



West Bengal

Gateway to the East

Rich in Human and Material Resources

*The Honorable Shri Buddhadeb
Bhattacharjee, Chief Minister, Government of
West Bengal, Kolkata*

185



A 30-Million-Ton Player by 2015
*B. Mutburaman, Managing Director,
Tata Steel Limited, Kolkata*

195

West Bengal's Competitive Advantages

*The Honorable Shri Nirupam Sen,
Minister of Commerce & Industry,
Government of West Bengal, Kolkata*

188



Tea-licious!
*Aditya Khaitan, Managing Director,
McLeod Russel India Limited, Kolkata*

196

Committed to Action

*Amit Kiran Deb, Chief Secretary,
Government of West Bengal, Kolkata*

190



Poised for the Service Revolution
*Rathin Datta,
Chairman and Chief Executive Officer,
PricewaterhouseCoopers Pvt. Ltd., Kolkata*

199

The Power Behind the Power

*Sunil Mitra, Principal Secretary,
Department of Power and
Non-Conventional Energy Sources,
Government of West Bengal, Kolkata*

191



Grand Palaces Await You
*Ajoy K. Misra,
Senior Vice President, Sales and Marketing,
Taj Hotels Resorts and Palaces, Mumbai*

201

A Power Storage Pioneer

*Satya Brata Ganguly,
Chairman and Chief Executive Officer,
Exide Industries Limited, Kolkata*

192



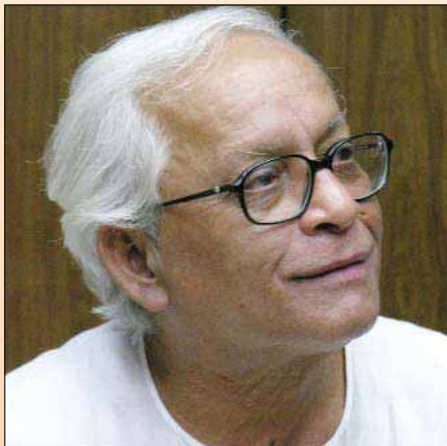
Attracting IT Companies
*Debanjan Datta, Managing Director and
Chief Executive Officer, West Bengal
Electronics Industry Development
Corporation Limited, Kolkata*

202



Rich in Human and Material Resources

An Interview with The Honorable Shri Buddhadeb Bhattacharjee,
Chief Minister, Government of West Bengal, Kolkata



The Hon. Shri Buddhadeb Bhattacharjee

EDITORS' NOTE *With a B.A. honors degree in Bengali from Presidency College in Kolkata, Shri Buddhadeb Bhattacharjee joined the Communist Party of India (Marxist) in 1966. He was elected as a member of West Bengal's legislative assembly for the first time in 1977, and the same year joined the West Bengal cabinet as Minister-in-Charge at the Department of Information and Public Relations (subsequently the Department of Information and Cultural Affairs). During his distinguished political career, he has also served as Minister-in-Charge at the Department of Local, Urban, and Metropolitan Development; Minister-in-Charge at the Department of Urban Development and Municipal Affairs; Minister-in-Charge of the Home (Police) Department; and Minister-in-Charge at the Department of Information Technology. Bhattacharjee took over as Chief Minister in November 2000 and was returned to that position in the general elections of May 2001. He was reelected in 2006.*

What would you most like our readers to know about West Bengal, and why?

West Bengal is well known as one of the most vibrant states in India. The state is rich in human and material resources. Before and after the country's indepen-

dence, our state enjoyed a preeminent position in the field of industry. West Bengal is now regarded as one of the top five states of India in respect of industrial investment.

West Bengal is also internationally reputed as a seat of culture. The world-renowned poet Rabindranath Tagore and the film maestro Satyajit Ray were born and bred in Kolkata, the cultural nerve center of Bengal. The state has to its credit five Nobel laureates. Professor Amartya Sen, a son of West Bengal, won the Nobel Prize in Economics in 1998.

West Bengal has emerged as one of the most preferred investment destinations in India, and the whole of Southeast Asia. What factors have contributed to your state's recent success in attracting investment from a sizeable number of multinational corporations?

West Bengal is endowed with vast agricultural and industrial resources, a large pool of skilled manpower, and relatively developed social and physical infrastructure. The state government's industrial policy of 1994 recognizes the important role of the private sector in our economy. The policy emphasizes the need for the induction of foreign technology and investment on mutually advantageous terms. In the present economic system of our country, the public sector, the private sector, and the joint sector have to operate in close cooperation.

West Bengal offers vast opportunities for investment in areas such as iron and steel, petrochemicals and chemicals, IT and IT-enabled services, leather, engineering, agribusiness, biotechnology, infrastructure, gems and jewelry, and tourism. We are inviting foreign direct investment in both industry and infrastructure. Domestic and international companies are contributing to the economic growth of our state.

You stunned political prognosticators by receiving more than 75 percent of the vote in your constituency in the recent elections for the legislative assembly. What did you share with your constituents about your

vision for West Bengal, and how do you see that vision evolving in coming years?

The electorate of my constituency gave an unequivocal verdict. The percentage of votes polled in my favor was more than 61. In the recent elections to the state legislative assembly, the Left Front made a very impressive performance by winning 235 out of 294 seats.

We make it clear to our people that the state government will continue to do its best to live up to their expectations. The Left Front government has been in power since 1977. During our first few terms, we concentrated on improving conditions in the rural sector. We laid stress on implementing land reform and rural development programs. Following our success in the rural sector, we have been making efforts to accelerate the pace of industrial growth in the state. Our aim is to make West Bengal a more dynamic and forward-looking state. The quest for new knowledge is one of the basic features of the 21st century. Our young men and women are striving to acquire this new knowledge for the common good. I am sure that they will succeed.

You are proud of the fact that multinationals such as IBM, Mitsubishi, Cognizant, Frito Lay, The Salim Group of Companies, ITC, Tata Group, Exide Industries, Price waterhouseCoopers, foreign banks like Deutsche Bank and Citigroup, and IT companies are enlarging their investments in West Bengal. What do you think is responsible for this trend?

The industry-friendly environment of the state attracts these multinationals. One reason they are expanding their operations in West Bengal is its sociopolitical stability. The advantages of West Bengal include the availability of raw materials, a good communications network, the low cost of operations, a sound agricultural base, a large and concentrated market, and a good pool of human capital and skills.

One of your primary concerns has been to improve standards of education in West Bengal. What steps

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**The state government is
taking time-bound steps to
develop the infrastructure
sector.**

■

are you taking to achieve this?

The state government is earnestly trying to raise academic standards further. A mass literacy program in West Bengal is being implemented with success – 70 percent literacy has been achieved. Our government is taking effective steps to bring all the children in the state under the ambit of elementary education. Emphasis is being placed on extending technical education schemes and vocational training programs. The universities in West Bengal are introducing some job-oriented courses. The West Bengal National University of Juridical Sciences and other universities of special orientation, such as Bidhan Chandra Krishi Viswavidyalaya, Uttar Banga Krishi Viswavidyalaya, the West Bengal University of Technology, the West Bengal University of Health Sciences, the West Bengal University of Animal and Fishery Sciences, and Ramakrishna Mission Vivekananda Education and Research Institute are meeting the needs of a large number of students. Computer education is being provided with various modern facilities. We are setting up some centers of excellence at the higher education level to raise the quality of education.

West Bengal has suffered a “brain drain” of its best and brightest students to countries abroad over the past few decades, perhaps more than any other Indian state. Are you hopeful that you can reverse this trend, especially now that West Bengal’s economy has revived?

The reverse process has started. Steps taken to augment educational facilities and to improve the quality of education are yielding positive results. New colleges are being set up. A marked increase in the number of students being admitted to different educational institutions – engineering and technological institutions, in particular – and successful academic performance in various disciplines testify to the gradual improvement of our educational standards. IT education in the state has received a significant boost. Biotechnology and other new disciplines of education are being promoted. Research in various fields is being carried

out with distinct success. The state is progressing steadily.

You plan to modernize the infrastructure of Kolkata and the rest of West Bengal in coming years. Could you elaborate on specific infrastructure needs that will require foreign investment, and the opportunities that will be available to investors for these projects?

The state government is taking time-bound steps to develop the infrastructure sector. Now, the power position in the state is stable. Additional capacity to the tune of 3,500 megawatts is expected to be created during the 11th five-year plan period. A number of bridges and flyovers have been built in different parts of West Bengal. New industrial growth centers and new townships are being set up. Kolkata is passing through a process of renewal.

For the whole of West Bengal, we are drawing up plans to set up seaports, airports, an elevated mass transport system, expressways, and other facilities. Some

foreign tie-ups to implement such projects are being worked out. We have already received collaboration offers from various companies based in Japan, China, the United States, the United Kingdom, Indonesia, Singapore, Italy, and a few other countries for some of our ambitious schemes.

You are a cinema buff and an author, and you love reading and writing literature. Is it fair to say that you are endeavoring to reinforce West Bengal’s status as the cultural center of India, with all of its diversity and secularism intact?

West Bengal’s reputation as a culturally advanced state has to be maintained. Our cultural ethos, based on unity in diversity and secularism, is being enriched by the fusion of tradition and modernity. At the same time, our efforts are now being directed toward building West Bengal as a modern industrial and commercial hub. We will work for the all-around development of the state. ●



LEADERS Magazine’s President, International, Patrick J. Gillis (center), and Utpal Chatterjee (right), LEADERS Associate Editor for India, interview the Chief Minister in his office in Kolkata on August 7, 2006.



West Bengal's Competitive Advantages

An Interview with The Honorable Shri Nirupam Sen,
Minister of Commerce & Industry, Government of West Bengal, Kolkata



The Hon. Shri Nirupam Sen

EDITORS' NOTE Shri Nirupam Sen was first elected by the Burdwan Sadar South constituency to the West Bengal Legislative Assembly in 1987, and was reelected in 2001, the year he was appointed to his current position. He was reelected a second time in 2006. Additionally Chairman of the West Bengal Industrial Development Corporation, Sen is a member of the Secretariat of the Communist Party of India (Marxist), West Bengal State Committee, as well as serving as a member of the Central Committee of the Party.

What plans do you have to make West Bengal the most attractive investment destination in India?

West Bengal has always held a pre-eminent position in the industrial scenario of the country. In the pre-independence era, the traditional sectors of industry, such as jute, tea, engineering, etc., flourished in the state, and contributed significantly to the growth of the national economy. Naturally, the industrial base of West Bengal is quite sound. The skilled manpower of the state and its adaptability to new challenges following the rapid advancement of science and technology is an added advantage. However, the fact remains that West Bengal's position has considerably declined in the post-independence era, for a variety of reasons.

As of now, the state government is

pursuing a well-tailored policy to harness its full potential, utilizing its competitive advantages and capabilities for growing at a faster pace, with a focus on emerging sectors like automobiles, petrochemicals, information technology, biotechnology, food technology, and so forth. Simultaneously, our aim is to bring about a proper balance between the traditional sectors and the "sunrise" sector. It is necessary to note in this context that following the onset of a new policy regime in the wake of the liberalization of the Indian economy in the early '90s, the state government crafted its own policy resolution on industry, in 1994, to reap the harvest of unfolding opportunities. The key elements of this policy are forging greater cooperation with the private sectors and the fusion of indigenous knowledge with the advanced scientific and technological developments taking place around the globe, in order to catch up with the rest of the world.

In our bid to achieve the objective of speedy industrialization of the state, relying on our intrinsic strengths and vigorous implementation of policy initiatives, we have decided to set up sector-specific parks with world-class infrastructure, common facilities, state-of-the-art pollution control measures, and modern amenities. The setting up of leather, foundry, rubber, chemical, polymer, garments, and jute parks is a step toward this end. We are also setting up sector-specific parks in the industrially underdeveloped districts, with all the modern facilities.

To encourage investment – both domestic and foreign – we have placed adequate emphasis on the development of infrastructure. We are strengthening existing infrastructure as well as building new infrastructure. Currently, a total of 764 kilometers of national highways are being upgraded to four- to six-lane highways. We are improving the connectivity of Haldia Port by widening the national highway link that connects the port with the main highway network. Setting up a deep-sea port is also a priority, and building another airport is on our agenda too.

What are the growth prospects for West Bengal's industrial sector?

We foresee rapid industrial growth in the days ahead for a number of reasons, including the policy framework of the state government, the proactive steps of the government to attract investment, the state's strength in the agriculture sector, the growing demand of the people for various consumer goods in view of their increased purchasing power, the political stability of the state, the investor-friendly outlook of the state government, improved infrastructural facilities, the availability of the educated and skilled human resources necessary for the sunrise industries, the availability of uninterrupted power supply at a comparatively low rate, and the positive response from industrialists from different parts of the country and abroad. In traditional sectors like jute, tea, and engineering, where West Bengal has inherent strengths, the prospects for growth are very good, because of the modernization drive undertaken. In the sunrise sectors too, rapid development is already visible, particularly in chemicals and petroleum, plastics, leather, food processing, and information technology.

It is important to note in this context that the filing of the Industrial Entrepreneurs Memorandum has become a major indicator for the investment under way in India, and particularly in individual states. The total number of approvals issued to West Bengal during 2005 for setting up industries stood at 445, with proposed investment of INR17,702.14 crore, compared to the 467 investment approvals totaling INR7,871.79 crore received during 2004. We are, however, aware that investors' confidence is an important factor for industrial growth, and such confidence develops gradually. So, as the state's industrial, transport, and common infrastructural facilities develop, investors' confidence will also be boosted.

Naturally, we visualize faster growth in different sectors in the coming days. The potential areas of rapid growth are petroleum and chemicals, petrochemicals, automobiles, high-end engineering, knowledge-based industries, leather, garments design and manufacturing, food processing, and textiles. ●



Gateway to the East

Committed to Action

An Interview with Amit Kiran Deb,
Chief Secretary, Government of West Bengal, Kolkata



Amit Kiran Deb

EDITORS' NOTE Amit Kiran Deb joined the Indian Administrative Service in 1971 and was assigned to the West Bengal cadre. He spent seven years as a senior officer in local government before serving in the government of India for five years. In 1992, Deb returned to

West Bengal to fulfill a broad portfolio of senior administrative roles, including Home Secretary of West Bengal (2001 to 2005). He assumed his current position in July 2005.

You work very closely with Chief Minister Shri Buddhadeb Bhatta-

charjee. How and why has the Chief Minister been so effective in attracting record levels of foreign direct investment to West Bengal?

It is difficult to answer that question without being adulatory or hyperbolic. Objectively speaking, when you meet Shri Buddhadeb Bhattacharjee, the Chief Minister, you are bound to be impressed by his sincerity and his deep sense of commitment to the development of the state. He is thoroughly pragmatic in his approach, has an absolutely open mind, and can argue his case forcefully and in a convincing manner. Being conscious of the fact that he is treading on a road full of pebbles that tend to halt his speed, he understands the value of time, takes quick decisions, and tries to cut delays. During his interaction with investors – both

domestic and from overseas – he makes definite commitments on behalf of the state government that are seldom unattended to later.

As the leading officer in the West Bengal government, what do you think makes West Bengal unique compared to other states in India?

In short, the state has all the infrastructure needed for fruitful investment – such as power, water supply, roads, skilled manpower, telecom networks, ports, and airports. Another advantage is that the state administration is fairly corruption free, its functioning is transparent, and the political leadership is responsive and positive. Combined with another very important factor called political stability, the state turns out to be a most attractive destination for investors. ●

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The Power Behind the Power

An Interview with Sunil Mitra, Principal Secretary, Department of Power and Non-Conventional Energy Sources, Government of West Bengal, Kolkata



Sunil Mitra

EDITORS' NOTE After graduating from the University of Delhi, Sunil Mitra joined the Indian Administrative Service in 1975. Since that time, he has been responsible for numerous assignments, ranging from developmental and revenue administration in the field in West Bengal to sensitive defense procurement on behalf of India's central government. Over the last decade, Mitra has steered the evolution of a policy framework to restructure West Bengal's public-sector entities. He was appointed to his current position in July 2005.

How is West Bengal's power sector structured?

The power sector in West Bengal is among the most competitive in India, with participation by utilities from both the private and public sectors. The state-owned West Bengal State Electricity Board [WBSEB], with a small capacity for hydel generation, is the largest integrated power utility in the state, with about half the state's energy sales. CESC Ltd., a private licensee with its own generation and distribution system, supplies the city of Kolkata and accounts for around one-third of the state's energy sales.

The state-owned West Bengal Power Development Corporation is the largest thermal generation utility, with installed capacity of about 2,900 megawatts and 1,270 megawatts of capacity expansion

under implementation scheduled for commission in the next year.

The 900 megawatt Purulia Pumped Storage Project, to be commissioned next year by WBSEB with the assistance of the Japan Bank for International Cooperation, will be one of the few pumped storage projects in the world and will contribute significantly to peak power availability and grid stability in our region.

In addition, the Damodar Valley Corporation, a company jointly owned by the central and state governments, has a generation capacity of around 1,200 megawatts. The Durgapur Projects Limited, a state government utility, generates thermal power and supplies it in an extremely competitive environment in the industrial region of Durgapur. Certain other central government utilities, including the National Thermal and Hydel Power Corporation, also contribute to the power pool of the state.

In what ways does the power structure in West Bengal compare and contrast to those found in other Indian states?

The only point of comparison that readily comes to my mind is the legal and operating environment where, like in most other states, we have the vertically integrated WBSEB and the WBERC [West Bengal Electricity Commission] to regulate the sector. However, the areas of contrast with other states are manifold. We have an extremely competitive sector environment, unlike most other states. With the simultaneous existence of players from the private and public sectors, West Bengal is one of the rare pockets in our country where an electricity consumer has a choice of suppliers. All our state power utilities are now commercially profitable and there is no dependence on operating subsidies or budgetary support from governments, as in most other states.

In contrast to many other states, government policy in West Bengal has not been subjected to frequent shifts. As a result, privately run utilities have also improved their operating efficiency and commercial profits in a stable environment.

Another area of contrast is our power surplus situation. Unlike most other

states, we are in power surplus almost all year round, and we export significant volumes of power to power-deficient states in India. Over the years, we have continuously planned capacity additions and focused on efficiency improvements in our transmission and distribution businesses. This has enabled us to reach this power surplus position.

What specific opportunities are available to investors interested in participating in the power sector in West Bengal in coming years?

The electricity demand within the state and the country is poised for rapid growth, with industrialization and a significant rural electrification initiative aimed at providing electricity access to all households in the country by 2012.

The opportunities for investors interested in participating in the state power sector are on four fronts; first and foremost, in building new generation capacity. With abundant high-quality coal reserves, transmission linkages, and quality human resources, new thermal generation plants in West Bengal can attractively supply electricity to load centers across the country. Opportunities are also significant in the construction of interstate transmission corridors and the setting up of gas-fired thermal stations, because of abundant reserves of natural gas in the neighboring region.

Second, the distribution and transmission segment growth in coming years also provides attractive opportunities for electricity equipment manufacturers and suppliers, and we would encourage investments in setting up manufacturing facilities for electrical equipment in West Bengal with a host of available incentives.

Third, we have an investor-friendly policy in place for investments in the manufacture of renewable energy devices and the setting up of renewable-energy-based power generation projects in West Bengal.

Fourth, the state government's efficiency-linked incentive scheme provides for rebates on energy charges on any major industrial investment, while the central government's schemes provide for exemptions from certain taxes and duties for setting up new power plants. ●



A Power Storage Pioneer

An Interview with Satya Brata Ganguly, Chairman and Chief Executive Officer, Exide Industries Limited, Kolkata



Satya Brata Ganguly

EDITORS' NOTE With a degree in chemical engineering, Satya Brata Ganguly was appointed head of Dunlop's R&D division in 1976 and became Director of the company's Research & Technical Services division in 1982. He joined Chloride India Limited (now Exide Industries Limited) in April 1986, assuming the roles of Managing Director in 1991 and Chairman in 1993. Ganguly serves on numerous boards of directors and is an active member of a variety of civic and charitable organizations.

COMPANY BRIEF Founded as Chloride Electrical Storage Co. UK in 1916, and ultimately renamed in 1995, Exide Industries Limited (www.exideindustries.com) is India's premier power storage solutions company and its largest producer of batteries. With 26 offices, 100 Exide Care Centers, and 25 Exide Power Centers, the company is a leader across a range of battery applications, including in the automotive, telecommunications, mining, railway, military, and emergency lighting sectors.

Exide Industries' continuing growth has positioned it as the largest power storage solutions company in South and Southeast Asia. What factors have enabled Exide to assume this leadership position?

Exide has been a pioneer and leader in the field of power storage solutions for close to six decades, despite intense global competition in this sector. The factors that have contributed to this achievement are various, but most important among them is a unique ability to foresee changes in the marketplace and to be prepared for those changes ahead of time – and ahead of the competition.

This ability has consistently helped us to come up with cutting-edge technology products and services, even when there was no global competition and India was a protected market. This vision helped us put up new plants in the right place ahead of a demand boom, so that we were ready when demand actually picked up.

Exide has shown a remarkable ability to adapt itself with time. There have been sweeping changes in the economy, and market dynamics have been rewritten several times in the last six decades. As a nation we have migrated from a closed and command economy to a free-market economy. But Exide has been able to rise

up to the challenge every time – both in terms of quality and quantity. Our 80 percent market share in the automotive original equipment market, which has been growing extremely fast, is an indication of the inherent strength of the company.

Brand equity is another strong asset that helps us retain our leadership position and consolidate it. Exide's brand equity has been earned over a period of six decades, through sustainable leadership and growth. And I am not talking about brand equity with customers or dealers only. Our brand equity is strong among all our stakeholders – technology partners, shareholders, bankers, suppliers, employees, and society at large. Today, when you say, "Exide," it means more than just a high-tech battery under the hood of your car. It means a certain trust that our stakeholders place in us. It means a certain ethos in our dealings.

You've said that "our strong and effective distribution network is our biggest strength." Could you elaborate on the makeup and effectiveness of your network?



The Exide Research & Development Center in Kolkata



One of Exide's eight plants; Exide's most popular brand of car batteries (right)

Our strong dealer network is definitely an important entry barrier for our competition. The whole company is geared toward delighting customers by offering them the right product, at the right time, at the right place, and at the right price. Our dealers play an important role in that delivery process. Our systems for dealer relationship management have evolved over a long period of time. Trust in the company plays a very important role in retaining and expanding our distribution network.

However, one problem with our distribution network was its urban-centricity, which is being actively corrected now. There was a time when you could see the Exide name only in the cities. But as India's economy is gradually maturing, and rural and semi-urban centers are becoming more and more important, we are fanning out not only to the smaller towns but also to the villages. We now have a huge population of dealers in small villages, if not hamlets, in distant places. They not only sell Exide batteries but also service them. If a farmer is stuck in a field with his tractor, due to a discharged battery, a trained person will tend to his service requirements. This whole process takes a lot of effort, but we are prepared to go the distance in the interests of our customers.

In what ways do you see Exide's international business evolving in coming years, and why?

There are huge opportunities for Exide's products to go international, as Exide has already established the quality of its products to international standards. There is a large and rapidly growing demand for Exide products in both Europe and Southeast Asia. So in the coming years, we will see a big growth in exports to developed countries.

You have identified the telecommunications, power, and defense sectors as three key areas of growth for Exide in the future. Why?

As India is now focusing on infrastructure development, areas like power and telecommunications will come to the forefront. At the moment, there is a growth of 30 percent in telecommunications, and multinationals such as Alcatel, Siemens, Ericsson, and Nokia are expanding at an accelerated rate. India is now facing a power crisis, but it is expected that by 2020 India will have surplus power, after meeting the requirements of both rural and urban areas. In the defense sector, besides supplying normal automotive batteries for defense, we are also supplying submarine batteries to the Navy, and



we already have orders going into the next three to four years.

Another largely untapped area is nonconventional energy, where we believe we can play a major role in the supply of solar batteries. The government is putting more and more emphasis on nonconventional energy, particularly in rural areas where power is not so stable. As a result, the demand for solar power will be extremely high. So the future holds immense potential. ●



A 30-Million-Ton Player by 2015

An Interview with B Muthuraman,
Managing Director, Tata Steel Limited, Kolkata



B Muthuraman

EDITORS' NOTE B Muthuraman joined Tata Steel as a Graduate Trainee in 1966, and proceeded to work in the iron-making and engineering division for 10 years and in marketing and sales for a further 20, ultimately rising to the position of Vice President. He was appointed to his current post in July 2001. A member of numerous boards of directors and industry associations, Muthuraman holds a B.Tech degree in metallurgical engineering from the Indian Institute of Technology in Madras and an M.B.A. from the Xavier Labour Relations Institute in Jamshedpur, and completed the advanced management program at INSEAD in France.

COMPANY BRIEF Established in 1907, Tata Steel Limited (www.tatasteel.com) is Asia's first, and India's largest, private-sector steel company. Among the lowest-cost producers of steel in the world, Tata Steel has created a manufacturing network spanning India, China, Thailand, Vietnam, Malaysia, the Philippines, Singapore, and Sri Lanka. Tata Steel's products are used principally in the quality- and service-conscious automotive sector and the construction industry.

In your view, does West Bengal warrant being called a "Gateway to the

East"? And is that more true today than in previous years?

With its sea coast, its ports, and its history of fostering industry and education, West Bengal is a natural "Gateway to the East." Unfortunately, it has not been so for several years, for many reasons. However, in the last three to four years, there has been a resurgence in West Bengal. There is enlightened leadership, the bureaucracy works well and in the interest of economic progress, and the Chief Minister himself is personally spearheading the efforts. All these have made a big difference. A state that, for several decades, was looked upon by the business community as a state to avoid, has now become a favorite place for investment. So today, in my view, West Bengal is undoubtedly a "Gateway to the East."

Could you provide an overview of Tata Steel's history in West Bengal and the company's importance to the region?

Tata Steel was established in Jamshedpur nearly 100 years ago, because of Jamshedpur's proximity to iron ore and coal, and the availability of water and adequate land. Kolkata has always been home to the commercial headquarters of Tata Steel, and it continues to be so.

In the '80s, Tata Steel acquired an antifriction-bearing manufacturing plant in Kharagpur from Metal Box India Ltd. In the last 20 years, this unit has grown to 10 times its original size. It is one of the best divisions of Tata Steel, with excellent work ethics and human-resource practices. More recently, we have set up a metallurgical coke manufacturing plant in Haldia, at a capital cost of INR1,500 crores. The work is progressing very smoothly. One of our associate companies, TMILL, operates a berth in Haldia Port, where we have introduced world-class operating practices. Another associate company of ours, Tata Metalliks, makes pig iron in Kharagpur. This is the best pig iron manufacturer in India. This company has ambitious expansion plans. Another of our associate companies, Tata Ryerson, has its headquarters in Kolkata.

So Kolkata, and West Bengal as a region, are important to Tata Steel.

You mentioned that West Bengal's recent economic resurgence can be partly attributed to the Chief Minister's energetic leadership in attracting foreign direct investment. Could you elaborate?

Leadership makes a major difference in the success of nations, states, and industrial enterprises. The current Chief Minister of West Bengal is a very genuine person. He is genuinely interested in the people of West Bengal and their well being. He is aware that they face obstacles and challenges. He addresses these challenges personally, with perseverance, persistence, tenacity, and in a humane and genuine manner. He has no agenda except for the prosperity of West Bengal and its people. His genuineness comes through within a few minutes of conversation with him. He has made a big difference.

What are Tata Steel's future expansion plans at its facilities in Jamshedpur, and how will these plans impact the steel industry in India?

Tata Steel today produces nine million metric tons of steel per annum, with five million metric tons produced at Jamshedpur and four million metric tons produced in Southeast Asia. The output of the Jamshedpur plant is being expanded to 10 million metric tons. We are also planning three greenfield plants in India, in the states of Orissa, Chhattisgarh, and Jharkhand. We are constantly looking at acquisitions in geographies that fit into our strategy. All these will help Tata Steel become a 30-million-metric-ton player by 2015, and a much bigger one after that.

Through this journey, we will continue to be what we have always been – socially and environmentally responsible, a good corporate citizen, and always in pursuit of building our nation. India requires steel for its economic development and our plans fit in well with India's aspirations to become a developed nation. ●



Tea-licious!

An Interview with Aditya Khaitan, Managing Director,
McLeod Russel India Limited, Kolkata



Aditya Khaitan

EDITORS' NOTE An honors graduate with a degree in accountancy, Aditya Khaitan has considerable experience in management, corporate finance, corporate restructuring, and mergers and acquisitions. In addition to his responsibilities at McLeod Russel India Limited, Khaitan is Vice-Chairman of the Indian Tea Association, a committee member of the Indian Chamber of Commerce, and sits on the boards of several companies.

COMPANY BRIEF A subsidiary of the Williamson Magor Group, McLeod Russel India Limited (www.mcleodrusselindia.com) is a leading Indian tea company, with six plantations in West Bengal and 44 in Assam. The company also has 28 tea-processing factories, manufacturing bulk tea for sale through auction houses. A significant portion of the company's tea is exported.

As one of the largest suppliers of tea in India, how would you describe McLeod Russel's importance to the economies of West Bengal and India as a whole?

McLeod Russel is the world's largest integrated tea plantation company, with an annual production of 70 million kilograms. We have 50 tea estates – six in West Bengal, with an annual production of six million kilograms, and the remain-

der in Assam. India is the world's largest producer and consumer of tea and the tea grown in India is unique, with its own special characteristics.

You've said that "the biggest advantage West Bengal has is that the people here are loyal to the state, and the education level is much higher than in other parts of India." Could you elaborate?

The people of West Bengal believe in the need for education, and therefore attach considerable importance to education. Furthermore, they are loyal to their state and, unlike people from other parts of India, people from West Bengal take pride in staying and working within the state. As a result, the state has a ready pool of managerial talent to add value to its IT, business process outsourcing, and services sectors.

McLeod Russel India Limited's parent company, Williamson Magor Group [WGM], is planning to move into biodiesel. In what ways do you see WGM's plans for biodiesel impacting rural India in coming years?

We have started looking at growing jatropha as a source of biofuel, as oil prices are touching an all-time high. The jatropha system creates a positive reciprocity between the raw material and energy production, and the environment and food production; i.e. the more energy jatropha hedges produce, the more food crops are protected from animals and erosion. Also, additional income can be created, mainly for women.

The jatropha plant can be used in the following ways. It can reduce poverty by creating income in rural areas through the use of jatropha oil as a fuel and as a raw material for soap. The sale of jatropha seeds can improve rural income, and help reduce the cash drain from rural to urban areas. In addition, jatropha can protect food crops against grazing animals, as jatropha is not eaten by animals. Jatropha can also help with erosion control. Planting jatropha hedges and stabilizing small dams can result in an improvement in soil fertility and a reduc-

tion in wind and water erosion. I strongly believe that WGM's intervention will go a long way toward improving the lives of people in rural India. We think this is what corporate social responsibility should be about.

What do you think of the action West Bengal's Chief Minister Shri Buddhadeb Bhattacharjee has taken to attract investment to the state?

As part of an ideology-driven leftist party that has reigned for more than 30 years, Buddhadeb Bhattacharjee caused an internal stir by going all out to invite "capitalistic" private investors after he assumed office in 2000. Bhattacharjee saw IT as a major growth driver for investment and employment generation. In 2000, the West Bengal government created an IT department, and two years later, it introduced the IT and IT-enabled services [ITES] policy. Publicizing the state's new face in India and abroad through road shows helped to dispel perceptions that the state was anti-business and rife with labor unrest. He also invested in roads and infrastructure to bolster industry confidence.

Today, West Bengal's IT exports are approximately INR2,200 crore and make up around 5.2 percent of national software exports. Mr. Buddhadeb Bhattacharjee is hoping to boost this to 15 percent by 2010.

I personally laud the efforts our Chief Minister has made in trying to balance industrial growth with rural priorities, such as agriculture, land reform, and poverty alleviation.

His cadre-based party, the Communist Party of India (Marxist), traditionally relied on the votes of farmers and people in the rural hinterland. But now, the Left Front's astounding 235-seat win in this year's legislative elections, with higher margins than in the previous election, has shown that he is able to impress people in the urban milieu as well as the business community with his government's agenda for reform. I am indeed proud to have such a Chief Minister heading our state and wish him all the best in his journey. ●



Poised for the Service Revolution

An Interview with Rathin Datta, Chairman and
Chief Executive Officer, PricewaterhouseCoopers Pvt. Ltd., Kolkata



Rathin Datta

EDITORS' NOTE A Chartered Accountant and an acknowledged expert in fiscal law, Rathin Datta has spent many years advising multinational corporations and large Indian companies on domestic and international tax issues, mergers and acquisitions, and cross-border entry strategies. As a member of the International Fiscal Association, he authored India's national reports for that organization's congresses in Brazil in 1989 and New Delhi in 1997. Among numerous other professional activities, he recently served as Vice President of the Bengal Chamber of Commerce and Industry.

COMPANY BRIEF Formed by the 1998 merger of Coopers & Lybrand and Price Waterhouse, PricewaterhouseCoopers (PwC) is one of the largest professional services companies in the world, employing more than 140,000 people in 148 countries and providing industry-focused services to public and private clients. In India, PricewaterhouseCoopers Pvt. Ltd. has offices in Bangalore, Kolkata, Chennai, Hyderabad, Mumbai, New Delhi, Bhubaneswar, and Pune. The organization reported global revenues of \$19 billion in 2005.

PricewaterhouseCoopers Pvt. Ltd. is one of the oldest professional services firms in India, and its offices

are found in West Bengal. What's the history of the firm?

Its history goes back to 1872, when a Scottish accountant, William Adolphous Browne, set up a practice of public accountants, auditors, and liquidators in Kolkata – then Calcutta – which later came to be known as Lovelock & Lewes [L&L]. Eight years later, in 1880, a British Accountant of Belgian descent, Marc Meugens, set up another accounting firm in Kolkata, which became known as Price Waterhouse [PW].

The two firms grew side by side, living through a history that saw a country under the yoke of foreign rule; the two world wars of 1914 and 1939; a unique struggle for independence the like of which the world had never seen; and the birth of an independent nation emerging as the world's largest democracy.

After World War II, the English and Scottish accountants in India started returning to Britain, and those who remained repatriated after Indian independence in 1947. In the process, the two partnerships got transferred wholly to Indian chartered accountants.

In 1980, Price Waterhouse spawned the consulting company which is now called PricewaterhouseCoopers Pvt. Ltd. [PwCPL]. L&L was a member of the network of Coopers & Lybrand. PW and PwCPL were members of the Price Waterhouse network. When the two global networks merged, L&L, PW, and PwCPL all became members of the worldwide network of PricewaterhouseCoopers firms.

Last year, PwCPL set up its new India Solutions Delivery Centre in Salt Lake, Kolkata, to serve its clients and the network.

In an interview in the July 2006 issue of LEADERS, PwC's global CEO, Samuel DiPiazza, said the firm's outlook for India was very positive. Can you elaborate?

As territorial impediments to trade and investment flows break down, market forces assert to channel trade, business, and investments toward large markets, lower costs, assured quality, and potential for resources. In these respects, the BRIC

countries [Brazil, Russia, India, and China] stand identified as locations with the highest growth potential. India has been living up to expectations with a consistently high growth rate. PwC's study "The World in 2050" estimates that by 2050, India's GDP, in terms of purchasing power parity, is likely to catch up with that of the U.S.

In the 19th century, for political and economic reasons, India could not participate in the industrial revolution. With its demographic advantage, its stress on education, and its inherent knack for technology, India is comparatively well placed to take advantage of the service revolution that will characterize the 21st century. India is fast becoming the service and resource provider to the world.

What is West Bengal's potential for economic growth, and as a "Gateway to the East"?

The state of West Bengal is the hub of Eastern India, stretching from the Himalayas down to the Bay of Bengal, with the hinterland of Uttar Pradesh, Bihar, and Orissa on one side and Assam, Sikkim, and the entire region of Northeast India on the other.

It has historically been proud of its intellectual heritage and large educational institutions. In recent years, more than 50 engineering and management colleges have been set up. All the five Nobel Laureates from India worked for some time in Kolkata.

It is also a power-surplus state. Its agricultural sector has grown by an average of more than 5 percent per year over the last several years. It has seen a planned progression in policy focus from agriculture and land reform to industry- and service-led growth. The state accounts for more than 7 percent of the Indian market. It has excellent telecommunication bandwidth. These strong fundamentals are coupled with a proactive state government acting as a catalyst for growth.

Its strategic location in Eastern India – two hours from Bangkok, four hours from Singapore, and just across the Himalayas from China – inherently makes it a "Gateway to the East." ●



Grand Palaces Await You

By Ajoy K. Misra, Senior Vice President,
Sales and Marketing, Taj Hotels Resorts and Palaces, Mumbai



Ajoy K. Misra

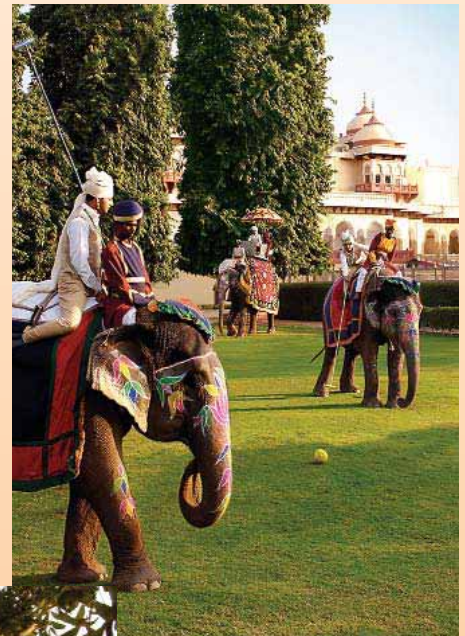
No other hotel chain can lay claim to a diverse portfolio that reflects its name so completely as Taj Hotels Resorts and Palaces. The Taj group has within its fold world-renowned landmarks and modern business hotels, idyllic beach resorts and authentic Rajput Palaces.

The Taj group was the first in the subcontinent to pioneer the movement of transforming original palaces into luxurious palace destination hotels. This started with the Taj Lake Palace in Udaipur in the early '70s, and continued with the Rambagh Palace

in Jaipur, and more recently the magnificent Umaid Bhawan Palace in Jodhpur.

The Taj Grand Palaces, which are “authentic living palaces,” are the most competitive proposition for the Taj, as no other group can lay claim to restoring and managing the most luxurious authentic palaces in India. This position will be strengthened further with the launch of the grand Faluknuma Palace in Hyderabad in 2008.

For the last year and a half, we have been working to unlock the substantial potential that exists in our authentic Grand Palaces, in order to reinforce our intent to engage our customers in a meaningful way. This has resulted in a clear and exciting strategy of delivering exceptional, unique, and indigenous experiences that will dictate the growth and expansion across this category of hotels in India.



We currently have three Grand Palaces that have been restored sensitively to reflect their historical significance and heritage, yet each one is replete with every conceivable contemporary comfort. The Taj Grand Palaces are centered on opulent and spacious accommodations and intimacy in an environment that allows its guests unrivalled comfort and privacy.

We are committed to the creation of memorable experiences that will differentiate the Taj brand on the platform of the “authentic palace experience,” resulting

in the cultivation of greater preference and brand loyalty for the Taj. We will continue to expand our leadership in this category while launching the Faluknuma Palace in Hyderabad in 2008, hence creating a journey that will allow our customers to experience signature service and grand hotels in India that cannot be replicated.

The brand is all about providing customers with small indulgences, such as vintage car transfers, champagne

heritage walks, royal cuisine, and the simple pleasures of our signature royal butler service – all this in the enhanced environment of “living palaces,” which speak of history and heritage while being architecturally spectacular. The certainty of being in a royal palace is central to the Taj’s positioning around uncompromising, bespoke, signature hotels. ●

Elephant polo at the Rambagh Palace, Jaipur (above); the exterior of the Umaid Bhawan Palace, Jodhpur (center); the swimming pool of the Taj Lake Palace, Udaipur



Attracting IT Companies

An Interview with Debanjan Datta, Managing Director and Chief Executive Officer,
West Bengal Electronics Industry Development Corporation Limited, Kolkata



Debanjan Datta

EDITORS' NOTE Debanjan Datta began his career as an IT Executive and has since served in various IT and management roles in the steel, energy, and professional services sectors. A past board member of BAeHAL Software Ltd. and a member of numerous industry associations, Datta holds a bachelor's degree in mechanical engineering from Calcutta University and a postgraduate diploma in business management from the Xavier Institute of Social Sciences (Ranchi, India).

COMPANY BRIEF The West Bengal Electronics Industry Development Corporation Limited (Webel: www.webelindia.com) is the nodal agency of the government of West Bengal for developing information technology and IT-enabled services industries and creating value for the state's citizens. Acting as the single window support center for all the services required by IT and ITES investors in West Bengal, Webel develops infrastructure, facilitates the clearance processes required to set up businesses, ensures last-mile connectivity, and assists the government in all its e-governance projects.

Could you provide our readers with a brief history of Webel and elaborate on its mission?

The West Bengal Electronics Industry Development Corporation Limited

[Webel] was incorporated in 1974 with the objective of developing the electronics industry in the state of West Bengal. The corporation, through its subsidiary companies, was in the business of manufacturing various electronic components and equipment.

With a quiet revolution taking place in West Bengal, the information technology and IT-enabled services [ITES] industries put down their roots firmly in line with the state government's vision to position West Bengal as one of the top three IT states in the country by 2010. Webel quietly broadened its activities from electronics to information technology, and is now also the nodal agency for IT and ITES of the government of West Bengal. Originally, Webel's role was to attract knowledge-based industries on a global scale and also to facilitate e-governance for the entire state of West Bengal. Webel's prime task now, however, is to create world-class infrastructure and facilities, encourage entrepreneurship, and establish the institutions that will spearhead the future.

Webel has successfully implemented a number of remarkable e-governance projects not only for West Bengal, but also for some neighboring states. The West Bengal State Wide Area Network [WBSWAN] connects all district headquarters, *gram panchayat* [local government bodies], and groups at the block level, and provides Internet bandwidth service across the state, IT education in schools, and other things. Webel has implemented the first such network in the country, connecting all 411 police stations in West Bengal. A series of applications run on the network, such as a criminal tracking system and applications that permit messaging and access to data at grassroots level to track crime.

Our main competencies are IT education in schools; smart cards for drivers licenses, vehicle registrations, etc; e-toratorate cards; e-governance; information and communication networks; telemedicine; IT projects; Internet service provision; braille machines; and broadcasting.

There are approximately 300 IT companies now in West Bengal, 50 of

them very large. What makes the IT industry in West Bengal unique?

West Bengal is home to India's richest pool of qualified, trained, and skilled talent with initiative, commitment, values, competence, and varied domain knowledge. It has the necessary infrastructure and is a dynamic socio-industrial growth environment. West Bengal offers plenty of human talent, from a reservoir which is always being topped up with fresh minds.

West Bengal is the fourth fastest growing state in India, in the post-reform years, and the recipient of the second-highest inflow of investments. It is home to India's fastest growing software technology park, with more than 300 IT companies employing more than 45,000 IT professionals. Major players include leading multinational corporations and Indian giants.

West Bengal offers abundant, high-quality power, low attrition rates, and a low cost of high-quality living. It is very well positioned in the five key enablers for IT enterprise: talent, cost of operations, infrastructure, policy, and investor support.

What are your hopes and expectations for the electronics and IT industries in West Bengal in coming years, and how do you see Webel's role evolving as the industry evolves?

The state's vision is to rank among the top three IT states in India by 2010 and contribute 15 percent of the country's IT revenue. In ITES, the state is targeting a 20 percent share of business process outsourcing revenue. In IT services, it is targeting 12 to 14 percent of software services exports.

Webel is the single-window support center to key requirements of investors, assisting with rental space availability, land procurement, telecom infrastructure, power connections, building approval, and Software Technology Parks of India [STPI] registration. Webel's strategy for creating world-class infrastructure in various parts of the state through joint ventures with several leaders, and producing "industry-ready IT managers" through multiple initiatives, will place West Bengal on a different platform, as one of the most preferred choices for the industry. ●