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PART IV—Bills introduced in the West Bengal Legislative Assembly; Reports of Select Committees presented or to be presented to that Assembly; and Bills published before introduction in that Assembly.

GOVERNMENT OF WEST BENGAL

LAW DEPARTMENT

Legislative

NOTIFICATION

No. 318-L.— 19th March, 2025.—The Governor having been pleased to order, under rule 66 of the Rules of Procedure and Conduct of Business in the West Bengal Legislative Assembly, the publication of the following Bill, together with the Statement of Objects and Reasons which accompanies it, in the *Kolkata Gazette*, the Bill and the Statement of Objects and Reasons are accordingly hereby published for general information:—

Bill No. 5 of 2025

REVOCATION OF WEST BENGAL INCENTIVE SCHEMES AND OBLIGATIONS IN THE NATURE OF GRANTS AND INCENTIVES BILL, 2025.

A
BILL

to rescind, revoke and discontinue all West Bengal Incentive Schemes sanctioned by the Government of West Bengal and to rescind, revoke and discontinue all other kinds of incentives by whatever name called.

WHEREAS it is necessary and expedient to pass this Act with the aim of subserving larger public interest;

AND WHEREAS it is expedient that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;

Revocation of West Bengal Incentive Schemes and Obligations in the Nature of Grants and Incentives Bill, 2025.
(Clauses 1, 2.)

AND WHEREAS the object of this Act is to make State finances available for various social welfare schemes formulated and under operation in the State of West Bengal, which are intended for utilisation by the socio-economically disadvantaged and marginalized sections of the State and not to expend such finances to provide special assistance, financial incentives, state support, benefits, concessions or special privileges at the cost of the marginalised;

AND WHEREAS the State Government is satisfied that the above change of policy is required in larger public interest;

AND WHEREAS in the larger public interest, this Act aims to withdraw the West Bengal Incentive Schemes and all kinds of obligations of the State Government and/or its Authorised Agents under such Schemes and/or under any Grants and Obligations, by whatever name called;

It is hereby enacted in the Seventy-sixth Year of the Republic of India, by the Legislature of West Bengal, as follows:—

Short title and commencement.

1. (1) This Act may be called the Revocation of West Bengal Incentive Schemes and Obligations in the Nature of Grants and Incentives Act, 2025.

(2) It shall come into force on the date of its notification in the *Official Gazette* and shall take effect retrospectively with effect from the date of implementation of each of the schemes included in Schedule, as had been notified in the *Official Gazette*.

Definitions.

2. In this Act, unless the context otherwise requires,—

(a) "appointed day" means date of notification of this Act in the *Kolkata Gazette*;

(b) "Authorised Agents" shall mean and include parastatals, undertakings, instrumentalities or any other agency or agent of the State Government, as mentioned in any Schemes or Grants or Obligations;

(c) "Grants" shall mean and include but are not limited to, all arrangements, assignments, contracts, agreements, promises and undertakings, by whatever name called and includes any Incentive under any contract or agreement or law of the State Legislature;

(d) "Incentive" shall mean and include but is not limited to State finincial support given to industrial units under the West Bengal Incentive Schemes and shall include all kinds of financial incentives, benefits, State support, subsidies, waiver of interest, duties, refund or exemption or remission or reimbursement of taxes, tax incentives, exemptions, special packages or any other form of industrial promotional assistance or any Incentive or promise or assurance under any contract or agreement or law of the State Legislature;

(e) "Obligations" shall mean and include but are not limited to those of the State Government or its Authorised Agents, arising from or in relation to all communications, correspondence, commitments, contracts, agreements or promises, by whatever name called;

Revocation of West Bengal Incentive Schemes and Obligations in the Nature of Grants and Incentives Bill, 2025.

(Clauses 3, 4.)

(f) "Schedule" is the list of all the West Bengal Incentive Schemes notified and sanctioned by the State Government;

(g) "Schemes" or "West Bengal Incentive Schemes" means Schemes mentioned in the Schedule of this Act;

(h) "State Government" or "State" means the State of West Bengal.

Effect and operation.

3. (1) Notwithstanding anything to the contrary contained in any other law for the time being in force, or in any Schemes, Grants and Obligations or contracts, agreements or promises, or in any judgement, decree, order, arbitral award of any court or tribunal, or direction of any authority, all West Bengal Incentive Schemes set out in Schedule and all other kinds of Incentives, by whatever name called, contained in any Grants or Obligations or contracts or agreements or promises, are hereby retrospectively withdrawn, rescinded, revoked and discontinued from the date of implementation of the respective Schemes, as notified in the *Official Gazette*.

(2) Notwithstanding anything to the contrary contained in any other law for the time being in force, or in any Schemes, Grants and Obligations, or contracts, agreements or promises, or in any judgement, decree, order, arbitral award of any court or tribunal, or direction of any authority, by the effect and operation of this Act:—

(a) industrial units in the State of West Bengal, shall no longer be entitled to claim or demand or enforce past arrears or dues in relation to any Incentives including but not limited to any financial incentives, benefits, State support, subsidies, waiver of interest, duties, refund or exemption or remission or reimbursement of taxes, tax incentives, exemptions, advances or any other form of industrial promotional assistance of any nature whatsoever under the West Bengal Incentive Schemes and Grants and Obligations or any Incentive under any contract or agreement or promises or any law of the State Legislature; and

(b) industrial units in the State of West Bengal, shall no longer be entitled to raise or enforce any future claims or demands in relation to any Incentives including but not limited to financial incentives benefits, State support, subsidies, waiver of interest, duties, refund or exemption or remission or reimbursement of taxes, tax incentives, exemptions, advances or any other form of industrial promotional assistance of any nature whatsoever under the West Bengal Incentive Schemes and Grants and Obligations or any Incentive under any contract or agreement or promises or any law of the State Legislature.

Overriding effect.

4. (1) Notwithstanding anything to the contrary contained in any judgement, arbitral award, decree, order or direction of any authority, court or tribunal, the State Government and/or its Authorised Agents shall no longer have any past, present or future liabilities or obligations under the West Bengal Incentive Schemes and/or under any Grants and Obligations, of any nature whatsoever, or for any Incentive under any contract or agreement or promises or any law of the State Legislature.

(2) The State Government is empowered to extend the operation of this Act to any other Schemes and/or Grants and/or Obligations, as may be notified from time to time by inclusion in Schedule.

Revocation of West Bengal Incentive Schemes and Obligations in the Nature of Grants and Incentives Bill, 2025.
(Clauses 5 – 7.)

(3) The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any,—

(a) Grants, Obligations, eligibility certificate, registration certificate, sanction letter, allotment or any other instrument by virtue of any law other than this Act or any decree of any Court or authority;

(b) law for the time being in force, judgements, awards, decrees, decisions, directions or orders passed by any court, tribunal or authority.

(4) Notwithstanding anything contained in any other law for the time being in force, no suit or other proceeding shall lie or be maintained or be proceeded with or continued in any court or before any tribunal or authority for claiming any Incentive and/or for payment and/or refund of any Incentive under any Schemes or Grants or Obligations, and no enforcement shall be made by any court, tribunal or authority of any judgement, decree, order, arbitral award or direction of any authority directing payment and/or refund of any benefits or Incentive under any Schemes or Grants or Obligations, and all such proceedings, irrespective of the stage and nature of such proceedings, if pending, shall abate forthwith.

Savings.

5. Save as otherwise provided in this Act, where any amounts in excess of entitlement under the Schemes or under any Grants or Obligations as the case may be, are found to be disbursed by the State Government or its Authorised Agents to any person or industrial units, the State Government shall be entitled to recover such excess amounts in the same manner as an arrear of land revenue, and nothing contained in this Act or any other law for the time being in force shall be construed to impinge on the rights of the State Government or its Authorised Agents to recover such excess amounts paid to any person or industrial units.

Power to make rules.

6. (1) The State Government may make rules for carrying out the purposes of this Act.

(2) Every rule made under sub-section (1) shall, as soon as may be after it is made, be laid before the State Legislature.

Power to remove difficulties.

7. (1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by order published in the *Official Gazette*, make provisions, not inconsistent with the provisions of this Act, as appears to it to be necessary or expedient for removing the difficulty.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before the State Legislature.

Revocation of West Bengal Incentive Schemes and Obligations in the Nature of Grants and Incentives Bill, 2025.

(*Schedule.*)

SCHEDULE.

List of all the West Bengal Incentive Schemes sanctioned by the State Government [including amendments, if any, from time to time].

1. West Bengal Incentive Scheme, 1993;
2. West Bengal Incentive Scheme, 1999;
3. West Bengal Incentive Scheme, 2000;
4. West Bengal Incentive Scheme, 2004;
5. West Bengal Incentive to Power Intensive Industries Scheme, 2005;
6. West Bengal Incentive Scheme, 2008;
7. West Bengal State Support for Industries Scheme, 2008;
8. West Bengal State Support for Industries Scheme, 2013;
9. West Bengal Incentive Scheme, 2015;
10. West Bengal Incentive Scheme, 2021.

Revocation of West Bengal Incentive Schemes and Obligations in the Nature of Grants and Incentives Bill, 2025.

STATEMENT OF OBJECTS AND REASONS.

It is considered necessary and expedient to propose a legislative approach to revoke the financial incentives towards the Industrial units through the introduction of the "Revocation of West Bengal Incentive Schemes and Obligations in the Nature of Grants and Incentives Bill, 2025" for the following reasons:—

(1) the continuation of such incentives has necessitated significant and ongoing financial expenditures from the State exchequer. It has been observed that the positive impact of these incentives has been largely confined to a limited number of beneficiaries and has had a minimal effect on the broader process of industrialization;

(2) the continued provision of these Schemes places considerable strain on the State's finite financial resources, which could be more effectively allocated to sectors of greater public interest, such as social welfare, human development through education and healthcare, or infrastructure enhancement;

(3) it is therefore, essential that State financial resources be directed towards initiatives that yield direct and substantial benefits for socio-economically disadvantaged and marginalized communities, thereby ensuring their upliftment and overall well-being. While industrial growth remains a crucial pillar of economic progress, evidence suggests that financial incentives have not proven to be an effective mechanism for fostering sustainable industrial expansion or improving industrial efficiency;

(4) the current incentive schemes disproportionately favour specific industries, geographic regions, or corporate entities, leading to economic disparities. A reallocation of state finances can help ensure more equitable development across various sectors and communities.

(5) to discontinue all existing industrial incentive Schemes and absolve the State Government and its authorized agencies from obligations arising under such programmes, including grants and other financial commitments;

(6) a substantial number of industrial enterprises that benefited from State incentives have either ceased operations or have undergone liquidation. This raises questions about the effectiveness and long-term viability of such financial assistance;

(7) to ensure that State financial resources are utilized to uplift socio-economically disadvantaged and marginalized sections of society. Rather than expending State finances on industrial incentives, in the public interest the focus should be on initiatives that provide broader social and economic benefits, including public health, education and infrastructure development.

2. The Bill has been framed with the above objectives in view.

3. There is no financial implication involved in giving effect to the provisions of the Bill.

KOLKATA,
The 18th March, 2025.

DR. SHASHI PANJA,
Member-in-charge.

By order of the Governor,

PRADIP KUMAR PANJA,
Pr. Secy. to the Govt. of West Bengal,
Law Department.

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