NEW INDUSTRIAL POLICY OFFERS UP TO 120% SUPPORT

West Bengal rolls out red carpet for industry

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The West Bengal government on Thursday unveiled a new Investment Promotion Policy to boost job creation.

The West Bengal Investment Promotion Policy, 2026, provides assistance of up to 120 per cent of eligible investment in plant and machinery for units in thrust sectors located in priority areas, disbursed over 10 years from the commencement of production.

The identified thrust sectors include semiconductors and electronics, electric vehicles and batteries, automotive, specialty steel, critical minerals processing, green hydrogen, pharmaceuticals, defence and shipbuilding.

For regular units, the assistance is capped at 100 per cent of eligible fixed capital investment. The key components of incentives for manufacturing units include financial assistance linked to State Goods and Services Tax (SGST), reimbursement of electricity duty, assistance towards Employees' Provident Fund (EPF) contributions and reimbursement of stamp duty paid on project land.

For service-sector units, the incentives include financial assistance linked to SGST, assistance towards EPF contributions, reimbursement of electricity duty and rental assistance for leased premises, to be disbursed over five years. Strategic and mega projects can seek "tailor-made" benefits.

The new policy will apply to investments made on or after May 9, when the Bharatiya Janata Party government assumed office in the state. However, the backlog of industrial incentives from the previous government — estimated at ₹50,000 crore — remains outside the scope of the policy. The policy covers micro, small and medium enterprises, large units and not-for-profit institutions, and sick or closed units, apart from strategic and mega projects and service units.

The move marks a reversal of the previous Trinamool Congress government's decision to retrospectively withdraw industrial incentives, a step that caused considerable disquiet in industry circles. Turn to Page 6

Quantum of assistance



West Bengal Chief Minister Suvendu Adhikari unveiled the investment promotion policy to generate jobs and boost industrialisation
PHOTO: PTI

- Total assistance to a unit capped at a share of its investment in plant and machinery (eligible fixed capital investment)
  100%: Regular unit
  110%: Thrust Sector unit, or unit in a Priority Area
  120%: Thrust Sector unit in a Priority Area
- Assistance ends when it reaches the cap or 10 years after production starts, whichever is earlier
- Service units receive assistance for 5 years
- Strategic and Mega Projects can be approved for more

Source: West Bengal Investment Promotion Policy, 2026

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Launching the policy in the presence of industrialists, West Bengal Chief Minister Suvendu Adhikari, said, "The earlier government deleted the word incentive. We have reintroduced it and made a provision of ₹5,000 crore," he said.

The sanctioned assistance is paid from a dedicated fund.



Industry sees a good start

Industry representatives welcomed the move, describing it as a positive beginning. "From zero incentives, we now have incentives. That's a good start, even though other states may be offering more," said an industry representative.

Harshvardhan Neotia, Chairman of the Ambuja Neotia Group, said the policy is an encouraging step towards translating the state's economic potential into investment, enterprise and employment. "The government's emphasis on a unified single window and faster clearances gives businesses the confidence to plan and execute within predictable timelines."

Bengal Chamber of Commerce & Industry called it a much-needed shot in the arm. "The single biggest relief for industry is the creation of a Dedicated Assured Incentive Fund, ensuring that sanctioned incentives are backed by a committed funding mechanism."

Addressing land challenges

Adhikari said the absence of a land policy was one reason behind the failure of West Bengal's earlier industrial policies. He said the government was studying the policies adopted by Uttar Pradesh, Maharashtra, Gujarat and Andhra Pradesh over the past three to four years, particularly their approaches to land purchase, pooling and development. A separate land policy is likely.

Responding to questions on Singur, site of the Tata Nano plant scrapped, Adhikari said the government was looking at options for the area. "We will do something there," he said, adding that discussions had been held with Ashok Leyland.

The incentive backlog

Even as the government unveiled its industrial policy, Adhikari flagged the state's limited fiscal headroom, citing a debt burden of ₹8 trillion.

He said the backlog of incentives promised under previous policies was estimated at around Rs 50,000 crore. The state may look at it when it's in a financially better position like Maharashtra and Tamil Nadu. "Let us first move forward," he said.

IIT Guwahati taps predictive AI to tackle traffic snarls

The drone study also revealed a relationship between traffic volume and road capacity. The researchers found that before congestion set in, nearly 3,000 vehicles passed a point in each lane under full traffic flow. During traffic jams, when vehicles were virtually stationary, density reached nearly 900 vehicles per kilometre of road across the entire width.

"These observations provide insights into how traffic flow evolves as roads approach capacity and how vehicle interactions change during severe congestion. Such information is particularly relevant for Indian highways and urban arterial roads, where bottlenecks can emerge from a combination of vehicle diversity, varying speeds, lane-changing behaviour, and limited road space," Maurya said.

The combination of AI and high-resolution drone data could change how traffic congestion is monitored and managed. While conventional traffic monitoring systems primarily measure traffic volume and average speeds, AI models trained on detailed vehicle trajectories can identify changing traffic patterns, anticipate congestion, and assess how traffic may respond to different road and traffic management interventions.

According to the researchers, the models could help traffic authorities forecast congestion before a traffic jam develops, identify stretches where vehicle movement is becoming unstable, and assess the likely effects of traffic diversions or changes in signal timings. In urban areas, the technology could support adaptive traffic signals that adjust green-light durations to prevailing traffic conditions rather than rely entirely on predetermined cycles.

Traffic engineers could also use the models to simulate interactions among different vehicle categories at varying traffic densities, assess the capacity of existing roads and intersections, and evaluate whether proposed road widening, junction redesign or traffic regulation measures would improve traffic flow.

"India-specific models could support more realistic traffic simulation, better road and intersection design, congestion management, capacity assessment and intelligent traffic-management systems suited to Indian conditions. As cities explore smart mobility solutions, high-resolution traffic data combined with AI-based prediction models could become an important component of urban traffic digital twins," Maurya added.