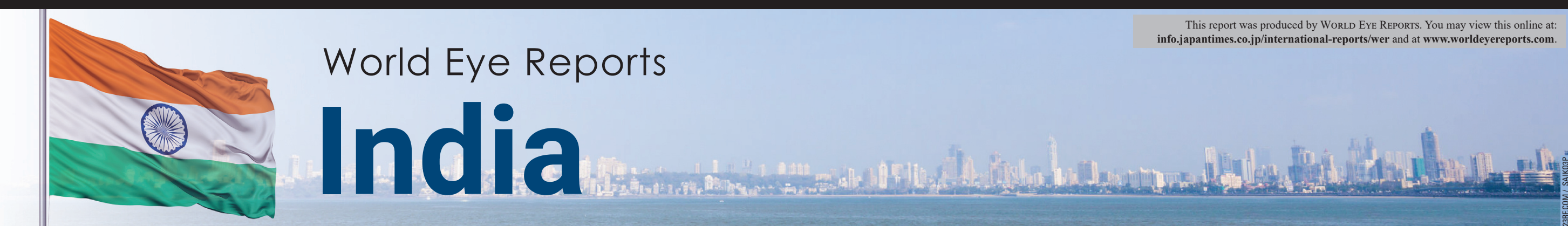


World Eye Reports

India

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India’s potential is becoming reality

Strong growth pushed by both public and private sectors

India has long been perceived as the future. The country seems to be growing closer to fulfilling its unmatched potential. Its fast-growing population, forecast to surpass China’s in the next decade, boasts increasing access to technology — in many cases Indian-developed. And, led by its proactive Prime Minister Narendra Modi, India’s government has not taken these predictions for granted.

Through initiatives such as “Make in India,” the government has made it clear to the world that India is the primary destination for international business. Demonetization last year sent a clear message to all that addressing corruption was a priority, and the newly implemented Goods and Services Tax (GST) has unified all of India into one market.

Initiatives such as these have given international investors confidence in a more transparent and simplified economic system. However, while the government’s efforts have been broadly lauded, there is also a lot of ongoing work being done behind the scenes by private players.

One of them is Adi Godrej, chairman of the Godrej Group. He is proud to point out the work his companies have done to improve their local communities. Through trusts and other community



Adi Godrej, Chairman of the Godrej Group

strategies, Godrej has made the making of a greener India a priority in his business.

The Godrej Group is now over 120 years old. From humble beginnings, it has grown to become an international leader. Much of its growth and expansion has been in the past couple decades, and Godrej is confident this growth will continue.

He fully understands the challenges the country will face, and has been working to improve education in the country to make the workforce more competitive.

“India will soon have the highest purchasing power in the world,” he commented. “This will bring even greater opportunity to the country.” ♦

India-based globally operating ship manager and port operator strengthens international links

Lilly Maritime prepares for India’s ambitious port and coastline modernization plan and looks to Japan for new partnerships

Lilly Maritime, from its corporate office base in Mumbai’s Andheri district, has served shipowners and oil terminals for over two decades. From humble beginnings, today it has branches in the Indian ports of Jamnagar, Kolkata and Chennai, as well as overseas associate partners in Singapore and Sharjah in the UAE. Its core businesses remain the technical and crew management of ships of various types and oil terminal management services.

The company’s safety and quality management system is now annually reviewed and accredited by three major classification societies on behalf of five flag administrations. These shipping services range from managing newly built ships to handling the vessels until the end of their service lives.

It has likewise positioned itself in the market to serve owners with small fleets on an exclusive basis, helping them grow as working partners to compete with bigger players in the industry. Lilly further provides a broad range of expertise and services, particularly excelling in serving owners who are both budget-sensitive and quality-conscious.

“With know-how we have gained from our more than two decades of experience in shipping and oil terminal services, we can proudly say we excel in partnering with shipowners who have specialized

needs,” said Rethina Kumar, the company’s founder and managing director. “Furthermore, our global reach enables us to efficiently serve our clients around the world.”

Lilly celebrated its 20th anniversary just last year, and five years ago it joined hands with Silver Star Ship Management FZE, a ship management company based in the UAE, to form a consortium for resource pooling to serve shipowners more efficiently and effectively. Its development of technology in IT and cloud computing has in turn helped Lilly group to strengthen its services.

Currently, the group manages 12 tankers ranging in size from 3,000 deadweight tonnage (DWT) to 106,000 DWT. Its in-house training facility for crew in India has helped improve crew confidence and coordination in the implementation of its time-tested Safety Management System onboard. In fact, one major testament to Lilly Maritime’s work is its excellent crew retention rate of over 80 percent.

The management review of the company’s Safety Management System has been audited and accepted by global leaders Shell and ExxonMobil, a crucial business requirement for the 12 oil tankers managed by Lilly Maritime.

In 2000, when India’s Reliance Group started its marine terminal to cater to the world’s largest grass-roots refinery

at Jamnagar, it turned to Lilly Maritime to operate its four harbor craft and provide pollution control services to the terminal.

As the terminal expanded in size, Lilly Maritime was given additional responsibilities. Today it also manages and maintains the offshore berths of the Reliance Oil Terminal, as well as the operation and maintenance of nine harbor craft.

For the past three years, Lilly Maritime has likewise been managing berth supervision and vessel traffic service for Shell’s Hazira Port Liquefied Natural Gas Terminal. Since early 2017, the company has also been entrusted with the operation and maintenance of the oil terminal owned by Bharat Petroleum at Jawaharlal Nehru Port Trust in Mumbai.

Through the years, Lilly Maritime has built and maintained strong relations in Japan. Kumar said, “Our association with ClassNK over the past decade has given us an edge over our peers, not only in ship management, but also in our green ship recycling consultancy service.”

“We have been associated with ClassNK and GSR Services in supporting Shree Ram Group, Priya Blue, JRD and other yards in Alang in Gujarat province to bring their operational standards up to internationally accepted levels to comply with the Hong Kong convention guidelines,” he ex-

plained.

“As a result, major shipowners such as Maersk, MSC, Mitsui OSK, CMA-CGM, “K” Line and Hapag-Lloyd have entrusted the green recycling of their vessels to Indian recyclers through our services,” Kumar continued. “In fact, ClassNK’s contribution to the international recognition and reputation of the Indian ship recycling industry is worth highlighting.”

In the past three years the Indian economy — as well as methods of doing business in India — have drastically changed for the better with new policies implemented by Indian Prime Minister Narendra Modi’s government. The greater ease of doing business in India, formerly a distant dream, is now a reality.

In this framework marked by the consolidation of taxes and regulations to support budding entrepreneurs and welcome foreign direct investment into India, there are new opportunities in the Indian maritime sector involving ships and ports in the global, as well as coastal, transport of goods.

After more than five decades, the Indian government has at last revised the country’s Merchant Shipping Act of 1956 to bring it more in line with modern business practices and cater to all national and international conventions, rules and standards. The new act is likely to be passed by the



Senthil Kumar, Managing Director of Silver Star Ship Management



Rethina Kumar, Founder and Managing Director of Lilly Maritime

Indian Parliament before the end of the current year.

In turn, Indian maritime professionals are now playing a pivotal role in the international ship management market, and this seems to be just the tip of the iceberg. There is a lot of untapped potential in India. In fact, the country’s prospects look promising indeed, with the World Bank projecting a growth rate of 7.2 percent for 2017 that is predicted to rise even higher in subsequent years.

“We are very keen to participate in India’s ambitious ‘Sagar Mala’ project, in which coastal and inland waterway transport will be used to optimize power consumption and reduce the cost of transportation and delivery times,” said Kumar, referring to the government’s initiative to modernize all of India’s ports and coastline.

He observed: “Over the years, Japan has taken a key interest in the Indian market, and has consistently invested in the country’s future. Con-

sidering the fact that Japan has already optimized its coastline for coastal trade, we believe it would be a great opportunity for Japanese companies — with their expertise — to support our vision of participating in this upgrading of India’s coastal and inland water maritime transportation.”

Meanwhile, outside India, Lilly Maritime already has a strong presence in the UAE. Its immediate goal is to set up another hub in Singapore with its own support team.

“We are now looking at partnerships to enter the Singapore market,” said Kumar. “It will improve our response time to the ships we manage. We still have the advantage of our local base in India, in which we impart the training expertise that is the key to our success in managing ships.”

In this respect, Lilly Maritime is eager to partner with more Japanese shipowners, looking ahead to the days and decades to come as India’s world potential is realized. ♦ www.lillymaritime.com

When drivers become owners: changing the face of modern India from the perspective of used-vehicle finance

Shriram Transport Finance Company (STFC) was incorporated in 1979. The company decided to finance the much-neglected sector of small truck owners (SRTOs). Back then, Shriram understood the power of “aspiration” even before marketing based on aspiration became fashionable.

STFC started lending to SRTOs to buy new trucks, but it found a mismatch between aspiration and ability. The average truck operator was honest, but the equity at his command was often not sufficient to support the credit levels required to buy a new truck.

Because STFC did not have the heart to send operators back empty-handed, it decided to finance the purchase of pre-owned trucks. This was the most momentous decision the company made, and the source of its earliest success.

Shriram realized one of the most significant contradictions of credit in India: those who needed it most were the ones who could not access it.

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Since then, STFC has accompanied and assisted individuals on their journey from driver to owner — whether acquiring a pre-owned truck or upgrading from a pre-owned unit to a brand new one. Today, it is estimated that up to 80 percent of trucks in India are owned by individuals.

STFC clearly foresaw that the market for used commercial vehicles in the country was far larger than the mar-



(Second from Left) Umesh Revankar, Managing Director and CEO of Shriram Transport Finance Company (STFC), distributing academic scholarship to outstanding students as part of the company’s corporate social responsibilities

ket for new ones. Today the company is not only India’s

During its first 28 years, the company focused on trucks and commercial vehicles. Since then, it has moved into passenger cars, tractors and even construction equipment.

In all these different sectors, STFC has been able to apply its unique customer skills with the same laser-like focus. “The customer makes a living thanks to the vehicle which we have provided the financing to let them buy,” explained the company’s Managing Director and CEO, Umesh Revankar. “Thus, drivers become owners, and this marks significant progress in society.”

“In today’s India, being an entrepreneur and owner gives families prestige,” he continued. “We have consistently grown at 15 percent year-on-year because we fulfill the aspirations of millions of business folk in India, and this need has not yet even been fully addressed.”

It is also slowly moving into sectors related to transportation such as warehouses, petrol pumps and garages. “We

used to be focused exclusively on goods transportation, but as India’s economy has become more vibrant, so have we,” Revankar said. “However, our typical customer remains the same: an entrepreneur with experience as an operator who wants to become an owner. We have helped millions achieve this goal.”

Though STFC’s success has attracted would-be competitors to used-vehicle financing, the company — India’s

a workforce of more than 20,000 people around the country that truly understands our clients.”

“From our very first day, we have been nothing if not customer-centric,” Revankar continued. “Though the business environment changes and our products also change, our relationships with our customers remain the same.”

“We believe in six principles that we have laid down as a guiding force for our operations in STFC,” he

Third, STFC funds assets on installment, while it takes interest in relationships. Fourth, when the going gets

tough, the brand gets going. Fifth, the wider your reach, the more you sell. And, finally, an organization is only as good as its people.”

Essentially, Revankar believes that STFC’s business does good for Indian society: “Our basic idea is to give ownership status to the customer. “We believe in creating

“We believe in creating

ness philosophy. STFC gives scholarships to drivers’ children across India, regardless of whether or not the parents are customers.

It also helps unskilled unemployed people. “We teach them driving skills, which are important for advancement, but which so many people also take for granted,” he explained. “Formal training can

Helping improve education in India is key to this business philosophy. STFC gives scholarships to drivers’ children across India, regardless of whether or not the parents are customers.

success stories that inspire,” he said. “In the past, being a driver had not been considered a prestigious or important job. But drivers are integral to the running of India. We want to make sure that everyone in India appreciates this key role.”

Helping improve education in India is key to this business philosophy.

make dramatic differences in improving traffic safety and employability.”

Almost 39 years ago, STFC, an untraditional lender was born. It has since grown to exert a significant impact on society by truly understanding the people it continues to serve. ♦ www.stfc.in



Our basic idea is to give ownership status to the customer. A successful entrepreneur is a role model in any society, and it exerts peer pressure that can then lead others to become successful as well.”

UMESH REVANKAR
Managing Director and CEO
Shriram Transport Finance Company (STFC)