



INTERVIEW

HEMANT KANORIA

*Chairman and Managing Director,
SREI Infrastructure Finance Limited*

**“Bengal
Has A
Future,
It Needs
To Draw
On Its
Strengths”**

SREI Infrastructure Finance Ltd is one of India's leading Non-Banking Financial Institutions (NBFI) and the only private sector infrastructure financing NBFI. Srei, which has been operating since 1989, is primarily into financing infrastructure equipment and projects as well as renewable energy projects. The company is a market leader in infrastructure equipment financing with more than 35 per cent market share. Being one of the country's largest holistic infrastructure company, it has presence in almost every state and union territory. Recently, Prasanta Paul of Parliamentarian met Hemant Kanoria. Excerpts from the interview:



How difficult is it to do business in West Bengal?

Every state has its advantages and disadvantages. In my opinion, a lot depends on how you react to situations and deal with people. We believe that human resource is the most important resource for any business enterprise. Bengal's biggest advantage is its talent pool; people here have a strong inclination to pursue higher education. This is relevant for companies like us, which are in the financial services business. We need knowledge employees. Hence, professionals want to work here. There is probably a problem of perception about Bengal. Critics often say that people in Bengal are not forward looking. But I strongly disagree. We have been operating in this

state for many decades and we have not encountered any hurdle.

Have you seen a difference in the industrial scenario in West Bengal during the Left and present regime?

It is probably not fair to do a comparison. Anywhere in the world, there is a gradual change in mindset and expectations of people over a period of time. Depending upon those dynamics, governments change their policies. This is also true for businesses. If you see, 30-40 years ago, in businesses there used to be employers and employees. But now it is all about one team. The mindset has changed. Employees realise that if they are in constant conflict with the management then they will not benefit. Likewise,

employers have realised that employees are critical for the success of their businesses. Hence, now every successful business works as one team towards achieving a common goal.

Why are big ticket investments staying away from West Bengal?

All the large industrial and corporate houses still have presence in Bengal. Businesses decide to set up new units in a particular region after evaluating a number of things: availability of raw material, skilled and knowledgeable manpower, state of infrastructure, cost of operations, etc. For instance, manufacturing companies tend to set up operations in areas where raw materials are in abundant supply.

How do you then explain the flight of capital from West Bengal to other states?

I don't see any flight of capital because there are no companies that are moving away from Bengal at this juncture. Companies are expanding operations across the country and setting up operations in new geographies after evaluating a number of factors which

we discussed; but there is certainly no flight of capital. Even today, Bengal is a big market. Almost every company which has operations in India has a presence in Bengal in some way or the other.

But many plants have been shut; no new investments have been made in the state. How do you explain this situation?

As mentioned, businesses will continue to evaluate a number of factors before setting up operations in a particular region. Bengal continues to remain a strong

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consumption centre. For example, a car manufacturer may not be manufacturing cars from Bengal. But the company will still have its service centres, spare parts and warehousing facilities here. India's annual import from China, for instance, is around \$60 billion to \$70 billion. So, one may raise a question that why can't we manufacture these products in India. But will that be feasible? Massive investments will be required to build capacity if we have to shift production units here. Otherwise it will not be feasible. Automobile companies have been moving towards Pune, Bengaluru or Chennai because these regions have become hubs for automobile manufacturing. Power plants usually prefer those states where there is availability of coal. Every state has its set of advantages and disadvantages. Businesses will evaluate the pros and cons and decide accordingly.

Despite these advantages, why is the state failing to attract investments?

I think like every state, Bengal has also been trying to attract investments. Every state needs to do a SWOT analysis and evaluate their strengths and weaknesses. There is no state which will just have strengths or will only have weaknesses. Then the strengths need to be marketed in a structured manner to investors. Bengal can surely improve in marketing itself better. Industrial parks can be developed in places like Bankura, Purulia and parts of Asansol and Durgapur. Ultimately, businesses

are not based on emotions but hard-core logic.

Srei has been in West Bengal for almost three decades. Srei has been growing from strength to strength while doing business in West Bengal. What is your secret and why is it others have failed to take a leaf out of your book?

There is no secret, really. Just like many other successful companies, here we have always tried to leverage on the strengths of Bengal. There is a good talent pool in the state; people are dedicated but emotional, so we have to deal with them with care. As a financial institution, we need employees who are knowledgeable. Our human resource is our biggest strength and we ensure that the happiness index in our organisation is very high.

Does Bengal still have a chance of reviving its lost glory?

Yes, of course. Bengal needs to leverage on its key strengths, market those strengths in a structured manner and invite businesses and industries. Some of the key strengths of Bengal are its talent pool and quality infrastructure. Also, industries must start seeing Bengal as a huge market. Bengal is a gateway to almost 14 states – apart from North Eastern states; Bengal is almost like the capital for Bihar, Jharkhand, Odisha and eastern Uttar Pradesh. In a way Bengal is a gateway to almost 40 per cent of India's population. Bengal also provides market and access to Bangladesh, Nepal and Bhutan. □