



BENGAL'S INDUSTRIAL JOURNEY CONTINUES

The industrial drive launched by chief minister Buddhadeb Bhattacharjee in West Bengal is right on track. Contrary to some misconceptions, the anti-land acquisition movement and even the exit of Tata Motors' Nano from Singur have not been able to derail it. "There was a perception that Tata Motors' pullout from Singur will spell doom for industrialisation in the state. Enormous confusion about West Bengal was created by vested interests," state commerce and industries minister Nirupam Sen says.

He claims that the negative propaganda may have misled new domestic and overseas investors who do not know about West Bengal. "However, industrial houses which are acquainted with the state, have continued to repose their faith in it. For example, the existing players like Mitsubishi Chemicals and Frito-Lay have expanded their facilities in the state. The IT major, Wipro has decided to set up their second facility in New Town besides their existing unit at Salt Lake Sector V," he adds.

The state government has allotted 50 acres to Wipro at New Town in Rajarhat. Cognizant is setting up its facility at Bantala. Telcon, a Tata Group company, has started production in its newly-built factory at Kharagpur. Godrej is interested in setting up a refrigerator factory. Matrix will set up a coal-bed methane-based fertiliser plant at Panagarh in Burdwan. In addition, a ship building unit will come up at Haldia. "I, therefore, believe that things are moving in the right direction," Mr Sen adds.

He cites statistics to support his optimistic assessment. "In 2009, when the economic situation was not good due to the global meltdown, we received 206 Industrial Entrepreneurs Memorandums (IEMs)

worth Rs 44,000 crore," he says. In case of project implementation, the state is also progressing very well. "In 2009, 121 industrial units commenced production. These 121 units have a cumulative investment of over Rs 7,000 crore. In 2008, the project implementation was worth Rs 4,000 crore. Between 1999 and 2008, over Rs 34,000 crore were invested in 1,646 industrial units in West Bengal," he elaborates.

Mr Sen, who also holds the portfolios of industrial reconstruction, public enterprises, development and planning and power in the state cabinet, besides commerce and industries, elaborates further the industrial drive of the state government in an interview:

Q. Land is now a major contentious issue, not only in Bengal, but in the entire country. How are you dealing with this problem? Are you planning to create a land bank for the industries?

A. Yes, land is a big issue today. However, creating land bank is not a solution. It can create other problems. To create land bank, we have to purchase the land, keep it and allot it to the industries when demands come. However, if no investor comes forward and seek the land from us in one or two years, then the people who have sold the land will start clamouring why is the land lying vacant. The state government can't dictate the investors to set up their units at a particular location. It is upto them to decide the location. We can do nothing if the industries do not come forward to get land from our land bank in a particular place. We have already faced this problem in Bolpur. So, we have decided to set up the land bank in an area after finalising the anchor investor. In Panagarh, Matrix is the anchor investor and we are purchas-



ing land there for a proposed industry park, anticipating that more players would come following Matrix.

Q. PCPIR at Nayachar and Haldia is considered as one of the biggest industrial projects for the state. Can you outline its salient features. What is the current status of PCPIR and when do you expect the construction work to begin?

A. It is a very big project and once implemented will attract thousands of crores rupees of investment. A preliminary environment impact study of this project has already been submitted to the Centre. Now, a detailed environment impact

assessment (EIA) is being done. A lot of studies will be carried out before getting the final approval from the Centre for the project. And I think that all these studies will need at least one year time. Perhaps you also know that Indian Oil and Cals Refineries have already shown interest to set up their units at the proposed PCPIR. The Government of India in the mean time, has decided to organise visits to other countries to attract investment in the three PCPIRs in West Bengal, Gujarat and Andhra Pradesh. A delegation will be visiting the US in the last week of March.

Q. The state needs a deep

water port. The Union finance minister has also mentioned it in his budget speech. When will we get the port?

A. I would like to point out that success of a PCPIR depends on port facility. As you know Kolkata and Haldia, both are riverine ports and suffering from low draught problem. We need a deep sea port to handle the large vessels, which transport crude oil. We have discussed the issue with the developers of the PCPIR and they have agreed to set up such a deep sea port. We will have to identify a suitable location for the port.

Q. Iron and Steel industry is another area of focus of

the state government. The government has received nearly Rs one lakh crore of investment proposals from different companies. Have you allotted land to them?

A. We have been allotting land to the companies which have proposed to set up steel units. Three such units will come up at Raghunathpur in Purulia and two companies have already received land and the third one will get soon. The JSW Steel will start their construction work at Salboni very soon. So, overall the progress is satisfactory.

Q. Coal linkage to these players is a big concern for you. How will you tackle it?

A. The state government has demanded some coal blocks from the Centre. Some blocks we already have, which would provide coal supply to some of the steel manufacturers. In addition, the steel units, which will also have captive power plants, are also lobbying in New Delhi for coal blocks.

Q. Will the state government be able to allot land to Videocon and Bhushan among others at an alternative location instead of Jamuria, if the Coal India continues its opposition due to the presence of underground coal reserves in the area?

A. We are in constant discussion with the Coal India and have asked them to identify land where the industrial units can be set up without disturbing the underground coal reserves. The issue has been resolved for Aerotropolis, the country's first airport city project at Andal near Durgapur in Burdwan. The problems relating to Vedanta Group and Bhushan Steel will also be solved soon. Bhushan Steel will get land at Salanpur. We will be finalising the plot in March.

Q. You are now also looking after the power department. What are your plans to further augment the power scenario, both the capacity addition and distribution and specially the rural electrification?

A. Power situation in our state is not so critical. Here the supply is at par with demand except in the summer when demand picks up. We are planning to set up new generating stations. More such stations will come up at Sagardighi and Bakreshwar, which will increase our own generation. The rural electrification programme is on course. I have been told that the entire BPL population in our state will be covered by end of 2010.

INVESTORS' GUIDE

West Bengal stands sixth among the Indian state in IT exports.

West Bengal is the third largest economy in the country after Maharashtra and Uttar Pradesh.

The service sector is the largest contributor to the gross domestic product of the state.

1/10th of India's market is in West Bengal.

On an average, an amount of Rs 13,100 crore is being spent by the rural population on purchase of industrial goods every year.

West Bengal is among the three states which has received primary nod from the Centre to set up PCPIR (Petroleum, Chemicals and Petrochemicals Investment Region) at Nayachar.

The state has received around Rs 1 lakh crore of investment in the iron and steel industry.

Aerotropolis, the country's first airport city project is coming up at Andal in Burdwan district.

West Bengal has received consistent good amount of FDI from Japan, US, UK & others.

UCO Bank on growth path

UCO Bank is the acronym of the erstwhile Commercial Bank. The Bank was incorporated on January 6, 1943 under the name and style of The United Commercial Bank Ltd with its head office at Kolkata. The Bank commenced its business on May 10, 1943, and along with 13 other major Indian banks was nationalised on July 19, 1969 under the Banking Companies Act, 1970. In 1985, its name was changed to UCO Bank.

The bank has a total business of Rs 1,78,366 crore with total deposits at Rs.1,04,059 and total advances Rs 74,307 crore as at the end of December '09. The bank has a domestic network of 2,147 branches spread across India as of February, 2010. It also has global presence with 4 branches, 2 each in Singapore and Hong Kong and 2 representative offices at Malaysia and China. Its net profit for the 9-month period ended December '09 was Rs. 632 crores. As of December '09, the GNPA Ratio stood at 2.01% with NNPA Ratio at 0.89%.

The bank already has 100% of its branches under CBS coverage and is well placed on the growth path to transform into a world class financial institution catering to the needs of customers under one roof.

Low cost factor makes Bengal most preferred IT destination

Kolkata is now regarded as one of the attractive destination for the IT and ITeS companies across the globe. Major companies like IBM, Cognizant Technology Solutions, TCS and Wipro among others run their facilities in Kolkata.

Debesh Das, the West Bengal IT minister, who completed his Ph.D. in 1997 from Jadavpur University after the completion of his Master Degree in Electronics & Tele-Communication Engineering in 1984, has set his vision for the growth of the IT and ITeS industries in the state in future. "I want to see West Bengal become the centre of innovation," he says.

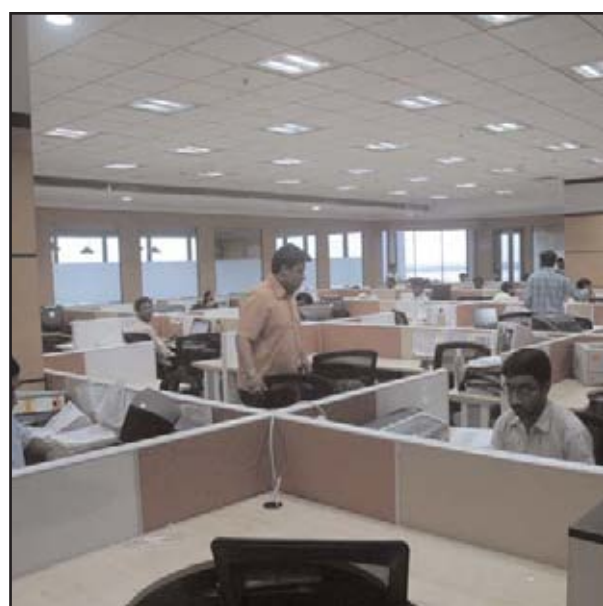
Dr Das shares some of his thoughts in an interview:

Q. What is the present position of West Bengal among other Indian states in IT exports?

A. West Bengal is now sixth in the rank after Karnataka, Maharashtra, Tamil Nadu, Andhra Pradesh and NCR in IT exports. In 2008-09, the IT export from our state stood at about Rs 6,000 crore in value terms. And more importantly, this export has been growing at 25 per cent rate every year against the national growth rate of 12 per cent.

Q. What are the strengths and weaknesses of the state in attracting IT companies here?

A. Our strength is the quality manpower and this has been globally recognised



also. We also have the cost advantage compared to the other metro cities in the country. In case of weakness, I would like to say that we need to develop for infrastructure for the IT sector.

Q. What has West Bengal achieved so far and what is your target in the next five years?

A. When I took charge of this department in 2006, I had set up some targets of which I have achieved nearly 90 per cent. For example, in May 2006, the IT industry in the state meant only Sector V at Salt Lake: an area of around 171 acres, where different IT and ITeS companies were located. Now, three and half years later, the IT and ITeS sector is spread over 490 acres. Nearly 130

acres in Bantala and 10 acres in Nonadanga are under construction. In addition, 350 acres at New Town Rajarhat have been earmarked for IT companies. We are also constructing IT parks in Durgapur, Siliguri, Kharagpur and Haldia on three acre plot each. In case of direct employment, the figures have tripled since May 2006 i.e. from 35,000 to over 1,00,000.

Q. Land has become a major thorny issue. How do you tackle this problem?

A. It is true that land is a major issue. We have decided to purchase land for IT parks in the four places I have just mentioned. We have already bought land at Haldia, Siliguri and Kharagpur. I admit that Singur has

affected our pace but it has certainly not stopped us. We are growing.

Q. The state government has already allotted 50 acres to Wipro at New Town. What about Infosys?

A. We are very keen to have Infosys in our state. We have offered them 50 acres at New Town. Now, it is up to them to decide. However, we are in constant touch with them. Besides, discussion is going on with ITC Infotech for its facility in New Town. The HCL has also taken 1.5 acres at Nonadanga in the city. We have also verbally made a proposal to the HP to open a centre in West Bengal.

Q. The small and medium enterprises (SMEs) are considered as the biggest employer in the IT sector. Are you giving importance to SMEs?

A. Of course. We have been focussing on SMEs and we have several attractive schemes for them. We also want to invite more BPO (business process outsourcing) and KPO (knowledge process outsourcing) companies.

Q. What is the current status of your dream project, India Design Centre?

A. To begin with, we will set up an incubation centre at the IDC in collaboration with the Bengal Engineering and Science University (BESU). Entrepreneurship development is our focus.


West Bengal: our home

Anywhere you wish to go we are there with 315 CBS Branches

For 67 years now, UCO Bank has been inextricably associated with West Bengal, playing a big role in the State's progress.

Out of 2147 branches across India, UCO Bank today has as many as 315 branches in West Bengal alone. Apart from this, our Head Quarter along with two General Managers' office and five Zonal offices exist in this state.

More significantly, as a committed corporate citizen, it has adopted Radhaballavpur and Kapastikri villages in Howrah, Bagha village in Murshidabad under its CSR, Corporate Social Responsibility Programme.



National & International Recognition

- UCO Bank is included in FORBES Global 2000 list of the world's largest and most successful companies
- Among the top 3 Nationalized Banks to register an increase in market share of CASA*
- Among the top 4 Nationalized Banks to register growth in Fee income last year*
- Among the top 5 Nationalized Banks in terms of Cost to Average Assets Ratio*
- Among top 10 socially responsible banks in the country**
- 6th fastest growing Nationalized Bank in the country**

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*Source: As per Business Today KPMG study 2009
**Source: Business World Price Waterhouse Coopers survey 2009

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