

invest
BIHAR
A land of immense opportunities



BIHAR 
BUSINESS
CONNECT
2023

**INVESTMENT OPPORTUNITIES IN
TEXTILE SECTOR**

BIHAR
LAND OF LIMITLESS OPPORTUNITIES

#BiharHaiTaiyar

TEXTILE INDUSTRY LANDSCAPE OF BIHAR





FACTORS FAVOURING TEXTILE SECTOR IN BIHAR

COMPETITIVE MANUFACTURING COST

Bihar has a huge advantage due to lower wage rates. Because of low labor cost, the manufacturing cost automatically comes down to very reasonable rates.

SKILLED / SEMI-SKILLED YOUNG MANPOWER

Bihar's population has the lowest median age (20) – or youngest working age population – in India. The presence of weaver communities is also an important asset base in terms of availability of skilled and semi-skilled workers for textile units.

LARGE AND GROWING MARKET

Bihar is the 3rd most populous state of India with total population of nearly 14 Crores. The State enjoys a unique location-specific advantage because of its proximity to the vast markets of eastern and northern India, Nepal and Bhutan.

AVAILABILITY OF RAW MATERIALS

Bhagalpur cluster holds 2nd position in India in production and export of silk fabric. Bhagalpur Silk is GI tagged. 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.

EMPLOYMENT GENERATION FOR WOMEN ENTREPRENEURS IN STATE THROUGH TEXTILE AND LEATHER HUBS ALONG WITH SUPPORT FOR THEIR TECHNICAL TRAINING ASSURES WOMEN EMPOWERMENT. THIS ALSO BOOSTS RURAL ECONOMY.

Sustainability is always among the priorities when industrialization in Bihar is talked about. The Textile and Leather hubs not only pulled in women entrepreneurs but created many. Government's initiatives to support women entrepreneurs include ensuring ease of travel to workplace facility of creche for childcare, canteen to resolve food concerns etc. Apart from women entrepreneurs, a significant pool of women workforce has been created with almost 70% workforce being women.



Creche facility by Department of Industries at Muzaffarpur Bag Cluster





**24 LAKH SQUARE FEET
OF 'READY TO MOVE'
PLUG AND PLAY
INDUSTRIAL SHEDS
AVAILABLE ON RENT**

The Department of Industries is offering a slew of plug-and-play factories - (pre-constructed facilities with all basic infrastructure) across various industrial areas and attractive locations. These facilities are being offered on 15 years of initial lease.

All necessary approvals in place. Just need to install the machines and start the production.



3000

ACRES OF LAND AVAILABLE
across the State

75

INDUSTRIAL AREAS
With 24x7 water and power supply

24 LAKH

SQ. FT. OF PLUG & PLAY FACILITY



QUICK ONLINE SERVICES

For application for land allotment

“ INDUSTRIAL LAND OR SHED SHALL BE ALLOTTED TO THE ENTREPRENEURS

FOR SETTING UP THEIR INDUSTRIAL UNITS ON LEASE OF 90 (NINETY) YEARS FROM THE DATE OF ALLOTMENT.

– For details “Land Allotment Policy 2022” may be referred.

– Land lease rate starts from ₹34 lakh/acre.

– Majority of land rates ranges between ₹50-65 lakh/acre.



Area wise land and Plug & Play details along with the rate and map available on biadabihar.in.



POLICY SUPPORT

FINANCIAL INCENTIVES



TEXTILE & LEATHER POLICY, 2022

ALL TEXTILE AND APPAREL BASED UNITS ARE ELIGIBLE TO GET INCENTIVES AS PER "BIHAR INDUSTRIAL INVESTMENT PROMOTION POLICY (TEXTILE & LEATHER POLICY), 2022".



GOVT OF INDIA SCHEMES

INVESTORS MAY LEVERAGE BENEFITS OF ANY ELIGIBLE SCHEME OF GOVT OF INDIA EVEN IF THEY ARE ANNOUNCED POST NOTIFICATION OF POLICY AND SHALL CLAIM DURING THE POLICY PERIOD.



THE STATE HAS ADOPTED BEST PRACTICES FOR MAKING A CONDUCTIVE ENVIRONMENT TO FACILITATE INVESTMENTS, GENERATE EMPLOYMENT AND WORK FOR THE WELFARE OF PEOPLE.

CAPITAL INVESTMENT SUBSIDY

- 15% of Plant and Machinery
- Capping: ₹10 crores

INTEREST SUBVENTION

- 10 - 12%
- 50% on FCI and up to ₹20 crores

EMPLOYMENT GENERATION SUBSIDY

- 300% of ESI and EPF paid against the employee
- Capping: Up to ₹5000 per employee / month

TAX RELATED INCENTIVES

- 100% of SGST
- 100% combined cap (130% for Micro and Small Units)

SKILL DEVELOPMENT SUBSIDY

- ₹20,000 per employee

POWER TARIFF SUBSIDY

- Subsidy of ₹2 per unit
- Capping: ₹2.5 – ₹80 lakhs (depending on the type of unit)

PATENT REGISTRATION

- 50% of the cost incurred
- Capping: Up to a maximum of ₹10 lakhs per patent

STAMP DUTY / REGISTRATION FEES / LAND CONVERSION

- 100% exemption

FREIGHT REIMBURSEMENT INCENTIVE

- 30% reimbursement of freight for 5 years
- Capping: ₹10 lakhs per year
- Applicable for exports only



CALCULATION MODEL

INCENTIVES FOR GARMENT UNIT (BUYER MODEL)

| No. of Machines | Estimated Capital Investment Value (INR Crores) | Employment Generation (Nos.) | Total applicable incentive in 5 years (INR Crores) | % age of Incentive in 5 years w.r.t. Estimated Capital Investment |
|-----------------|-------------------------------------------------|------------------------------|----------------------------------------------------|-------------------------------------------------------------------|
| 100 | 4.25 | 400 | 6.38 | 150% |
| 250 | 10.63 | 1000 | 15.94 | |
| 500 | 21.25 | 2000 | 31.88 | |
| 1000 | 42.50 | 4000 | 63.75 | |

Assumptions (* based on the Project report of Garment Manufacturing by Joint Director MSME, 2021)

| | | | | | |
|---------------------------------------|-----|----------------------|-----------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------|
| No. of employees / shift for 100 M/Cs | 200 | Capping on Incentive | 150% of FCI (Fixed Capital Investment) | Term loan | 10% ROI (20% Equity, 80% Loan) |
| No. of shifts | 2 | Land | 0.37 Acre per 100 M/C (@ ₹72 lakhs/ acre) (Goraul, Muzaffarpur) | Revenue generation after 2 nd year of Commercial Prod. | ₹32.68 crores (for 100 M/Cs) |

Disclaimer: These calculations are for representation purpose only. Actual calculations may differ as per the investment size.



CALCULATION MODEL

INCENTIVES FOR GARMENT UNIT (LEASE OR RENT MODEL)

| No. of M/Cs | Estimated Capital Investment Value (INR Crores) | Employment Generation (Nos.) | Total applicable incentive in 5 years (INR Crores) | % age of Incentive in 5 Yrs. w.r.t. Estimated Capital Investment |
|-------------|-------------------------------------------------|------------------------------|----------------------------------------------------|------------------------------------------------------------------|
| 100 | 2.43 | 400 | 3.65 | 150% |
| 250 | 6.08 | 1000 | 9.11 | |
| 500 | 12.15 | 2000 | 18.23 | |
| 1000 | 24.30 | 4000 | 36.45 | |

Assumptions (* based on the Project report of Garment Manufacturing by Joint Director MSME, 2021)

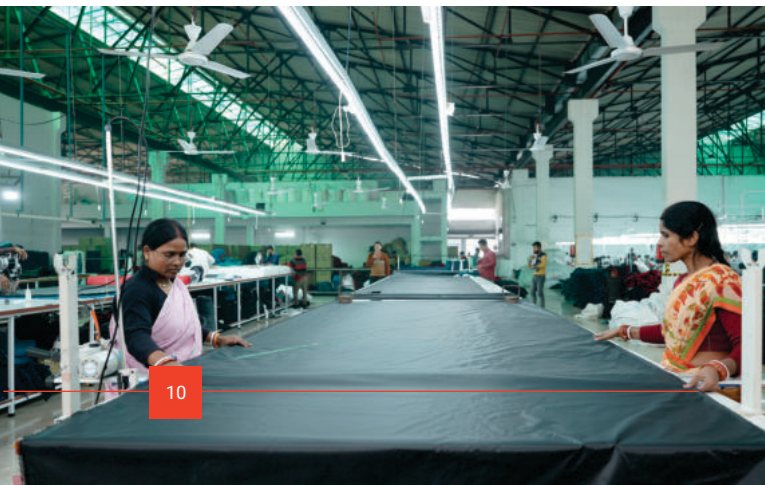
| | | | | | |
|---------------------------------------|-----|----------------------|----------------------------------------|-------------------------------------------------------------------|--------------------------------|
| No. of employees / shift for 100 M/Cs | 200 | Capping on Incentive | 150% of FCI (Fixed Capital Investment) | Term loan | 10% ROI (20% Equity, 80% Loan) |
| No. of shifts | 2 | Land | Land on lease/rent | Revenue generation after 2 nd year of Commercial Prod. | 32.68 crores (for 100 M/Cs) |

Disclaimer: These calculations are for representation purpose only. Actual calculations may differ as per the investment size.

BAG CLUSTER, MUZAFFARPUR

PROJECT SNAPSHOTS

- SPREAD OVER ABOUT 10 ACRES IN BELA INDUSTRIAL AREA, MUZAFFARPUR
- MARKET-LED/LINKAGE SUSTAINABLE, INCLUSIVE, SCALABLE, AND REPLICABLE CLUSTER DEVELOPMENT THROUGH PLUG & PLAY MODEL
- PRESENCE OF A TOTAL OF 44 UNITS (1 ANCHOR UNIT, 1 ANCILLARY AND 42 OTHER UNITS OWNED AND MANAGED BY LOCAL WOMEN ENTREPRENEURS)
- PRODUCTION CAPACITY OF APPROX. 7 LAKH BAGS PER MONTH
- PROVISION FOR COMMON FACILITY CENTER
- WELL CONNECTED TO NATIONAL HIGHWAY AND RAILWAY STATION

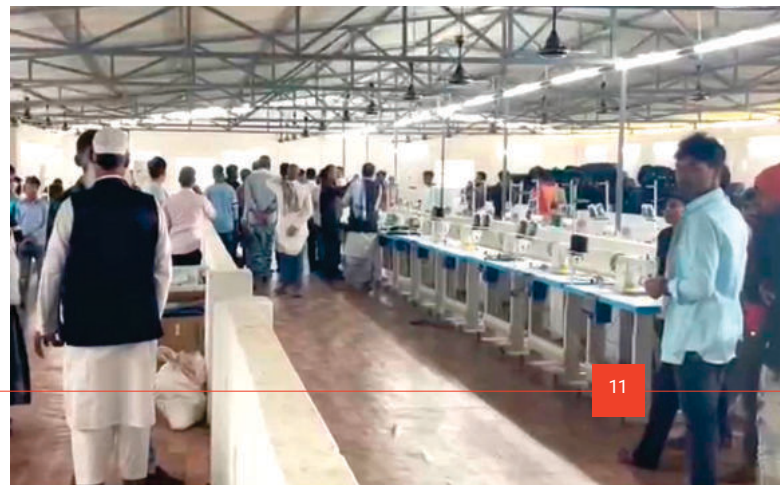


SUCCESS STORY

MOTIHARI, EAST CHAMPARAN

PROJECT SNAPSHOTS

- SPREAD IN ABOUT 5 ACRES IN MOTIHARI, EAST CHAMPARAN
- 10 BAG MANUFACTURING UNITS
- CLUSTER HAS TURNOVER OF MORE THAN 5 CRORES
- PRODUCTION CAPACITY OF APPROX. 2 LAKH BAGS PER MONTH
- CURRENTLY MOST OF THE UNITS AT MOTIHARI BAG CLUSTER ARE RUN BY WORKERS WHO RETURN TO BIHAR DURING COVID 19.



PLUG & PLAY



STATE GOVERNMENT SUPPORT FOR COMMON FACILITY CENTRE (CFC)

◦ FINANCIAL ASSISTANCE UPTO INR 10 CR FOR

CFC INCLUDES:

- PLANT AND MACHINERY FOR COMMON USES OF BY CLUSTER ENTREPRENEURS
- PACKAGING CENTRE, DESIGN CENTERS AND TESTING CENTERS
- EFFLUENT TREATMENT PLANT (ETP)
- SKILL DEVELOPMENT CUM TRAINING CENTRE
- RAW MATERIAL DEPOT



OUTCOME OF TEXTILE & LEATHER POLICY 2022

- WITHIN A YEAR, 66 TEXTILE UNITS HAVE RECEIVED STAGE-1 CLEARANCE THROUGH STATE INVESTMENT PROMOTION BOARD
- MAJOR GARMENTS UNITS - APPROXIMATELY 5000 MACHINES IN PRODUCTION AND INSTALLATION



SHAHI
& MANY MORE...



TESTIMONIAL FROM ZEEL

"Setting up our factory in Bihar was swift and seamless, thanks to Department of Industries for the incredible support. In just 55 days, we established a facility with 250 machines and 350 skilled workers, turning challenges into opportunities. Now expanding to 700 machines and 1000 labourers, Bihar's rapid growth is a game-changer for our nation. Continuous industry support fuels our progress, making Bihar an ideal hub for investors. Thank you for your unwavering support".

- Chirag Trivedi, Director, New Zeel Fashion Wear Pvt. Ltd.



New Zeel Seasonal Wear Pvt. Ltd. having its registered office in Bhiwandi, Maharashtra, specializes in manufacturing of Rain Wear and Winter Wear for both men and female segments. The company has started its operation in Hajipur, Bihar from 6th Sept. 2023 and with 450 machines.

TESTIMONIAL FROM HIGH SPIRIT

"The Department of Industries, Bihar, has been instrumental in the successful setup of our bag manufacturing unit in the Muzaffarpur Bag cluster. Their efficient services allowed us to start our business in just 55 days, showcasing their commitment to industrial growth. We value their support and look forward to growing in Bihar's dynamic industrial landscape."

-Tushar Jain (MD, Highspirit)



A Leading Manufacturer & Exporter of School and College Bags, Business & Laptop Cases, Gifting Bags, Traveling Backpacks in India with variety of Innovative Designs. This enterprise has set up 3 manufacturing units in Bihar at Muzaffarpur, Fathua and Motihari.



TESTIMONIAL FROM RSCS

"We are RSCS INTERNATIONAL, a leading Textile Garment manufacturer in Bihar's Bela Industrial Area, caters to top women's brands like W and Aurelia. The Department of Industries, Bihar, has been pivotal in our establishment with their unwavering support and transparent procedures. We appreciate their efforts and look forward to growing in Bihar's dynamic industrial landscape."

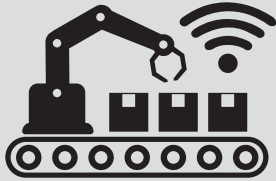
Ashok Kumar (MD, RSCS)



RSCS International is a unit in Bela, Muzaffarpur Textile Cluster and making garments (like – Ladies and Gent's wear) for various famous brands like - W. The unit has it's unit in Ludhiana as well.

The unit has 260 machines installed and is providing employment to more than 300 persons, majority of which are women (more than 200). The unit has been in operation from 25 May.2023 and is producing 2000 outfits/day.

WHAT ARE WE OFFERING



Ready to move
Plug & Play
facilities and fast
allotment process



Guided tours to
available plots
and Plug & Play
facilities with
opportunity
assessment



Full support in getting
mandatory
NOCs/licenses and
departmental
approvals through
weekly review
meetings



Single Window
Clearance: You will
just apply for
clearances, We
follow up in weekly
meetings



Support for bank
linkages



3-6 Months of
Training support



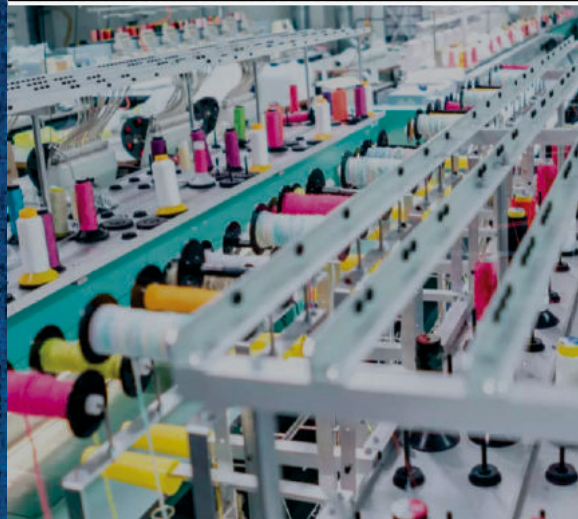
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