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World Eye Reports

India

60th Anniversary of Diplomatic Relations between India and Japan in 2012



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Six decades on, Japan sees India as a key partner in Asia

In 2012's bearish global economy, it's almost unusual to see a country doing relatively well, with a bright outlook on the future. India's continuing growth at a time like this and huge market makes it stand out even more on the world stage. In a few decades it has gone from a lumbering, if giant, economic backwater to to-



Akitaka Saiki, Japanese Ambassador to India

day's focus of economic expansion and smart choice for direct foreign investment.

Of course, India has not been spared the effects of the global economic crisis. Last year's double-digit growth has dropped to a more modest (if still remarkable in these times) level of about 6 percent this year. Business remains generally positive about the situation.

"There is a growth trend in India regardless of world conditions," explains the interim CEO of BSE (formerly the Bombay Stock Exchange), Ashishkumar Chauhan. "We are growing because ours is a consumption-driven economy. India is being challenged, and this is pushing

the country to explore and turn to other means of business and revenue generation."

One key growth factor is a domestic market that is almost unimaginably huge and continues to expand. In fact there are projections that India's current population of 1.2 billion people will overtake world No. 1 China's within 20 years. India's millions also provide a relatively low-cost yet talented and driven workforce. Half of the population is in the 20s, and the ranks of the middle class continue to swell.

Indian companies such as the tire giant MRF have the hometown advantage of this market at their doorstep — which provides a strong foundation for making the leap abroad. "Even though we now have a global footprint, our largest market is still India," says Koshiy K. Varghese, executive vice president of the company.

"India alone produces about 400,000 vehicles a month and is home to 40 million," explains MRF's chairman and managing director K. M. Mammen. "Think of



Atindra Sen, Director General, Bombay Chamber of Commerce and Industry



The focus on sustainable growth is changing India's landscape: State Bank of India (SBI) has installed wind power generators with capacity for 15 MW in three states for India's energy needs, while the bank is also the world's largest operator of solar-powered ATMs.

all those tires that need replacing."

However, to make this growth sustainable in the long run, much more development and investment is needed. In this respect, on the historic 60th anniversary of diplomatic relations between the two countries, Japan is perceived as a reliably strong partner and supporter for India's initiatives to reach developed country status.

"There has been a long history of friendly ties between India and Japan, but it is only relatively recently I think that Japanese investors have finally come to realize that India has even greater potential for the future," says the Japanese ambassador to India, Akitaka Saiki. "Countries like India with young populations have a positive outlook because their markets will only expand, so this

makes India ideal for investment."

"Japanese investment into India will be continuous," predicts Naoyoshi Noguchi, director general of JETRO New Delhi. "It is not only a production base country but also a gateway to the West."

Both countries have made great



Naoyuki Maekawa, Senior Coordinator for South Asia, JETRO

progress in recent years in forging closer business ties. "We have begun strengthening our trade partnerships through specific policies such as the comprehensive economic partnership agreement or CEPA, which has notably increased trade by 10 percent since it came into force last year," Saiki adds.

"Meanwhile, the Japan-India Social Security Agreement has helped promote the movement of talent between our economies by easing the burden of labor insurance for both Indian and Japanese citizens working in either country," he explains further. "We are also looking to eliminate tariffs between our two countries by up to 94 percent in the next 10 years."

Noguchi points to the development of the DFC (Dedicated



Naoyoshi Noguchi, Director General, JETRO New Delhi

Freight Corridor), built with Japanese assistance to connect Kolkata, Delhi and Mumbai in a bid to improve India's infrastructure — so crucial to the entry of further direct investment from Japan and elsewhere.

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India's financial leader turns its focus to Asia

Within the dynamic Indian banking landscape, State Bank of India (SBI) has successfully balanced its legacy with a continuing drive to innovate. Since its establishment in 1806, SBI has grown side-by-side with the country to become India's largest commercial bank in terms of profits, assets, branches and employees. The bank currently has a 17 percent market share in India and is planning further growth both in the domestic market and abroad.

Having joined SBI in 1974, Hemant Contractor, its managing director and group executive (for international banking), is still driven to build on the foundations of the bank.

"SBI has come a long way since our early days," he says. "We have created a highly respected institution both in India and throughout the international banking world. The liberalization of the Indian economy in 1991 brought with it a

new competitive environment and we recognized there was a need for change.

"While we had significant legacy systems in place, we gradually shifted to a fully automated accounting and banking system spanning our entire network," Contractor continues. "We also

invest in our people. Today we have four large specialized apex training institutes and more than 50 learning centers across the country. Training, retraining and empowering our people have been key to ensuring we retain our leading position as we look to the future."

Today, SBI's 14,400 branches are all connected on a real-time network system linking its 215,000 staff with domestic and international clients.

Current unease in international financial markets is also evident in India's domestic banking and financial services sectors. "India has not been immune to the recent global economic turbulence," explains Contractor. "We saw a year of decline in 2009. Indian banks were affected, but the Indian economy bounced back again in 2010." "Since then we have seen the challenges being faced by countries in Europe," he says. "As a bloc, Europe is our largest trad-

ing partner and we continue to be affected by events taking place across the euro-zone. There is a slowdown. India as a country needs a great deal of further investment to continue moving in the right direction."

Shifting its focus from Europe, SBI's intra-Asian trade is continuing to grow. The bank is committed to facilitating business developments throughout the region. In addition to the bank's subsidiary in Indonesia, its Asian branches include offices in Hong Kong, Shanghai and Singapore. A new office in Tianjin, China, will be opening shortly.

In Japan SBI has offices in Tokyo and Osaka, and has developed a strong relationship with JBIC (Japan Bank for International Cooperation). The Japanese are investing heavily in India, and as the dominant bank in the country, SBI is usually the first port-of-call for Japanese investors undertaking large projects in the country.

While the pace of development needs to be increased in India, there are signs that the country is on the right track in terms of focusing on its future and attracting investment. "The advantages of investing in India are numerous," says Contractor. "We have

a growing consumer market and a skilled workforce that speaks English. We are a democracy with systems and institutions in place similar to those in the U.K. and the U.S."

As SBI continues to facilitate project financing initiatives and provide clients with the ongoing support required to successfully do business in India, Contractor continues to focus on the future.

"We intend to work closely with our existing and potential partners and offer our guidance and expertise," he concludes. "We have developed an active project financing role, and remain committed to the country's continuing development. As India welcomes more foreign investors, SBI will continue to work closely with clients who recognize the advantages of partnering with us and who see the potential offered by the vigorous Indian economy." ♦

www.sbi.co.in



Hemant Contractor, Managing Director and Group Executive for International Banking, SBI

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Tata Elxsi is a leading design and technology services company and part of the \$100 billion Tata group.

It is unique in focusing on product design and system development — including hardware, software, user interface and mechanical design.

Tata Elxsi has been associated with Japan right from its start in 1989, when it began working for leading Japanese companies in embedded software development: a new area for off-shoring and India at that time.

It set up its first office in Japan in 1997 with a team of Japanese and Indian engineers. This has grown over the last 15 years to serve customers today from the automotive, broadcast, consumer electronics, health care and communications sectors.

Tata Elxsi now offers flexible engagement models including ODC (offshore development centers) in India and teams that can be deployed onsite or in near-shore centers located closer to Japan, such as Thailand, Malaysia and Singapore. This allows it to enhance the global competitiveness of these customers by combining location flexibility with significant reduction in costs.

It also uses its global experience and multi-disciplinary innovation capabilities to help Japanese customers expand into global markets.

In the automotive sector, it focuses on ECU (electronic control units) software development, turnkey system development and testing for areas such as body, chassis, safety, advanced driver assistance, hybrid vehicles and in-car infotainment. It now works with globally renowned companies such as Honda Motor and Fuji Heavy Industries, as well as leading suppliers such as AISIN comCruise and Calsonic Kansei in Japan.

It delivers product engineering for set-top boxes, gateways and smart TVs and also develops innovative applications and services for broadcast service providers.

As one of the world's leading suppliers of LTE and WiMAX software, it helps telecom product companies develop base stations and femtocells using its intellectual property in LTE and WiMAX and custom engineering services.

Tata Elxsi works with leading consumer electronics companies for offshore development of products such as cameras, projectors, printers, smartphones, tablets and other connected devices. It has customized its internal processes and systems to suit Japanese work culture and requirements, and employs many Japanese staff in Japan and India, as well as encourages its engineers in India to also learn Japanese.

With India becoming an important and strategic market, many Japanese customers are also using Tata Elxsi's deep understanding of Indian consumer needs and market requirements to develop custom products for India and other emerging markets.

"Along with cost reduction, quality and schedule are very important for Japanese customers," says Madhukar Dev, managing director and CEO of Tata Elxsi. "Open communication, flexibility and mutual problem solving is the key to long-term relationships."

On this basis, Tata Elxsi's relationship with Japan is simply set to grow even stronger in the years to come. ♦ www.tataelxsi.com



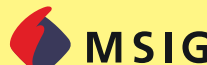
SBI, India's single largest lender, is a major contributor to the country's continuing industrialization.

Eye on India

• **Tata Elxsi** is a design company that blends technology, creativity and engineering to help customers transform ideas into world-class projects and solutions. A part of the \$100 billion Tata group, it works with leading Japanese companies in the automotive, consumer electronics, communications, health care and broadcast sectors. www.tataelxsi.com

• **The Bombay Chamber of Commerce and Industry** was established in 1836 to encourage and promote amity and cooperation in industry and trade on subjects involving common interests, maintain and provide information and data on matters of general, commercial and industrial interest, help redress grievances affecting industrial and commercial interests and arbitrate disputes arising out of commercial transactions. It is India's oldest chamber of commerce, and currently has about 4,200 members from all sectors of the economy, including a large number of SME companies. www.bombaychamber.com

• Established in 1875, **BSE** (formerly known as the Bombay Stock Exchange) was Asia's first stock exchange and is now one of India's leading exchange groups. Over the past 137 years, BSE has facilitated the growth of the Indian corporate sector by providing it with an efficient capital-raising platform. www.bseindia.com



• With 10 years of experience in India, **Chola MS General Insurance** is the fastest-growing general insurance company in the country. It offers policies including health, car, home and travel insurance. It aims to continue to bring peace of mind to clients by protecting them from financial risk. www.cholainsurance.com

India

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Setting the pace in a growing economy that faces new challenges

Ricoh's main office in India is located in the modern suburb of Jasola in south Delhi — in an area of spanking new business parks and Grade A office buildings. Set in a relatively new development of wide avenues and defined zones, it's a far cry from old Delhi's hustle and bustle of people, auto-rickshaws and street hawkers. As always in this metropolis — India's second largest city and the eighth in the world — the new grows in the midst of the old. In a constant cycle that simply builds layers upon layers, India is always reaching from the very latest thing of the moment all the way back to past centuries of civilizations upon civilizations.

Thus we may find Ricoh's state-of-the-art office equipment perhaps coexisting with decades-old equipment in some office in India, next door to call centers magnificently equipped to handle customer service for global companies 24/7.

Though growth and renewal have become a part of India's economic make-up since deregulation and liberalization came into force in 1991, it has not been immune to global turbulence. The country's economic growth has dipped in the latest fiscal year, provoking worries of a slowdown. Despite that, Ricoh India's turnover grew an extraordinary 46 percent in 2011, clearly outperforming the field.

Tetsuya Takano, managing director and CEO of Ricoh India, arrived just over a year ago. He was well-prepared, after a stint in the Tokyo head office in charge of strategic planning and implementation for emerging markets such as China and India.

"India is growing overall," he says, explaining the company's growth surge. "Not just the top-tier five or six cities. Tier 2 and Tier 3 cities are growing, too. There is a young generation of people in their 20s coming on now taking charge of an economic future that is primarily about growth. I've personally visited these smaller cities to introduce our new products and services, and I can say our brand is gaining more and more prominence quickly."



Tetsuya Takano, Managing Director and CEO, Ricoh India, with one of Ricoh's latest office machines

He has his work cut out for him in the next few years: to continue this upward trajectory. For that, he knows Ricoh must also go beyond its traditional strength in business machines.

"The office automation sector will continue to expand, but we are also following an industry trend by growing our IT services business, where more progress can be expected," he comments. In fact, Ricoh India recently acquired the Indian IT company Momentum Infocare and integrated it into their operations.

"It's what I call our 'no-equipment' division," Takano continues. "We are an end-to-end IT solutions provider, offering IT infrastructure management solutions such as data centers, information security, remote maintenance and cloud services."

All of this is in line with Ricoh's global strategy to achieve at least 25 percent turnover by its IT services divisions by the end of the fiscal year in 2013.

"Here in India we are currently at 14 percent," he says, "and we are confident of achieving this by the end of next year."

He looks out from his office window at an expanse of cranes, construction equipment and work sites: unmistakable signs of the infrastructure revolution that is changing the city and the country. But other things have always been the same in India, and he sees them, too.

"Since I arrived, people have been very cooperative and enthusiastic," he remarks. "We have very good people. I am very comfortable working here with them in a challenging growth environment." ♦

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The most important component in business is trust



K. M. Mammen, Chairman and Managing Director, MRF

Indian society is fueled by ambition and expectations for the future. Car ownership accurately reflects the aspirations of the country's youth as they become more affluent and dream bigger dreams. Large cities throughout India are seeing an increasing amount of traffic on the roads — leading to a growing demand for tires.

As MRF, India's leading tire producer, continues to supply quality products to the domestic market, it is also increasing its presence abroad. "We see MRF as a dynamic company with a passion for quality products and a desire to grow," says K. M. Mammen, the company's chairman and managing director. "We continually build on our success, committing ourselves to our domestic and international customers at every stage of the business cycle."

Founded as a balloon manufacturing company in 1946, MRF

CONTINUED ON PAGE 12

India's secret for health and longevity brought to Japan

India has always been an enigma to the world. It is the birthplace of numerous religions, including Buddhism. It is also a melting pot of some of the world's earliest cultures. India today continues to amaze the world with its immense cultural wealth and potential.

Some of its ancient practices persist today and revolutionize the way we live in the modern world. One of these is ayurveda, also known as the science of life. Ayurvedic medicine's main advantage comes in the area of prevention. Its natural medicinal properties and its focus on a balanced lifestyle are some key components that make it a benchmark for modern health practices.

Unlocking ayurveda

One of the world's key players and pioneers in the field of ayurvedic health food supplements at this time is Dr. Muhammed Majeed, founder and group chairman of the Sabinsa/Sami Group of companies.

Founded in 1988, Sabinsa is today one of the world's leading manufacturers and marketers of phytonutrients, ayurvedic herbal extracts and specialty fine chemicals for nutritional, pharmaceutical and food industries around the world. Today, Sabinsa continues to unlock the secrets of ayurveda for the world, and it has received numerous international awards for its efforts.

For example, its parent company — Bangalore-based Sami Labs — a research-oriented health science company, won the Thomas Alva Edison Patent Award for the penetration enhancer derived from peppercorns, tetrahydropiperine (THP), back in 2005. Earlier, in 2002, Sami also won the national award for research from India's Department of Scientific and Industrial Research.

Through the years it has registered consistent growth year-on-year. Most recently, it was named the Best Innovation and Technology Company at the Food 360° Conference organized by the Federation of Indian Chambers of Commerce and Industry (FICCI).

Sami is currently one of India's leading producers of nutraceuticals, cosmeceuticals, standardized herbal extracts, fine chemicals, specialty chemicals and probiotics.

Ayurveda's presence in Japan

"Ayurveda should come naturally to the Japanese," says Dr. Majeed. "The Japanese are the ideal consumers for health food supplements because ayurveda greatly complements their lifestyle's focus on health and longevity. Natural health food supplements are renowned for their high nutritional value and natural anti-oxidizing benefits. These are especially significant for Japan today, given its aging demographic."

Sabinsa Japan Corp., the Japanese arm of Sami, has already been marketing, warehousing and distributing ayurvedic health food supplements in Japan for nearly 12 years. It acts both as a provider and a promoter of these products customized especially for the Japanese market.

"Sabinsa has always been considered an extremely innovative company by our current Japanese partners," says Madhu Subramanian, executive vice president of Sabinsa's global operations and director of Sabinsa Japan Corp. "We look forward to celebrating Sabinsa's 25th anniversary next year — and for Sabinsa Japan our 13th. We have been very fortunate with our partnerships and the lessons we have learned from our experiences with Japanese compa-



(Right) Dr. Muhammed Majeed, Founder and Group Chairman, Sabinsa/Sami Group; (Left) Madhu Subramanian, Executive VP of Global Operations, Sabinsa Corp.

nies. We take great pride in what we have accomplished with and for the Japanese."

Today, the company provides a wide array of products for the Japanese market and currently has six registered patents in the country.

"One product that is already available in Japan is ForsLean," comments Dr. Majeed. "It is an extract from the root of the *Coleus forskohlii* plant, which contains a natural compound that increases lean body mass and optimizes body composition. It is one of our award-winning nutritional products that won the coveted Thomas Alva Edison Award for Innovation in the U.S."

Towards Japanese partnerships

Given that one of its main goals is to popularize ayurvedic health food supplements in

Growth and expansion: Keys to staying competitive in challenging times

When Lord Swraj Paul traveled to London in 1966 to seek medical treatment for his daughter Ambika, he might not have known that he would stay in London to found Caparo after her death two years later. Today, Lord Paul is a peer for Marylebone and head of the Caparo Group, a U.K.-based multinational focused on steel, auto and engineering products with more than 40 companies operating in 60 cities around the world. With current turnover of \$1.8 billion, Caparo continues to grow in the midst of economic turmoil and stagnation in Europe and the U.S. — in sharp contrast to robust markets in Asia.

Lord Paul grew up in Jalandhar in India's Punjab, in an entrepreneurial family that founded what has become one of the country's largest diversified industrial groups. India has therefore always been a key part of the Caparo Group. As one of the country's largest auto-components manufacturers, Caparo India is expected to more than double its profits in 2013. "We have invested a lot of money in India, and we are starting to see returns," Lord Paul said earlier this year.

Caparo is headquartered within the Maruti Joint Venture Complex in Gurgaon outside New Delhi, a reminder of its beginnings in 1994 as a joint venture with Maruti Suzuki, India's largest au-

tomaker. Since then, Caparo India has grown to be a key component producer not only for Maruti but also for India's other domestic car giant, Tata Motors — in addition to global brands manufacturing in India such as Honda, JCB, Toyota, Marubeni Itochu, Volvo-Eicher, Piaggio, Renault, Nissan, GM, Ford, Eicher and Mahindra and Mahindra. Caparo has also been successful in venturing into joint venture partnerships with Marubeni Itochu, Wartsila of Finland and Harrison Spinks Wade of the U.K.

Angad Paul, Lord Paul's youngest son, took over as the global CEO of Caparo in 2003, and also serves as the chairman of Caparo India. An economics graduate from the Massachusetts Institute of Technology (MIT) in the U.S., his dynamic, entrepreneurial leadership has been a major force behind Caparo's continued growth in the U.K. and abroad. He has pursued a strategy of taking Caparo toward a higher-value-added products and services portfolio globally. In fact, his innovative vision enabled the company to develop the Caparo T1 car: a Formula One car for the road that is tangible proof of Caparo's technological and manufacturing capability.

The India operations of the Caparo Group are headed by Rajesh Prasad, who serves as the managing director and CEO-cum-country head for Caparo India. Prasad joined Caparo In-

dia in July 2008 after over three decades of top-level experience in corporate lending and strategy coupled with strong commercial acumen. Together, the younger Paul and Prasad have successfully achieved Caparo India's business turnaround and diversified Caparo India into a business conglomerate encompassing auto-components manufacturing, financial services, hospitality services and power and infrastructure through a mix of organic growth, strategic acquisitions and a series of successful joint ventures.

The company's current success is due in no small part to their shared management viewpoint — well-articulated in the words of Prasad: "One of the key aspects of our philosophy is that in a downturn such as we are experiencing worldwide, and especially in the auto sector, we believe in growing the company and keeping investment strong. Now is the time for more, not less action."

Prasad's expertise in finance has also led to the foray of Caparo India into the non-banking finance sector with the creation of Caparo Financial Solutions in 2009, which since then has provided essential private equity and debt instruments for promising Indian companies. One of its latest deals earlier this year involved investment in a Bhopal-based infrastructure company: Dilip Buildcon.

Other areas of expansion at



Rajesh Prasad, Managing Director and CEO-cum-Country Head, Caparo India

Caparo India have been in India's hospitality and alternate energy sectors. The group as a whole is looking to its Indian operations to be a driver for growth in the years ahead, as India consolidates its position as an economic powerhouse and counterweight to the gloomy prospects from other — in other times, traditionally strong — parts of the world.

It may find its guiding voice in Lord Paul's own management dictums, one of which is: "Always aspire for excellence; nothing else is good enough, and never abandon hope." Fully 46 years after the group was founded at a time of personal distress for its founder, Caparo must find the present slowdown just another speed bump on the road to success. ♦

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Opportunities open up for infrastructure development

With a steady GDP growth rate and a young, skilled demography, India is being considered more and more not just as a center for outsourcing but also as an invaluable base of operations. Home to over 1.2 billion people, India is a robust market for companies who are looking to recover from the backlash of lagging western markets.

India is a young market. Although there are dominant players locally, the door is still open for international companies to enter and capitalize on the country's growth. The key lies in understanding that India is an entirely different and unique market from others worldwide.

Hisashi Osonoe, managing director of Toyo Engineering India and a 26-year veteran of the Indian market, expounds on this point of view in a Japanese context: "India is a brilliant country to invest in for the Japanese. But before making that critical decision, one must have the following mindset: 'Indians cannot be Japanese, and the Japanese cannot be Indian.' It would be difficult to survive in the Indian market operating from a Japanese point-of-view alone. Critical to success in India is the bilateral exchange of ideas and practices between Japanese and Indian employees."

India today is still lagging in certain areas, especially infrastructure. Executives such as Osonoe understand that there has to be a robust increase in infrastructure development in order for India to accelerate its growth in the global marketplace.

"India's infrastructure is critical to its growth as it becomes more global," he explains. "So that's why, although Toyo India is an engineering specialist in the field



Hisashi Osonoe, Managing Director, Toyo Engineering India

of fertilizers and petrochemical refineries, we have diversified our expertise into the field of infrastructure and project management. We have seen the great need and opportunity in these sectors and I think more Japanese should also explore this industry."

"India is a country where you cannot be in a 'waiting position'," he adds. "We have been very successful in servicing both public and private sector initiatives because both our Japanese and Indian engineers have always continued to adapt — capitalizing on each others' strengths and abilities. We are aiming to bring the ideal synergy of Japanese technology and management practices with Indian expertise and ingenuity."

One of the company's key advantages is its familiarity with the Indian market, which also makes it an ideal partner for Japanese companies looking to join the fray.

"We embody the goal of the Toyo Group: being a global organization," Osonoe concludes. "Our globalized mindset has made it easier for us to perceive the needs of the Indian market and tailor-fit our solutions. I believe that more Japanese should also develop this idealism especially in today's globalized market." ◆

www.toyoindia.com



Toyo India's Mumbai office integrates the best of Japanese and Indian engineering talent.

The most important component in business is trust

CONTINUED FROM PAGE 11

"MRF's initial success was greatly linked to the development of the Indian economy," says Mammen. "The opening-up of the Indian economy in the early 1990s led to huge opportunities for Indian companies."

In India, the company is positioning itself as the partner of choice for international automotive players active in the local market.

"Honoring our commitments is part of our value system at MRF," says Mammen. "The most important component of our strategy is trust, in order to create a vision of shared business prosperity. There is a great deal of synergy to be found in Japanese-Indian relations; we both have the same values in terms of our commitment to one another."

Major Japanese companies with significant investments in India such as Honda, Yamaha and Suzuki are supplied by MRF. Driven by technology and product innovation, MRF produces tires of the highest standard based on a design process that starts with input from individual customers compiled by marketing initiatives, while automotive manufacturing clients provide vehicle-specific requirements.

MRF's contribution to India includes investments in the country's most popular sport: cricket. The MRF Pace Foundation is celebrating its 25th year this year and was established to select, nurture and scientifically develop the cricketing skills of local and international youngsters with promise. MRF's dedication to sport also includes rally car and Formula One racing.

As MRF builds on its current position as India's leading tire maker, Mammen is certain about the company's future: "We are very confident about what tomorrow will bring. There is a place for MRF in India's development. We see a great deal of opportunity for us to work alongside automotive companies who see the potential in India as the country moves forward." ◆

www.mrf tyres.com



MRF's state-of-the-art tire manufacturing factory in Trichy, Tamil Nadu Province

Paradoxes and prosperity in a country well on the road to developed status

India. The thought of it brings up images of multitudes, traffic and noise. Before you go, people will tell you it is inconvenient and not the most visitor-friendly place, with its extreme weather and still-inadequate infrastructure. There will be warnings about food preparation and avoiding ice and tap water, and horror stories about "Delhi belly."

The advice may be well-intentioned, but it will not always be accurate. At best, it will prepare you to expect a very different experience from anything you have previously seen, heard or smelled before. At worst, it will create an undeserved bias against the country before you even step foot

there. Know that in the end, nothing will fully prepare you for India. It's best to simply go and let it envelop your senses with its infinite possibilities.

India is an enormous country, the globe's seventh largest in area and second only to China in terms of population. It is so big and diverse and filled with so many different people and cultures that it would be impossible to label it with any generalization. It is multi-dimensional, with each state much like an independent country, each with distinct peoples, customs, cuisines and languages. To speak of India is to speak of an entire world in itself.

A stay in the country forces all

Global player with its feet planted firmly in India

Established in 1969, Essar is one of today's leading global conglomerates, active in the steel, energy, infrastructure and service sectors. Over the years, it has grown internationally while maintaining a firm focus on core sectors of the Indian economy.

Strategic overseas acquisitions over the last decade have solidified its reputation as an international partner of choice. Essar continues to explore and strengthen its presence in emerging global markets.

"The strong growth in the Indian economy and our global drive to succeed has enabled Essar to achieve a great deal in recent years," says Prashant Ruia, the group's chief executive. "We were an early mover in key domestic industries, and we have built a strong foundation. We intend to move the group forward from this sturdy base."

"Over the last four years, we

have invested about \$15 billion in creating world-class assets," he continues. "During this period, our revenues have grown from \$5 billion to \$27 billion annually. And now with our new capabilities coming online, we see at least 30 percent growth in our revenue numbers in the next few years."

"In the next two to three years, our focus will be on consolidation



Essar's 10 MTPA (million tons per annum) steel complex at Hazira in Gujarat Province

and asset utilization, which will result in significant volume growth with resultant margin growth," Ruia predicts.

Group company Essar Steel is a fully integrated global producer of steel with a production capacity of 14 million tons per annum. It has an important presence in key markets of Europe, Africa, North America and Asia.

Ruia is keen to increase Es-

sar's collaboration with Japan. The company has already established a successful partnership with Kobe Steel. Through ongoing cooperation and technology transfers, Essar is continuing to develop its steel business.

"We are very happy with our partnership with Kobe Steel," he says. "We are looking to build on this relationship and further develop our steel business in line with our Japanese partners."

Another member of the conglomerate, Essar Energy, is a world-class, low-cost, integrated energy company listed on the London Stock Exchange. It is capitalizing on India's growing energy demands with assets worth \$12 billion across the oil and gas and power sectors.

Essar Energy has a global refining capacity of over 750,000 barrels per stream-day, with refineries in India, the U.K. and Kenya. Essar Power, an Essar Energy subsidiary, has 2,200 mega-

watts of installed capacity across India.

The group is also strong in the infrastructure sector and handles large engineering, procurement and construction projects. Essar Ports is one of the largest owners and operators of ports in India, while Essar Projects is the second largest engineering, procurement and construction company in India.

"There are key sectors within the Indian economy, such as infrastructure and automotive, in which the Japanese have played a pioneering role," comments Ruia. "We want to encourage our Japanese friends to play an even greater role in India."

"The relationship between India and Japan is a special one, which has been continually nurtured over the years," he adds. "Business opportunities between our two countries are significant, and Japan can benefit from building on this partnership."



Prashant Ruia, Group Chief Executive, Essar Group

While India continues to successfully attract foreign investment and develop its economy, Essar is building on its reputation as an India-focused worldwide group that has always been powered by the drive to move beyond Indian frontiers and find success on a global scale. ◆

www.essar.com

The right partner for a surging India

From 2011 to 2012, India's agricultural sector grew by 12 percent, now making up slightly less than a fifth of India's total GDP. At the same time, over 65 percent of India's total workforce is still involved in agriculture. This gap presents tremendous potential for further growth in the coming years, as India's population of 1.2 billion continues to expand and rival that of the globe's most populous country, China.

One Indian company at the leading edge of its farming economy through plant protection and nutrient products and other agricultural chemicals is PI Industries. Earlier this year the company, which was founded in the lake city of Udaipur, Rajasthan (where it

still bases its R&D) and now has its corporate office in Gurgaon outside New Delhi, celebrated its 65th anniversary. Today, it is "in the right industry at the right time," says Salil Singhal, its chairman and managing director.

PI Industries primarily focuses on the marketing and distribution of agricultural inputs in India on one side and the chemical process research and custom manufacturing of newly discovered molecules for global innovators on the other. It works through the entire value chain for the process research and manufacturing of agro-chemicals, pharmaceutical intermediates, electronics and imaging chemicals and other niche fine chemicals.

From chemical process synthe-

sis, scaling up to manufacturing and then marketing and distribution, it acts as a one-stop shop for its clients. With a strong product pipeline and the ability to leverage on its strong rural reach and brand strength in India, PI Industries is an ideal partner for global companies looking to enter the robust Indian market.

"We have a unique business model," says Singhal. "PI uses its strengths in process development and plant engineering, together with excellent manufacturing capabilities, to benefit our global clients. When we talk about agricultural prosperity in India, PI Industries emerges as one of the companies on the forefront mainly because of our ability to use novel

agricultural input products in India through our strong relationships with global innovators."

He is especially proud of how the company has grown over the years with a reputation centered on trust. The company has a well-known name in the industry for protecting, respecting and honoring intellectual property rights and fulfilling client commitments — aspects that Singhal believes are critical when doing business with international innovators.

Today, the company already has a substantial presence in Japan, servicing some of its most well-known agrochemical, pharmaceutical and fine-chemical companies. Singhal, however, sees room for more growth. He is look-



Salil Singhal, Chairman and Managing Director, PI Industries

ing to further strengthen business cooperation with Japanese companies in the area of marketing and distribution of their agricultural

chemical products in India. PI Industries can also help in the process of contract research and the manufacturing of newly discovered components for use in India and abroad.

"What are the Japanese companies looking for?" he muses. "They want access to the fast growing Indian market, cost-efficient manufacturing, a shorter time cycle from lab to market and — finally — security for their intellectual property. This is what PI Industries offers through its unique business model."

As the country's agricultural sector expands with its gigantic and still-growing market, Indian companies such as PI Industries offer the best opportunities to Japanese companies in the 21st century powerhouse economy that is India. ◆

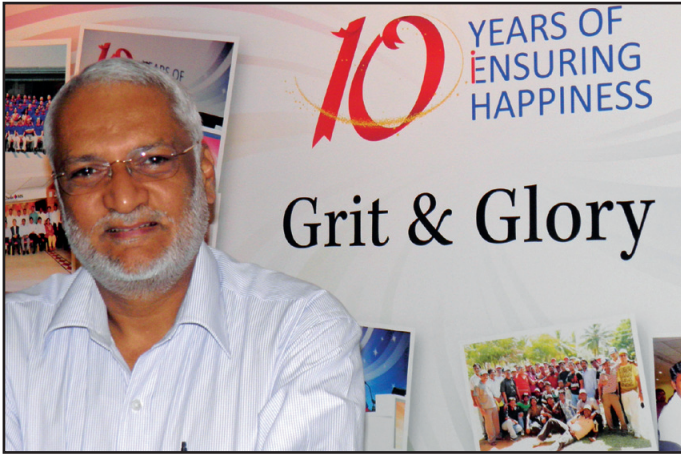
www.piindustries.com

Ten years of trust, transparency and technology

Cholamandalam MS General Insurance is a joint venture between the Murugappa Group in India and Mitsui Sumitomo Insurance — part of MS&AD, the largest insurance group in Japan. Chola MS offers a wide range of insurance products that include accident, engineering, health, liability, marine, motor, property, travel and rural insurance for individuals and corporations.

The company, headquartered in Chennai, has 93 branches and over 6,000 agents across India. It achieved a GWP (gross written premium) mark of about \$240 million in 2011 and 2012. Chola MS now ranks among the top seven private general insurers in India, with a market share of 2.3 percent.

Chola MS celebrates its 10th anniversary this year, having commenced operations in October 2002. As part of its ongoing 10th year celebrations it has organized various customer events in India



S.S. Gopala Rathnam, Managing Director, Chola MS General Insurance

throughout the year.

Over the past 10 years Chola MS has grown at an average compound annual growth rate of over 65 percent. It has grown to become a niche player in the retail segment, offering value-based products to its customers. It is also the insurer of choice for leading Japanese and Korean ventures in

India. Its associate — Chola MS Risk Services — offers unique risk engineering solutions across various industry domains.

The company champions a brand philosophy of "T3" — trust, transparency and technology. It has received numerous awards and accolades: noteworthy among them the Innovation Leader

Award 2012 by Fintelekt.

Recently, the company received the award for Best Insurance Company for On-time Claims Settlement for the Year 2011-12 in the Rashtriya Swasthya Bima Yojana scheme of India's Ministry of Labor and Employment. Chola MS was also awarded the Financial Insights Innovation Award in the recently concluded Asian Insurance Congress held in Singapore.

Elaborating on future plans, S.S. Gopala Rathnam, managing director of Chola MS, says: "We will expand our retail health portfolio from \$9 million last year to \$90 million over the next year. The company is also aiming to increase its share in the property business."

"We will aim for a gross written premiums figure of \$442 million and market leadership in profitability by 2014-15. Chola MS aims to achieve a market share of around 3.5 percent and be among India's top 5 insurers by 2014-15." ◆

www.cholainsurance.com

Creating a diverse and dynamic business portfolio

Murugappa Group is one of India's biggest industrial houses. As a market leader in engineering, abrasives, finance, general insurance, bicycles, sugar, farm inputs, fertilizers, plantations, bio-products and nutraceuticals, Murugappa has over 32,000 employees working in manufacturing facilities throughout India.

The group has alliances with Morgan Crucible of the U.K., the China Engineering and Exploration Bureau, Cerdak of South Africa, Cargill International of Switzerland and Japan's Mitsui Sumitomo Insurance.

Today, the group continues to be driven by strong corporate val-

ues. Its founder, Dewan Bahadur A.M. Murugappa Chettiar, first established a money-lending and banking business in Myanmar. By moving his assets back to India and restarting the business there in the 1930s, Murugappa Group was established as an Indian business driven to succeed.

"We recognize the importance of being contemporary while continuing to build on the legacy of the group," says A. Vellayan, executive chairman of Murugappa Group. "This is the driving force which is taking Murugappa into the future."

The group is aiming to achieve total turnover of \$7.2 billion by



A. Vellayan, Executive Chairman, Murugappa Group

2013-14 while remaining true to its traditional values and continuing to invest in a wide range of business areas.

"Our group is highly diversified," explains Vellayan. "While our fertilizer business is facing challenges due to the monsoon, our agri-business sector, especially sugar, is performing well. Our financial, automotive and home loan and insurance businesses are also showing healthy growth."

"We see challenges as opportunities," he continues. "The next generation of Indian farmers does not want to work in agriculture, so we want to play a role in the mechanization of the country's

farming sector. Another opportunity we have seen is in retail. We now have 700 retail outlets selling nutrients, seeds and pesticides.

We believe that with proper advice, implementation and mechanization, we can successfully support India's agriculture sector."

Vellayan also sees opportunities for Murugappa to partner with more international companies — in particular Japanese firms — both in India and abroad.

"The Japanese have profitable operations in India in the automotive, telecommunications and power generation sectors," he explains. "Our successful joint venture with Mitsui Sumitomo

Insurance — Chola MS General Insurance — represents what can be achieved when Indian and Japanese companies work together."

"We believe there are significant opportunities to work alongside our Japanese friends in overseas markets," Vellayan emphasizes. "The Japanese have capital and technology. As a group, we can partner with them in overseas countries and also bring products and services to India."

As Murugappa Group faces the future, the group intends to build on its history while creating a diverse and dynamic business portfolio, ensuring the group remains an industry leader in India's vibrant economy. ◆

www.murugappa.com



A street in Rajasthan: India is an entire resplendent world in itself.

With a huge national market and its area of more than 3 million sq. km, India is open for business — and the business world is flocking to India.

So don't delay. It is said that when the British colonized India, it was they who were changed by its unstoppable force. Today, no different in that respect, it will certainly push you out of your comfort zone and open your eyes to the immensity and perplexity of the world and its humanity.

As it has done from the beginning of time, India will change you, unlike any other place you have ever visited before. The best advice is to just let yourself absorb its energy as it takes you on a unique ride into its boundless future. ◆