INDUSTRIAL SCENARIO & INDUSTRIAL POTENTIAL IN WEST BENGAL

Industrial Development in India

Complete Study Notes with Diagrams and 50 Practice MCQs

For WBCS, WBPSC Miscellaneous, WB Police, WBSSC, Railway (RRB), SSC, Banking, Clerkship and other State and Central Government Exams

Contents

1. Industrial Revolution: Basic Concept 2

2. Industrial Development after Independence 4

3. Industrial Policy of India 6

4. Make in India 8

5. Startup India 10

6. Skill India 12

7. Production Linked Incentive (PLI) Scheme 14

8. Industrial Corridors 16

9. Special Economic Zones (SEZ) 18

10. Ease of Doing Business 20

Quick Revision: Key Dates and Abbreviations 22

Practice MCQs (50 Questions) 23

Answer Key 27

Poly Notes Hub

How to use these notes

- Read each topic once, then revise the **Exam Pointers** boxes and the **Quick Revision** tables.
- Boxes marked **West Bengal Connect** link the national topic to the state - these are favourite areas of WBCS and other state-level exams.
- Attempt the 50 MCQs at the end without looking at the notes, then check the answer key.
- Figures and policy details are as per information available up to mid-2026. For very recent changes, cross-check with official websites (DPIIT, PIB, MSDE, Ministry of Commerce).

1. Industrial Revolution: Basic Concept

An **Industrial Revolution** is the major shift from hand production and a mainly agrarian economy to machine-based manufacturing, the factory system and mass production. It began in **Great Britain** in the second half of the 18th century (about 1760) and then spread to Europe, the USA and Japan. For government exams, the important points are its **causes, inventions, phases and effects** - including the impact on colonial India.

Why Did It Begin in Britain?

- Rich deposits of **coal and iron ore** close to each other - the energy and raw material base of early industry.
- **Colonies** supplied cheap raw materials (cotton, jute, indigo) and acted as captive markets for finished goods.
- Capital accumulated from overseas trade and banking; a stable political system and patent protection for inventors.
- An earlier **Agricultural Revolution** raised food output and released surplus labour for factories.
- Strong navy and good river, canal and port transport.

Four Phases of Industrial Revolution

Phase	Period	Key Technology / Energy	Examples
First (Industry 1.0)	c. 1760-1840	Steam power, coal, iron; mechanisation	Spinning Jenny, steam engine, textile mills, railways
Second (Industry 2.0)	c. 1870-1914	Electricity, steel, oil, chemicals; mass production	Bessemer steel, electric bulb, Ford assembly line
Third (Industry 3.0)	From c. 1950s-60s	Electronics, computers, automation	Mainframes, PLCs, internet, robots in factories
Fourth (Industry 4.0)	From c. 2010s	AI, Internet of Things, robotics, big data	Smart factories, 3D printing, driverless vehicles

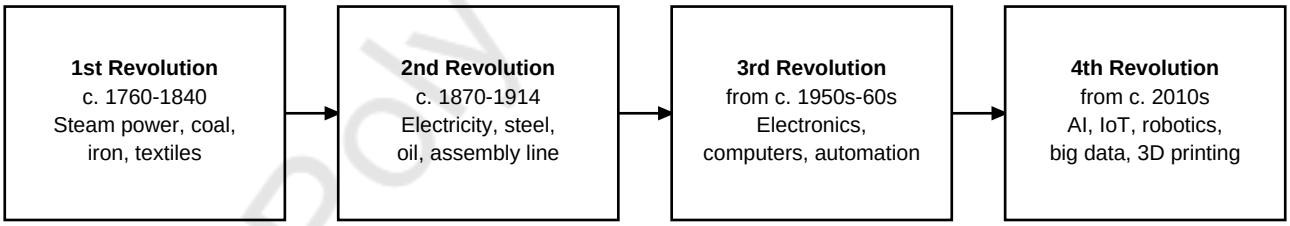


Figure 1: Four phases of the Industrial Revolution (the term Fourth Industrial Revolution was popularised by Klaus Schwab of the World Economic Forum)

Important Inventions of the Industrial Revolution

Invention	Inventor	Year
Flying Shuttle	John Kay	1733
Spinning Jenny	James Hargreaves	1764
Steam Engine (separate condenser)	James Watt	1769 (patent)
Water Frame	Richard Arkwright	1769
Spinning Mule	Samuel Crompton	1779
Power Loom	Edmund Cartwright	1785

Poly Notes Hub

Invention	Inventor	Year
Cotton Gin (USA)	Eli Whitney	1793
Steam locomotive 'Rocket'	George Stephenson	1829
Telegraph	Samuel Morse	1837
Bessemer Process (cheap steel)	Henry Bessemer	1856
Electric light bulb	Thomas Edison	1879
Moving assembly line	Henry Ford	1913

Effects of the Industrial Revolution

- **Economic:** factory system, mass production, rise of capitalism, growth of banking and trade.
- **Social:** rapid urbanisation, emergence of an industrial working class and trade unions, slums and child labour.
- **Political:** competition for colonies and markets - the Industrial Revolution strengthened imperialism.
- **On India:** cheap machine-made British cloth destroyed handicrafts such as the famous **Dhaka muslin** (deindustrialisation); India became a supplier of raw materials (cotton, jute, indigo) and a market for British goods.

Beginnings of Modern Industry in India (Colonial Period)

Year	Event	Place
1774	Coal mining begins at Raniganj (East India Company)	West Bengal
1818	Fort Gloster mill - first attempt at a cotton mill	Near Kolkata, West Bengal
1853	First railway line (Bombay to Thane)	Maharashtra
1854	Bombay Spinning and Weaving Co. - first successful cotton mill	Mumbai
1855	First jute mill at Rishra (by George Acland)	Hooghly, West Bengal
1870	Bengal Iron Works at Kulti (early iron industry)	West Bengal
1901	Bengal Chemical and Pharmaceutical Works (P.C. Ray)	Kolkata
1907	TISCO (Tata Iron and Steel Co.) - Jamsetji Tata	Sakchi, Jamshedpur
1918	Indian Iron and Steel Co. (IISCO), works at Burnpur	West Bengal

West Bengal Connect

• Bengal was the earliest industrial region of India: coal at **Raniganj**, jute along the **Hooghly** river belt, engineering at **Howrah** and trade through the port of **Kolkata** (then capital of British India till 1911).

• The **Swadeshi Movement** (1905) after the Partition of Bengal boosted Indian-owned industry, e.g. Bengal Chemical and many swadeshi mills.

Exam Pointers

• Industrial Revolution: Britain, c. 1760. First jute mill: Rishra (1855). First coal mine: Raniganj (1774).

• Spinning Jenny - Hargreaves (1764); Power loom - Cartwright (1785); Water frame - Arkwright (1769).

• Industry 4.0 = AI + IoT + robotics + big data.

Poly Notes Hub

2. Industrial Development after Independence

In 1947 India inherited a weak and narrow industrial base - mainly jute and cotton textiles, some steel and coal. **Partition** made it worse: most of the jute-growing area went to East Pakistan while the jute mills remained in West Bengal. Independent India chose a **mixed economy** with a leading role for the public sector and planned industrialisation through **Five Year Plans** (Planning Commission set up in 1950).

Phases of Industrial Development

Phase	Period	Main Features
Foundation	1948-1956	Industrial Policy Resolution 1948; Planning Commission (1950); Industries (Development and Regulation) Act 1951; First Plan focused on agriculture and power.
Heavy Industry Push	1956-1966	Industrial Policy Resolution 1956; Second Plan (Mahalanobis model) stressed heavy and basic industries; steel plants at Bhilai, Rourkela and Durgapur; rapid growth of the public sector.
Control and Regulation	1966-1980	Industrial licensing, MRTP Act 1969, bank nationalisation (1969), FERA 1973, reservation of items for small-scale industry. Slow growth - the so-called 'Hindu rate of growth' (term by Raj Krishna).
Partial Liberalisation	1980-1991	Industrial Policy 1980 and 1985: higher capacity limits, broad-banding, modernisation, growth of telecom and electronics. Ended in the 1991 balance of payments crisis.
Liberalisation Era	1991 onwards	New Industrial Policy 1991 (LPG reforms); later Make in India, Startup India, Skill India, PLI, industrial corridors.

Industrial Policy Resolution 1948

Announced on 6 April 1948 by **Dr. Syama Prasad Mookerjee**, the first Union Minister for Industry and Supply (a leader from West Bengal). It accepted the **mixed economy** and divided industries into four categories:

Category	Industries
1. State monopoly	Arms and ammunition, atomic energy, railways
2. Mixed (state to establish new units)	Coal, iron and steel, aircraft, shipbuilding, telecom equipment, mineral oils
3. Government-regulated	18 industries of national importance (heavy chemicals, fertilizers, automobiles, heavy machinery, etc.)
4. Private sector	All remaining industries

Industrial Policy Resolution 1956 - 'Economic Constitution of India'

Schedule	Content
Schedule A	17 industries - exclusive responsibility of the State (arms, atomic energy, heavy electrical plant, coal, iron and steel, air transport, railways, shipbuilding, etc.)
Schedule B	12 industries - progressively State-owned; private sector supplements (machine tools, fertilizers, road and sea transport, aluminium, etc.)
Schedule C	All other industries - left to the private sector, but under licensing control

It also stressed regional balance, small and cottage industries and a socialistic pattern of society. The **Feldman-Mahalanobis model** of the Second Plan (1956-61) gave priority to capital goods industries.

Major Public Sector Steel Plants (Second Plan)

PolyNotes Hub

Plant	State	Collaboration
Bhilai	Chhattisgarh	USSR (Soviet Union)
Rourkela	Odisha	West Germany
Durgapur	West Bengal	United Kingdom
Bokaro (1960s)	Jharkhand	USSR
IISCO, Burnpur (private since 1918; merged with SAIL in 2006)	West Bengal	Indian company, later SAIL

SAIL (Steel Authority of India Ltd.) was formed in 1973. Other public sector landmarks: ONGC (1956), BHEL and HAL (1964), Coal India Ltd. (1975, headquarters at **Kolkata**).

West Bengal Connect

• **Durgapur** steel plant and the Durgapur-Asansol belt (Mining and Allied Machinery Corporation, Durgapur Projects Ltd.) made West Bengal a leading industrial state in the 1950s-60s.

• **Chittaranjan Locomotive Works** (1950) - makes electric locomotives; **Hindustan Cables** at Rupnarayanpur; **Garden Reach Shipbuilders and Engineers** (GRSE), Kolkata - warship builder.

• **Freight Equalisation Policy (1952)** - steel and some other goods cost the same everywhere in India; this removed the advantage of eastern India's nearness to raw materials. It was withdrawn in 1992-93.

• From the 1960s-1990s West Bengal's share in national industrial output fell. Scholars link this to freight equalisation, licensing policy, power shortage, labour unrest and industrial sickness (the causes are debated).

Exam Pointers

• IPR 1948 - Syama Prasad Mookerjee. IPR 1956 - 'Economic Constitution of India', 17+12+rest classification.

• Durgapur steel plant - UK; Bhilai - USSR; Rourkela - West Germany.

• Industries (Development and Regulation) Act - 1951; MRTP Act - 1969; FERA - 1973.

Poly Notes Hub

3. Industrial Policy of India

An **industrial policy** is the government's statement of objectives, priorities and rules for the development of industry. India's policies moved from **control and public-sector dominance** (1948-1980) to **market-friendly liberalisation** (after 1991).

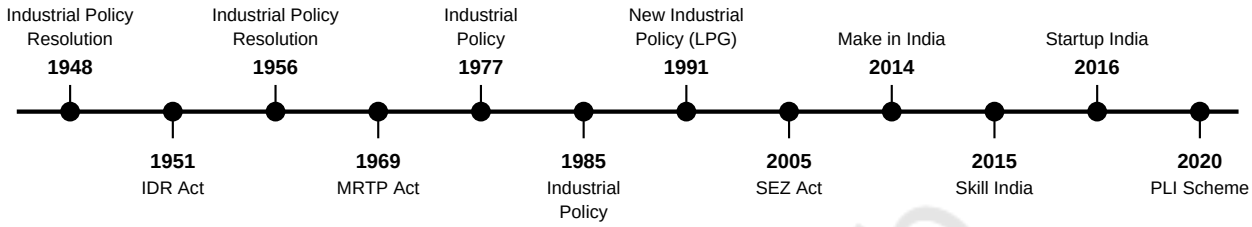


Figure 2: Timeline of important industrial policies and schemes

Industrial Policies at a Glance

Policy	Key Features
IPR 1948	Mixed economy; four-fold classification of industries; Syama Prasad Mookerjee.
IPR 1956	Schedules A, B and C; public sector given the 'commanding heights'; encouraged small and cottage industries; regional balance.
Policy 1973 and MRTP/FERA era	MRTP Act 1969 to curb concentration of economic power; FERA 1973 to regulate foreign exchange and foreign companies; large houses restricted to core industries.
Policy 1977 (Janata Government)	Stress on small and village industry; **District Industries Centres (DICs)**; tiny sector introduced; more items reserved for small industry.
Policy 1980	Promote competition, expand production, modernise; the 'pragmatic' approach with the public sector as the base.
Policy 1985	Higher MRTP threshold, broad-banding of capacity, delicensing of some industries, technology upgradation (Rajiv Gandhi Government).
New Industrial Policy 1991	Landmark reform - LPG (see below); announced 24 July 1991.

New Industrial Policy 1991 (LPG Reforms)

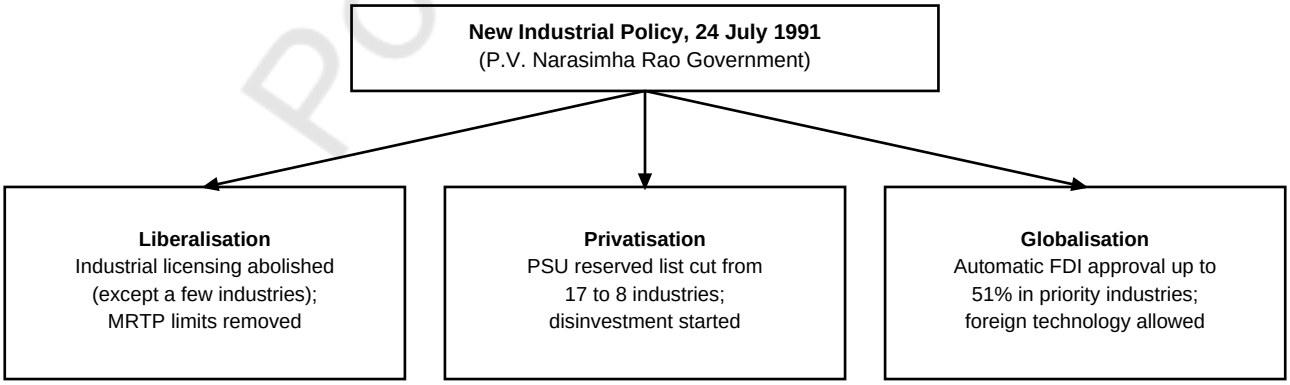


Figure 3: Three pillars of the 1991 reforms - Liberalisation, Privatisation, Globalisation

- **Abolition of industrial licensing** for almost all industries. At present, compulsory licensing remains only for a few (about 5): alcohol, cigarettes and tobacco products, hazardous chemicals, industrial explosives, and electronic aerospace and defence equipment.

Poly Notes Hub

- Reserved list for the public sector reduced from **17 to 8**; later to only atomic energy and railway operations.
- **Disinvestment** of selected public sector units; policy of encouraging private participation.
- **Automatic approval for FDI up to 51%** in 34 high-priority industries; automatic permission for foreign technology agreements; **FIPB** set up (abolished in 2017).
- MRTP Act limits on asset size removed; the MRTP Act was replaced by the **Competition Act 2002** (CCI).
- **FERA 1973 was replaced by FEMA 1999** - from regulation to management of foreign exchange.

Micro, Small and Medium Enterprises (MSME)

Governed by the **MSME Development Act, 2006**. Classification now depends on both **investment and turnover** (revised in 2020 and again effective 1 April 2025). Registration is through the **Udyam portal**.

Category	Investment in plant and machinery (from 1 April 2025)	Annual turnover
Micro	Up to Rs. 2.5 crore	Up to Rs. 10 crore
Small	Up to Rs. 25 crore	Up to Rs. 100 crore
Medium	Up to Rs. 125 crore	Up to Rs. 500 crore

Earlier limits (2020): Micro - Rs. 1 crore / Rs. 5 crore; Small - Rs. 10 crore / Rs. 50 crore; Medium - Rs. 50 crore / Rs. 250 crore.

Important Laws Related to Industry

Law	Year	Purpose
Industries (Development and Regulation) Act	1951	Licensing and regulation of industries
MRTP Act (repealed)	1969	Control monopolies and restrictive trade practices
FERA (repealed)	1973	Regulate foreign exchange and foreign companies
FEMA	1999	Manage foreign exchange; replaced FERA
Competition Act	2002	Promote competition; Competition Commission of India (replaced MRTP)
SEZ Act	2005	Develop Special Economic Zones
MSME Development Act	2006	Promote and classify MSMEs
Companies Act	2013	Regulate company formation and governance
Insolvency and Bankruptcy Code	2016	Time-bound resolution of insolvency

Exam Pointers

• NIP 1991 - 24 July 1991 - P.V. Narasimha Rao (PM), Dr. Manmohan Singh (Finance Minister). LPG = Liberalisation, Privatisation, Globalisation.

• Public sector reserved industries: 17 (1956) to 8 (1991). Policy 1977 - DICs. MRTP replaced by Competition Act 2002.

• Nodal department for industrial policy: **DPIIT** (Department for Promotion of Industry and Internal Trade), Ministry of Commerce and Industry.

Poly Notes Hub

4. Make in India

Make in India is a flagship programme to turn India into a global **manufacturing and design hub**, attract investment, create jobs and increase the share of manufacturing in GDP.

Feature	Details
Launched	25 September 2014 by Prime Minister Narendra Modi
Nodal agency	DPIIT, Ministry of Commerce and Industry (Invest India as investment promotion agency)
Logo	A lion made of cogwheels (inspired by the Ashoka Lion Capital)
Slogan	'Zero Defect, Zero Effect' (quality products without harming the environment)
Objectives	Raise manufacturing share of GDP to 25% (original target year 2022, later extended); create 100 million manufacturing jobs; increase FDI; make India a global manufacturing hub
Version 2.0	Launched in 2021 - focus on 27 sectors (15 manufacturing and 12 services)

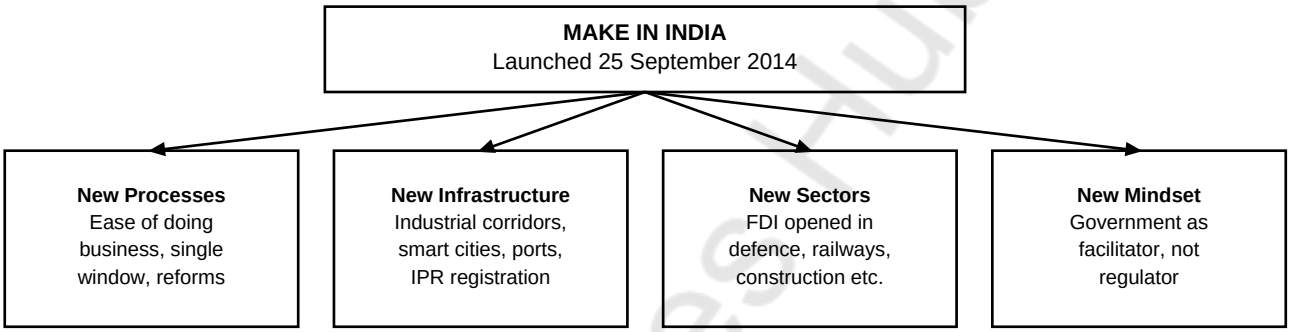


Figure 4: Four pillars of Make in India

25 Priority Sectors (original list)

Automobiles; Auto components; Aviation; Biotechnology; Chemicals; Construction; Defence manufacturing; Electrical machinery; Electronic systems; Food processing; IT and BPM; Leather; Media and entertainment; Mining; Oil and gas; Pharmaceuticals; Ports and shipping; Railways; Renewable energy; Roads and highways; Space; Textiles and garments; Thermal power; Tourism and hospitality; Wellness.

Major Supporting Measures

- **FDI liberalisation:** 100% automatic route in most sectors; defence automatic route raised to 74% (2020); 100% in railway infrastructure.
- **Ease of doing business reforms:** online single-window clearances, simplified registration, reduced compliance.
- **Related schemes:** PLI schemes, industrial corridors, Startup India, Skill India, National Single Window System, PM GatiShakti.
- **Corporate tax cut (2019):** 15% rate for new manufacturing companies (subject to conditions).

Challenges

- Share of manufacturing in GDP has stayed around 15-17%, below the 25% target.
- Land acquisition, logistics costs, power tariffs, labour-law complexity and dependence on imported components.
- Competition from China and ASEAN countries; need for skilled workforce and R and D investment.

Poly Notes Hub

West Bengal Connect

• West Bengal's strengths for manufacturing: Kolkata and Haldia ports, the Durgapur-Asansol industrial belt, Haldia petrochemicals, jute, tea, leather (Bantala leather complex), engineering and defence shipbuilding (GRSE).

• The state holds the **Bengal Global Business Summit (BGBS)** (since 2015) to attract investment and runs the **Shilpasathi** single-window clearance system.

Exam Pointers

• Make in India - 25 Sept 2014; lion with cogwheels; four pillars: New Processes, New Infrastructure, New Sectors, New Mindset.

• Target: 25% manufacturing share in GDP; 25 sectors; nodal - DPIIT.

Poly Notes Hub

5. Startup India

Startup India is an initiative to build a strong ecosystem for innovation and start-ups, drive economic growth and generate large-scale employment.

Feature	Details
Launched	16 January 2016 (16 January is celebrated as **National Startup Day**)
Implementing agency	DPIIT, Ministry of Commerce and Industry
Action Plan	19-point Action Plan under three pillars: (1) Simplification and Handholding, (2) Funding Support and Incentives, (3) Industry-Academia Partnership and Incubation
Fund of Funds for Startups (FFS)	Corpus Rs. 10,000 crore, managed by **SIDBI**; invests through SEBI-registered venture funds
Startup India Seed Fund Scheme	Launched 2021, Rs. 945 crore - for proof of concept, prototype and early-stage needs
Credit Guarantee Scheme (CGSS)	Guarantee cover for collateral-free loans to DPIIT-recognised start-ups

Who is a 'Startup'? (DPIIT Recognition)

- Entity incorporated as a Private Limited Company, Registered Partnership Firm or LLP in India.
- Not older than **10 years** from the date of incorporation.
- Annual turnover must not have exceeded **Rs. 100 crore** in any financial year since incorporation.
- Working towards innovation, development or improvement of products/services, or a scalable business model with high employment/wealth-creation potential. Entities formed by splitting up or reconstructing an existing business are not eligible.

Benefits to Recognised Start-ups

Benefit	Details
Tax holiday	Income-tax exemption on profits for **3 consecutive years** out of the first 10 (Section 80-IAC), for eligible start-ups, subject to conditions
Self-certification	Compliance under 3 labour laws and 3 environment laws through self-certification
IPR support	80% rebate on patent filing fees; 50% rebate on trademark filing; fast-track patent examination
Public procurement	Relaxation of prior experience and turnover norms in government tenders
Easy exit	Fast exit within 90 days under the Insolvency and Bankruptcy Code

Related Schemes

Scheme	Year	Key Points
Stand-Up India	2016	Bank loans of Rs. 10 lakh to Rs. 1 crore for SC/ST and women entrepreneurs for greenfield enterprises (manufacturing, services, trading); at least one per bank branch
Pradhan Mantri MUDRA Yojana (PMMY)	2015	Collateral-free loans to micro enterprises: Shishu (up to Rs. 50,000), Kishor (Rs. 50,001 to 5 lakh), Tarun (Rs. 5 lakh to 10 lakh); 'Tarun Plus' up to Rs. 20 lakh added in 2024
Atal Innovation Mission (AIM)	2016	NITI Aayog initiative; Atal Tinkering Labs in schools, Atal Incubation Centres
Startup India Seed Fund	2021	Early-stage funding through selected incubators

A **unicorn** is a start-up valued at more than **US$ 1 billion**. India has one of the largest start-up ecosystems in the world.

Poly Notes Hub

West Bengal Connect

• Kolkata's **Salt Lake Sector V** and **New Town (Rajarhat)** are the main IT and start-up clusters of the state; **Webel** (West Bengal Electronics Industry Development Corporation) promotes IT/electronics parks.

• **IIT Kharagpur** hosts one of India's oldest technology incubators (STEP).

Exam Pointers

• Startup India - 16 Jan 2016 (National Startup Day); FFS - Rs. 10,000 crore via SIDBI; 19-point Action Plan.

• Stand-Up India: Rs. 10 lakh - 1 crore for SC/ST/women. MUDRA: Shishu, Kishor, Tarun. Unicorn: over US$ 1 billion.

Poly Notes Hub

6. Skill India

Skill India aims to train a large number of youth in industry-relevant skills so that India can use its **demographic dividend** (large share of working-age population) and supply skilled manpower to industry.

Feature	Details
Launched	15 July 2015 (World Youth Skills Day) by PM Narendra Modi
Ministry	Ministry of Skill Development and Entrepreneurship (MSDE), created in **November 2014**
Target (2015)	Skill 40 crore people by 2022
Policy	National Policy for Skill Development and Entrepreneurship, 2015
Institutions	National Skill Development Corporation (**NSDC**, 2008, public-private partnership); National Skill Development Agency (NSDA); Directorate General of Training (DGT) - runs ITIs and apprenticeships
Framework	**NSQF** - National Skills Qualification Framework (levels 1 to 10)

Major Schemes under Skill India

Scheme	Key Points
PMKVY - Pradhan Mantri Kaushal Vikas Yojana (2015)	Flagship scheme of MSDE; short-term skill training, assessment and certification, with monetary reward on certification; implemented through NSDC. Later versions: PMKVY 2.0 (2016-20), 3.0 (2020-21), 4.0 (2022)
DDU-GKY	Deen Dayal Upadhyaya Grameen Kaushalya Yojana (Ministry of Rural Development) - placement-linked skilling for rural poor youth aged 15-35
NAPS	National Apprenticeship Promotion Scheme (2016) - government shares part of the stipend paid by employers to apprentices
Jan Shikshan Sansthan	Skills for non-literate, neo-literate and school drop-outs, especially in rural and slum areas
ITIs	Industrial Training Institutes - trade-based training after Class 8/10 under DGT
PM Vishwakarma (2023)	For artisans in 18 traditional trades; skill training, toolkit incentive and collateral-free credit
Skill India Digital Hub	Online platform for courses, certification and job opportunities

Why Skill Development Matters

- India has one of the youngest populations in the world; skills convert population into productive human capital.
- Reduces the gap between education and industry needs; supports Make in India and Startup India.
- Helps self-employment, reduces unemployment and raises productivity and wages.
- Challenges: low social acceptance of vocational education, quality of training, weak industry linkage and placements.

West Bengal Connect
• The state runs its own skill mission - **Utkarsh Bangla** - through the Department of Technical Education, Training and Skill Development, with polytechnics, ITIs and training partners.
• Siliguri, Durgapur, Kolkata and Haldia are major centres for industry-linked technical training.

Poly Notes Hub

Exam Pointers
• Skill India - 15 July 2015. MSDE - Nov 2014. NSDC - 2008 (PPP). PMKVY - flagship scheme. DDU-GKY - rural youth (Ministry of Rural Development).
• NSQF - 10 levels. Target - 40 crore skilled by 2022.

Poly Notes Hub

7. Production Linked Incentive (PLI) Scheme

Under the **PLI scheme** the government gives **cash incentives on incremental sales** of goods manufactured in India, to attract investment, boost domestic manufacturing, create scale and make Indian industry globally competitive. It is a key part of **Atmanirbhar Bharat** (self-reliant India).

Feature	Details
Started	March 2020 for mobile phones and electronic components (effective 1 April 2020); extended to 14 sectors in November 2020
Total outlay	About Rs. 1.97 lakh crore over 5 years for 14 sectors (initial announcement)
Incentive	Generally **4% to 6%** of incremental sales of goods manufactured in India over a base year, for a fixed period (usually 5 years)
Eligibility	Companies must meet minimum investment and sales thresholds fixed for each sector
Objectives	Reduce import dependence, create jobs, increase exports, build global champions, bring in technology

The 14 PLI Sectors

No.	Sector	No.	Sector
1	Mobile manufacturing and specified electronic components	8	Telecom and networking products
2	Critical key starting materials, drug intermediates and APIs	9	Electronic/technology products (IT hardware)
3	Medical devices	10	White goods (air conditioners and LED lights)
4	Automobiles and auto components	11	Food products
5	Pharmaceutical drugs	12	Textile products (man-made fibre and technical textiles)
6	Specialty steel	13	High-efficiency solar PV modules
7	Advanced Chemistry Cell (ACC) battery	14	Drones and drone components

Other Related Initiatives

- **Semicon India Programme (Dec 2021):** outlay about **Rs. 76,000 crore** to build a semiconductor and display manufacturing ecosystem; fiscal support for fabs and OSAT/ATMP units.
- **PLI for large-scale electronics manufacturing** and **PLI for IT hardware** to deepen the electronics supply chain.
- Related: Phased Manufacturing Programme (PMP), Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS), National Manufacturing Policy 2011.

Advantages and Criticism

Advantages	Criticism / Challenges
Boosts investment and exports; creates jobs; reduces imports; attracts global firms (e.g. in mobile phones)	Benefits go to large firms; MSMEs gain less; cost to the exchequer
Develops supply chains and local component industry	Dependence on imported inputs continues; WTO subsidy concerns have been raised by some countries

Poly Notes Hub

West Bengal Connect

• Strategic advantages usually cited for the state: ports at **Kolkata and Haldia**, the **Eastern DFC** terminus at Dankuni, access to eastern minerals and a gateway to Bangladesh and the North-East.

• Sectors with a base in the state: jute and textiles, leather, engineering, pharmaceuticals, food processing and IT/electronics (Sector V, New Town).

Exam Pointers

• PLI - 2020; 14 sectors; incentive 4-6% on incremental sales; outlay about Rs. 1.97 lakh crore.

• First PLI sector: mobile phones and electronic components. Semiconductor programme: Rs. 76,000 crore (2021).

Poly Notes Hub

8. Industrial Corridors

An **industrial corridor** is a planned region around a major transport route (railway, highway or freight corridor) where industrial nodes, smart cities, logistics hubs and infrastructure are developed together to attract investment and create jobs. India's corridor programme is run through the **National Industrial Corridor Development and Implementation Trust (NICDIT)** under the National Industrial Corridor Development Programme (NICDP), supported by **PM GatiShakti** for integrated infrastructure planning.

Major Industrial Corridors

Corridor	States / Route	Key Facts
Delhi-Mumbai Industrial Corridor (DMIC)	Delhi, Uttar Pradesh, Haryana, Rajasthan, Madhya Pradesh, Gujarat, Maharashtra	About 1,483 km; first and largest; developed with **Japan's** support; aligned with the Western DFC; includes Dholera Smart City (Gujarat)
Amritsar-Kolkata Industrial Corridor (AKIC)	Punjab, Haryana, Uttarakhand, Uttar Pradesh, Bihar, Jharkhand, West Bengal	Along the **Eastern DFC**; links Punjab with West Bengal (terminus at Dankuni)
Chennai-Bengaluru Industrial Corridor (CBIC)	Tamil Nadu, Karnataka, Andhra Pradesh	Developed with Japanese (JICA) support; nodes like Krishnapatnam (AP)
East Coast Economic Corridor (ECEC)	Kolkata (West Bengal) to Kanyakumari (Tamil Nadu), along the east coast	Phase 1 is the Visakhapatnam-Chennai Industrial Corridor (VCIC), supported by the Asian Development Bank
Bengaluru-Mumbai Economic Corridor (BMEC)	Karnataka, Maharashtra	Developed with UK support; passes via Dharwad, Pune
Other corridors	Hyderabad-Nagpur, Hyderabad-Warangal, Hyderabad-Bengaluru, Odisha Economic Corridor	Proposed / under development

Dedicated Freight Corridors (DFC)

DFCs are high-capacity railway lines exclusively for freight, built by the **Dedicated Freight Corridor Corporation of India Ltd. (DFCCIL, set up 2006)**. They form the backbone of the industrial corridors.

Corridor	Route	Length	Funding
Western DFC	JNPT (Mumbai) to Dadri (UP)	About 1,506 km	Japan (JICA) loan
Eastern DFC	Ludhiana (Punjab) to Dankuni (West Bengal)	About 1,337 km	World Bank loan

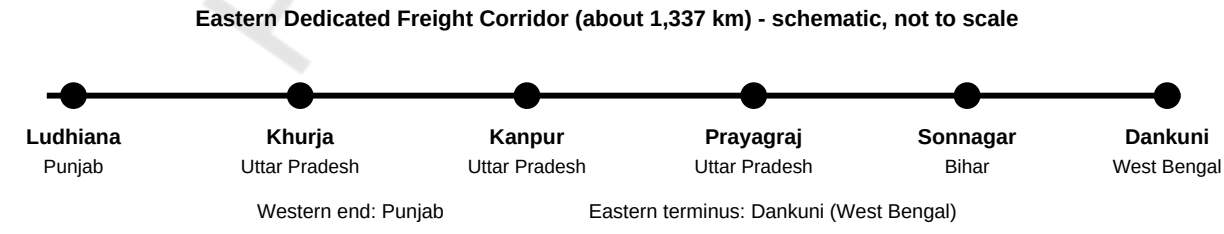


Figure 5: Eastern DFC - from Punjab to the West Bengal terminus at Dankuni

Benefits of Industrial Corridors

- Integrated industrial, logistics and urban infrastructure (plug-and-play industrial parks, power, water, rail and road links).
- Lower logistics costs and faster freight movement; improved export competitiveness.
- Large-scale employment, boost to MSMEs, regional balance and planned urbanisation (smart cities).

- Attracts foreign investment, especially from Japan.

West Bengal Connect
• West Bengal is part of the **AKIC** and the **ECEC** (Kolkata is the northern end of the East Coast corridor).
• **Dankuni** (Hooghly district) is the terminus of the Eastern DFC and a logistics and industrial hub near Kolkata.
• Ports: Syama Prasad Mookerjee Port (Kolkata and Haldia) - gateway for eastern India, Nepal, Bhutan and the North-East.

Exam Pointers
• DMIC - first corridor, about 1,483 km, Japan collaboration. AKIC - along Eastern DFC, covers West Bengal.
• Eastern DFC: Ludhiana to Dankuni; Western DFC: JNPT to Dadri. DFCCIL - 2006. Nodal body: NICDIT.

Poly Notes Hub

9. Special Economic Zones (SEZ)

A **Special Economic Zone** is a specially demarcated duty-free enclave, treated as **foreign territory** for trade operations, duties and tariffs, with relaxed regulations to promote exports, investment and employment. The idea was inspired by China's success (Shenzhen).

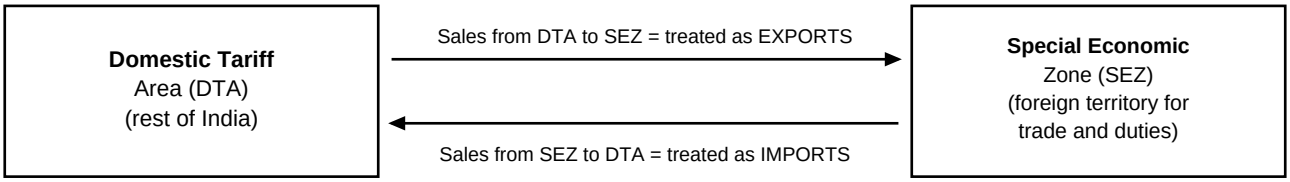


Figure 6: SEZ is treated as foreign territory for trade purposes

Evolution of SEZs in India

Year	Development
1965	**Kandla** (Gujarat) - Asia's first Export Processing Zone (EPZ)
1973	SEEPZ, Santacruz (Mumbai)
1980s	More EPZs: Cochin, Falta (West Bengal), Madras, Noida, Visakhapatnam - 7 EPZs in all
April 2000	SEZ policy introduced in the Export-Import Policy; existing EPZs converted to SEZs
2005 (Act)	**SEZ Act, 2005** passed; SEZ Rules came into force on 10 February 2006
2018-2022	Baba Kalyani Committee (2018) recommended Employment and Enterprise Hubs; Budget 2022 announced replacing the SEZ Act with new legislation to develop 'enterprise and service hubs' (DESH Bill proposed)

Key Features and Incentives

- **Administration:** Ministry of Commerce and Industry (Department of Commerce); Board of Approval; each SEZ has a Development Commissioner.
- **Duty-free** import or domestic procurement of goods and services for authorised operations; exemption from customs duty, GST and others as per law.
- **Income-tax holiday** for export income under Section 10AA for units that began before 31 March 2020 (100% for first 5 years, 50% for next 5, and a 50% ploughed-back benefit afterwards).
- Single-window clearance, simplified compliance and self-certification; External Commercial Borrowing allowed up to limits.
- **Types:** multi-product SEZs, sector-specific SEZs (IT/ITES, gems and jewellery, electronics, textiles, biotech, pharma) and Free Trade and Warehousing Zones (FTWZ).

EPZ vs SEZ

Basis	Export Processing Zone (EPZ)	Special Economic Zone (SEZ)
Nature	Mainly manufacturing for export; small enclave	Larger, integrated township with industry, services, housing and infrastructure
Legal basis	Government policy / Export-Import Policy	SEZ Act 2005 and SEZ Rules 2006
Regulation	Multiple controls and approvals	Single-window; fewer controls; relaxed rules
Focus	Exports	Exports, investment, employment and regional development

Poly Notes Hub

Issues and Criticism

- Large-scale **land acquisition** - displacement of farmers and protests.
- Revenue loss from tax exemptions; concerns about real-estate speculation and under-use of notified land.
- Many units shifted from non-SEZ areas only to claim benefits ('relocation' rather than new investment).

West Bengal Connect
• **Falta SEZ** (South 24 Parganas) - one of India's original EPZs, converted into an SEZ. Other zones include the **Manikanchan Gems and Jewellery SEZ** (Kolkata) and IT/ITES SEZs in Salt Lake Sector V and New Town.
• **Singur** (Hooghly): land acquisition for the Tata Nano plant (2006-08) led to a major agitation; the company moved to Sanand (Gujarat) and in **August 2016** the Supreme Court quashed the acquisition and ordered land to be returned to farmers.
• **Nandigram** (Purba Medinipur): a proposed chemical hub/SEZ saw violent protests in 2007. Both episodes are key to the land-acquisition debate in West Bengal.

Exam Pointers
• First EPZ in Asia - Kandla (1965). SEZ Policy - April 2000. SEZ Act - 2005; Rules - 2006. Nodal - Department of Commerce.
• Falta (West Bengal) - one of the original EPZs/SEZs. Singur - Tata Nano; Supreme Court verdict - August 2016.

Poly Notes Hub

10. Ease of Doing Business

Ease of Doing Business (EoDB) measures how easy it is to start, run and close a business in a country. The **World Bank** published the **Doing Business Report** annually (ranking 190 economies) until it was **discontinued in September 2021** after data irregularities were found. The World Bank has since started a new project called **B-READY** (Business Ready), with the first report released in 2024.

The 10 Indicators of Doing Business

1. Starting a business	6. Protecting minority investors
2. Dealing with construction permits	7. Paying taxes
3. Getting electricity	8. Trading across borders
4. Registering property	9. Enforcing contracts
5. Getting credit	10. Resolving insolvency

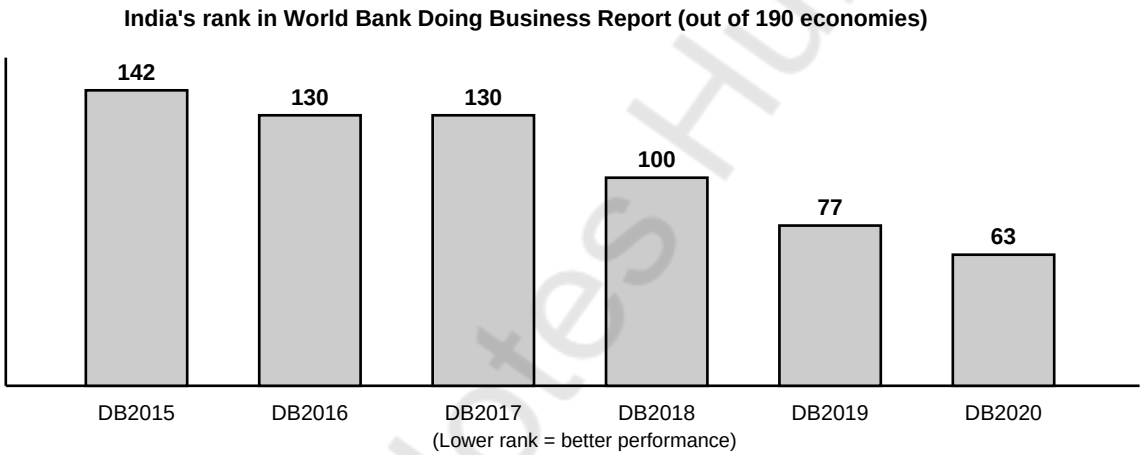


Figure 7: India's rise in the World Bank Doing Business ranking, from 142nd (DB2015) to 63rd (DB2020)

Reforms that Improved India's Ease of Doing Business

Reform	Year	Purpose
Shram Suvidha Portal	2014	Single online platform for labour law compliance
Companies Act	2013	Modern corporate governance and easy incorporation (SPICe+ online form from 2020)
Insolvency and Bankruptcy Code	2016	Time-bound insolvency resolution
GST	1 July 2017	'One nation, one tax'; removed cascading of taxes
Corporate tax cut	2019	22% base rate; 15% for new manufacturing companies
Udyam registration	2020	Simple online registration for MSMEs
National Single Window System (NSWS)	2021	Single online platform for approvals and clearances for investors
Jan Vishwas Act	2023	Decriminalised minor offences in many laws

State-level Efforts

- **Business Reform Action Plan (BRAP)** - DPIIT, with the World Bank, ranks States on reform implementation (since 2015); this encourages healthy competition among States ('competitive federalism').
- Land banks, single-window portals, online building permits, deemed approvals and time-bound services.

PolyNotesHub

West Bengal Connect

• **Shilpasathi** - single-window system for industrial approvals; **WBIDC** (West Bengal Industrial Development Corporation) - state nodal agency for industrial promotion and land bank.

• **Bengal Global Business Summit (BGBS)** - annual investor summit, first held in 2015.

• Challenges commonly discussed: land availability, perception of labour and political issues, and the need for industrial infrastructure in North Bengal (e.g. Siliguri, Dooars tea belt) and western districts.

Exam Pointers

• India's rank: 142 (DB2015) to 63 (DB2020) out of 190. Report discontinued - September 2021. Replacement: B-READY.

• 10 indicators; BRAP ranks States. IBC 2016, GST 2017, NSWS 2021 are key reforms.

Poly Notes Hub

Quick Revision: Key Dates and Abbreviations

Important Dates at a Glance

Year / Date	Event
1774	Coal mining begins at Raniganj
1855	First jute mill at Rishra, Bengal
1907	TISCO established at Jamshedpur
6 April 1948	Industrial Policy Resolution 1948
1950	Planning Commission set up
1951	Industries (Development and Regulation) Act
1956	Industrial Policy Resolution 1956 ('Economic Constitution of India')
1965	Kandla - Asia's first EPZ
1969	MRTP Act
1973	FERA; SAIL formed
1991 (24 July)	New Industrial Policy (LPG)
1999 / 2002	FEMA / Competition Act
2005 / 2006	SEZ Act / SEZ Rules
2006	MSME Development Act; DFCCIL set up
25 Sept 2014	Make in India launched
15 July 2015	Skill India launched
16 Jan 2016	Startup India launched
2017 (1 July)	GST implemented
2020	PLI scheme begins; revised MSME definition; Udyam registration
2021	Semicon India Programme; NSWS; PM GatiShakti

Important Abbreviations

Abbreviation	Full Form	Abbreviation	Full Form
DPIIT	Department for Promotion of Industry and Internal Trade	NSDC	National Skill Development Corporation
MSME	Micro, Small and Medium Enterprises	PMKVY	Pradhan Mantri Kaushal Vikas Yojana
MRTP	Monopolies and Restrictive Trade Practices	NSQF	National Skills Qualification Framework
FERA / FEMA	Foreign Exchange Regulation / Management Act	SIDBI	Small Industries Development Bank of India
SEZ / EPZ	Special Economic Zone / Export Processing Zone	DMIC	Delhi-Mumbai Industrial Corridor
PLI	Production Linked Incentive	AKIC	Amritsar-Kolkata Industrial Corridor
DFC	Dedicated Freight Corridor	BRAP	Business Reform Action Plan
IBC	Insolvency and Bankruptcy Code	BGBS	Bengal Global Business Summit

Poly Notes Hub

Practice MCQs (50 Questions)

Choose the correct option. Answer key is given at the end.

Q1. The Industrial Revolution first began in which country?

(A) France
(B) Germany
(C) Great Britain
(D) USA

Q2. Who invented the Spinning Jenny in 1764?

(A) Richard Arkwright
(B) James Hargreaves
(C) Edmund Cartwright
(D) John Kay

Q3. The Power Loom was invented by:

(A) Eli Whitney
(B) Samuel Crompton
(C) James Watt
(D) Edmund Cartwright

Q4. Which of the following is associated with the Fourth Industrial Revolution?

(A) Artificial Intelligence and Internet of Things
(B) Steam engine
(C) Assembly line
(D) Spinning Jenny

Q5. The term 'Fourth Industrial Revolution' was popularised by:

(A) Alvin Toffler
(B) Klaus Schwab
(C) Adam Smith
(D) Karl Marx

Q6. The first jute mill in India (1855) was set up at:

(A) Howrah
(B) Barrackpore
(C) Titagarh
(D) Rishra

Q7. The first Industrial Policy Resolution of independent India was announced in:

(A) 1948
(B) 1950
(C) 1956
(D) 1991

Q8. Which resolution is often called the 'Economic Constitution of India'?

(A) IPR 1948
(B) IPR 1956
(C) New Industrial Policy 1991
(D) Industrial Policy 1977

Q9. The Durgapur Steel Plant was set up with the collaboration of:

(A) USSR
(B) West Germany
(C) USA
(D) United Kingdom

Q10. The Industries (Development and Regulation) Act was passed in:

(A) 1951
(B) 1948
(C) 1956
(D) 1969

Q11. The Bhilai Steel Plant was built with the help of:

(A) United Kingdom
(B) West Germany
(C) USSR
(D) Japan

Q12. The Second Five Year Plan (1956-61) mainly emphasised:

(A) Agriculture and irrigation
(B) Poverty alleviation
(C) Services and trade
(D) Heavy and basic industries

Poly Notes Hub

Q13. Chittaranjan Locomotive Works is located in:

(A) Jharkhand (B) West Bengal
(C) Bihar (D) Odisha

Q14. The IISCO steel plant (now part of SAIL) is located at:

(A) Burnpur (B) Bokaro
(C) Salem (D) Visakhapatnam

Q15. The New Industrial Policy (LPG reforms) was announced in:

(A) 1980 (B) 1985
(C) 1991 (D) 1997

Q16. Under the 1991 policy, industries reserved for the public sector were reduced from 17 to:

(A) 5 (B) 8
(C) 12 (D) 3

Q17. The MRTP Act was replaced by:

(A) FEMA 1999 (B) Competition Act 2002
(C) Companies Act 2013 (D) SEBI Act 1992

Q18. The Foreign Exchange Management Act (FEMA), which replaced FERA, was enacted in:

(A) 1991 (B) 1995
(C) 1999 (D) 2005

Q19. The MSME Development Act was passed in:

(A) 2000 (B) 2006
(C) 2010 (D) 2016

Q20. Under the revised MSME classification effective 1 April 2025, the maximum annual turnover for a Micro enterprise is:

(A) Rs. 5 crore (B) Rs. 10 crore
(C) Rs. 50 crore (D) Rs. 100 crore

Q21. 'LPG' in the context of the 1991 reforms stands for:

(A) Licensing, Planning, Growth (B) Labour, Production, Growth
(C) Liberalisation, Planning, Governance (D) Liberalisation, Privatisation, Globalisation

Q22. Which industrial policy emphasised District Industries Centres (DICs) and the tiny sector?

(A) Policy of 1948 (B) Policy of 1956
(C) Policy of 1977 (D) Policy of 1991

Q23. Make in India was launched on:

(A) 15 August 2014 (B) 25 September 2014
(C) 2 October 2014 (D) 1 January 2015

Q24. The logo of Make in India is a:

(A) Peacock (B) Tiger
(C) Ashoka Chakra (D) Lion made of cogwheels

Q25. The nodal department for Make in India is:

(A) DPIIT (B) NITI Aayog
(C) Ministry of Finance (D) RBI

Poly Notes Hub

Q26. Which of the following is NOT a pillar of Make in India?

(A) New Processes
(B) New Sectors
(C) New Mindset
(D) New Taxation

Q27. The original target share of manufacturing in GDP under Make in India was:

(A) 15%
(B) 20%
(C) 25%
(D) 30%

Q28. Startup India was launched on:

(A) 16 January 2016
(B) 15 August 2015
(C) 1 April 2016
(D) 26 January 2016

Q29. National Startup Day is observed on:

(A) 1 April
(B) 16 January
(C) 15 July
(D) 25 September

Q30. The Fund of Funds for Startups (Rs. 10,000 crore) is managed by:

(A) NABARD
(B) SIDBI
(C) RBI
(D) EXIM Bank

Q31. Under Stand-Up India, loans are available from Rs. 10 lakh up to:

(A) Rs. 25 lakh
(B) Rs. 50 lakh
(C) Rs. 1 crore
(D) Rs. 5 crore

Q32. Eligible start-ups can claim income-tax exemption for how many consecutive years out of the first 10 years?

(A) 3
(B) 5
(C) 7
(D) 10

Q33. Skill India was launched on:

(A) 1 May 2015
(B) 15 July 2015
(C) 15 August 2015
(D) 2 October 2015

Q34. The flagship scheme under Skill India is:

(A) MGNREGA
(B) PMAY
(C) PMKVY
(D) PMJDY

Q35. The National Skill Development Corporation (NSDC) was set up in:

(A) 2002
(B) 2005
(C) 2008
(D) 2012

Q36. The Ministry of Skill Development and Entrepreneurship was created in:

(A) 2014
(B) 2015
(C) 2016
(D) 2017

Q37. The PLI scheme was first launched for:

(A) Textiles
(B) Steel
(C) Food processing
(D) Mobile manufacturing and electronic components

Q38. PLI incentives are generally calculated as a percentage of:

(A) Total profit
(B) Incremental sales
(C) Capital investment
(D) Exports only

Poly Notes Hub

Q39. The number of sectors covered under the PLI scheme (as announced in 2020-21) is:

(A) 10 (B) 12
(C) 14 (D) 20

Q40. The outlay of the Semicon India Programme is approximately:

(A) Rs. 10,000 crore (B) Rs. 25,000 crore
(C) Rs. 50,000 crore (D) Rs. 76,000 crore

Q41. The Delhi-Mumbai Industrial Corridor was developed with the collaboration of:

(A) Japan (B) USA
(C) Germany (D) China

Q42. The Eastern Dedicated Freight Corridor ends at:

(A) Kolkata (B) Haldia
(C) Dankuni (D) Howrah

Q43. Which industrial corridor passes through West Bengal?

(A) DMIC (B) CBIC
(C) BMEC (D) AKIC

Q44. The approximate length of the Delhi-Mumbai Industrial Corridor is:

(A) 1,000 km (B) 1,483 km
(C) 2,000 km (D) 2,500 km

Q45. The Special Economic Zones Act was passed in:

(A) 2000 (B) 2005
(C) 2008 (D) 2010

Q46. Asia's first Export Processing Zone was established at:

(A) Kandla (B) Falta
(C) Noida (D) Cochin

Q47. Falta SEZ is located in which district of West Bengal?

(A) Hooghly (B) Howrah
(C) South 24 Parganas (D) Nadia

Q48. The Tata Nano plant controversy (2006-08) in West Bengal was at:

(A) Haldia (B) Nandigram
(C) Bolpur (D) Singur

Q49. India's rank in the World Bank's Doing Business Report 2020 was:

(A) 63 (B) 77
(C) 100 (D) 130

Q50. Which of the following is NOT an indicator of the Doing Business Report?

(A) Starting a business (B) Getting electricity
(C) Export subsidies (D) Paying taxes

Poly Notes Hub

Answer Key

Check your answers. Revise the related topic for every wrong answer.

1 - C	**2 - B**	**3 - D**	**4 - A**	**5 - B**	**6 - D**	**7 - A**	**8 - B**	**9 - D**	**10 - A**
11 - C	**12 - D**	**13 - B**	**14 - A**	**15 - C**	**16 - B**	**17 - B**	**18 - C**	**19 - B**	**20 - B**
21 - D	**22 - C**	**23 - B**	**24 - D**	**25 - A**	**26 - D**	**27 - C**	**28 - A**	**29 - B**	**30 - B**
31 - C	**32 - A**	**33 - B**	**34 - C**	**35 - C**	**36 - A**	**37 - D**	**38 - B**	**39 - C**	**40 - D**
41 - A	**42 - C**	**43 - D**	**44 - B**	**45 - B**	**46 - A**	**47 - C**	**48 - D**	**49 - A**	**50 - C**

Score Guide: 40-50 Excellent | 30-39 Good | 20-29 Needs revision | Below 20 Re-read the chapter.

Poly Notes Hub