

### **RESPONSIBLE** COMPENSATION

Dr. Sudhakar Panda, Chairman, State Finance Commission, explains the success of Orissa's developmental model

### **INSPIRING**ENTREPRENEURSHIP

#### REVERSING BRAIN DRAIN

Abhijit Sen, Head, Infosys (Bhubaneswar), appraises the success of Infosys within the context of a re-energised Orissa

ODISSI.
COMING A FULL CIRCLE.

ORISSA AWAKENING TO A NEW DAWN





#### **MESSAGE**

I am glad to know that the inaugural issue of "ODISHA ... The voice of a resurgent Orissa", a magazine on Orissa is being brought out.

Orissa is a land of rich cultural heritage and tradition with a glorious past. It is a land of art and artists where art achieves excellence and many great artists born here have taken the art to the pinnacle with their talent and devotion. Often called the Beauty Queen of the East, the state possesses immense tourism potential that however needs to be tapped and projected properly before the outer world to reap rich benefits from the tourism sector.

Orissa is now on a defining state to script a new destiny by giving priority on alleviation of poverty and increase in literacy as poverty and illiteracy are the two ugly spots on the beautiful face of Orissa. The initiative taken in bringing out a magazine showcasing the state's magnificence as well as potential and possibilities in different sectors is indeed commendable and I am sure the maiden venture will go a long way in projecting the true picture of Orissa before global readers.

I wish the endeavour and publication all success.

Murlidhar Bhandare.

(Murlidhar C. Bhandare)



#### INFINITE POSSIBILITIES



The Vedanta Group is spreading roots across the globe. But Orissa has always been close to our heart.

Yet another year has brought with it new possibilities, new challenges, renewed vigour and greater impetus for dynamic growth reaching new horizons.

The Vedanta Group is spreading roots across the globe. But Orissa has always been close to our heart. The state is ideally positioned to see phenomenal all-round growth in the next decade. Its potential for economic growth, rich natural resources and cultural legacy and most importantly, the people, provide an ideal platform for a giant leap into a glorious future. We are proud to be a part of this trajectory and will continue to focus our energy on investments in various sectors – thanks to the unstinted and continued support of the people of Orissa.

At a more personal level, I am most excited at the prospect of seeing my dream project, 'the Vedanta University' taking a concrete shape. The passing of the Vedanta University Bill in the state assembly has re-affirmed our conviction that Orissa is on the verge of a knowledge revolution. We are doubly determined to build this world-class university, which will nurture a global community of knowledge seekers.

I am happy to see the launch of the magazine 'Odisha'. The attempt to showcase the different facets of a resurgent Orissa through this magazine will do wonders in unveiling the state's manifold possibilities before a global readership.

I have absolutely no doubt that Orissa is set to script one of the nation's most exceptional success stories.

Anil Agarwal Chairman, Vedanta Group

#### **CEO SPEAK**



Over the last few years, a resurgent Orissa has been increasingly in the news. There is growing evidence of Orissa reporting improvements across various indicators, whether it is industrial investments, educational campuses, infant mortality, software exports, the ease of doing business and lastly – the summation of all that has transpired – real-estate valuations.

This transformation is rapidly attracting global attention and investors are knocking on Orissa's doors for capital opportunities, which will ultimately set the growth momentum rolling in the state. This magazine has been created with the singular objective of documenting and tracing Orissa's traction towards the positive.

There is a new buzz about Orissa – a willingness of entrepreneurs to commission fresh businesses, an ease of living that is better than a number of Indian equivalents, a growing appreciation of the capital's clean air, a widening respect for the governance and, remarkably, this change is permeating right down to growing prosperity for the ones who most need it – communities at the grassroots.

There is a necessity to evaluate and project the state's developments for the world to take note of. Hence the need to review the transformation; to recognise strengths and achievements; to give greater momentum to the state's amazing success stories by highlighting the positive for onward replication and urging the people to participate in it pro-actively.

This magazine, in chronicling positive change, will focus on doing what most don't. Reinforcing the positive. Enhancing hope.

With my best regards,

M. Siddiqi

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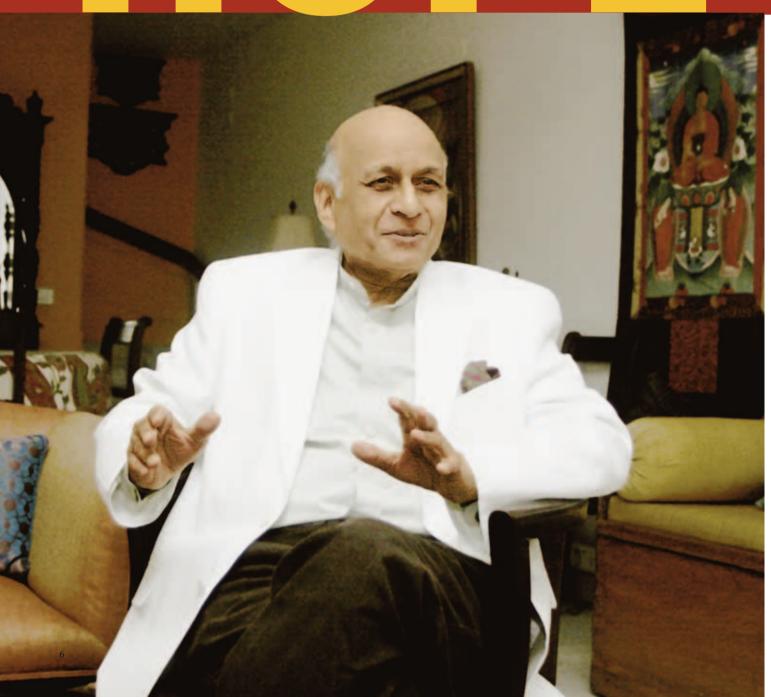
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BHUBANESHWAR means business



ORISSA OPINIONS



"TALKING, DISCUSSING AND ARRIVING AT AN AMICABLE AGREEMENT IS KEY TO USHERING IN A NEW WAVE OF DEVELOPMENT ACROSS ORISSA. THIS IS NO ROCKET SCIENCE."

IT IS REFRESHING TO MEET MR LALIT MANSINGH, FORMER INDIAN AMBASSADOR TO THE USA, WHO SPEAKS CANDIDLY ABOUT ORISSA, HIS BIRTHPLACE. MR MANSINGH (HE ALSO SERVED AS THE HIGH COMMISSIONER TO THE UK) IS FORTHRIGHT ON A NUMBER OF CHALLENGES - AND SOLUTIONS - CONFRONTING THE STATE. THE CENTRE PIECE OF HIS STRATEGY IS THE CREATION OF AN OPEN FORUM TO PROMOTE AN HONEST DIALOGUE BETWEEN THE STATE'S THREE MOST IMPORTANT STAKEHOLDERS - THE GOVERNMENT, INVESTORS AND LANDHOLDERS. INTERVIEW EXCERPTS FOLLOW.

- Your career has been long and illustrious. What keeps you busy after retirement?
- A. Good question. People do different things after retirement they sit at home, listen to music, read newspapers, go for long walks and watch life go by. I find myself in that situation as well. However, after returning in 2004 from an assignment in Washington, I spent considerable time in Orissa pursuing opportunities that could perpetuate development with the maximum societal impact.

Relevantly, I became an INTACH (Indian National Trust for Art and Cultural Heritage) convenor and later also took on other State-centric assignments. The result is that I am

- associated with a number of NGOs and am building a broad consensus among Delhi's think-tank to formulate acceptable solutions for Orissa.
- Why are you so passionate about the state's development?
- A. Orissa is among the richest states in terms of tangible and intangible resources. It holds the country's largest reserves of iron ore with a fair share of coal, which represent basic inputs in steel manufacture. Its art forms (Odissi and *patta-chitra* paintings, among others) are internationally renowned. However, neglect and limited resources undermined the preservation of this glorious past and it was opportune when INTACH's chairman requested me to take up this cause. It was a matter
- of pride to mobilise local and administrative support.
- Please elaborate on your initiatives to bring Orissa to the fore.
- A. During my father's time, one had to walk almost 60 miles to study, so we donated land to build a school at the Nandala village, my birthplace. Besides,

Orissa is among the richest states in terms of both tangible and intangible resources. It holds the country's largest reserves of iron ore with a fair share of coal, which represent basic inputs in steel manufacture.

It is a good sign that Vedanta has taken a holistic developmental view comprising industrial and educational growth.

we organised a *Maya Sandhya* dance festival in Delhi in 2007 in the memory of my poet father Mr. Mayadhar Mansingh comprising Odissi, Kathak and Bharatnatyam, which was attended by dignitaries like the former Minister of Culture and Tourism Mrs. Ambika Soni, Dr. Karan Singh, Dr. Farooq Abdullah and other connoisseurs. This event was also held in Bhubaneshwar, where traditional costumes, saris and hand-woven shawls brightened the stage.

- In addition to INTACH, you also worked with a number of NGOs to catalyse Orissa's development.
- A. Absolutely, because statistics reveal that Orissa is among the poorest Indian states and in some way I felt responsible. This is what I observed: a large number of NGOs were scattered across Orissa. My understanding was that if development was to acquire any scale, these NGOs needed to be consolidated around a common platform. I organised a meeting to share NGO information and best practices, attended by more than 50 NGOs. This was followed by more meetings to create a sustainable development cycle independent of political intervention. I would say that we have succeeded to some extent on this front.
- What is the most visible change sweeping across Orissa today?
- A. The most 'visible' change is the mindset. Despite centuries of ineptitude

and insensitivity of the bureaucracy, there is growing grassroots optimism, which is spurring development. I find communities, neglected for years, assuming responsibility for creating sustainable growth and forming self-help groups. This is resulting in income growth, enhanced nutrition for their children, better public facilities and other social infrastructure.

- Will the coming decade see bigger development in Orissa than has been seen in the last sixty years?
- A. Yes. For one, the state is endowed with rich wildlife, beaches and forests, which offer tremendous scope for tourism development along with agriculture and industry. In the last few years, Orissa's GDP growth has almost matched India's economy. Roads and schools have come up, people are better fed, consumerism is rising and a number of knowledge-led industries are being commissioned, leveraging resident intellectual capital.

While there is an air of prosperity about Bhubaneshwar, the state will do better when our large rural populace is equipped with the necessary resources and infrastructure as well. When mega projects are implemented and our people are convinced that these are for their good, we will outpace every other state in the country.

- What is the Vedanta Group's role in catalysing Orissa's development?
- A. I think Vedanta's core message has

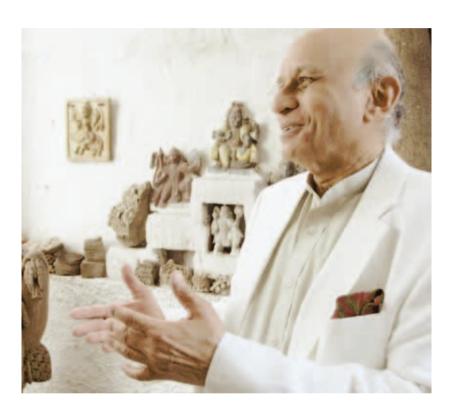
been misinterpreted and not reached its intended audience. Talking, discussing and arriving at an amicable agreement is key to ushering in a new wave of development across Orissa, which is no rocket science.

At present, the dialogue is restricted to investors and the government and the message has not been rightly 'delivered' to the real beneficiaries. A tri-lateral dialogue between three interested parties is a must for differences between stakeholders to be ironed out.

It is a good sign that Vedanta has taken a holistic developmental view comprising industrial and educational growth. I think the idea of an international university is great and being next to Puri, a traditional and cultural hub, it could be an added attraction for people from all over the world to visit the state.

- What would be the triggers of Orissa's development?
- A. One, a ramp-up in the state's education system as we are not producing quality graduates. When I was a student it was an established fact that unless one went out of Orissa, there was no chance of career growth. So this improvement will not only help retain local talent but also accelerate reverse migration.

Two, health standards need to be raised as Orissa has one of India's worst maternal and infant mortality rates. In rural areas, a lack of basic medical care



results in primary healthcare being delivered largely by untrained, unlicensed and unregulated rural medical practitioners. It is possible to use technology to train and monitor the activities of these rural medical practitioners and connect them to urban doctors through voice or video to strengthen the state's healthcare services.

Three, clean water supply needs to be adequate. In pockets, where one of the NGOs I have been associated with, provided 24-hour clean water supply, disease incidence declined 80%. The need for education in hygienic practices

as well as round-the-clock water supply in toilets will go a long way in improving health and lifestyle standards.

Four, irrigation facilities have to be upgraded as the state witnesses abundant rainfall and is blessed by many rivers. Besides, more than 60% of Orissa goes without irrigation since dams and bunds are monsoon-dependant. Orissa can become India's bread basket if irrigation is strengthened.

Five, governance improvement is warranted as certain Orissa districts are plagued by Naxalites and rebel factions.

## "The Persians talked of Orissa's prosperity and high standard of living..."

- Can you dwell on the history of Orissa?
- A. The Persians talked of Orissa's prosperity and high standard of living from the 16th century onwards. Orissa's peak was in the 13th century when the famous Konarak Temple was built, the last flicker of a great civilization. Since then it started to decline but this was not visible until the 16th century when it was attacked by the Afghans ruling Bengal and other northern and southern empires. Then came the Mughals, Marathas and the British, the last rule marked by floods, droughts, epidemics and famines every few years. The British divided the state into several provinces; there was nothing left of Orissa as a state. The movement for an independent Orissa started in the early 20th century and the state became a reality only in 1937.

OPINION

# "THE SINGLE BIGGEST CHANGE IN ORISSA IN THIS DECADE HAS BEEN IN THE AREA OF GOVERNANCE!"

JAY PANDA, MEMBER OF PARLIAMENT FROM KENDRAPARA (ORISSA), EXPLAINS WHY HE IS OPTIMISTIC ABOUT ORISSA'S PROSPECTS

• Why are you positive about Orissa today?

A small correction. I have always been positive about Orissa for a number of reasons – captive availability of rich mineral resources, a legacy of cultural diversity, a long coastline and rich bio-diversity reflected in the largest lake and forest in India. A close appraisal of Orissa from any angle cannot but reaffirm this optimism.

• A number of observers question why the state could not achieve much for more than

50 years since national independence.

A. This answer needs a holistic understanding. Orissa, better known as Kalinga and subsequently Utkala, was a great part of India more than 2000 years ago. However, the state was blighted for centuries including 55 years of its history post-India's Independence, underperforming most national averages.

There was perhaps a reason for this. Although Orissa is rich in mineral resources, the central government's freight equalisation policy encouraged downstream



sectors to be set up just about everywhere across the country except ironically where they would have been the most suited – at the pithead. In an economically illogical provision, the government compensated freight from the pithead to steel manufacturing locations. Consequently, while certain regions started manufacturing steel, others – regions with adequate resources – were overlooked for decades.

Orissa – one of the world's richest mineral hubs – ended up exporting its ore to other states, boosting employment and economic opportunities at these locations at the cost of its own well-being.

- How did the scenario change?
- A. A number of developments over the last decade converged into an inflection point in Orissa's history.

One, the freight equalisation policy was scrapped in the early Nineties, increasing raw material transportation cost from pitheads to manufacturing locations.

Two, a commodity and metals boom transpired across the world some years later, prompting large investments in upstream and downstream sectors.

Three, China emerged as the undisputed global commodity centre of gravity and Orissa was recognised as the closest sustainable supplier of metals or mineral resources.

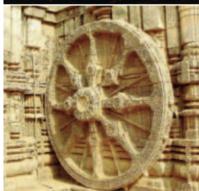
Four, the government introduced regulatory changes in the power sector, rebalancing investments between the electricity generation and transmission segments; the government made it possible for generators to trade power across regions, enabling resource-rich

The big change that we have now seen in Orissa is that those found guilty are not being spared irrespective of their position, connection or clout.

Orissa reported the fastest improvement in reduction of child malnourishment over the last decade at 10%, as against the average national improvement of 6%.









Orissa to become a supplier to the rest of the country.

Fifth, Naveen Patnaik's election as chief minister in 2000 and re-election for two successive terms laid the foundation of a stable and pragmatic political environment.

- Why is the fifth point important?
- A. Naveen Patnaik was elected into office in 2000, then again in 2004 and yet again in 2009. A party being voted to office for the third successive time reflects political stability and positive change in the fundamental grassroots

reality across the state, paving the way for resurgence.

- So what has changed in Orissa in the last few years?
- Governance. In the last few decades, public representatives in Orissa often acted with impunity; over the last nine years, the big change has been a culture of accountability. It is no longer what the elected representatives have done but also how they have done so, that has made all the difference.
- Q. In what way?

A. Like most other Indian states. Orissa was afflicted by corruption. Public project benefits did not reach beneficiaries, public funds often being apportioned by private interests. Today, this scenario has drastically changed and those found guilty are not being spared irrespective of their position, connection or clout. The result is best showcased in the Rs 2 per kg of rice programme conducted in the state. The food security programme came about with the state government spending Rs 850 crore annually to make it happen. I am pleased to state that there was no leakage and mismanagement in its implementation, monitored personally by the Chief Minister.

There is another aspect to this governance. A strict quarterly monitoring system makes decision makers accountable and responsible. While it would have been easy to overproject the number of MoUs signed, I can state that some MoUs have actually been cancelled because there was no progress in the projects – six of the original 42 MoUs signed for steel, for instance.

Q. Apart from governance, what have

been the other challenges of the Naveen Patnaik government?

A. Some of the challenges that the Naveen Patnaik government inherited include: a virtually bankrupt state with a financially overdrawn position virtually every day of the year. A sizable investment going into the state's irrigation and water management schemes with relatively minimal benefits reaching the public. A general morale that with so many leaks, the state was not going anywhere.



We are positioning Orissa as a global showcase in the area of sustainable development.

- Q. Give us a few examples of the state's 'resurgence'.
- A. In the last few years, Bhubaneswar has emerged as one of India's fastest growing technical education centres, prompting comparisons with Pune. The education centres are likely to enhance value to the local population and additionally draw students from other states, many of whom are expected to seek employment within and stay back. Besides, the growth of these technical education institutes will encourage a number of IT companies to

commission facilities in Bhubaneswar.

A major aspect of the state's sustainable success is its inclusive growth, implying that the related benefits are reaching the masses, otherwise deprived for generations. Orissa reported the fastest improvement in the reduction of child malnourishment over the last decade at 10%, as against the average national improvement of 6%. Moreover, in terms of infant mortality - generally a primary health indicator - Orissa improved its position from the bottom of the list of Indian states to fourth from the bottom and on the basis of programmes already implemented, expects to graduate to the top quartile over the next five to seven years.

We demonstrated something far more challenging – that we can transform our destinies collectively. This has happened most visibly in the Paani Panchayat Programme, which is a people's co-operative in the management of precious water resources across Orissa.

- So what is your overall take on the future of Orissa?
- A. We are positioning Orissa as a global showcase in the area of sustainable development where on the one hand, the state will emerge as a global hub in metals, education, information technology and tourism, and on the other, in the area of grassroots prosperity. We have already embarked on this inclusive journey!

#### 0 P I N I O N



"OUR OBJECTIVE

**IS TO EMERGE** 

**AMONG THE TOP** 

**FIVE INDIAN** 

**STATES BY 2020"** 

BY KALIKESH SINGH DEO, MEMBER OF PARLIAMENT

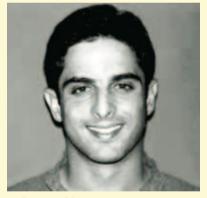
The Naveen Patnaik government's vision of Orissa by 2020 can be broadly categorised into three overarching objectives.

## 1. Emerging among the top five Indian states

## 2. Achieving a consistent 9-10% annual growth

## 3. Reducing the poverty level from 47% to below 10%

The vision paper 'envisions a society which, by the year 2020, has a well diversified and prosperous economy that attains rapid and sustainable development, in which all citizens have ample opportunities to realise their potential and enjoy a high quality of life.'



Is this possible?

"Orissa can indeed achieve this vision by capitalising on its cultural and economic strengths," states a review of this vision document by Kalikesh Narayan Singh Deo, Member of Parliament from Bolangir, Orissa. "Of course, the ability to ensure investment in the acquisition and development of its mineral resource base, along with drawing in and channelising all available human resource, will be key to realising this vision. The stakeholders need to inculcate a broad vision and increased efficiency in governance, while planning and establishing systems

to analyse progress. If Orissa successfully mobilises all its available natural and economic resources and motivates people and organisations towards the vision, I am confident Orissa will emerge as a model for the rest of India."

The numbers indicate that perhaps the beginning towards this ambitious but challenging journey has already been made. A paper was formulated taking into consideration the 7.3% growth rate during 2002-06, agriculture growth rate of 3% in 2002-03 to 2005-06, besides projections by McKinsey, Morgan Stanley and the Centre for Monitoring Indian Economy (CMIE). For instance, in 2005, McKinsey predicted a 7% growth rate over 10-12 years, while Morgan Stanley Global Economic Forum's 2005 report indicated that Orissa would emerge as India's metal business hub, attracting investments up to USD30-40 billion in five years. To top it, CMIE ranked Orissa number one in investment project value under implementation.



where the main purpose of the government is not merely to govern, but where law, policy and strategy liberate and give purpose to individuals and institutions in their functioning... where every individual is educated, self-sufficient and empowered... where empowerment does not end at the affluent individual but extends to the underprivileged. The realisation of this vision does not end at attaining the specific targets within, rather these targets are merely the horizon of what we now see, and once attained, will reveal another more beautiful horizon beyond. Though the state may be tested by floods, cyclones and other natural calamities... our vision is to see the state pass through every trial, unhindered in its purpose, self-reliant, self-sustaining and outward reaching, a perfect expression of the principles enshrined in the Constitution of India."

Kalikesh Singh Deo

Kalikesh Narayan Singh Deo comes from the erstwhile royal family of Bolangir. He is a Member of Parliament from Bolangir, Orissa and was the youngest member of the Orissa State Assembly. Was a member of the Public Accounts Committee and Energy Committee. Elected to the House in 2004 at the age of 29, he won from the Saintala Assembly Constituency. Represented India in shooting and basketball.

## ORISSA'S VISION 2030





The Government of Orissa, under the Technology Mission, initiated a proposal towards the formulation of a development plan for its capital region. This was followed by an interactive process between the Department of Architecture and Regional Planning, IIT Kharagpur and the Government of Orissa.

Eventually, a memorandum of understanding (MoU) was signed where the Housing and Urban Development Department (Government of Orissa), assigned the task of preparing a Perspective Plan Vision 2030 and Comprehensive Development Plan for the Bhubaneswar-Cuttack Urban Complex to the Department of Architecture and Regional Planning IIT Kharagpur for the holistic and integrated development of the region. The concept paper is currently being initiated to invite inputs from stakeholders as a first step towards participatory planning.

#### Planning region

The Bhubaneswar-Cuttack Urban Complex comprises two major urban centres namely Cuttack, the erstwhile state capital, and Bhubaneswar, the present state capital. The former is a traditional Indian town organically developed over time, while the latter was conceived as a modern metropolis

on neighbourhood planning concept by the internationally acclaimed urban planner, Otto. H. Koenigsbargein. The total planned area stretches across 720 sq. km covering 1.58 million population (Census, 2001).

Cuttack, with 195 sq. km and 0.64 million people, is the nerve centre of trade and commerce for the state. Paradeep port, 70 km from Cuttack, provides an excellent opportunity as an industrial destination based on port transhipment functions. During the last decade, Cuttack's growth has slowed due to spatial restrictions on its future growth directions as well as its unplanned city structure.

The Bhubaneswar region on the other hand, conceived after independence, experienced tremendous growth. Administrative and institutional activities contributed to the increase in the volume of trade and commerce activity. Bhubaneswar, well connected with Cuttack (30 km) through rail and road linkages (NH-5 and Howrah-Chennai Rail route), possesses tremendous potential to act as a complementary growth centre to Kolkata in the eastern region for trade

and commerce.

The present and future of the Bhubaneswar-Cuttack Urban Complex is intertwined with the state's overall development. A brief look into Orissa's demographic and socio-economic profile indicates it as one of the least urbanised among India's major states (14.7% of the state population resides in urban areas). Besides, 70% of the population is engaged in agrarian activities. However, the state has the

third lowest population growth rate among all states. The literacy rate is marginally lower than the national mark.

Development of Bhubaneswar-Cuttack Urban Complex, if efficiently and equitably managed, will trigger collateral development of its adjoining hinterland, which in turn would help raise the level of overall welfare in this part of the region.

#### The Vision for the planning area has been perceived around the following core ideas:

- 1. Cuttack and Bhubaneswar as twin cities.
- 2. Transformation of the Bhubaneswar-Cuttack Urban Complex to a world-class urban centre to serve as an important gateway for national and international investments.
- 3. Promotion of cultural, built and natural heritage in a sustainable manner.

#### The road map to achieve this Vision will include the following

- ▶ Generate higher service facilities for attracting various developmental activities, investors and industrial houses
- ▶ Generate facilities and activities to support small investors, informal sectors and slum inhabitants and rural migrants
- ▶ Improve the transport network system for faster communication and high standard linkages between the growth centres and their rural hinterlands
- ▶ Provide decent housing for all sections of people living in the region
- ▶ Transform the whole region to a pollution free zone with conservation of bio-diversity and environment
- ▶ Frame land policies and development proposals for eradicating bottlenecks for future development
- ▶ Formulate disaster management policies to tackle natural hazards
- ▶ Provide high levels of physical and social infrastructure ensuring safe drinking water, improved sanitation, well distributed education, health, recreation and cultural facilities
- ▶ Convert the region to a learning and cultural centre for the state as well as nation
- ▶ Transform the region to a hub of tourism through preserving and promoting the rich cultural heritage
- ▶ Design an effective development control mechanism with a high value of public serviceability
- ▶ Re-energise the institutional and administrative system to manage future urban development in the region

Source: Rewritten and extracted from Vision 2030: A Concept Paper; courtesy: IIT Kharagpur

rissa's new Industrial Policy was formulated to attract large industrial investments to catalyse industrial resurgence. This new policy promoted the implementation of a single window to facilitate and streamline the establishment of new businesses in the state with assistance from the World Bank. Combining training and technical assistance, the World Bank Institute helped build the capacity of key institutions in Orissa to facilitate investments.

The results are visible: it now takes only 52 days to start a business in Orissa compared with the 79 days it took to do so before the reform

resulted in a bevy of the country's top corporate houses including the Tatas, the Aditya Birla group, Ruias, aluminium major Vedanta, IT giants (Infosys and Satyam) as well as Arcelor-Mittal making a beeline to invest in Orissa, transforming this neglected state into a potential industrial hub.

For instance, the Tata Group plans to invest Rs. 30,000 crores in a new steel plant, port, multi-product SEZ, power plant, hotels as well as an expansion of its existing units. The Vedanta Group has planned to invest Rs. 47,000 crores in various projects like alumina production as well as world-class education infrastructure. Besides, the IT/ITeS industry expects to create

around 20,000 jobs by 2010.

- Steel investments: About 49 MoUs have been signed for setting up about Rs 200,000 crore of new steel plants, entailing an estimated annual production of about 74.66 million tonnes this is nearly 50% more than the entire production of India combined. A number of these companies have either started production or are at the construction stage.
- Aluminium investments: MoUs have been signed for setting up two alumina refinery projects entailing an investment of Rs.25,000 crore. Various units from within Vedanta's alumina plant in Jharsuguda have been completed, while its alumina refinery at

Lanjigarh is progressing towards commissioning. Work has also started on the Aditya Birla Group's aluminium smelter in Jharsuguda.

- IT/ITeS investments: Orissa is an emerging IT/ITeS hub comprising brand-enhancing names like Infosys, Satyam, Wipro, TCS, Mindtree, ICICI Bank and Genpact, among others. More than 300 such small and medium enterprises are present in the state. This has inspired the state to set an export target of USD 1,000 mn by 2011-12 and related employment for around 200,000 software professionals by 2015.
- Petrochemical investments: IOC is investing USD 6 bn for a 15 mtpa mega petrochemical complex. Deepak Fertilisers is investing in two chemical

projects in Paradeep. The state is creating a mega petroleum, chemicals and petrochemicals investment region in Paradeep.

■ Energy and power investments:

Around 13 thermal power projects are under consideration with a capacity of 13,500 MW entailing an USD 11 bn investment. The private players setting up power projects include Tata Power, Reliance Energy, Sterlite Energy, Mahanadi Aban, Monnet Ispat, Essar Power, Lanco Group, NavBharat Power, CESC and GMR Energy, among others. The state is also considering various mini-hydel projects with a combined capacity of 100 MW. Sterlite Industries is planning to invest Rs 20,000 crore towards 4,500 MW

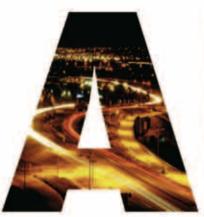
capacity in Jharsuguda and Lanjigarh.

- Ship-building and ship repair investments: Bharati Shipyard and the Apeejay Surrendra Group have proposed to set up mega shipyards at the Dhamra port.
- ■Infrastructure investments: A massive investment is being undertaken for the development of industrial, economic and social infrastructure to reinforce the steel and mining corridors. A major expansion of the Paradeep port is underway. The Government of India has approved 12 SEZs (including four IT SEZs). Around four new ports worth USD 2 bn in investments are coming up at Dhamra, Gopalpur, Jatadhari Muhana and Kirtania. A bio-pharma park in





Orissa at a glance











process in 2004; the state attracted some of the largest and most respectable names resulting in Memorandums of Understanding (MoU) of around Rs 600,000 cr and the prospect of generating significant employment and spin-off opportunities; per capita investment in Orissa was Rs. 78,569 in December 2007 compared to the national average of Rs. 22,669.

#### **Major investments**

The change of policy and other necessary infrastructure development

► Capital: Bhubaneswar

► Area: 1,55,707 square kilometres

► Population 2001: 3,68,04,660

▶ Per capita income 2005-06: Rs. 13,979

▶ Urban population: 14.97%

► Literacy rate: 63.08% (all-India 65%)

▶ Districts: 30

▶ Towns: 138

▶ Villages: 51,350

▶ Principal crops: Rice, pulses, oilseeds

► Major industries: Steel, aluminium, power, cement, mineral-based and paper

#### FDI projects in Orissa

Sector	Companies
Steel	POSCO, Arcelor Mittal
Alumina/aluminium	Dubai Aluminium, Alcan, Vedanta
Titanium products	JSC Technochim Holding (Russia)
Lime	Lhoist (Belgium)
Ports	Noble Shipping (Hong Kong)
Industrial gas	Air Liquide (France)

"Orissa shall emerge as a centre for metals business in India and attract investments up to USD 30-40 billion over the next five years."

Morgan Stanley Global Economy Forum – 2005





Bhubaneswar through the PPP route will widen the state's pharmaceutical industry. The state is also planning to commission an integrated textiles park and auto complex at Choudwar along with extensive rural electrification programmes. Besides, the Airport Authority of India has earmarked investments for Bhubaneswar airport's modernisation.

▶ Tourism investments: Orissa's tourist inflow has increased from 2.9 million in 2000 to 5.3 million in 2006; the corresponding inflow through tourist expenditure increased from USD 213 million to USD 600 million. This is likely to attract growing investments.

#### Support for industry: human resource development

Orissa is optimistic of meeting the needs of the growing people and competence needs of industrial investors. The state is emerging as a hub for engineering, management and medical education in eastern India. It possesses nine universities, 88 engineering/MCA colleges and 18 medical colleges. The result is that around 20,000 B.Tech/MCA students, 3,000 management professionals and 50,000 general graduates pass out annually from Orissa. Over the foreseeable future, even this number is expected to increase significantly; Vedanta is investing in a world-class

university with a projected annual intake of 100,000 students across 95 disciplines; other national level technical and health institutes are also under development.

#### **Support for industry: harmonious** worker relations

Orissa comprises about 14.3 million workers in an atmosphere marked by industrial harmony. This is reflected in the fact that of the 45 strikes that took place in India between January 2007 and April 2007, only one occurred in Orissa

#### **Support for industry:** infrastructure

Orissa has 238,000 km of roads (3,508 km national highways, 5,102 km state highways and 30 km state expressways). Over USD 5 bn investment is expected in the state's road sector and around USD 1.5 bn investment in its railways in five years. The state has four ports along its 480-km long coastline, enhancing capacity in some and commissioning new ones.

The result is that over the last five years, Orissa has seen a marked increase in income and decline in poverty. The state's economic growth has risen from 4% in the 1990s to about 8.5% in the last five years (all-India average 7.8%). The per capita net state domestic product increased from Rs 10,567 to Rs 20,240 between 1999-2000 and 2006-07.

#### **Orissa's Information Technology Policy**

- ▶ Provide easy access to information
- ▶ Encourage transparency in governance practice
- ▶ Promote door step delivery of host of services
- ► Increase employment opportunities
- ▶ Offer a hassle-free and business friendly environment to the ICT entrepreneurs
- ▶ Narrow down the digital divide
- ▶ Attract investments into the state
- ► Achieve high export turnover and economic growth

Rs. 78,569 54.97% 71% Per capita investment in Orissa, Percentage of India's graphite ore December 2007 reserves located in Orissa 95.26% 31% Rs. 22,669 Percentage of India's chromite Percentage of India's China clay reserves located in Orissa reserves located in Orissa 32.54% 92.46% 18% Percentage of India's dolomite 65% 24.48% 67% Percentage of India's coal Percentage of India's manganese Percentage of India's pyrophilite reserves located in Orissa ore reserves located in Orissa

#### Orissa's Industrial Policy Resolution, 2007

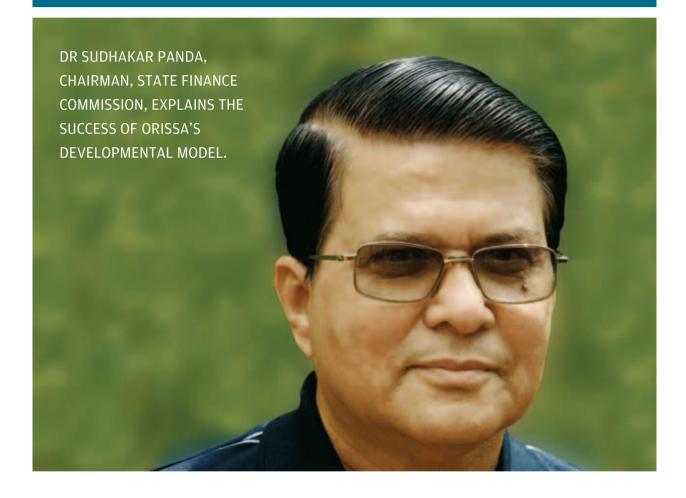
- ▶ Transform Orissa into a vibrant industrialised state
- ▶ Enhance the share of industries in State Gross Domestic Product
- ▶ Promote orderly and environmentally sustainable industrial growth
- ▶ Promote Orissa as a major manufacturing hub
- Maximise employment generation opportunities
- ▶ Maximise linkages between micro, small, medium and large industries and make efforts for the development of ancillary and downstream industries
- ▶ Promote employment intensive sectors such as handicrafts, handlooms, Khadi and village industries, coir and salt
- ▶ Promote sectors such as information technology, biotechnology, agro, marine and food processing, tourism, textiles and automotive industries
- ▶ Promote revival and rehabilitation of potentially viable sick industries, especially in the micro, small and medium enterprises (MSME) sector
- ▶ Maximise industry and institution linkages in areas such as manpower planning and research and development, among others
- ▶ Make concerted efforts for balanced regional development

#### **Orissa's State Reservoir Fishery Policy**

- ► Generate gainful rural employment with special reference to the fishing communities
- ► Introduce systematic management strategies both for conservation and sustained fish production
- ► Attract increasing investments from private sector
- ► Stimulate entrepreneurship for fishery sector with special reference to reservoir fishery
- ► Substitute traditional methods by the introduction of advanced technology in reservoir fishery
- ► Develop skill among fishermen/fisherwomen in reservoir operation and organisational strengthening
- ▶ Generate substantial revenue for the state

Source: http://business.gov.in/investment\_incentives/investment\_policies\_ori.php

## RESPONSIBLE COMPENSATION



- How would you describe Orissa's investment scenario?
- A. I would describe the investment climate in Orissa in one word robust. If one goes by the Economic Survey of 2008-09, Orissa signed MoUs with a large corresponding investment potential. But MoUs need to be translated into solid investments and we are doing just that.
- How would investments affect living standards?

A: One should not expect a dramatic transformation in living standards only because the state's investment climate is robust. The road ahead is long: first, investing companies will need to invest in housing, healthcare and education in the areas of their influence; next, they will need to invest in their businesses, generate a surplus and reinvest in their

businesses. If businesses expand, they will need to recruit and remunerate, and it is only across the medium and long-term that one expects to see a significant improvement in living standards. The state machinery is responsible for managing expectations, ensuring that no short-term hype overtakes long-term optimism as any perceived mismatch can transform believers into cynics.

- There is a greater focus now on how companies acquire lands from neighbouring communities.
- A. Along with the appetite for industrial land increasing significantly due to business scale, the urgency with which land is needed (now!) has also grown. Displacement in itself is nothing new; it is the scale of displacement with associated social implications that has turned into a sensitive issue. Orissa has reconciled these divergent realities increasing land demand for industry vis-à-vis rising expectations of land losers with sensitivity and responsibility.
- There is another perception. If companies are paying land losers a fair price often in excess of prevailing rates why should they be expected to stay continuously engaged?
- **A.** Corporate engagement extends beyond a superficial land transaction for a number of reasons.

One, poverty in most parts of the state is so stark that even after the companies have paid a fair price for the land, the prevailing difference – between land losers and a new emerging community – could trigger adverse societal and corporate implications.

Two, it has been observed that the benefits derived from land proceeds often do not translate into a collective rise in living standards, because recipients are many and propensity to save low. Companies can make a substantial difference if they can train and employ the local populace. Besides, they can create educational supports (subsidised schools and colleges) for people empowerment. This will transform cynics and fence-sitters into positive votaries for industrial regeneration. The operative word here is 'hope'.

- What is the state's advice on how investing companies go about it?
- A. The term 'corporate social

The government has created an overarching guideline (R&R Policy 2006), which spells out modalities for land acquisition with adequate safeguards for interested parties.

responsibility' is much talked about these days. While surplus generation is the prime impetus behind any corporate endeavour (in Orissa or elsewhere), there is a growing recognition that for businesses to be sustainable, companies will need to extend prosperity to their peripheral communities, respect locational realities rather than implant any foreign approach and earn the widest confidence in the shortest possible time. Besides, what is needed is proactive community support as against something reactive (like responding only when things go wrong). So we believe that good community relations mean good business.

- Q. Is this transpiring in Orissa today?
- A There are some companies Vedanta Group, Jindal Steel and Power as well as Tata Steel who are engaged in responsible community support. There is a fresh inclusive approach as opposed to the legacy approach ('throw money, buy land, build factory'). I would say the big leap from the hitherto transactional to the emotional approach has happened in Orissa, barring a few exceptions. However, if there is a mistake, we can always learn and move
- Q. What is the government's role in this regard?
- A. The government has created an overarching guideline (R&R Policy 2006), which spells out modalities for land acquisition with adequate safeguards for interested parties. The

policy also extends beyond the transactional aspect to the emotional; the government has recommended institutional interventions at the state and district level to ensure that mutual interests are protected.

For instance, the government's recommended computation of compensation for land losers takes into account all visible (farm, trees, ponds and fish) income multiplied by the number of annual crop or income cycles plus non-land incomes multiplied by a factor. It is also accounted if the compensation amount deposited in a bank can generate a return that is attractively higher than the prevailing income of the land loser. I am happy that we now have a model to fall back upon.

- Q. What has been the urban fallout of a resurgent Orissa?
- A. Rising real estate values! Urban land in Orissa is costlier than gold. For example, I bought a 4,500 sq. ft plot in Bhubaneswar in the mid-Eighties for Rs 6000; its value has appreciated nearly a thousand times since! Real estate values in Bhubaneswar are rising faster than most places in India today, and the city is extending its periphery faster than it has ever done in living memory. This is happening owing to a cumulative land demand generated by IT companies, educational institutes and visible improvement in incomes. Should this sustain over the next five to seven years, Bhubaneswar will soon emerge as a Tier-1 city in India.

I bought a 4,500 sq. ft plot in Bhubaneswar in the mid-Eighties for Rs 6,000; its value has appreciated nearly a thousand times since! Real estate values in Bhubaneswar are rising faster than most places in India today.





#### The Orissa factor

The one region that is accelerating this shift towards Asia is Orissa.

For some sound reasons.

One, Orissa is one of the world's few regions to enjoy the availability of large reserves of bauxite, coal, ports and intellectual capital, significant in a business where one tonne of aluminium consumes six tonnes of bauxite, two-and-a-half tonnes of alumina and 10 tonnes of coal. Besides, manpower accounts for around 4% of the total smelting operating costs in India compared with 9% across the world; over 50% of India's workforce is below 25 years of age.

Two, there is an abundance of quality

reserves; India possesses 10% of the world's bauxite reserves; Orissa alone possesses more than half of India's mineral bounty with low-reactive silica content, adaptability to low temperature and low pressure digestion, enabling low-cost production of high-quality alumina.

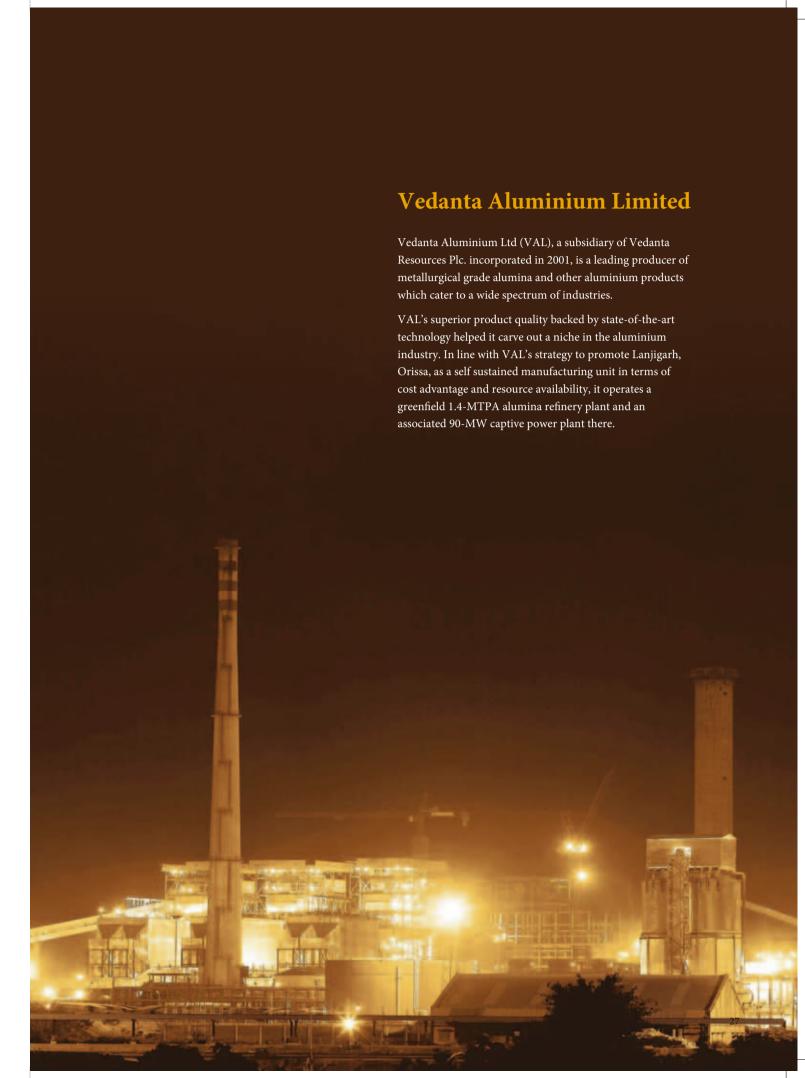
Consequently, Orissa possesses the capability to not just emerge as another large global aluminium manufacturing location but to emerge as a world-leader with probably the world's lowest production cost. When this resident competitive edge is fused with dynamic risk-taking capacity (as in the Vedanta Group), the result is capacity growth that is faster than any other comparable global aluminium company.

The message is clear: Orissa is likely to emerge as the new deciding force in the global aluminium industry.

#### The Vedanta vision

The Vedanta Group is fusing the resident advantages of its Orissa location with a number of strategic advantages.

Unprecedented scale: Vedanta Aluminium is commissioning the world's largest single location smelter at Jharsuguda in Orissa (1.8 MTPA). This scale is strategically aligned with the availability of the world's fourth largest reserves of quality bauxite in Orissa plus abundant coal availability.





Foreseeing enormous potential and opportunity in the state, Vedanta Aluminium Limited set its sights on Jharsuguda in western Orissa on the State Highway 10, 335 km from Bhubaneswar and 310 km from Raipur.

A number of projects were conceptualised and initiated:

- ► A 0.5 MTPA aluminium smelter
- ▶ A 9 x135 MW captive power plant
- ► Rail infrastructure for coal, aluminium and finished product
- ▶ A modern township

The first phase of the smelter (0.25 MTPA) is on the verge of completion while work on the second phase is steadily progressing. A future 1.25 MTPA capacity expansion is expected to scale up the total smelter capacity to 1.75 MTPA, the largest in the world.

VAL's continuous pursuit of excellence ensures the maintenance of high quality standards across all operations and the greenfield 0.5 mtpa aluminium smelting plant at Jharsuguda, Orissa is no exception. VAL's mission is to establish the smelter as an industry benchmark for technology, operations and process management. The smelter sources power from the 1215-MW captive power plant, which facilitates smooth operations. Its high quality standards and advanced technical specifications of British Standard Institute (BSI) earned it the ISO 9001 and ISO 14001 certifications.

The plant offers a dynamic product portfolio of ingots, billets, wire rods, slabs and functions under the brand name "Vedantal", which is registered with the London Metal Exchange (LME).

#### Captive power plant, Jharsuguda, Orissa

To ensure reasonably priced and uninterrupted power supply at the aluminium smelter at Jharsuguda, Vedanta Aluminium established the 135x9 MW, coal-based thermal captive power plant (CPP) – India's largest

captive power plant – 5 km from the Jharsuguda town. It is proximate to one of India's largest coal deposits at IB Valley and the Hirakud Reservoir, Asia's largest non-brackish reservoir.

The plant uses state-of-the-art digital control system, high concentration slurry disposal (HCSD) of fly and bottom ash, counter-flow forced draft cooling towers and multi-flue stacks.

Currently, seven out of nine units of the plant are operational while the remaining two units are scheduled to be completed shortly, further augmenting power generation and enhancing functional superiority of the aluminium smelter.

#### Independent power plant

Power is one the most critical inputs in almost every aspect of life. Vedanta, determined to play an important role in India's advancement towards becoming one of the world's more developed nations, decided to develop an independent power plant that would support the country's infrastructural development.

Sterlite Energy Ltd initiated the establishment of 4x600 MW coal-based independent power plant (IPP) in Jharsuguda district, Orissa, which envisages a Rs. 8,200-crores capital outlay. While the first 600-MW unit is scheduled to commence operations by FY 2009-10 third quarter, the plant is expected to be fully commissioned by mid-2010.

The power plant entails a number of pioneering achievements in the Indian power sector

- ► Its four 600-MW units make it the largest commissioned unit in India till date
- ► The Hybrid ESP with fabric filter is being deployed for the first time in an Indian power plant
- ► The plant also has a dual LP-flow steam turbine and four 150-m high

natural draft cooling towers.

▶ Other important features of the plant include two 275-m high multi-flue stacks and a high concentration slurry disposal (HCSD) system for dry ash and highly concentrated slurry.

Raw materials for the plant are sourced from the Hirakud Reservoir (water) and the IB Valley coalfield (coal). The generated power would be supplied to consumers through the Power Grid Corporation of India Ltd (PGCIL) and Orissa Power Transmission Corporation Ltd (OPTCL).

As a prime advocate of sustainable development, Sterlite Energy Ltd puts a premium on environmentally friendly construction technology. The plant will employ HCSD system for ash disposal, which would result in very low water consumption compared to wet slurry system. The Jharsuguda IPP would therefore be a zero effluent discharge plant with stack emission </=50 mg/Nm3.

## Why is aluminium the most commonly used metal after steel?

- ▶ It is lightweight
- ➤ It possesses excellent corrosion-resistant properties
- It can be alloyed to enhance strength
- ➤ It is strong at low temperatures
- ▶ It is easy to work with
- It is a good conductor of heat
- ▶ It has high reflectivity
- ➤ It is a good electrical conductor
- It possesses easy surface treatment
- ▶ It is non-magnetic
- It is non-toxic

## INSPIRING ENTREPRENEURSHIP



The most exciting feature of Vedanta Aluminium is not what it represents in itself but what could imply for the future of the state. The Company is expected to transform the industrial landscape of Orissa in a number of ways.

For one, the scale of primary aluminium could potentially inspire a number of downstream fabrication companies to commission large capacities proximate to the availability of raw material. Additionally, more than 1,500 industries are expected to be commissioned over five years.

Besides, the Company has the potential to offer 15,000 jobs once the alumina, aluminium and power plants achieve full-scale capacity, leading to an inflow of intellectual capital on the one hand and profitable employment for thousands of the state's youngsters on the other.

#### OPINION

- What are the prospects of the global and Indian aluminium industry?
- A. The correction in aluminium prices on the LME from the second half of 2008 was good for the industry because it made the metal more cost-effective for end-users. The correction will encourage applications in the growing use of aluminium and widen the market. So, while from a short-term perspective, industry players may be disappointed by the sharp correction, from a long-term view, this is the best thing that could have happened to the industry. Our estimate is that global aluminium demand will report a CAGR of 5.7% between 2007 and 2020. India will surpass the global average; we expect demand from India to grow at a compounded 8.2% to 3,300 kt within the same period even as global demand touches 78,472 kt.
- Why is India expected to report a growth sharper vis-à-vis the global average?
- A. For a number of reasons. One, India is the world's second most populous country (1.15 billion) with the lowest global per capita aluminium consumption (around 1 kg compared with US per capita consumption of around 30 kg), which is bound to correct. Two, India is a story of underpenetration; India's car penetration is a mere seven per 1,000 people as opposed to around 430 cars per 1,000 in the US, which will also correct, going ahead. Three, India suffers a peak power deficit of 12-15%; the government has proposed an ambitious 78,000 MW capacity of enhancement in the Eleventh Plan and 'power for all' by 2012, which will boost aluminium consumption. Four, innovative applications will drive the nonconventional market for aluminium

products comprising extrusions and casings, among others. In view of these factors, we see India at the point of an inflection point concerning aluminium demand.

- How is Vedanta capitalising on this transition?
- A. Vedanta is in fact responding concurrently to two trends the trend of moving manufacturing plants closer to resource pitheads as opposed to the conventional practice of being located



"What makes the company different from its peers is its vision which converges scale, integration and logistical advantage into a powerful business model."

Mr Pankaj Khanna, Executive Director, Vedanta Aluminium Limited, shares his optimism on the Indian aluminium industry and Vedanta's positioning within it.

close to markets and the trend of setting up a large capacity in India, a country that is going to be one of the fastest growing aluminium markets in the world from this point onwards.

- What is the strategy going forward?
- A. Vedanta Aluminium is not the only one to be commissioning greenfield aluminium capacity. However, what

makes the company different from its peers is its vision which converges scale, integration and logistical advantage into a powerful business model.

The integration will start from captive power generation and bauxite processing for the manufacture of alumina, which will again be used captively in aluminium manufacture. Through our extensive integration, we expect to remain largely independent of external cost swings.

The scale will be daunting. Our 0.5 MTPA alumina refinery at Lanjigarh (Orissa) will be scaled to 5 MTPA by 2012, making it one of the world's largest alumina plants.

- Q. How will this translate into a competitive cost structure?
- A. During the 2008-09 meltdown, number of companies with capacities in excess of 100,000 TPA started reporting cash losses when the per tonne LME price declined to USD 1200-1300 a tonne. For greenfield plants, it would be reasonable to expect an increase in the breakeven point on account of inflation. However, Vedanta will reduce its breakeven to around USD 900 a tonne. I can safely say that such a cost structure will keep us competitive across all foreseeable market cycles.
- One last question. How will the global market be able to absorb such a large capacity addition?
- A. Good question. At Vedanta, we have taken a decided call: one, global market growth will account for the increased capacity; two, faster market growth in India will enable us to sell quicker than others; three, our relatively lower cost structure will enable us to capture a large market share, justifying the speed of our investments.

## REVERSING BRAIN DRAIN!





#### ABHIJIT SEN, HEAD, INFOSYS (BHUBANESHWAR), APPRAISES THE SUCCESS OF INFOSYS WITHIN THE CONTEXT OF A RE-ENERGISED ORISSA

When Infosys commissioned its first software development centre in eastern India in Bhubaneshwar in 1997, brows arched.

Bhubaneshwar? A number of naysayers crept out of the woodwork. The Company will not be able to attract and retain talent in a place like Bhubaneshwar. The city will have connectivity issues with other Infosys centres across the country. The state will not be able to generate an adequate throughput of professionals to sustain Infosys' interest.

It is more than a decade since Infosys

put down its roots in Orissa's capital. And the verdict is out. Infosys is so happy with its experience in the state that it has embarked on an expansion in space and seats. Clearly, Orissa's largest IT company intends to take its leadership ahead – for the benefit of the company, employees, state and country.

#### **Defying expectations**

Infosys' decision to create a software development facility in Bhubaneswar was based on some credible nitty-gritty. Consider them:

Low pollution

- ▶ Low commuting time
- ▶ Organised traffic flow
- ► Infrastructure development faster than population growth
- ► Positive governmental stance on industry

One would assume that Infosys saw the vision clearly, set up shop, profited, scaled and went laughing all the way to the bank. However, at the time the company stepped into Orissa, obstacles were aplenty. "For one, the pipeline of IT professionals appeared bleak with only a handful of engineering colleges in Bhubaneswar," says Abhijit Sen, who

heads Infosys' Bhubaneshwar facility. "Besides, senior experienced professionals were not keen to settle in Bhubaneswar. Consequently, we developed amenities to attract talent and in due time, aroused interest among senior professionals. Our managerial bandwidth widened and the vision with which the Bhubaneswar centre was commissioned was finally vindicated."

Gradually, the picture changed. Within a decade, Infosys emerged as the largest IT employer in Orissa with a campus size of 50 acres (50% green), the largest facility in Bhubaneswar. Employee strength grew from a modest 90 in 1997 to 700 in 2002 and 3,000 in 2009. While 60% of the company's professionals at the centre are drawn from eastern India (30% from Orissa), the rest are drawn from other parts of India. "We go to campuses across all Indian regions, recruit centrally, take those selected to our Mysore facility for training, post them across India and after the first few years our employees have the option of returning to their hometown," says Mr Sen.

The Bhubaneswar centre's success has spelt good news for not just Infosys, but the city as well. Abhijit Sen serves as a fine motif. He worked with Visa International in the Bay Area, San Francisco, USA. When scouting for an opportunity to return to India, he entertained two options - Pune or Bhubaneswar. Bhubaneswar's low pollution levels, sound infrastructure,

low living cost, low commute time to work and the proximity to Kolkata, made the city an obvious choice. "It is a decision that I have not regretted," he says. "When I came to the city, the office was a seven-minute drive from home. A number of years have passed and despite the ten-fold increase in traffic, commute is still seven minutes, thanks to proactive road development carried out by the Bhubaneswar municipal authority."

Infosys' success did something else for Bhubaneswar. It created a new economic layer – the young engineering graduate who could afford a car and an apartment. This inspired more engineering aspirants, in turn triggering a demand for engineering colleges, resulting in some 40 engineering colleges being commissioned in Bhubaneswar in only the last seven years, more than the number created in the preceding 50 years!

Infosys Bhubaneswar has a lot to show for itself. The centre's revenue grew every single year to Rs. 850 cr in 2008-09. The centre is preparing for the next league. Says Sen: "We are looking to expand facility space in anticipation of growing our manpower from 3,000 to 4,000."

Not bad for a centre that dared to fight the odds with just 50 software professionals and someone asked why.

#### Infosys (Bhubaneswar) and community social responsibility

A responsible corporate citizen, Infosys looks to constantly deepen its commitment to social and community betterment. Recognising the youth as drivers of tomorrow's India, we endeavour to enrich their lives. We are engaged in a number of programmes to encourage students to pursue a career in information technology.

Rural reach program: We reach villages to ascertain if they need any computer or support facility; we train teachers in IT so that they can teach students.

Pratibha Poshan: We sponsor underprivileged students for higher education and English training because most bright rural students find it difficult to seek employment owing to their poor English-speaking skills. We have employed one person to go to different schools and reach such children. Our engineers volunteer and in 2009 we expect to reach around 200 students.

Sparks: Through this program we invite school children (eighth and ninth standards) and students of engineering colleges to our campus for a day, exposing them to our work, so as to inspire them to seek a career in IT.

Campus connect: This is an annual program wherein teachers of registered colleges are trained in technology and soft skills (communication/ articulation/ etiquette) and paid hourly to conduct such training in different colleges. Four teachers are selected from every college. We have created a website from where the students can download and complete simulated projects so that they get a feel of how industry projects are conducted. They can complete the projects and can upload them for us to check with the objective of making them industry-ready.

#### **Support:** the fuel for growth, says Abhijit Sen, Infosys

"Throughout Infosys' presence in Bhubaneswar, the Orissa government supported our company in every possible way. Whenever major roads needed to be widened, the government would immediately invest towards such projects, expanding roads before any traffic problems actually occurred. Problems related to infrastructure development or electricity connectivity would merely require a call in the morning to have the problem solved by the very same evening. Government sanctions were hassle-free and granted without any unnecessary delays. Bhubaneswar set an example for the rest of the country with proactive government initiatives!"

## 100,000 STUDENTS.



"A great research university is not built from the bricks and mortar of its campus, but of the students and scholars who inhabit it, and the discourse and ideas they share."

Prof. Richard C. Levin, President, Yale University, USA at FICCI 2009, Higher Education Summit

What happens when you extend the boundaries of a university and instil a dynamic learning culture?

The result is a knowledge city where global academic excellence converges to create an academic diaspora with few global parallels.

Mr Anil Agarwal, the Vedanta Group Chairman, clearly perceived the dearth of affordable and holistic educational institutions in India. He embarked on the task of setting up the world-class Vedanta University with a personal grant of USD 1 billion from the Anil Agarwal Foundation, a not-for-profit organisation. The University that he has proposed will be spread across 6,000 acres on the beautifully serene coastal tract of the Puri-Konark marine drive





Mr. Agarwal hopes to create something that will, over time, stand in line with some of the best institutions in the world.

in Orissa.

Mr. Agarwal hopes to create something that will, over time, stand in line with some of the best institutions in the world. Besides, as a successful global entrepreneur, he always felt that this was the best way of giving back to society, setting in motion an effective cycle of socio-economic development in a country of 300 million illiterates.

When fully operational, Vedanta Group's knowledge city in Puri, Orissa, will offer 95 academic disciplines to around 100,000 students. This will be supported by cross-disciplinary centres of excellence, covering undergraduate and postgraduate programmes, along with high-end research. The University will be fully residential for its 100,000 students, 10,000 faculty members, support staff and their families. The result will be the gradual creation of an education hub of around half a million people.

Vedanta University will offer 95 academic disciplines to the brightest minds from India and the world. This range will help achieve a number of things: the University will not be typecast as an engineering or a medical university; it will graduate to a holistic centre of excellence.

Currently, India has IITs and IIMs or medical colleges focused on specific disciplines only. Vedanta University will conduct programmes on a much broader range – humanities, sciences (social, behavioural, biological and environmental), education, public administration and policies, along with engineering, architecture, media and communications, law and even performing arts.

The proposed university will not just be different in its academic range, but its proposed de-compartmentalisation will make it possible for students to pursue

any academic combination. The result will be an unconventional institution where it will be possible for an engineering student to take up, for example, performing arts or literature as one of the other subjects. This cross-disciplinary exposure – enunciated as 'porosity' by Prof. Yashpal in the Yashpal Committee Report – will enrich learning and lead to well-rounded individuals.

An academic institution, to be truly effective, needs to reconcile education with experiment. Some of the most respected educational institutions in the

world – MIT or Stanford – are precisely this. They provide students with adequate bandwidth in which to study and apply their learning. Vedanta University's research park will make this possible as well.

#### Big challenge

However, the big challenge will be: the ability to draw the right teaching talent in the right numbers to achieve excellence across varied disciplines. The University recognised that some of the best teachers of the world seek an environment that can continue to

enrich them intellectually. If they are provided with an environment which can rejuvenate intellectually, while continuing to teach them, they will find the environment far more satisfying. Besides, the University's research park will engage the expertise of professors, enabling them to work with students in the commercialisation of emerging ideas. The business incubator will give rise to pioneering enterprises that could spawn entirely new economies.

#### The big moment

The Vedanta University Bill was passed

by the Orissa legislature on 30th July 2009. Around 4,000 acres have been acquired and the designs of the first four academic blocks and the hospital are ready. Authorities say, "We want to set up the hospital immediately so that it can start catering to the medical requirements of the region. The first phase will include colleges of sciences, management, engineering, mathematics and the multi-specialty hospital after the completion of which the University will be ready to take in its first batch of students. The entire University project will be phased. We target 2024 for full completion."





#### **Understanding India's higher education**

What percentage of (18-25 years) Indian youth, goes to college?

7%

How much do Indian students spend in forex on foreign education?

USD 10 billion

How many applicants compete for the 1,350 IIM seats?

300,000

How many Indian Universities have made it to the world's top 500?

3

#### **Vedanta University in a nutshell**

- ► A not-for-profit institution at par with major universities of the world
- Established with a USD 1 billion philanthropic grant from Mr. Anil Agarwal
- ► Access to world-class education standards
- ► Focus on cutting-edge research and the development of tomorrow's leaders
- ▶ The campus development will be phased to nurture a vibrant university township of a projected population of more than 500,000.
- ▶ The Vedanta University master plan is being developed by a specialised US-based firm and global leader in campus planning called Ayers Saint Gross. ASG has several

- decades of experience focused solely on higher education facilities, including some of the world's most respected campuses.
- ► The development of the University and township will engage local and international architects in creating world-class infrastructure.
- ► The township will give rise to schools, recreational facilities, residential areas, commercial activities, parks, cultural institutions and a research park.
- ▶ The interaction between the University, the research park and a business incubator will lead to an interdependent and economically generative research and education complex.

## ALIENT EATURES

- World-class. Multidisciplinary university, with students from across the world.
- Integrating teaching, learning and research into a holistic learning environment that encourages scholarship.
- A 'not-forprofit' institution.

- Academic life harnessed to increase social well-being.
- The university campus would span across 6,000 acres on the Puri-Konark marine drive in Orissa.
- Rs.15, 000 crores invested in a thriving ecosystem of knowledge for around 40,000 students per square mile

An estimated

student life spaces such as unions, recreation centres and fields

Includes

- Commitment to
  passionate pursuit of
  excellence and opening
  doors to the very best
  and brightest by
  following need-blind
  admission policy.
- Nurturing
  generations of global
  leaders who will
  make significant
  contributions to
  society in their
  chosen field of study.
- Producer rather than consumer of knowledge, innovator rather than imitator.

- Floor area ratio of 1:1
- Home to
  around 100.000
  talented
  students from
  around the
  world.
- All students would live on campus
- The university and town will grow at the same rate to accommodate university growth.

## COMINGA FULL COMINGA FULL CREATER

BY DR. ITISHREE DEVI Scholar and Odissi dancer



The circle.
Means
different
things to
different
people.

In Orissa, it is more than a shape. It represents the heart of the state's socio-cultural ethos: the striking vermillion on a newly married woman's forehead, the circular vernacular, the rounded figurines on Orissan temples, the hypnotic, circular gaze of the resident deity Lord Jagannath and the conspicuously circular, lyrical movements of the Odissi dance form.

#### Connector

There are few motifs of Orissa that connect the last two millennia in the state more visibly than this art form.

The evidence is in the texts of old, the age-old sculptures, the temple architecture, the traditions of the generations, the narrative paintings, the designed mud walls, the different allied art forms, the rhythmic percussion sounds, the lilting music and the delicate graceful movements of the people. Odissi reflects all of these and more.

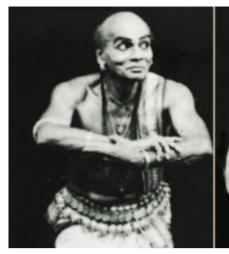
And never in recent times has this art form played a more strategic role than when Orissa became a separate state in 1936. There was an expressed need of the community to redefine itself around a separate – owned – identity. The state journeyed inwards to rediscover itself; Odissi dance and music, a relevant motif for the regeneration, was

gracefully retrieved from buried history leading to its rightful renaissance.

#### Challenging

This 'renaissance' was not easy. What was required was the finesse to glean the essence from all available sources and harmonise them into a refined form that would not only embody Orissa's rich cultural heritage but also graduate it to its rightful place as one of the most beautiful classical dance forms in India.

And it happened, gradually. In the 50s, a Cuttack-based group called Jayantika, comprising dance scholars, researchers and eminent gurus like Pankaj Charan Das, Kelucharan Mohapatra, Deba Prasad Das and others, showcased the traditions of excellence, gave it a distinctive grammar and developed a repertoire to facilitate the transition of Odissi from the temple to the stage without compromising its spiritual essence. The result is that Odissi today has established itself as a distinctive lyrical style; within 60 years, the centuries-old art form has extended from state confines to national interest and international acclaim; the last 30 years have been marked by extraordinary choreographies, the most prolific among the choreographers being the legendary Guru Kelucharan Mohapatra.



Padma Vibhushan Guru Kelucharan Mohapatra

#### **Bigger victory**

But beneath the surface, Odissi has scored a bigger victory in its social implication. For centuries, Odissi was largely performed by dedicated temple dancers (maharis or devadasis). Gradually, as royal patronage declined but the institution of temple dancers continued, the dancers were compelled to seek their sustenance through less dignified means.

This represented a critical social challenge in the 20th century: on the one hand, the art form exhibited that women could showcase the purity of religious thought; on the other, it enslaved them in the world's oldest profession. On the one hand, the dance was considered essential for personality development; on the other, it was used to exploit.

The big test: would it continue to be dismissed as a 'lowly' art form by the respectable or would it be able to shed its skin?

And that is where Odissi has scored its biggest victory in the last few decades, far bigger than the international acclaim, far more than the growing number of international students, far beyond the rigour of students coming from across the continents to study the art form in Orissa today. And it happened because pioneers like Sanjukta Panigrahi, Priyambada Hejmadi, Minati Mishra, Sonal Mansingh and Kumkum Mohanty

dared to defy social barriers by performing Odissi among the respectable in public. The result is that in the short span of these few decades, Odissi has regained the shine of the centuries.

#### Respect

There is a respect for this art form that extends from its patronage by the richest of the rich and its acceptance by the most respectable of the respectable.

Odissi can now proudly rank among the foremost of India's classical dance forms.

But challenges persist. The invasion of the visual media, television and contemporary music and dance threatens classical art forms that are demanding to execute on the one hand and require a sense of aesthetic refinement to appreciate on the other. "In spite of this vulgar onslaught, I am thankful that there is still a discerning public large enough to be interested in the pursuance of classical dance," says renowned dancer Aruna Mohanty. "Interestingly, much of the interest in Odissi appears to be coming from the West, especially second and third generation Oriya expatriates. This interest is being sustained by patronage from the government-run departments of Culture & Tourism as well as Central Sangeet Natak Academy, ICCR (Indian Council for Cultural Relations) and business houses willing to sponsor dance performances."

- ▶ Odissi may well claim to be the earliest Indian dance style based on archaeological evidence, the most outstanding being the Rani Gumpha Caves of Udaygiri near Bhubaneswar dated 2nd century BC.
- ► Legend has it that two Keshari Kings, whose Keshari Dynasty lasted for 300 years from the 9th century onwards, were called Nritya Keshari and Gandharva Keshari.
- ▶ The great ruler Chodaganga Dev of the Ganga Dynasty (1077-1147) was responsible for building the magnificent temple dedicated to Lord Jagannath at Puri and initiating the tradition of having dance as part of temple ritual. In 1194, King Anangabhima Dev added the Hall of Dance (Nata Mandira) to the temple.
- ► The custom of having Odissi performed by boys dressed as girls, known as Gotipuas, enabled the devotional poetry of the Gita Govinda to reach the general public outside the temple precincts.



#### Mangalacharan

(comprises invocation to Ganesh, Saraswati or other Gods and Goddesses and culminating in prayer to Mother Earth, guru and audience).

#### Batu

(dance number of antiquity; introduces the full gamut of the nritta techniques)

#### Swara Pallavi

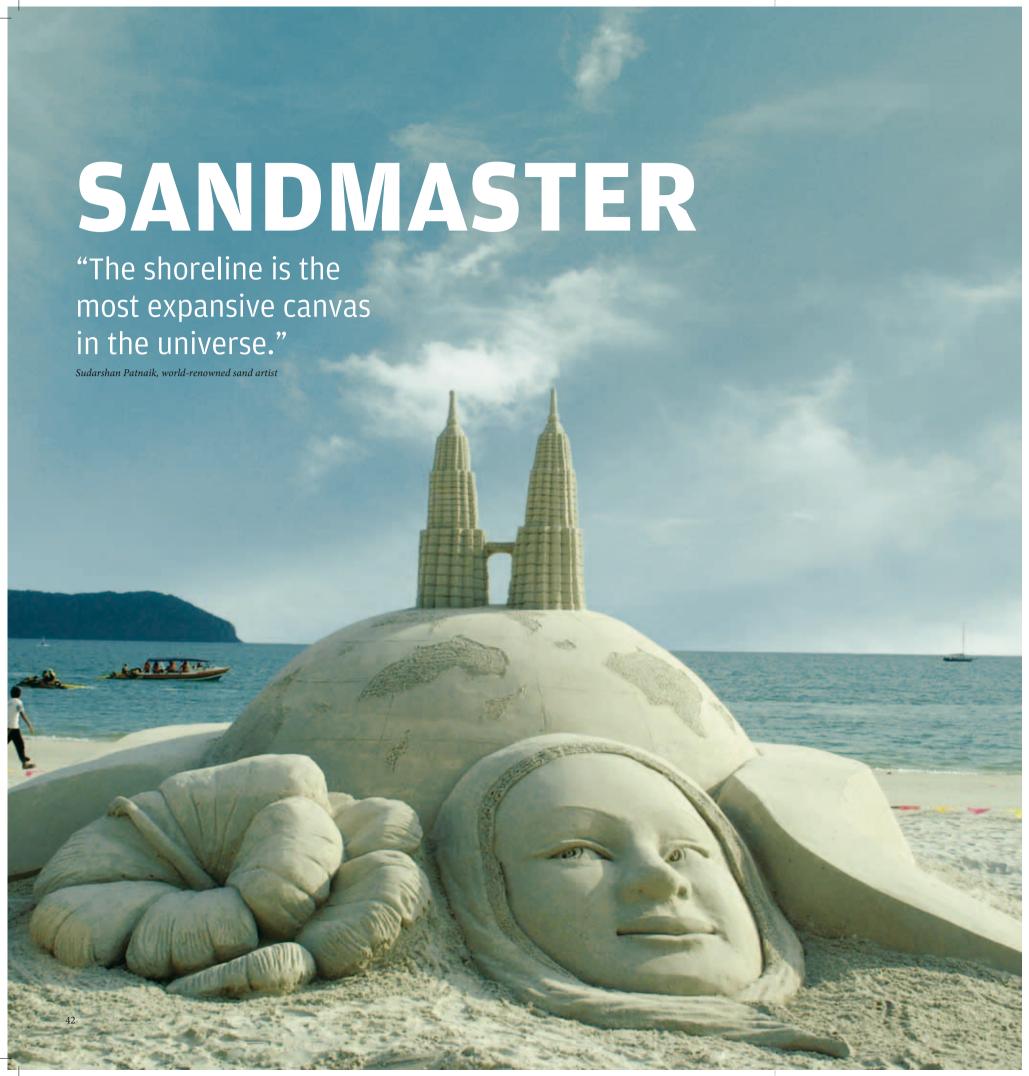
(based on a raga – slow to fast – the mood of the raga illustrated through dance movements)

#### **Abhinaya**

(dance expressing the theme of a song through body movements, hand gestures and facial expressions).
Requires skill and maturity

#### Mokshya

(liberation, ending with abstract design generally followed by a sanskrit shloka describing equanimity)





Sudarshan Patnaik was born in Puri. From his childhood, he was always drawn to the beach. He used to visit the beach everyday and carve faces of gods and goddesses in the sand. Patnaik defied convention and started exhibiting sand art at various places in India, determined to earn it the recognition it deserved.

Sudarshan travels the country, training and conducting work shops. Recently, he made a four-feet sculpture of Michael Jackson in Puri. Sudarshan has also established the Golden Sand Art Institute, the first of its kind in India.

#### INTERNATIONAL AWARDS AND ACHIEVEMENTS

United Kingdom: Exhibited during the World Travel Market's 1998 at Earls Court, London with support of Government of India Tourist Office, London

**United Kingdom:** Exhibited during the World Cup Cricket 1999, held at Edgbaston, United Kingdom

France: World Sand Sculpturing Championship at France 2000, representing India

China: International Sand Sculpturing Championship 2000 at China, representing India

**United Kingdom:** International Sand Sculpturing Championship 2000 at Glasgow, representing India

Singapore: Participated in Santosa Sand Station, Splendours of Golden Asia at Singapore, on June 3, 2001, representing India

**Denmark:** International Sand Sculpture Festival, Blokhus on June 25, 2001, representing India

Italy: Third Prize in World's Master Sand Sculpture's Championship, on July 16, 2001, at Italy

Netherlands: Singles International Sand Sculpting Competition at Scheveningen, Holland, representing India on May 6, 2001 and May 6, 2002

Japan: Champion Medal in "29th International Snow Statue Contest, 2002" at Sapporo, Japan

**Belgium:** Sand Sculpture Festival, Blankenberge, 2002, at Belgium in June Netherlands: The Dutch Sand Sculpture Festival, Thorn, 2002 -2003, at Holland in July

China: The first China Ningxia Sand Lake International Sand Sculpture Events, August 3 to August 10, 2002, representing India

China: The Third Luilang Colour Sand Festival Demonstration Prize at China, 2003

Spain: Second Prize in International Sand Sculpture Championship at Valadoli, Spain, 2003

**Germany:** Third Prize at Berlin International Sand Sculpture Championship at Germany, 2003

China: Fourth Prize at China International Sand Sculpture Competition 2003

UAE: Sand Sculpture Demonstration at Muscat Festival 2004 at Oman

**Germany:** Participated at Sand World Festival at Travemunda at Germany, 2003-04

**Germany:** Public Prize at Second Berlin Sand Station Competition 2004

Australia: Participated at Sand Sculpturing Australia 2004 at Melbourne

USA: Participated in Houston International Festival 2005 at Houston, Texas. Recreated the Taj Mahal in sand

Germany: First Prize at the Third Berlin International Sand Sculpture Competition 2005

**Germany:** First Prize at Berlin World Sand Art Competition 2008



**T**ou gazed from a distance and wondered about the rarefied air within ... the turbaned steward in white clothes and canvas shoes, knocking lightly on the door with a whispered 'Chhota hazree, saheb' at seven in the morning; the bored housewife knitting in the corner and complaining that this year it just hasn't been cold enough; the boxwallah fixing his pipe and waiting for his trunk call to Calcutta at the reception counter; the eighteen year-old heiress of a tycoon's empire fussing over her consommé at the dinner table; the patriarch of the family looking at the mounted giant deer head with a smug 'Dhenkanal variety from the Twenties'.

When we went to Puri in the days of old, the one structure that towered over all others was the BNR Hotel. Either you could afford it, or you simply couldn't.

And if you couldn't afford to get a drink with the sahibs in the evening, you could at least sniff the air outside, walk on the sand and intone 'Some day...'

And then the sepia of the BNR turned an extra shade of brown.

The paint peeled. The gentry thinned. BNR became nothing more than memory; the well-heeled stayed at the newer names on the beach and remembered that when they came a couple of decades ago as children they stayed at a venerable abbreviation with arches but no swimming pool; with latticed windows but no television. BNR gradually became a relic enunciated in the past tense.

Until 2007. When the Indian Railways
– owners of the property – invited bids
from the public for the rejuvenation of
its heritage and landmark showpiece.
The Chanakya Group won the bid and
entered into a public-private
partnership with Indian Railway



Catering and Tourism Corporation Limited. The new management did not waste time in spelling out its agenda: position BNR as a railway boutique hotel and return the showpiece to its former glory.

The BNR hotel was established in 1922 by the Bengal Nagpur Railway following the acquisition of the picturesque Ashworth Villa from a Dr. Elmes. This 34-room hotel, converted from an Englishman's villa, remained an exclusive preserve of Europeans till Independence, the only deviation from the rule being the accommodation of the members of the Indian Civil Service. Consequently, few Indians had an opportunity to be acquainted with the property before Independence. And thereafter, few could afford to stay there. By the time BNR became affordable, the magic was gone.

And it is precisely this magic that the present owners wanted recaptured. "When I visited BNR Puri for the first time, I felt it had the potential to emerge as a wonderful boutique property," says Akhil Kochhar. The young man, with a Master's degree in hotel investment and revenue management from New York University is the project manager of Chanakya BNR (as it has been renamed). "We have kept the external façade untouched, refurbishing only the internals. One of the things that I wanted to retain and enrich was the romance of the Indian Railways. And this led me to an extensive research of the railways, its infrastructure, historians and books like Bridges, Buildings and Black Beauties of Northern Railways by Vinoo Mathur."

Akhil's extensive railway research convinced him of one fundamental reality: that the illustrious history of Indian Railways could be better





#### How to get there?

Sprawling over 2.94 acres, BNR in Puri is half a kilometre from the Puri railway station and around 62 km from the Bhubaneswar airport. Re-launched in December 2009, the hotel's facilities include 37 luxury guest rooms, a multicuisine restaurant, a swimming pool, extensive gardens and an air conditioned conference banqueting facility for 300 people.

showcased for appreciation and archiving through the re-invention of BNR. The Chanakya Group management also tied up with the National Rail Museum, New Delhi, and consulted railway historians to know exactly how BNR Puri could be repositioned as a 'railway theme hotel' where every room would celebrate the achievements of the railways through rare photographs and related information. Akhil adds: "We are fortunate to be associated with the Railway National Museum and have access to those previously undisplayed photographs."

One surprise chanced upon during research was BNR's celebrity guests: "We researched our guest logs since 1955 and discovered patrons like Satyajit Ray, members of the royalty and foreign dignitaries. It was a powerfully emotional foundation to work on and it is our intention to take it to the next level."

So when relaunced, this is what Chanakya BNR Puri has combined – history, heritage, romance, nostalgia, cuisine, leisure and entertainment. Add to that the sun, the surf and the serene natural environment. The magic and glory of the past restored!





The gamble paid off. The environment impact assessment and lagoon ecosystem monitoring, carried out by the National Institute of Oceanography (Goa), indicated that lagoon water quality had improved remarkably. The result: fish landing rebounded in 2001-02 and thereafter peaked at 14,000 tons, strengthening fishery resources and boosting per capita fishing incomes.

In response to a formal request, a Ramsar Advisory Mission (RAM) visited Chilika to review CDA's efforts to preserve the lake's unique biodiversity. They were satisfied and consequently, Chilika was removed



from the threatened list of Ramsar sites with effect from 11th November 2002, leading to the Ramsar Wetlands Awards for 2002.

"I think a comprehensive regeneration is gradually unfolding," says
Dr Pattnaik. "There is a substantial increase in crab production,
reappearance of threatened species,
expansion of sea grass meadows,
increase in avian diversity, habitat
expansion of the Irrawaddy dolphin
(now the highest lagoonal population of such dolphins in the world), efficient sediment flushing into the sea and a decline in fresh water invasive species.
Suddenly, Chilika is being showcased as a model for environmental regeneration."







More relevantly, Chilika is now a symbol of hope. For Orissa demonstrating that eco-diversity cannot be the price for economic resurgence. For conservationists struggling to safeguard the world's last remaining wetlands. For ornithologists studying the rare migratory bird species populating the lagoon. For marine biologists studying flagship species of the lagoon and the Irawaddy dolphin (the highest population in the world). For over 200,000 villagers sustained economically by proceeds from the lake. And for national and international tourists and nature lovers who can now soak in the lagoon's ethereal charm by staying in houseboats recently introduced by the government.

#### The legend of Kalijai



Across the vast brackish lagoon legends crisscross reality. But sometimes, legends could be more engaging and more enduring than reality. Think about a girl (Jai) coming to marry in Parikud, her boat capsizes in the waters and she dies with all her young aspirations locked in her heart. Later she is deified as goddess Kali, who saves fishermen, lost in the vast stretches of water where life is constantly at peril. Experts are sceptical: they opine Kalijai is a poet's muse, a product of his imagination. But that does not prevent lakhs of devotees from flocking to her shrine. Makar Sankranti, is one occasion, when Kalijai's shrine bustles with followers. Faith, as they say, has its own reason.

#### Eight ways in which Chilika Lake was turned around

- 1. Watershed management: CDA evolved a catchment treatment plan using the latest IRS, IC and ID satellite data as a part of its integrated watershed management. Appropriate land use and soil moisture conservation were emphasised.
- 2. Habitat evaluation of Chilika lagoon with special reference to birds as bio-indicators: The CDA commissioned the Bombay Natural History Society:
- ▶ To assess the species-wise population of Waterfowl and Waders in different sectors of Chilika Lagoon and their relationship with habitat factors
- ➤ To study the population dynamics of migratory species using bird banding techniques
- ► To document the endangered, endemic and vulnerable species and their conservation needs
- ► To evaluate the impact of the restoration measures, especially opening of the new mouth
- ► To suggest habitat improvement measures for Nalabana Island
- ► To enumerate the status of breeding birds and their conservation needs

**3.** Management of plant resources:

Aquatic plants represent an important component of the wetland ecosystem, providing food, shelter and a spawning ground for a number of species. They were monitored by image processing methods to know their dynamics. The result: it was found that rare plants (Cassipourea ceylanica, Colubrina asiatica, Capparis roxburghii, Maerua oblongifolia and Heliotropium curassavicum, among others) needed immediate conservation.

- **4.** Communication infrastructure: A number of thickly-populated fishing villages around Chilika do not have proper road network, making marketing fish and fish products difficult and resulting in distress sales. The CDA introduced a ferry service between Satapada and Krushna Prasad island, benefiting over 70,000 people.
- **5.** Fishery resource: To regulate fishing activities and to remove the unauthorised encroachments and enclosure for prawn culture, a task force was created under the administrative jurisdiction of the district collector of Puri and Khurda. The fish landing and fish stock

- assessment was carried out by the CDA in collaboration with the State Fisheries Department. Central Inland Capture Fishery Research Institute (CIFRI), Barrackpore carried out the lagoon's capacity study in order to determine the maximum sustainable yield.
- **6.** Socio-economic activities: The CDA conducted a socio-economic survey in the peripheral villages that suffered from drinking water and health-related problems to identify the key socio-economic issues, relieving the pressure put by these communities on the water body.
- 7. Wetland Research Centre: The Centre facilitated studies and research on limnology, hydrology, flora, fauna and the coastal influence on the lagoon, to facilitate an ecological and mathematical modelling with a decision-support system.
- **8.** Visitor Centre: The Centre at Satapada showcases Chilika's biodiversity through multimedia presentations, touch screens, exhibits, diorama, aquarium, observatory and a discovery room for the children. More than 100,000 tourists visit Satapada a year.



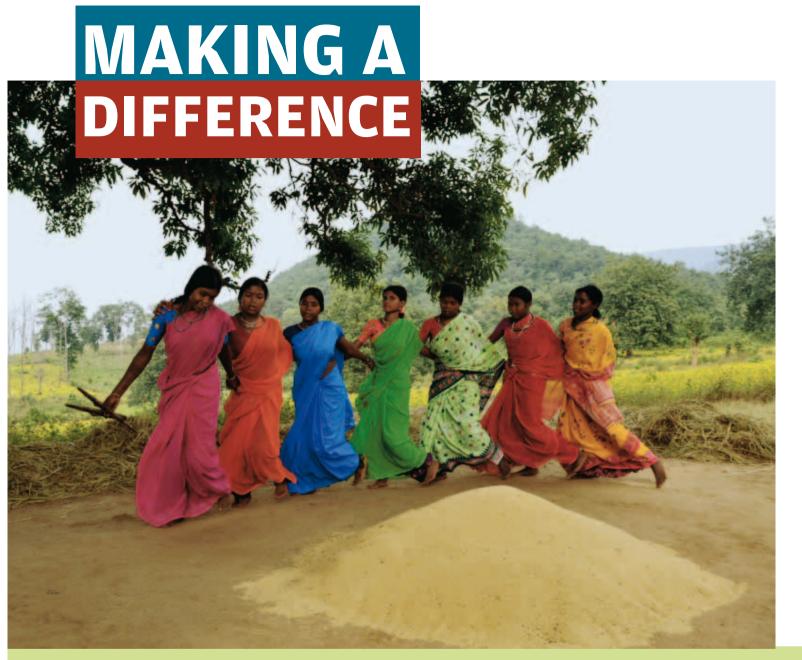
The population of Irrawaddy dolphins in the Chilika lagoon has increased by eight (2009 population census, as reported by Chilika Development Authority). Now the lake houses 146 Irrawaddy dolphins (111 adults, 18 sub-adults and 17 calves), the highest lagoon population of such dolphins in the world. The census was carried out by three teams (69 members) equipped with binoculars, GPS set, VHF sets, rangefinders and data recording sheets.

#### Vignettes of a backwater

Like fish, legends abound in Chilika's backwaters. According to one of them, the pirate King Raktabahu came stealthily to ransack Puri by sea. Anchored out of sight, the ship's refuse was washed into land, residents fled and Raktabahu entered a deserted city. Furious at being let down by the ebb

and flow, his army attacked the sea; the latter surged back to drown his army. The result was the creation of the Chilika lagoon.

Nevertheless, geological studies indicate that the coastline extended along the western shores of Chilika in the Pleistocene era and that the entire north-eastern region above Chilika was under the sea. Much has moved since; the coastline has moved eastward and even the sea-borne Sun Temple of Konark is now over 3 km inward.



#### On Kalahandi

Orissa's Kalahandi district is largely populated by indigenous tribal communities who till date, continue with their time-defying rich cultural heritage. However, it remains an economically backward area and has high incidences of malaria, cholera and diarrhea deaths as well as prolonged drought. Another major problem in the area is its dismal literacy rate (29% overall and 6% in Lanjigarh against the national average of 68%). After much debate in the parliament, a special region (KBK) was formed by the government, comprising the districts of Kalahandi, Bolangir and Koraput to facilitate and precipitate the all round development of the area.

#### On the road linkage

Poor road conditions in this hilly area make accessibility difficult. To reach Bhawanipatna (65 km from Lanjigarh) it takes around 3.5 hours and to reach Rayagada (95 km.) it takes around 5 hours.

#### On generating public support

Initially, we collated information about the basic needs of people and created our CSR philosophy around it. Our primary objective: community empowerment in an area that is neither agrarian nor industrial; low literacy meant that jobs could not be generated and we needed to develop entrepreneurial opportunities reflecting the will to earn a living through work.

#### On the catchment area

We concentrated on a 10 km radius area (core) with a total population of around 20,000.



Dr. Mukesh, COO, VAL, Lanjigarh

We employed locals as coordinators to visit around 100 villages. We identified more than 200 individuals interested in buying vehicles from the proceeds of their land sale and renting them to our company in return for an attractive monthly income. We also provided civil and local construction opportunities for a fixed sum (as opposed to daily wages). This was rewarded with speed and ingenuity. Those who started by earning Rs 500-1,000 a month have now graduated to Rs 5,000–10,000 a month. The best part is that our interaction was direct, no intermediaries.

#### On the bottomline

The success of our community relations was that we commissioned our aluminium refinery in a record 32 months against a prevailing benchmark of 60 months.

#### Our education effort

There are only a handful of schools in Bhubaneswar that can be compared to ours in standard. We first worked on the pre-primary level by opening 40 child care centres that we set up with government help; we provided nutritional benefits for children (between 3 to 5 years), starting from 400 anganwadis and going up to 1,100. We also incentivised punctual teacher attendance. We sponsored some schools and in villages where none existed, we established some. We also supported some 35 students by providing scholarships if they stood first. We started coaching centres with schemes to train the teachers. We arranged mid-day meals for around 14,000 children in the Lanjigarh area through Naandi Foundation. We created a school with an investment of Rs 4 cr to train students in English, mathematics, computers and creativity completely free of cost and today, we have 253 students (220 from the local community). We don't charge the students.

#### **Towards a better tomorrow**

#### **Pioneering strawberries**

Strawberry? That was Kataru Majhi's reaction when he first heard this word two years ago. A tribal from the Rengopali village (Lanjigarh Panchayat), all he cultivated was brinjals, tomatoes and chillies. Barely enough to provide two meals a day for his six-member family.

"Vedanta approached me with a proposal to cultivate strawberries. The company provided me with training, runners, bio-fertilisers and a market. I only had to focus on growing them on my land," he says.

And so, in December 2008, Kataru Majhi became Orissa's first strawberry grower. While the cultivation of regular crops brought in about Rs 12,000-15,000 an acre annually, strawberry cultivation raked in six times as much. Kataru's immediate response: he doubled the acreage under strawberry.

#### **Empowering others**

Sulochana Majhi (62) offered her land

for the alumina project undertaken by Vedanta Aluminium Limited (VAL) and was compensated with cash and accommodation in the Niyamgiri Vedanta Nagar rehabilitation colony built by Vedanta Aluminium. Instead of simply living off the compensation for the rest of her life, Sulochana, with the support of Vedanta, started the Maa Budhima Self Help Group with 10 members. Vedanta trained them in phenyl production and contributed the raw material for the same.

Today, these women are self reliant and contribute to the livelihood of their families. Each SHG member earns Rs. 1,500 monthly. Sulochana's Maa Budhima Self Help Group was recognised as the Best SHG Action by the Development Task Force, a civil society group in Orissa. She was awarded by the Chief Minister, Navin Patnaik. Sulochana's success inspired the creation of another eight SHGs.

#### No longer handicapped

Handicapped husband. Three young children.

Life seemed hopeless for Sabita Mirij, a poultry farmer in Banjari.

Until a livelihood finance project called Vedanta Integrated Jana Jeevika Yojana (VIJJY) was initiated in her village. VIJJY trained Sabita in advanced poultry farming and provided raw material linkages. Her defunct poultry shed was renovated. Aroud a 100 chicks were provided every month.

Today, she earns Rs 3,500 a month. More importantly, she has emerged as a figure of hope.

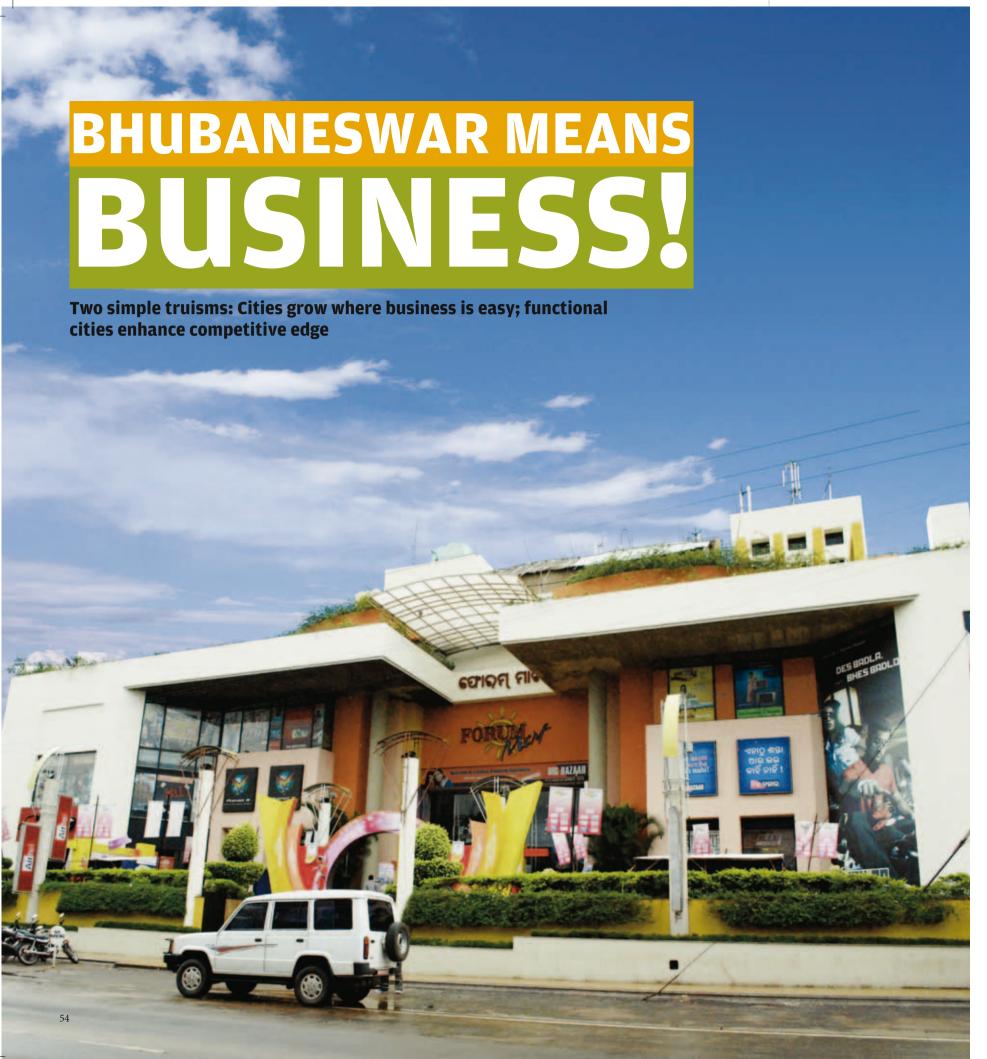
#### Investing in a better future

Basanti of Brundamal. Landless. Couldn't get work as agricultural labourer. Husband generally drunk. No help feeding their three children.

VIJJY helped Basanti become a member of the Subhalaxmi Mahila Samabaya Ltd for credit and savings support. Helped her set up shop with Rs 5,000.;

Gradually, her daily sales doubled to Rs. 800-1,000. Today, Basanti can provide for her children and has earned the respect of the village.

 $^{2}$ 



So instead of asking which cities will grow in the future, the more pertinent point could be: in which cities is business likely to get easier.

In a recent World Bank survey that sought to identify the most business-friendly destinations, the top five contained two relatively unexpected names. Ludhiana headed the list; the city that came third out of 17 surprised most people. Bhubaneswar.

The survey indicates that it is easier, less-stressful and more functional to do business in the capital of Orissa. Bhubaneswar has performed better than even India's capital (which figures at six) or India's financial capital Mumbai (which figures at ten). Among regional peers, Ranchi finished at nine, Patna at 14 and Kolkata at a lowly 17. Not for no reason are an increasing number of business people wanting to enter eastern India, finding it relatively easier to do business in Bhubaneswar.

This survey was conducted across factors as diverse as the ease in starting a business, dealing with construction permits, registering property, paying taxes, trading across borders, enforcing contracts and closing a business.

Some of the initiatives that contributed to Bhubaneswar's high rating: The Bhubaneswar Development Authority adopted a Geo-Information System to provide information on each revenue plot along with master-plan provisions such as land-use zones, roads, drains and open spaces, which made it easier to start a business. Besides, the implementation of computerised land records has made it easier for entrepreneurs to detect land encumbrances.

Doing business in India: Where is it easier?	
1 Ludhiana, Punjab (easiest)	10 Mumbai, Maharashtra
2 Hyderabad, Andhra Pradesh	11 Indore, Madhya Pradesh
3 Bhubaneshwar, Orissa	12 Noida, Uttar Pradesh
4 Gurgaon, Haryana	13 Bengaluru, Karnataka
5 Ahmedabad, Gujrat	14 Patna, Bihar
6 New Delhi, Delhi	15 Chennai, Tamil Nadu
7 Jaipur, Rajasthan	16 Kochi, Kerala
8 Guwahati, Assam	17 Kolkata, West Bengal
9 Ranchi, Jharkhand	

Note: The ease of doing business is calculated as the ranking of the simple average of city percentile ranking on each of the 7 topics covered. The ranking on each topic is the simple average of the percentile on its component indicators.

Source: Doing Business Database

#### **PIONEERING ORISSA'S**

#### **INDUSTRIAL GROWTH**



#### **Upcoming projects**

- ► Corporate & IT Tower, Bhubaneswar
- ▶ IT Towers at Rourkela and Berhampur
- ▶ Urban Haat at Puri
- ► Petrochemical and Chemical Investment Region (PCPIR) at Paradeep
- ► International Convention Centre, Bhubaneswar
- ► Handicraft & Handloom Cluster
- ► TSDF
- ► Industrial Estate for Auto and Auto component
- ▶ Bio-IT Park
- ► Aluminium Park at Angul
- ► New Industrial Estates

"Orissa accounts for 15% of total investment in hand in the country. It tops in terms of industrial investment (USD 133 bn) and project implementation, ahead of Maharashtra and Gujarat."

Centre for Monitoring Indian Economy (CMIE)

From its unspoilt pristine beaches to adventurous jungle retreats, not to mention the colourful life of indigenous tribes, Orissa naturally offers its riches to the curious traveller. No wonder that, despite the global recession, tourist footfall in Orissa has increased.

Mr. T. Ao, Director Tourism & Additional Secv., Govt. Of Orisso

"The steel plant and power project, along with investment planned by TCS and Taj Hotels is a concerted effort by the Tata Group to increase its presence in Orissa. These investments, combined with able and efficient administration in the state, would provide the right impetus to the speedier industrial development of the state and bring prosperity to the people."

Ratan Tata, Chairman, Tata Sons

"Orissa provides assured long-term reserves of high quality iron ore, surplus and cheap electricity and easy access to major steel consuming markets and raw material sources."

B Muthuraman, former Managing Director, Tata Stee

## **ORISSA OPINIONS**

"Relative to building the 10th new retail mall in a suburb of Mumbai ... I'd much rather build the first distribution park in the steel industry of Orissa, where you've got great demand."

Alastair King, CEO of UK-based India investor Eredene Capital (Reuters)

"Orissa is the fastest progressing state in macro economic performance in India".

India Today in its State of the States Survey 2007

"The state recorded almost twice the national growth rate which was 21% last fiscal. Kerala and Gujarat are the only two other states in the Rs.1,000 crore- plus software export category, which have shown a higher growth than Orissa in the last fiscal."

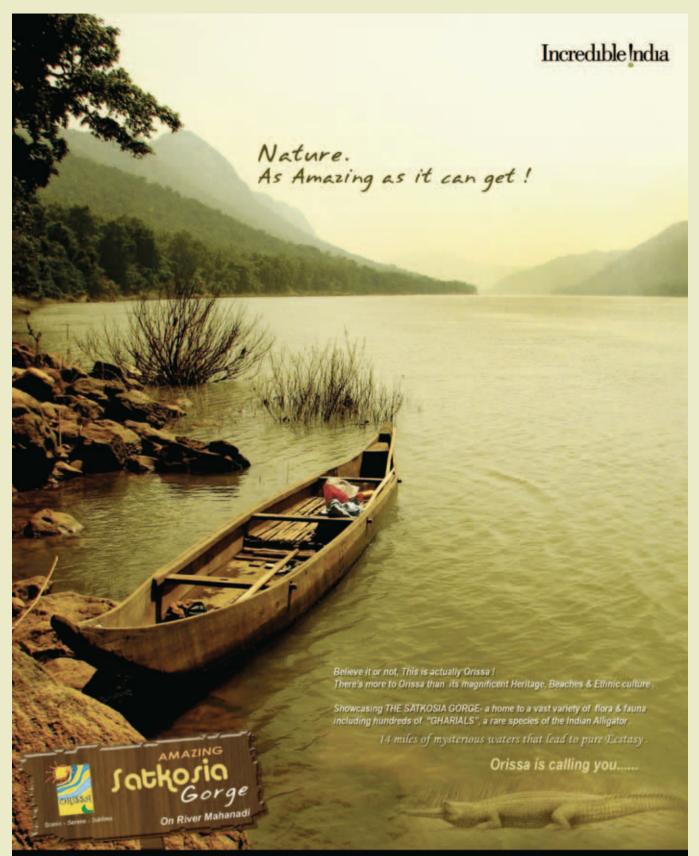
PK Mohapatra, IT Secretary

"Orissa's economy is poised to grow at 7.1% over the next 10-12 years, the highest in eastern India."

McKinsey

"Our project in Orissa will play a pioneering and catalytic role by attracting other auto OEMs and auto components manufacturing business houses to set up units in Orissa and thus replicate the story of agglomeration effect in Orissa."

RK Behera, Chairman, RSB Group



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