics, etc.)
5	Plastic and Rubber
6	Healthcare
7	Wood-Based Industries
8	General Manufacturing
9	Paints and Chemical Products
10	Health and Wellness Centres
11	Waste Recycling
12	Fertilizers
13	Clocks and Watches
14	Beverages, Spirits and Vinegars
15	Ceramic Products

16	Arms and Ammunition
17	Glass and Glassware
18	Bullion, Gems and Jewellery Manufacturing
19	Sports Goods Manufacturing
20	Furniture Manufacturing (Plastic, Glass, Leather, Modular, MDF, Aluminium, Metal, or a combination of these materials)

Annexure IV: Eligible Units for Special Package for Emerging Industries

S. No.	Emerging Industry Sector
1	Electronics System Design & Manufacturing (ESDM)
2	Electric Vehicles (EV) and EV Components
3	Battery and Energy Storage Systems
4	Renewable & Green Energy
5	Green Hydrogen
6	Aerospace & Defence Manufacturing
7	Medical Devices & Pharmaceuticals
8	Semiconductor & Electronics Components
9	Artificial Intelligence (AI), Internet of Things (IoT), Robotics & Automation
10	Drones and Unmanned Systems
11	Biotechnology
12	Advanced Textiles (Technical Textiles)
13	Precision Engineering
14	Data Centres & Cloud Infrastructure
15	Circular Economy & Waste Recycling Technologies

Annexure V: Units not eligible for any kind of incentives

The following units which are outlined in the negative list will not be eligible for any support under this package:

i. Units manufacturing narcotic drugs

ii. Units manufacturing alcoholic beverages

iii. Units manufacturing asbestos iv. Any industry which impacts the environment negatively

Annexure IV: Heritage & Traditional Clusters eligible for special incentive under the Policy

S. No.	Heritage & Traditional Cluster
1	Bhagalpuri Silk (Tussar & Mulberry)
2	Madhubani Painting
3	Sikki Grass Craft
4	Sujani Embroidery
5	Tikuli Art
6	Manjusha Art

7	Stone Carving & Stone Craft
8	Terracotta & Pottery
9	Bamboo & Cane Craft
10	Banana Fibre Products
11	Water Hyacinth Products
12	Makhana Processing & Value Addition
15	Handloom & Cotton Weaving
16	Jute & Natural Fibre Products
17	Wood Craft & Wooden Furniture
18	Metal Craft (Brass, Iron & Bell Metal)
19	Lac & Lac Products
21	Mithila Textile & Apparel
25	Other Heritage & Traditional Clusters as notified by the State Government